



Supportive Housing Communities, Inc.
Financial Statements
and Supplementary Information
June 30, 2021 and 2020

Supportive Housing Communities, Inc.
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June 30, 2021 and 2020

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Independent Auditor's Report

To the Board of Directors of
Supportive Housing Communities, Inc.

Prager Metis CPAs, PLLC

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We have audited the accompanying financial statements of Supportive Housing Communities, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Supportive Housing Communities, 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.

Prager Metis CPAs, PLLC

Prager Metis CPAs, PLLC
Charlotte, North Carolina
August 12, 2022

Supportive Housing Communities, Inc.
 Statements of Financial Position
 June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 842,720	\$ 539,573
Grants and promises to give, net	15,000	40,429
Other receivables	417,929	478,329
Prepaid expenses and other assets	4,766	7,935
Total current assets	<u>1,280,415</u>	<u>1,066,266</u>
Property and equipment		
Property and equipment	5,200,535	5,192,097
Accumulated depreciation	<u>(1,542,941)</u>	<u>(1,415,777)</u>
Net property and equipment	<u>3,657,594</u>	<u>3,776,320</u>
Other assets		
Deposits	<u>83,466</u>	<u>83,466</u>
Total other assets	<u>83,466</u>	<u>83,466</u>
Total assets	<u><u>\$ 5,021,475</u></u>	<u><u>\$ 4,926,052</u></u>
Liabilities and net assets		
Liabilities		
Current liabilities		
Accounts payable	\$ 30,344	\$ 56,019
Accrued expenses	107,646	139,567
Security deposits	23,202	20,937
Line of credit payable	45,500	-
Other current liabilities	5,157	5,646
Total current liabilities	<u>211,849</u>	<u>222,169</u>
Long-term liabilities		
Notes payable, net	<u>2,043,188</u>	<u>1,971,280</u>
Total long-term liabilities	<u>2,043,188</u>	<u>1,971,280</u>
Total liabilities	<u><u>2,255,037</u></u>	<u><u>2,193,449</u></u>
Net assets		
Without donor restrictions	1,599,925	1,659,198
With donor restrictions	<u>1,166,513</u>	<u>1,073,405</u>
Total net assets	<u><u>2,766,438</u></u>	<u><u>2,732,603</u></u>
Total liabilities and fund balances	<u><u>\$ 5,021,475</u></u>	<u><u>\$ 4,926,052</u></u>

The accompanying notes are an integral part of these financial statements.

Supportive Housing Communities, Inc.
Statement of Activities
Year Ended June 30, 2021

	2021		Total
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
Revenue and other support			
Contributions and grants	\$ 807,527	\$ 165,000	\$ 972,527
Government grants and assistance	2,315,647	-	2,315,647
Rental income	508,496	-	508,496
Net investment income	17	16	33
Easements	84,144	-	84,144
Other income	16,655	-	16,655
Net assets released from restrictions	71,908	(71,908)	-
Total revenue	<u>3,804,394</u>	<u>93,108</u>	<u>3,897,502</u>
Expenses			
Program services	3,610,582	-	3,610,582
Management and general	88,536	-	88,536
Fundraising	164,549	-	164,549
Total expenses	<u>3,863,667</u>	<u>-</u>	<u>3,863,667</u>
Change in net assets	(59,273)	93,108	33,835
Net assets, beginning of the year	<u>1,659,198</u>	<u>1,073,405</u>	<u>2,732,603</u>
Net assets, end of the year	<u>\$ 1,599,925</u>	<u>\$ 1,166,513</u>	<u>\$ 2,766,438</u>

The accompanying notes are an integral part of these financial statements.

Supportive Housing Communities, Inc.
Statement of Activities
Year Ended June 30, 2020

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue and other support			
Contributions and grants	\$ 1,106,952	\$ -	\$ 1,106,952
Government grants and assistance	2,214,321	-	2,214,321
Rental income	442,871	-	442,871
Net investment income	782	285	1,067
Paycheck Protection Program loan forgiveness	167,877	-	167,877
Other income	15,796	-	15,796
Net assets released from restrictions	69,337	(69,337)	-
Total revenue	<u>4,017,936</u>	<u>(69,052)</u>	<u>3,948,884</u>
Expenses			
Program services	3,633,049	-	3,633,049
Management and general	87,572	-	87,572
Fundraising	232,674	-	232,674
Total expenses	<u>3,953,295</u>	<u>-</u>	<u>3,953,295</u>
Change in net assets	64,641	(69,052)	(4,411)
Net assets, beginning of the year	<u>1,594,557</u>	<u>1,142,457</u>	<u>2,737,014</u>
Net assets, end of the year	<u>\$ 1,659,198</u>	<u>\$ 1,073,405</u>	<u>\$ 2,732,603</u>

The accompanying notes are an integral part of these financial statements.

Supportive Housing Communities, Inc.

Statement of Functional Expenses

Year Ended June 30, 2021

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel				
Salaries	\$ 1,466,948	\$ 36,509	\$ 104,862	\$ 1,608,319
Payroll taxes	117,604	2,927	8,407	128,938
Employee benefits	254,217	6,327	18,172	278,716
Total personnel	<u>1,838,769</u>	<u>45,763</u>	<u>131,441</u>	<u>2,015,973</u>
Other				
Professional services	44,394	5,000	-	49,394
Repairs and maintenance	126,249	3,904	-	130,153
Security	53,913	1,667	-	55,580
Utilities	155,274	4,802	-	160,076
Resident support	42,519	-	-	42,519
Scattered site and rapid rehousing rent	899,377	-	-	899,377
Insurance	40,842	1,263	-	42,105
Interest expense	-	3,344	-	3,344
Fundraising events	-	-	28,068	28,068
Bad debt	31,452	973	-	32,425
Office and administrative costs	182,536	18,005	-	200,541
Branding and development	-	-	5,040	5,040
Total other	<u>1,576,556</u>	<u>38,958</u>	<u>33,108</u>	<u>1,648,622</u>
Total expenses before depreciation and amortization	3,415,325	84,721	164,549	3,664,595
Depreciation expense	123,349	3,815	-	127,164
Amortization of loan discount	71,908	-	-	71,908
Total expenses	<u><u>\$ 3,610,582</u></u>	<u><u>\$ 88,536</u></u>	<u><u>\$ 164,549</u></u>	<u><u>\$ 3,863,667</u></u>

The accompanying notes are an integral part of these financial statements.

Supportive Housing Communities, Inc.
Statement of Functional Expenses
Year Ended June 30, 2020

	2020			
	Program Services	Management and General	Fundraising	Total
Personnel				
Salaries	\$ 1,700,870	\$ 42,331	\$ 121,584	\$ 1,864,785
Payroll taxes	129,739	3,229	9,274	142,242
Employee benefits	394,036	10,361	21,606	426,003
Total personnel	<u>2,224,645</u>	<u>55,921</u>	<u>152,464</u>	<u>2,433,030</u>
Other				
Professional services	105,504	9,894	-	115,398
Repairs and maintenance	87,147	2,695	-	89,842
Security	75,915	2,348	-	78,263
Utilities	114,214	3,532	-	117,746
Resident support	42,029	-	-	42,029
Scattered site and rapid rehousing rent	624,511	-	-	624,511
Insurance	35,625	1,102	-	36,727
Fundraising events	-	-	68,878	68,878
Bad debt	22,020	681	-	22,701
Office and administrative costs	110,616	7,642	-	118,258
Branding and development	-	-	11,332	11,332
Total other	<u>1,217,581</u>	<u>27,894</u>	<u>80,210</u>	<u>1,325,685</u>
Total expenses before depreciation and amortization	3,442,226	83,815	232,674	3,758,715
Depreciation expense	121,486	3,757	-	125,243
Amortization of loan discount	69,337	-	-	69,337
Total expenses	<u>\$ 3,633,049</u>	<u>\$ 87,572</u>	<u>\$ 232,674</u>	<u>\$ 3,953,295</u>

The accompanying notes are an integral part of these financial statements.

Supportive Housing Communities, Inc.
 Statements of Cash Flows
 Years Ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 33,835	\$ (4,411)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	127,164	125,243
Amortization of loan discount	71,908	69,337
Bad debt expense	32,425	22,701
(Increase) decrease in		
Receivables	53,404	(178,509)
Prepaid expenses and other assets	3,169	38,388
Increase (decrease) in		
Accounts payable	(25,675)	17,235
Accrued expenses	(31,921)	75,492
Security deposits	2,265	(85)
Other liabilities	(489)	(2,000)
Net cash provided by operating activities	<u>266,085</u>	<u>163,391</u>
Cash flows from financing activities		
Net borrowings on line of credit	<u>45,500</u>	-
Net cash provided by financing activities	<u>45,500</u>	-
Cash flows from investing activities		
Purchases of property and equipment	<u>(8,438)</u>	<u>(53,200)</u>
Net cash used in investing activities	<u>(8,438)</u>	<u>(53,200)</u>
Net increase in cash and cash equivalents	303,147	110,191
Cash and cash equivalents at beginning of year	<u>539,573</u>	<u>429,382</u>
Cash and cash equivalents at end of year	<u><u>\$ 842,720</u></u>	<u><u>\$ 539,573</u></u>
Supplemental disclosure of cash flow information		
Cash paid for interest expense	<u><u>\$ 3,344</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.

Note 1 Nature of Organization, Purpose and Funding Sources

Organization and Purpose

Supportive Housing Communities, Inc. (the “Organization”) was incorporated under the laws of the State of North Carolina as a not-for-profit organization. The Organization is located at 2120 North Davidson Street in Charlotte, North Carolina, and exists to provide affordable housing to alleviate homelessness and human suffering. Its primary activities are housing and support services for men, women and families who are formerly homeless and live with disabilities. It operates McCreesh Place, a single room occupancy apartment community with 90 permanent housing units as well as 76 scattered site apartments in the community and St. Johns Place, a 32 unit apartment complex and a seven person outreach team that meets and builds relationships with individuals on the street to connect with mental health treatment and housing. Supportive services and case management are provided on-site for all residents.

Funding Sources

Activities of the Organization are financed principally by contributions from governmental agencies, congregations, individuals, and public and private grants, as well as rents charged to residents. Construction of the Organization's facility was financed primarily by the U.S. Department of Housing and Urban Development, the State of North Carolina, and interest-free loans from the City of Charlotte.

Note 2 Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (“GAAP”). Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net assets without donor restrictions - consists of amounts currently available for use in the day-to-day operation of the Organization and are not subject to donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. Net assets may be designated by the Board of Directors for various purposes.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, that is when a 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 statement of activities as net assets released from restrictions. Net assets received with restrictions that are met in the same reporting period are included in net assets without donor restrictions. Additionally, net assets with donor restrictions include net assets that require that they be maintained permanently.

Note 2 Summary of Significant Accounting Policies (continued)

Cash and Cash Equivalents

For financial statement purposes, the Organization considers deposits that can be redeemed on demand and investments that have original maturities of less than three months, when purchased, to be cash equivalents.

Recorded Donated Goods and Services

Donated services are reported as contributions when the services (a) create or enhance nonfinancial assets or (b) would be purchased if they had not been provided by contribution, require specialized skills, and are provided by individuals possessing those skills. Donated equipment or materials, if significant, are included in support at fair value. The Organization recorded no contributed services and donated goods of \$128,952 and \$216,563 for the years ended June 30, 2021 and 2020, respectively, and are included as a component of contributions and grants on the statement of activities.

Other Donated Goods and Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs and various assignments. There were 3,186 contributed volunteer hours valued at \$81,020 for the year ended June 30, 2020. These amounts are not recorded in the financial statements. Also, the Organization receives clothing and similar noncash contributions, which are either given to residents or are donated to other nonprofit organizations for distribution which are also not recorded in the financial statements.

Levels of Service

As of June 30, 2021, there were 232 available units, and 197 were occupied by formerly homeless, disabled men, women and families. The Organization has fixed site and scattered site residents who live in apartment communities and receive supportive services from the Organization.

Functional Allocation of Expenses

The costs of providing the various program activities have been summarized on a functional basis. Expenses, such as salaries, payroll taxes, and benefits, are allocated to program services, management and general, and fundraising based on management's estimates of time spent and various allocation methods appropriate to the type of expense.

Federal Income Tax Status

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is not a private foundation as defined by Section 509(a) of the Internal Revenue Code. GAAP requires an organization to recognize a tax benefit or expense from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The Organization had no uncertain tax positions as of June 30, 2021 and 2020.

Note 2 Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of support, revenue and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 Investments

The Organization is the income beneficiary of various accounts held in trust for which the trustee has variance power over the distribution of the assets. Accordingly, no amounts are reflected in accompanying financial statements related to the value of these accounts. Income is recorded as the Organization receives payments, due to the uncertainty of the timing and amounts that will be received.

Note 4 Receivables

Grants

Grants receivable of \$0 and \$25,429 at June 30, 2021 and 2020, respectively, are presented at net realizable value.

Promises to Give

Unconditional promises to give were \$15,000 and \$15,000 at June 30, 2021 and 2020, respectively. Management's assessment of the collectability of receivables is based on a review of individual accounts, historical experience, and current economic conditions. Management has determined that no allowance was necessary for the years ended June 30, 2021 and 2020.

Other Receivables

Other receivables consist primarily of unbilled rent and support services subsidies that are due but billed subsequent to year end and rent receivables from residents which are immediately due. Management has determined that no allowance for doubtful accounts is necessary based on a review of individual accounts, historical experience, and current economic conditions.

The following is a summary of other receivables:

	June 30,	
	2021	2020
Resident and subsidy accounts, net	\$ 401,347	\$ 464,959
Refundable sales tax	10,995	7,784
Other receivables	5,587	5,586
	<u>\$ 417,929</u>	<u>\$ 478,329</u>

Supportive Housing Communities, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

Note 5 Property and Equipment

Property and equipment exceeding \$500 of value are recorded at acquisition cost if purchased and at estimated fair value if donated. Costs that improve or extend the useful lives of assets are capitalized. Amounts paid for maintenance and repairs are expensed as incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which vary from three years for computers, five to ten years for furniture and fixtures, and 40 years for buildings. Property and equipment consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Buildings and improvements	\$ 4,730,718	\$ 4,730,718
Land	140,070	140,070
Furniture and equipment	329,747	321,309
Total cost	<u>5,200,535</u>	<u>5,192,097</u>
Less accumulated depreciation	<u>1,542,941</u>	<u>1,415,777</u>
Property and equipment, net	<u>\$ 3,657,594</u>	<u>\$ 3,776,320</u>

Depreciation expense for the years ended June 30, 2021 and 2020 was \$127,164 and \$125,243, respectively.

Note 6 Line of Credit

On August 13, 2021, the Organization entered into a \$125,000 line of credit agreement with a bank. The revolving line of credit is collateralized by inventory, accounts receivable and property and equipment of the Organization. The line of credit bears interest at the greater of 5% or the prime rate of the lender plus 2.85% (5% at June 30, 2021). Monthly interest only payments are required, and the unpaid principal and accrued interest are due on the maturity date of October 10, 2021. On October 10, 2021, the line of credit was renewed through October 10, 2022. The balance outstanding on the revolving line of credit at June 30, 2021 was \$45,500.

Note 7 Notes Payable, Net

The Organization has three non-interest bearing notes with the City of Charlotte and one non-interest bearing note with the North Carolina Housing Finance Agency. All of the notes require no principal payments before maturity. The note agreements do require early payment of the original principal balance if the property located at 2120 North Davidson Street is sold or the Organization ceases to use the property for the purpose of providing housing to formerly homeless, disabled individuals. This is not currently contemplated by the Organization. Since the notes do not bear interest, a present value discount has been computed utilizing discount rates determined at the inception of each note. Details of these note agreements are as follows:

Supportive Housing Communities, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

Note 7 Notes Payable, Net (continued)

	<u>Total</u>	<u>McCreesh I</u>	<u>McCreesh II</u>		<u>NCHFA</u>
			<u>Construction</u>	<u>Operating</u>	
Balance at June 30, 2021					
Principal balance	\$2,700,542	\$1,025,542	\$ 875,000	\$100,000	\$700,000
Present value discount	657,354	61,565	231,560	28,341	335,888
Net liability	<u>\$2,043,188</u>	<u>\$ 963,977</u>	<u>\$ 643,440</u>	<u>\$ 71,659</u>	<u>\$364,112</u>
Other information					
Maturity		2023	2031	2031	2038
Interest rate used to compute present value		4%	3%	3%	4%

	<u>Total</u>	<u>McCreesh I</u>	<u>McCreesh II</u>		<u>NCHFA</u>
			<u>Construction</u>	<u>Operating</u>	
Balance at June 30, 2020					
Principal balance	\$2,700,542	\$1,025,542	\$ 875,000	\$100,000	\$700,000
Present value discount	729,262	98,641	250,301	30,428	349,892
Net liability	<u>\$1,971,280</u>	<u>\$ 926,901</u>	<u>\$ 624,699</u>	<u>\$ 69,572</u>	<u>\$350,108</u>
Other information					
Maturity		2023	2031	2031	2038
Interest rate used to compute present value		4%	3%	3%	4%

Future maturities of notes payable consist of the following:

<u>Years Ending</u>	<u>Amount</u>
June 30,	
2022	\$ -
2023	1,025,542
2024	-
2025	-
2026	-
Thereafter	<u>1,675,000</u>
Total	<u>\$2,700,542</u>

Note 8 Paycheck Protection Program Loan

On April 27, 2020, the Organization was granted a loan from a bank in the amount of \$167,877 pursuant to the Paycheck Protection Program (“PPP”) of the CARES Act, which was enacted on March 27, 2020. The loan, which is in the form of a note, matures on April 27, 2022 and bears interest at a rate of 1% per annum, payable in monthly installments of principal and interest beginning on November 27, 2020. The Paycheck Protection Flexibility Act of 2020, P.L. 116-142, extended the repayment period up to an additional four months. Funds from the

Supportive Housing Communities, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

Note 8 Paycheck Protection Program Loan (continued)

loan may only be used for specific costs. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. On December 15, 2020, the Organization was notified by the lending bank that the loan was forgiven in its entirety by the Small Business Administration.

Note 9 Designated Net Assets

The governing board of the Organization has designated, from net assets without donor restrictions, net assets of \$291,655 for the following purposes as of June 30, 2021:

Replacement reserve	\$	7,280
Operating reserves		185,000
Capital reserves		99,375
	\$	<u>291,655</u>

Note 10 Net Assets with Donor Restrictions

During 2012, the Organization received \$335,100 from the Charlotte Housing Authority that is required to be maintained in separate bank accounts as an operating reserve. The Organization may utilize the funds only with permission of the Charlotte Housing Authority and must pay it back when feasible. There is no deadline on the time period in which the funds must be paid back. In the event of the disposition of the related property, which is not contemplated, the funds must be transferred to the new owner. The balance of these cash accounts was \$119,752, of which all is restricted, and \$108,368, at June 30, 2021, and 2020, respectively, which includes accumulated interest income.

Net assets with donor restrictions as of June 30, 2021 and 2020 were restricted to be used for the following purposes:

	<u>2021</u>	<u>2020</u>
Time restrictions		
Discounted interest on notes payable	\$ 657,354	\$ 729,262
Grants from organizations	165,000	-
Charlotte Housing Authority - programs	335,914	335,898
Community Housing Development Corp - programs	8,245	8,245
Total	<u>\$1,166,513</u>	<u>\$1,073,405</u>

Note 11 Financial Assets Available to Meet Cash Needs

The following reflects the Organization's financial assets as of the date of the statement of financial position, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the date of the statement of financial position.

Financial assets at year end	
Cash and cash equivalents	\$ 842,720
Other receivables	417,929
Deposits	<u>83,466</u>
Total financial assets at year end	1,359,115
Less: those unavailable for general expenditures within one year, due to:	
Contractual or donor-imposed restrictions	
Deposits	(83,466)
Restricted by donor with purpose restrictions	(36,069)
Board designations	
Reserves	<u>(291,655)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 947,925</u></u>

The Organization is substantially supported by contributions, grants, and subsidized payments for client housing. Because of the nature of the operations of the Organization, the Organization must maintain sufficient resources to meet its responsibilities to its clients. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Supportive Housing Communities, Inc.

Notes to Financial Statements

June 30, 2021 and 2020

Note 12 Operating Lease Obligations

The Organization leases office space under an operating lease agreement. Lease expense was \$56,204 and \$34,120 for the years ended June 30, 2021 and 2020, respectively. Future minimum payments due under the operating lease agreement are as follows:

For the years ending June 30:

2022	\$ 53,294
2023	53,294
2024	53,294
2025	53,294
2026	53,294
Thereafter	13,323
	<u>\$ 279,793</u>

Note 13 Concentrations of Risk

Cash held in bank accounts are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2021 and 2020, the Organization's uninsured cash balances totaled \$382,782, and \$208,639, respectively.

Note 14 Retirement Plan

Effective January 1, 2019, the Organization implemented a defined contribution plan covering all eligible employees over the age of 18, with an employer match of up to four percent. The total expense was \$49,215 and \$62,469 for the years ended June 30, 2021, and 2020, respectively.

Note 15 Contingencies

The outbreak of COVID-19 and related global responses to the pandemic have caused material disruptions to businesses around the world, leading to an economic slowdown in 2021 and 2020. While governments and others have reacted with monetary interventions designed to stabilize economic conditions, the duration and extent of the impact of the COVID-19 outbreak, as well as the effectiveness of government and other responses, remains unclear at this time.

Note 16 Subsequent Events

The Organization has evaluated all events subsequent to the statement of financial position date of June 30, 2021 through August 12, 2022, which is the date the financial statements were available to be issued.