win

Breaking the Cycle of Homelessness
for Women and their Children

WOMEN IN NEED, INC.

CONSOLIDATED FINANCIAL STATEMENTS
AND AUDITOR'S REPORT

JUNE 30, 2015 AND 2014

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Breaking the Cycle of Homelessness
for Women and their Children

WOMEN IN NEED, INC.

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LOEB & TROPER LLP

Independent Auditor's Report

Board of Directors
Women In Need, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Women In Need, Inc., which comprise the consolidated statement of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Women In Need, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Loeb & Troper LLP

February 5, 2016

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Breaking the Cycle of Homelessness for Women and their Children

EXHIBIT A

WOMEN IN NEED, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2015 AND 2014

	2015	2014
ASSETS		
Cash and cash equivalents	$ 4,953,286	$ 8,367,300
Due from government agencies	17,566,532	3,204,791
Contributions receivable - due within one year	305,075	162,400
Security deposits	200,323	174,971
Other assets	1,325,484	1,142,079
Property and equipment - net	5,754,493	2,867,621
Total assets	$ 30,105,193	$ 15,919,162
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 13,467,101	$ 3,265,913
Accrued vacation payable	687,555	607,523
Advances from government agencies	599,656	575,714
Security deposits	57,660	57,589
Pre-development loans payable	500,000	
Development advances	1,634,351	
Loans payable	2,053,277	393,405
Mortgage notes payable	510,402	524,561
Total liabilities	19,510,002	5,424,705
Net assets (Exhibit B)		
Unrestricted	10,345,116	10,182,057
Temporarily restricted	100,075	162,400
Permanently restricted	150,000	150,000
Total net assets	10,595,191	10,494,457
Total liabilities and net assets	$ 30,105,193	$ 15,919,162

See independent auditor's report.

The accompanying notes are an integral part of these statements.

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Breaking the Cycle of Homelessness for Women and their Children

WOMEN IN NEED, INC. **EXHIBIT B**

CONSOLIDATED STATEMENT OF ACTIVITIES

YEARS ENDED JUNE 30, 2015 AND 2014

	2015				2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support								
Contributions								
General public	$ 762,329			$ 762,329	$ 642,187			$ 642,187
Foundations - operating support	1,189,218	$ 1,017,707		2,206,925	1,132,331	$ 1,110,000		2,242,331
Corporations	328,990			328,990	244,228			244,228
Donated services	420,442			420,442	669,060			669,060
Special events revenue	2,009,699			2,009,699	3,114,692	162,400		3,277,092
Government fees and grants								
City of New York	51,005,265			51,005,265	37,065,968			37,065,968
Federal government	2,590,369			2,590,369	2,523,727			2,523,727
State of New York	1,948,826			1,948,826	1,669,697			1,669,697
Medicaid	484,785			484,785	431,656			431,656
Program services	886,134			886,134	1,239,325			1,239,325
Supportive housing client rent	846,468			846,468	754,087			754,087
Miscellaneous	428,512			428,512	408,546			408,546
Net assets released from restrictions	1,080,032	(1,080,032)			1,169,454	(1,169,454)		
Total revenues and other support	63,981,069	(62,325)		63,918,744	51,064,958	102,946		51,167,904
Operating expenses (Exhibit C)								
Program services								
Family shelters	48,749,567			48,749,567	36,348,696			36,348,696
Family supportive housing	5,988,791			5,988,791	5,441,181			5,441,181
Outpatient clinic services	918,828			918,828	1,010,207			1,010,207
Communications and other program services	684,894			684,894	511,814			511,814
Total program services	56,342,080			56,342,080	43,311,898			43,311,898
Supporting services								
Management and general (includes expenses reimbursed by governmental grants of $2,348,286 and $1,844,802 in 2015 and 2014, respectively)	5,978,147			5,978,147	5,629,318			5,629,318
Fund raising	1,123,283			1,123,283	1,139,362			1,139,362
Direct cost of special events	374,500			374,500	548,271			548,271
Total supporting services	7,475,930			7,475,930	7,316,951			7,316,951
Total operating expenses	63,818,010			63,818,010	50,628,849			50,628,849
Change in net assets (Exhibit D)	163,059	(62,325)		100,734	436,109	102,946		539,055
Net assets - beginning of year	10,182,057	162,400	$ 150,000	10,494,457	9,745,948	59,454	$ 150,000	9,955,402
Net assets - end of year (Exhibit A)	$ 10,345,116	$ 100,075	$ 150,000	$ 10,595,191	$ 10,182,057	$ 162,400	$ 150,000	$ 10,494,457

See independent auditor's report.

The accompanying notes are an integral part of these statements.

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Breaking the Cycle of Homelessness
for Women and their Children

WOMEN IN NEED, INC. **EXHIBIT C**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2015 AND 2014

	2015								
	Program Services					Supporting Services			
	Family Shelters	Family Supportive Housing	Outpatient Clinic Services	Communications and Other Program Services	Total	Management and General	Fund Raising	Direct Cost of Special Events	Total
Salaries	$ 11,048,762	$ 1,333,945	$ 373,377	$ 153,763	$ 12,909,847	$ 2,736,097	$ 685,441		$ 16,331,385
Benefits and payroll taxes	2,558,013	308,835	86,444	35,599	2,988,891	611,342	158,693		3,758,926
Total salaries, benefits and payroll taxes	13,606,775	1,642,780	459,821	189,362	15,898,738	3,347,439	844,134		20,090,311
Temporary help	1,884,087	14,690	51,048	4,423	1,954,248	29,433	15,360		1,999,041
Total salaries and related expenses	15,490,862	1,657,470	510,869	193,785	17,852,986	3,376,872	859,494		22,089,352
Occupancy	26,614,457	3,729,770	257,238		30,601,465	1,079,610	3,580		31,684,655
Supplies	2,109,441	105,516	26,735	12,193	2,253,885	190,155	49,780	$ 32,950	2,526,770
Professional fees	666,896	206,012	44,701	478,233	1,395,842	531,246	86,991		2,014,079
Donated services						420,442			420,442
Insurance	769,203	111,783	5,432		886,418	48,294	9,889		944,601
Repairs and maintenance	1,608,904	72,489	975		1,682,368	47,424			1,729,792
Food	389,146	3,551	11,942		404,639	448	791		405,878
Staff/client expenses	120,561	20,516	3,464		144,541	210,479	13,945		368,965
Transportation	77,837	15,549	23,388		116,774	12,116	3,662		132,552
Catering costs	60			683	743	22,856	44,192	341,550	409,341
Other expenses	206,417	41,096	28,626		276,139	24,913	48,975		350,027
Depreciation and amortization	695,783	13,027	5,458		714,268	13,292	1,984		729,544
Interest		12,012			12,012				12,012
Total expenses (Exhibit B)	$ 48,749,567	$ 5,988,791	$ 918,828	$ 684,894	$ 56,342,080	$ 5,978,147	$ 1,123,283	$ 374,500	$ 63,818,010

-continued-

Breaking the Cycle of Homelessness for Women and their Children

WOMEN IN NEED, INC. **EXHIBIT C**

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2015 AND 2014

	2014								
	Program Services					Supporting Services			
	Family Shelters	Family Supportive Housing	Outpatient Clinic Services	Communications and Other Program Services	Total	Management and General	Fund Raising	Direct Cost of Special Events	Total
Salaries	$ 9,517,102	$ 1,127,560	$ 457,622	$ 167,439	$ 11,269,723	$ 2,036,408	$ 604,877		$ 13,911,008
Benefits and payroll taxes	2,060,979	244,180	99,102	36,260	2,440,521	433,713	130,985		3,005,219
Total salaries, benefits and payroll taxes	11,578,081	1,371,740	556,724	203,699	13,710,244	2,470,121	735,862		16,916,227
Temporary help	555,023		872	248	556,143	19,763	19,705		595,611
Total salaries and related expenses	12,133,104	1,371,740	557,596	203,947	14,266,387	2,489,884	755,567		17,511,838
Occupancy	19,166,650	3,550,502	244,602		22,961,754	1,045,126	3,787		24,010,667
Supplies	1,773,819	22,826	30,810	7,238	1,834,693	170,677	37,956	$ 48,301	2,091,627
Professional fees	227,846	187,403	49,296	296,097	760,642	656,876	253,205		1,670,723
Donated services						669,060			669,060
Insurance	586,157	100,706	7,974		694,837	38,206	10,185		743,228
Repairs and maintenance	1,395,316	51,645	930	300	1,448,191	81,595			1,529,786
Food	310,299	5,671	8,461		324,431	340			324,771
Staff/client expenses	75,912	14,981	3,281		94,174	324,238	4,773		423,185
Transportation	76,524	13,314	24,745		114,583	20,585	2,537		137,705
Catering costs				4,232	4,232	30,249	16,647	499,970	551,098
Other expenses	128,002	97,573	75,517		301,092	78,678	52,950		432,720
Depreciation and amortization	475,067	11,993	6,995		494,055	23,804	1,755		519,614
Interest		12,827			12,827				12,827
Total expenses (Exhibit B)	$ 36,348,696	$ 5,441,181	$ 1,010,207	$ 511,814	$ 43,311,898	$ 5,629,318	$ 1,139,362	$ 548,271	$ 50,628,849

See independent auditor's report.

The accompanying notes are an integral part of these statements.

Breaking the Cycle of Homelessness for Women and their Children

EXHIBIT D

WOMEN IN NEED, INC.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
Cash flows from operating activities		
Change in net assets (Exhibit B)	$ 100,734	$ 539,055
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	729,544	519,614
Decrease (increase) in assets		
Due from government agencies	(14,361,741)	1,169,589
Contributions receivable	(142,675)	(112,888)
Security deposits	(25,352)	(7,667)
Other assets	(183,405)	(394,372)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	10,201,188	(597,172)
Accrued vacation payable	80,032	33,638
Advances from government agencies	23,942	52,388
Security deposits	71	(83)
Net cash provided (used) by financing activities	(3,577,662)	1,202,102
Cash flows from investing activities		
Purchases of property and equipment	(3,616,416)	(493,751)
Cash flows from financing activities		
Proceeds from pre-development loans payable	500,000	
Proceeds from development advances	1,634,351	
Proceeds from loan	1,659,872	393,405
Repayment of mortgage notes	(14,159)	(13,152)
Net cash provided by financing activities	3,780,064	380,253
Net change in cash and cash equivalents	(3,414,014)	1,088,604
Cash and cash equivalents - beginning of year	8,367,300	7,278,696
Cash and cash equivalents - end of year	$ 4,953,286	$ 8,367,300
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 12,012	$ 12,827

See independent auditor's report.

The accompanying notes are an integral part of these statements.

WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Nature of Organization

The accompanying audited consolidated financial statements of Women In Need, Inc. and its related enterprises (together, the "Organization") reflect the consolidated financial position, changes in net assets, functional expenses, and cash flows for the following entities:

(a) Women In Need, Inc. ("Win") provides housing, help and hope to New York City women and their families who are homeless and disadvantaged through comprehensive programs such as shelter, supportive permanent housing, job training, domestic violence services, alcohol and substance abuse treatment, and child care. Win offers the tools and guidance which allow families to return to their communities and live independently.

(b) Win Housing Development Fund Company, Inc. ("Lehman") is an entity that is wholly controlled by Win and holds title to the Shearson Lehman Family residence building located at 2248 Webster Avenue, Bronx, NY.

(c) Win Decatur Housing Development Fund Company, Inc. ("Decatur") is an entity that is wholly controlled by Win and holds title to the Decatur Street supportive housing residence located at 455 Decatur Street, Brooklyn, NY.

(d) Win 118th Street Housing Development Fund Corporation will hold title to land at 118th Street, NY and its purpose is to develop a low income housing project. Win is the sole member of Win 118th Street Housing Development Fund Corporation.

Win 118th Street GP, Inc. is .01% general partner of Win 118th Street L.P., a for-profit limited partnership. WIN 118th Street GP, Inc. is controlled by Win 118th Street Housing Development Fund Corporation.

-continued-

WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(1) Nature of Organization (continued)

(e) Win Glenmore Housing Development Fund Corporation is developing a low income housing project. Win is the sole member of Win Glenmore Housing Development Fund Corporation.

Win Glenmore Housing Development Fund Corporation is the sole shareholder of WIN Glenmore Corporation, which is a 51% member of Glenmore Housing GP, LLC. Glenmore Housing GP, LLC is .01% general partner of Glenmore Housing LLC, a for-profit limited partnership. Glenmore Housing GP, LLC is controlled by Win Glenmore Housing Development Fund Corporation.

(f) Colgate Close Housing Development Fund Corporation will provide housing to low income individuals. Win is the sole member of Colgate Close Housing Development Fund Corporation. Colgate Close Housing Development Fund Corporation is also a 50% owner of Colgate Close GP, LLC, a for-profit limited liability corporation. Colgate Close GP, LLC is .01% general partner of Colgate Close L.P.

Win, Lehman, Decatur and Colgate Close Housing Development Fund Corporation are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and from state and local taxes under comparable laws. Win 118th Street Housing Development Fund Corporation and Win Glenmore Housing Development Fund Corporation are exempt from federal income taxes under Section 501(c)(4) and from state and local taxes under comparable laws.

The Organization is supported primarily by governmental grants from the City of New York.

-continued-

Breaking the Cycle of Homelessness for Women and their Children

WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(2) Summary of Significant Accounting Policies

(a) Principles of Consolidation

All material inter-entity transactions and balances have been eliminated in consolidation.

(b) Basis of Accounting

The accompanying consolidated financial statements have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

(c) Functional Allocation of Expenses

The costs of providing the Organization's programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited in reasonable ratios determined by management.

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(e) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid instruments with maturity dates when acquired of three months or less.

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NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(2) Summary of Significant Accounting Policies (continued)

(f) Fair Value Measurements

Fair Value Measurements establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below. Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Win has the ability to access. Level 2 inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability. Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(2) Summary of Significant Accounting Policies (continued)

(f) Fair Value Measurements (continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015 as compared to those used at June 30, 2014.

Mutual funds - Valued at the net asset value ("NAV") of shares held by Win at year end.

Fixed-interest account **-** Valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the creditworthiness of the issuer.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while Win believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

See Note H for assets reported at fair value on a recurring basis as presented within the fair value hierarchies.

(g) Due From Government Agencies

Accounts receivable from government fees and grants and other sources of income are recorded when services are rendered or when qualifying expenses are incurred.

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NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(2) Summary of Significant Accounting Policies (continued)

(h) Contributions Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

(i) Allowance for Doubtful Accounts

The Organization determines whether an allowance for uncollectibles should be provided for contributions receivable and due from government agencies. Such estimates are based on management's assessment of the aged basis of the account, current economic conditions and historical information. Receivables are written off against the allowance for doubtful accounts when all reasonable collection efforts have been exhausted.

(j) Property and Equipment

Property and equipment with a cost of $1,000 and an estimated useful life of more than one year are capitalized either at their original cost or at their fair value at the date of donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets. Buildings and building improvements are depreciated over 5 to 40 years, and furniture and fixtures and vehicles are depreciated over 4 to 5 years. Leasehold improvements are capitalized and amortized using the straight-line method over the remaining lease term, or the anticipated useful life of the improvement of 10 to 20 years, whichever is shorter.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(2) Summary of Significant Accounting Policies (continued)

(k) Net Assets

The net assets of the Organization and changes therein are classified and reported as follows:

(i) Unrestricted

Unrestricted net assets represent those resources that are not subject to donor restrictions.

(ii) Temporarily restricted

Temporarily restricted net assets represent those resources that are subject to donor-imposed stipulations that will be met either by the actions of the Organization and/or the passage of time. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by the donor.

(iii) Permanently restricted

Permanently restricted net assets have been restricted by donors to be maintained by Win in perpetuity.

(l) Revenue Recognition

Revenue from government contracts and grants is recognized when costs are incurred or other services are performed and requisitions for reimbursement are submitted.

Revenue from rental income is recognized based on leases. The future expected minimum lease receipts are as follows:

2016	$ 187,623
2017	21,447
	$ 209,070

-continued-

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(2) Summary of Significant Accounting Policies (continued)

(l) Revenue Recognition (continued)

Reimbursements for program expense and overhead applicable to various programs conducted under contract with governmental agencies are based on complex laws and regulations. Noncompliance with such laws and regulations could result in fines, penalties and exclusion from such programs. No such fines or penalties were imposed on the Organization. The Organization is subject to audit, which may result in adjustments or disallowances. The amount of disallowance, if any, cannot be determined. Therefore, no provision is made for these potential liabilities. Management does not anticipate any material adjustments as a result of these audits.

(m) Operating Leases

Rent expense has been recorded on the straight-line basis over the life of the lease. Deferred rent, when material, is recorded for the difference between the fixed payment and the rent expense.

(n) Uncertainty in Income Taxes

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending June 30, 2012 and subsequent remain subject to examination by applicable taxing authorities.

(o) Subsequent Events

Subsequent events have been evaluated through February 5, 2016, which is the date the financial statements were available to be issued.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

NOTE B - DUE FROM GOVERNMENT AGENCIES

Amounts due to the Organization and representing a concentration from governmental agencies to be received in support of client services and under the terms of agreements signed with various federal, state and city agencies, are as follows:

	June 30	
	2015	**2014**
Federal	$ 1,013,291	$ 882,446
New York State	525,479	399,519
New York City	16,246,762	2,324,826
	17,785,532	3,606,791
Allowance for doubtful accounts	(219,000)	(402,000)
	$ 17,566,532	$ 3,204,791

During 2015 contracts were held up between New York City and the New York City Comptroller's Office which affected the Organization and many other not-for-profits. Subsequently, all outstanding contracts were registered and paid.

-continued-

Breaking the Cycle of Homelessness for Women and their Children

WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30	
	2015	**2014**
Land	$ 5,000	$ 5,000
Buildings	1,313,453	1,313,453
Building improvements	759,868	706,868
Leasehold improvements	3,176,017	3,175,018
Furniture and fixtures	3,801,702	2,268,683
Vehicles	514,723	395,214
Construction in progress	1,909,889	
	11,480,652	7,864,236
Less accumulated depreciation and amortization	(5,726,159)	(4,996,615)
	$ 5,754,493	$ 2,867,621

In October 2014, the Organization purchased land and building for $1,500,000, which is included in construction in progress.

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NOTE D - MORTGAGE NOTES PAYABLE

Mortgage notes payable consist of the following:

Provider	Annual Interest Rate	Terms	Maturity Dates	June 30 2015	June 30 2014
Federal HOME Grants Funds*	0.0%	15 years	July 2015	$ 165,000	$ 165,000
New York Housing Development Corp.	7.21%	26 years	July 2026	130,527	143,813
NYC Department of Housing Preservation and Development	1.0%	30 years	July 2030	214,875	215,748
				$ 510,402	$ 524,561

* The Federal HOME Grants Funds loan will be forgiven on the maturity date provided that Decatur continues to comply with the purpose specified in the loan agreement. Management has sent correspondence to the lender requesting extinguishment of the debt and is awaiting a response as of the date of the financial statements.

The mortgages are secured by the underlying land and buildings. Combined payments of principal over the next five years and thereafter are as follows:

2016	$ 180,070
2017	16,137
2018	17,283
2019	18,512
2020	19,834
Thereafter	258,566
	$ 510,402

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NOTE E - LOANS PAYABLE

The Organization obtained an unsecured line of credit from Bank of America ("Bank") up to the amount of $2,000,000 to utilize for ongoing operations. Interest-only payments are made on the unpaid principal on the first of every month. The interest rate is calculated using the LIBOR rate plus 3.25%. The line was due to expire on December 31, 2015. There were no balances outstanding as of June 30, 2015 and 2014. In July 2015 the Organization terminated its line of credit with the Bank and opened up a new line of credit with TD Bank. Interest-only payments are made on the unpaid principal on the first of every month. The interest rate is calculated using the LIBOR rate plus 1.50%. There have been no borrowings to date on the line. The Organization has granted a security interest, as defined, in certain assets.

During 2015 and 2014, the Organization obtained interest-free loans from the Fund for the City of New York of $1,659,872 and $393,405 to cover operating expenses, pending receipt of funds from the New York City Department of Homeless Services. The balance outstanding as of June 30, 2015 and 2014 was $2,053,277 and $393,405, respectively.

The Corporation for Supportive Housing (CSH) issued a loan in the amount of $500,000 to Win 118th Street Housing Development Fund Corporation for pre-development expenses related to its residential development. The project consists of the substantial rehabilitation of a building that will contain 35 permanent supportive housing units. The project is being funded with capital dollars from NYC HPD and equity from low income housing tax credits. The CSH loan was satisfied at closing on November 2, 2015.

NOTE F - DEVELOPMENT ADVANCES

Development advances were received by Glenmore Housing Development Fund Corporation. The advances will be repaid upon project completion and transfer of title.

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NOTE G - TEMPORARILY RESTRICTED NET ASSETS

At each fiscal year end, temporarily restricted net assets were available for the following purposes:

	June 30	
	2015	2014
Periods after June 30		$ 162,400
Program expenditures*	$ 100,075	
Total temporarily restricted net assets	$ 100,075	$ 162,400

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the following:

	June 30	
	2015	2014
Time restrictions lapsed	$ 62,324	$ 49,512
Program expenditures*	1,017,708	1,119,942
Total	$ 1,080,032	$ 1,169,454

* Provision of housing and social services.

NOTE H - DONATED SERVICES

Contributions of services are recognized when they are received if the services (a) create or enhance non-financial assets, or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. During fiscal years 2015 and 2014, the value of contributed legal services recognized as revenues and expenses in the accompanying consolidated financial statements was $420,442 and $669,060, respectively.

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Breaking the Cycle of Homelessness for Women and their Children

NOTE I - RETIREMENT PLAN

The Organization has a 403(b) tax-deferred annuity retirement plan, which covers all employees who meet specific eligibility requirements. The Organization can match up to 3% of employees' contributions after two years of employment. The Organization made a contribution of $118,173 in 2015 and $107,439 in 2014. Participants' voluntary contributions and the Organization's contributions are fully vested at all times.

In addition, the Organization has a 457(b) deferred compensation plan for certain key employees that is funded by both the Organization and its employees. As such, the investments are directed by the employees, but remain as assets of the Organization until the employees retire. At June 30, 2015 and 2014, the asset value of the plan (recorded in other assets) and the resulting liability (recorded in accounts payable) was $187,925 and $355,372, respectively.

The following table sets forth by level, within the fair value hierarchy, the assets at fair value as of June 30, 2015 and 2014:

	2015		
	Level 1	**Level 2**	**Total**
Mutual funds			
Small/mid U.S. equity	$ 9,145	$ -	$ 9,145
Balance/asset allocation funds	159,893	-	159,893
Total mutual funds	169,038	-	169,038
Fixed-interest account	-	18,887	18,887
Total investments	$ 169,038	$ 18,887	$ 187,925

	2014		
	Level 1	**Level 2**	**Total**
Mutual funds			
Small/mid U.S. equity	$ 35,042	$ -	$ 35,042
Balance/asset allocation funds	302,015	-	302,015
Total mutual funds	337,057	-	337,057
Fixed-interest account	-	18,315	18,315
Total investments	$ 337,057	$ 18,315	$ 355,372

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NOTE J - CONCENTRATIONS

Financial instruments which potentially subject the Organization to a concentration of credit risk consist primarily of cash accounts in financial institutions which, from time to time, exceed federal insurance limits.

Approximately 80% in 2015 and 72% in 2014 of the Organization's revenues arise from contracts with the City of New York (primarily with the Department of Homeless Services). Overall, 88% in 2015 and 81% in 2014 of the Organization's revenues come from federal, state and city contracts. Management believes that this concentration of revenues does not pose a significant risk to the Organization's continuing success.

NOTE K - COMMITMENTS AND CONTINGENCIES

(1) The Organization leases space at various sites throughout New York City under lease agreements expiring between 2015 and 2023. These leases can be terminated if the related government contracts are discontinued. The minimum annual rental payments are as follows:

Year Ending June 30	
2016	$ 21,008,045
2017	20,721,501
2018	20,566,691
2019	20,773,647
2020	21,131,905
Thereafter	58,855,592
	$ 163,057,381

Rent expense for fiscal years 2015 and 2014 was $20,923,942 and $15,336,102, respectively.

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NOTE K - COMMITMENTS AND CONTINGENCIES (continued)

(2) Beginning in May 2009, the OASAS Office of the Medicaid Inspector General (OMIG) initiated an audit of the Organization's Medicaid revenue for the years 2003 through 2007. In January 2016 the Organization received a Final Audit Report from OMIG with a settlement amount of $326,655. Management has recorded a provision in the financial statements for this liability.

(3) As of June 30, 2015, the Organization is party to various litigations which, in the opinion of management and legal counsel, will not have a material adverse impact on the financial position of the Organization.

(4) The Organization is responsible for reporting to and is regulated by various third parties, among which are the Centers for Medicare and Medicaid Services (CMS) and the New York State Department of Health (DOH). These agencies, as well as the New York State Office of the Attorney General's Medicaid Fraud Control Unit (MFCU), the Internal Revenue Service, the New York State Office of the Attorney General's Charities Bureau, the Office of Inspector General (OIG) and the New York State Department of Health's Independent OMIG, and other agencies have the right to audit Win. These agencies have the right to audit fiscal as well as programmatic compliance, i.e., clinical documentation and physician certifications, among other compliance requirements.

NOTE L - ENDOWMENT FUNDS

General

Win's permanently restricted net assets consist of one endowment fund to be held in perpetuity.

As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

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NOTE L - ENDOWMENT FUNDS (continued)

Interpretation of Relevant Law

The Board of Directors of Win adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). NYPMIFA moves away from the "historic dollar value" standard, and permits charities to apply a spending policy to endowments based on certain specified standards of prudence. Win is governed by the NYPMIFA spending policy, which establishes a standard maximum prudent spending limit of 7%. As a result of this interpretation, Win classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standards of prudence prescribed by NYPMIFA.

Return Objectives, Strategies Employed and Spending Policy

The primary investment objective for the endowment is to preserve and protect principal, while providing a predictable stream of funding to the Organization. The investment policy to achieve this objective is to invest in low-risk investments. Interest earned in relation to the endowment funds is recorded as temporarily restricted income and released from restriction upon expenditure for the program for which the endowment fund was established. As per donor intent, Win can use 5% of the average market value (including all income, gains and losses) of the prior two years for any appropriate charitable purpose. The policy of the Organization is to report temporarily restricted investment income appropriated in the year earned as unrestricted.

Funds with Deficiencies

Win does not have any funds with deficiencies.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

NOTE L - ENDOWMENT FUNDS (continued)

Changes in Endowment Net Assets for the Year Ended June 30, 2015

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year		$ 150,000	$ 150,000
Interest	$ 225		225
Appropriation	(225)		(225)
Endowment net assets, end of year	$ -	$ 150,000	$ 150,000

Changes in Endowment Net Assets for the Year Ended June 30, 2014

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year		$ 150,000	$ 150,000
Interest	$ 225		225
Appropriation	(225)		(225)
Endowment net assets, end of year	$ -	$ 150,000	$ 150,000