

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Financial Statements
With Independent Auditors' Report

June 30, 2021 and 2020

PROVIDENCE HOUSE, INC. AND AFFILIATES

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8
Supplementary Data	
Independent Auditors' Report on Supplementary Data	25
Schedule of Activities by Program	26
Providence House IV Compared to Approved County Funding	27

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of Providence House, Inc. and Affiliates, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Providence House, Inc. and Affiliates as of June 30, 2021 and 2020, and the changes in its consolidated net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Capin Crouse LLP

New York, New York
January 21, 2022

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Statements of Financial Position

	June 30,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 826,800	\$ 372,188
Contributions and grants receivable	340,900	254,493
Program revenue receivable	3,405,183	2,193,941
Prepaid expenses	42,817	36,612
Investments	2,289,279	2,548,290
Reserve accounts	850,000	850,000
Interest receivable from affiliates	973,747	829,551
Notes receivable from affiliates	880,888	880,888
Property and equipment—net	2,189,561	1,896,654
Total Assets	\$ 11,799,175	\$ 9,862,617
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 1,073,727	\$ 885,387
Accrued payroll and related expenses	208,153	184,279
Refundable advance	-	727,885
Total liabilities	1,281,880	1,797,551
Net Assets		
Without donor restrictions	9,711,858	7,628,614
With donor restrictions	805,437	436,452
Total net assets	10,517,295	8,065,066
Total Liabilities and Net Assets	\$ 11,799,175	\$ 9,862,617

See notes to consolidated financial statements

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Statements of Activities

	Year Ended June 30,					
	2021			2020		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
OPERATING INCOME AND RELEASES:						
Contract revenue	\$ 8,742,535	\$ -	\$ 8,742,535	\$ 4,532,161	\$ -	\$ 4,532,161
Donations and grants	802,117	1,185,955	1,988,072	577,510	622,620	1,200,130
Refundable advance forgiveness	727,885	-	727,885	-	-	-
Fundraising event	197,464	-	197,464	289,725	-	289,725
Developer fee income	278,488	-	278,488	-	-	-
Miscellaneous income	2,440	-	2,440	646	-	646
CACFP and EFSP food grant	70,940	-	70,940	63,174	-	63,174
Administrative overhead revenue	290,832	-	290,832	407,000	-	407,000
Donated services	86,115	-	86,115	154,707	-	154,707
Investment income	599,042	-	599,042	217,463	-	217,463
Satisfaction of purpose restrictions	816,970	(816,970)	-	331,213	(331,213)	-
Total Operating Income and Releases	12,614,828	368,985	12,983,813	6,573,599	291,407	6,865,006
OPERATING EXPENSES:						
Program expenses	8,876,815	-	8,876,815	4,895,470	-	4,895,470
Management and general	1,411,758	-	1,411,758	1,665,406	-	1,665,406
Fundraising	387,207	-	387,207	301,706	-	301,706
Total Operating Expenses	10,675,780	-	10,675,780	6,862,582	-	6,862,582
Change in Net Assets from Operating Activity	1,939,048	368,985	2,308,033	(288,983)	291,407	2,424

(continued)

See notes to consolidated financial statements

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Statements of Activities

(continued)

	Year Ended June 30,					
	2021			2020		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
NONOPERATING ACTIVITY:						
Interest income on notes receivable	144,196	-	144,196	137,055	-	137,055
Change in Net Assets from Nonoperating Activity	144,196	-	144,196	137,055	-	137,055
Total Change in Net Assets	2,083,244	368,985	2,452,229	(151,928)	291,407	139,479
Net Assets, Beginning of Year	7,628,614	436,452	8,065,066	7,780,542	145,045	7,925,587
Net Assets, End of Year	\$ 9,711,858	\$ 805,437	\$ 10,517,295	\$ 7,628,614	\$ 436,452	\$ 8,065,066

See notes to consolidated financial statements

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Statements of Functional Expenses

	Year Ended June 30,							
	2021			2020				
	Program	Management and General	Fundraising	Total	Program	Management and General	Fundraising	Total
Salaries and wages	\$ 2,888,690	\$ 441,793	\$ 204,054	\$ 3,534,537	\$ 2,452,925	\$ 535,090	\$ 154,396	\$ 3,142,411
Contract labor	1,680,581	700	-	1,681,281	784,492	-	216	784,708
Rent	1,284,633	-	-	1,284,633	80,800	-	-	80,800
Employee benefits	593,442	236,036	80,684	910,162	418,705	212,337	55,254	686,296
Supplies	672,133	63,988	5,511	741,632	289,684	64,222	3,379	357,285
Equipment repairs, rentals and maintenance	542,854	59,531	1,198	603,583	126,141	38,004	1,497	165,642
Professional fees	72,599	185,377	53,750	311,726	102,039	292,091	46,900	441,030
Payroll taxes	207,074	42,947	14,612	264,633	185,923	35,166	11,744	232,833
Miscellaneous	137,525	111,713	3,572	252,810	10,013	225,326	6,754	242,093
Utilities	209,979	26,296	15	236,290	127,260	28,286	-	155,546
Depreciation	145,007	44,144	-	189,151	99,655	36,810	2,875	139,340
Insurance	135,056	38,457	-	173,513	53,238	38,512	-	91,750
Permits, licensing, and fees	51,591	77,605	-	129,196	25,615	28,186	-	53,801
Telephone and internet	79,560	34,050	2,993	116,603	54,003	29,231	1,218	84,452
Client assistance and scholarships	69,293	799	-	70,092	22,419	275	-	22,694
Seminars and training (registration fees)	37,405	10,885	1,149	49,439	29,084	32,275	30	61,389
Advertising	42,055	1,567	430	44,052	11,973	10,564	65	22,602
Printing	8,244	4,154	15,800	28,198	6,907	3,024	13,222	23,153
Dues and subscriptions	2,237	17,317	1,309	20,863	4,820	5,059	4	9,883
Events	-	11,697	10	11,707	5	18,626	2,850	21,481
Postage and delivery	7,476	1,236	2,088	10,800	78	3,362	1,289	4,729
Travel	9,381	-	32	9,413	9,630	2,225	13	11,868
Interest expense	-	1,466	-	1,466	61	26,735	-	26,796
Total expenses	<u>\$ 8,876,815</u>	<u>\$ 1,411,758</u>	<u>\$ 387,207</u>	<u>\$10,675,780</u>	<u>\$ 4,895,470</u>	<u>\$ 1,665,406</u>	<u>\$ 301,706</u>	<u>\$ 6,862,582</u>

See notes to consolidated financial statements

PROVIDENCE HOUSE, INC. AND AFFILIATES

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 2,452,229	\$ 139,479
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation expense	189,151	139,340
Realized and unrealized gain on investments	(570,478)	(116,682)
Forgiveness of refundable advance (Note 2)	(727,885)	-
Changes in:		
Contributions and grants receivable	(86,407)	(89,918)
Program revenue receivable	(1,211,242)	(305,484)
Prepaid expenses	(6,205)	(28,272)
Interest receivable from affiliates	(144,196)	(137,055)
Accounts payable and accrued expenses	188,340	(133,756)
Accrued payroll and related expenses	23,874	49,318
Net Cash Provided (Used) by Operating Activities	107,181	(483,030)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(482,058)	(108,912)
Proceeds from sale of property and equipment	-	-
Purchases of investments	(406,150)	(3,764,288)
Proceeds from sale of investments	1,235,639	4,152,885
Net Cash Provided by Investing Activities	347,431	279,685
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from refundable advance	-	727,885
Repayment of principal	-	(452,916)
Net Cash Provided by Financing Activities	-	274,969
Change in Cash and Cash Equivalents	454,612	71,624
Cash and Cash Equivalents, Beginning of Year	372,188	300,564
Cash and Cash Equivalents, End of Year	\$ 826,800	\$ 372,188
SUPPLEMENTAL INFORMATION:		
Cash paid for interest	\$ 1,466	\$ 26,796
Noncash operating transaction:		
Paycheck protection program refundable advance forgiveness recognized as revenue (Note 2)	\$ 727,885	\$ -

See notes to consolidated financial statements

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

1. NATURE OF ORGANIZATION:

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

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

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

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

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

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

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

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

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

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

1. NATURE OF ORGANIZATION, continued:

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

2. SIGNIFICANT ACCOUNTING POLICIES:

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

PRINCIPLES OF CONSOLIDATION

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

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash without restrictions on hand and in banks. Providence also considers all highly liquid investments without restrictions with a maturity of three months or less when purchased to be cash equivalents. At June 30, 2021 and 2020, Providence's cash balances exceeded federally insured limits by \$593,448 and \$201,056, respectively. Providence does not believe these funds to be at substantial risk of loss due to the lack of federal insurance coverage.

CONTRIBUTIONS AND GRANTS RECEIVABLE

Unconditional promises to give are recognized as income when made and recorded at fair value based upon estimated future cash flows. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Receivables are written-off against the allowance in the period in which they are deemed to be uncollectible. Subsequent payments received, if any, are recorded as income in the period received. For the years ended June 30, 2021 and 2020, Providence did not have any allowances for uncollectible contributions and grants.

INVESTMENTS

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

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PARTNERSHIP INTERESTS

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

PREPAID EXPENSES

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

NOTES RECEIVABLE AND INTEREST RECEIVABLE FROM AFFILIATES

Notes receivable are reported at the principal balance outstanding. Interest accrued on the notes receivable is recorded when earned. There were no notes on a non-accrual status in 2021 and 2020.

RESERVE ACCOUNTS

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

PROGRAM REVENUE RECEIVABLE

The carrying value of program revenue receivable has been reduced by an appropriate allowance for uncollectibility when necessary. Receivables are written-off against the allowance in the period in which they are deemed to be uncollectible. Subsequent payments received, if any, are recorded as income in the period received. For the years ended June 30, 2021 and 2020, Providence did not have any allowances for uncollectible program revenue.

PROPERTY, EQUIPMENT AND DEPRECIATION-NET

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

Estimated useful lives are:

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

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

REFUNDABLE ADVANCE

Refundable advances consist of government grants administered by the Small Business Administration (SBA). Providence was approved for a Paycheck Protection Program loan of \$717,558 on May 1, 2020, through the Coronavirus Aid, Relief, and Economic Security Act and administered by the SBA. The loan accrues interest at 1.00% per annum and matures two years from the date it was funded. This loan may be forgiven up to the full amount if requirements set by the Small Business Administration are met. Additionally, Providence received an Economic Injury Disaster Loan (EIDL) in the amount of \$10,000. This refundable advance was recognized as revenue in June 2021 when the SBA granted official loan forgiveness to Providence and is included with refundable advance forgiveness in the consolidated statements of activities.

NET ASSETS

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

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

CONTRIBUTIONS

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

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

GRANTS

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

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

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

DEVELOPER FEES

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

DONATED SERVICES

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

EXPENSES

Expenses are recorded when incurred in accordance with the accrual basis of accounting. Directly identifiable expenses are charged to program services, management and general, and fund-raising. Expenses related to more than one function are charged to program services, management and general, and fund-raising on the basis of periodic time and expense studies. The categories of expenses that are allocated include salaries, payroll taxes and benefits, depreciation, building and grounds maintenance, utilities, supplies, technology, interest expense and miscellaneous expenses. Providence incurred no joint costs for the years ended June 30, 2021 and 2020.

RECENTLY ADOPTED ACCOUNTING STANDARDS

In 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (topic 606 of the FASB Accounting Standards Codification). Providence adopted the provisions of this new standard during the year ended June 30, 2021. The new standard applied to exchange transactions with customers that are bound by contracts or similar arrangements and established a performance obligation approach to revenue recognition. Adoption of this standard had no effect on change in net assets or net assets in total.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

3. LIQUIDITY AND AVAILABILITY OF RESOURCES:

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

	June 30,	
	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 826,800	\$ 372,188
Contributions and grants receivable	340,900	164,575
Program revenue receivable	3,405,183	1,888,457
Investments	2,289,279	2,548,290
Reserve accounts	850,000	850,000
Interest receivable from affiliates	973,747	829,551
Notes receivable from affiliates	880,888	880,888
Financial assets, at year end	<u>9,566,797</u>	<u>7,533,949</u>
Less those not available for general expenditure within one year:		
Reserve accounts	(850,000)	(850,000)
Interest receivable from affiliates	(973,747)	(829,551)
Notes receivable from affiliates	(880,888)	(880,888)
Donor restricted by purpose or time	(805,437)	(145,045)
	<u>(3,510,072)</u>	<u>(2,705,484)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,056,725</u>	<u>\$ 4,828,465</u>

Providence is substantially supported by grants, donations, and investment income, for which a substantial portion does not carry restrictions. As part of Providence's liquidity management, Providence has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Providence also has a secured \$1,000,000 line of credit, which it could draw upon in the event of an anticipated liquidity need. Funds that were available under this agreement during both fiscal years ended June 30, 2021 and 2020, were \$1,000,000.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

4. PROGRAM REVENUE RECEIVABLE:

Program revenue receivable consists of the following agency grants receivable:

	June 30,	
	2021	2020
Women's Justice	\$ 1,150,857	\$ 1,204,620
Department of Health and Mental Hygiene	609,141	617,399
PH IV – Westchester Department of Social Services	169,290	232,741
Department of Homeless Services	1,603,863	139,181
	3,533,151	2,193,941
Less allowance for doubtful accounts	(127,968)	-
	\$ 3,405,183	\$ 2,193,941

5. INVESTMENTS:

Investments consist of the following:

	June 30,	
	2021	2020
Equities	\$ 1,908,838	\$ 988,539
Fixed income	380,441	981,405
Mutual funds	-	578,346
	\$ 2,289,279	\$ 2,548,290

Investment income is composed of the following:

	Year Ended June 30,	
	2021	2020
Interest and dividends	\$ 28,564	\$ 100,781
Realized and unrealized gain on investments	570,478	116,682
	\$ 599,042	\$ 217,463

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

6. DEVELOPER FEES RECEIVABLE AND RESERVE ACCOUNTS:

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

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

The K Street Project development services agreement entitles Providence to earn \$1,421,415 of a \$1,651,415 total development fee over the life of the K Street Project. On the first \$460,000 of the total developer fee received, Providence and ADC will be paid in a 50/50 split. At June 30, 2021 and 2020, 100% of the total developer fees were earned based upon completion status of the K Street Project. At June 30, 2021 and 2020, 100% of the fees were paid. A portion of development fees owed to Providence are intended to fund certain required reserve accounts.

The Lincoln Road Project development services agreement entitles Providence to earn \$941,353 of a \$1,018,353 total development fee over the life of the Lincoln Road Project. On the first \$220,000 of the total developer fee received, Providence and ADC were paid in a 65/35 split, respectively, all of which was received as of June 30, 2016, but was initially recorded incorrectly and later corrected during the year ended June 30, 2017. Therefore, no balance is due for the years ended June 30, 2021 and 2020. At June 30, 2019, 100% of the total developer fees were earned based upon completion status of the Lincoln Road Project. Development fees owed to Providence are intended to fund certain required reserve accounts.

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

Providence had a reserve account established from K Street Project in the amount of \$575,000 of earned developer fees placed in operating and social reserve accounts held by K Street Project, for both years ended June 30, 2021 and 2020.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

6. DEVELOPER FEES RECEIVABLE AND RESERVE ACCOUNTS, continued:

Providence had a reserve account established from Lincoln Road Project in the amount of \$275,000 of earned developer fees placed in operating and social reserve accounts held by Lincoln Road Project, for both years ended June 30, 2021 and 2020.

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

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

As of June 30, 2021 and 2020, no developer fees have been earned or reserve accounts established with the Halsey Hancock Project.

7. NOTES RECEIVABLE FROM AFFILIATES:

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

	June 30,	
	2021	2020
	<hr/>	<hr/>
A \$616,415 secured note receivable, from 273-277 Kosciusko, L.P., with interest at a fixed rate of 7.5% per annum, compounded annually. This note receivable represents deferred development fees in connection with the construction of the K Street Project. The note receivable is secured by a subordinate mortgage on the K Street Project property and has a maturity date of January 30, 2026. Interest earned on the note was \$63,968 and \$56,230 during the years ended June 30, 2021 and 2020, respectively, and is included in interest receivable from affiliates.	\$ 312,535	\$ 312,535

(continued)

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

7. NOTES RECEIVABLE FROM AFFILIATES, continued:

	June 30,	
	2021	2020
<p>A \$523,353 secured note receivable, from 329 Lincoln Road, L.P., with interest at a fixed rate of 8.92% per annum, compounded annually. This note receivable represents deferred development fees due in connection with the construction of the Lincoln Road Project. The note receivable is secured by a subordinate mortgage on the Lincoln Road Project property and has a maturity date not to exceed the 13th anniversary of the date the Lincoln Road Project is placed in service. Interest earned on the note was \$67,100 and \$60,802 during the years ended June 30, 2021 and 2020, respectively, and is included in interest receivable from affiliates.</p>	523,353	523,353
<p>A \$45,000 secured note receivable, with interest at a fixed rate of 8.92% per annum, compounded annually. This note receivable represents permanent mortgage financing for the Lincoln Road Project paid from New York State Energy Research and Development Authority grant proceeds given to Providence in connection with the construction of the Lincoln Road Project. The note receivable is secured by a subordinate mortgage on the Lincoln Road Project property. Interest earned on the note was \$4,014 and \$4,014 during the years ended June 30, 2021 and 2020, respectively, and is included in interest receivable from affiliates. The principal and all accrued, unpaid interest is due and payable in full on June 29, 2074.</p>	45,000	45,000
	\$ 880,888	\$ 880,888

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

8. PROPERTY AND EQUIPMENT:

Property and equipment consists of the following:

	June 30,	
	2021	2020
Land	\$ 319,460	\$ 319,460
Buildings and improvements	3,521,388	3,305,133
Leasehold improvements	338,178	188,848
Furniture, fixtures and equipment	370,146	253,673
	<u>4,549,172</u>	<u>4,067,114</u>
Less accumulated depreciation	<u>(2,359,611)</u>	<u>(2,170,460)</u>
	<u>\$ 2,189,561</u>	<u>\$ 1,896,654</u>

9. LINE-OF-CREDIT:

Providence has available a \$1,000,000 line of credit with a bank, expiring on August 3, 2022. Interest is payable monthly with a variable interest rate of 3 percentage points over the London Interbank Offered Rate, "LIBOR Rate". The rate's effective interest for the years ended June 30, 2021 and 2020, were 0.81% and 0.81%, respectively. The line-of-credit is secured by Providence's real property. As of both June 30, 2021 and 2020, there were \$-0- in outstanding borrowings on this line-of-credit.

Line-of-credit interest expense charged to operations for both years ended June 30, 2021 and 2020, was \$-0-.

10. NET ASSETS WITH DONOR RESTRICTIONS:

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

	June 30,	
	2021	2020
Operations	\$ 715,887	\$ 382,920
NYS Homeless Housing	56,300	-
Annual scholarships	33,250	33,250
Sanctuary model implementation	-	20,282
	<u>\$ 805,437</u>	<u>\$ 436,452</u>

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

11. CONTRIBUTED SERVICES:

During the years ended June 30, 2021 and 2020, Providence received donated legal services valued at \$86,115 and \$154,707, respectively. These services were recorded as a contribution and expensed to professional fees in the accompanying consolidated statements of functional expenses.

12. RETIREMENT PLAN:

Providence is a participant in the noncontributory lay pension plan established by the Diocese of Brooklyn, New York, covering employees who meet certain minimum service requirements. Pension expense charged to Providence was approximately \$165,336 and \$166,670, respectively, for the years ended June 30, 2021 and 2020.

13. OPERATING LEASES:

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

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

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

<u>Year Ended June 30,</u>	
2022	\$ 1,694,400
2023	1,694,400
2024	1,731,039
2025	1,743,252
Thereafter	<u>430,313</u>
	<u>\$ 7,293,404</u>

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

14. RELATED PARTIES:

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

K STREET PROJECT

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

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

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

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

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

As outlined in Notes 2 and 6, Providence received fees for the developer services it provides to the K Street Project. Development fees of \$660,566 were earned during the year ended June 30, 2013. Development fees were fully earned as of June 30, 2013. In addition, Providence had a receivable from K Street Project of \$575,000 earned developer fees placed in operating and social reserve accounts held by K Street Project, as of June 30, 2021 and 2020.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

14. RELATED PARTIES, continued:

LINCOLN ROAD PROJECT

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

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

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

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

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

As outlined in Notes 2 and 6, Providence has received fees for the developer services it provides to the Lincoln Road Project. \$798,353 of these fees are secured by notes receivable as detailed in Note 6 and were initially included in deferred developer fees. The full amount of these fees were earned during the year ended June 30, 2015. Providence had a receivable from Lincoln Road Project of \$275,000 earned developer fees placed in operating and social reserve accounts held by Lincoln Road Project, as of June 30, 2021 and 2020.

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

14. RELATED PARTIES, continued:

RELATED PARTY CONTRIBUTIONS

During the years ended June 30, 2021 and 2020, members of the board of directors made contributions to Providence totaling approximately \$176,000 and \$154,000, respectively. These contributions represent 9% and 11% of total contributions for the years ended June 30, 2021 and 2020, respectively.

15. OPERATING AND REPLACEMENT RESERVES:

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

	June 30,	
	2021	2020
For the K Street Project, all development fees earned by Providence as outlined in Note 6, except for the initial \$230,000, shall require deposit into reserve accounts. Installment payments totaling \$115,000 are expected to be deposited annually into multiple reserve accounts beginning on or around April 2014. Additional deposits totaling \$115,000 will continue annually thereafter on or around April of each subsequent year, through and including April 2018. Thereafter, payments will be made as funds become available from net cash flow earned from operation of the K Street Project.	\$ 575,000	\$ 575,000
For the Lincoln Road Project, all development fees earned by Providence as outlined in Note 6, except for the initial \$143,000, shall require deposit into reserve accounts. Installment payments totaling \$91,667 are to be deposited into multiple reserve accounts in connection with the Lincoln Road Project beginning on or around February 2016. Additional annual deposits totaling \$91,667 will continue thereafter on or around February of each subsequent year through and including February 2018. Thereafter, payments will be made as funds become available from net cash flow earned from operation of the Lincoln Road Project.	275,000	275,000
	<u>\$ 850,000</u>	<u>\$ 850,000</u>

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

16. FAIR VALUE MEASUREMENTS:

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

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at June 30, 2021 and 2020:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)
June 30, 2021:		
Equities	\$ 1,908,838	\$ 1,908,838
Fixed income	380,441	380,441
	\$ 2,289,279	\$ 2,289,279
June 30, 2020:		
Equities	\$ 988,539	\$ 988,539
Fixed income	981,405	981,405
Mutual funds	578,346	578,346
	\$ 2,548,290	\$ 2,548,290

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

PROVIDENCE HOUSE, INC. AND AFFILIATES

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

17. CONTINGENCIES:

CONSTRUCTION FINANCING

Providence has guaranteed payment jointly and severally for construction financing for the K Street Project from NYCHPD, in the amount of \$5,675,851. The maturity date of the note and mortgage is October 27, 2053. The balance of the loan as of both June 30, 2021 and 2020, was \$5,675,851.

Providence also guaranteed payment jointly and severally for construction financing for the Lincoln Road Project from NYCHPD, in the amount of \$2,750,000. The maturity date of the note and mortgage was extended from June 29, 2014 to June 29, 2074. The balance of the loan as of both June 30, 2021 and 2020, was \$2,750,000.

LEGAL MATTERS

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

18. RISKS AND UNCERTAINTIES:

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

19. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through January 21, 2022, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.

SUPPLEMENTARY DATA

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY DATA**

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

We have audited the consolidated financial statements of Providence House, Inc. and Affiliates, as of and for the years ended June 30, 2021 and 2020, and our report thereon dated January 21, 2022, which expressed an unmodified opinion on those consolidated financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules are presented for purposes of additional analysis of the consolidated financial statements rather than to present the consolidated financial position and results of operations of the individual sites, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Capin Crouse LLP

New York, New York
January 21, 2022

PROVIDENCE HOUSE, INC. AND AFFILIATES

Schedule of Activities by Program

Year Ended June 30, 2021

	Supportive Housing				Women's Criminal Justice Program	Transitional Shelter	Central Operations	Grand Total
	Koscuiszko Street Project	Lincoln Road Project	Halsey & Hancock Project	Total Supportive Housing				
Revenues and gains:								
Contract revenue	\$ 617,286	\$ 211,725	\$ 438,835	\$ 1,267,846	\$ 720,060	\$ 6,754,629	\$ -	\$ 8,742,535
Donations and grants	-	-	10	10	23,640	-	1,964,422	1,988,072
Refundable advance forgiveness	-	-	-	-	-	-	727,885	727,885
Fundraising event	-	-	-	-	-	-	197,464	197,464
Developer fee income	-	-	-	-	-	-	278,488	278,488
CACFP and FEFP food grant	-	-	-	-	-	10,166	60,774	70,940
Administrative overhead revenue	68,589	23,524	-	92,113	30,007	168,712	-	290,832
Miscellaneous income	-	-	1,000	1,000	-	-	1,440	2,440
Donated services	-	-	-	-	-	-	86,115	86,115
Investment income	63,968	80,228	-	144,196	-	28,464	570,578	743,238
Total revenues without donor restrictions	749,843	315,477	439,845	1,505,165	773,707	6,961,971	3,887,166	13,128,009
Expenses and losses:								
Salaries and wages	287,376	135,712	163,102	586,190	589,394	1,646,031	712,922	3,534,537
Contract labor	87,908	97,937	317,044	502,889	-	1,177,693	699	1,681,281
Rent	-	-	-	-	63,333	1,221,300	-	1,284,633
Employee benefits	56,523	28,163	49,554	134,240	106,983	338,482	330,457	910,162
Supplies	54,193	21,154	18,682	94,029	76,305	501,566	69,732	741,632
Equipment repairs, rental and maintenance	54,635	16,175	5,940	76,750	41,517	424,586	60,730	603,583
Professional fees	5,467	23,633	9,435	38,535	9,697	18,768	244,726	311,726
Payroll taxes	20,509	9,920	11,732	42,161	42,538	117,547	62,387	264,633
Miscellaneous	127,698	-	102	127,800	1,638	7,904	115,468	252,810
Utilities	240	-	54	294	40,245	169,441	26,310	236,290
Depreciation	15,282	-	8,022	23,304	33,205	88,498	44,144	189,151
Insurance	-	-	-	-	12,807	122,249	38,457	173,513
Permits, licensing, and fees	38,383	417	38	38,838	2,584	10,165	77,609	129,196
Telephone and internet	10,988	6,725	13,773	31,486	17,211	30,769	37,137	116,603
Client assistance and scholarships	5,956	1,512	3,056	10,524	42,810	13,630	3,128	70,092
Seminars and training (registration fees)	559	359	1,852	2,770	3,904	30,730	12,035	49,439
Advertising	7,086	4,173	7,687	18,946	8,361	14,747	1,998	44,052
Printing	430	850	254	1,534	2,228	4,483	19,953	28,198
Dues and subscriptions	311	324	425	1,060	544	634	18,625	20,863
Events	-	-	-	-	-	-	11,707	11,707
Postage and delivery	32	103	149	284	101	7,085	3,330	10,800
Travel	953	649	513	2,115	2,644	4,561	93	9,413
Interest expense	-	-	-	-	-	-	1,466	1,466
Total expenses	774,529	347,806	611,414	1,733,749	1,098,049	5,950,869	1,893,113	10,675,780
Net change	\$ (24,686)	\$ (32,329)	\$ (171,569)	\$ (228,584)	\$ (324,342)	\$ 1,011,102	\$ 1,994,053	\$ 2,452,229

PROVIDENCE HOUSE, INC. AND AFFILIATES

Providence House IV Compared to Approved County Funding

Year Ended June 30, 2021

	Approved Budget 2020-2021	Actual 2020-2021
Revenues: *		
CACFP and FEFP food grant	\$ -	\$ 10,166
Westchester DSS payments	713,646	577,113
Total revenues	713,646	587,279
Expenses:		
Salary expense	452,170	305,323
Payroll taxes and employee benefits	114,851	80,248
Utilities	22,440	26,045
Telephone	1,020	7,938
Food expense	6,120	10,240
Client assistance and scholarships	-	1,068
Other program expenses	6,000	6,571
Professional fees	7,140	5,347
Dues and subscriptions	-	139
Insurance	11,220	15,096
Repairs and maintenance	21,624	17,550
Office expenses	12,500	-
Supplies	14,280	22,453
Occupancy	30,600	-
Depreciation	-	11,756
Postage and delivery	-	92
Miscellaneous	13,681	12,465
Total expenses	713,646	522,434
Net change	\$ -	\$ 64,845

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

See notes to consolidated financial statements