Women In Need, Inc.

Independent Auditor's Report and Consolidated Financial Statements

June 30, 2022 and 2021

Breaking the Cycle of Homelessness
for Women and their Children

Women In Need, Inc.

June 30, 2022 and 2021

Contents

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of Women In Need, Inc., which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Women In Need, Inc. as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Women In Need, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Women In Need, Inc.'s ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Women In Need, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Women In Need, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

FORVIS, LLP

New York, New York
January 23, 2023

Breaking the Cycle of Homelessness
for Women and their Children

Women In Need, Inc.

Consolidated Statements of Financial Position

June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	$ 13,909,749	$ 10,924,338
Due from government agencies - net	24,498,735	20,495,513
Due from related parties - net	1,957,542	1,780,213
Contributions receivable - due within one year	1,753,635	1,458,822
Security deposits	294,142	271,769
Other assets	897,788	1,178,889
Loans receivable	590,000	590,000
Property and equipment - net	6,873,037	6,735,331
Total assets	$ 50,774,628	$ 43,434,875
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	$ 10,587,201	$ 12,798,018
Accrued salaries and vacation payable	4,842,862	2,987,228
Deferred rent payable	1,189,098	1,171,700
Loans payable	6,165,553	4,116,074
Mortgage notes payable	241,617	249,563
Total liabilities	23,026,331	21,322,583
Net Assets		
Without donor restrictions	26,231,700	19,288,561
With donor restrictions		
Purpose and time restricted	1,366,597	2,673,731
Perpetual in nature	150,000	150,000
Total with donor restrictions	1,516,597	2,823,731
Total net assets	27,748,297	22,112,292
Total liabilities and net assets	$ 50,774,628	$ 43,434,875

Breaking the Cycle of Homelessness
for Women and their Children

Women In Need, Inc.

Consolidated Statements of Activities

Years Ended June 30, 2022 and 2021

	2022				2021			
	Without Donor Restrictions	With Donor Restrictions: Purpose and Time	With Donor Restrictions: Perpetual in Nature	Total	Without Donor Restrictions	With Donor Restrictions: Purpose and Time	With Donor Restrictions: Perpetual in Nature	Total
Revenues and Other Support								
Contributions								
General public	$ 4,848,303	$ -	$ -	$ 4,848,303	$ 2,847,528	$ -	$ -	$ 2,847,528
Foundations - operating support	1,413,152	3,166,822	-	4,579,974	1,751,012	4,583,631	-	6,334,643
Donated services and goods	905,964	-	-	905,964	487,925	-	-	487,925
Special events revenue	3,112,229	-	-	3,112,229	2,884,619	-	-	2,884,619
Government fees and grants								
City of New York	115,679,113	-	-	115,679,113	104,643,931	-	-	104,643,931
Federal government	4,487,554	-	-	4,487,554	3,508,204	-	-	3,508,204
State of New York	2,163,859	-	-	2,163,859	1,375,075	-	-	1,375,075
Program services	320,414	-	-	320,414	306,372	-	-	306,372
Supportive housing client rent	513,163	-	-	513,163	643,434	-	-	643,434
Miscellaneous	732,758	-	-	732,758	236,660	-	-	236,660
Net assets released from restrictions	4,473,956	(4,473,956)	-	-	3,235,410	(3,235,410)	-	-
Total revenues and other support	138,650,465	(1,307,134)	-	137,343,331	121,920,170	1,348,221	-	123,268,391
Operating Expenses								
Program services								
Family shelters	105,949,169	-	-	105,949,169	94,844,395	-	-	94,844,395
Family supportive housing	10,844,087	-	-	10,844,087	8,547,560	-	-	8,547,560
Communications and other program services	4,613,117	-	-	4,613,117	4,080,004	-	-	4,080,004
Total program services	121,406,373	-	-	121,406,373	107,471,959	-	-	107,471,959
Supporting services								
Management and general (includes expenses reimbursed by governmental grants of $6,621,607 and $6,068,304 in 2022 and 2021, respectively)	8,475,266	-	-	8,475,266	8,164,185	-	-	8,164,185
Fundraising	1,825,687	-	-	1,825,687	1,708,191	-	-	1,708,191
Total supporting services	10,300,953	-	-	10,300,953	9,872,376	-	-	9,872,376
Total operating expenses	131,707,326	-	-	131,707,326	117,344,335	-	-	117,344,335
Change in Net Assets	6,943,139	(1,307,134)	-	5,636,005	4,575,835	1,348,221	-	5,924,056
Net Assets, Beginning of Year	19,288,561	2,673,731	150,000	22,112,292	14,712,726	1,325,510	150,000	16,188,236
Net Assets, End of Year	$ 26,231,700	$ 1,366,597	$ 150,000	$ 27,748,297	$ 19,288,561	$ 2,673,731	$ 150,000	$ 22,112,292

Breaking the Cycle of Homelessness for Women and their Children

Women In Need, Inc.

Consolidated Statements of Functional Expenses

Years Ended June 30, 2022 and 2021

	2022						
	Program Services				Supporting Services		
	Family Shelters	Family Supportive Housing	Communications and Other Program Services	Total	Management and General	Fundraising	Total
Salaries	$ 25,914,812	$ 3,310,460	$ 2,508,126	$ 31,733,398	$ 3,613,774	$ 926,837	$ 36,274,009
Benefits and payroll taxes	5,377,324	688,913	520,436	6,586,673	627,237	192,319	7,406,229
Total salaries, benefits, and payroll taxes	31,292,136	3,999,373	3,028,562	38,320,071	4,241,011	1,119,156	43,680,238
Temporary help	7,879,930	800,078	-	8,680,008	119,437	-	8,799,445
Total salaries and related expenses	39,172,066	4,799,451	3,028,562	47,000,079	4,360,448	1,119,156	52,479,683
Occupancy	53,773,960	4,145,266	68,802	57,988,028	1,396,651	-	59,384,679
Supplies	2,214,403	615,293	525,433	3,355,129	748,234	86,024	4,189,387
Professional fees	147,608	573,537	752,816	1,473,961	50,052	207,365	1,731,378
Donated services	-	-	-	-	905,964	-	905,964
Insurance	2,516,079	322,687	610	2,839,376	71,114	-	2,910,490
Repairs and maintenance	4,798,778	215,302	578	5,014,658	102,766	-	5,117,424
Food	540,092	4,302	3,527	547,921	1,156	131	549,208
Staff/client expenses	580,672	38,480	79,901	699,053	348,005	17,648	1,064,706
Transportation	220,628	9,012	4,219	233,859	11,712	1,104	246,675
Catering costs	-	54	-	54	6,500	279,122	285,676
Other expenses	249,176	-	-	249,176	200,506	114,833	564,515
Depreciation and amortization	1,735,707	115,947	148,669	2,000,323	130,036	304	2,130,663
Interest	-	4,756	-	4,756	142,122	-	146,878
Total expenses	$ 105,949,169	$ 10,844,087	$ 4,613,117	$ 121,406,373	$ 8,475,266	$ 1,825,687	$ 131,707,326

Breaking the Cycle of Homelessness for Women and their Children

Women In Need, Inc.

Consolidated Statements of Functional Expenses (Continued)

Years Ended June 30, 2022 and 2021

	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

Breaking the Cycle of Homelessness for Women and their Children

Women In Need, Inc.
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	2022	2021
Operating Activities		
Change in net assets	$ 5,636,005	$ 5,924,056
Items not requiring (providing) operating cash flows		
Depreciation and amortization	2,130,663	1,827,730
Changes in		
Due from government agencies	(4,003,222)	(12,111,232)
Due from related parties	(177,329)	782,636
Contributions receivable	(294,813)	(523,883)
Security deposits	(22,373)	(24,618)
Other assets	281,101	53,739
Accounts payable and accrued expenses	(1,874,077)	1,263,039
Accrued salaries and vacation payable	1,855,634	266,785
Deferred rent payable	17,398	30,117
Net cash provided by (used in) operating activities	3,548,987	(2,511,631)
Investing Activities		
Purchases of property and equipment	(2,605,109)	(2,554,353)
Net cash used in investing activities	(2,605,109)	(2,554,353)
Financing Activities		
Proceeds from loans payable	2,988,823	3,449,407
Repayment of loan	(939,343)	(333,333)
Repayment of mortgage notes	(7,947)	(9,084)
Net cash provided by financing activities	2,041,533	3,106,990
Net Increase (Decrease) in Cash and Cash Equivalents	2,985,411	(1,958,994)
Cash and Cash Equivalents, Beginning of Year	10,924,338	12,883,332
Cash and Cash Equivalents, End of Year	$ 13,909,749	$ 10,924,338
Supplemental Cash Flows Information		
Cash paid for interest, net of capitalized interest	$ 146,878	$ 95,974
Fixed assets in accounts payable	$ 25,185	$ 361,925

win

Breaking the Cycle of Homelessness
for Women and their Children

Women In Need, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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% 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 was 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% owner of Rockaway South, LP, is 51% controlled by WIN Supportive Housing Corp., the sole member of which is Win Far Rockaway Housing Development Fund Corporation, and 49% 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% 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.

(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% 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.

(i) WIN 91st Street Housing Development Fund Corporation was established for the purpose of developing and operating a housing project for Persons of Low Income. WIN is the sole member of WIN 91st Street Housing Development Fund Corporation.

(j) Powers Supportive Housing Development Fund Corporation was established for the purpose of developing and operating a housing project for Persons of Low Income. WIN is the sole member of Powers Supportive Housing Development Fund Corporation.

(k) Powers Transitional Housing Development Fund Corporation was established for the purpose of developing and operating a housing project for Persons of Low Income. WIN is the sole member of Powers Transitional HDFC.

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, Win Glenmore Housing Development Fund Corporation, WIN 91st Street Housing Development Fund Corporation, Powers Supportive Housing Development Fund Corporation, and Powers Transitional 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.

(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, 2022, the Organization’s cash accounts exceeded federally insured limits by approximately $11,705,000.

(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, 2022 and 2021.

(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.

Women In Need, Inc.
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

(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
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 consolidated 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 $273,766 and $266,158 of management fees earned by Win for providing management and fiscal services to affiliated entities in 2022 and 2021, respectively. Fees charged were equal to 8% 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.

(m) Changes in Accounting Principles

In 2022, the Organization adopted Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities* (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, on a retrospective basis. ASU 2020-07 requires contributed nonfinancial assets to be presented separately from contributions of cash or other financial assets in the statement of activities and disclosures within the notes to financial statements about the valuation methodology for use of and donor-imposed restrictions associated with contributed nonfinancial assets. Adoption of ASU 2020-07 had no impact on previously reported total change in net assets.

Women In Need, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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, 2022	June 30, 2021
Federal	$ 1,329,406	$ 310,520
New York City	23,325,104	20,340,768
	24,654,510	20,651,288
Allowance for doubtful accounts	(155,775)	(155,775)
	$ 24,498,735	$ 20,495,513

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. These grants are conditional upon incurring allowable expenditures as specified in the contracts. Since the consolidated financial statements of Win are prepared on the accrual basis, all portions of the contract not yet received as of June 30, 2022 where Win has an unconditional right to payment have been recorded as receivables. The following are the contract commitments that extend beyond June 30, 2022:

Grant	Term	Grant Amount	Earned Through 2022	Available Funding
DHS Shelters	11/01/2017-06/30/2029	$ 439,631,344	$ 202,832,109	$ 236,799,235
Supportive Housing	07/01/2019-03/31/2026	31,004,187	11,087,058	19,917,129
Total		$ 470,635,531	$ 213,919,167	$ 256,716,364

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.

Breaking the Cycle of Homelessness for Women and their Children

Women In Need, Inc.

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

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% to be compounded and due annually commencing October 22, 2015. As of June 30, 2022 and 2021, $590,000 of principal, and $120,438 and $102,601 of interest, respectively, was due from Win 118th Street L.P. Interest income earned for the years ended June 30, 2022 and 2021 was $17,837 and $17,383, respectively. The accrued interest receivable is included in other assets and the related interest income is included in miscellaneous revenue.

Note 5: Property and Equipment

Property and equipment consist of the following:

	June 30, 2022	June 30, 2021
Land	$ 915,000	$ 915,000
Buildings	1,313,453	1,313,453
Building improvements	773,468	773,468
Leasehold improvements	6,035,157	5,799,992
Furniture and fixtures	11,215,465	10,442,795
Vehicles	1,139,217	1,019,072
Construction in progress	1,715,094	574,706
	23,106,854	20,838,486
Less accumulated depreciation and amortization	(16,233,817)	(14,103,155)
	$ 6,873,037	$ 6,735,331

The Organization started a construction project in 2022. The Organization anticipates the project to be completed by 2024 with a total renovation cost of approximately $66 million. Construction is anticipated to be financed through a long-term loan.

Note 6: Mortgage Notes Payable

Mortgage notes payable consist of the following:

Provider	Annual Interest Rate	Terms	Maturity Dates	June 30, 2022	June 30, 2021
New York Housing Development Corp.	7.21%	26 years	July 2026	$ 33,248	$ 40,174
NYC Department of Housing Preservation and Development	1.00%	30 years	July 2030	208,369	209,389
				$ 241,617	$ 249,563

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

2023	$ 8,424
2024	8,985
2025	9,588
2026	10,235
2027	10,102
Thereafter	194,283
	$ 241,617

Note 7: Loans Payable

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 16th of every month. The interest rate is calculated using the greater of BSBY rate or index floor plus 1.50%. The line expires on July 15, 2023. There were no draw downs on the line of credit as of June 30, 2022 and 2021.

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%. Principal and interest are due at maturity. During 2022, there was $751,500 disbursed from the loan. The balance outstanding on the loan as of June 30, 2022 and 2021 was $1,238,230 and $449,407, respectively.

On June 29, 2022, the Organization obtained financing from the Leviticus Alternative Fund, Inc. of $500,000. The loan matures on January 1, 2024. The loan has an interest rate of 5.5%.

The Organization had available from BOA a $1,700,000 line to term. This is a non-revolving line of credit turned into a term loan on January 31, 2022. Payments are due in equal installments starting February 28, 2022, through January 31, 2027 at an interest rate of 3.5% per year. During 2022, the Organization drew down the full $1,700,000. The balance outstanding on the term loan as of June 30, 2022 was $1,560,656.

In addition, the Organization had a second line to term available from BOA of $4,000,000 which was fully drawn upon during 2021. This was a non-revolving line of credit turned into a term loan on January 17, 2021. The term loan matures on January 17, 2026. The loan has an interest rate of 3.53%. The balance outstanding on the term loan as of June 30, 2022 and 2021 was $2,866,667 and $3,666,667, respectively. The Organization has granted a security interest, as defined, in certain assets.

The maturity of the loans is as follows:

2023	$ 1,134,426
2024	1,634,426
2025	2,372,656
2026	801,094
2027	222,951
	$ 6,165,553

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% and is collateralized by the Organization's account at BOA. The letter of credit had 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.

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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:

	2022	2021
Subject to expenditure for specified purpose		
Program expenditures*	$ 711,297	$ 1,210,522
Capacity building	75,000	200,000
IT support	-	278,654
Scholarships	30,300	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	550,000	944,555
Endowments		
Subject to NFP endowment spending policy and appropriation		
General use	150,000	150,000
	$ 1,516,597	$ 2,823,731

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.

	2022	2021
Satisfaction of purpose restrictions		
Program expenditures*	$ 4,190,605	$ 3,083,437
Scholarships	39,700	40,000
IT support	243,651	111,973
Total	$ 4,473,956	$ 3,235,410

* Provision of housing and social services.

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Note 10: Contributed Services

Donated goods are recognized at their fair values at the date of donations. Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. During fiscal years 2022 and 2021, the value of contributed legal services recognized as revenues and expenses in the accompanying consolidated financial statements was $905,964 and $487,925, 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% of employees' contributions after two years of employment. The Organization made a contribution of $336,113 in 2022 and $300,344 in 2021. Participants' voluntary contributions and the Organization's contributions are fully vested at all times.

Note 12: Concentrations

Approximately 95% and 96% in 2022 and 2021, 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 95% and 98% due from government agencies for 2022 and 2021, respectively. Overall, 89% in both 2022 and 2021 of the Organization's revenues come from federal, state, and city contracts.

Approximately 24% of the Organization's contributions were from one donor in fiscal year ended June 30, 2022.

Note 13: Commitments and Contingencies

(1) The Organization leases space at various sites throughout New York City under lease agreements expiring between 2023 and 2050. These leases can be terminated if the related government contracts are discontinued. The minimum annual rental payments are as follows:

Year Ending June 30,	
2023	$ 42,995,092
2024	33,759,448
2025	29,870,620
2026	30,238,127
2027	27,841,747
Thereafter	270,677,127
	$ 435,382,161

Rent expense for fiscal years 2022 and 2021 was $42,740,318 and $36,109,579, 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 consists 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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The composition of net assets by type of endowment fund at June 30, 2022 and 2021 was:

	With Donor Restrictions	
	2022	2021
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, 2022 and 2021 were:

	With Donor Restrictions	
	2022	2021
Endowment net assets, beginning of year	$ 150,000	$ 150,000
Investment return, net	267	267
Appropriation of endowment assets for expenditures	(267)	(267)
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% 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.

Breaking the Cycle of Homelessness
for Women and their Children

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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, 2022 and 2021, comprise the following:

	2022	2021
Financial assets		
Cash and cash equivalents	$ 13,909,749	$ 10,924,338
Due from government agencies - net	24,498,735	20,495,513
Due from related parties - net	1,957,542	1,780,213
Contributions receivable - due within one year	1,753,635	1,458,822
Other assets	424,598	572,010
Total financial assets	42,544,259	35,230,896
Donor-imposed restrictions		
Restricted funds	1,366,597	2,673,731
Endowments	150,000	150,000
Total donor-imposed restrictions	1,516,597	2,823,731
Financial assets available to meet cash needs for general expenditures within one year	$ 41,027,662	$ 32,407,165

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.

Breaking the Cycle of Homelessness for Women and their Children

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Note 16: Related-Party Transactions

As of June 30, 2022 and 2021, the following balances were included in due to related parties – net, on the consolidated statements of financial position:

	2022	2021
Win 118th Street L.P. - receivable	$ 487,460	$ 458,594
Glenmore Housing Associates, LLC - receivable	1,586,951	1,457,707
Other	9,246	6,532
	2,083,657	1,922,833
Allowance for doubtful accounts	(126,115)	(142,620)
	$ 1,957,542	$ 1,780,213

As of June 30, 2022 and 2021, the following was the management fee income recognized by the Organization:

	2022	2021
Win 118th Street L.P.	$ 43,409	$ 42,153
Glenmore Housing Associates, LLC	230,357	224,005
	$ 273,766	$ 266,158

Note 17: Subsequent Events

Subsequent events have been evaluated through January 23, 2023, which is the date the consolidated financial statements were available to be issued.

Women In Need, Inc.

Notes to Consolidated Financial Statements

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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.