

# **Covenant House Michigan**

Consolidated Financial Statements

and Supplementary Information

June 30, 2022

## **Independent Auditors' Report**

**Board of Directors**  
**Covenant House Michigan**

### ***Opinion***

We have audited the accompanying consolidated financial statements of Covenant House Michigan, which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Covenant House Michigan as of June 30, 2022, and the consolidated changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

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

### ***Responsibilities of Management for the Financial Statements***

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

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

***Report on Summarized Comparative Information***

We have previously audited Covenant House Michigan's June 30, 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated January 24, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating schedules of financial position and activities appearing on pages 22 and 23 are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*PKF O'Connor Davies, LLP*

New York, NY  
March 6, 2023

## Covenant House Michigan

Consolidated Statement of Financial Position  
June 30, 2022  
(with comparative amounts at June 30, 2021)

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,511,739	\$ 3,284,713
Investments	5,385,799	6,519,289
Receivables	903,436	556,160
Due from related parties	1,537,022	1,675,454
Prepaid expenses and other assets	224,352	206,775
Property and equipment, net	<u>8,387,650</u>	<u>8,749,679</u>
	<u>\$ 20,949,998</u>	<u>\$ 20,992,070</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 1,118,070	\$ 814,164
Conditional advances	<u>328,312</u>	<u>202,724</u>
Total Liabilities	<u>1,446,382</u>	<u>1,016,888</u>
Net Assets		
Without donor restrictions	10,723,953	11,081,621
Investment in property and equipment	<u>8,387,650</u>	<u>8,749,679</u>
Total Without Donor Restrictions	19,111,603	19,831,300
With donor restrictions	<u>392,013</u>	<u>143,882</u>
Total Net Assets	<u>19,503,616</u>	<u>19,975,182</u>
	<u>\$ 20,949,998</u>	<u>\$ 20,992,070</u>

See notes to consolidated financial statements

**Covenant House Michigan**

Consolidated Statement of Activities  
Year Ended June 30, 2022  
(with summarized totals for year ended June 30, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>SUPPORT AND REVENUE</b>				
Contributions	\$ 2,284,449	\$ 250,000	\$ 2,534,449	\$ 1,711,125
Government grants	1,175,554	-	1,175,554	949,454
Private foundations grants	223,594	-	223,594	495,045
Branding dollars from Parent	672,236	-	672,236	637,723
Grants from Parent related to national sleep out events	202,454	-	202,454	202,958
Special events, net of direct benefits to donors of \$20,606 and \$17,265	109,115	-	109,115	347,330
Contributed services and merchandise	69,930	-	69,930	43,596
<b>Total Support and Revenue</b>	<b>4,737,332</b>	<b>250,000</b>	<b>4,987,332</b>	<b>4,387,231</b>
<b>INVESTMENT AND OTHER</b>				
Interest income	246	-	246	8,909
Management fee income	7,406,774	-	7,406,774	6,417,511
Paycheck protection program loan forgiveness	-	-	-	1,692,173
Gain on sale of building	-	-	-	655,474
Other income (loss)	(573,765)	-	(573,765)	1,207,702
<b>Total Investment and Other</b>	<b>6,833,255</b>	<b>-</b>	<b>6,833,255</b>	<b>9,981,769</b>
<b>Total Support and Revenue and Investment and Other Before Net Assets Released from Restrictions</b>	<b>11,570,587</b>	<b>250,000</b>	<b>11,820,587</b>	<b>14,369,000</b>
Net assets released from restrictions	1,869	(1,869)	-	-
<b>Total Support and Revenue and Investment and Other</b>	<b>11,572,456</b>	<b>248,131</b>	<b>11,820,587</b>	<b>14,369,000</b>
<b>EXPENSES</b>				
Program Services				
Immediate Housing	2,613,371	-	2,613,371	2,580,182
Rights of passage	1,013,637	-	1,013,637	1,149,051
Outreach	298,122	-	298,122	355,078
Health and Well-Being	160,964	-	160,964	246,307
Public education and advocacy	128,614	-	128,614	123,826
Schools	3,700,624	-	3,700,624	3,224,987
<b>Total Program Services</b>	<b>7,915,332</b>	<b>-</b>	<b>7,915,332</b>	<b>7,679,431</b>
Supporting Services				
Management and general	3,818,746	-	3,818,746	3,419,623
Fundraising	558,075	-	558,075	532,279
<b>Total Supporting Services</b>	<b>4,376,821</b>	<b>-</b>	<b>4,376,821</b>	<b>3,951,902</b>
<b>Total Expenses</b>	<b>12,292,153</b>	<b>-</b>	<b>12,292,153</b>	<b>11,631,333</b>
Change in Net Assets	(719,697)	248,131	(471,566)	2,737,667
<b>NET ASSETS</b>				
Beginning of year	19,831,300	143,882	19,975,182	17,237,515
End of year	\$ 19,111,603	\$ 392,013	\$ 19,503,616	\$ 19,975,182

See notes to consolidated financial statements

**Covenant House Michigan**

Consolidated Statement of Functional Expenses  
Year Ended June 30, 2022  
(with summarized totals for year ended June 30, 2021)

	Program Services						Supporting Services		Cost of		2021 Total Expenses	
	Immediate Housing	Rights of Passage	Outreach	Health and Well-Being	Public Education and Advocacy	Schools	Total	Management and General	Fundraising	Direct Benefits To Donors		Total
Salaries and wages	\$ 1,409,237	\$ 579,848	\$ 188,620	\$ 57,525	\$ 86,091	\$ 2,391,772	\$ 4,713,093	\$ 1,286,865	\$ 344,365	\$ -	\$ 6,344,323	\$ 5,796,277
Payroll taxes	104,349	43,028	14,258	5,532	6,121	194,184	367,472	72,570	24,750	-	464,792	444,019
Employee benefits	218,511	111,947	24,822	8,543	12,273	480,946	857,042	312,969	49,091	-	1,219,102	1,187,241
Total Salaries and Related Expenses	1,732,097	734,823	227,700	71,600	104,485	3,066,902	5,937,607	1,672,404	418,206	-	8,028,217	7,427,537
Accounting fees	29,500	7,135	3,540	6,490	-	-	46,665	12,335	-	-	59,000	68,553
Legal fees	27,058	-	-	-	-	10,177	37,235	30,777	-	-	68,012	21,215
Consulting fees	-	-	-	-	-	-	-	5,940	7,625	-	13,565	-
Supplies	16,018	15,409	1,341	1,501	150	443,568	477,987	422,093	601	-	900,681	229,762
Telephone	13,545	4,703	1,603	2,319	406	41,968	64,544	2,191	2,029	-	68,764	67,418
Postage and printing	70	7	7	-	5,110	-	5,194	12,295	20,438	-	37,927	54,516
Occupancy												
Fuel and utilities	72,542	37,081	4,956	1,302	1,780	8,451	126,112	242,383	7,121	-	375,616	264,450
Repairs and maintenance	11,355	8,571	-	9	323	23,616	43,874	20,453	1,306	-	65,633	91,083
Rent and other	-	-	-	-	-	-	-	93,610	-	-	93,610	1,869
Equipment	25,527	2,112	-	-	204	2,118	29,961	16,790	816	-	47,567	406,852
Travel and transportation	6,229	6,178	7,747	529	62	-	20,745	144,890	247	-	165,882	17,033
Conferences and meetings	153	-	32	-	32	-	217	313	245	-	775	594
Specific Assistance to Individuals												
Food	176,785	29,585	-	-	88	-	206,458	-	351	-	206,809	162,504
Medical	349	42	-	-	-	-	391	-	-	-	391	1,926
Clothing, allowance and other	20,472	8,454	183	-	-	-	29,109	-	-	-	29,109	60,948
Contributed clothing and merchandise	44,459	25,471	-	-	-	-	69,930	-	-	-	69,930	43,596
Gratiot Project - donation and capital outlay	-	-	-	-	-	-	-	-	-	-	-	731,119
Temporary help	14,224	8,648	-	-	-	-	22,872	-	-	-	22,872	9,361
Other purchased services	89,969	80,999	24,608	73,891	13,163	6,938	289,568	520,970	80,764	20,606	911,908	1,049,132
Dues, licenses and permits	4,396	720	76	80	1,465	8,125	14,862	65,882	5,859	-	86,603	93,364
Subscriptions and publications	435	87	47	-	468	-	1,037	724	1,872	-	3,633	4,447
Staff recruitment	3,314	435	282	407	-	34	4,472	73,425	-	-	77,897	5,653
Insurance	67,009	15,887	7,443	2,622	878	34,662	128,501	91,680	3,495	-	223,676	199,011
Miscellaneous	-	-	-	-	-	54,065	54,065	-	-	-	54,065	42,566
Bank charges and fees	-	-	-	-	-	-	-	1,882	7,100	-	8,982	15,128
	2,355,506	986,347	279,565	160,750	128,614	3,700,624	7,611,406	3,431,037	558,075	20,606	11,621,124	11,069,637
Depreciation and amortization	257,865	27,290	18,557	214	-	-	303,926	387,709	-	-	691,635	578,961
Total Functional Expenses	2,613,371	1,013,637	298,122	160,964	128,614	3,700,624	7,915,332	3,818,746	558,075	20,606	12,312,759	11,648,598
Less cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	(20,606)	(20,606)	(17,265)
Total Expenses Reported by Function on the Statement of Activities	\$ 2,613,371	\$ 1,013,637	\$ 298,122	\$ 160,964	\$ 128,614	\$ 3,700,624	\$ 7,915,332	\$ 3,818,746	\$ 558,075	\$ -	\$ 12,292,153	\$ 11,631,333

See notes to consolidated financial statements

## Covenant House Michigan

Consolidated Statement of Cash Flows  
Year Ended June 30, 2022  
(with comparative amounts for year ended June 30, 2021)

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (471,566)	\$ 2,737,667
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	691,635	578,961
Gain on sale of property	-	(655,474)
Gain from paycheck protection program loan forgiveness	-	(1,692,173)
Net realized and unrealized loss (gain) on investments	871,242	(1,116,466)
Contributions for restricted purposes	-	(200,000)
Donated securities	(124,135)	(24,810)
Net change in operating assets and liabilities		
Receivables	(347,276)	121,490
Prepaid expenses and other assets	(17,577)	(92,339)
Due from related parties	138,432	(13,428)
Accounts payable and accrued expenses	303,906	110,622
Conditional advances	125,588	(204,940)
Net Cash from Operating Activities	1,170,249	(450,890)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash proceeds from sale of property	-	815,367
Purchase of investments	(36,383)	(787,336)
Proceeds from sales of investments	422,766	200,000
Purchase of property and equipment	(329,606)	(309,846)
Net Cash from Investing Activities	56,777	(81,815)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Cash contributions for restricted purposes	-	200,000
Change in Cash and Cash Equivalents	1,227,026	(332,705)
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	3,284,713	3,617,418
End of year	\$ 4,511,739	\$ 3,284,713
<b>NON CASH FINANCING ACTIVITIES</b>		
Forgiveness of Paycheck Protection Program loan	\$ -	\$ 1,692,173

See notes to consolidated financial statements



## Covenant House Michigan

### Notes to Consolidated Financial Statements

June 30, 2022

#### 1. Organization and Nature of Operations

Covenant House Michigan ("CHM"), a not-for-profit organization which was founded in 1968 and incorporated in 1972 providing shelter and crisis care and outreach services to youth in the Detroit area. Covenant House (the "Parent") and affiliates (collectively "Covenant House"), provided shelter, food, clothing, medical and mental health care, crisis intervention, education and vocational services, public education and prevention and other programs that reached approximately 18,000 young people during fiscal year 2022. During fiscal 2022, the worldwide COVID-19 pandemic continued to impact the number of youth Covenant House reached, as affiliates prolonged measures to ensure social distancing, set aside isolation rooms for symptomatic youth, and modified street outreach. Nevertheless, in fiscal 2022 Covenant House affiliates provided a total of nearly 730,000 nights of housing and safety for, on average, 1,991 youth each night.

CHM is the sole member of Youth Vision Solutions ("YVS"), a Michigan not-for-profit organization formed in fiscal 2010 to manage public school academies pursuant to management agreements with each public school academy's governing board. YVS manages four alternative public school academies in the Metropolitan Detroit and Grand Rapids areas and provided public education to approximately 719 and 694 students during the years ended June 30, 2022 and 2021.

Covenant House (Parent) is the sole member of the following not-for-profit affiliates:

- Covenant House Alaska
- Covenant House California
- Covenant House Chicago
- Covenant House Connecticut
- Covenant House Florida
- Covenant House Georgia
- Covenant House Illinois
- Covenant House Michigan
- Covenant House Missouri
- Covenant House New Jersey
- Covenant House New Orleans
- Covenant House Pennsylvania/Under 21
- Covenant House Texas
- Covenant House Washington D.C.
- Under 21 Boston, Inc.
- Covenant House Western Avenue
- Covenant House Testamentum
- Covenant House New York/Under 21
- Covenant International Foundation
- Covenant House Holdings, LLC
- CH Housing Development Fund Corporation
- Rights of Passage, Inc.
- 268 West 44th Corporation
- 460 West 41st Street, LLC

## Covenant House Michigan

Notes to Consolidated Financial Statements

June 30, 2022

### 1. Organization and Nature of Operations (*continued*)

The Parent is also the sole member of Covenant International Foundation (“CIF”), a not-for-profit corporation. The Parent together with CIF, represent the controlling interest of the following international not-for-profit affiliates:

- Asociación La Alianza (Guatemala)
- Casa Alianza de Honduras
- Casa Alianza Internacional
- Casa Alianza Nicaragua
- Covenant House Toronto
- Covenant House Vancouver
- Fundación Casa Alianza México, I.A.P.

The Parent is the founder of Fundación Casa Alianza México, I.A.P.

CHM and YVS have been determined to be not-for-profit organizations exempt from federal and state income taxes under Section 501(c)(3) of the United States Internal Revenue Code (“IRC”), except for income taxes pertaining to unrelated business income. CHM and YVS are also exempt from Michigan income and sales taxes. Both have been classified as publicly supported charitable organizations under Section 509(a)(1) of the IRC and qualify for the maximum charitable contribution deduction for donors.

#### **Components of Program and Supporting Services**

*Immediate Housing (formerly Short-term Housing and Crisis Care)* - The Immediate and Short-term Housing program focuses on Crisis Care and provides emergency services; temporary, immediate housing; nutritious food; clothing; medical care; mental health services; and legal aid to young people ages 16-22 who are experiencing homelessness or human trafficking. These high-quality programs and services meet youths’ immediate needs, stabilize their situation, and help them consider their longer-term goals for education, employment, and career planning. CHM is expertly equipped to respond to the unique needs of young survivors of human trafficking, those who identify as LGBTQ+, and those who are pregnant or parenting.

*Transitional Living - Rights of Passage* - CHM’s transitional living programs, Transitional Living programs, often referred to as “Rights of Passage” or ROP, are where young people take their boldest steps toward independence. Youth live in ROP for up to 24 months, where they tap their potential and plan for the future. Here they build basic life skills and financial literacy, participate in educational and vocational programs, seek employment with long-term advancement and career prospects, and work toward moving into their own safe and stable housing. Covenant House staff support each young person on their journey toward sustainable independence and a hope-filled future.

*Outreach* - The Outreach program actively seeks out young people experiencing homelessness who may need help. In vans and on foot, Covenant House outreach workers go out to the neighborhoods, riverfronts, parks, and other places, where young people facing homelessness often seek refuge. Teams offer food, water, hygiene kits, clothing, blankets, counseling, and referrals. Through sustained contact, they build trust with the young people, the first step toward encouraging them to come into shelters and connect with services.

## Covenant House Michigan

Notes to Consolidated Financial Statements

June 30, 2022

### 1. Organization and Nature of Operations *(continued)*

#### ***Components of Program and Supporting Services (continued)***

*Health and Well-Being (formerly Medical)* - Homelessness impacts young people's physical and mental well-being in many ways, and because youth are still developing cognitively, physically, psychologically, and emotionally, those impacts can have deep effects. Trauma-informed Health and Well-being services range from medical care at on-site health centers at certain Covenant House affiliates, to yoga classes, art and music therapy, counseling, religious and spiritual services, and physical fitness. In these activities, young people heal from the harm done to them while living unhoused and take control of their lives, build on their strengths, and nourish their self-confidence.

*Schools* - CHM initiated and oversaw the creation of three public school academies within the Metropolitan Detroit area. The academies are governed by a public board appointed by the authorizing body, Grand Valley State University ("GVSU"). The academies operate pursuant to a charter contract issued by GVSU and operate as independent public schools under the state law. The academies provide education, for homeless and at-risk children and those who have dropped out of school while in grades nine through twelve, and assists students in earning their high school diplomas.

The three schools merged and were renamed Covenant House Academy-Detroit ("CHA-Detroit") and are referred to as Central, East, and Southwest campus. YVS continues to manage CHA-Detroit and in its role, provides all labor, material, equipment and supervision required by the schools, subject to the approval by the independent charter school's board of directors.

Covenant House Academy-Grand Rapids ("CHA-GR") has a governing public board appointed by GVSU. CHA-GR operates pursuant to a charter contract issued by GVSU and operates as an independent public school under the state law. YVS was hired by the charter school's board of directors to manage CHA-GR and in its role, provides all labor, material, equipment and supervision required by the schools, subject to approval by the board of directors.

*Public Education and Advocacy* - CHM uses a variety of platforms to inform and educate the public, government officials, and young people about youth homelessness and human trafficking. CHM employ websites, social media, public service announcements, billboards, newsletters, school-based programs, talks, lectures, and peer-to-peer events across Michigan to raise awareness of the causes and impacts of youth homelessness and of the signs that a young person might be experiencing homelessness or human trafficking.

*Management and General* - Management and general services include administration, finance and general support activities. Certain administrative costs that relate to specific programs have been allocated to such programs.

*Fundraising* - Fundraising services relate to the activities of the development department in raising general and specific contributions.

## Covenant House Michigan

Notes to Consolidated Financial Statements  
June 30, 2022

### 2. Summary of Significant Accounting Policies

#### ***Basis of Presentation and Use of Estimates***

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### ***Principles of Consolidation***

The accompanying consolidated financial statements include the accounts of CHM and YVS, collectively the "Organization". All significant intercompany balances and transactions have been eliminated in consolidation.

#### ***Adoption of Accounting Principle***

As of July 1, 2021, the Organization adopted the provisions of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958). ASU 2020-07 brings more transparency and consistency to the presentation and disclosure of gifts-in-kind. The standard does not change the accounting for gifts-in-kind, however, provides matters related to presentation and disclosure.

#### ***Revenue from Contracts with Customers***

The Organization follows ASU 2014-09, Revenue from Contracts with Customers, as amended. The guidance provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance. The revenue recognition guidance does not apply to how contributions and pledges are recognized, as they are specifically scoped out of the guidance. The core principle of the guidance is that an entity should recognize revenue from the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to receive for those promised goods or services to customers. The guidance includes a five-step framework to determine the timing and amount of revenue to recognize related to contracts with customers. In addition, this guidance requires expanded disclosures related to judgments made by entities when following this framework.

The Organization's management fee income is its sole contract revenue with customers. The Organization has concluded that the contract includes a single performance obligation that is satisfied at a point in time. The performance obligations for the management fee income, rarely span beyond the fiscal year, accordingly all such obligations are satisfied by the fiscal year end.

The management fee income is mostly derived from the State of Michigan, which utilizes a foundation grant approach, which provides for a specific annual amount per pupil on a statewide formula. The Michigan Department of Education administers the allocation of state funds to charter schools based on information supplied by the schools.

## Covenant House Michigan

Notes to Consolidated Financial Statements  
June 30, 2022

### 2. Summary of Significant Accounting Policies *(continued)*

#### ***Revenue from Contracts with Customers (continued)***

For the year ended June 30, 2022, the management fee income was based on the pupil membership counts taken in October 2021 and February 2022 and it is funded through payments from October 2021 to August 2022. For the year ended June 30, 2021, the management fee income was based on the pupil membership counts taken in October 2020 of February 2021 and it is funded through payments from October 2020 to August 2021. Any unpaid portion at year end is included in due from related parties.

The guidance requires the Organization to not recognize revenue until it is probable of collection and, based on the Organization's strong collection experience, management has concluded that all revenue recognized is probable of collection.

#### ***Recognition of Contributions***

The Organization records earned revenues on an accrual basis; the Organization records as revenue the following types of contributions, when they are received unconditionally at their fair value: cash, promises to give (contributions receivable), grants receivable, certain contributed services and gifts of other assets. Multi-year pledges receivable are recorded at present value based on the expected collection date using a risk-adjusted discount rate. Conditional contributions and grants are recognized as revenue when the conditions on which they depend have been substantially met. The Organization also raises funds through special events, such as galas. Special event revenues, net of related costs with a direct-benefit to donors, are recorded as without donor restrictions since such funds can be used for general operations unless there are donor-imposed restrictions. Costs to generate with and without donor restricted funds and grants are expensed as incurred. Grant revenue is recognized as services are performed or expenditures are incurred under the Organization's contracts with its clients and funders.

#### ***Net Asset Presentation***

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

*Net Assets Without Donor Restrictions* – net assets available for use in general operations and not subject to donor restrictions.

*Net Assets With Donor Restrictions* – net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

## Covenant House Michigan

Notes to Consolidated Financial Statements  
June 30, 2022

### 2. Summary of Significant Accounting Policies *(continued)*

#### **Conditional Advances**

Conditional advances represent amounts received by the Organization which pertain to programs and services of the following fiscal year.

#### **Contributed Services and in-Kind Donations**

Contributed services and gifts-in-kind are recognized as revenue if the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Contributed services are recorded at the fair value of the services provided. Contributed services that do not meet the above criteria are not recognized as revenue and are not reported in the accompanying consolidated financial statements. In-kind donations of goods are recorded at fair value as of the date of the donation.

	<u>2022</u>	<u>2021</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Clothing and Household Supplies	\$ 69,930	\$ 43,596	Short-term Housing and Crisis Care	No associated donor restrictions	In valuing the donated clothing and household supplies, the Organization estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar products in the United States.

At June 30, 2022 and 2021 contributed services provided to the Organization had a zero net impact to financial statements as revenue and expense of the same amount was recognized on the statement of activities.

#### **Cash and Cash Equivalents**

Cash and cash equivalents include cash balances held in bank accounts and highly liquid debt instruments with maturities of three months or less at the time of purchase.

#### **Investments**

Short-term investments include money market funds stated at cost plus accrued interest. Long-term investments include mutual funds and exchange traded and closed-end funds and are stated at fair value.

#### **Fair Value of Financial Instruments**

The Organization follows U.S. GAAP guidance on fair value measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

## Covenant House Michigan

Notes to Consolidated Financial Statements  
June 30, 2022

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Investment and Investment Income***

Investments are stated at fair value in the consolidated statement of financial position. Interest, dividends, realized and unrealized gains and losses on investments are included in the consolidated statement of activities. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis and dividends are recorded on the ex-dividend date. Realized and unrealized gains and losses are included in the determination of change in net assets.

#### ***Functional Allocation of Expenses***

The costs of providing the various program and supporting services have been summarized on a functional basis. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Organization allocated direct costs to program services. Supporting services include management and general and fundraising. Allocated expenses among program services and management and general and fundraising include salaries and related expenses, staff travel, consulting and professional fees, and other expenses which are allocated based on time and costs where efforts are made.

#### ***Impairment of Long-Lived Assets***

Long-lived assets, such as property and equipment are reviewed for impairment when changes in circumstances indicate that the carrying amount of the asset may not be recoverable. If the carrying amount of the long-lived asset (or asset group) exceeds its fair value and the carrying amount is not recoverable, an impairment loss is recognized. An impairment loss is measured as the amount by which the long-lived asset (or asset group) exceeds its fair value. Fair value is determined through various valuation techniques including undiscounted cash flow models, quoted fair values and third-party independent appraisals.

#### ***Property and Equipment***

Property and equipment are recorded at cost if purchased or, if donated, at fair value at the date of the gift, less accumulated depreciation and amortization. Depreciation is computed on a straight line basis over the estimated useful lives of the assets, which range from three to forty years. Leasehold improvements are amortized over the lesser of the term of the lease inclusive of expected renewals or their estimated useful lives.

#### ***Prior Year Summarized Comparative Information***

Information as of and for the year ended June 30, 2021 is presented for comparative purposes only. Certain activity by net asset classification is not included in these consolidated financial statements. Accordingly, such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements as of and for the year ended June 30, 2021, from which the summarized comparative information was derived.

## **Covenant House Michigan**

Notes to Consolidated Financial Statements  
June 30, 2022

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Advertising Costs***

Advertising costs are expensed as incurred. Advertising expense was \$7,625 and \$14,350 for the years ended June 30, 2022 and 2021.

#### ***Accounting for Uncertainty in Income Taxes***

The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition and/or disclosure. The Organization is no longer subject to examinations by the applicable taxing jurisdictions for years prior to June 30, 2019.

#### ***Reclassification of Prior Year Presentation***

Certain items from the 2021 consolidated financial statement have been reclassified to be in conformity with the 2022 consolidated financial statement presentation.

#### ***Subsequent Events and Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the accompanying consolidated financial statements were available to be issued, which date is March 6, 2023. Management determined that there have been no events that have occurred that would require adjustments to our disclosures in the consolidated financial statements except for the transaction described below.

In December 2022, Covenant House Michigan and Youth Vision Solutions have agreed that the two entities legally separate and sever their corporate relationship. Accordingly, CHM will no longer be the sole member of YVS. The Board of Directors of each organization has voted and approves the motion that the entities will separate upon the filing of the appropriate documents with the State of Michigan.

### **3. Concentration of Credit Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of investments, cash and cash equivalents and receivables. Investments and cash and cash equivalents are managed within guidelines established by the Board of Directors. As of June 30, 2022, all investments were maintained by large financial institutions.

The Organization maintains its cash with established commercial banks. At times, the cash balances exceed federally insured limits. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash equivalents. Concentrations of credit risk with respect to receivables are limited due to the fact that receivables are due from a number of donors and grant agencies.



## Covenant House Michigan

### Notes to Consolidated Financial Statements June 30, 2022

#### 4. Liquidity and Availability of Financial Assets

Financial assets available for general expenditure that is, without restrictions limiting their use, within one year of June 30 are as follows:

	<u>2022</u>	<u>2021</u>
Financial Assets		
Cash and cash equivalents	\$ 4,511,739	\$ 3,284,713
Investments	5,385,799	6,519,289
Receivables	903,436	556,160
Due from related parties	<u>1,537,022</u>	<u>1,675,454</u>
Total Financial Assets	12,337,996	12,035,616
Less Those Unavailable for General Expenditure Within One Year, Due to:		
Restricted by donor with time or purpose restrictions	(392,013)	(143,882)
Restricted assets to be made available within one year	<u>51,869</u>	<u>1,869</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 11,997,852</u>	<u>\$ 11,893,603</u>

The Organization's working capital and cash flows are driven by contributions, grants, and special events revenue. The Organization manages its financial assets to be available for its operating expenditures, liabilities, and other obligations as they come due.

#### 5. Contributions and Pledges Receivable

Contributions, including unconditional promises to give, are reported as revenues in the period received. Unconditional promises to give that are due beyond one year are discounted to reflect the present value of future cash flows using a risk adjusted discount rate assigned in the year the respective pledge originates. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any. Conditional promises to give are recognized when the conditions upon which they depend have been substantially met.

All receivables as of June 30, 2022 and 2021 are expected to be collected within one year.

Management has determined all receivables to be fully collectible and therefore no allowance has been recorded as of June 30, 2022 and 2021.

## Covenant House Michigan

### Notes to Consolidated Financial Statements June 30, 2022

#### 6. Property and Equipment

Property and equipment consist of the following at June 30:

	2022	2021
Buildings	\$ 9,925,728	\$ 9,925,728
Building and site improvements	2,447,291	2,177,039
Furniture and equipment	1,087,621	1,082,121
Vehicles	168,719	114,865
	13,629,359	13,299,753
Accumulated depreciation and amortization	(5,457,709)	(4,766,074)
	8,171,650	8,533,679
Land	216,000	216,000
	\$ 8,387,650	\$ 8,749,679

Depreciation and amortization expense was \$668,322 and \$578,961 for the years ended June 30, 2022 and 2021.

#### 7. Investments

Investments at June 30, 2022 and 2021 consist of money market funds, mutual funds and exchange traded and closed-end funds which are measured at fair value on a recurring basis and are classified with level 1 inputs using the fair value hierarchy as follows:

	2022	2021
Mutual funds	\$ 3,909,148	\$ 4,574,630
Exchange traded and closed-end funds	948,414	1,112,964
Money market funds, at cost	528,237	831,695
	\$ 5,385,799	\$ 6,519,289

The components of other income consist of the following for the years ended June 30, 2022 and 2021:

	2022	2021
Realized and unrealized (loss) gain on investments	\$ (871,242)	\$ 1,116,466
Rent revenue	198,021	86,631
Other income	99,456	4,605
	\$ (573,765)	\$ 1,207,702

## Covenant House Michigan

Notes to Consolidated Financial Statements  
June 30, 2022

### 8. Commitments and Contingencies

#### *Operating Leases*

The Organization has entered into various non-cancelable operating leases for office equipment, which expire at various dates through April 2025. Rental expense under all operating leases amounted to \$33,631 and \$63,370 for the years ended June 30, 2022 and 2021.

Future minimum lease payments under non-cancelable leases at June 30, 2022, are as follows for the years ending June 30:

2023	\$ 16,460
2024	14,339
2025	9,618
	<u>\$ 40,417</u>

During July 1999, CHM entered into a dollar-a-year lease for its main campus with the Archdiocese of Detroit for a period of 99 years.

The fair value of the property at the time of the lease signing was recorded as net assets with donor restrictions and is released from restriction over the period of the lease. As the asset is amortized over the 99-year life of the lease, \$1,869 of rent expense and amortization is recorded. CHM uses this property for administrative purposes, the shelter and crisis center, Rights of Passage, House of Hope (medical), charter school and future programs.

CHM subleases a portion of its main campus to CHA-Detroit for its Central Campus. CHM entered into a lease with CHA-Detroit, East Campus for a building effective June 25, 2020 through June 30, 2025.

CHM also entered into a lease with CHA-Detroit for its Southwest Campus for a building effective June 25, 2020 through June 30, 2025.

#### *Management Agreement*

Prior to July 1, 2020, YVS reported revenue on a gross basis. YVS received the state aid payments from the Michigan Department of Education and assumed the obligation for payment of the lease obligation on behalf of all the academies. Effective July 1, 2020, YVS will continue to report revenue on a gross basis for CHA - Detroit only, as they receive the state aid payments from the Michigan Department of Education and assume the obligation for payment of the lease obligation on behalf of CHA - Detroit. Effective July 1, 2020, YVS signed a management agreement with CHA – GR, which expires on June 30, 2025. According to the provisions of this agreement, CHA - GR will report all revenues received from the Michigan Department of Education and assume all the obligations for payments of all expenses.

## Covenant House Michigan

Notes to Consolidated Financial Statements  
June 30, 2022

### 8. Commitments and Contingencies *(continued)*

#### ***Management Agreement (continued)***

YVS will receive a management fee of 11% of the per pupil revenue that CHAR – GR receives from all sources for the duration of this agreement for managing the day-to-day activities of CHA - GR.

All intercompany rental income, management fees and expenses between CHM and YVS are eliminated upon consolidation.

#### ***Government Grants***

In accordance with the terms of certain government grants, the records of the Organization are subject to audit for varying periods after the date of final payment of the grants. The Organization is liable for any disallowed costs; however, management believes that the amount of disallowed costs, if any, would not be significant. Government grants totaled \$1,175,554 and \$949,454 for years ended June 30, 2022 and 2021.

#### ***Litigation and General Liability***

The Organization is subject to various claims and lawsuits that may arise in the ordinary course of business. The Organization also maintains adequate insurance coverage to shield it from inherent risks associated with the performance of its mission.

### 9. Net Asset Classifications and Releases from Donor-Imposed Restriction

At June 30, 2022 and 2021 net assets with donor restrictions of \$392,013 and \$143,882 were time restricted. Additionally, at June 30, 2022 and 2021, there were no net assets with donor restrictions for the purpose of site improvements and constructing a new crisis center. Net assets of \$1,869 and \$466,559 were released from restriction by satisfying the restricted purpose for the years ended June 30, 2022 and 2021.

### 10. Related-Party Transactions

Parent provides financial support as well as management and organizational support for its affiliated organizations. The Parent conducts fundraising activities for its own programs and the programs of the affiliates. Contributions and promises to give totaled approximately \$89 million and \$84 million for the Parent during the years ended June 30, 2022 and 2021. Contributions received from the Parent are generally not specifically restricted by donors to specific affiliates.

The Parent combines contributions received from individuals, corporations and foundations plus a Parent subsidy and appropriates funds classified as “Branding Dollars” or “Contributions Received from Parent” to each Covenant House affiliate. Total funds allocated to affiliates, based on the Parent’s policy, approximated \$38 million and \$36 million for the years ended June 30, 2022 and 2021. In fiscal 2022 and 2021, the Organization received \$672,236 and \$637,723 in contributions from the Parent. Additionally, in fiscal 2022 and 2021, the Organization received \$202,454 and \$202,958 from the Parent relating to national sleep out events.

At June 30, 2022 and 2021, YVS had receivables from related parties amounting to \$1,537,022 and \$1,675,454 relating to management fees.

## Covenant House Michigan

Notes to Consolidated Financial Statements  
June 30, 2022

### 11. Employee Benefit Plans

The Parent adopted a defined contribution 403(b) savings and retirement plan (the “403(b) Plan”), effective January 1, 2007. All CHM’s employees are immediately eligible to enter the 403(b) Plan. CHM adds employer contributions to the retirement account for all employees who work 1,000 hours in a year. The rate of contribution (percent of compensation) is based upon points. Points equal the sum of age and years of service. The employer contribution percentage ranges are from 1.0% to 9.0% based on points. Employer contributions for the savings and retirement account will be 100% vested after three years of service. CHM’s expense related to the 403(b) Plan was \$219,321 and \$146,644 for the years ended June 30, 2022 and 2021.

CHM participates in a noncontributory defined benefit pension plan (the “Plan”), which was established on August 1, 1982, sponsored by the Parent covering substantially all of the employees of the Parent and its domestic affiliates. Benefits are generally based on years of service and final average salary. Effective August 1, 2009, the Board of Directors of the Parent approved to freeze the future benefit accruals of all employees of Covenant House participating in the Plan. As set forth in the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), the Parent is responsible for maintaining an annual minimum funding requirement that is reported and paid by the Parent. Although the Parent is responsible for maintaining the total annual minimum funding requirement, the Plan’s actuary has determined the respective allocable share to the various affiliates that participate in the Plan. In 2022 and 2021, the Organization contributed \$37,023 and \$70,662 for its allocable share of the Parent’s minimum funding requirement, which is included in employee benefits on the consolidated statement of functional expenses.

YVS has a defined contribution 403(b) Thrift Plan (the “Thrift Plan”), effective May 1, 2012. All eligible employees as defined in the Thrift Plan are eligible to participate after having attained the age of 21, completing twelve months of consecutive service and 1,000 hours of service.

The Thrift Plan provides for matching contributions equal to 50% of the participant’s contribution, to the extent that the participants’ contribution does not exceed 6% of their compensation. YVS’s expense related to the Thrift Plan was \$35,454 and \$41,715 for the years ended June 30, 2022 and 2021.

### 12. Grants and Contracts

CHM was awarded a cost-reimbursable City of Detroit Block Grant. As of June 30, 2022 and 2021, the Organization has recorded a receivable of \$9,939 and \$6,806 representing services performed under this award.

CHM was awarded a cost-reimbursable HUD Community Development Block and Emergency Solutions Grant that is passed through the City of Detroit. As of June 30, 2022 and 2021, the Organization has recorded a receivable of \$30,231 and \$117,274 from the City of Detroit representing services performed under this award.

CHM was awarded a cost-reimbursable Salvation Army Grant. As of June 30, 2022 and 2020 the Organization has recorded a receivable of \$73,685 and \$23,005 representing services performed under this award.

## Covenant House Michigan

### Notes to Consolidated Financial Statements June 30, 2022

#### 12. Grants and Contracts *(continued)*

CHM was awarded a cost-reimbursable ACYF Transitional Living Program Grant. As of June 30, 2022 and 2021, the Organization has recorded a receivable of \$127,108 and \$83,226 representing services performed under this award.

CHM was awarded a cost-reimbursable ACYF Outreach Grant. As of June 30, 2022 and 2021, the Organization has recorded a receivable of \$75,049 and \$72,146 representing services performed under this award.

CHM was awarded a cost-reimbursable UWSEM-EFSP Grant. As of June 30, 2022 and 2021, the Organization has recorded a receivable of \$15,060 and \$0 representing services performed under this award.

In fiscal 2022, CHM was awarded a cost-reimbursable Michigan Enhancement Grant. As of June 30, 2022, the Organization has recorded a receivable of \$100,000 representing services performed under this award.

#### 13. Paycheck Protection Program Loans

On April 16, 2020 and May 21, 2020, CHM and YVS received loans proceeds in the amounts of \$501,973 and \$1,190,200, respectively, totaling \$1,692,173 under the Paycheck Protection Program (the "PPP"). On April 22, 2021 and January 11, 2021, CHM and YVS received confirmation from the United States Small Business Administration that \$501,973 and \$1,190,200 of the PPP loans plus accrued interest were forgiven. Accordingly, the Organization is recognizing these amounts as income from paycheck protection program loan forgiveness in 2021.

#### 14. COVID-19

The coronavirus outbreak could have an adverse effect on the results of operations. Given the uncertainty around the extent and timing of the potential future spread or mitigation of the coronavirus and around the imposition or relaxation of protective measures, management cannot reasonably estimate the impact to future results of operations, cash flow, or financial condition.

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# **Covenant House Michigan**

Supplementary Information

June 30, 2022

## Covenant House Michigan

Consolidating Schedule of Financial Position  
June 30, 2022  
(with summarized totals at June 30, 2021)

	2022				2021
	CHM	YVS	Eliminations	Total	Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 256,371	\$ 4,255,368	\$ -	\$ 4,511,739	\$ 3,284,713
Investments	5,385,799	-	-	5,385,799	6,519,289
Receivables	895,256	8,180	-	903,436	556,160
Due from related parties	59,958	1,537,022	(59,958)	1,537,022	1,675,454
Prepaid expenses and other assets	31,353	192,999	-	224,352	206,775
Property and equipment, net	<u>8,131,583</u>	<u>256,067</u>	<u>-</u>	<u>8,387,650</u>	<u>8,749,679</u>
	<u>\$ 14,760,320</u>	<u>\$ 6,249,636</u>	<u>\$ (59,958)</u>	<u>\$ 20,949,998</u>	<u>\$ 20,992,070</u>
<b>LIABILITIES AND NET ASSETS</b>					
Liabilities					
Accounts payable and accrued expenses	\$ 521,676	\$ 656,352	\$ (59,958)	\$ 1,118,070	\$ 814,164
Conditional advances	<u>328,312</u>	<u>-</u>	<u>-</u>	<u>328,312</u>	<u>202,724</u>
Total Liabilities	<u>849,988</u>	<u>656,352</u>	<u>(59,958)</u>	<u>1,446,382</u>	<u>1,016,888</u>
Net Assets					
Without donor restrictions	5,386,736	5,337,217	-	10,723,953	11,081,621
Investment in property and equipment	<u>8,131,583</u>	<u>256,067</u>	<u>-</u>	<u>8,387,650</u>	<u>8,749,679</u>
Total Without Donor Restrictions	13,518,319	5,593,284	-	19,111,603	19,831,300
With donor restrictions	<u>392,013</u>	<u>-</u>	<u>-</u>	<u>392,013</u>	<u>143,882</u>
Total Net Assets	<u>13,910,332</u>	<u>5,593,284</u>	<u>-</u>	<u>19,503,616</u>	<u>19,975,182</u>
	<u>\$ 14,760,320</u>	<u>\$ 6,249,636</u>	<u>\$ (59,958)</u>	<u>\$ 20,949,998</u>	<u>\$ 20,992,070</u>

See independent auditors' report



## Covenant House Michigan

### Consolidating Schedule of Activities Year Ended June 30, 2022 (with summarized totals for year ended June 30, 2021)

	2022						2021 Total	
	CHM		YVS		Sub-total	Eliminations		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions				
<b>SUPPORT AND REVENUE</b>								
Contributions	\$ 2,284,449	\$ 250,000	\$ -	\$ 2,534,449	\$ -	\$ 2,534,449	\$ 1,711,125	
Government grants	1,175,554	-	-	1,175,554	-	1,175,554	949,454	
Private foundations grants	223,594	-	-	223,594	-	223,594	495,045	
Branding dollars from Parent	672,236	-	-	672,236	-	672,236	637,723	
Grants from Parent related to national sleep out events	202,454	-	-	202,454	-	202,454	202,958	
Special events, net	109,115	-	-	109,115	-	109,115	347,330	
Contributed services and merchandise	69,930	-	-	69,930	-	69,930	43,596	
Total Support and Revenue	<u>4,737,332</u>	<u>250,000</u>	<u>-</u>	<u>4,987,332</u>	<u>-</u>	<u>4,987,332</u>	<u>4,387,231</u>	
<b>INVESTMENT AND OTHER</b>								
Interest income	246	-	-	246	-	246	8,909	
Management fee income	-	-	7,406,774	7,406,774	-	7,406,774	6,417,511	
Paycheck protection program loan forgiveness	-	-	-	-	-	-	1,692,173	
Gain on sale of building	-	-	-	-	-	-	655,474	
Other income (loss) or gain	(239,342)	-	198,021	(41,321)	(532,444)	(573,765)	1,207,702	
Total Investment and Other	<u>(239,096)</u>	<u>-</u>	<u>7,604,795</u>	<u>7,365,699</u>	<u>(532,444)</u>	<u>6,833,255</u>	<u>9,981,769</u>	
Total Support and Revenue and Investment and Other Before Net Assets Released from Restrictions	4,498,236	250,000	7,604,795	12,353,031	(532,444)	11,820,587	14,369,000	
Net assets released from restrictions	<u>1,869</u>	<u>(1,869)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Support and Revenue and Investment and Other	<u>4,500,105</u>	<u>248,131</u>	<u>7,604,795</u>	<u>12,353,031</u>	<u>(532,444)</u>	<u>11,820,587</u>	<u>14,369,000</u>	
<b>EXPENSES</b>								
Program Services								
Immediate Housing	2,613,371	-	-	2,613,371	-	2,613,371	2,580,182	
Rights of Passage	1,013,637	-	-	1,013,637	-	1,013,637	1,149,051	
Outreach	298,122	-	-	298,122	-	298,122	355,078	
Health and Well-Being	160,964	-	-	160,964	-	160,964	246,307	
Public education and advocacy	128,614	-	-	128,614	-	128,614	123,826	
Schools	191,050	-	4,042,018	4,233,068	(532,444)	3,700,624	3,224,987	
Total Program Services	<u>4,405,758</u>	<u>-</u>	<u>4,042,018</u>	<u>8,447,776</u>	<u>(532,444)</u>	<u>7,915,332</u>	<u>7,679,431</u>	
Supporting Services								
Management and general	1,093,772	-	2,724,974	3,818,746	-	3,818,746	3,419,623	
Fundraising	558,075	-	-	558,075	-	558,075	532,279	
Total Supporting Services	<u>1,651,847</u>	<u>-</u>	<u>2,724,974</u>	<u>4,376,821</u>	<u>-</u>	<u>4,376,821</u>	<u>3,951,902</u>	
Total Expenses	<u>6,057,605</u>	<u>-</u>	<u>6,766,992</u>	<u>12,824,597</u>	<u>(532,444)</u>	<u>12,292,153</u>	<u>11,631,333</u>	
Change in Net Assets	(1,557,500)	248,131	837,803	(471,566)	-	(471,566)	2,737,667	
<b>NET ASSETS</b>								
Beginning of year	15,075,819	143,882	4,755,481	19,975,182	-	19,975,182	17,237,515	
End of year	<u>\$ 13,518,319</u>	<u>\$ 392,013</u>	<u>\$ 5,593,284</u>	<u>\$ 19,503,616</u>	<u>\$ -</u>	<u>\$ 19,503,616</u>	<u>\$ 19,975,182</u>	

See independent auditors' report