



EMPOWERING THE HOMELESS
IMPROVING COMMUNITIES

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2025

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

CONTENTS

	<u>Page</u>
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities and Change in Net Assets	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-15



James Oliveri CPA, PC
1525 Kings Highway, Suite 211
Fairfield, CT 06824
347-248-2195

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, 2025, 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, 2025, 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.



James Oliveri CPA, PC

Fairfield, CT
May 20, 2026

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2025

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 431,631
Conditional Promises to Give (Note 3)	100,836
Accounts receivable, net (Note 11)	3,866,205
Prepaid Expenses	45,243
Employee Loans	1,422
Total Current Assets	<u>4,445,337</u>

FIXED ASSETS:

Furniture, fixtures and equipment	168,923
Vehicles	599,091
Leasehold improvements	124,982
Less: accumulated depreciation	<u>(653,072)</u>
Fixed Assets, Net (Note 6)	239,924

Other Assets

Security Deposit	35,575
Cash and Cash Equivalents - with donor restrictions	231,485
Advance Payment - Containers	153,277
Operating Lease Right-of-Use Asset, net of Amortization (Note 8)	359,393
Total Other Assets	<u>779,730</u>

TOTAL ASSETS	<u><u>\$ 5,464,991</u></u>
--------------	----------------------------

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$ 188,080
Accrued Expenses	216,209
Refundable Advance	37,204
Current Portion of Lease Obligations (Note 8)	264,927
Total Current Liabilities	<u>706,420</u>

Long Term Portion of Lease Obligations	<u>115,212</u>
--	----------------

Total Liabilities	821,632
-------------------	---------

Net assets

Without donor restrictions	4,411,874
With donor restrictions (Note 4)	231,485
	<u>4,643,359</u>

TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 5,464,991</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, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Program services	\$ 9,010,996	\$ -	\$ 9,010,996
Gifts and grants	841,986	35,250	877,236
Special events revenue (Note 2)	1,132,334	-	1,132,334
Special events expenses	(291,433)	-	(291,433)
Fundraising Event, net of expenses (Note 10)	94,946	-	94,946
Investment income	24,346	-	24,346
Released from Restriction (Note 4)	100,836	(100,836)	-
Total Revenues, Gains and Other Support	10,914,011	(65,586)	10,848,425
FUNCTIONAL EXPENSES			
Program services	9,553,387	-	9,553,387
Management and general	346,333	-	346,333
Fundraising	613,303	-	613,303
Total Functional Expenses	10,513,023	-	10,513,023
CHANGE IN NET ASSETS	400,988	(65,586)	335,402
Net assets, December 31, 2024	4,125,819	282,071	4,407,890
Prior period Adjustment (see note 14)	(114,933)	15,000	(99,933)
Net assets, December 31, 2025	\$ 4,411,874	\$ 231,485	\$ 4,643,359

ASSOCIATION OF COMMUNITY EMPLOYMENT PROGRAMS FOR THE HOMELESS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2025

	<i>Program Activities</i>			<i>Supporting Activities</i>			
	<u>Project Comeback</u>	<u>Project Stay</u>	<u>Programs Subtotal</u>	<u>Management & General</u>	<u>Fundraising</u>	<u>Supporting Subtotal</u>	<u>Total Expenses</u>
PERSONNEL COSTS							
Contract Services Wages		\$ 4,278,864	\$4,278,864	\$ -	\$ -	\$ -	\$ 4,278,864
Staff Wages	622,713	1,281,134	1,903,847	164,010	365,562	529,572	2,433,419
Payroll Taxes	56,722	506,454	563,176	14,939	33,299	48,238	611,414
Employee Benefits	61,368	130,853	192,221	15,664	18,984	34,648	226,869
	<u>740,803</u>	<u>6,197,305</u>	<u>6,938,108</u>	<u>194,613</u>	<u>417,845</u>	<u>612,458</u>	<u>7,550,566</u>
OTHER EXPENSES							
Program Stipend/Retention Expense	530,678	41,943	572,621	-	-	-	572,621
Sanitation Supplies & Storage Expense	34,281	292,417	326,698	-	-	-	326,698
Insurance	97,852	229,444	327,296	52,874	35,753	88,627	415,923
Bad Debt Expense	-	325,000	325,000	-	-	-	325,000
Rent	195,297	27,900	223,197	27,900	27,900	55,800	278,997
Water Truck Operating Expense	17,438	156,939	174,377	-	-	-	174,377
Program Uniforms	52,439	127,753	180,192	-	-	-	180,192
Depreciation & Amortization	33,868	33,868	67,736	14,515	14,515	29,030	96,766
Program Meals & Other	30,470	73,620	104,090	-	-	-	104,090
Payroll Processing Expense	6,475	57,811	64,286	1,705	3,801	5,506	69,792
Development Consultants	-	75,738	75,738	-	75,738	75,738	151,476
Photocopier Rental & Maintenance	9,266	5,896	15,162	842	842	1,684	16,846
Client Education & Certifications	37,111	-	37,111	-	-	-	37,111
Dues & Subscriptions	5,777	3,466	9,243	1,155	1,155	2,310	11,553
Printing and Publications	1,406	-	1,406	703	11,954	12,657	14,063
Client Compliance & Evaluation Expense	23,396	-	23,396	-	-	-	23,396
Accounting	-	-	-	29,890	-	29,890	29,890
Credit Card Fee Expense	-	-	-	-	15,045	15,045	15,045
Website and IT Expense	9,470	14,205	23,675	1,578	6,313	7,891	31,566
Conference & Meeting Expense	8,669	2,890	11,559	1,445	1,445	2,890	14,449
Administrative Services	-	-	-	13,800	-	13,800	13,800
Office Supplies & Expense	10,388	4,278	14,666	306	306	612	15,278
Interest	4,606	-	4,606	1,151	-	1,151	5,757
Security Expense	6,326	6,326	12,652	333	333	666	13,318
Staff Development Expense	6,526	2,175	8,701	-	-	-	8,701
Legal	-	10,071	10,071	2,518	-	2,518	12,589
Postage and Shipping	1,087	652	1,739	109	326	435	2,174
Bank Charges & Miscellaneous	30	31	61	521	32	553	614
NYS Charities Bureau	-	-	-	375	-	375	375
TOTAL OTHER EXPENSES	<u>1,122,856</u>	<u>1,492,423</u>	<u>2,615,279</u>	<u>151,720</u>	<u>195,458</u>	<u>347,178</u>	<u>2,962,457</u>
TOTAL EXPENSES	<u>\$ 1,863,659</u>	<u>\$ 7,689,728</u>	<u>\$ 9,553,387</u>	<u>\$ 346,333</u>	<u>\$ 613,303</u>	<u>\$ 959,636</u>	<u>\$ 10,513,023</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, 2025

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets from operations	\$ 335,402
Depreciation	96,766
Change in assets and liabilities	
(Increase)/Decrease in Net Accounts receivable	6,963
(Increase)/Decrease in Employee Loans	(1,422)
(Increase)/Decrease in Prepaid Expenses	(45,243)
(Increase)/Decrease in Right of Use Asset	240,352
Increase/(Decrease) in Vehicle Deposit	26,049
Increase/(Decrease) in Accrued Expenses	116,276
Increase/(Decrease) in Refundable Advance	37,204
Increase/(Decrease) in Accounts payable	80,016
Increase/(Decrease) in Lease Obligations	(245,981)
Net Cash Provided By Operating Activities	<u>646,382</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of Furnitures and Fixtures	(54,542)
Purchase of Vehicle	(106,126)
Advance Payment - Containers	(153,277)
Net Cash Provided By Investing Activities	<u>(313,945)</u>

Net increase in cash and cash equivalents	332,437
Cash, Beginning of Year	<u>330,679</u>
CASH, END OF YEAR	<u><u>\$ 663,116</u></u>

The following table provides a reconciliation of cash and restricted cash reported in the statement of financial position to the totals shown in the statement of cash flows:

Cash and Cash Equivalents	\$ 431,631
Cash and Cash Equivalents - with donor restrictions	231,485
	<u><u>\$ 663,116</u></u>

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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, 2025

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.

Cash and cash equivalents – with donor restrictions

The organization began a campaign to increase the number of ACE graduates. Donations made to this campaign are restricted solely for the purpose of expanding their current facilities.

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, 2025

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, 2026 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, 2025. 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.

Special Events

At times the organization generates revenue from special events. Costs for these events are netted against the related revenue. Support received from special events is recognized as contributions except for the portion of support that has a reciprocal benefit to the provider, which is accounted for as an exchange transaction in accordance with FASB ASC 606, Revenue from contracts with customers. Support that has a reciprocal benefit to the provider is recognized as revenue at that point in time the performance obligations are satisfied, generally at the time of the event. Payments received are recorded as deferred revenue until the time of the related event at December 31, 2025.

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

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, 2022.

NOTE 3 – CONDITIONAL PROMISES TO GIVE

The organization received a conditional promise to give during 2024 in the amount of \$100,836 for a purchase of a vehicle. The vehicle has been purchased, and the organization has not received the funds as of December 31, 2025.

NOTE 4 – NET ASSETS WITH DONOR RESTRICTIONS

In 2024, the organization started a capital campaign to expand it's operations. As of December 31, 2025, \$231,485 of net assets are restricted for this purpose.

The following net assets with donor restrictions were released from donor restrictions by incurring expenses which satisfied the restricted purposes specified by the donors during the year ended December 31, 2025:

Vehicle Purchase:	<u>\$ 100,836</u>
-------------------	-------------------

NOTE 5 - 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>2025</u>
Cash and cash equivalents	\$ 663,116
Accounts receivable, net	<u>3,866,205</u>
	<u><u>\$ 4,529,321</u></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.

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2025</u>
Furniture, fixtures and equipment	\$ 168,923
Vehicles	599,091
Leasehold improvements	<u>124,982</u>
	892,996
Less accumulated depreciation	<u>(653,072)</u>
Fixed assets, net	<u>\$ 239,924</u>

Depreciation expense was \$96,766, for the year ended 2025.

NOTE 7 - 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, 2025.

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 2022 are no longer subject to examination by tax authorities.

NOTE 8 – LEASE COMMITMENT

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 commenced on June 1, 2017, and continues 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.

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 8 – LEASE COMMITMENT (CONTINUED...)

Future annual minimum lease payments due under the operating lease as of December 31, 2025, are as follows:

<u>Year</u>	<u>Base Rent</u>
2026	275,101
2027	116,035
Thereafter	_____ -
	<u>\$ 391,136</u>

Total operating lease expense was \$278,997 for the year ended December 31, 2025.

Effective January 1, 2024, the Company reports rent expense as lease expense. The Company calculated its operating right-of-use assets and operating lease liabilities over the remaining term of 2 years and 5 months using its incremental borrowing rate of 4%.

The following summarizes the line items in the balance sheet which include amounts for operating leases as of December 31, 2025:

Operating lease right-of-use assets, net of amortization	<u>\$ 359,393</u>
Current portion of operating lease liabilities	\$ 264,927
Operating lease liabilities	<u>115,212</u>
Total operating lease liabilities	<u>\$ 380,139</u>

The maturities of operating lease liabilities as of December 31, 2025, are as follows:

2026	\$ 275,101
2027	116,035
Thereafter	_____ -
Total lease payments	391,136
Less: Interest	<u>(10,997)</u>
Present value of operating lease liabilities	<u>\$ 380,139</u>

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 9 - 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.

A significant portion of accounts receivables (75%) is from DYCD, a local government entity.

NOTE 10 - FUNDRAISING EVENTS

Fundraising 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.

The Organization held one annual event during the year ended December 31, 2025 related to its annual Gala as follows:

Changes in net assets without donor restrictions:	
Other fundraising events revenue	129,190
Less: Cost of fundraising event	<u>(34,244)</u>
Net revenue from other fundraising event	<u>94,946</u>
 Total	 <u>\$ 94,946</u>

NOTE 11 - 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	\$ 647,277
Overdue 31 – 60 days	617,606
Overdue 61 – 120 days	<u>2,926,322</u>
	4,191,205
Less: Credit reserve	(325,000)
 Total	 <u>\$ 3,866,205</u>

ASSOCIATION OF COMMUNITY EMPLOYMENT
PROGRAMS FOR THE HOMELESS, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2025

NOTE 11 - ACCOUNTS RECEIVABLE (CONTINUED...)

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, 2025, the Organization determined that an amount of \$325,000 should be reserved for credit losses based on the age of the receivables.

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 \$345,000 for the year ended December 31, 2025.

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 \$100,422 for the year ended December 31, 2025.

NOTE 14 – PRIOR PERIOD ADJUSTMENT

Net assets at the beginning of the year has been adjusted for payroll accruals not previously recognized, as well as reclassification of net assets intended to be restricted. The cumulative effect decreased net assets by \$99,933.

NOTE 15 - SUBSEQUENT EVENTS

In accordance with ASC 855, the Organization evaluated subsequent events through May 20, 2026, 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, May 20, 2026, that required recognition or additional disclosure in these financial statements.