The Doe Fund, Inc. and Affiliates

Consolidated Financial Statements

June 30, 2023 and 2022

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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, 2023 and 2022, 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, 2023 and 2022, 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.

Emphasis of Matter

As described in Note 1 to the consolidated financial statements, on July 1, 2022, the Corporation adopted Accounting Standards Codification Topic 842 as required by Accounting Standards Update 2016-02, *Leases (Topic 842)* and its related amendments. Our opinion is not modified with respect to this matter.

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.

Baker Tilly US, LLP

New York, New York
January 12, 2024

	Not-for-Profit Entities	Housing Entities	Eliminations	Consolidated Total 2023	Consolidated Total 2022
Assets					
Current Assets					
Cash and cash equivalents	$ 1,636,656	$ 1,785,696	$ -	$ 3,422,352	$ 4,502,868
Receivables, net	31,692,033	2,805,065	-	34,497,098	30,253,344
Grants and pledges receivable	10,000	-	-	10,000	10,000
Developer fees receivable	5,384,811	-	-	5,384,811	2,059,005
Investments	87,366	-	-	87,366	85,602
Due from affiliates	5,663,147	4,087,378	(9,750,525)	-	-
Prepaid expenses and other assets	1,409,079	142,769	-	1,551,848	1,272,776
Other receivables	4,185,212	3,183	(3,810,823)	377,572	433,460
Total current assets	50,068,304	8,824,091	(13,561,348)	45,331,047	38,617,055
Lender Restricted Cash and Contractual Reserves	10,584,183	2,221,664	-	12,805,847	5,241,877
Developer Fees Receivable	20,087,418	-	(12,461,718)	7,625,700	10,071,943
Security and Other Deposits	562,498	1,166	-	563,664	409,959
Right-of-Use Assets, Leases	12,977,254	-	-	12,977,254	-
Property and Equipment, Net	53,378,845	364,501,542	(10,360,563)	407,519,824	388,022,456
Total assets	$ 147,658,502	$ 375,548,463	$ (36,383,629)	$ 486,823,336	$ 442,363,290
Liabilities and Net Assets					
Current Liabilities					
Accounts payable and accrued expenses	$ 13,698,322	$ 1,026,535	$ (990,284)	$ 13,734,573	$ 10,412,804
Current maturities of long-term debt	6,693,104	18,116,291	-	24,809,395	87,890,448
Line of credit	5,000,000	-	-	5,000,000	1,500,000
Trainee savings payable	1,767,160	-	-	1,767,160	1,672,073
Accrued interest payable, mortgages and notes	363,791	7,036,299	-	7,400,090	6,322,172
Developer fees payable	-	39,712,758	(12,461,718)	27,251,040	26,194,604
Construction payables	310,930	5,820,847	-	6,131,777	5,351,138
Operating leases payable	3,455,374	-	-	3,455,374	-
Due to affiliates	2,359,295	7,391,230	(9,750,525)	-	-
Total current liabilities	33,647,976	79,103,960	(23,202,527)	89,549,409	139,343,239
Deferred Rent and Lease Incentives	-	-	-	-	684,480
Deferred Revenue	3,038,603	15,039,068	-	18,077,671	15,559,513
Tenant Security Deposits	67,394	187,376	-	254,770	247,201
Long-Term Debt, Net of Current Maturities and Unamortized Debt Issuance Costs	54,960,886	200,461,481	(2,820,539)	252,601,828	203,112,218
Operating Leases Payable, Net	10,104,678	-	-	10,104,678	-
Total liabilities	101,819,537	294,791,885	(26,023,066)	370,588,356	358,946,651
Net Assets					
Net assets without donor restrictions:					
Controlling interest	44,463,982	(2,740,797)	(10,360,563)	31,362,622	38,102,338
Noncontrolling interest	-	83,497,375	-	83,497,375	43,607,322
Net assets with donor restrictions	1,374,983	-	-	1,374,983	1,706,979
Total net assets	45,838,965	80,756,578	(10,360,563)	116,234,980	83,416,639
Total liabilities and net assets	$ 147,658,502	$ 375,548,463	$ (36,383,629)	$ 486,823,336	$ 442,363,290

See notes to consolidated financial statements

The Doe Fund, Inc. and Affiliates

Consolidated Statement of Activities
Year Ended June 30, 2023

	Not-for-Profit Entities	Housing Entities	Eliminations	Consolidated Total
Net Assets Without Donor Restrictions				
Support and Revenue				
Contributions	$ 3,917,354	$ -	$ -	$ 3,917,354
Special events, net of direct benefit expense of approximately $237,000	954,049	-	-	954,049
Earned income from government contracts	46,334,943	-	-	46,334,943
Other earned revenue	6,384,763	-	(67,357)	6,317,406
Developer fees	1,468,942	-	(90,471)	1,378,471
Management fees	623,099	-	(623,099)	-
Program service fees	1,638,287	-	-	1,638,287
Rental income	1,454,928	11,834,932	-	13,289,860
Other income	346,854	1,841,443	-	2,188,297
Net assets released from restrictions	708,321	-	-	708,321
Total support and revenue	63,831,540	13,676,375	(780,927)	76,726,988
Expenses				
Ready, Willing & Able	35,031,171	-	-	35,031,171
Affordable housing operations	3,214,788	25,106,843	(690,456)	27,631,175
Supportive housing programs	12,114,053	-	-	12,114,053
Liberty Fund	503,524	-	-	503,524
Social enterprise programs	3,737,103	-	-	3,737,103
Management and general	11,150,815	-	-	11,150,815
Fundraising	578,221	-	-	578,221
Total expenses	66,329,675	25,106,843	(690,456)	90,746,062
Change in net assets without donor restrictions	(2,498,135)	(11,430,468)	(90,471)	(14,019,074)
Net Assets With Donor Restrictions				
Contributions	376,325	-	-	376,325
Net assets released from restrictions	(708,321)	-	-	(708,321)
Change in net assets with donor restrictions	(331,996)	-	-	(331,996)
Change in net assets	(2,830,131)	(11,430,468)	(90,471)	(14,351,070)
Excess of Expenses Over Support and Revenue Attributable to Noncontrolling Interest	-	10,738,938	-	10,738,938
Deficiency of support and revenue over expenses	$ (2,830,131)	$ (691,530)	$ (90,471)	$ (3,612,132)

See notes to consolidated financial statements

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
Affordable housing operations	3,050,288	20,460,045	(1,456,058)	22,054,275
Supportive housing programs	7,577,451	-	-	7,577,451
Liberty Fund	714,590	-	-	714,590
Social enterprise programs	4,103,243	-	-	4,103,243
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

The Doe Fund, Inc. and Affiliates

Consolidated Statements of Changes in Net Assets
Years Ended June 30, 2023 and 2022

	Net Assets Without Donor Restrictions			Net Assets	
	Controlling Interest	Noncontrolling Interest	Total	With Donor Restrictions	Consolidated Total
Beginning Balance, June 30, 2021	$ 18,036,917	$ 44,797,572	$ 62,834,489	$ 1,763,624	$ 64,598,113
Capital 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	38,102,338	43,607,322	81,709,660	1,706,979	83,416,639
Capital contributions from investors	-	47,169,411	47,169,411	-	47,169,411
Transfer of noncontrolling interest deficit by an existing partner	(3,459,580)	3,459,580	-	-	-
Excess of expenses over support and revenue attributable to noncontrolling interest	-	(10,738,938)	(10,738,938)	-	(10,738,938)
Deficiency of support and revenue over expenses	(3,280,136)	-	(3,280,136)	(331,996)	(3,612,132)
Ending Balance, June 30, 2023	$ 31,362,622	$ 83,497,375	$ 114,859,997	$ 1,374,983	$ 116,234,980

See notes to consolidated financial statements

The Doe Fund, Inc. and Affiliates

Consolidated Statement of Functional Expenses
Year Ended June 30, 2023

	Ready, Willing & Able	Affordable Housing Operations	Supportive Housing Programs	Liberty Fund	Social Enterprise Programs	Total Program	Management and General	Fundraising	Total
Salaries	$ 20,807,462	$ 2,748,150	$ 4,212,101	$ 326,349	$ 2,514,207	$ 30,608,269	$ 7,066,249	$ 226,394	$ 37,900,912
Payroll taxes and employee benefits	4,106,069	869,237	1,366,025	110,298	845,261	7,296,890	1,107,127	71,238	8,475,255
Total salaries and related expenses	24,913,531	3,617,387	5,578,126	436,647	3,359,468	37,905,159	8,173,376	297,632	46,376,167
Legal, professional and management fees	65,344	2,342,184	504,047	15,000	495	2,927,070	823,074	8,304	3,758,448
Occupancy costs	1,630,412	4,402,205	1,659,335	43,157	47,691	7,782,800	1,265,384	-	9,048,184
Office expenses	287,772	119,934	221,113	5,441	54,144	688,404	448,088	181,094	1,317,586
Equipment maintenance and repairs	13,502	1,977	4,179	226	4,067	23,951	6,041	-	29,992
Travel and meetings	20,965	19,294	24,395	46	196	64,896	40,761	1,465	107,122
Client services	4,127,025	7,755	192,668	500	127,539	4,455,487	-	-	4,455,487
Aid to clients	57,266	-	3,612,085	-	-	3,669,351	-	-	3,669,351
Insurance and taxes	3,492	23,216	1,241	125	12,089	40,163	198,925	-	239,088
Equipment, furniture and vehicle purchases	163,663	1,595	801	-	1,416	167,475	-	-	167,475
Vehicles and transportation	1,932,255	20	990	45	107,124	2,040,434	17,213	100	2,057,747
Financing expenses	812,841	7,449,637	223,332	2,337	557	8,488,704	134,960	61,715	8,685,379
Miscellaneous	75	64,884	164	-	-	65,123	400	-	65,523
In-kind goods	-	-	-	-	-	-	-	27,911	27,911
Depreciation and amortization	1,003,028	9,581,087	91,577	-	22,317	10,698,009	42,593	-	10,740,602
Total expenses	$ 35,031,171	$ 27,631,175	$ 12,114,053	$ 503,524	$ 3,737,103	$ 79,017,026	$ 11,150,815	$ 578,221	$ 90,746,062

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	Affordable Housing Operations	Supportive Housing Programs	Liberty Fund	Social Enterprise Programs	Total Program	Management and General	Fundraising	Total
Salaries	$ 19,778,149	$ 2,268,196	$ 4,056,950	$ 405,189	$ 2,809,467	$ 29,317,951	$ 4,512,844	$ 506,121	$ 34,336,916
Payroll taxes and employee benefits	3,728,875	691,848	1,142,997	161,725	858,493	6,583,938	1,434,170	135,600	8,153,708
Total salaries and related expenses	23,507,024	2,960,044	5,199,947	566,914	3,667,960	35,901,889	5,947,014	641,721	42,490,624
Legal, professional and management fees	47,809	2,375,215	81,760	123	17,370	2,522,277	642,533	56,461	3,221,271
Occupancy costs	1,832,821	2,827,731	573,922	53,243	64,034	5,351,751	1,081,071	32,419	6,465,241
Office expenses	334,909	144,543	186,557	13,546	57,978	737,533	697,048	216,335	1,650,916
Equipment maintenance and repairs	9,762	2,560	10,816	260	3,282	26,680	41,421	-	68,101
Travel and meetings	18,561	9,081	17,029	-	135	44,806	40,699	406	85,911
Client services	3,598,239	91,023	236,567	-	113,093	4,038,922	-	-	4,038,922
Aid to clients	88,949	-	1,002,293	-	-	1,091,242	-	-	1,091,242
Insurance and taxes	947	34,227	351	250	5,384	41,159	290,488	-	331,647
Equipment, furniture and vehicle purchases	256,111	-	77,557	-	1,682	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	5,627,904	110,140	1,974	446	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	7,858,427	80,512	-	22,317	8,963,918	42,593	-	9,006,511
Total expenses	$ 33,248,720	$ 22,054,275	$ 7,577,451	$ 714,590	$ 4,103,243	$ 67,698,279	$ 8,883,832	$ 1,030,019	$ 77,612,130

See notes to consolidated financial statements

The Doe Fund, Inc. and Affiliates

Consolidated Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Change in net assets	$ (14,351,070)	$ 6,883,972
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation and amortization	10,740,602	9,006,511
Interest expense on debt issuance costs	301,915	286,380
Deferred rent and lease incentives	-	(53,128)
Unrealized (gain) loss on investments	(1,764)	76,281
Bad debt (recovery) expense	(19,960)	78,280
Noncash increase in developer fees payable	176,873	1,022,626
Net accretion of operating leases	(101,682)	-
(Increase) decrease in operating assets:		
Receivables	(4,223,794)	(15,573,953)
Grants and pledges receivable	-	40,000
Prepaid expenses and other assets	(279,072)	486,798
Other receivables	55,888	(252,943)
(Decrease) increase in operating liabilities:		
Accounts payable and accrued expenses	3,321,769	1,793,992
Accrued interest payable, mortgages and notes	1,077,918	2,916,315
Deferred revenue	2,518,158	(3,407,843)
Net cash flows from operating activities	(784,219)	3,303,288
Cash Flows From Investing Activities		
Purchase of property and equipment	(29,457,331)	(35,017,926)
Purchase of investments	-	(731)
Net cash flows from investing activities	(29,457,331)	(35,018,657)
Cash Flows From Financing Activities		
Capital contributions from investors	47,169,411	11,934,554
Proceeds from line of credit	5,200,000	1,500,000
Repayments of line of credit	(1,700,000)	-
Proceeds from long-term debt	68,777,692	38,758,267
Repayments of long-term debt	(79,478,380)	(20,226,304)
Payments of debt issuance costs	(3,192,670)	(1,585,508)
Trainee savings payable	95,087	130,821
Tenant security deposits	7,569	107,437
Net cash flows from financing activities	36,878,709	30,619,267
Net change in cash and cash equivalents and restricted cash	6,637,159	(1,096,102)
Cash and Cash Equivalents and Restricted Cash, Beginning	10,154,704	11,250,806
Cash and Cash Equivalents and Restricted Cash, Ending	$ 16,791,863	$ 10,154,704
Reconciliation of Cash and Cash Equivalents and Restricted Cash to the Consolidated Statements of Financial Position		
Cash and cash equivalents	$ 3,422,352	$ 4,502,868
Lender restricted cash and contractual reserves	12,805,847	5,241,877
Security and other deposits	563,664	409,959
Total cash and cash equivalents and restricted cash	$ 16,791,863	$ 10,154,704
Supplemental Disclosure of Cash Flow Information		
Cash paid for interest	$ 6,232,272	$ 4,368,388
Noncash Investing and Financing Activities		
Construction payables capitalized to property and equipment	$ 1,929,948	$ 7,198,572

See notes to consolidated financial statements

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 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 (GAAP). All Housing Development Fund Corporation (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, 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 from 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 from 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.

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. TDF 2000 Partners, L.P. operates a 74-units multifamily apartment in New York for the purpose of City for low-income homeless persons.

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.

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 also the Manager of 1331 Jerome MM LLC, which, in turn, is the managing member and 0.01% owner of 1331 Jerome Owner LLC, a company that 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 transitional housing facility for homeless men at 510 Gates Avenue, Brooklyn, New York.

800 Rockaway Housing Development Fund Corporation (800 Rockaway HDFC) - This entity, a subsidiary of The Doe Fund, Inc., organized on December 2, 2022, with The Doe Fund, Inc. as its sole member. 800 Rockaway 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.

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 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.

TDF HoldCo LLC (TDF HoldCo) - This entity, a subsidiary of The Doe Fund, Inc., organized on September 1, 2022, with The Doe Fund, Inc. as its sole member. TDF HoldCo is a domestic limited liability company organized to own the 51% interest in The Doe Store, LLC (The Doe Store), a NY State-licensed adult-use retail cannabis store. When profits are generated by The Doe Store, they are distributed in the form of dividends, with TDF HoldCo receiving its proportionate share. Dividends received are used in support of The Doe Fund, Inc's. mission.

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 (GP) listed below, which owns 0.01% of their associated Limited Partnerships (LPs) or Limited Liability Corporations (LLCs). 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
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.
800 Rockaway Apartments LLC	800 Rockaway 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 GAAP.

Not-for-Profit Entities

The accompanying consolidated financial statements include the accounts of the entities 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 for which there is economic interest.

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. 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 partners/members capital/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, if any, with donor restrictions also include net assets that are subject to donor-imposed restrictions that must be maintained in perpetuity. There were no net assets restricted in perpetuity as of June 30, 2023 and 2022.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed stipulations. 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 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 17).

Investments

Investments include a money market fund and equity securities without readily determinable fair values. Realized and unrealized gains and losses are included in other income on the consolidated statements of activities. Investment income (loss) is reported net of investment expenses. Investments acquired by gift are recorded at their fair values at the date of the gift.

Investment in equity securities without readily determinable fair values represents the ownership interests in The Doe Store (Note 1). The Corporation does not have the ability to exercise significant influence over the operating and financial policies of The Doe Store. Accordingly, the carrying amount is included in prepaid expenses and other assets as of June 30, 2023. In accordance with the Financial Accounting Standards Board (FASB) Accounting Standards Codification 321, *Equity Securities*, these equity securities without readily determinable fair value are recorded at their cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

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).

Allowance for Doubtful Accounts

Management routinely makes estimates of the realizability of receivables. In doing so, 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, 2023 and 2022, the allowance for doubtful accounts approximated $2,526,000 and $1,896,000, 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, 2023 and 2022. Grants and pledges receivable as of June 30, 2023 and 2022 consisted of $10,000 and $10,000, respectively, all due within one year.

Developer Fees Receivable

Developer fees receivable represent developer fees for related construction project 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 is paid by the related Housing Entities upon receipt of the limited partner/member capital/equity contribution. The developer fees receivable balance as of June 30, 2023 and 2022 totaled approximately $13,011,000 and $12,131,000, 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.

The Corporation's money market fund is carried at fair value and is a Level 1 asset.

Property and Equipment and Depreciation and Amortization

All acquisitions of property and equipment in excess of $5,000, and all expenditures for repairs, nonroutine 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 respective assets. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the related assets. Useful lives of the Corporation's fixed assets range 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.

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 2023 and 2022.

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 provided to the participant when they leave the RWA program. As of June 30, 2023 and 2022, the trainee savings payable due to participants was approximately $1,767,000 and $1,672,000, 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 provided 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 $54,000 and $87,000, respectively, in matching graduation grants were provided to trainees who successfully completed the training program during the years ended June 30, 2023 and 2022.

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, 2023 and 2022, the Corporation received cost reimbursement and other conditional grants that have not been recognized as income totaling approximately $559,303,000 and $507,756,000, 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, 2023 and 2022, the Corporation recorded contributed nonfinancial assets revenue of approximately $28,000 and $151,000, respectively, which was included in the contributions revenue in 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 their 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 their 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 their net realizable value. Performance obligations are satisfied as services are rendered in accordance with the underlying agreements with respective Ready, Willing & Able program participants.

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. Base 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 policy 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 include 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 allocated 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 accompanying 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 requiring disclosure.

Reclassification

For comparability purposes, certain 2022 amounts have been reclassified to conform with the 2023 classifications. Such reclassifications had no effect on previously reported amounts of net assets or change in net assets.

Recent Accounting Pronouncements

Effective July 1, 2022, the Corporation adopted the FASB Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842),* and all related amendments using the modified retrospective approach. The Corporation's 2022 consolidated financial statements continue to present leases under the FASB's Topic 840, as is permitted, and have not been adjusted.

ASU No. 2016-02 requires the Corporation to recognize the assets and liabilities that arise from leases in its consolidated statement of financial position. At lease inception, leases are classified as either finance leases or operating leases with the associated right-of-use asset and lease liability measured at the net present value of future lease payments. Operating leases are expensed on a straight-line basis as lease expense over the noncancelable lease term. Expenses for finance leases are comprised of the amortization of the right-of-use asset and interest expense recognized based on the effective interest method. At the date of adoption, the Corporation recorded operating lease right-of-use assets and lease liabilities of approximately $16,190,000 and $16,875,000, respectively. The Corporation had a cumulative adjustment of $0 to net assets upon the adoption of Topic 842 related to its leases that existed at the date of adoption.

The new standard provides for several optional practical expedients. Upon transition to Topic 842, the Corporation elected:

- The package of practical expedients permitted under the transition guidance which does not require the Corporation to reassess prior conclusions regarding whether contracts are or contain a lease, lease classification and initial direct lease costs.

The new standard also provides for several accounting policy elections, as follows:

- When the rate implicit in the lease is not determinable, rather than using the Corporation's incremental borrowing rate, the Corporation elected to use a risk-free discount rate for the initial and subsequent measurement of lease liabilities for all asset classes.

- The Corporation elected not to apply the recognition requirements to all leases with an original term of 12 months or less, for which the Corporation is not likely to exercise a renewal option or purchase the asset at the end of the lease; rather, short-term leases will continue to be recorded on a straight-line basis over the lease term.

Additional required disclosures for Topic 842 are contained in Note 10.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326).* The ASU introduces a new credit loss methodology, Current Expected Credit Losses (CECL), which requires earlier recognition of credit losses, while also providing additional transparency about credit risk. Since its original issuance in 2016, the FASB has issued several updates to the original ASU. The CECL methodology utilizes a lifetime "expected credit loss" measurement objective for the recognition of credit losses at the time the financial asset is originated or acquired. The expected credit losses are adjusted each period for changes in expected lifetime credit losses. The methodology replaces the multiple existing impairment methods in current GAAP, which generally require that a loss be incurred before it is recognized. ASU No. 2016-13 is effective for annual periods beginning after December 15, 2022. The Corporation is assessing the impact this standard will have on its fiscal 2024 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 for general expenditures such as operating expenses, debt financing payments and fixed asset purchases not financed with debt financing, follow:

	2023	2022
Cash and cash equivalents	$ 3,422,352	$ 4,502,868
Receivables, net	34,497,098	30,253,344
Grants and pledges receivable	10,000	10,000
Developer fees receivable, current	5,384,811	2,059,005
Investments	87,366	85,602
Other receivables	377,572	433,460
	43,779,199	37,344,279
Less donor-restricted amounts	1,374,983	1,706,979
Total	$ 42,404,216	$ 35,637,300

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.

To help manage unanticipated liquidity needs, the Corporation has a recently committed line of credit that was extended to $8,000,000 from $5,000,000 on January 10, 2024. As of June 30, 2023, $0 was available to be drawn principally resulting from delayed payments by various City agencies. 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, 2023 and 2022, these reserve funds were approximately $2,964,000 and $2,926,000, 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. Additionally, the Corporation has established relationships with several nonprofit lenders to meet any further liquidity needs with short-term lending options, none of which were utilized as of the date the accompanying consolidated financial statements were issued.

4. Receivables, Net

Receivables, net as of June 30 consisted of the following:

	2023	2022
Earned income from government contracts	$ 31,342,214	$ 27,873,787
Other earned income receivables	349,819	540,699
Housing entity receivables	2,805,065	1,838,858
Total receivables, net	$ 34,497,098	$ 30,253,344

5. Property and Equipment, Net

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

	2023	2022
Land	$ 56,271,044	$ 55,836,606
Building and improvements	357,791,904	297,711,730
Furniture, fixtures and equipment	15,034,526	11,243,612
	429,097,474	364,791,948
Less accumulated depreciation and amortization	(59,241,950)	(48,501,348)
	369,855,524	316,290,600
Construction in progress	37,664,300	71,731,856
Total property and equipment, net	$ 407,519,824	$ 388,022,456

Depreciation and amortization of property and equipment totaled approximately $10,741,000 and $9,007,000 for the years ended June 30, 2023 and 2022, respectively.

For the year ended June 30, 2023, there was approximately $3,255,000 of interest that was capitalized as a part of construction-in-progress.

Ongoing construction-in-progress projects relating to 4519 White Plains Road and 510 Gates Avenue are expected to be completed in March 2024 and November 2025, respectively. Additional capital expenditures expected to be incurred for these ongoing projects approximated $45,532,000 as of June 30, 2023.

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 amounts 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, 2023 and 2022 consisted of the following:

	2023	2022
Cash and cash equivalents	$ 12,805,847	$ 5,241,877

Interest income for the years ended June 30, 2023 and 2022 totaled approximately $741,000 and $44,000, respectively, and is included in other income within the consolidated statements of activities.

7. Long-Term Debt

The following summarizes the Corporation's long-term debt as of June 30, 2023 and 2022:

Borrower	Lender	Maturity Date	Interest Rate	Collateral	Balance at June 30, 2023	Balance at June 30, 2022
Porter Avenue (a)	Citibank, N.A.	10/01/2031	4.94%	Premises	$ 10,160,006	$ 11,125,954
A Better Place HDFC	NYC Department of Housing Preservation and Development	12/01/2025	Shelter Care Loan .25% Capital Loan 8%	Building assets	1,165,616	1,286,774
Gates Avenue Housing Development Fund Corporation (b)	Wells Fargo Trust Company	12/15/2039	2.98%	Liens on building	8,717,339	9,124,779
Program Vehicle Loans	Various lenders	Various	2.90% - 7.99%	Vehicles	125,266	240,825
510 Gates HDFC	UMB Bank N.A.	03/15/2045	5.59%	Liens on building	6,828,765	-
510 Gates HDFC	UMB Bank N.A.	03/15/2045	5.59%	Liens on building	18,030,550	-
800 Rockaway HDFC	Corporation for Supportive Housing	12/15/2025	6.00%	Liens on building	7,157,060	-
510 Gates HDFC	KeyBank National Association	09/01/2022	2.53%	Liens on building	-	13,400,000
Webster Green Apartments	New York State Homes and Community Renewal	10/25/2049	1.00%	Liens on building	4,500,000	4,475,000
Webster Green Apartments	New York State Homes and Community Renewal	10/25/2049	4.89%	Liens on building	3,257,788	3,318,377
Webster Green Apartments	New York State Homes and Community Renewal	05/01/2071	1.00%	Liens on building	1,230,000	1,230,000
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	4,761,218	4,858,247
The Doe Fund, Inc.	Leviticus 25:23 Alternative Fund, Inc.	4/1/2024	Prime +3.00%, 6.25%	Liens on building	5,009,720	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	5.00% 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	2.58% - 2.83% after release date of the letter of credit	Liens on building	15,271,218	15,204,058

Borrower	Lender	Maturity Date	Interest Rate	Collateral	Balance at June 30, 2023	Balance at June 30, 2022
Rogers Apartments	New York State Homeless and Housing Assistance Corporation	09/01/2049	1.00%	Liens on building	$ 5,133,891	$ 5,163,775
1331 Jerome Owner LLC	New York City Department of Housing Preservation and Development	12/1/2051	4.90%	Liens on building	12,446,582	51,710,000
1331 Jerome Owner LLC	New York City Department of Housing Preservation and Development	03/26/2059	0.50%	Liens on building	50,389,722	39,748,947
4519 WPR Apartments LLC	Merchants Bank	01/01/2025	7.57%	Liens on building	2,900,000	2,900,000
4519 WPR Apartments LLC	Merchants Bank	01/01/2025	7.57%	Liens on building	16,800,613	6,218,825
4519 WPR Apartments LLC	New York State Homeless Housing and Assistance Corporation	01/01/2025	6.50%	Liens on building	4,900,000	150,000
4519 WPR Apartments LLC	Merchants Bank	01/01/2025	7.57%	Liens on building	3,213,415	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	6.95%	Liens on building	9,000,941	8,480,065
United Services Apartments LLC	New York City Department of Housing Preservation and Development	03/01/2052	Greater of 4.00% or LIBOR plus 2.00%	Liens on building	14,933,257	14,569,808
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
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	4.85%	Liens on building	1,169,955	25,623,696
980 Westchester Owner LLC	New York City Housing Development Corporation	01/30/2058	2.32%	Liens on building	9,504,400	8,916,955
980 Westchester Owner LLC	New York City Housing Development Corporation	11/30/2058	4.85%	Liens on building	20,112,449	12,579,038
Stadium Court Associates	Centerline Mortgage	12/31/2035	6.32%	Liens on building	1,862,146	1,957,079
Total long-term debt before debt issuance costs					284,968,801	295,669,489
Less debt issuance costs, net of accumulated amortization					(7,557,578)	(4,666,823)
Total long-term debt					$ 277,411,223	$ 291,002,666
Current portion					$ 24,809,395	$ 87,890,448
Noncurrent portion					252,601,828	203,112,218
Total long-term debt					$ 277,411,223	$ 291,002,666

The aggregate annual maturities of the mortgages and notes subsequent to June 30, 2023, follow:

	Not-for-Profit Entities				
Years Ending June 30:	**Payable by the Corporation[1]**	**Reimbursable by Contract[2]**	**Pre-Development Lending[3]**	**Payable by the Housing Entities[4]**	**Total**
2024	$ 88,336	$ 1,595,048	$ 5,009,720	$ 18,116,291	$ 24,809,395
2025	19,811	1,673,179	-	28,592,605	30,285,595
2026	13,889	2,319,681	7,157,060	821,153	10,311,783
2027	3,230	1,607,391	-	866,082	2,476,703
2028	-	1,689,234	-	913,494	2,602,728
Thereafter	6,176,565	11,158,428	24,859,315	172,288,289	214,482,597
	$ 6,301,831	$ 20,042,961	$ 37,026,095	$ 221,597,914	284,968,801
Less debt issuance costs, net of accumulated amortization					(7,557,578)
Total					$ 277,411,223

[1] Payable from operating cash flow.

[2] All contracts are in place as of June 30, 2023.

[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 typically nonrecourse to the Corporation, since the bank has a lien on the project building.

The Corporation incurred interest expense for the years ended June 30, 2023 and 2022 of approximately $7,309,000 and $4,667,000, respectively, including interest expense on amortization of debt interest on debt issuance costs of approximately $302,000 and $286,000, respectively.

(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 requires 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, 2023, the Corporation was not in compliance with the financial covenant. The Corporation has obtained a waiver to the financial covenant as of the date the consolidated financial statements were available to be issued. As of June 30, 2022, the Corporation was in compliance with the financial covenant. The refinanced mortgage note matures on October 1, 2031. As of June 30, 2023 and 2022, the outstanding balance on the mortgage was approximately $10,160,000 and $11,126,000, respectively.

(b) 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, 2023 and 2022, the outstanding balance on the loan was approximately $8,717,000 and $9,125,000, 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/loan in connection with the acquisition and development of the low-income housing site Webster Green Apartments. This grant/loan 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 grant/loan will be recorded as grant income and will increase the net assets at that time. As of June 30, 2023 and 2022, the construction grant/loan balance was approximately $9,547,000 and $7,108,000, respectively, and is included within deferred revenue in the accompanying consolidated statements of financial position.

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, 2023, additional rent of approximately $8,531,000 and $8,451,000 related to the development of the condo unit is deferred and is included within deferred revenue in the accompanying consolidated statements of financial position.

9. Line of Credit

As of June 30, 2023 and 2022, respectively, the Corporation had a $5,000,000 line of credit (the Line) with a bank. Interest on the Line's outstanding balance is calculated at an amount equal to the greater of prime rate plus one-half of 1% or 3.5%, whichever is lower (8.75% and 5.25% as of June 30, 2023 and 2022, respectively). On January 10, 2024, the Corporation closed on a renewal and amendment to the Line, increasing it to $8,000,000. The newly established line expires on January 9, 2026 and contains the same terms as described above. The Line requires the Corporation to meet certain financial covenants, as follows: to maintain a minimum debt service coverage ratio of 1.50 to 1.00. As of June 30, 2023, the Corporation was not in compliance with the financial covenant. The Corporation has obtained a waiver to the financial covenant as of the date the consolidated financial statements were available to be issued. As of June 30, 2022, the Corporation was in compliance with the financial covenant. The Line is secured by the Corporation’s unrestricted assets to the extent assignable. As of June 30, 2023 and 2022, the Corporation had a balance of $5,000,000 and $1,500,000, respectively, outstanding on the Line.

10. Right-of-Use Assets and Leases

Right-of-use assets represent the Corporation's right to use an underlying asset for the lease term, while lease liabilities represent the Corporation's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date of a lease based on the net present value of lease payments over the lease term.

Certain of the Corporation's leases include options to renew or terminate the lease. The exercise of lease renewal or early termination options is at the Corporation's sole discretion. The Corporation regularly evaluates the renewal and early termination options and when they are reasonably certain of exercise, the Corporation includes such options in the lease term. Additionally, upon adoption of the new lease standard, the Corporation made judgments regarding lease terms for certain of its real property leases that were in month-to-month status or that contained auto-renewal clauses. The Corporation estimated a lease end date based on the required length of usage of the property and calculated a right-of-use asset and lease liability with the resulting estimated lease term.

In determining the discount rate used to measure the right-of-use assets and lease liabilities, the Corporation uses the rate implicit in the lease, or if not readily available, the risk-free rate based on U.S. Treasury notes or bond rates for a similar term.

Right-of-use assets are assessed for impairment in accordance with the Corporation's long-lived asset policy. The Corporation reassesses lease classification and remeasures right-of-use assets and lease liabilities when a lease is modified and that modification does not meet the criterion of a separate new lease or upon certain other events that require reassessment in accordance with Topic 842.

The Corporation made significant assumptions and judgments in applying the requirements of Topic 842. Specifically:

- Whether a contract contains a lease by considering factors such as whether the Corporation obtained substantially all rights to control an identifiable underlying asset and whether the lessor has substantive substitution rights;

- Whether contracts contain embedded leases;

- Whether to apply the portfolio approach to leases with similar commencement dates, lengths of term, renewal options or other contract terms, which therefore meet the definition of a portfolio of leases;

- Whether leases that contain a residual value guarantee, a payment at the end of the lease term was probable and, accordingly, consider the amount of a residual value guarantee in future lease payments;

- Whether allocated consideration in the contract between lease and nonlease components, as applicable, were present.

The Corporation does not have any material leasing transactions with related parties.

The following table summarizes the operating lease right-of-use assets and operating lease liabilities as of June 30, 2023:

Operating lease right-of-use assets	$ 12,977,254
Operating lease liabilities:	
Current	$ 3,455,374
Long-term	10,104,678
Total operating lease liabilities	$ 13,560,052

Below is a summary of expenses incurred pertaining to leases for the year ended June 30, 2023:

Operating lease expense	$ 3,700,417
Total lease expense	$ 3,700,417

The right-of-use assets and lease liabilities were calculated using a weighted-average discount rate of 2.96%. As of June 30, 2023, the weighted-average remaining lease term was 3.9 years.

The table below summarizes the Corporation's scheduled future minimum lease payments for years ending after June 30, 2023:

Years ending June 30:	
2024	$ 3,800,970
2025	3,670,281
2026	3,618,102
2027	3,242,277
Total lease payments	14,331,630
Less present value discount	771,578
Total lease liabilities	13,560,052
Less current portion	3,455,374
Long-term lease liabilities	$ 10,104,678

The following table includes supplemental cash flow and noncash information related to leases for the year ended June 30, 2023:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from leases	$ 3,802,110
Operating lease right-of-use assets obtained in exchange for lease liabilities	$ -

11. Net Assets With Donor Restrictions

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

	2023	2022
Charitable bail fund	$ 80,000	$ 80,000
Community improvement program	363,143	238,143
Urban agriculture program	3,250	3,250
RWA program training	175,639	415,591
RWA other	21,572	19,711
Food service	234,423	159,159
RWA program training enhancements	90,580	272,499
Liberty Fund program	406,376	468,626
General support (time restriction)	-	50,000
Total net assets with donor restrictions	$ 1,374,983	$ 1,706,979

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

	2023	2022
Liberty Fund program	$ 163,575	$ 385,290
Food service	44,736	73,486
Urban agriculture program	-	20,702
RWA program training	244,952	174,272
RWA program training enhancements	191,919	124,423
RWA other	13,139	500
General support (time restriction)	50,000	50,000
Total net assets released from restrictions	$ 708,321	$ 828,673

12. 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 consisted of the following:

	2023	2022
NYC Department of Homeless Services	$ 33,206,732	$ 39,374,928
NYC Economic Development Corporation	2,763,429	3,336,697
NYC HIV/AIDS Service Administration	5,117,137	5,677,823
NYC Department of Health and Mental Hygiene	1,469,848	1,564,440
NYC Mayor's Office of Criminal Justice	339,948	329,300
NYS Empire State Supportive Housing Initiative	3,437,849	3,233,456
Total earned income from government contracts	$ 46,334,943	$ 53,516,644

13. Other Earned Revenue

Other earned revenue for the years ended June 30 consisted of the following:

	2023	2022
Street cleaning revenue	$ 6,183,057	$ 6,059,007
Pest at Rest	79,841	135,924
Culinary services and other	54,508	134,793
Total other earned revenue	$ 6,317,406	$ 6,329,724

14. 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 administered by the U.S. Small Business Administration (SBA). The PPP provided 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.

The Corporation initially recorded the $5,334,857 as deferred revenue, with forgiveness to be recorded in accordance with guidance for conditional contributions and grants 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 recognized such funds as nonrecurring grant revenue in the consolidated statement of activities for the year ended June 30, 2022.

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 audits or reviews, if any, by the SBA would have a material impact on the accompanying consolidated financial statements.

15. 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 those 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, 2023 and 2022 were approximately $575,000 and $537,000, respectively.

16. 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 2021. Lease expense for the years ended June 30, 2023 and 2022 was approximately $0 and $91,000, respectively.

17. 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, 2023 and 2022, the Corporation had funds in excess of FDIC limits of approximately $1,386,000 and $2,106,000, 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 terms and conditions. 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 any, 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.

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.

18. Commitments and Contingencies

Litigation

The Corporation is a defendant in several lawsuits arising in the normal course of operations. Such pending litigation 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.

19. Subsequent Events

Subsequent events have been evaluated through January 12, 2024, which is the date the consolidated financial statements were available to be issued. The Corporation determined that the following events were pertinent:

On August 3, 2023, the Corporation closed on permanent debt financing of approximately $34,962,000, on its Rogers Apartments, LLC project. All accrued interest due at the time of closing was settled.

On August 29, 2023, the Corporation closed on permanent debt financing of approximately $15,971,000, on its United Services Apartments, LLC project. Construction debt and accrued interest with its various construction lenders (Note 7) in the amount of approximately $8,679,000 were settled.

On December 5, 2023, the Corporation closed on permanent debt financing of approximately $19,778,000, on its Villa House Apartments, LLC project. Construction debt and accrued interest with its various construction lenders (Note 7) in the amount of approximately $9,574,000 were settled.