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Breaking the Cycle of Homelessness for Women and their Children

WOMEN IN NEED, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

JUNE 30, 2016 AND 2015

Breaking the Cycle of Homelessness for Women and their Children

WOMEN IN NEED, INC.

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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, 2016 and 2015, 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, 2016 and 2015, 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

January 13, 2017

Breaking the Cycle of Homelessness for Women and their Children

EXHIBIT A

WOMEN IN NEED, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016 AND 2015

	2016	2015
ASSETS		
Cash and cash equivalents	$ 5,413,883	$ 4,953,286
Due from government agencies	7,924,538	17,566,532
Contributions receivable - due within one year	725,109	305,075
Security deposits	229,271	200,323
Other assets	390,757	1,325,484
Long-term loan receivable	590,000	
Property and equipment - net	5,131,100	5,754,493
Total assets	$ 20,404,658	$ 30,105,193
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	$ 7,095,939	$ 13,467,101
Accrued vacation payable	745,314	687,555
Advances from government agencies	927,973	599,656
Due to related parties - net	95,228	
Security deposits	22,139	57,660
Pre-development loans payable		500,000
Development advances		1,634,351
Loans payable	1,098,142	2,053,277
Mortgage notes payable	495,246	510,402
Total liabilities	10,479,981	19,510,002
Net assets (Exhibit B)		
Unrestricted	9,624,677	10,345,116
Temporarily restricted	150,000	100,075
Permanently restricted	150,000	150,000
Total net assets	9,924,677	10,595,191
Total liabilities and net assets	$ 20,404,658	$ 30,105,193

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

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

CONSOLIDATED STATEMENT OF ACTIVITIES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016				2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support								
Contributions								
General public	$ 643,901			$ 643,901	$ 762,329			$ 762,329
Foundations - operating support	1,307,131	$ 691,500		1,998,631	1,189,218	$ 1,017,707		2,206,925
Corporations	296,626	65,000		361,626	328,990			328,990
Donated services and goods	500,425	110,000		610,425	420,442			420,442
Special events revenue	2,861,020			2,861,020	2,009,699			2,009,699
Government fees and grants								
City of New York	57,016,024			57,016,024	51,005,265			51,005,265
Federal government	3,063,425			3,063,425	2,590,369			2,590,369
State of New York	1,566,332			1,566,332	1,948,826			1,948,826
Medicaid	85,559			85,559	484,785			484,785
Program services	91,591			91,591	886,134			886,134
Supportive housing client rent	907,620			907,620	846,468			846,468
Miscellaneous	516,487			516,487	428,512			428,512
Net assets released from restrictions	816,575	(816,575)			1,080,032	(1,080,032)		
Total revenues and other support	69,672,716	49,925		69,722,641	63,981,069	(62,325)		63,918,744
Operating expenses (Exhibit C)								
Program services								
Family shelters	53,339,867			53,339,867	48,749,567			48,749,567
Family supportive housing	6,301,645			6,301,645	5,988,791			5,988,791
Outpatient clinic services	390,574			390,574	918,828			918,828
Communications and other program services	1,565,662			1,565,662	684,894			684,894
Total program services	61,597,748			61,597,748	56,342,080			56,342,080
Supporting services								
Management and general (includes expenses reimbursed by governmental grants of $2,777,283 and $2,348,286 in 2016 and 2015, respectively)	6,865,509			6,865,509	5,978,147			5,978,147
Fundraising	1,415,267			1,415,267	1,123,283			1,123,283
Direct cost of special events	514,631			514,631	374,500			374,500
Total supporting services	8,795,407			8,795,407	7,475,930			7,475,930
Total operating expenses	70,393,155			70,393,155	63,818,010			63,818,010
Change in net assets (Exhibit D)	(720,439)	49,925		(670,514)	163,059	(62,325)		100,734
Net assets - beginning of year	10,345,116	100,075	$ 150,000	10,595,191	10,182,057	162,400	$ 150,000	10,494,457
Net assets - end of year (Exhibit A)	$ 9,624,677	$ 150,000	$ 150,000	$ 9,924,677	$ 10,345,116	$ 100,075	$ 150,000	$ 10,595,191

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

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

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2016 AND 2015

	2016								
	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	$ 13,656,819	$ 1,552,437	$ 153,703	$ 666,945	$ 16,029,904	$ 2,866,444	$ 743,405		$ 19,639,753
Benefits and payroll taxes	3,265,345	371,188	36,750	159,466	3,832,749	673,641	177,748		4,684,138
Total salaries, benefits and payroll taxes	16,922,164	1,923,625	190,453	826,411	19,862,653	3,540,085	921,153		24,323,891
Temporary help	951,775	6,052	16,957	6,365	981,149	226,314	22,234		1,229,697
Total salaries and related expenses	17,873,939	1,929,677	207,410	832,776	20,843,802	3,766,399	943,387		25,553,588
Occupancy	27,900,761	3,720,229	126,426		31,747,416	1,330,828	242		33,078,486
Supplies (included in fundraising is $110,000 of donated supplies)	2,571,262	52,955	4,745	39,172	2,668,134	356,993	179,875	$ 31,604	3,236,606
Professional fees	683,162	292,426	19,510	683,005	1,678,103	380,913	139,737		2,198,753
Donated services						500,425			500,425
Insurance	856,081	114,503	1,820		972,404	57,030	10,397		1,039,831
Repairs and maintenance	1,978,656	59,387	7,200		2,045,243	82,140			2,127,383
Food	424,653	184	10,103	891	435,831	82			435,913
Staff/client expenses	94,272	22,406	209	9,764	126,651	277,423	23,268		427,342
Transportation	110,909	22,661	5,225	54	138,849	17,381	5,142		161,372
Catering costs	4,161				4,161	23,302	28,925	473,578	529,966
Other expenses		25,026	7,926		32,952	42,889	82,310	9,449	167,600
Depreciation and amortization	842,011	51,130			893,141	29,704	1,984		924,829
Interest		11,061			11,061				11,061
Total expenses (Exhibit B)	$ 53,339,867	$ 6,301,645	$ 390,574	$ 1,565,662	$ 61,597,748	$ 6,865,509	$ 1,415,267	$ 514,631	$ 70,393,155

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Breaking the Cycle of Homelessness for Women and their Children

WOMEN IN NEED, INC.

EXHIBIT C
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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2016 AND 2015

	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

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, 2016 AND 2015

	2016	2015
Cash flows from operating activities		
Change in net assets (Exhibit B)	$ (670,514)	$ 100,734
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	924,829	729,544
Decrease (increase) in assets		
Due from government agencies	9,641,994	(14,361,741)
Contributions receivable	(420,034)	(142,675)
Security deposits	(28,948)	(25,352)
Other assets	934,727	(183,405)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(6,371,162)	10,201,188
Accrued vacation payable	57,759	80,032
Advances from government agencies	328,317	23,942
Due to related parties	(13,520)	
Security deposits	(35,521)	71
Net cash provided (used) by financing activities	4,347,927	(3,577,662)
Cash flows from investing activities		
Purchases of property and equipment	(6,492,670)	(3,616,416)
Cash flows from financing activities		
Proceeds from pre-development loans payable		500,000
Proceeds from development advances	3,575,631	1,634,351
Proceeds from loan	1,753,375	1,659,872
Repayment of loan	(2,708,510)	
Repayment of mortgage notes	(15,156)	(14,159)
Net cash provided by financing activities	2,605,340	3,780,064
Net change in cash and cash equivalents	460,597	(3,414,014)
Cash and cash equivalents - beginning of year	4,953,286	8,367,300
Cash and cash equivalents - end of year	$ 5,413,883	$ 4,953,286
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 11,061	$ 12,012
Non-cash disclosures		
Non-cash transfers:		
Pre-development loans payable	$ (500,000)	
Development advances	(5,209,982)	
Fixed assets	6,191,234	
Issuance of long-term loan receivable	(590,000)	
Due to related	108,748	
	$ -	

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

WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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 was incorporated 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.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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

(1) Nature of Organization (continued)

(e) Win Glenmore Housing Development Fund Corporation was incorporated to develop 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 Associates, 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.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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, 2016 as compared to those used at June 30, 2015.

Mutual funds - Valued at the net asset value ("NAV") of shares held by Win at year end. These funds have been deemed to be publically traded.

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 J 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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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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, 2016 AND 2015

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:

2017	$ 15,250

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

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, 2013 and subsequent remain subject to examination by applicable taxing authorities.

(o) Subsequent Events

Subsequent events have been evaluated through January 13, 2017, 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, 2016 AND 2015

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	
	2016	**2015**
Federal	$ 871,069	$ 1,013,291
New York State	174,229	525,479
New York City	7,085,015	16,246,762
	8,130,313	17,785,532
Allowance for doubtful accounts	(205,775)	(219,000)
	$ 7,924,538	$ 17,566,532

NOTE C - LONG-TERM LOAN RECEIVABLE

On October 22, 2015, Win entered into a Declaration of Interest and Nominee Agreement with Win 118th Street L.P., and transferred a parcel of land located at 17-21 West 118th Street, New York, NY, Block 1717, Lot 22, which had a purchase price of $590,000, to Win 118th Street L.P., a New York limited partnership (the "Borrower"), in exchange for a non-recourse promissory note (secured by a mortgage and the property) with Women In Need, Inc. (the "Lender") for the principal sum of up to $959,000 ($590,000 for the land, and $369,000 for other future project costs including reserves). This land will be used for the development of thirty-five (35) residential rental units for persons of low-income. This project will be known as "Win 118th Street Residences". The remaining balance of the loan of $369,000 will be loaned to the Borrower on or before the conversion date of the project to occur subsequent to June 30, 2016. The loan matures 55 years from date of Substantial Completion as defined in the Amended and Restated Partnership Agreement of the Borrower. Interest accrues at an applicable federal rate (AFR) as defined by the Internal Revenue Code of 1986, as amended, which as of October 22, 2015 was 2.58% to be compounded and due annually commencing October 22, 2015. As of June 30, 2016, $590,000 of principal, and $10,607 of interest, was due from Win 118th Street L.P. Interest income earned for the year ended June 30, 2016 was $10,607.

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win

Breaking the Cycle of Homelessness
for Women and their Children

WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30	
	2016	**2015**
Land	$ 915,000	$ 5,000
Buildings	1,313,453	1,313,453
Building improvements	773,468	759,868
Leasehold improvements	3,510,058	3,176,017
Furniture and fixtures	4,107,890	3,801,702
Vehicles	693,827	514,723
Construction in progress	468,392	1,909,889
	11,782,088	11,480,652
Less accumulated depreciation and amortization	(6,650,988)	(5,726,159)
	$ 5,131,100	$ 5,754,493

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE E - MORTGAGE NOTES PAYABLE

Mortgage notes payable consist of the following:

Provider	Annual Interest Rate	Terms	Maturity Dates	June 30 2016	June 30 2015
Federal HOME Grants Funds*	0.0%	15 years	October 2017	$ 165,000	$ 165,000
New York Housing Development Corp.	7.21%	26 years	July 2026	116,251	130,527
NYC Department of Housing Preservation and Development	1.0%	30 years	July 2030	213,995	214,875
				$ 495,246	$ 510,402

* The Federal HOME Grants Funds loan was expected to be forgiven on the original maturity date of July 2015, provided that Decatur continued to comply with the purpose specified in the loan agreement. Management sent correspondence to the lender requesting extinguishment of the debt. The lender has indicated that due to certain delays, the maturity date has been extended to October 2017.

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

2017	$ 16,137
2018	182,283
2019	18,512
2020	19,834
2021	8,529
Thereafter	249,951
	$ 495,246

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NOTE F - LOANS PAYABLE

The Organization had 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 were to be made on the unpaid principal on the first of every month. The interest rate was calculated using the LIBOR rate plus 3.25%. There were no balances outstanding as of June 30, 2015. The line was due to expire on December 31, 2015. In July 2015 the Organization terminated its line of credit with the Bank and opened up a new line of credit with TD Bank.

The Organization has a 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 2016 and 2015, the Organization obtained short-term interest-free bridge loans from the Fund for the City of New York totaling $1,753,375 and $1,659,872 respectively, to cover operating expenses, pending receipt of funds from the New York City Department of Homeless Services. The loan balance will be recouped from future payments of current receivables upon registration of contracts and amendments. The balance outstanding as of June 30, 2016 and 2015 was $1,098,142 and $2,053,277, 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. Win 118th Street Housing Development Fund Corporation entered into a Declaration of Interest and Nominee Agreement with Win 118th Street L.P., and transferred previously acquired assets of $392,352 as well as the CSH loan of $500,000 to Win 118th Street L.P., resulting in a balance of $107,648 remaining due to Win 118th Street L.P. as of June 30, 2016.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE G - DEVELOPMENT ADVANCES

Win Glenmore Housing Development Fund Corporation received development advances totaling $3,575,631 and $1,634,351 during fiscal year 2016 and 2015, respectively. Win Glenmore Housing Development Fund Corporation entered into a Declaration of Interest and Nominee Agreement with Glenmore Housing Associates, LLC, and transferred previously acquired assets of $5,208,882, as well as the $5,209,982 of advances, to Glenmore Housing Associates, LLC, resulting in a balance of $1,100 remaining due to Glenmore Housing Associates, LLC as of June 30, 2016.

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

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

	June 30	
	2016	**2015**
Periods after June 30	$ 50,000	
Program expenditures*	100,000	$ 100,075
Total temporarily restricted net assets	$ 150,000	$ 100,075

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

	June 30	
	2016	**2015**
Time restrictions lapsed		$ 62,324
Program expenditures*	$ 816,575	1,017,708
Total	$ 816,575	$ 1,080,032

* Provision of housing and social services.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE I - DONATED SERVICES AND GOODS

Donated goods are recognized at their fair values at the date of donations. 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 2016 and 2015, the value of contributed legal services recognized as revenues and expenses in the accompanying consolidated financial statements was $500,425 and $420,442, respectively. Additionally, Win received $110,000 of donated supplies in 2016.

NOTE J - 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 $126,336 in 2016 and $118,173 in 2015. 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, 2016 and 2015, the asset value of the plan (recorded in other assets) and the resulting liability (recorded in accounts payable) was $0 and $187,925, respectively.

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

	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

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE K - 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 82% in 2016 and 80% in 2015 of the Organization's revenues arise from contracts with the City of New York (primarily with the Department of Homeless Services). Overall, 89% in 2016 and 88% in 2015 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 L - 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,	
2017	$ 20,721,501
2018	20,566,691
2019	20,773,647
2020	21,131,905
2021	21,337,382
Thereafter	37,518,210
	$ 142,049,336

Rent expense for fiscal years 2016 and 2015 was $22,200,763 and $20,923,942, respectively.

WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE L - COMMITMENTS AND CONTINGENCIES (continued)

(2) Beginning in May 2009, the 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 offer in the amount of $326,655. Management has recorded a provision for this liability, which is included in accounts payable and accrued expenses on the consolidated statement of financial position.

(3) As of June 30, 2016, 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 M - 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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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE M - 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 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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NOTE M - ENDOWMENT FUNDS (continued)

Changes in Endowment Net Assets for the Year Ended June 30, 2016

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year		$ 150,000	$ 150,000
Interest	$ 226		226
Appropriation	(226)		(226)
Endowment net assets, end of year	$ -	$ 150,000	$ 150,000

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

NOTE N - RELATED PARTY TRANSACTIONS

As noted in Note C, Win entered into a Declaration of Interest and Nominee Agreement with Win 118th Street L.P., and transferred previously acquired assets in exchange for a $590,000 long-term loan receivable. See Note C for further details. Additionally, Win received a developer's fee of $86,079 in 2016.

As noted in Note F, Win 118th Street Housing Development Fund Corporation entered into a Declaration of Interest and Nominee Agreement with Win 118th Street L.P., and transferred previously acquired assets, as well as the CSH loan of $500,000 to Win 118th Street L.P. See Note F for further details.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2016 AND 2015

NOTE N - RELATED PARTY TRANSACTIONS (continued)

As noted in Note G, Win Glenmore Housing Development Fund Corporation entered into a Declaration of Interest and Nominee Agreement with Glenmore Housing Associates, LLC, and transferred previously acquired assets, as well as $5,209,982 of advances Glenmore Housing Associates, LLC. See Note G for further details.

As of June 30, 2016, the following balances were included in due to related parties - net, on the consolidated statement of financial position:.

Win 118th Street L.P. - payable	$ (107,648)
Due from Glenmore Housing Associates, LLC - payable	(1,100)
Due from Glenmore Housing Associates, LLC - receivable	13,520
	$ (95,228)