Women In Need, Inc.

Independent Auditor’s Report and Consolidated Financial Statements

June 30, 2021 and 2020

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CPAs & Advisors

Breaking the Cycle of Homelessness
for Women and their Children

Women In Need, Inc.
June 30, 2021 and 2020

Contents

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1155 Avenue of the Americas, Suite 1200 | New York, NY 10036-2711
212.867.4000 | Fax 212.867.9810 | bkd.com

Independent Auditor's Report

Board of Directors
Women In Need, Inc.
New York, New York

We have audited the accompanying consolidated financial statements of Women In Need, Inc., which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, 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 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.

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 consolidated financial position of Women In Need, Inc. as of June 30, 2021 and 2020, 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.

BKD, LLP

New York, New York
February 25, 2022

Breaking the Cycle of Homelessness for Women and their Children

Women In Need, Inc.

Consolidated Statements of Financial Position

June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	$ 10,924,338	$ 12,883,332
Due from government agencies - net	20,495,513	8,384,281
Due from related parties - net	1,780,213	2,562,849
Contributions receivable - due within one year	1,458,822	934,939
Security deposits	271,769	247,151
Other assets	1,178,889	1,232,628
Loans receivable	590,000	590,000
Property and equipment - net	6,735,331	5,646,783
Total assets	$ 43,434,875	$ 32,481,963
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 12,798,018	$ 11,173,054
Accrued salaries and vacation payable	2,987,228	2,720,443
Deferred rent payable	1,171,700	1,141,583
Loans payable	4,116,074	1,000,000
Mortgage notes payable	249,563	258,647
Total liabilities	21,322,583	16,293,727
Net Assets		
Without donor restrictions	19,288,561	14,712,726
With donor restrictions		
Purpose and time restricted	2,673,731	1,325,510
Perpetual in nature	150,000	150,000
Total with donor restrictions	2,823,731	1,475,510
Total net assets	22,112,292	16,188,236
Total liabilities and net assets	$ 43,434,875	$ 32,481,963

Breaking the Cycle of Homelessness
for Women and their Children

Women In Need, Inc.

Consolidated Statements of Activities

Years Ended June 30, 2021 and 2020

	2021				2020			
	Without	With Donor Restrictions			Without	With Donor Restrictions		
	Donor Restrictions	Purpose and Time	Perpetual in Nature	Total	Donor Restrictions	Purpose and Time	Perpetual in Nature	Total
Revenues and Other Support								
Contributions								
General public	$ 2,847,528	$ -	$ -	$ 2,847,528	$ 4,458,609	$ -	$ -	$ 4,458,609
Foundations - operating support	1,751,012	4,583,631	-	6,334,643	1,248,045	2,748,000	-	3,996,045
Donated services and goods	487,925	-	-	487,925	1,333,822	-	-	1,333,822
Special events revenue	2,884,619	-	-	2,884,619	-	-	-	-
Government fees and grants								
City of New York	104,643,931	-	-	104,643,931	83,825,082	-	-	83,825,082
Federal government	3,508,204	-	-	3,508,204	2,855,153	-	-	2,855,153
State of New York	1,375,075	-	-	1,375,075	1,519,273	-	-	1,519,273
Program services	306,372	-	-	306,372	411,161	-	-	411,161
Supportive housing client rent	643,434	-	-	643,434	701,508	-	-	701,508
Miscellaneous	236,660	-	-	236,660	833,505	-	-	833,505
Net assets released from restrictions	3,235,410	(3,235,410)	-	-	2,066,002	(2,066,002)	-	-
Total revenues and other support	121,920,170	1,348,221	-	123,268,391	99,252,160	681,998	-	99,934,158
Operating Expenses								
Program services								
Family shelters	94,844,395	-	-	94,844,395	76,949,287	-	-	76,949,287
Family supportive housing	8,547,560	-	-	8,547,560	7,786,206	-	-	7,786,206
Communications and other program services	4,080,004	-	-	4,080,004	3,901,450	-	-	3,901,450
Total program services	107,471,959	-	-	107,471,959	88,636,943	-	-	88,636,943
Supporting services								
Management and general (includes expenses reimbursed by governmental grants of $6,068,304 and $4,863,754 in 2021 and 2020, respectively)	8,164,185	-	-	8,164,185	9,644,766	-	-	9,644,766
Fundraising	1,708,191	-	-	1,708,191	1,594,716	-	-	1,594,716
Total supporting services	9,872,376	-	-	9,872,376	11,239,482	-	-	11,239,482
Total operating expenses	117,344,335	-	-	117,344,335	99,876,425	-	-	99,876,425
Change in Net Assets	4,575,835	1,348,221	-	5,924,056	(624,265)	681,998	-	57,733
Net Assets, Beginning of Year	14,712,726	1,325,510	150,000	16,188,236	15,336,991	643,512	150,000	16,130,503
Net Assets, End of Year	$ 19,288,561	$ 2,673,731	$ 150,000	$ 22,112,292	$ 14,712,726	$ 1,325,510	$ 150,000	$ 16,188,236

Breaking the Cycle of Homelessness
for Women and their Children

Women In Need, Inc.

Consolidated Statements of Functional Expenses

Years Ended June 30, 2021 and 2020

	2021						
	Program Services				Supporting Services		
	Family Shelters	Family Supportive Housing	Communications and Other Program Services	Total	Management and General	Fundraising	Total
Salaries	$ 23,771,087	$ 2,447,422	$ 2,310,724	$ 28,529,233	$ 3,588,080	$ 954,362	$ 33,071,675
Benefits and payroll taxes	5,860,132	611,178	577,681	7,048,991	213,479	238,590	7,501,060
Total salaries, benefits and payroll taxes	29,631,219	3,058,600	2,888,405	35,578,224	3,801,559	1,192,952	40,572,735
Temporary help	7,691,440	834,107	-	8,525,547	457,997	-	8,983,544
Total salaries and related expenses	37,322,659	3,892,707	2,888,405	44,103,771	4,259,556	1,192,952	49,556,279
Occupancy	45,859,815	3,612,795	-	49,472,610	1,464,144	-	50,936,754
Supplies	2,463,399	160,350	304,927	2,928,676	523,977	26,149	3,478,802
Professional fees	96,764	452,043	688,547	1,237,354	89,837	154,999	1,482,190
Donated services	-	-	-	-	487,925	-	487,925
Insurance	1,871,539	144,086	475	2,016,100	267,308	-	2,283,408
Repairs and maintenance	4,768,712	149,173	-	4,917,885	64,084	-	4,981,969
Food	324,696	3,880	30,156	358,732	-	-	358,732
Staff/client expenses	491,742	43,614	77,893	613,249	461,987	60,611	1,135,847
Transportation	98,370	3,454	13,147	114,971	8,479	312	123,762
Catering costs	-	-	3,349	3,349	-	10,000	13,349
Other expenses	1,184	-	1,755	2,939	315,507	263,168	581,614
Depreciation and amortization	1,545,515	81,840	71,350	1,698,705	129,025	-	1,827,730
Interest	-	3,618	-	3,618	92,356	-	95,974
Total expenses	$ 94,844,395	$ 8,547,560	$ 4,080,004	$ 107,471,959	$ 8,164,185	$ 1,708,191	$ 117,344,335

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Breaking the Cycle of Homelessness for Women and their Children

Women In Need, Inc.

Consolidated Statements of Functional Expenses (Continued)

Years Ended June 30, 2021 and 2020

	2020						
	Program Services				Supporting Services		
	Family Shelters	Family Supportive Housing	Communications and Other Program Services	Total	Management and General	Fundraising	Total
Salaries	$ 20,947,897	$ 2,268,781	$ 2,260,457	$ 25,477,135	$ 4,403,497	$ 958,444	$ 30,839,076
Benefits and payroll taxes	5,250,769	567,737	549,368	6,367,874	161,086	239,613	6,768,573
Total salaries, benefits and payroll taxes	26,198,666	2,836,518	2,809,825	31,845,009	4,564,583	1,198,057	37,607,649
Temporary help	3,891,431	576,673	5,662	4,473,766	305,015	-	4,778,781
Total salaries and related expenses	30,090,097	3,413,191	2,815,487	36,318,775	4,869,598	1,198,057	42,386,430
Occupancy	35,370,161	3,567,986	-	38,938,147	1,467,326	-	40,405,473
Supplies	2,949,597	211,695	449,947	3,611,239	751,083	30,830	4,393,152
Professional fees	265,901	369,280	568,247	1,203,428	163,954	91,244	1,458,626
Donated services	-	-	-	-	1,333,823	-	1,333,823
Insurance	1,382,667	86,670	1,183	1,470,520	145,253	714	1,616,487
Repairs and maintenance	4,591,687	44,082	-	4,635,769	72,247	-	4,708,016
Food	458,362	5,792	8,466	472,620	13,659	973	487,252
Staff/client expenses	276,670	24,474	46,513	347,657	563,703	31,890	943,250
Transportation	115,877	18,127	4,073	138,077	25,463	683	164,223
Catering costs	-	-	-	-	-	50,105	50,105
Other expenses	183	(27,687)	2,018	(25,486)	112,583	190,220	277,317
Depreciation and amortization	1,448,085	67,263	5,516	1,520,864	120,767	-	1,641,631
Interest	-	5,333	-	5,333	5,307	-	10,640
Total expenses	$ 76,949,287	$ 7,786,206	$ 3,901,450	$ 88,636,943	$ 9,644,766	$ 1,594,716	$ 99,876,425

Breaking the Cycle of Homelessness
for Women and their Children

Women In Need, Inc.

Consolidated Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Operating Activities		
Change in net assets	$ 5,924,056	$ 57,733
Items not requiring (providing) operating cash flows		
Depreciation and amortization	1,827,730	1,641,631
Forgiveness of mortgage loan	-	(165,000)
Changes in		
Due from government agencies	(12,111,232)	1,273,056
Due from related parties	782,636	(309,022)
Contributions receivable	(523,883)	191,441
Security deposits	(24,618)	(25,508)
Other assets	53,739	(193,597)
Accounts payable and accrued expenses	1,263,039	2,882,488
Accrued salaries and vacation payable	266,785	887,520
Deferred rent payable	30,117	297,721
Security deposits	-	(18,176)
Net cash provided by (used in) operating activities	(2,511,631)	6,520,287
Investing Activities		
Purchases of property and equipment	(2,554,353)	(1,583,834)
Proceeds from loan receivable from sale of property	-	1,050,000
Net cash used in investing activities	(2,554,353)	(533,834)
Financing Activities		
Proceeds from loans payable	3,449,407	1,680,298
Repayment of loan	(333,333)	(1,351,768)
Repayment of mortgage notes	(9,084)	(19,576)
Net cash provided by financing activities	3,106,990	308,954
Net Increase (Decrease) in Cash and Cash Equivalents	(1,958,994)	6,295,407
Cash and Cash Equivalents, Beginning of Year	12,883,332	6,587,925
Cash and Cash Equivalents, End of Year	$ 10,924,338	$ 12,883,332
Supplemental Cash Flows Information		
Cash paid for interest	$ 95,974	$ 10,640
Fixed assets in accounts payable	$ 361,925	$ -

Breaking the Cycle of Homelessness
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Women In Need, Inc.

Notes to Consolidated Financial Statements

June 30, 2021 and 2020

Note 1: 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 91st Street LLC was organized for the purpose of acting as the Master Lessee and/or the Administering Agent of certain real property to be known as the Affordable Condo Unit in the building located at 316 East 91st Street, New York, NY. Win is the sole member of Win 91st Street LLC.

(e) 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 percent 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.

(f) Win Far Rockaway Housing Development Fund Corporation is an entity whose sole member is Win, and holds title to property located in Far Rockaway, Queens, NY that will be used to build a supportive housing building.

Win Far Rockaway Housing Development Fund Corporation has a nominal ownership in Rockaway South, L.P. a for-profit limited partnership. Rockaway South GP, LLC, a .005 percent owner of Rockaway South, LP, is 51 percent controlled by WIN Supportive Housing Corp., the sole member of which is Win Far Rockaway Housing Development Fund Corporation, and 49 percent controlled by Related South Rockaway, LLC.

(g) 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 percent member of Glenmore Housing GP, LLC. Glenmore Housing GP, LLC is .01 percent 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.

(h) 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 percent owner of Colgate Close GP, LLC, a for-profit limited liability corporation. Colgate Close GP, LLC is .01 percent 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, Win Far Rockaway 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.

(2) Summary of Significant Accounting Policies

(a) Principles of Consolidation

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

(b) Functional Allocation of Expenses

The costs of providing the Organization's programs and other activities have been summarized on a functional basis. Certain costs have been allocated among the program, management and general and fundraising categories based on the direct cost method and other methods.

Women In Need, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

(c) Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash and highly liquid investments with maturity dates when acquired of three months or less and consist of money market accounts and certificates of deposits.

At June 30, 2021, the Organization's cash accounts exceeded federally insured limits by approximately $10,463,000.

(e) 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.

(f) 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.

(g) 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 four to five 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.

(h) Long-Lived Asset Impairment

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset is less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended June 30, 2021 and 2020.

(i) Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

(j) Contributions

Contributions are provided to the Organization either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the Organization overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.*, the donor-imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value

Women In Need, Inc.
Notes to Consolidated Financial Statements
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Nature of the Gift	Value Recognized
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor-stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts that are originally restricted by the donor and for which the restriction is met in the same time period the gift is received are recorded as revenue with donor restrictions and then released from restriction.

Conditional contributions and investment income having donor stipulations which are satisfied in the period the gift is received and the investment income is earned are recorded as revenue without donor restrictions.

(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 the underlying leases. There are no future expected minimum lease receipts.

Included in program services are $266,158 and $266,208 of management fees earned by Win for providing management and fiscal services to affiliated entities in 2021 and 2020, respectively. Fees charged were equal to 8 percent of the gross rent receipts of the affiliated entities.

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.

Note 2: 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, 2021	June 30, 2020
Federal	$ 310,520	$ 868,123
New York City	20,340,768	7,671,933
	20,651,288	8,540,056
Allowance for doubtful accounts	(155,775)	(155,775)
	$ 20,495,513	$ 8,384,281

Breaking the Cycle of Homelessness for Women and their Children

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Notes to Consolidated Financial Statements

June 30, 2021 and 2020

Note 3: Government Contract Reimbursement Future Commitments

Win receives its contract support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the contract agreements. Since the consolidated financial statements of the Win are prepared on the accrual basis, all portions of the contract not yet received as of June 30, 2021 where the Win has an unconditional right to payment have been recorded as receivables. The following are the contract commitments that extend beyond June 30, 2021:

Grant	Term	Grant Amount	Earned Through 2021	Available Funding
DHS Shelters	11/01/2017-06/30/2029	$ 487,142,355	$ 180,038,491	$ 307,103,864
Supportive Housing	07/01/2020-03/31/2026	17,826,888	2,989,692	14,837,196
Total		$ 504,969,243	$ 183,028,183	$ 321,941,060

The contract agreements include certain clauses that allow them to be terminated in whole or in part by the granting agency as well as Win.

Note 4: Loans 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 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 percent to be compounded and due annually commencing October 22, 2015. As of June 30, 2021 and 2020, $590,000 of principal, and $102,601 and $85,218 of interest, respectively, was due from Win 118th Street L.P. Interest income earned for the years ended June 30, 2021 and 2020 was $17,383 and $16,941, respectively. The accrued interest receivable is included in other assets and the related interest income is included in miscellaneous revenue.

Women In Need, Inc.
Notes to Consolidated Financial Statements
June 30, 2021 and 2020

On July 27, 2018, Win, Inc. the owner of Block 1717, Lot 23 located at West 118th Street, New York, NY, sold this property to West 118 Acquisition, LLC for $1,550,000 of which $500,000 was received on July 27, 2018 and the balance of $1,050,000 was structured as a promissory loan with a per annum rate of 7 percent. The $1,050,000 was repaid in July 2019.

Note 5: Property and Equipment

Property and equipment consist of the following:

	June 30, 2021	June 30, 2020
Land	$ 915,000	$ 915,000
Buildings	1,313,453	1,313,453
Building improvements	773,468	773,468
Leasehold improvements	5,799,992	5,665,984
Furniture and fixtures	10,442,795	7,955,028
Vehicles	1,019,072	934,838
Construction in progress	574,706	364,436
	20,838,486	17,922,207
Less accumulated depreciation and amortization	(14,103,155)	(12,275,424)
	$ 6,735,331	$ 5,646,783

Note 6: Mortgage Notes Payable

Mortgage notes payable consist of the following:

Provider	Annual Interest Rate	Terms	Maturity Dates	June 30, 2021	June 30, 2020
New York Housing Development Corp.	7.21%	26 years	July 2026	$ 40,174	$ 48,256
NYC Department of Housing Preservation and Development	1.00%	30 years	July 2030	209,389	210,391
				$ 249,563	$ 258,647

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

2022	$	7,901
2023		8,424
2024		8,985
2025		9,588
2026		10,235
Thereafter		204,430
	$	249,563

Note 7: Loans Payable

The Organization had a line of credit with TD Bank up to the amount of $2,000,000. Interest-only payments were to be made on the unpaid principal on the first of every month. The interest rate was calculated using LIBOR plus 1.50 percent. There were no borrowings on the line in 2020 and the line of credit was closed in May 2020. In 2020, the Organization obtained a revolving line of credit with Bank of America, N.A. (BOA) up to the amount of $2,000,000. Interest-only payments are made on the unpaid principal on the sixteen of every month. The interest rate is calculated using LIBOR plus 1.50 percent. The line expires on April 15, 2022. Additionally, the Organization received a second non revolving line of credit of $1,700,000 available for a drawdown until January 31, 2022. Any amounts borrowed, even if repaid before the expiration date, permanently reduces the remaining available line of credit. There were no borrowings on either of the line of credit available as of June 30, 2021 and 2020.

During 2021, the Organization obtained financing from the Corporation of Supporting Housing of $1,500,000 for project redevelopment. The loan matures the earlier of closing of construction financing on the transitional shelter Phase 1 or July 1, 2024. The loan has an interest rate of 5.2 percent. Principal and interest are due at maturity. As of June 30, 2021, $449,407 has been disbursed from the loan.

During 2020, the Organization obtained a short-term, interest-free bridge loan from the Fund for the City of New York totaling $680,298 to cover operating expenses, pending receipt of funds from the New York City Department of Homeless Services. The loan balance was recouped from payments of current receivables upon registration of contracts and amendments. The balance outstanding as of June 30, 2020 was $0.

The Organization had available from BOA a $4,000,000 line to term. This is a non-revolving line of credit turned into a term loan on January 17, 2021. Payments are due in equal installments starting February 17, 2021 through January 17, 2026 at an interest rate of 3.53 percent per year. During 2021, the Organization drew down the full $4,000,000. The balance outstanding on the term loan as of June 30, 2021 and 2020 was $3,666,667 and $1,000,000, respectively. The Organization has granted a security interest, as defined, in certain assets.

The maturity of the loans are as follows:

2022	$ 800,000
2023	800,000
2024	800,000
2025	1,249,407
2026	466,667
	$ 4,116,074

Note 8: Letter of Credit

In connection with a lease agreement (*Note 13*), in January 2019, the Organization entered into a letter of credit agreement in the amount of $344,948 with BOA to be used as a security deposit. Interest is charged at 0.03 percent and is collateralized by the Organization's account at BOA. The letter of credit has an initial expiration date of March 1, 2020 and will automatically renew itself for one-year terms until the final maturity date of March 1, 2030. Interest expense was $3 and $169 in 2021 and 2020, respectively.

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Note 9: Net Assets

Net Assets With Donor Restrictions

Net assets with donor restrictions at June 30 are restricted for the following purposes or periods:

	2021	2020
Subject to expenditure for specified purpose		
Program expenditures*	$ 1,210,522	$ 732,383
Capacity building	200,000	-
IT support	278,654	340,627
Scholarships	40,000	40,000
Subject to the passage of time		
Promises to give that are not restricted by donors but which are unavailable for expenditure until due	944,555	212,500
Endowments		
Subject to NFP endowment spending policy and appropriation		
General use	150,000	150,000
	$ 2,823,731	$ 1,475,510

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors.

	2021	2020
Satisfaction or purpose restrictions		
Program expenditures*	$ 3,083,437	$ 1,586,429
Scholarships	40,000	-
IT support	111,973	479,573
Total	$ 3,235,410	$ 2,066,002

* Provision of housing and social services.

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Note 10: 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 nonfinancial 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 2021 and 2020, the value of contributed legal services recognized as revenues and expenses in the accompanying consolidated financial statements was $487,925 and $1,333,822, respectively.

Note 11: 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 percent of employees' contributions after two years of employment. The Organization made a contribution of $300,344 in 2021 and $237,205 in 2020. Participants' voluntary contributions and the Organization's contributions are fully vested at all times.

Note 12: Concentrations

Approximately 96 and 95 percent in 2021 and 2020, respectively, of the Organization's revenues arise from contracts with the City of New York (primarily with the Department of Homeless Services) as well as approximately 98 and 90 percent due from government agencies for 2021 and 2020, respectively. Overall, 89 percent in 2021 and 88 percent in 2020 of the Organization's revenues come from federal, state and city contracts.

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Note 13: Commitments and Contingencies

(1) The Organization leases space at various sites throughout New York City under lease agreements expiring between 2021 and 2032. These leases can be terminated if the related government contracts are discontinued. The minimum annual rental payments are as follows:

Year Ending June 30,	
2022	$ 28,302,279
2023	25,844,958
2024	18,304,410
2025	18,351,541
2026	17,483,971
Thereafter	44,045,700
	$ 152,332,859

Rent expense for fiscal years 2021 and 2020 was $36,109,579 and $27,133,247, respectively.

(2) The Organization is subject to claims and lawsuits that arose primarily in the ordinary course of its activities. It is the opinion of management the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the financial position, change in net assets and cash flows of the Organization. Events could occur that would change this estimate materially in the near-term.

(3) The Organization is responsible for reporting to and is regulated by various third parties, among which is 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.

(4) In connection with 118 HDFC's purchase of property located at West 118th Street, New York, NY, from the City of New York (NYC), which was utilized by Win 118th Street LP to generate Low Income Housing Tax Credits (LIHTC) through the development of a 35-unit, multi-family apartments, an enforcement note was signed by both the HDFC and LP indicating that should the LIHTC project not be in compliance with its regulatory agreement, the HDFC and LP would be jointly liable for an enforcement loan in the amount of $600,000, payable to NYC. No funds were received in connection with this enforcement loan, and there is no amount due unless there is non-compliance. No amounts have been recorded in the financial statements for this loan. This enforcement note expires during fiscal year ending 2075.

Note 14: Endowment Funds

The Organization's governing body is subject to the *State of New York Prudent Management of Institutional Funds Act* (NYPMIFA). As a result, the Organization classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the governing body appropriates such amounts for expenditures.

Additionally, in accordance with NYPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the fund
2. Purposes of the Organization and the fund
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Organization
7. Investment policies of the Organization

The Organization's endowment consists of a fund established by a donor to provide income to be used for any appropriate charitable purpose. As required by GAAP, net assets associated with endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

Win's donor-restricted endowment fund consist of one endowment fund to be held in perpetuity.

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

The composition of net assets by type of endowment fund at June 30, 2021 and 2020 was:

	With Donor Restrictions	
	2021	2020
Donor-restricted endowment funds		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	$ 150,000	$ 150,000

Change in endowment net assets for the years ended June 30, 2021 and 2020 were:

	With Donor Restrictions	
	2021	2020
Endowment net assets, beginning of year	$ 150,000	$ 150,000
Investment return, net	267	303
Appropriation of endowment assets for expenditures	(267)	(303)
Endowment net assets, end of year	$ 150,000	$ 150,000

Investment and Spending Policies

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 donor-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 percent 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 donor-restricted investment income appropriated in the year earned as net assets with donor restrictions and then released from restrictions.

Underwater Endowments

Win does not have any funds with deficiencies.

Note 15: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2021 and 2020, comprise the following:

	2021	2020
Financial assets		
Cash and cash equivalents	$ 10,924,338	$ 12,883,332
Due from government agencies - net	20,495,513	8,384,281
Due from related parties - net	1,780,213	2,562,849
Contributions receivable - due within one year	1,458,822	934,939
Other assets	572,010	400,696
Total financial assets	35,230,896	25,166,097
Donor-imposed restrictions		
Restricted funds	2,673,731	1,325,510
Endowments	150,000	150,000
Total donor-imposed restrictions	2,823,731	1,475,510
Financial assets available to meet cash needs for general expenditures within one year	$ 32,407,165	$ 23,690,587

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

win

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Note 16: Related-Party Transactions

As of June 30, 2021 and 2020, the following balances were included in due to related parties - net, on the consolidated statements of financial position:

	2021	2020
Win 118th Street L.P. - receivable	$ 458,594	$ 831,424
Glenmore Housing Associates, LLC - receivable	1,457,707	1,921,044
Other	6,532	250
	1,922,833	2,752,718
Allowance for doubtful accounts	(142,620)	(189,869)
	$ 1,780,213	$ 2,562,849

During 2021 and 2020, respectively, Win recorded management fee income of $42,153 and $41,573 from Win 118th Street LP and $224,005 and $224,635 from Glenmore Housing Associates, LLC.

Note 17: Subsequent Events

Subsequent events have been evaluated through February 25, 2022, which is the date the consolidated financial statements were available to be issued.

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Note 18: Future Changes in Accounting Principles

Accounting for Leases

The Financial Accounting Standards Board amended its standard related to the accounting for leases. Under the new standard, lessees will now be required to recognize substantially all leases on the statements of financial position as both a right-of-use asset and a liability. The standard has two types of leases for statements of activities recognition purposes: operating leases and finance leases. Operating leases will result in the recognition of a single lease expense on a straight-line basis over the lease term similar to the treatment for operating leases under existing standards. Finance leases will result in an accelerated expense similar to the accounting for capital leases under existing standards. The determination of lease classification as operating or finance will be done in a manner similar to existing standards. The new standard also contains amended guidance regarding the identification of embedded leases in service contracts and the identification of lease and nonlease components in an arrangement. The new standard is effective for annual periods beginning after December 15, 2021 for nonpublic entities and any interim periods within annual reporting periods that begin after December 15, 2022. The Organization is evaluating the effect the standard will have on the financial statements; however, the standard is expected to have a material effect on the financial statements due to the recognition of additional assets and liabilities for operating leases.