



EMPOWERING THE HOMELESS  
IMPROVING COMMUNITIES

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Association of Community Employment Programs  
for the Homeless, Inc.  
Long Island City, New York

### **Opinion**

We have audited the accompanying financial statements of Association of Community Employment Programs for the Homeless, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Association of Community Employment Programs for the Homeless, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Association of Community Employment Programs for the Homeless, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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


### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 generally accepted auditing standards 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, including omissions, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Association of Community Employment Programs for the Homeless, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Association of Community Employment Programs for the Homeless, Inc.'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.



Berkow, Schechter & Company LLP

Stamford, Connecticut  
April 26, 2022

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
STATEMENT OF FINANCIAL POSITION  
DECEMBER 31, 2021

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 99,817
Investments (Note 4)	511,642
Accounts receivable, net (Note 10)	2,049,157
Rent abatement receivable	78,000
Employee advances	413
Total Current Assets (Note 3)	<u>2,739,029</u>

FIXED ASSETS:

Furniture, fixtures and equipment	85,552
Vehicles	384,313
Leasehold improvements	89,732
Less: accumulated depreciation	<u>(233,052)</u>
Fixed Assets, Net (Note 5)	326,545

Security deposit	<u>35,575</u>
TOTAL ASSETS	<u><u>\$ 3,101,149</u></u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 29,041
Credit cards payable	60,119
Deferred rent	<u>3,239</u>
Total Current Liabilities	92,399

Total Liabilities	<u>92,399</u>
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Net assets

Without donor restrictions	3,008,750
With donor restrictions	<u>-</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,101,149</u></u>

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Gifts and grants	\$ 854,699	\$ -	\$ 854,699
Program services	5,285,280	-	5,285,280
Other income (Note 11)	750,249	-	750,249
Special events revenue (Note 9)	749,636	-	749,636
Special events expenses	(205,367)	-	(205,367)
Fundraising event, net of expenses (Note 9)	17,595	-	17,595
Investment income	11,802	-	11,802
<b>Total Revenues, Gains and Other Support</b>	<b>7,463,894</b>	<b>-</b>	<b>7,463,894</b>
<b>FUNCTIONAL EXPENSES</b>			
Program services	5,338,678	-	5,338,678
Management and general	237,652	-	237,652
Fundraising	431,287	-	431,287
<b>Total Functional Expenses</b>	<b>6,007,617</b>	<b>-</b>	<b>6,007,617</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,456,277</b>	<b>-</b>	<b>1,456,277</b>
Net assets, December 31, 2020	1,552,473	-	1,552,473
Net assets, December 31, 2021	<u>\$ 3,008,750</u>	<u>\$ -</u>	<u>\$ 3,008,750</u>

ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE HOMELESS, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2021

	<i>Program Activities</i>			<i>Supporting Activities</i>			
	Project Comeback	Project Stay	Programs Subtotal	Management & General	Fundraising	Supporting Subtotal	Total Expenses
PERSONNEL COSTS							
Contract Services Wages	\$ -	\$ 2,521,029	\$ 2,521,029	\$ -	\$ -	\$ -	\$ 2,521,029
Staff Wages	560,050	586,233	1,146,283	119,469	223,455	342,924	1,489,207
Payroll Taxes	42,947	238,276	281,223	9,161	17,135	26,296	307,519
Employee Benefits	47,885	94,829	142,714	10,488	25,979	36,467	179,181
	<u>650,882</u>	<u>3,440,367</u>	<u>4,091,249</u>	<u>139,118</u>	<u>266,569</u>	<u>405,687</u>	<u>4,496,936</u>
OTHER EXPENSES							
Insurance	99,656	99,656	199,312	34,028	21,762	55,790	255,102
Sanitation Supplies & Storage	64,406	156,336	220,742	-	-	-	220,742
Rent	148,040	21,148	169,188	21,149	21,148	42,297	211,485
Program Stipend/Retention	146,685	36,825	183,510	-	-	-	183,510
Depreciation & Amortization	34,100	34,100	68,200	14,615	14,615	29,230	97,430
Water Truck Operating	33,389	52,471	85,860	-	-	-	85,860
Administration Services	54,202	-	54,202	1,040	10,786	11,826	66,028
Development Consultants	-	-	-	-	60,250	60,250	60,250
Program Uniforms	22,582	36,587	59,169	-	-	-	59,169
Payroll Processing	8,242	45,730	53,972	1,758	3,289	5,047	59,019
Photocopier Rental & Maintenance	26,656	10,976	37,632	784	784	1,568	39,200
Client Compliance & Evaluation	21,893	-	21,893	-	-	-	21,893
Dues & Subscriptions	14,474	4,135	18,609	1,654	413	2,067	20,676
Accounting	1,025	1,025	2,050	17,425	1,025	18,450	20,500
Security	7,661	7,660	15,321	403	404	807	16,128
Program Meals & Other	1,522	13,410	14,932	-	-	-	14,932
Legal	4,090	3,409	7,499	3,409	2,727	6,136	13,635
Credit Card Fee	-	-	-	-	13,498	13,498	13,498
Office Supplies	8,873	3,653	12,526	261	261	522	13,048
Printing and Publications	1,085	-	1,085	542	9,222	9,764	10,849
Business Meals & Local Travel	3,573	3,573	7,146	510	2,552	3,062	10,208
Client Education & Certifications	9,531	-	9,531	-	-	-	9,531
Postage and Shipping	1,524	762	2,286	-	762	762	3,048
Website and IT	443	444	887	111	1,220	1,331	2,218
Interest	1,704	-	1,704	426	-	426	2,130
NYS Charities Bureau	-	-	-	375	-	375	375
Bank Charges & Miscellaneous	173	-	173	44	-	44	217
TOTAL OTHER EXPENSES	<u>715,529</u>	<u>531,900</u>	<u>1,247,429</u>	<u>98,534</u>	<u>164,718</u>	<u>263,252</u>	<u>1,510,681</u>
TOTAL EXPENSES	<u>\$ 1,366,411</u>	<u>\$ 3,972,267</u>	<u>\$ 5,338,678</u>	<u>\$ 237,652</u>	<u>\$ 431,287</u>	<u>\$ 668,939</u>	<u>\$ 6,007,617</u>

See independent auditor's report and notes to financial statements.

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets from operations	\$ 1,456,277
Depreciation	97,430
Change in investments value	(11,642)
Change in assets and liabilities	
Accounts receivable	(1,210,763)
Rent abatements receivable	(78,000)
Employee advances	(413)
Prepaid expenses	92,751
Accounts payable	(37,855)
Credit card payable	43,029
Deferred rent	3,239
	<hr/>
Net Cash Provided By Operating Activities	354,053

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of investments	(500,000)
Capital expenditures	(55,161)
	<hr/>
Net Cash Used In Investing Activities	(555,161)
 Net decrease in cash and cash equivalents	 (201,108)
Cash, Beginning of Year	300,925
	<hr/>
CASH, END OF YEAR	<u><u>\$ 99,817</u></u>



ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - NATURE OF ORGANIZATION

The Association of Community Employment Programs for the Homeless, Inc. (the “Organization”), is a New York not-for-profit organization formed in 1995 as the successor to the SoHo & Tribeca Partnerships originally formed in 1992. The Organization has its mission as working with the homeless men and women throughout New York City, providing job training, work experience and a lifetime of support network to help their program participants achieve their goals and establish economic independence.

The Organization’s program services include the following major components:

*Project Comeback:* This program provides recovering homeless individuals with the skills, support services and motivation they need to obtain and sustain full-time employment and economic independence. Participants receive job-readiness training, supported work experience, adult basic education, supplemental skills training and vocational support services including life skills development and job search assistance. Program activities take place seven days each week year-round, with each participant attending five days weekly, and graduating from the program once they find full-time employment.

*Project Stay:* This is the Organization’s aftercare program, which offers its graduates lifelong support and enrichment services aimed at helping them stay employed, explore opportunities for career growth, and continue to develop their living skills, especially those pertaining to financial literacy and money management. To assist graduates during their transition to self-sufficiency, the program offers regular support groups and one-on-one counseling as needed with Certified Rehabilitation Counselors. The program also provides a variety of workshops geared toward vocational, educational and personal advancement, covering topics such as communication skills, time management, conflict mediation and work/life balance.

Included in the Project Stay program, is the Contract Services initiative. Through this initiative, the Organization employs graduates to perform daily supplemental sanitation services across New York. This initiative provides critical employment opportunities for the Organization’s program participants, who have histories of homelessness, incarceration and addiction. The full-time employees are able to make their transition to independence while continuing to receive all of the program support that is available.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The financial statement presentation follows the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Non-for-Profit Entities*. The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net assets without donor restrictions:* Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

*Net assets with donor restrictions:* Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the nonprofit Organization or by the passage of time. When a donor restriction expires, the net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three (3) months or less to be cash equivalents.

Property and Equipment

The Organization records property and equipment at cost, or if received by donation, at estimated fair value at the time such items are received. Property and equipment with a cost or fair value in excess of \$5,000 with a useful life in excess of one year are capitalized. Major repairs and replacements that extend the useful life of property are similarly capitalized. Expenditures for repairs and maintenance are charged to expense as incurred. Vehicles, furniture, fixtures, and equipment are depreciated using the straight-line method over their useful lives which range from five to ten years. Leasehold improvements are amortized over the shorter of the remaining life of the lease or the actual asset life. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from accounts, and any related gain or loss is reflected in income for the period.

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

*Contracts with local government agency:* The Organization has contracts with a local government agency that require payment at the end of the agency's June 30, 2021 fiscal year end. Revenue related to these contracts has been recognized based on an estimate of the percentage for the unregistered contracted services provided as of December 31, 2021. Revenue from registered contracts are recognized based on actual expenses incurred.

*Contributions:* All contributions are considered available for the general programs of the Organization, unless specifically restricted by the donor. The Organization reports all monetary gifts as support with donor restrictions if they are received with donor stipulations that limit their use or are subject to time restrictions.

*Promises to give:* Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions are met or expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction is met or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

*Donated services:* Donated services are defined as services that require specialized skills that would otherwise have been purchased by the Organization. No amounts have been reflected in the financial statements for donated services of volunteers because they do not meet the criteria for recognition in the financial statements under accounting principles generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

Functional expenses have been allocated between program services, and supporting services based upon actual costs and percentage of personnel time devoted to each area. Certain overhead costs have been allocated based upon analysis of aggregate charges within each functional area.

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

The Organization follows FASB guidance on fair value, which, among other things, defines fair value, establishes a hierarchical framework for measuring fair value, and expands disclosure about fair value measurements. Fair value is defined as 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. The fair value hierarchy is organized into three levels based upon the assumptions (referred to as “inputs”) used in pricing the asset or liability, as follows:

*Level I:* Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access the measurement date.

*Level II:* Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, with fair value being determined through the use of models or other valuation methodologies.

*Level III:* Inputs are observable for the asset or liability and are used to the extent that observable inputs do not exist. Level 3 inputs require significant management judgment and estimation. Factors considered include the purchase cost, prices of recent private placements of the same issuer, liquidity of the investment, changes in financial condition of the issuer, and valuations of similar companies.

Inputs generally refer to the assumptions that market participants use to make valuation decisions. The inputs or methods used for valuing investments are not necessarily an indication of the risk associated with those investments. The valuation methodologies used may involve a significant degree of judgement. Accordingly, the degree of judgment exercised by the Organization in determining fair value is greatest for securities categorized in *Level III*. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls, is determined based on the lowest level input that is significant to the fair value measurement.

New Accounting Pronouncements

*ASU 2016-02 Leases (Topic 842):* In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASU) No. 2016-02, Leases (Topic 842). The ASU’s core principle is to increase transparency and comparability among organizations by requiring recognition or rights and obligations from lease contracts longer than one year as assets and liabilities on the balance sheet.

The pattern of expense recognition in the statement of activities will depend on a lease’s classification. For not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2021 . The Organization is evaluating the effect that ASU No. 2016-02 will have on its financial statements and related disclosures.

See independent auditor’s report.

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*ASU 2020-07(Topic 958):* In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Non-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets. Under the new standard's requirements, gifts-in-kind are to be presented as a separate line item on the statement of activities, with additional disclosures. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for annual periods beginning after June 15, 2021. The Organization is evaluating the impact this standard will have on future financial statements.

NOTE 3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available for general expenditure within one year of the balance sheet date for general expenditures are as follows:

	<u>2021</u>
Cash and cash equivalents	\$ 99,817
Investments	511,642
Accounts receivable, net	2,049,157
Rent abatement receivable	78,000
Employee advances	<u>413</u>
	<u>\$ 2,739,029</u>

As part of its liquidity management, the Organization structures its financial assets to be available to satisfy its general expenditures, current liabilities, and other obligations as they come due. The Organization evaluates its net assets without donor restrictions position annually and ensures availability of cash. The Organization's investment policy is to invest its funds entirely in cash and cash equivalents to minimize exposures to market risks and preserve constant dollar value.

NOTE 4 - INVESTMENTS

The Organization reports investment income and unrealized gains and losses as increases or decreases in net assets without donor restrictions in the Statements of Activities and Change in Net Assets, unless a donor or law temporarily or permanently restricts their use. Restricted gains and investment income whose restrictions are met in the same year are reported as increases in net assets without donor restrictions.

Investments at fair market value at December 31, 2021 was \$511,642.

Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividend), is reflected in the statement of activities.

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 4 - INVESTMENTS (CONTINUED)**

The following table presents information about the Organization's investments measured at fair value as of December 31, 2021, and indicates the fair value hierarchy of the valuation techniques used.

Asset	Fair value measurements at reporting date using			Balance December 30, 2021
	Level I	Level II	Level III	
Stock funds	\$ 159,070	\$ -	\$ -	\$ 159,070
Bond funds	231,517	-	-	231,517
Short-term funds	10,583	-	-	10,583
Exchange traded products	110,472	-	-	110,472
Total Investments	<u>\$ 511,642</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 511,642</u>

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consists of the following:

	<b><u>2021</u></b>
Furniture, fixtures and equipment	\$ 85,552
Vehicles	384,313
Leasehold improvements	<u>89,732</u>
	559,597
Less accumulated depreciation	<u>(233,052)</u>
Fixed assets, net	<u>\$ 326,545</u>

Depreciation expense was \$97,430, for the year ended December 31, 2021.

**NOTE 6 - TAX STATUS**

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code, and is not subject to federal income taxes. The Organization is required to file a Return of Organization Exempt from Income Tax (Form 990) annually, with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purposes. The entity has determined it has no activities subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS, for the year ended December 31, 2021.

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

**NOTE 6 - TAX STATUS (CONTINUED)**

Generally, federal and state authorities may examine the Organization's informational tax returns for up to three (3) years from date of filing. Consequently, income tax returns for years prior to 2018 are no longer subject to examination by tax authorities.

**NOTE 7 - COMMITMENTS**

On August 3, 2016 the Organization entered into a ten year lease to occupy 7,115 square feet of usable space at 30-30 Northern Blvd, Long Island City, New York. The lease was to commence on June 1, 2017, the expected completion date of all construction, and continue through May 31, 2027.

The Organization took occupancy of the space in June of 2017 but construction was not substantially completed as had been stipulated in the lease. The landlord completed all construction in early 2018 and normal lease payments commenced in May of 2018. Future annual minimum lease payments due under the operating lease as of December 31, 2021, are as follows:

<b><u>Year</u></b>	<b><u>Base Rent</u></b>
2022	\$ 244,397
2023	252,376
2024	259,751
2025	267,070
2026	275,099
Thereafter	<u>116,035</u>
	<u><u>\$ 1,414,728</u></u>

Total operating lease expense was \$237,297, for the year ended December 31, 2021.

**NOTE 8 - CONCENTRATION RISK**

Cash and cash equivalents are insured up to \$250,000 by the Federal Deposit Insurance Corporation (the "FDIC"). At times the Organization's cash balances exceed the FDIC limit and as a result, the excess amount is not insured by the FDIC. Risk is managed by maintaining significant balances in highly qualified financial institutions.

The Organization receives a significant amount of its income from a few private foundations.

**NOTE 9 - SPECIAL EVENTS**

Special events generate revenue for the Organization as well as raise awareness about the Organization's mission. Some events are annual and some are incidental to the Organization's central activities and do not happen regularly.

ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 9 - SPECIAL EVENTS (CONTINUED)

The Organization held one annual event during the year ended December 31, 2021 related to its annual Gala as follows:

Changes in net assets without donor restrictions:		
Special event revenue	\$ 749,636	
Less: Cost of direct benefits to donors	<u>(205,367)</u>	
Net revenue from special events		544,269
Other fundraising events revenue	21,595	
Less: Cost of fundraising event	<u>(4,000)</u>	
Net revenue from other fundraising event		<u>17,595</u>
Total		<u>\$ 561,864</u>

NOTE 10 - ACCOUNTS RECEIVABLE

A significant amount of the Organization's accounts receivable consists of outstanding invoices with local business entities and state and local authorities for the program revenue derived from cleaning, sanitation and horticultural services provided by the participants.

The carrying amount of accounts receivable net of allowance for doubtful accounts is as follows:

Current	\$ 547,370
Overdue 31 – 60 days	333,857
Overdue 61 – 120 days	<u>1,167,930</u>
Total	<u>\$ 2,049,157</u>

The Organization maintains an allowance for doubtful accounts for estimated credit losses resulting from collection risks, including the inability of agencies to make required payment under contractual agreements. The allowance for doubtful accounts is reported as a reduction of receivables in the statement of financial position. The adequacy of this allowance is determined by evaluating historical delinquency and write-off trends, specific known collection risks, as well as current economic conditions.

For the year ended December 31, 2021, the Organization determined that it generally did not have collection risk on its accounts receivable because of the nature of its major customer which is the City of New York.



ASSOCIATION OF COMMUNITY EMPLOYMENT  
PROGRAMS FOR THE HOMELESS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 11 - PAYCHECK PROTECTION PROGRAM

During 2021, the Organization applied for, and received a second round loan in the amount of \$750,249 from the Small Business Administration (“SBA”) under the terms of the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, March 2020. The amount was forgiven in its entirety as the Organization met all the loan forgiveness conditions.

NOTE 12 - RELATED PARTY

The founder and a director of the Organization is also a director of the Association of Charles Evans Housing Foundation, a large Organization benefactor that made contributions to the Organization of \$247,010 for the year ended December 31, 2021.

NOTE 13 - RETIREMENT PLAN

The Organization provides its employees with a 401(k) retirement plan. Pension plan expense represents matching of up to 4% of participating employees’ compensation. The employer contribution to the plan was \$52,425 for the year ended December 31, 2021.

NOTE 14 - SUBSEQUENT EVENTS

In accordance with ASC 855, the Organization evaluated subsequent events through April 26, 2022, the date these financial statements were available to be issued. There are no material subsequent events that have occurred subsequent to the financial position date through, April 26, 2022, that required recognition or additional disclosure in these financial statements.