

The Doe Fund, Inc. and Affiliates

Consolidated Financial Statements

June 30, 2022 and 2021

The Doe Fund, Inc. and Affiliates

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Independent Auditors' Report

To the Board of Directors of
The Doe Fund, Inc. and Affiliates

Opinion

We have audited the consolidated financial statements of The Doe Fund, Inc. and Affiliates (the Corporation), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of June 30, 2022 and 2021, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Corporation 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 Consolidated Financial Statements

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

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 the Corporation'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 Consolidated 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 GAAS 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 GAAS, 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 the Corporation'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 the Corporation'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information on pages 3 - 5 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets and cash flows of the individual organizations, and it 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 consolidating information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

New York, New York
January 24, 2023

The Doe Fund, Inc. and Affiliates

Consolidated Statements of Financial Position
June 30, 2022 and 2021

	Not-for-Profit Entities	Housing Entities	Eliminations	Consolidated	
				Total	2021
Assets					
Current Assets					
Cash and cash equivalents	\$ 2,252,084	\$ 2,250,784	\$ -	\$ 4,502,868	\$ 5,902,181
Receivables	28,414,486	1,838,858	-	30,253,344	14,757,671
Grants and pledges receivable	10,000	-	-	10,000	50,000
Developer fees receivable	2,059,005	-	-	2,059,005	3,412,657
Investments	184,526	-	-	184,526	260,076
Due from affiliates	6,545,059	50,235	(6,595,294)	-	-
Prepaid expenses	1,142,346	31,506	-	1,173,852	1,660,650
Other receivables	1,087,928	3,183	(657,651)	433,460	180,517
Total current assets	41,695,434	4,174,566	(7,252,945)	38,617,055	26,223,752
Lender Restricted Cash and Contractual Reserves					
	1,173,195	4,068,682	-	5,241,877	4,938,654
Developer Fees Receivable					
	22,177,062	-	(12,105,119)	10,071,943	7,257,360
Security and Other Deposits					
	399,703	10,256	-	409,959	409,971
Property and Equipment					
	42,075,488	356,759,122	(10,812,154)	388,022,456	369,209,613
Total assets	<u>\$ 107,520,882</u>	<u>\$ 365,012,626</u>	<u>\$ (30,170,218)</u>	<u>\$ 442,363,290</u>	<u>\$ 408,039,350</u>
Liabilities and Net Assets					
Current Liabilities					
Accounts payable and accrued expenses	\$ 9,677,288	\$ 1,934,757	\$ (1,199,241)	\$ 10,412,804	\$ 8,618,812
Current maturities of long-term debt	15,007,769	72,882,679	-	87,890,448	64,766,888
Line of credit	1,500,000	-	-	1,500,000	-
Trainee savings payable	1,672,073	-	-	1,672,073	1,541,252
Accrued interest payable, mortgages and notes	16,128	6,306,044	-	6,322,172	3,405,857
Developer fees payable	-	38,299,723	(12,105,119)	26,194,604	23,711,047
Construction payables	842,271	4,508,867	-	5,351,138	12,549,710
Due to affiliates	3,200,508	3,394,786	(6,595,294)	-	-
Total current liabilities	31,916,037	127,326,856	(19,899,654)	139,343,239	114,593,566
Deferred Rent and Lease Incentives					
	684,480	-	-	684,480	737,608
Deferred Revenue					
	600,000	14,959,513	-	15,559,513	18,967,356
Tenant Security Deposits					
	58,738	188,463	-	247,201	139,764
Long-Term Debt, Net of Current Maturities and Unamortized Debt Issuance Costs					
	24,238,446	178,873,772	-	203,112,218	209,002,943
Total liabilities	<u>57,497,701</u>	<u>321,348,604</u>	<u>(19,899,654)</u>	<u>358,946,651</u>	<u>343,441,237</u>
Net Assets					
Net assets without donor restrictions:					
Controlling interest	48,316,202	56,700	(10,270,564)	38,102,338	18,036,917
Noncontrolling interest	-	43,607,322	-	43,607,322	44,797,572
Net assets with donor restrictions	1,706,979	-	-	1,706,979	1,763,624
Total net assets	<u>50,023,181</u>	<u>43,664,022</u>	<u>(10,270,564)</u>	<u>83,416,639</u>	<u>64,598,113</u>
Total liabilities and net assets	<u>\$ 107,520,882</u>	<u>\$ 365,012,626</u>	<u>\$ (30,170,218)</u>	<u>\$ 442,363,290</u>	<u>\$ 408,039,350</u>

See notes to consolidated financial statements

The Doe Fund, Inc. and Affiliates

Consolidated Statement of Activities

Year Ended June 30, 2022

	Not-for-Profit Entities	Housing Entities	Eliminations	Consolidated Total
Net Assets Without Donor Restrictions				
Support and Revenue				
Contributions	\$ 5,412,078	\$ -	\$ -	\$ 5,412,078
Special events, net of direct benefit expense of approximately \$209,000	944,314	-	-	944,314
Earned income from government contracts	53,516,644	-	-	53,516,644
Other earned revenue	6,405,486	-	(75,762)	6,329,724
Developer fees	2,757,276	-	(693,711)	2,063,565
Management fees	659,014	-	(596,514)	62,500
Program service fees	1,524,571	-	-	1,524,571
Rental income	428,925	7,322,756	-	7,751,681
Other income	221,321	562,819	-	784,140
Net assets released from restrictions	828,673	-	-	828,673
Total support and revenue	72,698,302	7,885,575	(1,365,987)	79,217,890
Expenses				
Ready, Willing & Able	33,248,720	-	-	33,248,720
Business enterprise programs	4,103,243	-	-	4,103,243
Supportive housing programs	7,577,451	-	-	7,577,451
Liberty Fund	714,590	-	-	714,590
Affordable housing operations	3,050,288	20,460,045	(1,456,058)	22,054,275
Management and general	8,883,832	-	-	8,883,832
Fundraising	1,030,019	-	-	1,030,019
Total expenses	58,608,143	20,460,045	(1,456,058)	77,612,130
Change in net assets without donor restrictions before other nonrecurring item	14,090,159	(12,574,470)	90,071	1,605,760
Other Nonrecurring Item				
Grant revenue, PPP loan forgiveness	5,334,857	-	-	5,334,857
Change in net assets without donor restrictions	19,425,016	(12,574,470)	90,071	6,940,617
Net Assets With Donor Restrictions				
Contributions	772,028	-	-	772,028
Net assets released from restrictions	(828,673)	-	-	(828,673)
Change in net assets with donor restrictions	(56,645)	-	-	(56,645)
Change in net assets	19,368,371	(12,574,470)	90,071	6,883,972
Excess of Expenses Over Support and Revenue Attributable to Noncontrolling Interest				
	-	11,019,314	-	11,019,314
Excess (deficiency) of support and revenue over expenses	\$ 19,368,371	\$ (1,555,156)	\$ 90,071	\$ 17,903,286

See notes to consolidated financial statements

The Doe Fund, Inc. and Affiliates

Consolidated Statement of Activities

Year Ended June 30, 2021

	Not-for-Profit Entities	Housing Entities	Eliminations	Consolidated Total
Net Assets Without Donor Restrictions				
Support and Revenue				
Contributions	\$ 4,939,399	\$ -	\$ -	\$ 4,939,399
Special events, net of direct benefit expense of approximately \$141,000	1,096,018	-	-	1,096,018
Earned income from government contracts	44,736,245	-	-	44,736,245
Other earned revenue	6,386,276	-	(48,707)	6,337,569
Developer fees	6,148,885	-	(2,661,546)	3,487,339
Management fees	380,156	-	(360,156)	20,000
Program service fees	2,288,932	-	-	2,288,932
Rental income	518,956	4,066,297	-	4,585,253
Other income	28,663	37,912	-	66,575
Net assets released from restrictions	1,361,052	-	-	1,361,052
Total support and revenue	67,884,582	4,104,209	(3,070,409)	68,918,382
Expenses				
Ready, Willing & Able	37,087,550	-	-	37,087,550
Business enterprise programs	4,829,819	-	-	4,829,819
Supportive housing programs	6,949,068	-	-	6,949,068
Liberty Fund	699,172	-	-	699,172
Affordable housing operations	1,092,261	10,843,798	(408,863)	11,527,196
Management and general	8,424,155	-	-	8,424,155
Fundraising	1,261,914	-	-	1,261,914
Total expenses	60,343,939	10,843,798	(408,863)	70,778,874
Change in net assets without donor restrictions before other nonrecurring items	7,540,643	(6,739,589)	(2,661,546)	(1,860,492)
Other Nonrecurring Items				
Gain on forgiveness of debt	76,884	-	-	76,884
Contribution expense to Ready, Willing & Able Philadelphia, Inc.	(663,575)	-	-	(663,575)
Change in net assets without donor restrictions	6,953,952	(6,739,589)	(2,661,546)	(2,447,183)
Net Assets With Donor Restrictions				
Contributions	1,099,322	-	-	1,099,322
Net assets released from restrictions	(1,361,052)	-	-	(1,361,052)
Change in net assets with donor restrictions	(261,730)	-	-	(261,730)
Change in net assets	6,692,222	(6,739,589)	(2,661,546)	(2,708,913)
Excess of Expenses Over Support and Revenue Attributable to Noncontrolling Interest				
	-	6,329,037	-	6,329,037
Excess (deficiency) of support and revenue over expenses	\$ 6,692,222	\$ (410,552)	\$ (2,661,546)	\$ 3,620,124

See notes to consolidated financial statements

The Doe Fund, Inc. and Affiliates

Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2022 and 2021

	Net Assets Without Donor Restrictions			Net Assets With Donor Restrictions	Consolidated Total
	Controlling Interest	Noncontrolling Interest	Total		
Beginning Balance, July 1, 2020	\$ 14,155,063	\$ 50,343,880	\$ 64,498,943	\$ 2,025,354	\$ 66,524,297
Contributions from investors	-	782,729	782,729	-	782,729
Excess of expenses over support and revenue attributable to noncontrolling interest	-	(6,329,037)	(6,329,037)	-	(6,329,037)
Excess (deficiency) of support and revenue over expenses	3,881,854	-	3,881,854	(261,730)	3,620,124
Ending Balance, June 30, 2021	18,036,917	44,797,572	62,834,489	1,763,624	64,598,113
Contributions from investors	-	11,934,554	11,934,554	-	11,934,554
Transfer of noncontrolling interest by an existing partner	2,105,490	(2,105,490)	-	-	-
Excess of expenses over support and revenue attributable to noncontrolling interest	-	(11,019,314)	(11,019,314)	-	(11,019,314)
Excess (deficiency) of support and revenue over expenses	17,959,931	-	17,959,931	(56,645)	17,903,286
Ending Balance, June 30, 2022	<u>\$ 38,102,338</u>	<u>\$ 43,607,322</u>	<u>\$ 81,709,660</u>	<u>\$ 1,706,979</u>	<u>\$ 83,416,639</u>

See notes to consolidated financial statements

The Doe Fund, Inc. and Affiliates

Consolidated Statement of Functional Expenses

Year Ended June 30, 2022

	Ready, Willing & Able	Business Enterprise Programs	Supportive Housing Programs	Liberty Fund	Affordable Housing Operations	Total Program	Management and General	Fundraising	Total
Salaries	\$ 20,015,538	\$ 2,862,315	\$ 4,118,673	\$ 414,214	\$ 2,324,266	\$ 29,735,006	\$ 4,644,171	\$ 520,707	\$ 34,899,884
Payroll taxes and employee benefits	3,491,486	805,645	1,081,274	152,700	635,778	6,166,883	1,302,843	121,014	7,590,740
Total salaries and related expenses	23,507,024	3,667,960	5,199,947	566,914	2,960,044	35,901,889	5,947,014	641,721	42,490,624
Legal, professional and management fees	47,809	17,370	81,760	123	2,375,215	2,522,277	642,533	56,461	3,221,271
Occupancy costs	1,832,821	64,034	573,922	53,243	2,827,731	5,351,751	1,081,071	32,419	6,465,241
Office expenses	334,909	57,978	186,557	13,546	144,543	737,533	697,048	216,335	1,650,916
Equipment maintenance and repairs	9,762	3,282	10,816	260	2,560	26,680	41,421	-	68,101
Travel and meetings	18,561	135	17,029	-	9,081	44,806	40,699	406	85,911
Client services	3,598,239	113,093	236,567	-	91,023	4,038,922	-	-	4,038,922
Aid to clients	88,949	-	1,002,293	-	-	1,091,242	-	-	1,091,242
Insurance and taxes	947	5,384	351	250	34,227	41,159	290,488	-	331,647
Equipment, furniture and vehicle purchases	256,111	1,682	77,557	-	-	335,350	4,042	-	339,392
Vehicles and transportation	1,443,147	149,562	-	-	-	1,592,709	44,402	-	1,637,111
Financing expenses	956,974	446	110,140	1,974	5,627,904	6,697,438	35,347	82,677	6,815,462
Miscellaneous	-	-	-	-	123,520	123,520	17,174	-	140,694
Bad debt expense	-	-	-	78,280	-	78,280	-	-	78,280
In-kind goods	150,805	-	-	-	-	150,805	-	-	150,805
Depreciation and amortization	1,002,662	22,317	80,512	-	7,858,427	8,963,918	42,593	-	9,006,511
Total expenses	<u>\$ 33,248,720</u>	<u>\$ 4,103,243</u>	<u>\$ 7,577,451</u>	<u>\$ 714,590</u>	<u>\$ 22,054,275</u>	<u>\$ 67,698,279</u>	<u>\$ 8,883,832</u>	<u>\$ 1,030,019</u>	<u>\$ 77,612,130</u>

See notes to consolidated financial statements

The Doe Fund, Inc. and Affiliates

Consolidated Statement of Functional Expenses

Year Ended June 30, 2021

	Ready, Willing & Able	Business Enterprise Programs	Supportive Housing Programs	Liberty Fund	Affordable Housing Operations	Total Program	Management and General	Fundraising	Total
Salaries	\$ 19,056,693	\$ 3,428,271	\$ 3,157,489	\$ 448,991	\$ 1,489,767	\$ 27,581,211	\$ 4,562,873	\$ 599,904	\$ 32,743,988
Payroll taxes and employee benefits	3,609,496	1,068,642	941,885	119,248	384,596	6,123,867	1,337,734	206,638	7,668,239
Total salaries and related expenses	22,666,189	4,496,913	4,099,374	568,239	1,874,363	33,705,078	5,900,607	806,542	40,412,227
Legal, professional and management fees	264,836	8,750	48,449	-	1,975,854	2,297,889	570,487	89,663	2,958,039
Occupancy costs	7,211,782	37,256	483,868	57,950	1,483,439	9,274,295	1,148,762	95,312	10,518,369
Office expenses	303,695	52,717	147,919	33,430	54,325	592,086	415,278	197,008	1,204,372
Equipment maintenance and repairs	10,425	4,137	2,678	243	489	17,972	2,028	-	20,000
Travel and meetings	7,870	2,178	8,838	-	10,150	29,036	17,651	1,204	47,891
Client services	3,377,770	108,916	808,370	-	53,129	4,348,185	-	-	4,348,185
Aid to clients	88,490	-	959,892	-	-	1,048,382	-	-	1,048,382
Insurance and taxes	125	3,725	288	275	4,871	9,284	137,291	-	146,575
Equipment, furniture and vehicle purchases	113,329	2,990	111,154	-	88,226	315,699	74,466	-	390,165
Vehicles and transportation	1,092,668	84,665	-	-	-	1,177,333	37,196	-	1,214,529
Financing expenses	822,123	5,255	111,554	2,279	1,748,523	2,689,734	74,473	72,185	2,836,392
Miscellaneous	534	-	-	-	63,256	63,790	2,538	-	66,328
Bad debt expense	-	-	-	36,756	-	36,756	-	-	36,756
In-kind goods	101,549	-	-	-	-	101,549	-	-	101,549
Depreciation and amortization	1,026,165	22,317	166,684	-	4,170,571	5,385,737	43,378	-	5,429,115
Total expenses	\$ 37,087,550	\$ 4,829,819	\$ 6,949,068	\$ 699,172	\$ 11,527,196	\$ 61,092,805	\$ 8,424,155	\$ 1,261,914	\$ 70,778,874

See notes to consolidated financial statements

The Doe Fund, Inc. and Affiliates

Consolidated Statements of Cash Flows

Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 6,883,972	\$ (2,708,913)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	9,006,511	5,429,115
Interest expense on debt issuance costs	286,380	139,308
Deferred rent and lease incentives	(53,128)	(20,009)
Unrealized loss on investment securities	76,281	93,788
Bad debt expense	78,280	36,756
Gain on forgiveness of debt	-	(76,884)
Noncash increase in developer fees payable	1,022,626	4,612,512
(Increase) decrease in operating assets:		
Receivables	(15,573,953)	(3,491,489)
Grants and pledges receivable	40,000	(45,000)
Prepaid expenses	486,798	(1,434,188)
Other receivables	(252,943)	219,166
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	1,793,992	(1,077,514)
Trainee savings payable	130,821	(78,038)
Accrued interest payable, mortgages and notes	2,916,315	1,561,599
Deferred revenue	(3,407,843)	12,459,116
Tenant security deposits	107,437	578
Net cash flows from operating activities	<u>3,541,546</u>	<u>15,619,903</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(35,017,926)	(91,948,529)
Purchase of investments	(731)	(268,998)
Net cash flows from investing activities	<u>(35,018,657)</u>	<u>(92,217,527)</u>
Cash Flows From Financing Activities		
Capital contributions from investors	11,934,554	782,729
Proceeds from line of credit	1,500,000	6,100,000
Repayments of line of credit	-	(9,600,000)
Proceeds from long-term debt	38,758,267	89,652,723
Repayments of long-term debt	(20,226,304)	(8,566,961)
Payments of debt issuance costs	(1,585,508)	(1,216,827)
Net cash flows from financing activities	<u>30,381,009</u>	<u>77,151,664</u>
Net change in cash and cash equivalents and restricted cash	(1,096,102)	554,040
Cash and Cash Equivalents and Restricted Cash, Beginning	<u>11,250,806</u>	<u>10,696,766</u>
Cash and Cash Equivalents and Restricted Cash, Ending	<u>\$ 10,154,704</u>	<u>\$ 11,250,806</u>
Reconciliation of Cash and Cash Equivalents and Restricted Cash to the Consolidated Statements of Financial Position		
Cash and cash equivalents	\$ 4,502,868	\$ 5,902,181
Lender restricted cash and contractual reserves	5,241,877	4,938,654
Security and other deposits	409,959	409,971
Total cash and cash equivalents and restricted cash	<u>\$ 10,154,704</u>	<u>\$ 11,250,806</u>
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	<u>\$ 4,368,388</u>	<u>\$ 2,790,127</u>
Noncash Investing and Financing Activities		
Construction payables capitalized to property and equipment	<u>\$ 7,198,572</u>	<u>\$ 3,012,210</u>

See notes to consolidated financial statements

The Doe Fund, Inc. and Affiliates

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

1. Description of the Organization

The accompanying consolidated financial statements include the accounts of The Doe Fund, Inc., which is consolidated with its wholly owned subsidiaries and several affiliated entities, as described below (collectively, the Corporation). The Doe Fund, Inc. provides oversight for these entities, which are affiliated through common management and Board of Directors. All significant intercompany transactions and balances have been eliminated in consolidation.

The Doe Fund, Inc. is a not-for-profit charitable organization exempt from income and excise taxes under Section 501(c)(3) of the Internal Revenue Code (IRC). The mission of The Doe Fund, Inc. is to develop and implement cost-effective, holistic programs that meet the needs of a diverse population working to break the cycles of homelessness, addiction and criminal recidivism. All of the programs and innovative business ventures of The Doe Fund, Inc. ultimately strive to help homeless and formerly incarcerated individuals achieve self-sufficiency.

The following paragraphs summarize the entities comprising the Corporation, all of which are consolidated within the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). All Housing Development Fund Company (HDFC) entities of the Corporation were organized under Section 402 of the Not-for-Profit Corporation Law (Section 402 of the NFPCL) and pursuant to Article XI of the Private Housing Finance Law (Article XI of the PHFL) of the State of New York.

Ready, Willing & Able, Inc. (RWA) - This entity, an affiliate of The Doe Fund, Inc., provides The Doe Fund, Inc.'s flagship program of comprehensive services, which include comfortable, safe and drug-free supportive transitional housing, three nutritious meals a day, individual and group case management and counseling, substance abuse and relapse prevention services, paid transitional work opportunities, educational and occupational training, permanent housing placement, job preparation and placement and lifetime graduate services. RWA conducts the following programs:

Ready, Willing & Able - Brooklyn (RWA Brooklyn) - The first RWA program, operating since January 1990, is located at 520 Gates Avenue, Brooklyn, New York, and serves approximately 70 homeless men.

Ready, Willing & Able - Gates Contract Services (RWA Gates Contract Services) - Serves formerly incarcerated individuals living in parole-approved housing, providing all the work and training opportunities and comprehensive services of RWA on a nonresidential basis. The program currently operates out of the RWA Brooklyn facility.

Ready, Willing & Able - Harlem (RWA Harlem) - A 198-bed transitional housing facility for homeless men is located at 2960 Frederick Douglass Boulevard, Harlem, New York. The program began operations in May 1996.

Ready, Willing & Able - Harlem - Contract Services (RWA Harlem Contract Services) - Serves formerly incarcerated individuals living in parole-approved housing, providing all the work and training opportunities and comprehensive services of RWA on a nonresidential basis. The program currently operates out of the RWA Harlem facility.

Porter Avenue Housing Development Fund Corporation (Porter Avenue HDFC) and Porter Avenue HDFC Contract Services (a Division of Porter Avenue HDFC) - This entity, an affiliate of The Doe Fund, Inc., purchased, renovated and operates the RWA program in a 400-bed transitional housing facility for homeless men at 89 Porter Avenue, Brooklyn, New York. The facility began operations in November 2003.

Gates Avenue Housing Development Fund Corporation (Gates Avenue HDFC) - This entity, an affiliate of The Doe Fund, Inc., provides transitional housing to RWA participants at 520 Gates Avenue, Brooklyn, New York.

The Doe Fund, Inc. and Affiliates

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Ready, Willing & Able America, Inc. (RWA America) - This entity, an affiliate of The Doe Fund, Inc., formed in April 2010, and obtained its 501(c)(3) status in August of 2014 to continue the effort to bring RWA to scale nationally.

Liberty Fund, Inc. (Liberty Fund) - This entity, a subsidiary of The Doe Fund, Inc., organized on June 4, 2016, with The Doe Fund, Inc. as its sole member. The Liberty Fund is dedicated to reducing the number of New Yorkers subjected to unnecessary detention while simultaneously providing much needed social services to this population. It achieves this by providing bail and case management services to any qualifying client throughout the pendency of their court case. The Liberty Fund reduces the jail population, prevents New Yorkers from having their lives upended and their freedom sacrificed and provides support in order to avoid future interaction with the criminal justice system.

Pest at Rest, LLC - This entity, a subsidiary of The Doe Fund, Inc., organized on October 29, 2003, with The Doe Fund, Inc. as its sole member. Pest at Rest, LLC provides work training and experience in integrated pest management to individuals involved in the RWA program.

A Better Place Housing Development Fund Corporation (A Better Place HDFC) - This entity, an affiliate of The Doe Fund, Inc., formed in 1992, and purchased a building located on the Upper East Side of New York, New York. This single-room occupancy building now provides supportive permanent housing with on-site services for 28 formerly homeless individuals living with HIV and/or AIDS. The activities of A Better Place HDFC include Scatter Site Return, which began operations in January 2008 to serve chronically homeless single adults who have had a substance abuse disorder.

Number One Single Room Occupancy Housing Development Fund Corporation (No. 1 SRO) - This entity, an affiliate of The Doe Fund, Inc., began operations in July 2001 to provide supportive permanent (single-room occupancy) housing with on-site services for 74 formerly homeless individuals at 223 East 117th Street, New York, New York. No. 1 SRO is the sole shareholder of TDF 2000 Corporation. TDF 2000 Corporation is a general partner and owns 100% of TDF 2000 Partners, L.P.

Webster Green Housing Development Fund Corporation (Webster Green HDFC) - This entity, a subsidiary of The Doe Fund, Inc. with The Doe Fund, Inc. as its sole member, formed in May 2013, obtained its 501(c)(4) status in May 2014 and organized exclusively to develop affordable housing for persons of low income. On May 13, 2013, this entity acquired the property located at 3100 Webster Avenue, Bronx, New York, to develop 82 units of affordable supportive housing. Webster Green Apts., LP. was created for the purpose of operating and managing the property.

United Services Housing Development Fund Corporation (United Services HDFC) - This entity, a subsidiary of The Doe Fund, Inc., formed on September 8, 2014, with The Doe Fund, Inc. as its sole member. United Services HDFC obtained its 501(c)(3) status in February 2016. The entity is organized to develop a 90-unit permanent supportive housing development reserved for low-income persons or families and for formerly homeless veterans with serious mental illness or a substance abuse disorder. The Doe Fund, Inc. is a sole shareholder of United Services Managers Corp, an entity that is a managing member with a 0.01% interest in United Services Apartments, LLC. United Services Apartments, LLC was created for the purpose of operating and managing the property.

Crotona Park Housing Development Fund Corporation (Crotona Park HDFC) - This entity, a subsidiary of The Doe Fund, Inc., formed on August 19, 2013 to develop and operate affordable housing for persons of low income, with The Doe Fund, Inc. as its sole member. On August 22, 2013, this corporation acquired the property located at 1420 Crotona Park East, Bronx, New York, to develop 60 units of affordable supportive housing. The project was completed and began leasing in January 2017. Crotona Park HDFC is a sole shareholder of Crotona Park Inc., an entity that is a managing member with a 0.01% interest in Crotona Park Apartments, LLC. Crotona Park Apartments, LLC was created for the purpose of operating and managing the property.

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Rogers Avenue Housing Development Fund Corporation (Rogers Avenue HDFC) - This entity, a subsidiary of The Doe Fund, Inc., formed on October 2, 2013, with The Doe Fund, Inc. as its sole member. Rogers Avenue HDFC obtained its 501(c)(4) status in March 2016 to develop and operate affordable housing for persons of low income. On November 20, 2013, it acquired the property located at 1345-1357 Rogers Avenue, Brooklyn, New York, to develop 115 units of affordable supportive housing. Construction began in spring 2016. Rogers Avenue HDFC, is a sole shareholder of 1345 Rogers Corp, which is a managing member with a 67% ownership interest in Rogers Managers LLC, an entity that holds a 0.01% interest in Rogers Apartments LLC. Rogers Apartments LLC was created for the purpose of operating and managing the property.

Villa House Housing Development Fund Corporation (Villa HDFC) - This entity, a subsidiary of The Doe Fund, Inc., organized on October 26, 2016, with The Doe Fund, Inc. as its sole member. Villa HDFC is a charitable not-for-profit corporation organized exclusively for the purpose of developing and operating a housing project for persons of low income. On October 20, 2018, this corporation acquired the property located at 3188-3192 Villa Avenue, Bronx, New York, to develop 68 units of affordable supportive housing. Construction began in November 2018. Villa HDFC, is a sole shareholder of Villa House Managers Corp, who is a managing member with a 0.01% ownership interest in Villa House Apartments LLC. Villa House Apartments LLC was created for the purpose of operating and managing the property.

4519 White Plains Road Housing Development Fund Corporation (4519 WPR HDFC) - This entity, a subsidiary of The Doe Fund, Inc., organized on October 15, 2018, with The Doe Fund, Inc. as its sole member. 4519 WPR HDFC is a charitable not-for-profit corporation organized exclusively for the purpose of developing and operating a housing project for low-income persons or families and for formerly homeless individuals living with HIV/AIDS.

1331 Jerome Avenue Housing Development Fund Corporation(1331 Jerome Avenue HDFC) - This entity, a subsidiary of The Doe Fund, Inc., organized on August 1, 2018, with The Doe Fund, Inc. as its sole member. 1331 Jerome Avenue HDFC is a charitable not-for-profit corporation organized exclusively for the purpose of developing and operating a housing project for persons of low income. On March 26, 2019, this corporation acquired the property located at 1325 Jerome Avenue, Bronx, New York, to develop 255 units of affordable and supportive housing. Construction began in April 2019. The Doe Fund, Inc. is the sole member of 1331 Jerome Avenue HDFC and the Manager of 1331 Jerome MM LLC. 1331 Jerome MM LLC is the managing member and 0.01% owner of 1331 Jerome Owner LLC, which was created for the purpose of operating and managing the property.

980 Westchester Housing Development Fund Corporation (980 Westchester HDFC) - This entity, a subsidiary of The Doe Fund, Inc., organized on September 16, 2019, with The Doe Fund, Inc. as its sole member. 980 Westchester HDFC is a charitable not-for-profit corporation organized exclusively for the purpose of developing and operating a housing project for low-income persons.

1220 Spofford Housing Development Fund Corporation (1220 Spofford HDFC) - This entity, a subsidiary of The Doe Fund, Inc., organized on February 3, 2020, with The Doe Fund, Inc. as its sole member. 1220 Spofford HDFC is a charitable not-for-profit corporation organized exclusively for the purpose of developing and operating a housing project for low-income persons.

510 Gates Housing Development Fund Corporation (510 Gates HDFC) - This entity, a subsidiary of The Doe Fund, Inc., organized on May 1, 2020, with The Doe Fund, Inc. as its sole member. 510 Gates HDFC is a charitable not-for-profit corporation organized exclusively for the purpose of developing and operating a housing project for low-income persons or families at 510 Gates Avenue, Brooklyn, New York.

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Good Food Works, Inc. (GFW) - This entity, a subsidiary of The Doe Fund, Inc., organized on June 25, 2021, with The Doe Fund, Inc. as its sole member. GFW is a charitable not-for-profit corporation organized to provide paid work, career development and wealth building opportunities to individuals overcoming barriers to employment, including formerly homeless and formerly incarcerated individuals, through the operation of programs that increase access to affordable healthy food in low-income communities.

In addition to the above outlined entities the Corporation has several other affiliates and/or subsidiaries of the Corporation that are dormant, inactive entities.

To expand its focus on the development of quality, affordable and transitional housing, The Doe Fund, Inc. has developed TDF Housing, a wholly owned subsidiary of The Doe Fund, Inc., which oversees every aspect of the Corporation's facilities.

The Corporation is the sole owner or controlling member of each General Partner listed below, which owns 0.01% of their associated Limited Partnerships (LPs) or Limited Liability Corporations (LLCs), except for TDF 2000 Partner LP's General Partner, TDF 2000 Corp., which has a 1% interest. These entities (the Housing Entities) were formed to own individual properties that are developed and managed to provide low-income housing.

The Housing Entities are comprised as follows:

Limited Partnership/ Limited Liability Corporation	General Partner
TDF 2000 Partner LP (until March 2022)	TDF 2000 Corp. (until March 2022)
Stadium Court LLC	Iron Horse Managers, LLC
Crotona Park Apartments LLC	Crotona Park, Inc.
Webster Green Apts., L.P.	Webster Green Apts. GP, LLC
Rogers Apartments LLC	Rogers Managers LLC
Villa House Apartments LLC	Villa House Managers Corp.
United Services Apartments LLC	United Services Managers Corp.
1331 Jerome Owner LLC	1331 Jerome MM LLC
980 Westchester Owner LLC	980 Westchester MM LLC
4519 WPR Apartments LLC	4519 WPR Managers Corp.
1220 Spofford Managers LLC	1220 Spofford Managers Corp

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared under the accrual basis of accounting in accordance with U.S. GAAP.

These consolidated financial statements were presented as combined financial statements in the prior year (June 30, 2021). This was an error in presentation which is corrected in these accompanying consolidated financial statements as the Corporation has control and economic interest in all of its affiliates as of and for the years ended June 30, 2022 and 2021. This change did not have any impact on the consolidated assets, liabilities or changes in net assets as of and for the year ended June 30, 2021.

Not-for-Profit Entities

The accompanying consolidated financial statements include the accounts of the entities with separate paragraphs in Note 1 (collectively known as the Not-for-Profit Entities). The Not-for-Profit entities are either affiliates or subsidiaries of The Doe Fund, Inc., which are under common board control and economic interest.

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Housing Entities

LPs or LLCs that are controlled by The Doe Fund, Inc. or its affiliated Not-for-Profit Entities are consolidated in the accompanying consolidated financial statements. The GP interests held by the Corporation entities equal 0.01% of the respective Housing Entities' equity with the remainder of the Housing Entities' equity held by the limited partners/members of the respective Housing Entities except for TDF 2000 Partner Corp., which has a 1% interest. The portion of the Housing Entities not controlled by The Doe Fund, Inc. or its affiliated entities are consolidated and presented in the accompanying consolidated financial statements as noncontrolling interest.

All intercompany transactions and accounts between the Not-for-Profit Entities and the Housing Entities have been eliminated in consolidation.

Net Asset Classification

The net assets of the Corporation and changes therein are classified and reported based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions, Controlling Interest - Net assets that are not subject to donor-imposed stipulations and may be expended for any purpose in performing the primary objectives of the Corporation.

Net Assets Without Donor Restrictions, Noncontrolling Interest - Represent the aggregate of limited partner/member equity interests in the non-wholly owned Housing Entities that are included in the accompanying consolidated financial statements.

Net Assets With Donor Restrictions - Net assets which have been limited by donor-imposed stipulations that expire with the passage of time or can be fulfilled and removed by the actions of the Corporation pursuant to those stipulations. Net assets with donor restrictions also include net assets that are subject to donor-imposed restrictions that must be maintained in perpetuity.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Use of Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on deposit with banks. The Corporation maintains its bank accounts with several financial institutions. These accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to an aggregate amount of \$250,000 for each entity. At times, cash balances within these accounts may exceed federally insured limits. The Corporation has not experienced, nor does it anticipate, any losses in such accounts (Note 16).

Lender Restricted Cash and Contractual Reserves

Lender restricted cash and contractual reserves represent amounts that are required to be maintained by contractual or other agreements and consist of cash and cash equivalents (Note 6).

The Doe Fund, Inc. and Affiliates

Notes to Consolidated Financial Statements

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Allowance for Doubtful Accounts

Management must make estimates of the uncollectability of receivables. Management specifically analyzes historical bad debts, current funding trends and changes in payment terms and rates when evaluating allowance for doubtful accounts. As of June 30, 2022 and 2021, the allowance for doubtful accounts approximated \$1,896,000 and \$1,004,000, respectively.

Grants and Pledges Receivable

Grants and pledges receivable are recorded at their estimated realizable values. Amounts due in more than one year are recorded at the present value of the estimated cash flows, discounted at a risk-adjusted rate of 1.0%, applicable to the year in which the promise was received. Amortization of the discount is credited to contributions revenue. No reserves were recorded against grants and pledges receivable as of June 30, 2022 and 2021. Grants and pledges receivable as of June 30, 2022 and 2021 consisted of \$10,000 and \$50,000, respectively, all due within one year.

Developer Fees Receivable

Developer fees receivable in the accompanying consolidated statements of financial position represent developer fees for construction development. Developer fees receivable from Housing Entities that are payable from the operational cash flow of the respective projects is eliminated in consolidation. Any remaining developer fees receivable shall be paid by the related Housing Entities upon receipt of the limited partner/member equity contribution. The developer fees receivable balance as of June 30, 2022 and 2021 totaled approximately \$12,131,000 and \$10,670,000, respectively.

Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset or liability and a fair value hierarchy that prioritizes the information used to develop those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs), as follows:

Level 1 - Quoted prices are available in active markets for identical assets or liabilities as of the measurement date.

Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies.

Level 3 - Pricing inputs are unobservable for the asset or liability and include situations where there is little, if any, market activity for the asset or liability. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments and partnership interests.

All of the Corporation's investments are Level 1 assets.

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Property and Equipment and Depreciation and Amortization

All acquisitions of property and equipment in excess of \$5,000, and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Purchased property and equipment are recorded at cost, except when such costs are reimbursed as part of current programs by a funding agency and such agency retains title. Building, building improvements, furniture, fixtures and equipment are depreciated on the straight-line basis over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the related assets. The useful lives are ranging from 3-31 years (Note 5).

Deferred Revenue

Deferred revenue consists of capital advances/construction loans that bear no interest and are not required to be repaid if the related facilities are operated for specific purposes over required time frames, and funds received under the Paycheck Protection Program as of June 30, 2021 (Note 13).

Impairment of Long-Lived Assets

Impairment losses are recorded on long-lived assets when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets (excluding interest) are less than the carrying amount of the assets. In such cases, the carrying value of assets to be held and used are adjusted to their estimated fair values, and assets held for sale are adjusted to their estimated fair values, less selling expenses. The Corporation reviews annually its investments in real estate for impairment events or when changes in circumstances indicate that the carrying value of such property may not be recoverable. No impairment losses were recognized in 2022 and 2021.

Deferred Rent and Lease Incentives

The Corporation has entered into various operating lease agreements for its administrative offices and site facilities, some of which contain provisions for future rent increases, or periods in which rent payments are reduced as incentive payments. The Corporation records monthly rent expense on a straight-line basis which equals the total of the payments due over the lease term, divided by the number of months of the lease term. Lease incentives are amortized against rental expense over the term of the lease. The difference between rent expense recorded and the amount paid is credited or charged to deferred rent and lease incentives, which is reflected as a separate line item in the accompanying consolidated statements of financial position.

Trainee Savings Payable

Trainee savings payable are deposits that represent fixed minimum deductions from participants' training incentives plus voluntary savings as they may exceed the minimum on a voluntary basis. These amounts accumulate over the time a trainee is in the program and are paid to the participant when they leave the RWA program. As of June 30, 2022 and 2021, the trainee savings payable due to participants was approximately \$1,672,000 and \$1,541,000, respectively.

Trainees who graduate from the program can also receive an additional grant up to \$1,000 contingent on the trainees keeping a job for the first six months. Training incentives are paid to participants in the form of debit cards in order to provide the most accessible form of payment to the composition of the trainee population. Approximately \$87,000 and \$88,000, respectively, in matching graduation grants were paid to trainees who successfully completed the training program during the years ended June 30, 2022 and 2021.

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Contribution Income

Contributions and Grants

Contributions, including unconditional promises to give, are reported as revenues in the period in which contributions are received or unconditional promises to give are made. Unconditional promises to give, due in more than one year, if any, are discounted to reflect the present value of future cash flows at a risk-adjusted rate. Conditional contributions, including conditional promises to give, are not recognized until they become unconditional, that is, when the conditions, such as a barrier and right of return or release, are substantially met.

Earned income from government contracts, the majority of which are cost reimbursable, is recognized as allowable costs are incurred. These contracts are nonreciprocal transactions. As of June 30, 2022 and 2021, the Corporation has received cost reimbursement and other conditional grants that have not been recognized as income in the amount of approximately \$507,756,000 and \$558,045,000, respectively.

Contributed Nonfinancial Assets

Not-for-profit entities are required to record contributed nonfinancial assets revenue if those services create or enhance nonfinancial assets or are provided by individuals who possess specialized skills that would typically need to be purchased, if not provided by donation. For the years ended June 30, 2022 and 2021, the Corporation recorded contributed nonfinancial assets revenue of approximately \$151,000 and \$102,000, respectively, which was included in the contributions revenue on the consolidated statements of activities with an equivalent amount recorded as an expense. The contributed nonfinancial assets represent donated goods, which were used for programmatic purposes. The Corporation estimated the fair value of the donated goods based on the basis of wholesale values that would be paid for similar products.

Revenue From Contracts With Customers

Other earned revenue primarily represents revenue from various contracts for street cleaning, exterminating and culinary services provided by the Corporation. Such revenues are recognized at the point in time services are rendered at the net realizable value. Performance obligations are satisfied as services are rendered in accordance with the respective contracts.

Developer fees are recognized as revenue as service is satisfied over time based on the percentage of completion method in accordance with the respective developer fee agreements. The unearned portion of developer fees received is recorded as developer fees payable in the accompanying consolidated statements of financial position. Developer fees are paid by the respective Housing Entities to The Doe Fund, Inc. through funds received from equity contributions of the Housing Entities' investors, as well as from the operating cash flow of the respective Housing Entities. Only the portion of developer fees to be paid from the respective Housing Entities' operating cash flow is eliminated in consolidation, while the portion to be paid from third-party equity contributions is not.

Management fees are recognized at the point in time when services are rendered at the net realizable value. Performance obligations are satisfied as services are rendered in accordance with the respective management fee agreements. Intercompany management fees are eliminated in consolidation.

Program service fees are recognized at the point in time when services are rendered at the net realizable value. Performance obligations are satisfied as services are rendered in accordance with the underlying agreements with respective Ready, Willing & Able program participants.

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Rental Income

Rental income, including rent from the operation of low-income housing projects and tenants, is recognized as earned based on underlying lease agreements with respective tenants. Minimum rental revenue is recognized on a straight-line basis over the term of the lease, regardless of when payments are due. Advance receipts of rental income are deferred and classified as accounts payable and accrued expenses in the accompanying consolidated statements of financial position. All leases between the properties and tenants are considered to be operating leases.

Debt Issuance Costs

Debt issuance costs, net of interest expense, are reported as a direct deduction from the face amount of the related mortgages payable. Interest expense is computed using an imputed interest rate on the related loan.

Functional Allocation of Expenses

The consolidated financial statements report certain categories of expenses that are related to more than one program or supporting function. It is the Corporation's preference and priority to directly charge the program where the service or expense item is used. When a cost center provides benefit to multiple programs and it cannot be directly charged, it may be necessary to allocate the cost. The Corporation's policy is to use an applicable statistic for the basis of allocating such costs. Applicable statistics used can be based on a percentage of salary, a distribution of full-time equivalents and square footage allocation. The Corporation uses a percentage of salary or a distribution of full-time equivalents to allocate payroll taxes and employee benefits, and it uses a square footage allocation to allocate insurance and occupancy costs.

Income Taxes

The Corporation follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the consolidated financial statements if the position is "more-likely-than-not" to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Not-for-Profit Entities are exempt from federal income tax under IRC sections 501(c)(3) or 501(c)(4), though they are subject to tax on income unrelated to their exempt purposes, unless that income is otherwise excluded by the IRC. Iron Horse Managers, LLC, Pest at Rest, LLC, Pest at Rest Newark, LLC and Sugar Hill Apartments, are single-member limited liability companies whose single member is The Doe Fund, Inc., and as such, they are considered disregarded entities for tax purposes. The Corporation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Corporation has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements.

All other real estate entities have elected to be treated as pass-through entities for income tax purposes and as such, are not subject to income taxes. Rather, all items of taxable income, deductions and tax credits are passed through to and are reported by the owners on their respective income tax returns. The affiliated entities' federal tax statuses as pass-through entities are based on the legal statuses as LPs or LLCs. Accordingly, these affiliated entities are not required to take any tax positions in order to qualify as pass-through entities. The affiliated entities are required and do file tax returns with the Internal Revenue Service (IRS) and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and these affiliated entities have no other tax positions which must be considered for disclosure.

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Recent Accounting Pronouncements

During 2022, the Corporation adopted Financial Accounting Standards Board's (FASB) Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The Corporation has adjusted the presentation of these consolidated financial statements accordingly. ASU 2020-07 has been applied retrospectively to all periods presented.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and lease liabilities on the consolidated statements of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for the Corporation for fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of ASU 2016-02 on the Corporation's consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04 provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions that reference London Interbank Offer Rate (LIBOR) or another reference rate expected to be discontinued because of reference rate reform, if certain criteria are met. The Corporation may elect the optional expedients and exceptions included in ASU 2020-04 as of March 12, 2020 and through December 31, 2024. Management is currently evaluating the impact of ASU 2020-04 on the Corporation's consolidated financial statements.

3. Liquidity and Availability of Resources

The Corporation's financial assets available within one year of the consolidated statements of financial position dates for general expenditures such as operating expenses, debt financing payments and fixed asset purchases not financed with debt financing are as follows:

	2022	2021
Cash and cash equivalents	\$ 4,502,868	\$ 5,902,181
Receivables	30,253,344	14,757,671
Grants and pledges receivable, current	10,000	50,000
Developer fees receivable, current	2,059,005	3,412,657
Investments	184,526	260,076
Other receivables	433,460	180,517
	37,443,203	24,563,102
Less donor restricted amounts	1,706,979	1,763,624
Total	\$ 35,736,224	\$ 22,799,478

As part of the Corporation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Corporation's main source of liquidity is earned income from government contracts.

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Notes to Consolidated Financial Statements

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To help manage unanticipated liquidity needs, the Corporation has a committed line of credit in the amount of \$5,000,000. As of June 30, 2022, \$3,500,000 was available to be drawn. In addition, the Corporation has operating reserve funds specifically set aside to cover certain operating deficits of the supportive and affordable housing operations which can be drawn upon if operating deficit requirements are met. As of June 30, 2022 and 2021, these reserve funds were approximately \$2,926,000 and \$2,907,000, respectively. The Corporation has historically not drawn on these reserve funds; instead, it has met any operating deficits from sources without donor restrictions. These reserves require approval from the respective lenders in order to be released. Lastly, the Corporation has established relationships with a few nonprofit lenders to meet any additional liquidity needs with short-term lending options.

4. Receivables

Receivables as of June 30 consisted of the following:

	2022	2021
Earned income from government contracts	\$ 27,873,787	\$ 14,057,699
Other earned income receivables	540,699	327,475
Housing entity receivables	1,838,858	372,497
Total receivables	<u>\$ 30,253,344</u>	<u>\$ 14,757,671</u>

5. Property and Equipment

Property and equipment as of June 30 consisted of the following:

	2022	2021
Land	\$ 55,836,606	\$ 48,899,480
Building and improvements	297,711,730	179,089,323
Furniture, fixtures and equipment	11,243,612	8,981,085
	364,791,948	236,969,888
Less accumulated depreciation and amortization	<u>(48,501,348)</u>	<u>(39,494,837)</u>
	316,290,600	197,475,051
Construction in progress	<u>71,731,856</u>	<u>171,734,562</u>
Total property and equipment	<u>388,022,456</u>	<u>369,209,613</u>

Depreciation and amortization of property and equipment totaled approximately \$9,007,000 and \$5,429,000 for the years ended June 30, 2022 and 2021, respectively.

Ongoing construction-in-progress projects relating to 980 Westchester Owner LLC were completed in August of 2022 and 4519 WPR Apartments LLC is expected to be completed in April 2025. Additional capital expenditures expected to be incurred for the ongoing projects approximate \$47,344,000 as of June 30, 2022.

The Doe Fund, Inc. and Affiliates

Notes to Consolidated Financial Statements

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6. Lender Restricted Cash and Contractual Reserves

Under the terms of the various partnership agreements and mortgage loan agreements, the Corporation is required to segregate and maintain funds in certain restricted accounts that can only be accessed with the permission of the respective limited partner/member or mortgage lender. These reserve accounts are primarily funded from the proceeds of the Corporation's earned developer fees, a portion of which is required to be placed in reserve when paid by the respective LPs or LLCs. These reserves are required by the investor and lender to fund potential operating deficits or building replacement needs. The amount and terms of such reserves are set forth in the respective LP or LLC operating agreements.

Lender restricted cash and contractual reserves as of June 30, 2022 and 2021 consisted of the following:

	2022	2021
Cash and cash equivalents	\$ 5,241,877	\$ 4,938,654

Interest income for the years ended June 30, 2022 and 2021 totaled approximately \$44,000 and \$36,000, respectively, and is recorded as other income within the consolidated statements of activities.

7. Long-Term Debt

The following is a summary of the Corporation's long-term debt as of June 30, 2022 and 2021:

Borrower	Lender	Maturity Date	Interest Rate	Collateral	Balance at June 30, 2022	Balance at June 30, 2021
Porter Avenue (a)	Citibank, N.A.	10/01/2031	4.94%	Premises	\$ 11,125,954	\$ 12,046,297
A Better Place HDFC	NYC Department of Housing Preservation and Development	12/01/2025	Shelter Care Loan .25% Capital Loan 8%	Building assets	1,286,774	1,407,931
Gates Avenue Housing Development Fund Corporation (b)	Wells Fargo Trust Company	12/15/2039	2.98%	Liens on building	9,124,779	9,429,028
Program Vehicle Loans	Various lenders	Various	2.90% - 7.99%	Vehicles	240,825	309,643
The Doe Fund, Inc.	REDF Impact Investing Fund	12/24/2021	5.25%	Liens on building	-	109,200
4519 White Plains Road HDFC	Corporation for Supportive Housing	10/31/2021	6%	Liens on building	-	4,203,920
1220 Spofford HDFC	Foundation for the Jewish Community	03/31/2022	6.25%	Liens on building	-	4,000,000
1220 Spofford HDFC	Foundation for the Jewish Community	03/31/2022	6.25%	Liens on building	-	630,889
510 Gates HDFC	KeyBank National Association	09/01/2022	2.53%	Liens on building	13,400,000	13,400,000
Webster Green Apartments	New York State Homes and Community Renewal	10/25/2049	1%	Liens on building	4,475,000	4,475,000
Webster Green Apartments	New York State Homes and Community Renewal	10/25/2049	5.39%	Liens on building	3,318,377	3,372,896
Webster Green Apartments	New York State Homes and Community Renewal	05/01/2071	1%	Liens on building	1,230,000	1,230,000

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Notes to Consolidated Financial Statements June 30, 2022 and 2021

Borrower	Lender	Maturity Date	Interest Rate	Collateral	Balance, June 30, 2022	Balance, June 30, 2021
Crotona Park Apartments	New York City Department of Housing Preservation and Development	03/06/2068	2.17%	Liens on building	\$ 2,000,000	\$ 2,000,000
Crotona Park Apartments	Citibank, N.A.	03/06/2048	4.75%	Liens on building	4,858,247	4,953,855
The Doe Fund, Inc.	Leviticus 25:23 Alternative Fund, Inc.	4/1/2024	Prime +3%, 6.25%	Liens on building	4,742,221	-
TDF Partners L.P.	New York City Department of Housing Preservation and Development	07/28/2031	0.25%	Liens on building	6,176,565	6,176,565
Rogers Apartments	JPMorgan Chase Bank, N.A.	09/01/2049	5% and 5.7% after release date of the letter of credit	Liens on building	11,159,600	11,159,600
Rogers Apartments	JPMorgan Chase Bank, N.A.	09/01/2049	2.83% - 2.58% after release date of the letter of credit	Liens on building	15,204,058	14,203,721
Rogers Apartments	New York State Homeless and Housing Assistance Corporation	09/01/2049	1.00%	Liens on building	5,163,775	4,200,013
1331 Jerome Owner LLC	New York City Department of Housing Preservation and Development	12/1/2051	4.90%	Liens on building	51,710,000	52,030,060
1331 Jerome Owner LLC	New York City Department of Housing Preservation and Development	03/26/2059	3.41%	Liens on building	39,748,947	35,580,279
4519 WPR Apartments LLC	Merchants Bank	01/01/2025	3.28%	Liens on building	2,900,000	-
4519 WPR Apartments LLC	Merchants Bank	01/01/2025	5.30%	Liens on building	6,218,825	-
4519 WPR Apartments LLC	New York State Homeless Housing and Assistance Corporation	01/01/2025	6.50%	Liens on building	150,000	-
4519 WPR Apartments LLC	Merchants Bank	01/01/2025	5.30%	Liens on building	2,258,182	-
Villa House Apartments LLC	New York City Department of Housing Preservation and Development	01/27/2023	0.25%	Liens on building	9,520,000	9,520,000
Villa House Apartments LLC	New York City Department of Housing Preservation and Development	01/27/2023	5.25%	Liens on building	8,480,065	17,556,608
United Services Apartments LLC	New York City Department of Housing Preservation and Development	03/01/2052	Greater of 4% or LIBOR plus 2%	Liens on building	14,569,808	12,764,881
United Services Apartments LLC	New York City Housing Development Corporation	03/01/2052	No interest through conversion, 2.87% fixed after conversion	Liens on building	9,441,074	9,441,074

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Notes to Consolidated Financial Statements June 30, 2022 and 2021

Borrower	Lender	Maturity Date	Interest Rate	Collateral	Balance, June 30, 2022	Balance, June 30, 2021
980 Westchester Owner LLC	New York City Housing Development Corporation	11/30/2058	4.85%	Liens on building	\$ 8,089,645	\$ 8,089,645
980 Westchester Owner LLC	New York City Housing Development Corporation	11/30/2058	2.65%	Liens on building	25,623,696	21,534,531
980 Westchester Owner LLC	New York City Housing Development Corporation	01/30/2058	2.32%	Liens on building	8,916,955	2,840,562
980 Westchester Owner LLC	New York City Housing Development Corporation	11/30/2058	4.25%	Liens on building	12,579,038	8,425,199
Stadium Court Associates	Centerline Mortgage	12/31/2035	6.32%	Liens on building	1,957,079	2,046,129
Total long-term debt before debt issuance costs					295,669,489	277,137,526
Less debt issuance costs, net of accumulated amortization					(4,666,823)	(3,367,695)
Total long-term debt					<u>\$ 291,002,666</u>	<u>\$ 273,769,831</u>
Current portion					\$ 87,890,448	\$ 64,766,888
Noncurrent portion					203,112,218	209,002,943
Total long-term debt					<u>\$ 291,002,666</u>	<u>\$ 273,769,831</u>

The aggregate annual maturities of the mortgages and notes subsequent to June 30, 2022 are as follows:

Years Ending June 30:	Not-for-Profit Entities				Total
	Payable by the Corporation ¹	Reimbursable by Contract ²	Pre-Development Lending ³	Payable by the Housing Entities ⁴	
2023	\$ 109,631	\$ 1,498,138	\$ 13,400,000	\$ 72,882,679	\$ 87,890,448
2024	93,078	1,595,049	4,742,221	1,246,393	7,676,741
2025	17,293	1,673,179	-	12,798,254	14,488,726
2026	11,770	2,187,476	-	1,297,436	3,496,682
2027	9,056	1,629,573	-	1,321,003	2,959,632
Thereafter	-	12,954,092	-	166,203,168	179,157,260
	<u>\$ 240,828</u>	<u>\$ 21,537,507</u>	<u>\$ 18,142,221</u>	<u>\$ 255,748,933</u>	295,669,489
Less debt issuance costs, net of accumulated amortization					4,666,823
Total					<u>\$ 291,002,666</u>

¹ Payable from operating cash flow.

² All contracts are in place as of June 30, 2022.

³ During the predevelopment phase, the predevelopment loan is typically interest only, with principal due at the earlier of acquisition financing or maturity date. The acquisition financing is performed at the housing entity level.

⁴ During the construction phase, the construction loan is covered by payment and performance bonds given by the general contractor. After completion, the 30-year amortization of the permanent loan is made by the LLC from project operations. Additionally, the permanent debt is nonrecourse to the Corporation, since the bank has a lien on the project building.

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The Corporation incurred interest expense for the years ended June 30, 2022 and 2021 of approximately \$4,667,000 and \$3,368,000, respectively, including interest expense on debt issuance costs of approximately \$286,000 and \$139,000, respectively. The Doe Fund, Inc. has contracts to fund approximately \$39,680,000 of the debt.

- (a) The mortgage for the Porter Avenue facility was executed in the aggregate principal amount of \$22,150,000. The mortgage was collateralized by the premises and was payable in monthly installments of \$187,884, including interest at 8%, commencing September 1, 2004 through December 1, 2023, at which time any unpaid principal and interest was payable. The loan also stipulated the establishment of a maintenance fund to supplement the cost of major repairs to the premises and requires an additional \$2,500 to be deposited monthly. During the year ended June 30, 2012, the loan was refinanced in the amount of \$18,750,000 and the balance of the maintenance fund of \$267,279 was returned to the Corporation. The refinanced mortgage note bears interest of 4.94% and calls for quarterly payments of principal and interest, which commenced on April 1, 2012. The Corporation must meet a certain financial covenant under the refinanced mortgage as follows: to maintain a minimum debt service coverage ratio of 1.15 to 1.00. As of June 30, 2022, the Corporation has complied with the covenant. The refinanced mortgage note matures on October 1, 2031. As of June 30, 2022 and 2021, the outstanding balance on the mortgage was approximately \$11,126,000 and \$12,046,000, respectively.

On October 16, 2020, the Corporation received a loan from a consortium of lenders totaling approximately \$9,650,000. Wells Fargo served as trustee of the lender group which included Sun Life Capital Management, an affiliate of Sun Life Financial, Inc. Some of the proceeds have been used to fund the soft costs (architecture, professional and interest fees) associated with the future redevelopment of the 520 Gates Center for Opportunity, as well as approximately \$7,600,000 to recapitalize the Corporation by retiring debt and credit obligations. As of June 30, 2022 and 2021, the outstanding balance on the loan was approximately \$9,125,000 and \$9,429,000, respectively. Coinciding with the loan, the Corporation executed a new 20-year contract with the Department of Homeless Services (DHS) whereby DHS will pay the Wells Fargo debt service, on a monthly basis, in addition to ongoing funds for operations.

8. Deferred Revenue

The Corporation received a construction grant in connection with the acquisition and development of the low-income housing site Webster Green Apartments. This grant will be forgiven if the related site is operated in compliance with housing regulations over a period of 30 years. Such compliance period will end in February 2045 and, if the Corporation meets all compliance requirements, this loan will be recorded as grant income and will increase the net assets at that time. As of June 30, 2022 and 2021, the construction grants balance was approximately \$7,108,000 and \$6,508,000, respectively, and is included as part of deferred revenue as of June 30, 2022 and 2021.

980 Westchester Owner LLC and 980 Westchester HDfC entered into a master lease agreement with 980 Westchester Retail, LLC, to lease the condo unit of the project for an initial term beginning December 20, 2019 and ending the earlier of the turnover date and December 21, 2118. Base rent is \$1 per year of the term of the lease. Additional rent equal to the costs incurred to develop the condo unit is due on the turnover date as defined in the agreement. For the period July 31, 2018 (date of formation) through June 30, 2022, additional rent of approximately \$8,451,000 and \$7,124,000 related to the development of the condo unit is deferred and is included as part of deferred revenue as of June 30, 2022 and 2021, respectively.

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9. Line of Credit

The Corporation had a \$3,500,000 line of credit agreement (the Old Line) with a bank since June 11, 2018, which matured on October 9, 2020, at which time the Old Line was paid off in full and the agreement terminated. Interest on the Old Line's outstanding balance was calculated at the base rate, as announced publicly by the bank, or 200 basis points in excess of the prevailing rate per annum, as determined by the bank.

On October 9, 2020, the Corporation entered into a new \$5,000,000 line of credit agreement (the New Line) with a different bank. Interest on the New Line's outstanding balance is calculated at an amount equal to the greater of prime rate plus one-half of one percent or three and one-half percent, whichever is lower (5.25% and 3.50% as of June 30, 2022 and 2021, respectively). The Corporation must meet a certain financial covenant under the line of credit agreement as follows: to maintain a minimum debt service coverage ratio of 1.50 to 1.00. As of June 30, 2022, the Corporation has complied with the covenant. The New Line is secured by the Porter Avenue HDFC building and property and matures on October 9, 2022. As of June 30, 2022, the Corporation had a balance of \$1,500,000 outstanding on the line. As of June 30, 2021, there was no balance outstanding.

10. Net Assets With Donor Restrictions

Net assets with donor restrictions are as follows as of June 30:

	2022	2021
Charitable bail fund	\$ 80,000	\$ 80,000
Community improvement program	238,143	238,143
Urban agriculture program	3,250	23,952
RWA program training	415,591	437,711
RWA other	19,711	20,211
Food service	159,159	132,645
RWA program training enhancements	272,499	146,922
Liberty Fund program	468,626	584,040
General support (time restriction)	50,000	100,000
Total net assets with donor restrictions	<u>\$ 1,706,979</u>	<u>\$ 1,763,624</u>

Net assets were released from restrictions by incurring expenses satisfying the restricted purpose as stipulated by donors or by the passage of time as follows for the years ended June 30:

	2022	2021
Liberty Fund program	\$ 385,290	\$ 699,171
Food service	73,486	24,399
Urban agriculture program	20,702	37,798
Community improvement program	-	375,927
RWA program training	174,272	65,524
RWA program training enhancements	124,423	90,733
RWA other	500	17,500
General support (time restriction)	50,000	50,000
Total net assets released from restrictions	<u>\$ 828,673</u>	<u>\$ 1,361,052</u>

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11. Earned Income From Government Contracts

Earned income from government contracts reported in the accompanying consolidated statements of activities were received by the Corporation from various federal, New York City and New York State government agencies, and for the years ended June 30, 2022 and 2021 consisted of the following:

	2022	2021
NYC Department of Homeless Services	\$ 39,374,928	\$ 35,271,728
NYC Economic Development Corporation	3,336,697	3,965,574
NYC HIV/AIDS Service Administration	5,677,823	4,457,628
NYC Department of Health and Mental Hygiene	1,564,440	995,127
NYC Mayor's Office of Criminal Justice	329,300	3,500
NYS Empire State Supportive Housing Initiative	3,233,456	42,688
Total earned income from government contracts	<u>\$ 53,516,644</u>	<u>\$ 44,736,245</u>

12. Other Earned Revenue

Other earned revenue for the years ended June 30, 2022 and 2021 consisted of the following:

	2022	2021
Street cleaning revenue	\$ 6,059,007	\$ 6,163,126
Pest at Rest	135,924	174,443
Culinary services and other	134,793	-
Total other earned revenue	<u>\$ 6,329,724</u>	<u>\$ 6,337,569</u>

13. Paycheck Protection Program

In March 2021, the Corporation received loan proceeds in the amount of \$5,334,857 under the Paycheck Protection Program (PPP), which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered by the U.S. Small Business Administration (SBA). The PPP provides loans to qualifying businesses in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25% during the covered period. Any unforgiven portion is payable over two years at an interest rate of 1% with payments deferred until the SBA remits the borrower's loan forgiveness amount to the lender, or, if the borrower does not apply for forgiveness, ten months after the end of the covered period.

The Corporation initially recorded the \$5,334,857 as deferred revenue as of June 30, 2021, with forgiveness to be recorded in accordance with guidance for conditional contributions when there was no longer a measurable performance or other barrier and a right of return of the PPP loan or when such conditions were explicitly waived. As of June 30, 2022, the Corporation received full forgiveness from the SBA and recorded such funds as grant revenue in the consolidated statement of activities for the year ended June 30, 2022.

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The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan is forgiven or repaid in full and to provide that documentation to the SBA upon request. The Corporation does not believe the results of any audits or reviews by the SBA would have a material impact on the consolidated financial statements.

14. Retirement Plan

The Corporation maintains a 401(k) retirement plan (the Plan) for the benefit of its eligible employees who can voluntarily participate. Eligible employees are employees who have completed at least one month of service and have attained the age of 18.

Employees make contributions to the Plan in amounts based upon the annual limits established by the IRS. The Corporation may contribute to the Plan by means of a matching contribution or a qualified nonelective contribution.

The Corporation's matching contribution is a discretionary percentage of the participant's salary deferrals up to a certain percentage of the participant's compensation, as determined by the employer each year.

The Corporation's nonelective contribution is a discretionary amount that is allocated among the participants in the ratio that each participant's compensation bears to the total compensation of all eligible participants. In order to share in any nonelective contributions, the participant must be actively employed on the last day of the plan year and have completed at least 1,000 hours of service during the plan year. The Corporation may designate all or any portion of a contribution as a qualified nonelective contribution. Employer contributions to the Plan for the years ended June 30, 2022 and 2021 were approximately \$537,000 and \$297,000, respectively.

15. Related-Party Transaction

In May 2010, The Doe Fund, Inc. renewed its lease for office space with the President of The Doe Fund, Inc. through April 30, 2015, at which time the lease became a month-to-month lease. The lease was terminated in November 2022. Lease expense for the years ended June 30, 2022 and 2021 was approximately \$91,000 and \$218,000, respectively. See Note 7 for debt guarantees.

16. Risks and Uncertainties

Financial instruments that subject the Corporation to concentrations of credit risk consist of cash and cash equivalents and receivables. While the Corporation attempts to limit its financial exposure, deposit balances may, at times, exceed federally insured limits. The Corporation has not experienced any losses on such balances. As of June 30, 2022 and 2021, the Corporation had funds in excess of FDIC limits of approximately \$2,106,000 and \$3,851,000, respectively.

Funding from federal, state and local governmental entities in the form of grants for the reimbursement of expenses and overhead applicable to various programs are subject to audit by such entities. Such audits could result in claims against the Corporation for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at the date of the consolidated financial statements. Management is of the opinion that such audits, if performed, would not have a material effect on the accompanying consolidated financial statements.

The Corporation has entered into service contracts and grant agreements with various governmental agencies that are subject to business risks associated with the economy and administrative directives, rules and regulations that are subject to change. A significant reduction in revenue from these various governmental agency contracts would have an adverse effect on the Corporation's programs.

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Contracts receivable, reported as a component of receivables, net of allowance for doubtful accounts in the accompanying consolidated statements of financial position, primarily represent receivables from the New York City Department of Homeless Services. Any concentrations of credit risk related to contracts receivable is subject to the City's financial condition.

17. Commitments and Contingencies

Operating Leases

The Doe Fund, Inc. has entered into various operating leases in the New York metropolitan area. The leases are for The Doe Fund, Inc.'s administrative spaces at East 102nd and East 84th Streets in Manhattan, the office space of Liberty Fund, Inc. in Manhattan and Brooklyn, tenant rental units for the Scatter Site program and supplemental spaces for the RWA program in Brooklyn.

These leases expire on various dates through April 2027.

The Doe Fund, Inc. is further committed to numerous vehicle and equipment operating leases, expiring on various dates through January 2023.

In July 2015, The Doe Fund, Inc. entered into a sublease, which commenced on July 7, 2015 and expires on February 14, 2027, to rent a portion of its administrative space. Rental income received for the years ended June 30, 2022 and 2021 amounted to approximately \$144,000 in each year which is reported as a reduction to rent expense.

In June 2018, The Doe Fund, Inc. entered into another sublease, which commenced September 22, 2018 and expires on April 29, 2027, to rent out a portion of its administrative space. Rental income received for the years ended June 30, 2022 and 2021 amounted to approximately \$224,000 and \$183,000, respectively, which is reported as a reduction to rent expense.

Rent expense for the years ended June 30, 2022 and 2021 were approximately \$1,229,000 and \$1,235,000, respectively.

Future minimum annual rentals for the years subsequent to June 30, 2022 and in the aggregate are:

Years Ending June 30:	Minimum Lease Commitments	Sublease Income	Net Lease Commitments
2023	\$ 1,096,611	\$ 402,199	\$ 694,412
2024	1,052,688	412,718	639,970
2025	1,076,173	423,525	652,648
2026	1,097,291	434,629	662,662
2027	819,566	339,202	480,364
Thereafter	-	-	-
Total	<u>\$ 5,142,329</u>	<u>\$ 2,012,273</u>	<u>\$ 3,130,056</u>

Litigation

The Corporation is a defendant in several lawsuits arising in the normal course of operations. All of the significant suits and many of the others involve insured risks, subject to deductibles and co-insurance requirements. While outside counsel cannot predict the outcome of such litigation, management does not expect the net financial outcome to have a material effect on the consolidated financial position, change in net assets and cash flows of the Corporation.

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18. Subsequent Events

Subsequent events have been evaluated through January 24, 2023, which is the date the consolidated financial statements were available to be issued. The Corporation determined that the following information was pertinent:

On December 13, 2022, the Corporation closed on acquisition funding for its latest affordable housing project, 800 Rockaway. The total loan was \$6,922,980, which included a \$137,980 interest reserve.

On December 20, 2022, the Corporation closed on permanent debt financing of \$51,710,000, on its 1331 Jerome Owner, LLC project. The construction debt and accrued interest with its various construction lenders (Note 7) were fully settled.

On December 21, 2022, the Organization entered into a twenty-five year contract in the amount of approximately \$306 million with the City of New York's Department of Homeless Services related to the 510 Gates Avenue shelter.