Breaking the Cycle of Homelessness for Women and their Children

WOMEN IN NEED, INC.

CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT

JUNE 30, 2017 AND 2016

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, 2017 and 2016, 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.

Auditors and Consultants
Serving the Health Care & Not for Profit Sectors

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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, 2017 and 2016, 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 31, 2018

win
Breaking the Cycle of Homelessness for Women and their Children

EXHIBIT A

WOMEN IN NEED, INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

		2017		2016
ASSETS				
Cash and cash equivalents	$	5,655,592	$	5,413,883
Due from government agencies		5,543,289		7,924,538
Contributions receivable - due within one year		1,104,575		725,109
Security deposits		231,586		229,271
Other assets		642,614		390,757
Long-term loan receivable		590,000		590,000
Property and equipment - net		4,731,846		5,131,100
Total assets	$	18,499,502	$	20,404,658
LIABILITIES AND NET ASSETS				
Liabilities				
Accounts payable and accrued expenses	$	4,814,966	$	7,095,939
Accrued salaries and vacation payable		1,191,901		745,314
Advances from government agencies		1,395,283		927,973
Due to related parties - net		94,128		95,228
Security deposits		22,178		22,139
Loans payable		442,974		1,098,142
Mortgage notes payable		479,276		495,246
Total liabilities		8,440,706		10,479,981
Net assets (Exhibit B)				
Unrestricted		9,459,650		9,624,677
Temporarily restricted		449,146		150,000
Permanently restricted		150,000		150,000
Total net assets		10,058,796		9,924,677
Total liabilities and net assets	$	18,499,502	$	20,404,658

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, 2017 AND 2016

	2017				2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support								
Contributions								
General public	$ 1,184,724	$ 239,197		$ 1,423,921	$ 643,901			$ 643,901
Foundations - operating support	1,353,543	1,499,073		2,852,616	1,307,131	$ 691,500		1,998,631
Corporations					296,626	65,000		361,626
Donated services and goods	490,500			490,500	500,425	110,000		610,425
Special events revenue	2,923,558			2,923,558	2,861,020			2,861,020
Government fees and grants								
City of New York	58,968,449			58,968,449	57,016,024			57,016,024
Federal government	3,315,708			3,315,708	3,063,425			3,063,425
State of New York	1,470,308			1,470,308	1,566,332			1,566,332
Medicaid					85,559			85,559
Program services	77,212			77,212	91,591			91,591
Supportive housing client rent	861,971			861,971	907,620			907,620
Miscellaneous	247,284			247,284	516,487			516,487
Net assets released from restrictions	1,439,124	(1,439,124)			816,575	(816,575)		
Total revenues and other support	72,332,381	299,146		72,631,527	69,672,716	49,925		69,722,641
Operating expenses (Exhibit C)								
Program services								
Family shelters	55,912,652			55,912,652	53,339,867			53,339,867
Family supportive housing	6,562,535			6,562,535	6,301,645			6,301,645
Outpatient clinic services					390,574			390,574
Communications and other program services	2,385,800			2,385,800	1,565,662			1,565,662
Total program services	64,860,987			64,860,987	61,597,748			61,597,748
Supporting services								
Management and general (includes expenses reimbursed by governmental grants of $2,875,997 and $2,777,283 in 2017 and 2016, respectively)	6,196,708			6,196,708	6,865,509			6,865,509
Fundraising	1,062,453			1,062,453	1,415,267			1,415,267
Direct cost of special events	377,260			377,260	514,631			514,631
Total supporting services	7,636,421			7,636,421	8,795,407			8,795,407
Total operating expenses	72,497,408			72,497,408	70,393,155			70,393,155
Change in net assets (Exhibit D)	(165,027)	299,146		134,119	(720,439)	49,925		(670,514)
Net assets - beginning of year	9,624,677	150,000	$ 150,000	9,924,677	10,345,116	100,075	$ 150,000	10,595,191
Net assets - end of year (Exhibit A)	$ 9,459,650	$ 449,146	$ 150,000	$ 10,058,796	$ 9,624,677	$ 150,000	$ 150,000	$ 9,924,677

See independent auditor's report.

The accompanying notes are an integral part of these statements.

WIN — 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, 2017 AND 2016

	2017							
	Program Services				Supporting Services			
	Family Shelters	Family Supportive Housing	Communications and Other Program Services	Total	Management and General	Fundraising	Direct Cost of Special Events	Total
Salaries	$ 14,698,069	$ 1,698,692	$ 1,095,496	$ 17,492,257	$ 2,732,323	$ 585,418		$ 20,809,998
Benefits and payroll taxes	3,651,054	421,916	269,196	4,342,166	594,390	145,969		5,082,525
Total salaries, benefits and payroll taxes	18,349,123	2,120,608	1,364,692	21,834,423	3,326,713	731,387		25,892,523
Temporary help	1,630,435			1,630,435	23,058	9,204		1,662,697
Total salaries and related expenses	19,979,558	2,120,608	1,364,692	23,464,858	3,349,771	740,591		27,555,220
Occupancy	28,239,278	3,725,048		31,964,326	1,109,625			33,073,951
Supplies	2,061,938	81,104	154,976	2,298,018	192,634	31,425	$ 10,199	2,532,276
Professional fees	318,204	307,870	465,730	1,091,804	404,633	199,978		1,696,415
Donated services					490,500			490,500
Insurance	877,703	87,205		964,908	77,071			1,041,979
Repairs and maintenance	2,800,020	135,175		2,935,195	80,316	940		3,016,451
Food	441,472	591		442,063	2,153			444,216
Staff/client expenses	163,723	23,441	32,535	219,699	282,451	16,286		518,436
Transportation	84,979	27,148	6,354	118,481	8,440	4,910		131,831
Catering costs					24,392	6,859	362,186	393,437
Other expenses	43,080	32,869	361,513	437,462	97,906	58,898	4,875	599,141
Depreciation and amortization	902,697	11,444		914,141	76,816	2,566		993,523
Interest		10,032		10,032				10,032
Total expenses (Exhibit B)	$ 55,912,652	$ 6,562,535	$ 2,385,800	$ 64,860,987	$ 6,196,708	$ 1,062,453	$ 377,260	$ 72,497,408

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Breaking the Cycle of Homelessness
for Women and their Children

WOMEN IN NEED, INC.

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

YEARS ENDED JUNE 30, 2017 AND 2016

	2016								
	Program Services					Supporting Services			
	Family Shelters	Family Supportive Housing	Outpatient Clinic Services	Communications and Other Program Services	Total	Management and General	Fundraising	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

See independent auditor's report.

The accompanying notes are an integral part of these statements.

win
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, 2017 AND 2016

	2017	2016
Cash flows from operating activities		
Change in net assets (Exhibit B)	$ 134,119	$ (670,514)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation and amortization	993,523	924,829
Decrease (increase) in assets		
Due from government agencies	2,381,249	9,641,994
Contributions receivable	(379,466)	(420,034)
Security deposits	(2,315)	(28,948)
Other assets	(251,857)	934,727
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	(2,280,973)	(6,371,162)
Accrued salaries and vacation payable	446,587	57,759
Advances from government agencies	467,310	328,317
Due to related parties	(1,100)	(13,520)
Security deposits	39	(35,521)
Net cash provided by operating activities	1,507,116	4,347,927
Cash flows from investing activities		
Purchases of property and equipment	(594,269)	(6,492,670)
Cash flows from financing activities		
Proceeds from development advances		3,575,631
Proceeds from loan	440,653	1,753,375
Repayment of loan	(1,095,821)	(2,708,510)
Repayment of mortgage notes	(15,970)	(15,156)
Net cash provided (used) by financing activities	(671,138)	2,605,340
Net change in cash and cash equivalents	241,709	460,597
Cash and cash equivalents - beginning of year	5,413,883	4,953,286
Cash and cash equivalents - end of year	$ 5,655,592	$ 5,413,883
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 10,032	$ 11,061
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, 2017 AND 2016

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.

-continued-

Breaking the Cycle of Homelessness for Women and their Children

WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

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, 2017 AND 2016

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 consolidated 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 consolidated 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, 2017 AND 2016

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

(2) Summary of Significant Accounting Policies (continued)

(f) 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.

(g) 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.

(h) 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.

(i) 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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Breaking the Cycle of Homelessness for Women and their Children

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

(2) Summary of Significant Accounting Policies (continued)

(j) 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.

(k) 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. Advances from governmental agencies represent unspent government grant monies.

Revenue from rental income is recognized based on leases. There are no future expected minimum lease receipts.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

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

(2) Summary of Significant Accounting Policies (continued)

(k) 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.

(l) 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.

(m) Uncertainty in Income Taxes

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the consolidated financial statements. Periods ending June 30, 2014 and subsequent remain subject to examination by applicable taxing authorities.

(n) Subsequent Events

Subsequent events have been evaluated through January 31, 2018, which is the date the consolidated financial statements were available to be issued.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

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,	
	2017	**2016**
Federal	$ 440,815	$ 871,069
New York State	58,922	174,229
New York City	5,204,462	7,085,015
	5,704,199	8,130,313
Allowance for doubtful accounts	(160,910)	(205,775)
	$ 5,543,289	$ 7,924,538

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, 2017. 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, 2017 and 2016, $590,000 of principal, and $26,287 and $10,607 of interest, respectively, was due from Win 118th Street L.P. Interest income earned for the years ended June 30, 2017 and 2016 was $15,680 and $10,607, respectively. The accrued interest receivable is included in other assets and the related interest income is included in miscellaneous revenue.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	June 30, 2017	June 30, 2016
Land	$ 915,000	$ 915,000
Buildings	1,313,453	1,313,453
Building improvements	773,468	773,468
Leasehold improvements	3,757,838	3,510,058
Furniture and fixtures	4,432,679	4,107,890
Vehicles	693,827	693,827
Construction in progress	490,092	468,392
	12,376,357	11,782,088
Less accumulated depreciation and amortization	(7,644,511)	(6,650,988)
	$ 4,731,846	$ 5,131,100

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NOTE E - MORTGAGE NOTES PAYABLE

Mortgage notes payable consist of the following:

Provider	Annual Interest Rate	Terms	Maturity Dates	June 30, 2017	June 30, 2016
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	101,167	116,251
NYC Department of Housing Preservation and Development	1.0%	30 years	July 2030	213,109	213,995
				$ 479,276	$ 495,246

* 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:

2018	$ 182,283
2019	18,512
2020	19,834
2021	8,529
2022	7,901
Thereafter	242,217
	$ 479,276

-continued-

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%. 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 up to the amount of $2,000,000. 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. The line is due to expire February 28, 2018.

During 2017 and 2016, the Organization obtained short-term interest-free bridge loans from the Fund for the City of New York totaling $440,644 and $1,095,812 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, 2017 and 2016 was $442,974 and $1,098,142, 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, 2017.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE G - DEVELOPMENT ADVANCES

Win Glenmore Housing Development Fund Corporation received development advances totaling $300,186 and $3,575,631 during fiscal year 2017 and 2016, respectively. In 2016, 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 $5,209,982 of advances, to Glenmore Housing Associates, LLC, resulting in a balance of $1,100 remaining due to Glenmore Housing Associates, LLC at June 30, 2016. In 2017, Win Glenmore Housing Development Fund Corporation transferred current acquired assets of $301,286, as well as advances of $300,186, to Glenmore Housing Associates, LLC, which fully satisfied the prior amounts due to Glenmore Housing Associates, LLC as of June 30, 2017.

NOTE H - TEMPORARILY RESTRICTED NET ASSETS

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

	June 30,	
	2017	**2016**
Periods after June 30	$ 181,818	$ 50,000
Program expenditures*	267,328	100,000
Total temporarily restricted net assets	$ 449,146	$ 150,000

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

	June 30,	
	2017	**2016**
Program expenditures*	$ 1,439,124	$ 816,575
Total	$ 1,439,124	$ 816,575

* Provision of housing and social services.

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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 2017 and 2016, the value of contributed legal services recognized as revenues and expenses in the accompanying consolidated financial statements was $490,500 and $500,425, 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 $118,283 in 2017 and $126,336 in 2016. 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 available for key employees that is funded by both the Organization and its employees. As such, the investments are to be directed by the employees, but remain as assets of the Organization until the employees retire. At June 30, 2017 and 2016, there was no assets in the plan and no resulting liability.

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 79% in 2017 and 82% in 2016 of the Organization's revenues arise from contracts with the City of New York (primarily with the Department of Homeless Services) as well as 64% and 75% of due from government agencies for 2017 and 2016, respectively. Overall, 88% in 2017 and 89% in 2016 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.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE L - COMMITMENTS AND CONTINGENCIES

(1) The Organization leases space at various sites throughout New York City under lease agreements expiring between 2018 and 2027. These leases can be terminated if the related government contracts are discontinued. The minimum annual rental payments are as follows:

Year Ending June 30,	
2018	$ 21,134,306
2019	20,799,908
2020	21,158,878
2021	21,364,714
2022	17,795,599
Thereafter	19,830,792
	$ 122,084,197

Rent expense for fiscal years 2017 and 2016 was $22,115,340 and $22,200,763, respectively.

(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, 2017, 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.

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

NOTE L - COMMITMENTS AND CONTINGENCIES (continued)

(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.

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.

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NOTE M - ENDOWMENT FUNDS (continued)

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.

Changes in Endowment Net Assets for the Year Ended June 30, 2017

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year		$ 150,000	$ 150,000
Interest	$ 294		294
Appropriation	(294)		(294)
Endowment net assets, end of year	$ -	$ 150,000	$ 150,000

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

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WOMEN IN NEED, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

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.

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, 2017, 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 - receivable	13,520
	$ (94,128)

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)