

**COALITION FOR THE HOMELESS, INC.
AND AFFILIATES**



coalition for the homeless

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

YEARS ENDED JUNE 30, 2024 AND 2023

COALITION FOR THE HOMELESS, INC. AND AFFILIATES

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AND SUPPLEMENTARY INFORMATION
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YEARS ENDED JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
Coalition for the Homeless, Inc. and Affiliates
New York, NY

Opinion

We have audited the consolidated financial statements of Coalition for the Homeless, Inc. and Affiliates (the "Agency"), which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits 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 Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 19 and 20 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and changes in net assets of the individual entities and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits 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 GAAS. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

CBIZ CPAs P.C.¹

New York, NY
December 5, 2024

¹In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents (Notes 2D and 18)	\$ 8,871,423	\$ 7,631,917
Reserve fund (Note 9)	<u>1,004,500</u>	<u>1,013,271</u>
Total cash, cash equivalents and restricted cash	9,875,923	8,645,188
Investments (Notes 2M, 2N, 4, 5 and 17)	17,161,465	16,236,934
Contributions receivable (Notes 2E, 2F and 6)	1,441,102	1,970,121
Grants receivable (Notes 2E, 2F and 7)	1,321,146	2,845,783
Prepaid expenses and other	484,598	375,115
Property and equipment, net (Notes 2G and 8)	16,570,749	16,611,621
Operating lease right-of-use assets (Note 19)	<u>140,108</u>	<u>305,859</u>
 TOTAL ASSETS	 <u><u>\$ 46,995,091</u></u>	 <u><u>\$ 46,990,621</u></u>
 LIABILITIES		
Accounts payable and accrued expenses (Note 11)	\$ 1,304,462	\$ 1,290,272
Accrued vacation	514,332	474,755
Refundable advances (Note 2E)	61,573	79,513
Loans payable (Note 11)	2,729,036	2,729,036
Operating lease liabilities (Note 19)	<u>140,108</u>	<u>305,859</u>
 TOTAL LIABILITIES	 <u><u>4,749,511</u></u>	 <u><u>4,879,435</u></u>
 COMMITMENTS AND CONTINGENCIES (Note 15)		
 NET ASSETS (Note 2C)		
Net assets without donor restrictions:		
Invested in property and equipment	13,841,713	13,882,585
Board designated (Note 17)	17,161,465	16,515,579
Operations	<u>11,515,513</u>	<u>12,392,197</u>
Total controlling interest	42,518,691	42,790,361
Noncontrolling interest	<u>(1,822,664)</u>	<u>(1,422,228)</u>
Total net assets without donor restrictions	40,696,027	41,368,133
Net assets with donor restrictions (Note 16)	<u>1,549,553</u>	<u>743,053</u>
 TOTAL NET ASSETS	 <u><u>42,245,580</u></u>	 <u><u>42,111,186</u></u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 46,995,091</u></u>	 <u><u>\$ 46,990,621</u></u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND OTHER REVENUE:						
Contributions (Note 2E)	\$ 7,520,699	\$ 3,227,051	\$ 10,747,750	\$ 7,935,523	\$ 2,265,067	\$ 10,200,590
Government support (Notes 2E and 15A)	5,191,275	-	5,191,275	5,496,133	-	5,496,133
Special events (net of direct expenses of \$803,989 and \$1,281,232 (Note 2K)	632,041	-	632,041	1,349,565	-	1,349,565
In-kind donations (Notes 2I and 12)	324,278	-	324,278	316,537	-	316,537
Bequests (Note 2E)	939,549	-	939,549	262,988	-	262,988
Lease income (Notes 2J and 13)	1,957,616	-	1,957,616	1,836,669	-	1,836,669
Investment income (Note 4)	897,560	-	897,560	856,396	-	856,396
Other income	292,742	-	292,742	-	-	-
Net assets released from restrictions (Note 16)	2,420,551	(2,420,551)	-	3,001,287	(3,001,287)	-
Total Public Support and Other Revenue	20,176,311	806,500	20,982,811	21,055,098	(736,220)	20,318,878
EXPENSES (Note 2H)						
Program Services:						
Advocacy	2,186,655	-	2,186,655	1,675,882	-	1,675,882
AIDS	2,866,892	-	2,866,892	2,714,973	-	2,714,973
Crisis intervention	4,245,073	-	4,245,073	4,031,204	-	4,031,204
Housing	1,471,181	-	1,471,181	1,214,569	-	1,214,569
Food services	2,623,498	-	2,623,498	2,443,172	-	2,443,172
Job training	780,209	-	780,209	723,628	-	723,628
Children's programs	1,819,023	-	1,819,023	1,704,412	-	1,704,412
Emergency mail	124,324	-	124,324	147,605	-	147,605
Emergency goods	902,155	-	902,155	596,689	-	596,689
Program Services	17,019,010	-	17,019,010	15,252,134	-	15,252,134
Supporting Services:						
Management and administration	1,556,003	-	1,556,003	1,814,458	-	1,814,458
Fundraising	1,309,628	-	1,309,628	1,314,082	-	1,314,082
Business rental	963,776	-	963,776	914,395	-	914,395
Supporting Services	3,829,407	-	3,829,407	4,042,935	-	4,042,935
Total Operating Expenses	20,848,417	-	20,848,417	19,295,069	-	19,295,069
CHANGE IN NET ASSETS	(672,106)	806,500	134,394	1,760,029	(736,220)	1,023,809
Net assets - beginning of year	41,368,133	743,053	42,111,186	39,608,104	1,479,273	41,087,377
NET ASSETS - END OF YEAR	\$ 40,696,027	\$ 1,549,553	\$ 42,245,580	\$ 41,368,133	\$ 743,053	\$ 42,111,186

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

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024
(With Comparative Totals for June 30, 2023)

	Program Services									Supporting Services						Total 2024	Total 2023
	Advocacy	AIDS	Crisis	Housing	Food Services	Job Training	Children's	Emergency	Emergency	Total Program Services	Management and	Fundraising	Business	Total Supporting Services			
			Intervention				Programs	Mail	Goods		Administration		Rental				
Salaries	\$ 1,082,333	\$ 811,715	\$ 1,615,343	\$ 350,925	\$ 585,728	\$ 503,669	\$ 974,201	\$ 88,722	\$ 144,786	\$ 6,157,422	\$ 807,720	\$ 330,213	\$ 160,401	\$ 1,298,334	\$ 7,455,756	\$ 6,677,417	
Payroll taxes and other benefits (Note 14)	300,508	424,020	648,953	139,156	277,850	138,892	170,668	13,472	55,044	2,168,563	328,625	129,148	46,900	504,673	2,673,236	2,572,285	
Total salaries and related expenses	1,382,841	1,235,735	2,264,296	490,081	863,578	642,561	1,144,869	102,194	199,830	8,325,985	1,136,345	459,361	207,301	1,803,007	10,128,992	9,249,702	
Professional fees	367,136	27,982	96,469	213,683	22,705	15,078	89,489	3,005	2,014	837,561	99,316	382,814	117,892	600,022	1,437,583	1,431,153	
Commercial insurance	46,686	82,638	63,213	47,925	25,548	17,767	55,191	4,697	2,930	346,595	38,862	15,007	35,853	89,722	436,317	362,635	
Transportation	10,502	23,156	252	67	51,173	54	107,946	-	49	193,199	9,381	2,340	-	11,721	204,920	192,954	
Supplies	25,392	3,356	14,420	9,515	122,962	3,209	117,816	334	227,932	524,936	52,165	170,885	1,061	224,111	749,047	1,314,503	
Telephone	24,193	15,949	41,439	9,809	13,010	9,612	17,253	1,155	707	133,127	33,835	6,570	2,432	42,837	175,964	363,557	
Bank charges and fees	4,663	3,230	6,741	1,292	2,649	1,711	1,877	380	229	22,772	5,265	133,602	1,033	139,900	162,672	204,135	
Occupancy (Note 15)	57,246	37,596	82,482	332,596	44,990	20,837	70,886	4,491	3,186	654,310	28,102	14,160	144,652	186,914	841,224	664,309	
Direct assistance to clients (Notes 2L and 19)	8,508	1,411,303	1,611,109	22,430	290	43,248	2,524	-	457,581	3,556,993	-	-	-	-	3,556,993	3,236,037	
Advertising	202,362	-	-	29	-	-	551	-	-	202,942	13,674	1,132	-	14,806	217,748	9,668	
Printing/duplication & list rental management	-	-	-	-	-	-	-	-	-	-	-	404,044	-	404,044	404,044	280,505	
Conferences	22,591	2,636	8,158	1,659	3,118	2,851	3,777	437	392	45,619	26,865	18,656	137	45,658	91,277	59,109	
Equipment maintenance	13,425	6,923	22,103	7,141	10,839	14,099	14,065	6,168	4,554	99,317	76,808	20,205	3,662	100,675	199,992	220,788	
Food	-	-	-	-	1,431,288	-	124,881	-	21	1,556,190	-	-	-	-	1,556,190	1,433,033	
Postage, shipping and messenger	484	17	-	1,884	-	-	1,211	-	-	3,596	6,583	101,203	-	107,786	111,382	240,023	
Dues and subscriptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Catering, entertainment and venue costs	-	-	-	-	-	-	-	-	-	-	-	367,651	-	367,651	367,651	110,188	
Real estate taxes	-	-	-	10,899	-	-	-	-	-	10,899	-	-	85,351	85,351	96,250	97,396	
Bad debt	-	-	302	56,141	34	535	-	-	-	57,012	6,700	-	-	6,700	63,712	85,399	
Miscellaneous	11,657	8,142	16,409	67,817	8,081	4,166	5,116	940	2,137	124,465	15,513	13,530	20,369	49,412	173,877	370,718	
Total other than personnel	794,845	1,622,928	1,963,097	782,887	1,736,687	133,167	612,583	21,607	701,732	8,369,533	413,069	1,651,799	412,442	2,477,310	10,846,843	10,676,110	
Total expenses before depreciation and amortization	2,177,686	2,858,663	4,227,393	1,272,968	2,600,265	775,728	1,757,452	123,801	901,562	16,695,518	1,549,414	2,111,160	619,743	4,280,317	20,975,835	19,925,812	
Depreciation and amortization (Note 8)	8,969	8,229	17,680	198,213	23,233	4,481	61,571	523	593	323,492	6,589	2,457	344,033	353,079	676,571	650,489	
Sub-total	2,186,655	2,866,892	4,245,073	1,471,181	2,623,498	780,209	1,819,023	124,324	902,155	17,019,010	1,556,003	2,113,617	963,776	4,633,396	21,652,406	20,576,301	
Less: cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-	(803,989)	-	(803,989)	(803,989)	(1,281,232)	
TOTAL EXPENSES	\$ 2,186,655	\$ 2,866,892	\$ 4,245,073	\$ 1,471,181	\$ 2,623,498	\$ 780,209	\$ 1,819,023	\$ 124,324	\$ 902,155	\$ 17,019,010	\$ 1,556,003	\$ 1,309,628	\$ 963,776	\$ 3,829,407	\$ 20,848,417	\$ 19,295,069	

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023

	Program Services										Supporting Services				
	Advocacy	AIDS	Crisis Intervention	Housing	Food Services	Job Training	Children's Programs	Emergency Mail	Emergency Goods	Total Program Services	Management and Administration	Fundraising	Business Rental	Total Supporting Services	Total 2023
Salaries	\$ 882,269	\$ 686,000	\$ 1,532,775	\$ 309,273	\$ 495,685	\$ 419,290	\$ 800,045	\$ 78,568	\$ 136,144	\$ 5,340,049	\$ 867,057	\$ 325,397	\$ 144,914	\$ 1,337,368	\$ 6,677,417
Payroll taxes and other benefits (Note 14)	287,963	403,709	623,711	108,445	251,792	179,642	158,022	48,781	48,532	2,110,597	308,983	105,724	46,981	461,688	2,572,285
Total salaries and related expenses	1,170,232	1,089,709	2,156,486	417,718	747,477	598,932	958,067	127,349	184,676	7,450,646	1,176,040	431,121	191,895	1,799,056	9,249,702
Professional fees	315,209	19,077	41,803	148,621	15,329	10,199	131,983	1,730	3,068	687,019	145,736	489,802	108,596	744,134	1,431,153
Commercial insurance	26,273	71,436	62,781	53,219	23,501	16,738	43,358	2,678	4,469	304,453	30,276	13,572	14,334	58,182	362,635
Transportation	1,682	28,273	80	2,437	63,914	-	91,478	-	96	187,960	4,956	38	-	4,994	192,954
Supplies	4,763	2,014	6,873	39,008	119,300	4,351	153,631	125	107,372	437,437	30,425	846,216	425	877,066	1,314,503
Telephone	50,820	40,868	98,314	17,947	35,542	21,542	28,978	3,364	5,254	302,629	36,862	17,793	6,273	60,928	363,557
Bank charges and fees	3,599	3,880	8,827	35,575	3,127	2,066	1,949	358	602	59,983	3,076	140,485	591	144,152	204,135
Occupancy (Note 15)	54,166	37,824	80,510	156,461	40,940	19,787	64,091	3,452	5,710	462,941	22,753	13,657	164,958	201,368	664,309
Direct assistance to clients (Notes 2L and 19)	2,801	1,391,163	1,508,751	11,188	649	14,056	30,400	-	276,829	3,235,837	200	-	-	200	3,236,037
Advertising	-	-	-	-	380	-	354	-	-	734	8,934	-	-	8,934	9,668
Printing/duplication & list rental management	19	-	-	-	-	-	6	-	-	25	-	280,480	-	280,480	280,505
Conferences	8,489	1,133	2,723	353	1,108	5,358	16,060	390	631	36,245	9,255	13,182	427	22,864	59,109
Equipment maintenance	16,681	12,918	30,942	14,440	14,822	18,359	15,648	6,502	4,363	134,675	60,110	20,189	5,814	86,113	220,788
Food	-	-	-	30	1,333,202	-	98,192	-	1,609	1,433,033	-	-	-	-	1,433,033
Postage, shipping and messenger	400	509	2,231	383	-	158	4,240	-	15	7,936	19,790	212,167	130	232,087	240,023
Catering, entertainment and venue costs	-	-	-	-	-	-	-	-	-	-	-	110,188	-	110,188	110,188
Real estate taxes	-	-	-	13,672	-	-	-	-	-	13,672	-	-	83,724	83,724	97,396
Bad debt	330	27	-	291	-	-	-	-	-	648	84,751	-	-	84,751	85,399
Miscellaneous	12,512	10,864	19,278	113,927	9,330	9,136	7,805	976	1,600	185,428	177,553	4,391	3,346	185,290	370,718
Total other than personnel	497,744	1,619,986	1,863,113	607,552	1,661,144	121,750	688,173	19,575	411,618	7,490,655	634,677	2,162,160	388,618	3,185,455	10,676,110
Total expenses before depreciation and amortization	1,667,976	2,709,695	4,019,599	1,025,270	2,408,621	720,682	1,646,240	146,924	596,294	14,941,301	1,810,717	2,593,281	580,513	4,984,511	19,925,812
Depreciation and amortization (Note 8)	7,906	5,278	11,605	189,299	34,551	2,946	58,172	681	395	310,833	3,741	2,033	333,882	339,656	650,489
Sub-total	1,675,882	2,714,973	4,031,204	1,214,569	2,443,172	723,628	1,704,412	147,605	596,689	15,252,134	1,814,458	2,595,314	914,395	5,324,167	20,576,301
Less: cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	-	-	(1,281,232)	-	(1,281,232)	(1,281,232)
TOTAL EXPENSES	\$ 1,675,882	\$ 2,714,973	\$ 4,031,204	\$ 1,214,569	\$ 2,443,172	\$ 723,628	\$ 1,704,412	\$ 147,605	\$ 596,689	\$ 15,252,134	\$ 1,814,458	\$ 1,314,082	\$ 914,395	\$ 4,042,935	\$ 19,295,069

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 134,394	\$ 1,023,809
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	676,571	650,489
Bad debt	63,712	85,399
Realized and unrealized gain (losses) on investments	(316,690)	38,407
Operating lease right-of-use assets amortization	(253,592)	-
Changes in operating assets and liabilities		
Decrease (increase) in assets		
Contributions receivable	465,307	(1,166,796)
Grants receivable	1,524,637	92,212
Prepaid expenses and other	(109,483)	(72,050)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	14,190	76,066
Accrued vacation	39,577	51,252
Refundable advances	(17,940)	20,014
Deferred tenant income	-	-
Operating lease liability amortization	253,592	-
Net Cash Provided by Operating Activities	<u>2,474,275</u>	<u>798,802</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(635,699)	(276,547)
Purchases of investments	<u>(607,841)</u>	<u>(4,144,872)</u>
Net Cash Provided by (Used in) Investing Activities	<u>(1,243,540)</u>	<u>(4,421,419)</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	1,230,735	(3,622,617)
Cash, Cash Equivalents and Restricted Cash - Beginning of Year	<u>8,645,188</u>	<u>12,267,805</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	<u>\$ 9,875,923</u>	<u>\$ 8,645,188</u>
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Adoption of Accounting Standards Codification 842, Leases:		
Operating lease right-of-use asset	\$ 87,841	\$ 659,429
Operating lease right-of-use liability	<u>\$ 87,841</u>	<u>\$ 659,429</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Coalition for the Homeless Inc. (the “Coalition”) is a not-for-profit corporation formed under the laws of the State of New York that provides advocacy, housing and direct services to over 3,500 people each day. The Coalition is dedicated to the principle that affordable housing, sufficient food and the chance to work for a living wage job are fundamental rights in a civilized society. The Coalition’s operations are categorized under advocacy, HIV/AIDS, crisis intervention, housing, food services, job training, children’s programs, emergency mail and emergency goods. The Coalition is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

The accompanying consolidated financial statements include the Coalition and the following entities:

The Bridge Coalition Limited Partnership (“BCLP”) is a New York limited partnership, which beneficially owns and operates a 15 unit project for low-income homeless persons at 210 East 124th Street, New York, New York (the “Bridge Project”). The General Partner of BCLP is Bridge Building Management Company, Inc., a New York business corporation (“BBMC”), which holds a 1% interest in BCLP and is wholly owned by the Coalition; the limited partner is Joined Bridge LLC. Bare legal title to the property is held by Bridge Homes, Inc., a New York not-for-profit corporation (“BHI”), by virtue of a Declaration of Interest entered into by BHI and BCLP in 1992. The officers and directors of BHI are employees of the Coalition. The Bridge Project also contains a soup kitchen in its basement which is leased to the Coalition. The Bridge Project is subject to Regulatory Agreements with the New York State Division of Housing and Community Renewal (“DHCR”) and the NYC Department of Housing Preservation and Development (“HPD”) and a mortgage with HPD.

Coalition Houses, L.P. (“CHLP”) is also a New York limited partnership, which beneficially and legally owns and operates a 39 unit project for low-income, homeless persons at 166, 168 and 170 West 77th Street, New York, New York (“Coalition Houses”). The .01% General Partner of CHLP is West Seventy Seventh, Inc, a New York business corporation (“WSS”), which is currently 100% owned by West 77th Street Housing Development Fund Corporation, a not-for-profit corporation formed pursuant to the New York not-for-profit corporation and the Private Housing Finance Law (the “HDFC”). The Coalition is the sole member of the HDFC, which is also the 99.99% limited partner of CHLP. The Project is currently being renovated pursuant to a Housing Repair and Maintenance Letter Agreement with HPD. It is subject to a Mortgage with HPD and a Regulatory Agreement with HPD. An apartment in the Project is leased to the Coalition for social service purposes.

Both projects are also managed by the Coalition.

BCLP, BBMC, BHI, CHLP, WSS and the HDFC are collectively referred to as the “Affiliates”. The Coalition and the Affiliates are collectively referred to as the “Agency.”

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting and Use of Estimates*** - The Agency’s consolidated financial statements have been prepared using the accrual basis of accounting. The Agency adheres to accounting principles generally accepted in the United States of America (“U.S. GAAP”), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- B. ***Basis of Consolidation*** - The Coalition consolidates the activities of BBMC, CHLP, BCLP, HDFC and WSS (See Note 1) since the Coalition has a controlling financial interest in these entities. Upon consolidation, all significant intercompany transactions have been eliminated.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- C. **Net Assets** - The Agency's resources are classified and reported based on the existence or absence of donor-imposed restrictions as follows:

- Without donor restrictions:

Operations – represents expendable resources not subject to donor-imposed restrictions.

Board Designated Fund – consists of funds designated by the Board of Directors which represent a portion of the Agency's net assets without donor restrictions as quasi-endowment funds, reserve for extraordinary events and amounts designated for capital and other needs.

Non-controlling members' interest in consolidated subsidiaries are shown as a component of net assets without donor restrictions in the consolidated statements of financial position.

- With donor restrictions – Includes resources subject to donor-imposed stipulations that limit their use either through purpose or time restrictions. When donor restrictions expire, that is, when a time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported as net assets released from restrictions. In addition, net assets with donor restrictions include resources subject to donor-imposed stipulations, requiring that the principal be maintained in perpetuity.
- D. **Cash and Cash Equivalents** - Cash equivalents include all highly liquid instruments acquired with original maturities of 90 days or less except for cash equivalents held for long-term investment purposes as part of the Agency's Board Designated Fund (See Note 17).
- E. **Contributions, Government Support and Bequests** - Contributions and pledges are recognized when the donor makes a promise to give that is, in substance, unconditional. Conditional contributions and promises to give (pledges), those with a measurable performance or other barrier and a right of return, are not recognized as support until the conditions on which they depend are substantially met. The Agency recognizes bequests when the proceeds are measurable and an irrevocable right to the proceeds has been established by the Agency. Contributions and grants receivable due in more than one year are discounted to net present value using the risk-adjusted discount rate in effect on the date of the gifts, unless the value is immaterial. Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. To the extent amounts received exceed amounts spent, the Agency establishes refundable advances from governmental sources.
- As of June 30, 2024 and 2023, the Coalition received conditional grants and contracts from government agencies in the aggregate amounts of approximately \$15.1 million and \$3.3 million, respectively, that had not been recorded in the accompanying consolidated financial statements, as they had not yet been earned. These grants and contracts require the Agency to provide certain services for future specified periods. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Agency may be required to return the funds already remitted. As of June 30, 2024 and 2023, refundable advances amounted to \$61,573 and \$79,513, respectively.
- F. **Allowance for Uncollectible Receivables** - The Agency determines whether an allowance for uncollectible receivables should be provided for grants and contributions receivable. Such estimate is based on management's assessment of the aged basis of its receivables, current economic conditions, creditworthiness of its donors, historical experience and collections subsequent to year-end. As of June 30, 2024 and 2023, the Agency determined that no allowance was necessary for grants and contributions receivable.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- G. **Property and Equipment** - Property and equipment is stated at cost less accumulated depreciation and amortization. These amounts do not purport to represent replacement or realizable values. Donated assets are valued at fair value at the time of donation. The Agency capitalizes property and equipment with a cost of \$2,500 and a useful life greater than one year. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the lease term or the useful life of the asset, whichever is less.
- H. **Functional Expenses** - The cost of providing the various program and supporting services has been summarized on a functional basis in the accompanying consolidated statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited as determined by management. The expenses that are allocated include salaries and payroll taxes and employee benefits, which are allocated based on estimates of time and effort. Other allocated expenses include professional fees, transportation, direct assistance to clients, printing, conferences, food and catering, and are directly charged based on specific identification to program activities. All remaining expenses are allocated based on full-time equivalent per program.
- I. **Donated Goods and Services** - Donated services are recognized in the consolidated financial statements if the services enhance or create nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated goods are recognized in the consolidated financial statements at their fair values at the date of receipt. For the years ended June 30, 2024 and 2023, donated goods and services amounted to \$324,278 and \$316,537, respectively. (See Note 12).
- J. **Lease Income** - Lease income is recorded based on operating leases and revenue is recognized on the straight-line basis over the terms of the leases. Deferred rent receivable is recorded for the difference between the rental income based on the operating leases and the straight-line basis.
- K. **Special Events** - The direct cost of special events includes expenses for the benefit of the donor. For example, meals and facilities rental are considered to be a direct cost of special events.
- L. **Direct Assistance to Clients** - Direct assistance to clients is the core expenditure for the clients served at the Agency and consists of rent, food, transportation, furniture and other expenses. The funds to cover such assistance are primarily from government grants and contributions.
- M. **Investments** - Investments are stated at fair value. Realized and unrealized gains and losses are recognized as changes in net assets in the period in which they occur, and interest and dividends are recognized as revenue in the period earned.
- N. **Fair Value Measurements** - Fair value measurements are based on the price 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.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Agency regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Agency considers all expenditures related to its ongoing activities of providing direct services and advocacy for men, women and children experiencing homelessness, as well as the conduct of services undertaken to support those activities, to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Agency operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the consolidated statements of cash flows, which identifies the

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

sources and uses of the Agency's cash and shows positive cash generated by operations for fiscal years 2024 and 2023. At the discretion of the Board, the Agency could utilize its board designated funds to cover general expenditures (see Note 17). In the event of an unanticipated liquidity need, the Agency could also draw upon \$1.5 million of its available line of credit.

The Agency manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

Financial assets available for general expenditures within one year of the consolidated statements of financial position date are as follows as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 8,871,423	\$ 7,631,917
Investments	17,161,465	16,236,934
Contributions receivable	1,441,102	1,970,121
Grants receivable	<u>1,321,146</u>	<u>2,845,783</u>
Total financial assets	28,795,136	28,684,755
Less: Board-designated net assets	(17,161,465)	(16,515,579)
Net assets with donor restrictions	<u>(1,549,553)</u>	<u>(743,053)</u>
Total	<u><u>\$ 10,084,118</u></u>	<u><u>\$ 11,426,123</u></u>

NOTE 4 – INVESTMENTS

Investments consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Money market funds	\$ 35,920	\$ 6,250,000
Mutual funds	1,650,000	-
Certificate of deposits	2,606,515	-
US Treasury	6,287,392	4,772,435
Federal mortgages	1,770,189	1,740,395
Mortgage-backed securities	567,782	626,908
Corporate bonds	<u>4,243,667</u>	<u>2,847,196</u>
	<u><u>\$ 17,161,465</u></u>	<u><u>\$ 16,236,934</u></u>

Interest and dividends amounted to approximately \$490,000 and \$492,000 for the years ended June 30, 2024 and 2023, respectively, and are included with investment income on the accompanying consolidated statements of activities. Realized and unrealized gains (losses) amounted to approximately \$210,000 and (\$38,000) for the years ended June 30, 2024 and 2023, respectively, and are included with investment income on the accompanying consolidated statements of activities.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5 – FAIR VALUE MEASUREMENTS

Investments are subject to market volatility that could substantially change their carrying value in the near term. In determining fair value, the Agency 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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2024 and 2023.

Money market funds and U.S. Treasury - Valued using quoted market prices in active markets.

Mutual funds - Valued at the daily closing price as reported by the fund.

Corporate bonds and federal mortgages - Valued using quoted market prices in active markets and pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

U.S. Treasury and mortgage-backed securities - Level 2 valuations are based on inputs other than Level 1 prices corroborated with observable market data.

Financial assets carried at fair value as of June 30, 2024 are classified as Level 1 and Level 2 in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2024</u>
ASSETS AT FAIR VALUE:			
Investments:			
Money market funds	\$ 35,920	\$ -	\$ 35,920
Mutual Funds	1,650,000	-	1,650,000
Certificate of deposit	2,606,515	-	2,606,515
US Treasury	6,211,787	75,605	6,287,392
Federal mortgages	1,770,189	-	1,770,189
Mortgage-backed securities	-	567,782	567,782
Corporate bonds	<u>4,243,667</u>	<u>-</u>	<u>4,243,667</u>
TOTAL ASSETS AT FAIR VALUE:	<u>\$ 16,518,078</u>	<u>\$ 643,387</u>	<u>\$ 17,161,465</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Financial assets carried at fair value as of June 30, 2023 are classified as Level 1 and Level 2 in the table as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Total 2023</u>
ASSETS AT FAIR VALUE:			
Investments:			
Money market funds	\$ 6,250,000	\$ -	\$ 6,250,000
US Treasury	4,699,693	72,742	4,772,435
Federal mortgages	1,740,395	-	1,740,395
Mortgage-backed securities	-	626,908	626,908
Corporate bonds	<u>2,847,196</u>	<u>-</u>	<u>2,847,196</u>
TOTAL ASSETS AT FAIR VALUE:	<u>\$ 15,537,284</u>	<u>\$ 699,650</u>	<u>\$ 16,236,934</u>

NOTE 6 – CONTRIBUTIONS RECEIVABLE

Contributions receivable consists of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Due within one year or less	\$ 1,141,102	\$ 1,970,121
Due in one year or more	<u>300,000</u>	<u>-</u>
	<u>\$ 1,441,102</u>	<u>\$ 1,970,121</u>

NOTE 7 – GRANTS RECEIVABLE

Grants receivable consists of the following as of June 30:

	<u>2024</u>	<u>2023</u>
Department of Treasury	\$ -	\$ 1,637,455
New York City Human Resources Administration	565,643	529,679
New York City Department of Homeless Services	288,371	430,124
Consortium for Worker Education	59,641	60,382
New York State Office of Temporary and Disability Assistance	116,180	59,058
NYC Department of Youth and Community Development	165,292	18,986
Office of Children and Family Services	-	30,000
Federal Emergency Management Association	26,488	-
Food Bank for New York City	-	71,987
New York State Department of Health	<u>99,531</u>	<u>8,112</u>
	<u>\$ 1,321,146</u>	<u>\$ 2,845,783</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 8 – PROPERTY AND EQUIPMENT

Property and equipment, net consists of the following as of June 30:

	<u>2024</u>	<u>2023</u>	<u>Estimated Useful Lives</u>
Land	\$ 8,089,841	\$ 8,089,841	
Buildings and improvements	16,496,303	16,246,517	40 Years
Leasehold improvements	1,695,548	1,576,085	10 Years
Equipment	1,085,137	882,904	3-10 Years
Vehicles	127,812	127,812	3-10 Years
Furniture and fixtures	<u>115,483</u>	<u>77,578</u>	7-10 Years
	27,610,124	27,000,737	
Less: accumulated depreciation and amortization	<u>(11,039,375)</u>	<u>(10,389,116)</u>	
	<u>\$ 16,570,749</u>	<u>\$ 16,611,621</u>	

For the years ended June 30, 2024 and 2023, depreciation and amortization expense amounted to \$676,571 and \$650,489, respectively. Coalition Houses, L.P. recaptured and wrote off accumulated depreciation of \$26,312 in 2024.

NOTE 9 – RESERVE FUND

The partnership agreement between WSS, the general partner of CHLP of which Coalition is the “Sponsor”, provided for the establishment of a social services reserve, the purpose of which was to be available to provide supportive social services for the tenants. The reserve was funded from the Sponsor’s developer fees and was being held by the New York City Housing Development Corporation (“HDC”). As of June 30, 2024, CFTH no longer maintains a social services reserve fund. The amount held at HDC was used to fund the ownership transfer and a new operating reserve. CHLP, with CFTH as its sponsor, closed on a new financing deal with HPD effective April 30, 2024. Refer to Note 11.

NOTE 10 – BANK LINE OF CREDIT

The Coalition has a \$1.5 million unsecured, revolving line of credit with a bank, of which \$0 was outstanding as of June 30, 2024 and 2023. Interest on any outstanding balance is payable at the Secured Overnight Financing Rate (“SOFR”). The line of credit will expire on December 26, 2024. The balance as December 5, 2024 is \$0.

NOTE 11 – LOANS PAYABLE

CHLP has a mortgage payable to the HPD that bears interest at 1% per annum with the principal balance and accrued interest payable due at maturity in July 2033. Effective April 30, 2024, the interest rate is 4.36% and maturity date is April 30, 2054. The outstanding principal as of June 30, 2024 and 2023 was \$2,421,407. Accrued interest payable was \$487,939 and \$479,919, respectively, and is included in accounts payable and accrued expenses in the consolidated statements of financial position. The mortgage is secured by the property. The mortgage has a restrictive covenant subject to Article XI of the New York Private Housing Finance law (“Article XI”) which requires the property to be used as low income housing. If the property is used in compliance with Article XI, the debt and related accrued interest would be forgiven after 30 years.

CHLP has a second mortgage with HPD that is secured by the first HPD mortgage that bears interest at 1% per annum. Effective April 30, 2024, the interest rate is 4.36% and maturity date is April 30, 2054. The principal and accrued interest are payable upon maturity on April 1, 2025. The outstanding principal as of June 30, 2024 and 2023 was \$307,629. Accrued interest payable was \$84,846 and \$55,372, respectively, and is included in accounts payable and accrued expenses in the consolidated statements of financial position.

Interest expense for the years ended June 30, 2024 and 2023 was \$32,089 and \$31,802, respectively.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 12 – IN-KIND DONATIONS

Donated items for the year ended June 30, 2024 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Toys	\$ 7,798	Children's Programs	No associated donor restriction	Based on value of the items provided
Sundry items	243,980	Housing	No associated donor restriction	Based on value of the items provided
Food	<u>72,500</u>	Food Services	No associated donor restriction	Based on value of food provided
Total	<u>\$ 324,278</u>			

Donated items for the year ended June 30, 2023 consisted of the following:

<u>Nonfinancial Asset</u>	<u>Amount</u>	<u>Usage in Programs/Activities</u>	<u>Donor-imposed Restrictions</u>	<u>Fair Value Techniques</u>
Toys	\$ 24,299	Children's Programs	No associated donor restriction	Based on value of the items provided
Sundry items	203,359	Housing	No associated donor restriction	Based on value of the items provided
Food	<u>88,879</u>	Food Services	No associated donor restriction	Based on value of food provided
Total	<u>\$ 316,537</u>			

NOTE 13 – LEASE INCOME

The Coalition leases a portion of its building to CVS, Inc. ("CVS"). The CVS lease is a non-cancelable operating lease agreement, which expires July 31, 2034.

In June 2021, the Coalition leased a portion of its building to the NY Center for Infants and Toddlers. The lease is a five-year non-cancelable operating lease agreement, which expires on June 30, 2026.

The future minimum lease payments to be received by the Coalition for the following fiscal years are as follows:

	<u>CVS</u>	<u>NY Center of Infants and Toddlers</u>	<u>Total</u>
2025	\$ 1,046,621	\$ 130,000	\$ 1,176,621
2026	1,034,250	130,000	1,164,250
2027	1,034,250	-	1,034,250
2028	1,034,250	-	1,034,250
2029	1,034,250	-	1,034,250
Thereafter	<u>5,774,563</u>	<u>-</u>	<u>5,774,563</u>
	<u>\$ 10,958,184</u>	<u>\$ 260,000</u>	<u>\$ 11,218,184</u>

For the years ended June 30, 2024 and 2023, rental income included in the accompanying consolidated statements of activities from the leases amounted to approximately \$1,958,000 and \$1,837,000, respectively.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 14 – PENSION PLAN

The Agency has a 403(b) Thrift Plan covering all eligible full-time employees. The Agency is required by the plan to match employee contributions in accordance with the pension plan agreements. Each plan year, the Agency will make an employer-based contribution on the employee's behalf based on their years of service and a percentage of their compensation for that plan year, provided they are employed with the Agency on the last day of the plan year. Pension expense for the years ended June 30, 2024 and 2023 amounted to approximately \$397,000 and \$369,000, respectively.

NOTE 15 – COMMITMENTS AND CONTINGENCIES

- A. Pursuant to the Agency's contractual relationships with certain governmental funding sources, outside governmental agencies have the right to examine the books and records of the Agency involving transactions relating to these contracts. The accompanying consolidated financial statements make no provision for possible disallowances.
- B. The Coalition leased office space in Albany, New York on a month-to-month basis. Rent expense for the years ended June 30, 2024 and 2023 was \$3,123 and \$18,740, respectively. The lease has been terminated and the propriety vacated as of October 2023.
- C. The Agency believes it has no uncertain tax positions as of June 30, 2024 and 2023 in accordance with FASB Accounting Standards Codification ("ASC") Topic 740, "Income Taxes," which provides standards for establishing and classifying any tax provisions for uncertain tax positions.

NOTE 16 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes as of June 30:

	<u>2024</u>	<u>2023</u>
Crisis intervention	\$ 610,370	\$ 667,657
Children's programs	361,009	15,496
Time restricted	500,000	-
Other	<u>78,174</u>	<u>59,900</u>
	<u>\$ 1,549,553</u>	<u>\$ 743,053</u>

Crisis intervention, children's programs and others have with donor restrictions for purpose and time.

Net assets were released from restrictions by incurring expenses or the passage of time thus satisfying the restricted purposes as follows for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Children's programs	\$ 499,902	\$ 365,324
Food services	209,435	248,059
Crisis intervention	1,301,508	1,506,408
Job training	144,573	20,100
Advocacy	15,000	285,171
Emergency goods distribution	205,533	429,178
Housing	6,200	5,167
Website development project	38,400	-
COVID-19	<u>-</u>	<u>141,880</u>
	<u>\$ 2,420,551</u>	<u>\$ 3,001,287</u>

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 17 – BOARD DESIGNATED NET ASSETS

The Agency's governing board has designated a portion of its net assets without donor restrictions for quasi-endowment, operating reserve and other purposes. The quasi-endowment funds will be invested for long-term appreciation, but remain available and may be spent at the discretion of the board with a board resolution. Board designated net assets as of June 30, 2024 and 2023 amounted to \$17,161,465 and \$16,515,579, respectively.

Changes in Board designated funds for the years ended June 30, 2024 and 2023, are as follows:

	<u>2024</u>	<u>2023</u>
Investment activity:		
Interest	\$ 489,556	\$ 44,507
Unrealized gains (losses)	210,355	398,345
Investment fees	<u>(54,035)</u>	<u>(57,742)</u>
	645,886	385,110
Appropriated and transferred to board designated	<u>-</u>	<u>4,000,000</u>
Change in board designated	645,886	4,385,110
Board designated, beginning of year	<u>16,515,579</u>	<u>12,130,469</u>
Board designated, end of year	<u><u>\$ 17,161,465</u></u>	<u><u>\$ 16,515,579</u></u>

During fiscal year 2024, \$2,500,000 was transferred from an investment account to certificate deposits. Board designated funds of \$17,161,465 and \$16,515,579 as of June 30, 2024 and 2023, respectively, are included in investments in the accompanying consolidated statements of financial position.

NOTE 18 – CONCENTRATION OF CREDIT RISK

Cash that potentially subjects the Agency to a concentration of credit risk includes cash accounts with banks that exceed the Federal Deposit Insurance Corporation ("FDIC") insurance limits (\$250,000 per depositor). As of June 30, 2024 and 2023, there was approximately \$11,400,000 and \$7,300,000, respectively, of cash held by banks that exceeded FDIC limits.

NOTE 19 – RIGHT-OF-USE ASSETS AND LIABILITIES

The Agency leases space at a camp facility, various apartments and copiers for which expenses are recognized on a straight-line basis over the lease term. The Agency assesses whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets and operating lease liabilities on the consolidated statements of financial position. ROU assets represent the Agency's right to use an underlying asset for the lease term, and lease liabilities represent the Agency's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date or the adoption date of Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 842, based on the present value of lease payments over the lease term. As most of the Agency's leases do not provide an implicit rate, the Agency uses the risk-free rate based on the information available at the commencement date in determining the present value of lease payments.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 19 – RIGHT-OF-USE ASSETS AND LIABILITIES (Continued)

The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The Agency's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Variable lease expenses are recorded when incurred. The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Coalition leases various scattered site apartments throughout the five boroughs for clients of the program. These leases are between \$1,100 and \$2,200 per month depending on the size of the apartment and are directly funded by the New York City Human Resources Administration, a government agency. The leases are one to two years and are non-cancelable. The Coalition also signed ten-year leases in March 2018 for two campsites within Harriman State Park which expire December 31, 2027, which are used for summer sleep-away camp.

As of June 30, 2024 and 2023, the operating lease right-of-use ("ROU") assets had balances of \$140,108 and \$305,859, respectively.

As of June 30, 2024 and 2023, the operating lease liabilities had balances of \$140,108 and \$305,859, respectively.

The ROU assets and liabilities were calculated utilizing risk-free rates (ranging from 2.79% to 2.84%), according to the Agency's elected policy. For the years ended June 30, 2024 and 2023, the weighted averages of the remaining lease term are 3.2 and 1.56 years, respectively. The weighted average discount rates are 2.88% and 2.84% for the year ended June 30, 2024 and 2023.

Future minimum rental payments under non-cancelable operating leases with terms in excess of one year are as follows:

2025	\$ 45,987
2026	41,304
2027	41,304
2028	<u>18,407</u>
Total lease payments	147,002
Less: Present value discount	<u>(6,894)</u>
	<u><u>\$ 140,108</u></u>

Rent expense for the years ended June 30, 2024 and 2023 amounted to \$253,592 and \$353,570, respectively, and is included in occupancy expense and direct assistance to clients in the accompanying consolidated statements of functional expenses.

NOTE 20 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the consolidated statement of financial position through December 5, 2024, the date the consolidated financial statements were available to be issued.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATING STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2024

	Coalition for the Homeless, Inc.	West Seventy Seventh, Inc.	Bridge Building Management Company	HDFC	Bridge Coalition L.P.	Coalition Houses L.P.	Consolidating Eliminations	Consolidated Total
ASSETS								
Cash and cash equivalents	\$ 8,735,976	\$ -	\$ 100	\$ -	\$ 22,356	\$ 112,991	\$ -	\$ 8,871,423
Reserve fund	-	-	-	-	41,757	962,743	-	1,004,500
Investments	17,161,465	-	-	-	-	-	-	17,161,465
Contributions receivable	1,441,102	-	-	-	-	-	-	1,441,102
Grants receivable	1,321,146	-	-	-	-	-	-	1,321,146
Prepaid expenses and other	290,156	-	-	-	123,461	70,981	-	484,598
Due from affiliates	1,471,999	-	-	3,118	-	-	(1,475,117)	-
Property and equipment, net	14,830,674	-	-	-	303,581	1,436,494	-	16,570,749
Operating lease - right-of-use assets	140,108	-	-	-	-	-	-	140,108
TOTAL ASSETS	<u>\$ 45,392,626</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 3,118</u>	<u>\$ 491,155</u>	<u>\$ 2,583,209</u>	<u>\$ (1,475,117)</u>	<u>\$ 46,995,091</u>
LIABILITIES								
Accounts payable and accrued expenses	\$ 595,490	\$ -	\$ 8,901	\$ -	\$ 694,567	\$ 1,314,119	\$ (1,308,615)	\$ 1,304,462
Accrued vacation	511,725	-	-	-	727	1,880	-	514,332
Refundable advances	49,887	-	-	-	11,686	-	-	61,573
Loans payable	-	-	-	-	-	2,729,036	-	2,729,036
Operating lease liabilities	140,108	-	-	-	-	-	-	140,108
Due to affiliate	-	19,481	3,775	-	553	142,693	(166,502)	-
TOTAL LIABILITIES	<u>1,297,210</u>	<u>19,481</u>	<u>12,676</u>	<u>-</u>	<u>707,533</u>	<u>4,187,728</u>	<u>(1,475,117)</u>	<u>4,749,511</u>
NET ASSETS								
Without donor restrictions:								
Net investment in property and equipment	14,830,674	-	-	-	303,581	(1,292,542)	-	13,841,713
Board designated	17,161,465	-	-	-	-	-	-	17,161,465
Operations	<u>10,553,724</u>	<u>(15,390)</u>	<u>(12,576)</u>	<u>3,118</u>	<u>(305,745)</u>	<u>1,292,382</u>	<u>-</u>	<u>11,515,513</u>
Controlling interest	42,545,863	(15,390)	(12,576)	3,118	(2,164)	(160)	-	42,518,691
Noncontrolling interest	-	(4,091)	-	-	(214,214)	(1,604,359)	-	(1,822,664)
Total net assets (deficit) without donor restrictions	42,545,863	(19,481)	(12,576)	3,118	(216,378)	(1,604,519)	-	40,696,027
Net assets with donor restrictions - controlling interest	<u>1,549,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,549,553</u>
TOTAL NET ASSETS (DEFICIT)	<u>44,095,416</u>	<u>(19,481)</u>	<u>(12,576)</u>	<u>3,118</u>	<u>(216,378)</u>	<u>(1,604,519)</u>	<u>-</u>	<u>42,245,580</u>
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	<u>\$ 45,392,626</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ 3,118</u>	<u>\$ 491,155</u>	<u>\$ 2,583,209</u>	<u>\$ (1,475,117)</u>	<u>\$ 46,995,091</u>

See independent auditors' report.

COALITION FOR THE HOMELESS, INC. AND AFFILIATES
CONSOLIDATING STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	Coalition for the Homeless, Inc.			West Seventy Seventh, Inc.	Bridge Building Management Company	HDFC	Coalition Bridge L.P.	Coalition Houses L.P.		Consolidated Total		
	Without donor restrictions	With donor restrictions	Total	Without donor restrictions			Eliminations	Without donor restrictions	With donor restrictions	Total		
PUBLIC SUPPORT AND OTHER REVENUE:												
Contributions	\$ 7,520,699	\$ 3,227,051	\$ 10,747,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,520,699	\$ 3,227,051	\$ 10,747,750
Government support	5,191,275	-	5,191,275	-	-	-	-	-	-	5,191,275	-	5,191,275
Special events, net	632,041	-	632,041	-	-	-	-	-	-	632,041	-	632,041
In-kind donations	324,278	-	324,278	-	-	-	-	-	-	324,278	-	324,278
Bequests	939,549	-	939,549	-	-	-	-	-	-	939,549	-	939,549
Lease income	1,314,501	-	1,314,501	-	-	-	183,936	459,179	-	1,957,616	-	1,957,616
Investment income	895,920	-	895,920	-	-	-	1,640	-	-	897,560	-	897,560
Other income	243,797	-	243,797	-	-	-	5,262	43,683	-	292,742	-	292,742
Net assets released from restrictions	2,420,551	(2,420,551)	-	-	-	-	-	-	-	2,420,551	(2,420,551)	-
Total Public Support and Other Revenue	19,482,611	806,500	20,289,111	-	-	-	190,838	502,862	-	20,176,311	806,500	20,982,811
EXPENSES												
Program Services:												
Advocacy	2,186,655	-	2,186,655	-	-	-	-	-	-	2,186,655	-	2,186,655
AIDS	2,866,892	-	2,866,892	-	-	-	-	-	-	2,866,892	-	2,866,892
Crisis intervention	4,245,073	-	4,245,073	-	-	-	-	-	-	4,245,073	-	4,245,073
Housing	376,492	-	376,492	-	-	-	242,726	851,963	-	1,471,181	-	1,471,181
Food services	2,623,498	-	2,623,498	-	-	-	-	-	-	2,623,498	-	2,623,498
Job training	780,209	-	780,209	-	-	-	-	-	-	780,209	-	780,209
Emergency mail	124,324	-	124,324	-	-	-	-	-	-	124,324	-	124,324
Emergency goods	902,155	-	902,155	-	-	-	-	-	-	902,155	-	902,155
Children's programs	1,819,023	-	1,819,023	-	-	-	-	-	-	1,819,023	-	1,819,023
Program Services	15,924,321	-	15,924,321	-	-	-	242,726	851,963	-	17,019,010	-	17,019,010
Supporting Services:												
Management and administration	1,556,003	-	1,556,003	-	-	-	-	-	-	1,556,003	-	1,556,003
Fundraising	1,309,628	-	1,309,628	-	-	-	-	-	-	1,309,628	-	1,309,628
Business rental	963,776	-	963,776	-	-	-	-	-	-	963,776	-	963,776
Supporting Services	3,829,407	-	3,829,407	-	-	-	-	-	-	3,829,407	-	3,829,407
Total Operating Expenses	19,753,728	-	19,753,728	-	-	-	242,726	851,963	-	20,848,417	-	20,848,417
CHANGE IN TOTAL NET ASSETS	(271,117)	806,500	535,383	-	-	-	(51,888)	(349,101)	-	(672,106)	806,500	134,394
Net Assets (Deficit) - Beginning of Year	42,816,980	743,053	43,560,033	(19,481)	(12,576)	3,118	(164,490)	(1,255,418)	-	41,368,133	743,053	42,111,186
NET ASSETS (DEFICIT) - END OF YEAR	\$ 42,545,863	\$ 1,549,553	\$ 44,095,416	\$ (19,481)	\$ (12,576)	\$ 3,118	\$ (216,378)	\$ (1,604,519)	\$ -	\$ 40,696,027	\$ 1,549,553	\$ 42,245,580