

Covenant House Michigan

Consolidated Financial Statements

and Supplementary Information

June 30, 2023

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, 2023, 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, 2023, and the consolidated changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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, 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated March 6, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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 are 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
May 2, 2024

Covenant House Michigan

Consolidated Statement of Financial Position
June 30, 2023
(with comparative amounts at June 30, 2022)

	<u>2023</u>	<u>2022</u>
ASSETS		
Cash and cash equivalents	\$ 336,903	\$ 4,511,739
Investments	5,186,519	5,385,799
Receivables	602,222	903,436
Due from related parties	-	1,537,022
Prepaid expenses and other assets	41,942	224,352
Property and equipment, net	<u>7,631,725</u>	<u>8,387,650</u>
	<u>\$ 13,799,311</u>	<u>\$ 20,949,998</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 560,152	\$ 1,118,070
Conditional advances	65,926	328,312
Total Liabilities	<u>626,078</u>	<u>1,446,382</u>
Net Assets		
Without donor restrictions	5,180,204	10,723,953
Investment in property and equipment	<u>7,631,725</u>	<u>8,387,650</u>
Total Without Donor Restrictions	12,811,929	19,111,603
With donor restrictions	<u>361,304</u>	<u>392,013</u>
Total Net Assets	<u>13,173,233</u>	<u>19,503,616</u>
	<u>\$ 13,799,311</u>	<u>\$ 20,949,998</u>

See notes to consolidated financial statements

Covenant House Michigan

Consolidated Statement of Activities
Year Ended June 30, 2023
(with summarized totals for year ended June 30, 2022)

	2023			2022 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
SUPPORT AND REVENUE				
Contributions	\$ 1,826,980	\$ 21,160	\$ 1,848,140	\$ 2,534,449
Government grants	1,187,499	-	1,187,499	1,175,554
Private foundations grants	326,550	-	326,550	223,594
Branding dollars from Parent	700,000	-	700,000	672,236
Grants from Parent related to national sleep out events	195,396	-	195,396	202,454
Special events, net of direct benefits to donors of \$259,158 and \$20,606	389,337	-	389,337	109,115
Contributed services and merchandise	28,495	-	28,495	69,930
Total Support and Revenue	<u>4,654,257</u>	<u>21,160</u>	<u>4,675,417</u>	<u>4,987,332</u>
INVESTMENT AND OTHER				
Interest income	2,030	-	2,030	246
Management fee income	6,793,745	-	6,793,745	7,406,774
Other income (loss)	624,636	-	624,636	(573,765)
Total Investment and Other	<u>7,420,411</u>	<u>-</u>	<u>7,420,411</u>	<u>6,833,255</u>
Total Support and Revenue and Investment and Other Before Net Assets Released from Restrictions	12,074,668	21,160	12,095,828	11,820,587
Net assets released from restrictions	<u>51,869</u>	<u>(51,869)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue and Investment and Other	<u>12,126,537</u>	<u>(30,709)</u>	<u>12,095,828</u>	<u>11,820,587</u>
EXPENSES				
Program Services				
Immediate Housing	2,929,824	-	2,929,824	2,613,371
Rights of passage	1,251,558	-	1,251,558	1,013,637
Outreach	366,573	-	366,573	298,122
Health and Well-Being	145,110	-	145,110	160,964
Public education and advocacy	118,596	-	118,596	128,614
Schools	4,036,980	-	4,036,980	3,700,624
Total Program Services	<u>8,848,641</u>	<u>-</u>	<u>8,848,641</u>	<u>7,915,332</u>
Supporting Services				
Management and general	3,164,127	-	3,164,127	3,818,746
Fundraising	472,195	-	472,195	558,075
Total Supporting Services	<u>3,636,322</u>	<u>-</u>	<u>3,636,322</u>	<u>4,376,821</u>
Total Expenses	<u>12,484,963</u>	<u>-</u>	<u>12,484,963</u>	<u>12,292,153</u>
Change in Net Assets	(358,426)	(30,709)	(389,135)	(471,566)
NET ASSETS				
Beginning of year	19,111,603	392,013	19,503,616	19,975,182
Transfer of Net Assets related to Deconsolidation of Subsidiary Youth Vision Solutions	<u>(5,941,248)</u>	<u>-</u>	<u>(5,941,248)</u>	<u>-</u>
End of year	<u>\$ 12,811,929</u>	<u>\$ 361,304</u>	<u>\$ 13,173,233</u>	<u>\$ 19,503,616</u>

See notes to consolidated financial statements

Covenant House Michigan

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023
(with summarized totals for year ended June 30, 2022)

	Program Services							Supporting Services		Cost of Direct Benefits To Donors	Total	2022 Total Expenses
	Immediate Housing	Rights of Passage	Outreach	Health and Well-Being	Public Education and Advocacy	Schools	Total	Management and General	Fundraising			
Salaries and wages	\$ 1,691,231	\$ 756,037	\$ 226,368	\$ 44,672	\$ 52,973	\$ 3,147,150	\$ 5,918,431	\$ 1,585,431	\$ 211,894	\$ -	\$ 7,715,756	\$ 6,344,323
Payroll taxes	135,877	60,905	17,680	3,602	4,018	182,148	404,230	101,489	16,072	-	521,791	464,792
Employee benefits	248,952	129,523	38,949	8,056	14,127	374,993	814,600	236,168	56,506	-	1,107,274	1,219,102
Total Salaries and Related Expenses	2,076,060	946,465	282,997	56,330	71,118	3,704,291	7,137,261	1,923,088	284,472	-	9,344,821	8,028,217
Accounting fees	29,750	11,305	3,570	6,545	-	-	51,170	30,897	-	-	82,067	59,000
Legal fees	1,296	2,000	-	-	-	-	3,296	32,319	-	-	35,615	68,012
Consulting fees	-	-	-	-	-	-	-	-	-	-	-	13,565
Supplies	15,807	6,007	4,081	647	650	51,804	78,996	195,490	2,599	-	277,085	900,681
Telephone	13,818	7,919	2,574	3,645	748	33,436	62,140	8,660	2,993	-	73,793	68,764
Postage and printing	28	6	6	-	4,751	-	4,791	5,412	19,003	-	29,206	37,927
Occupancy												
Fuel and utilities	85,917	47,855	4,614	1,787	2,238	12,684	155,095	45,374	8,951	-	209,420	375,616
Repairs and maintenance	27,319	3,793	735	1,384	579	2,427	36,237	41,686	2,314	-	80,237	65,633
Rent and other	-	-	-	-	-	-	-	1,869	-	-	1,869	93,610
Equipment	17,115	6,864	753	999	188	557	26,476	172,956	753	-	200,185	47,567
Travel and transportation	13,058	10,400	5,886	1,159	441	987	31,931	8,600	1,765	-	42,296	165,882
Conferences and meetings	3,617	1,255	78	-	262	-	5,212	17,877	1,046	-	24,135	775
Specific Assistance to Individuals												
Food	134,506	54,601	-	50	-	-	189,157	-	-	-	189,157	206,809
Medical	557	54	34	-	34	-	679	369	136	-	1,184	391
Clothing, allowance and other	45,359	12,415	3,295	46	-	-	61,115	-	-	-	61,115	29,109
Contributed clothing and merchandise	17,097	11,398	-	-	-	-	28,495	-	-	-	28,495	69,930
Temporary help	20,407	2,527	-	-	-	-	22,934	-	-	-	22,934	22,872
Other purchased services	190,050	60,491	25,955	69,320	22,722	301	368,839	342,046	88,707	259,158	1,058,750	911,908
Dues, licenses and permits	1,094	625	104	176	1,149	10,695	13,843	1,266	4,594	-	19,703	86,603
Subscriptions and publications	169	34	34	-	251	-	488	390	1,004	-	1,882	3,633
Staff recruitment	3,083	383	727	-	7,675	-	11,868	23,123	30,700	-	65,691	77,897
Insurance	65,332	24,600	11,653	2,703	1,384	33,333	139,005	75,052	5,534	-	219,591	223,676
Miscellaneous	1,867	876	282	-	1,692	81,747	86,464	13,483	6,767	-	106,714	54,065
Bank charges and fees	-	-	-	-	2,714	-	2,714	35,734	10,857	-	49,305	8,982
Depreciation and amortization	2,763,306	1,211,873	347,378	144,791	118,596	3,932,262	8,518,206	2,975,691	472,195	259,158	12,225,250	11,621,124
	166,518	39,685	19,195	319	-	104,718	330,435	188,436	-	-	518,871	691,635
Total Functional Expenses	2,929,824	1,251,558	366,573	145,110	118,596	4,036,980	8,848,641	3,164,127	472,195	259,158	12,744,121	12,312,759
Less cost of direct benefits to donors	-	-	-	-	-	-	-	-	-	(259,158)	(259,158)	(20,606)
Total Expenses Reported by Function on the Statement of Activities	\$ 2,929,824	\$ 1,251,558	\$ 366,573	\$ 145,110	\$ 118,596	\$ 4,036,980	\$ 8,848,641	\$ 3,164,127	\$ 472,195	\$ -	\$ 12,484,963	\$ 12,292,153

See notes to consolidated financial statements

Covenant House Michigan

Consolidated Statement of Cash Flows Year Ended June 30, 2023 (with comparative amounts for year ended June 30, 2022)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (389,135)	\$ (471,566)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	518,871	691,635
Net realized and unrealized (gain) loss on investments	(466,836)	871,242
Donated securities	(16,812)	(124,135)
Net change in operating assets and liabilities, net of transfer in 2023		
Receivables	301,214	(347,276)
Prepaid expenses and other assets	(70,463)	(17,577)
Due from related parties	(106,218)	138,432
Accounts payable and accrued expenses	(437,570)	303,906
Conditional advances	(262,386)	125,588
Net Cash (Used in) Provided by Operating Activities	(929,335)	1,170,249
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(32,926)	(36,383)
Proceeds from sales of investments	734,360	422,766
Purchase of property and equipment	(22,270)	(329,606)
Net Cash from Investing Activities	679,164	56,777
CASH FLOWS FROM FINANCING ACTIVITIES		
Transfer to subsidiary due to deconsolidation	(3,924,665)	-
Change in Cash and Cash Equivalents	(4,174,836)	1,227,026
CASH AND CASH EQUIVALENTS		
Beginning of year	4,511,739	3,284,713
End of year	\$ 336,903	\$ 4,511,739

See notes to consolidated financial statements

Covenant House Michigan

Notes to Consolidated Financial Statements

June 30, 2023

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 58,000 young people during fiscal year 2023. Throughout fiscal 2023, Covenant House provided a total of nearly 790,000 nights of housing and safety for, on average, 2,165 youth each night.

CHM was 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 three alternative public school academies in the Metropolitan Detroit and Grand Rapids areas and provided public education to approximately 672 and 719 students during fiscal years 2023 and 2022.

In December 2022, Covenant House Michigan and Youth Vision Solutions, agreed that the two entities will legally separate and sever their corporate relationship. Accordingly, CHM is no longer the sole member of YVS. The Board of Directors of each entity voted and approved the separation and filed the appropriate separation documents with the State of Michigan. The separation of the two Organization was finalized as of April 30, 2023. The separation resulted in a reduction of \$5,941,248 to net assets for the year ended June 30, 2023. Accordingly, YVS' operations are reported in these consolidated financial statements through April 30, 2023.

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, 2023

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. The shelter doors are always open, 24/7, and have provided uninterrupted service to children and youth for more than 50 years.

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. The research shows that the longer a young person resides in ROP and takes advantage of the programs, the more likely they are to experience positive outcomes, including stable housing, gainful employment, and higher education. In Transitional Living programs, youth 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.

Covenant House Michigan

Notes to Consolidated Financial Statements

June 30, 2023

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

Components of Program and Supporting Services (continued)

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. The teams offer food, water, hygiene kits, clothing, blankets, counseling, and referrals. Through sustained contact, they build trust with the young people they encounter, encouraging them to come into shelters and connect with services.

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. This is even more the case for young people of color and those who identify as LGBTQ+, as they face unique challenges associated with racism and prejudice, and for survivors of human trafficking. Half of all Covenant House youth are dealing with a mental health challenge, and data shows that LGBTQ+ youth are more likely to face these challenges than their peers. Covenant House welcomes all young people with unconditional love and absolute respect. Trauma-informed Health and Well-being services range from medical care at on-site health centers at certain Covenant House sites to yoga classes, art and music therapy, one-on-one and group counseling, religious and spiritual services, and physical fitness. Through these activities and the stability and care they receive at Covenant House, young people begin to heal from the harm they experienced while living unhoused, taking control of their lives, building on their strengths, and nourishing 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.

Covenant House Michigan

Notes to Consolidated Financial Statements
June 30, 2023

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

Components of Program and Supporting Services (continued)

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, community engagement (including through Youth Homelessness Awareness Month each November) and training, 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.

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 through April 30, 2023, collectively the "Organization". All significant intercompany balances and transactions have been eliminated in consolidation.

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.

Covenant House Michigan

Notes to Consolidated Financial Statements

June 30, 2023

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

Revenue from Contracts with Customers (continued)

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.

For the year ended June 30, 2023, the management fee income was based on the pupil membership counts taken in October 2022 and February 2023 and it is funded through payments from October 2022 to August 2023. 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.

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.

Contract assets as of July 1, 2021, consisted of \$295,651 of accounts receivable. Contract liabilities as of July 1, 2021, consisted of \$202,724 of conditional advances.

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.

Covenant House Michigan

Notes to Consolidated Financial Statements
June 30, 2023

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

Net Asset Presentation (continued)

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.

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>2023</u>	<u>2022</u>	<u>Utilization in Programs/Activities</u>	<u>Donor Restrictions</u>	<u>Valuation Techniques and Inputs</u>
Clothing and Household Supplies	\$ 28,495	\$ 69,930	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, 2023 and 2022 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.

Covenant House Michigan

Notes to Consolidated Financial Statements

June 30, 2023

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

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.

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 less cost to sale. 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.

Covenant House Michigan

Notes to Consolidated Financial Statements
June 30, 2023

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

Prior Year Summarized Comparative Information

Information as of and for the year ended June 30, 2022 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, 2022, from which the summarized comparative information was derived.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expense was \$52,775 and \$7,625 for the years ended June 30, 2023 and 2022.

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, 2020.

New Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board issued *ASU 2016-02, Leases ("Topic 842")*, which supersedes existing guidance in Leases (Topic 840). Topic 842 amends both lessor and lessee accounting with the most significant change being the requirement for lessees to recognize right-of-use (ROU) assets and lease liabilities on the statement of financial position for operating leases.

The Organization adopted the leasing standards effective July 1, 2022, using the modified retrospective approach with July 1, 2022 as the initial date of application. The Organization elected to use all available practical expedients provided in the transition guidance. These allowed the Organization to not reassess the identification, classification and initial direct costs of lessor agreements and to use hindsight in lessee and lessor agreements for determining lease term and right-of-use asset impairment. As of July 1, 2022, adoption of Topic 842 did not result in any material adjustments to the financial statements related to lease accounting.

Covenant House Michigan

Notes to Consolidated Financial Statements
June 30, 2023

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

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 May 2, 2024. Management determined that there have been no events that have occurred that would require adjustments to our disclosures stated herein, except as noted below.

In February of 2024, CHM purchased a property in the amount of \$775,000. Management intends to use the property in furtherance of their program and supporting services.

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, 2023, 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.

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:

	2023	2022
Financial Assets		
Cash and cash equivalents	\$ 336,903	\$ 4,511,739
Investments	5,186,519	5,385,799
Receivables	602,222	903,436
Due from related parties	-	1,537,022
Total Financial Assets	<u>6,125,644</u>	<u>12,337,996</u>
Less Those Unavailable for General Expenditure Within One Year, Due to:		
Restricted by donor with time or purpose restrictions	(361,304)	(392,013)
Restricted assets to be made available within one year	<u>51,869</u>	<u>51,869</u>
Financial Assets Available to Meet General Expenditures Over the Next Twelve Months	<u>\$ 5,816,209</u>	<u>\$ 11,997,852</u>

Covenant House Michigan

Notes to Consolidated Financial Statements
June 30, 2023

4. Liquidity and Availability of Financial Assets *(continued)*

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, 2023 and 2022 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, 2023 and 2022.

6. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2023</u>	<u>2022</u>
Buildings	\$ 9,925,728	\$ 9,925,728
Building and site improvements	1,877,364	2,447,291
Furniture and equipment	625,271	1,087,621
Construction in progress	8,265	-
Vehicles	<u>168,719</u>	<u>168,719</u>
	12,605,347	13,629,359
Accumulated depreciation and amortization	<u>(5,189,622)</u>	<u>(5,457,709)</u>
	7,415,725	8,171,650
Land	<u>216,000</u>	<u>216,000</u>
	<u>\$ 7,631,725</u>	<u>\$ 8,387,650</u>

Depreciation and amortization expense was \$518,871 and \$691,635 for the years ended June 30, 2023 and 2022.

Covenant House Michigan

Notes to Consolidated Financial Statements June 30, 2023

7. Investments

Investments at June 30, 2023 and 2022 consist of money market funds valued at cost, and 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:

	<u>2023</u>	<u>2022</u>
Mutual funds	\$ 3,010,675	\$ 3,909,148
Exchange traded and closed-end funds	812,216	948,414
Money market funds	<u>1,363,628</u>	<u>528,237</u>
	<u>\$ 5,186,519</u>	<u>\$ 5,385,799</u>

The components of other income consist of the following for the years ended June 30:

	<u>2023</u>	<u>2022</u>
Realized and unrealized (loss) gain on investments	\$ 466,836	\$ (871,242)
Rent revenue	-	198,021
Other income	<u>157,800</u>	<u>99,456</u>
	<u>\$ 624,636</u>	<u>\$ (573,765)</u>

8. Commitments and Contingencies

Operating Leases

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. Due to the separation of CHM and YVS, these leases will remain with YVS and not CHM.

Covenant House Michigan

Notes to Consolidated Financial Statements
June 30, 2023

8. Commitments and Contingencies (*continued*)

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.

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.

As of April 30, 2023, 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 \$1,187,499 and \$1,175,554 for years ended June 30, 2023 and 2022.

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, 2023 and 2022 net assets with donor restrictions of \$361,304 and \$392,013 were time restricted. Additionally, at June 30, 2023 and 2022, there were no net assets with donor restrictions for the purpose of site improvements and constructing a new crisis center. Net assets of \$51,869 and \$1,869 were released from restriction by satisfying the restricted purpose for the years ended June 30, 2023 and 2022.

Covenant House Michigan

Notes to Consolidated Financial Statements

June 30, 2023

10. Related-Party Transactions

The 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 \$86 million and \$89 million for the Parent during the years ended June 30, 2023 and 2022. 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 \$36 million and \$38 million for the years ended June 30, 2023 and 2022. In fiscal 2023 and 2022, the Organization received \$700,000 and \$672,236 in contributions from the Parent. Additionally, in fiscal 2023 and 2022, the Organization received \$195,396 and \$202,454 from the Parent relating to national sleep out events.

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

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 \$84,052 and \$219,321 for the years ended June 30, 2023 and 2022.

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 2023 and 2022, the Organization contributed \$29,029 and \$37,023 for its allocable share of the Parent’s minimum funding requirement, which is included in employee benefits on the consolidated statement of functional expenses.

Covenant House Michigan

Notes to Consolidated Financial Statements
June 30, 2023

11. Employee Benefit Plans *(continued)*

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 \$31,580 and \$35,454 for the years ended June 30, 2023 and 2022.

12. Grants and Contracts

CHM was awarded a cost-reimbursable City of Detroit Block Grant. As of June 30, 2023 and 2022, the Organization has recorded a receivable of \$14,877 and \$9,989 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, 2023 and 2022, the Organization has recorded a receivable of \$21,350 and \$30,231 from the City of Detroit representing services performed under this award.

CHM was awarded a cost-reimbursable Salvation Army Grant. As of June 30, 2023 and 2022, the Organization has recorded a receivable of \$70,592 and \$73,685 representing services performed under this award.

CHM was awarded a cost-reimbursable ACYF Transitional Living Program Grant. As of June 30, 2023 and 2022, the Organization has recorded a receivable of \$74,377 and \$127,108 representing services performed under this award.

CHM was awarded a cost-reimbursable ACYF Outreach Grant. As of June 30, 2023 and 2022, the Organization has recorded a receivable of \$38,350 and \$75,049 representing services performed under this award.

CHM was awarded a cost-reimbursable UWSEM-EFSP Grant. As of June 30, 2023 and 2022, the Organization has recorded a receivable of \$8,500 and \$15,060 representing services performed under this award.

In fiscal 2022, CHM was awarded a cost-reimbursable Michigan Enhancement Grant. As of June 30, 2023 and 2022, the Organization has recorded a receivable of \$0 and \$100,000 representing services performed under this award.

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Covenant House Michigan

Supplementary Information

June 30, 2023

Covenant House Michigan

Consolidating Schedule of Financial Position June 30, 2023 (with summarized totals at June 30, 2022)

	2023				2022
	CHM	YVS	Eliminations	Total	Total
ASSETS					
Cash and cash equivalents	\$ 336,903	\$ -	\$ -	\$ 336,903	\$ 4,511,739
Investments	5,186,519	-	-	5,186,519	5,385,799
Receivables	602,222	-	-	602,222	903,436
Due from related parties	-	-	-	-	1,537,022
Prepaid expenses and other assets	41,942	-	-	41,942	224,352
Property and equipment, net	<u>7,631,725</u>	<u>-</u>	<u>-</u>	<u>7,631,725</u>	<u>8,387,650</u>
	<u>\$ 13,799,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,799,311</u>	<u>\$ 20,949,998</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Accounts payable and accrued expenses	\$ 560,152	\$ -	\$ -	\$ 560,152	\$ 1,118,070
Conditional advances	<u>65,926</u>	<u>-</u>	<u>-</u>	<u>65,926</u>	<u>328,312</u>
Total Liabilities	<u>626,078</u>	<u>-</u>	<u>-</u>	<u>626,078</u>	<u>1,446,382</u>
Net Assets					
Without donor restrictions	5,180,204	-	-	5,180,204	10,723,953
Investment in property and equipment	<u>7,631,725</u>	<u>-</u>	<u>-</u>	<u>7,631,725</u>	<u>8,387,650</u>
Total Without Donor Restrictions	12,811,929	-	-	12,811,929	19,111,603
With donor restrictions	<u>361,304</u>	<u>-</u>	<u>-</u>	<u>361,304</u>	<u>392,013</u>
Total Net Assets	<u>13,173,233</u>	<u>-</u>	<u>-</u>	<u>13,173,233</u>	<u>19,503,616</u>
	<u>\$ 13,799,311</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,799,311</u>	<u>\$ 20,949,998</u>

See independent auditors' report

Covenant House Michigan

Consolidating Schedule of Activities Year Ended June 30, 2023 (with summarized totals for year ended June 30, 2022)

	2023						2022 Total	
	CHM		YVS		Sub-total	Eliminations		Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions				
SUPPORT AND REVENUE								
Contributions	\$ 1,826,980	\$ 21,160	\$ -	\$ 1,848,140	\$ -	\$ 1,848,140	\$ 2,534,449	
Government grants	1,187,499	-	-	1,187,499	-	1,187,499	1,175,554	
Private foundations grants	326,550	-	-	326,550	-	326,550	223,594	
Branding dollars from Parent	700,000	-	-	700,000	-	700,000	672,236	
Grants from Parent related to national sleep out events	195,396	-	-	195,396	-	195,396	202,454	
Special events, net	389,337	-	-	389,337	-	389,337	109,115	
Contributed services and merchandise	28,495	-	-	28,495	-	28,495	69,930	
Total Support and Revenue	<u>4,654,257</u>	<u>21,160</u>	<u>-</u>	<u>4,675,417</u>	<u>-</u>	<u>4,675,417</u>	<u>4,987,332</u>	
INVESTMENT AND OTHER								
Interest income	2,030	-	-	2,030	-	2,030	246	
Management fee income	-	-	6,793,745	6,793,745	-	6,793,745	7,406,774	
Other income (loss)	1,157,080	-	-	1,157,080	(532,444)	624,636	(573,765)	
Total Investment and Other	<u>1,159,110</u>	<u>-</u>	<u>6,793,745</u>	<u>7,952,855</u>	<u>(532,444)</u>	<u>7,420,411</u>	<u>6,833,255</u>	
Total Support and Revenue and Investment and Other Before Net Assets Released from Restrictions	5,813,367	21,160	-	6,793,745	(532,444)	12,095,828	11,820,587	
Net assets released from restrictions	<u>51,869</u>	<u>(51,869)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Support and Revenue and Investment and Other	<u>5,865,236</u>	<u>(30,709)</u>	<u>6,793,745</u>	<u>12,628,272</u>	<u>(532,444)</u>	<u>12,095,828</u>	<u>11,820,587</u>	
EXPENSES								
Program Services								
Immediate Housing	2,929,824	-	-	2,929,824	-	2,929,824	2,613,371	
Rights of Passage	1,251,558	-	-	1,251,558	-	1,251,558	1,013,637	
Outreach	366,573	-	-	366,573	-	366,573	298,122	
Health and well-being	145,110	-	-	145,110	-	145,110	160,964	
Public education and advocacy	118,596	-	-	118,596	-	118,596	128,614	
Schools	194,114	-	4,375,310	4,569,424	(532,444)	4,036,980	3,700,624	
Total Program Services	<u>5,005,775</u>	<u>-</u>	<u>4,375,310</u>	<u>9,381,085</u>	<u>(532,444)</u>	<u>8,848,641</u>	<u>7,915,332</u>	
Supporting Services								
Management and general	1,093,656	-	2,070,471	3,164,127	-	3,164,127	3,818,746	
Fundraising	472,195	-	-	472,195	-	472,195	558,075	
Total Supporting Services	<u>1,565,851</u>	<u>-</u>	<u>2,070,471</u>	<u>3,636,322</u>	<u>-</u>	<u>3,636,322</u>	<u>4,376,821</u>	
Total Expenses	<u>6,571,626</u>	<u>-</u>	<u>6,445,781</u>	<u>13,017,407</u>	<u>(532,444)</u>	<u>12,484,963</u>	<u>12,292,153</u>	
Change in Net Assets	(706,390)	(30,709)	347,964	(389,135)	-	(389,135)	(471,566)	
NET ASSETS								
Beginning of year	13,518,319	392,013	5,593,284	19,503,616	-	19,503,616	19,975,182	
Transfer of Net Assets related to Deconsolidation of Subsidiary Youth Vision Solutions	-	-	(5,941,248)	(5,941,248)	-	(5,941,248)	-	
End of year	<u>\$ 12,811,929</u>	<u>\$ 361,304</u>	<u>\$ -</u>	<u>\$ 13,173,233</u>	<u>\$ -</u>	<u>\$ 13,173,233</u>	<u>\$ 19,503,616</u>	

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