



BRONXWORKS, INC. AND SUBSIDIARIES

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

Years Ended June 30, 2021 and 2020

M A R K S P A N E T H

ACCOUNTANTS & ADVISORS

BRONXWORKS, INC. AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(Together with Independent Auditors' Report)
YEARS ENDED JUNE 30, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
BronxWorks, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of BronxWorks, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

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

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information shown on pages 15-16 is presented for the purposes of additional analysis of the basic consolidated financial statements, rather than to present the financial position, change in net assets and cash flows of the individual companies, and is not a required part of the basic 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Marks Paneth LLP

New York, NY
December 21, 2021

BRONXWORKS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2021 AND 2020

	2021	2020
ASSETS		
Cash and cash equivalents (Notes 2D, 3 and 13A)	\$ 5,859,658	\$ 438,177
Investments (Notes 2E, 3, 4 and 8)	3,939,068	3,347,382
Accounts receivable, net (Notes 2H, 2I, 3 and 13B)	44,788,776	35,457,212
Prepaid expenses and other assets	441,022	615,786
Property, equipment and leasehold improvements, net (Notes 2F and 5)	4,406,123	4,794,766
TOTAL ASSETS	\$ 59,434,647	\$ 44,653,323
LIABILITIES		
Accounts and accrued expenses payable	\$ 10,975,790	\$ 9,645,108
Accrued salaries and related liabilities (Note 11E)	5,601,437	4,575,047
Deferred rent (Note 2J)	836,013	822,681
Deferred revenue/due to funding sources (Notes 2G and 11A)	14,986,063	10,733,858
Line of credit (Note 8)	2,506,940	3,000,000
Mortgages payable (Note 6)	570,633	764,854
Paycheck Protection Program loan (Note 7)	7,938,700	-
TOTAL LIABILITIES	43,415,576	29,541,548
COMMITMENTS AND CONTINGENCIES (Note 11)		
NET ASSETS (Note 2C)		
Without donor restrictions:		
Net invested in property and equipment	3,835,490	4,029,912
Operations	10,243,823	9,711,105
Total without donor restrictions	14,079,313	13,741,017
With donor restrictions (Notes 3 and 9)	1,939,758	1,370,758
TOTAL NET ASSETS	16,019,071	15,111,775
TOTAL LIABILITIES AND NET ASSETS	\$ 59,434,647	\$ 44,653,323

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

BRONXWORKS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS		
OPERATING SUPPORT AND REVENUE:		
Earned Revenue:		
Government grants (Notes 2G, 13B and 14)	\$ 90,993,348	\$ 78,674,041
Program service fees (Note 12)	1,339,451	1,989,528
Medicaid (Notes 2G and 12)	1,275,407	1,271,031
Investment income (Note 4)	542,957	118,667
Other revenues	392,294	188,645
Total Earned Revenue	94,543,457	82,241,912
Public Support:		
Foundation grants and other contributions (Note 2H)	1,419,307	701,076
Contributed services (Note 2L)	111,341	268,608
Net assets released from restrictions (Notes 2C and 9)	3,120,863	1,836,372
Total Public Support	4,651,511	2,806,056
TOTAL OPERATING SUPPORT AND REVENUE	99,194,968	85,047,968
OPERATING EXPENSES (Note 2K):		
Program Services:		
BronxWorks programs	5,211,740	7,035,799
Services for the elderly	2,315,877	3,066,058
Homeless/prevention/relocation	31,691,547	25,405,311
Homeless shelters	25,416,232	24,555,506
Supportive housing	4,010,453	-
Health programs	3,067,459	2,406,288
Children and youth	9,101,003	10,900,507
Workforce development	3,209,325	2,140,200
Bronx Point Project (Note 14)	4,519,716	-
Total program services	88,543,352	75,509,669
Supporting services:		
Management and general	8,471,011	7,378,722
Fundraising	824,339	844,355
Total supporting services	9,295,350	8,223,077
TOTAL OPERATING EXPENSES	97,838,702	83,732,746
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS FROM OPERATIONS	1,356,266	1,315,222
NONOPERATING SUPPORT AND REVENUE:		
Other income	-	552,789
TOTAL NONOPERATING SUPPORT AND REVENUE	-	552,789
NONOPERATING EXPENSES:		
Depreciation and amortization expense (Note 5)	388,643	392,243
Interest expense (Notes 6 and 8)	129,327	68,441
Reserves - maintenance improvements/repairs	500,000	-
TOTAL NONOPERATING EXPENSES	1,017,970	460,684
CHANGE IN NONOPERATING ACTIVITY	(1,017,970)	92,105
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	338,296	1,407,327
Net Assets Without Donor Restrictions - Beginning of Year	13,741,017	12,333,690
NET ASSETS WITHOUT DONOR RESTRICTIONS - END OF YEAR	14,079,313	13,741,017
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:		
Foundation grants and other contributions (Note 2H)	3,689,863	2,122,934
Net assets released from restrictions (Notes 2C and 9)	(3,120,863)	(1,836,372)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	569,000	286,562
Net Assets With Donor Restrictions - Beginning of Year	1,370,758	1,084,196
NET ASSETS WITH DONOR RESTRICTIONS - END OF YEAR	1,939,758	1,370,758
CHANGE IN TOTAL NET ASSETS	907,296	1,693,889
TOTAL NET ASSETS - END OF YEAR	\$ 16,019,071	\$ 15,111,775

BRONXWORKS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for June 30, 2020)

	Program Services										Supporting Services			Total 2021	Total 2020
	BronxWorks Programs	Services for the Elderly	Homeless/ Prevention/ Relocation	Homeless Shelters	Supportive Housing	Health Programs	Children and Youth	Workforce Development	Bronx Point Project	Total Program Services	Management and General	Fundraising	Total Supporting Services		
Salaries	\$ 3,698,544	\$ 1,648,998	\$ 13,618,200	\$ 9,070,672	\$ 2,007,175	\$ 2,017,619	\$ 6,028,285	\$ 2,143,419	\$ -	\$ 40,232,912	\$ 4,555,931	\$ 488,798	\$ 5,044,729	\$ 45,277,641	\$ 43,330,516
Payroll taxes and benefits (Notes 10 and 11E)	869,842	440,690	3,634,110	2,433,492	530,098	527,492	1,475,510	560,394	-	10,471,628	1,113,765	127,989	1,241,754	11,713,382	10,814,957
Total salaries and related costs	4,568,386	2,089,688	17,252,310	11,504,164	2,537,273	2,545,111	7,503,795	2,703,813	-	50,704,540	5,669,696	616,787	6,286,483	56,991,023	54,145,473
Professional fees (Note 2L)	45,015	15,452	663,071	3,566,139	302,245	10,430	123,730	180,413	-	4,906,495	579,151	171,599	750,750	5,657,245	3,200,323
Office supplies	54,264	18,223	264,358	189,092	65,016	26,905	94,709	13,651	-	726,218	259,930	15,366	275,296	1,001,514	507,266
Occupancy (Note 11C)	26,294	16,222	748,305	853,347	18,694	171,726	190,171	94,464	-	2,119,223	412,215	-	412,215	2,531,438	5,719,445
Telephone	54,975	47,985	271,065	126,470	42,166	65,895	88,891	46,308	-	743,755	86,406	3,787	90,193	833,948	693,192
Repairs and maintenance	20,588	26,897	782,184	1,720,139	21,313	10,671	60,727	12,151	-	2,654,670	661,600	520	662,120	3,316,790	2,729,318
Printing and publications	12,710	11,672	59,050	34,123	18,974	24,524	32,989	9,943	-	203,985	30,776	3,435	34,211	238,196	230,493
Travel and meetings	309	40	25,650	15,251	5,154	5,784	40,294	51	-	92,533	81,930	-	81,930	174,463	357,197
Insurance	38,868	32,920	514,549	367,277	49,935	60,151	186,720	46,668	-	1,297,088	93,012	160	93,172	1,390,260	1,017,326
Postage	687	-	6,920	271	371	1,076	444	791	-	10,560	11,678	-	11,678	22,238	22,653
Program supplies	34,586	7,212	110,679	130,876	34,557	36,413	241,709	23,313	-	619,345	21,614	5,344	26,958	646,303	379,251
Food and entertainment	218,591	18,005	328,704	535,121	12,485	16,683	89,144	595	-	1,219,328	13,953	-	13,953	1,233,281	2,046,503
Equipment/rental/furniture	47,961	26,748	729,891	274,777	77,466	37,304	174,787	46,668	-	1,415,602	116,662	94	116,756	1,532,358	862,709
Direct assistance to individuals	73,398	2,191	2,439,950	177,931	597,520	28,449	210,204	26,712	-	3,556,355	7,946	160	8,106	3,564,461	3,301,063
Subcontracted services and stipends	976	-	56,559	-	201,130	14	2,455	-	-	261,134	-	-	-	261,134	313,872
Payroll service and bank charges	-	-	-	-	-	-	-	-	-	-	371,468	-	371,468	371,468	329,676
Bad debt expense	-	-	-	-	-	-	-	-	-	-	550,172	-	550,172	550,172	428,236
Interest (Notes 6, 7 and 8)	-	-	-	-	-	-	-	-	-	-	129,327	-	129,327	129,327	68,441
Depreciation and amortization (Note 5)	-	-	-	-	-	-	-	-	-	-	388,643	-	388,643	388,643	392,243
Miscellaneous	14,132	2,622	38,319	36,580	26,154	26,323	60,234	3,784	-	208,148	2,802	7,087	9,889	218,037	224,494
Subtotal	5,211,740	2,315,877	24,291,564	19,531,558	4,010,453	3,067,459	9,101,003	3,209,325	-	70,738,979	9,488,981	824,339	10,313,320	81,052,299	76,969,174
Pass-through expenses (Note 2N):															
Occupancy (Note 11C)	-	-	4,842,045	5,884,674	-	-	-	-	-	10,726,719	-	-	-	10,726,719	5,844,916
Direct assistance to individuals	-	-	2,557,938	-	-	-	-	-	-	2,557,938	-	-	-	2,557,938	1,379,340
Construction and improvements (Note 14)	-	-	-	-	-	-	-	-	4,519,716	4,519,716	-	-	-	4,519,716	-
Subtotal pass-through expenses	-	-	7,399,983	5,884,674	-	-	-	-	-	17,804,373	-	-	-	17,804,373	7,224,256
TOTAL EXPENSES	\$ 5,211,740	\$ 2,315,877	\$ 31,691,547	\$ 25,416,232	\$ 4,010,453	\$ 3,067,459	\$ 9,101,003	\$ 3,209,325	\$ 4,519,716	\$ 88,543,352	\$ 9,488,981	\$ 824,339	\$ 10,313,320	\$ 98,856,672	\$ 84,193,430

BRONXWORKS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services							Supporting Services				Total 2020
	BronxWorks Programs	Services for the Elderly	Homeless/ Prevention/ Relocation	Homeless Shelters	Health Programs	Children and Youth	Workforce Development	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 3,815,009	\$ 1,831,987	\$ 12,278,305	\$ 10,428,394	\$ 1,581,757	\$ 7,464,595	\$ 1,445,157	\$ 38,845,204	\$ 3,981,803	\$ 503,509	\$ 4,485,312	\$ 43,330,516
Payroll taxes and benefits (Notes 10 and 11E)	982,812	476,301	3,100,372	2,590,171	418,774	1,776,030	375,873	9,720,333	964,407	130,217	1,094,624	10,814,957
Total salaries and related costs	4,797,821	2,308,288	15,378,677	13,018,565	2,000,531	9,240,625	1,821,030	48,565,537	4,946,210	633,726	5,579,936	54,145,473
Professional fees (Note 2L)	247,853	36,290	1,046,770	880,560	535	194,690	35,200	2,441,898	588,002	170,423	758,425	3,200,323
Office supplies	34,018	41,161	148,307	134,027	10,211	84,693	19,482	471,899	35,214	153	35,367	507,266
Occupancy (Note 11C)	131,740	23,062	795,066	4,137,724	136,143	162,797	94,464	5,480,996	238,207	242	238,449	5,719,445
Telephone	101,401	41,241	199,484	86,852	63,159	85,310	19,670	597,117	92,766	3,309	96,075	693,192
Repairs and maintenance	101,410	58,195	731,538	1,615,445	5,413	58,670	4,097	2,574,768	154,515	35	154,550	2,729,318
Printing and publications	22,126	18,872	54,441	37,146	9,641	51,028	8,396	201,650	18,077	10,766	28,843	230,493
Travel and meetings	36,659	3,609	52,195	21,919	10,456	40,571	3,631	169,040	169,184	18,973	188,157	357,197
Insurance	50,043	52,569	331,994	261,234	31,371	149,577	25,761	902,549	114,777	-	114,777	1,017,326
Postage	596	63	4,612	1,219	918	217	1,070	8,695	13,914	44	13,958	22,653
Program supplies	63,864	27,539	35,205	65,969	15,052	146,040	1,412	355,081	22,993	1,177	24,170	379,251
Food and entertainment	73,835	365,249	451,319	894,227	39,102	168,274	13,450	2,005,456	41,047	-	41,047	2,046,503
Equipment/rental/furniture	138,590	31,903	287,365	163,783	28,096	108,889	24,726	783,352	75,092	4,265	79,357	862,709
Direct assistance to individuals	1,145,797	49,542	1,305,700	293,719	51,230	371,305	66,135	3,283,428	17,635	-	17,635	3,301,063
Subcontracted services and stipends	69,032	-	-	239,025	330	4,985	-	313,372	500	-	500	313,872
Payroll service and bank charges	-	-	-	-	-	-	-	-	329,676	-	329,676	329,676
Bad debt expense	-	-	-	-	-	-	-	-	428,236	-	428,236	428,236
Interest (Notes 6, 7 and 8)	-	-	-	-	-	-	-	-	68,441	-	68,441	68,441
Depreciation and amortization (Note 5)	-	-	-	-	-	-	-	-	392,243	-	392,243	392,243
Miscellaneous	21,014	8,475	22,110	40,364	4,100	32,836	1,676	130,575	92,677	1,242	93,919	224,494
Subtotal	7,035,799	3,066,058	20,844,783	21,891,778	2,406,288	10,900,507	2,140,200	68,285,413	7,839,406	844,355	8,683,761	76,969,174
Pass-through expenses (Note 2N):												
Occupancy (Note 11C)	-	-	3,181,188	2,663,728	-	-	-	5,844,916	-	-	-	5,844,916
Direct assistance to individuals	-	-	1,379,340	-	-	-	-	1,379,340	-	-	-	1,379,340
Subtotal pass-through expenses	-	-	4,560,528	2,663,728	-	-	-	7,224,256	-	-	-	7,224,256
TOTAL EXPENSES	\$ 7,035,799	\$ 3,066,058	\$ 25,405,311	\$ 24,555,506	\$ 2,406,288	\$ 10,900,507	\$ 2,140,200	\$ 75,509,669	\$ 7,839,406	\$ 844,355	\$ 8,683,761	\$ 84,193,430

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

BRONXWORKS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in total net assets	\$ 907,296	\$ 1,693,889
Adjustments to reconcile change in total net assets to net cash used in operating activities:		
Bad debt	550,172	428,236
Depreciation and amortization	388,643	392,243
Net realized/unrealized gain on investments	<u>(477,451)</u>	<u>(83,023)</u>
	1,368,660	2,431,345
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(9,881,736)	(12,402,423)
Prepaid expenses and other assets	174,764	(59,117)
Increase in liabilities:		
Accounts and accrued expenses payable	1,330,682	2,539,865
Accrued salaries and related liabilities	1,026,390	2,558,122
Deferred revenue / due to funding sources	4,252,205	3,908,401
Deferred rent	<u>13,332</u>	<u>126,614</u>
Net Cash Used in Operating Activities	<u>(1,715,703)</u>	<u>(897,193)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	<u>(114,235)</u>	<u>(35,424)</u>
Net Cash Used in Investing Activities	<u>(114,235)</u>	<u>(35,424)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on mortgages payable	(194,221)	(184,028)
Paycheck Protection Program loan	7,938,700	-
Repayment of line of credit	(3,000,000)	(1,700,000)
Proceeds from line of credit	<u>2,506,940</u>	<u>3,000,000</u>
Net Cash Provided by Financing Activities	<u>7,251,419</u>	<u>1,115,972</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,421,481	183,355
Cash and cash equivalents - beginning of year	<u>438,177</u>	<u>254,822</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,859,658</u>	<u>\$ 438,177</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u>\$ 129,327</u>	<u>\$ 68,441</u>

BRONXWORKS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 — ORGANIZATION AND NATURE OF ACTIVITIES

The consolidated financial statements of BronxWorks, Inc. and Subsidiaries (collectively referred to as the "Organization") have been prepared by consolidating: BronxWorks, Inc., Citizens' Advice Bureau Property Holding Company, Inc. ("CAB") and Bronx Point Housing Development Fund Corporation, Inc. ("Bronx Point HDFC") (the "Subsidiaries"). BronxWorks, Inc. is a sole member and accordingly, has effective control over and has an economic interest in the Subsidiaries.

BronxWorks, Inc. (the "Agency" or "BronxWorks") is a Bronx-based nonprofit organization which helps individuals and families improve their economic and social well-being. From toddlers to seniors, BronxWorks feeds, shelters, teaches and supports its neighbors to build a stronger community. BronxWorks is supported primarily by grants from governmental agencies, foundation grants and other contributions.

BronxWorks is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is a publicly supported organization as described in Section 509(a).

CAB owns the property located at 60 East Tremont Avenue, Bronx, New York (the "Headquarters Property"), which is used by the Organization as its headquarters office.

BronxWorks, Inc. is the sole member of Bronx Point HDFC, a tax-exempt New York not-for-profit corporation. Bronx Point HDFC is the indemnified record leaseholder of the Bronx Point Project (the "Project"). In that role, Bronx Point HDFC is solely a nominee of, and on behalf of, Bronx Point Owner LLC, an entity which is not affiliated with BronxWorks, and which possesses all equitable and beneficial interest in the Project. The City approved the Project on the condition that Bronx Point Owner LLC design and construct certain improvements for a public esplanade adjacent to the Project. See Note 14.

The Subsidiaries are exempt from federal income tax under Section 501(c)(2) of the Internal Revenue Code.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. ***Basis of Accounting and Principles of Consolidation*** – The Organization's consolidated financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany transactions have been eliminated during consolidation.
- B. ***Use of Estimates*** – The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.
- C. ***Net Assets*** – The Organization maintains its net assets in accordance with the following:
- Without donor restrictions – represents net assets not subject to any donor-imposed stipulations or other restrictions over which the Board of Directors have discretionary control.
- With donor restrictions – represents assets that are subject to donor-imposed stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. Net assets with donor restrictions are released from donor restrictions by incurring expenses, thereby satisfying the restricted purposes of providing services as specified by the donors. Unconditional promises to give that are due in future periods to support the current-period activities are reported as net assets without donor restrictions.
- D. ***Cash and Cash Equivalents*** – Cash and cash equivalents consist of all highly liquid instruments with maturities of three months or less when acquired, except for amounts held at an investment institution.

BRONXWORKS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- E. ***Investments and Fair Value Measurements*** – Investments are reported at fair value. Investment income consisting of interest, dividends, realized and unrealized gains or losses is classified as operating revenue and is available to support operations. 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 4.
- F. ***Property, Equipment and Leasehold Improvements*** – Property, equipment and leasehold improvements are stated at cost less accumulated depreciation or amortization. These amounts do not purport to represent replacement or realizable values. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the lesser of the useful lives of the improvements or the term of the applicable lease. The Organization capitalizes all owned property and equipment having a useful life of greater than one year and a cost of \$5,000 or more. There may be instances where certain expenditures for property and equipment are included in the consolidated financial statements as expenses because the cost of these items was reimbursed by certain governmental funding sources and/or the contractual agreement specifies that title to these assets rests with the funding sources rather than the Organization.
- G. ***Revenue Recognition*** – The Organization records receivables and revenue when earned based on established rates or contracts for services provided. Government grants are recorded as revenues to the extent that expenses have been incurred for the purposes specified by the grantors. Government grants are nonexchange transactions and accounted for under Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2018-08. Government grants are recognized as revenue when barriers within the contract are overcome, and there is no right of return / release from obligations. Government grants amounted to \$90,993,348 and \$78,674,041 for the years ended June 30, 2021 and 2020, respectively, and are included in the consolidated statements of activities.

As of June 30, 2021 and 2020, the Organization received conditional grants and contracts from government agencies in the aggregate amounts of approximately \$120 million and \$135 million, respectively. Such grants have not been recognized in the accompanying consolidated financial statements as they are for future periods and will be recognized when contract barriers are overcome. Such barriers include expending these funds in accordance with their agreements. If such services are not provided, the governmental entities are not obligated to expend the funds allotted under the grants and contracts and the Organization may be required to return the funds already remitted.

To the extent amounts received exceed amounts spent, the Organization records deferred revenue / due to funding sources as a liability. As of June 30, 2021 and 2020, the Organization received advances from government agencies in the aggregate amounts of \$14,436,063 and \$10,183,858, respectively.

Laws and regulations governing Medicaid programs are subject to interpretation. Noncompliance with such laws and regulations could result in fines, penalties and exclusion from Medicaid programs. Revenues from government contracts are subject to audit and negotiations between the Organization and the government agencies.

- H. ***Contributions*** – Contributions are accounted for under ASU 2018-08. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. When material, the discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.
- I. ***Allowance for Uncollectable Receivables*** – The Organization determined as of June 30, 2021 and 2020 an allowance for accounts receivable of \$600,000 and \$500,000, respectively, was necessary. Such estimate is based on management’s assessments of the creditworthiness of its donors and other funders, the aged basis of its receivables, as well as current economic conditions and historical information.

BRONXWORKS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- J. **Operating Leases** – U.S. GAAP requires that the Organization account for free rent and landlord credits. This accounting treatment is commonly referred to as “straight-lining of rent.” The difference between rent expense, under this method, and the lower rental amounts actually paid to the landlord are reported as a “deferred rent” obligation in the accompanying consolidated statements of financial position. The change in the deferred rent liability is reflected in the accompanying consolidated statements of activities.
- K. **Functional Allocation of Expenses** – The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of functional expenses. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Salaries, wages, benefits, and payroll taxes are allocated on the basis of time and effort. Insurance and telephone expenses are allocated based on the number of full-time equivalents charged to the respective program and supporting function. The remainder of the functional expenses are charged directly to the program and supporting function.
- L. **Contributed Property, Services, Rent and Other In-Kind** – Donated services are recognized in the consolidated financial statements at fair value, if the services enhance or create non-financial assets or require specialized skills, provided the individuals possess those skills and would typically need to be purchased, if not provided by donation. For the years ended June 30, 2021 and 2020, donated goods and services amounted to \$111,341 and \$268,608, respectively, and are included as revenue and expenses in the accompanying consolidated statements of activities.
- M. **Operating and Non-Operating Activity** – The Organization’s non-operating activity includes depreciation and amortization, interest expense and reserves for future building maintenance improvements and repairs, as well as other income.
- N. **Pass-Through Expenses** – There are certain expenses related to rents, real estate taxes, and stabilization of beds for the Department of Homeless Services (“DHS”) contracts and construction and improvements expenses related to the Bronx Point Project as further described in Note 14. The role of the Organization is to be a conduit to pay such expenses. DHS reimburses the Organization for these expenses without any administrative costs being added. Accordingly, such expenses are referred to as pass-through and included in program service expenses in the consolidated statements of activities.

NOTE 3 — LIQUIDITY AND AVAILABILITY

As part of liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has two lines of credit with the aggregate borrowing amount of \$9,000,000, which it could draw upon if necessary. Although BronxWorks does not intend to spend from its investment portfolio, amounts from the portfolio could be made available, if necessary.

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

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 5,859,658	\$ 438,177
Investments	3,939,068	3,347,382
Accounts receivable, net	<u>44,788,776</u>	<u>35,457,212</u>
	54,587,502	39,242,771
Less: assets with donor restrictions	<u>(1,939,758)</u>	<u>(1,370,758)</u>
	<u>\$ 52,647,744</u>	<u>\$ 37,872,013</u>

BRONXWORKS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

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 1 instrument valuations are obtained from real-time quotes for transactions in active exchange markets involving identical assets.

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.

In determining fair value, the Organization utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible as well as considers counterparty credit risk (or other parties such as counterparty in a swap) in its assessment of fair value.

Investments consist of mutual funds and money markets and are measured on a recurring basis and are classified as Level 1 as of June 30, 2021 and 2020. Such investments are subject to market volatility that could substantially change their value in the near term.

Investment activity consisted of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest income	\$ 95,788	\$ 53,195
Realized/unrealized gain on investment	477,451	83,023
Investment fees	<u>(30,282)</u>	<u>(17,551)</u>
	<u>\$ 542,957</u>	<u>\$ 118,667</u>

NOTE 5 — PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET

Property, equipment and leasehold improvements consisted of the following as of June 30:

	<u>2021</u>	<u>2020</u>	<u>Estimated Useful Lives</u>
Land	\$ 190,000	\$ 190,000	
Building and improvements	8,984,995	8,984,995	10-40 Years
Equipment and vehicles	<u>40,022</u>	<u>40,022</u>	3-5 Years
Total cost	9,215,017	9,215,017	
Less: accumulated depreciation and amortization	<u>(4,808,894)</u>	<u>(4,420,251)</u>	
Net book value	<u>\$ 4,406,123</u>	<u>\$ 4,794,766</u>	

For the years ended June 30, 2021 and 2020, depreciation and amortization expense amounted to \$388,643 and \$392,243, respectively.

BRONXWORKS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 6 — MORTGAGES PAYABLE

- A. In 2006, CAB borrowed \$680,000 to fund a portion of the purchase price of the Headquarters Property, (the “First Mortgage”). The First Mortgage, secured by the Headquarters Property, has a term of 15 years with a principal and interest payment of \$5,970 due monthly and matured in December 2021. The interest rate on the First Mortgage is 5.24%. The outstanding balance of the First Mortgage as of June 30, 2021 and 2020 amounted to \$34,295 and \$99,566, respectively. CAB’s obligations under the First Mortgage are guaranteed by BronxWorks.
- B. CAB obtained a 15-year fixed-rate loan in the amount of \$1,680,000, secured by a second mortgage on the Headquarters Property (the “Second Mortgage”). The Second Mortgage was taken out to finance the necessary renovations and repairs of the Headquarters Property. The Second Mortgage bears interest at 5.28% with a monthly principal and interest payment of \$13,531 and matures in December 2024. The outstanding balance of the Second Mortgage as of June 30, 2021 and 2020 was \$536,338 and \$665,288, respectively. CAB’s obligations under the Second Mortgage are guaranteed by BronxWorks.

Future annual principal payments are as follows for the fiscal years ending after June 30, 2021:

2022	\$	171,368
2023		143,488
2024		151,337
2025		<u>104,440</u>
	\$	<u>570,633</u>

The interest expense for the years ended June 30, 2021 and 2020 amounted to \$129,327 and \$68,441, respectively. Unless material, below market interest loans are not discounted to fair value.

NOTE 7 — PAYCHECK PROTECTION PROGRAM LOAN

On March 27, 2020, in response to COVID-19, the federal government passed the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). Among many other provisions, to help businesses retain employees, the CARES Act provides relief to qualifying businesses through a program called the Paycheck Protection Program (“PPP”). Participating in the PPP enables the business to obtain a loan from the Small Business Administration (“SBA”) sector of the government. The maximum loan amount is equal to the lesser of (a) 2.5 times the entity’s average monthly payroll costs, as defined and incurred during the one-year period before the date on which the loan is made; or (b) \$10 million. The term of the loan is two years and bears interest at a fixed rate of 1% per annum. If the proceeds from the loan are used for specified purposes, some or all of the loan can be forgiven, based on how much is spent in the 24-week period immediately following funding of the loan times a forgiveness factor that is based on employee headcount and amounts paid to the Organization’s employees. The Organization applied for this loan in May 2021, through an SBA authorized lender, Spring Bank, and has been approved and funded by the lender in the amount of \$7,938,700. Accrued interest was not recorded since it was immaterial to the consolidated financial statements.

The Organization is guided by FASB Accounting Standards Codification (“ASC”) Topic 470, “Debt.” Based on the guidance in ASC 470, the loan would remain recorded as a loan payable until it is in part or wholly forgiven and legal release is received or the entity pays off the loan. Once the loan is forgiven in part or wholly, and legal release is received, the Organization will reduce the liability by the amount forgiven and record a gain on extinguishment. In November 2021, \$4.9 Million of the loan was forgiven by SBA.

NOTE 8 — BANK LINES OF CREDIT

- A. The Organization has a revolving line of credit with Bank of America which is payable on demand. The line of credit is collateralized by investments with Merrill Lynch with a maximum borrowing of \$2,500,000. The line has a floating interest rate based on 1.25% above the one month London Interbank Offered Rate (“LIBOR”). The interest rate was 1.36% at June 30, 2021. The outstanding balance plus accrued interest on the line of credit amounted to \$2,506,940 and \$0 as of June 30, 2021 and 2020, respectively. There were no outstanding borrowings as of December 21, 2021.
- B. The Organization has a second line of credit with Chase Bank with a maximum borrowing limit of \$6,500,000, interest rate of LIBOR plus 4.70%, and an expiration date of April 22, 2022. The interest rate was 4.81% at June 30, 2021. The outstanding balance on the line of credit amounted to \$0 and \$3,000,000 as of June 30, 2021 and 2020, respectively. There were no outstanding borrowings as of December 21, 2021.

BRONXWORKS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 9 — NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2021 and 2020, net assets with donor restrictions were available for programmatic purposes and amounted to \$1,939,758 and \$1,370,758, respectively.

Net assets amounting to \$3,120,863 and \$1,836,372 were released from restrictions during the years ended June 30, 2021 and 2020, respectively, by incurring expenses or the passage of time, thus satisfying the restricted purpose.

NOTE 10 — PENSION PLAN

The Organization sponsors a defined contribution pension plan covering all employees except for those who are non-resident aliens with no U.S. source of income, those who are classified and treated as independent contractors and leased employees. Employees become participants of the Plan after attaining age 21 and completing one year of service. Pension expense was \$2,232,179 and \$3,027,184 for the years ended June 30, 2021 and 2020, respectively.

NOTE 11 — COMMITMENTS AND CONTINGENCIES

- A. The Organization is responsible to report to and is regulated by various governmental third parties. These agencies have the right to audit the Organization’s fiscal and programmatic compliance. Laws and regulations governing the Organization’s programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates might change in the near term. Additionally, noncompliance with such laws and regulations could result in fines, penalties and exclusions from these programs.
- B. The Organization is a party to various lawsuits or complaints generally arising in the ordinary course of business. The Organization believes it has adequate insurance to cover any material damages and, accordingly, such litigation will not have a material adverse effect on its financial condition.
- C. The Organization is obligated under lease commitments for facilities and equipment. Certain facilities leases have a termination clause and can be terminated upon the suspension of the program and/or discontinuance of the governmental funding.

Future minimum lease payments are as follows for each of the fiscal years ending after June 30, 2021 and thereafter:

2022	\$	6,571,000
2023		6,590,000
2024		4,016,000
2025		4,119,000
2026		4,151,000
Thereafter		<u>5,983,000</u>
	\$	<u>31,430,000</u>

Rent expense amounted to \$10,749,789 and \$9,072,478 for the years ended June 30, 2021 and 2020, respectively, and is included in occupancy expense in the accompanying consolidated financial statements.

- D. The Organization believes it has no uncertain tax positions as of June 30, 2021 and 2020 in accordance with FASB ASC Topic 740, “Income Taxes,” which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- E. The COVID-19 pandemic remains a rapidly evolving situation. The extent of the impact of COVID-19 on the Organization’s business and financial results will depend on future developments, including the duration and spread of the outbreak. The Organization will continue to monitor evolving economic and general business conditions and the actual and potential impacts on its financial position and results.

In response to COVID-19, the federal government passed the CARES Act. Under one of the provisions of the CARES Act, the Organization has elected to defer the remittance of certain employer payroll taxes as permitted by the CARES Act. The deferred amounts would be payable over the next two years – 50% due December 31, 2021, and the remaining 50% due December 31, 2022. As of June 30, 2021 and 2020, the amounts deferred were \$1,813,646 and \$611,786, respectively.

BRONXWORKS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 12 — REVENUE FROM CONTRACTS WITH CUSTOMERS

Service Contracts – The Organization receives revenue from contracts with various government agencies, including the New York State Department of Health (“DOH”) to provide support and services to individuals and family members of individuals with behavioral health, home health and family support. Revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing the contracted services.

Performance Obligation – Performance obligations are determined based on the nature of the services provided by the Organization in accordance with the contract. Revenue for performance obligations satisfied over time is recognized as the services are provided. This method depicts the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. The Organization measures the performance obligation from the beginning of the next month or day to the point when it is no longer required to provide services under the contract or has met the requirements to bill for the services provided, which is generally at the end of each month or period of time allowed based on the government agency’s stipulations.

All performance obligations relate to contracts with a duration of less than one year, therefore, there are no performance obligations or contract balances that are unsatisfied as of June 30, 2021 and 2020. The performance obligations for these contracts are completed when the service is completed and upon submission of required documentation. The Organization determines the transaction price based on established rates and contracts for services provided.

Revenue from contracts with customers and program service fees consist of revenues for the Home Health and other similar programs and amounted to \$2,614,858 and \$3,260,559 for the years ended June 30, 2021 and 2020, respectively.

NOTE 13 — CONCENTRATIONS

- A. Cash and cash equivalents that potentially subject the Agency to a concentration of credit risk include cash accounts with a bank that exceed the Federal Deposit Insurance Corporation (“FDIC”) limits. Accounts are insured up to \$250,000 per depositor. As of June 30, 2021 and 2020, there was approximately \$5,659,000 and \$723,000, respectively, of cash and cash equivalents held by two banks and one investment institution. This excess includes outstanding checks.
- B. For the years ended June 30, 2021 and 2020, approximately 55% and 52% of government revenue was from a single governmental funder. In addition, approximately 55% and 47% of accounts receivable was due from a single governmental entity.

NOTE 14 — BRONX POINT PROJECT

Bronx Point HDFC is the indemnified grant recipient of an Urban Development Action Area Project Grant (the “UDAAP Grant”) that has been awarded by the City of New York, through its Department of Housing Preservation and Development (“HPD”), to fund the cost of designing and constructing certain improvements for a public esplanade adjacent to the Bronx Point Project (the “Esplanade Work”). In that role, Bronx Point HDFC performs all obligations as recipient under the UDAAP Grant in connection with the receipt and payment of UDAAP Grant funds solely at the direction of HPD and Bronx Point Owner LLC.

Bronx Point HDFC is not the owner of the Project assets that are constructed or acquired with the proceeds of the UDAAP Grant. Assets related to the Esplanade Work are the property of the City. Therefore, Bronx Point HDFC reports no infrastructure assets or construction work in progress, instead construction costs are reported as an expense. During the years ended June 30, 2021 and 2020, Bronx Point HDFC received proceeds from the UDAAP Grant in the amounts of \$4,519,716 and \$0, respectively, which is included as government grants revenue and construction and improvements expense in the accompanying consolidated financial statements.

NOTE 15 — SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure events subsequent to the date of the consolidated statement of financial position through December 21, 2021, the date the consolidated financial statements were available to be issued.

BRONXWORKS, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
AS OF JUNE 30, 2021
(With Comparative Totals for June 30, 2020)

	BronxWorks, Inc.	Citizens' Advice Bureau Property Holding Company, Inc.	Bronx Point HDFC	Intercompany Eliminations	Total 2021	Total 2020
ASSETS						
Cash and cash equivalents	\$ 5,761,907	\$ 97,751	\$ -	\$ -	\$ 5,859,658	\$ 438,177
Investments	3,939,068	-	-	-	3,939,068	3,347,382
Accounts receivable, net	42,114,033	-	2,674,743	-	44,788,776	35,457,212
Prepaid expenses and other assets	441,022	-	-	(5,161)	441,022	615,786
Property, equipment and leasehold improvements, net	<u>2,346,747</u>	<u>2,059,376</u>	<u>-</u>	<u>-</u>	<u>4,406,123</u>	<u>4,794,766</u>
TOTAL ASSETS	<u>\$ 54,602,777</u>	<u>\$ 2,157,127</u>	<u>\$ 2,674,743</u>	<u>\$ (5,161)</u>	<u>\$ 59,434,647</u>	<u>\$ 44,653,323</u>
LIABILITIES						
Accounts and accrued expenses payable	\$ 8,295,886	\$ 5,161	\$ 2,674,743	\$ (5,161)	\$ 10,975,790	\$ 9,645,108
Accrued salaries and related liabilities	5,601,437	-	-	-	5,601,437	4,575,047
Deferred rent	836,013	-	-	-	836,013	822,681
Deferred revenue / Due to funding sources	14,986,063	-	-	-	14,986,063	10,733,858
Line of credit	2,506,940	-	-	-	2,506,940	3,000,000
Mortgages payable	-	570,633	-	-	570,633	764,854
Paycheck Protection Program loan	<u>7,938,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,938,700</u>	<u>-</u>
TOTAL LIABILITIES	<u>40,165,039</u>	<u>575,794</u>	<u>2,674,743</u>	<u>(5,161)</u>	<u>43,415,576</u>	<u>29,541,548</u>
NET ASSETS						
Without donor restrictions	12,497,980	1,581,333	-	-	14,079,313	13,741,017
With donor restrictions	<u>1,939,758</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,939,758</u>	<u>1,370,758</u>
TOTAL NET ASSETS	<u>14,437,738</u>	<u>1,581,333</u>	<u>-</u>	<u>-</u>	<u>16,019,071</u>	<u>15,111,775</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 54,602,777</u>	<u>\$ 2,157,127</u>	<u>\$ 2,674,743</u>	<u>\$ (5,161)</u>	<u>\$ 59,434,647</u>	<u>\$ 44,653,323</u>

See independent auditors' report.

BRONXWORKS, INC. AND SUBSIDIARIES
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With Comparative Totals for June 30, 2020)

	BronxWorks, Inc.	Citizens' Advice Bureau Property Holding Company, Inc.	Bronx Point HDFC	Sub-total	Consolidating Eliminations	Consolidated Total 2021	Consolidated Total 2020
OPERATING SUPPORT AND REVENUE:							
Earned Revenue:							
Government grants	\$ 86,473,632	\$ -	\$ 4,519,716	\$ 90,993,348	\$ -	\$ 90,993,348	\$ 78,674,041
Program service fees	1,339,451	-	-	1,339,451	-	1,339,451	1,989,528
Medicaid	1,275,407	-	-	1,275,407	-	1,275,407	1,271,031
Investment income	542,957	-	-	542,957	-	542,957	118,667
Other revenues	392,294	236,428	-	628,722	(236,428)	392,294	188,645
Total Earned Revenue	<u>90,023,741</u>	<u>236,428</u>	<u>4,519,716</u>	<u>94,779,885</u>	<u>(236,428)</u>	<u>94,543,457</u>	<u>82,241,912</u>
Public Support:							
Foundation grants and other contributions	5,109,170	-	-	5,109,170	-	5,109,170	2,824,010
Contributed services	111,341	-	-	111,341	-	111,341	268,608
Total Public Support	<u>5,220,511</u>	<u>-</u>	<u>-</u>	<u>5,220,511</u>	<u>-</u>	<u>5,220,511</u>	<u>3,092,618</u>
TOTAL OPERATING SUPPORT AND REVENUE	<u>95,244,252</u>	<u>236,428</u>	<u>4,519,716</u>	<u>100,000,396</u>	<u>(236,428)</u>	<u>99,763,968</u>	<u>85,334,530</u>
OPERATING EXPENSES:							
Program Services:							
BronxWorks programs	5,235,254	-	-	5,235,254	(23,514)	5,211,740	7,035,799
Services for the elderly	2,315,877	-	-	2,315,877	-	2,315,877	3,066,058
Homeless/prevention/relocation	31,707,647	-	-	31,707,647	(16,100)	31,691,547	25,405,311
Homeless shelters	25,416,232	-	-	25,416,232	-	25,416,232	24,555,506
Supportive housing	4,010,453	-	-	4,010,453	-	4,010,453	-
Health programs	3,067,459	-	-	3,067,459	-	3,067,459	2,406,288
Children and youth	9,101,003	-	-	9,101,003	-	9,101,003	10,900,507
Workforce development	3,209,325	-	-	3,209,325	-	3,209,325	2,140,200
Bronx Point Project	-	-	4,519,716	4,519,716	-	4,519,716	-
Total program services	<u>84,063,250</u>	<u>-</u>	<u>4,519,716</u>	<u>88,582,966</u>	<u>(39,614)</u>	<u>88,543,352</u>	<u>75,509,669</u>
Supporting Services:							
Management and general	8,667,825	-	-	8,667,825	(196,814)	8,471,011	7,378,722
Fundraising	824,339	-	-	824,339	-	824,339	844,355
Total supporting services	<u>9,492,164</u>	<u>-</u>	<u>-</u>	<u>9,492,164</u>	<u>(196,814)</u>	<u>9,295,350</u>	<u>8,223,077</u>
TOTAL OPERATING EXPENSES	<u>93,555,414</u>	<u>-</u>	<u>4,519,716</u>	<u>98,075,130</u>	<u>(236,428)</u>	<u>97,838,702</u>	<u>83,732,746</u>
CHANGE IN OPERATING NET ASSETS	<u>1,688,838</u>	<u>236,428</u>	<u>-</u>	<u>1,925,266</u>	<u>-</u>	<u>1,925,266</u>	<u>1,601,784</u>
NONOPERATING SUPPORT AND REVENUE:							
Other income	-	-	-	-	-	-	552,789
TOTAL NONOPERATING SUPPORT AND REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>552,789</u>
NONOPERATING EXPENSES:							
Depreciation and amortization expense	274,233	114,410	-	388,643	-	388,643	392,243
Interest expense	93,120	36,207	-	129,327	-	129,327	68,441
Reserves - maintenance improvements/repairs	500,000	-	-	500,000	-	500,000	-
TOTAL NONOPERATING EXPENSES	<u>867,353</u>	<u>150,617</u>	<u>-</u>	<u>1,017,970</u>	<u>-</u>	<u>1,017,970</u>	<u>460,684</u>
CHANGE IN NONOPERATING ACTIVITY	<u>(867,353)</u>	<u>(150,617)</u>	<u>-</u>	<u>(1,017,970)</u>	<u>-</u>	<u>(1,017,970)</u>	<u>92,105</u>
CHANGE IN TOTAL NET ASSETS	<u>821,485</u>	<u>85,811</u>	<u>-</u>	<u>907,296</u>	<u>-</u>	<u>907,296</u>	<u>1,693,889</u>
Total net assets - beginning of year	<u>13,616,253</u>	<u>1,495,522</u>	<u>-</u>	<u>15,111,775</u>	<u>-</u>	<u>15,111,775</u>	<u>13,417,886</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 14,437,738</u>	<u>\$ 1,581,333</u>	<u>\$ -</u>	<u>\$ 16,019,071</u>	<u>\$ -</u>	<u>\$ 16,019,071</u>	<u>\$ 15,111,775</u>