AUDITED
FINANCIAL STATEMENTS

HOMESPACE CORPORATION

DECEMBER 31, 2019

HOMESPACE CORPORATION

CONTENTS

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Homespace Corporation

Report on the Financial Statements

We have audited the accompanying financial statements of Homespace Corporation which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and changes in net assets, 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 audit. We conducted our audit 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 financial statements are free of 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 Homespace Corporation as of December 31, 2019 and 2018, and the changes in its net assets, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Freed Maxick CPAs, P.C.

Buffalo, New York
September 22, 2020

HOMESPACE CORPORATION

STATEMENTS OF FINANCIAL POSITION
December 31,

ASSETS	2019	2018
Current assets:		
Cash and cash equivalents	$ 494,297	$ 377,892
Accounts receivable, net	679,429	483,393
Prepaid expense	38,678	37,009
Other current assets	2,541	2,541
Total current assets	1,214,945	900,835
Replacement reserve	14,479	14,324
Investments	551,750	493,442
Land, building and equipment, net	1,378,708	1,423,170
Total assets	$ 3,159,882	$ 2,831,771
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable - trade	$ 12,285	$ 11,550
Accrued expenses	76,219	59,866
Deferred revenue	500	-
Total current liabilities	89,004	71,416
Net assets:		
Without donor restrictions	3,032,293	2,760,355
With donor restrictions	38,585	-
Total net assets	3,070,878	2,760,355
Total liabilities and net assets	$ 3,159,882	$ 2,831,771

See accompanying notes.

HOMESPACE CORPORATION

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31,

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Contributions and grants	$ 89,498	$ 152,300	$ 241,798	$ 61,114	$ 28,815	$ 89,929
Resident shelter allowance	3,163,402	-	3,163,402	2,638,716	-	2,638,716
Net assets released from restrictions	113,715	(113,715)	-	51,457	(51,457)	-
Total public support and revenue	3,366,615	38,585	3,405,200	2,751,287	(22,642)	2,728,645
Expenses:						
Program services	2,930,592	-	2,930,592	2,323,771	-	2,323,771
Management and general	187,050	-	187,050	132,064	-	132,064
Fundraising	35,733	-	35,733	33,405	-	33,405
Total expenses	3,153,375	-	3,153,375	2,489,240	-	2,489,240
Income (loss) from operations	213,240	38,585	251,825	262,047	(22,642)	239,405
Other income (expense):						
Net investment gain (loss)	58,529	-	58,529	(16,776)	-	(16,776)
Loss on disposal of assets	-	-	-	(851)	-	(851)
Other income	169	-	169	-	-	-
Total other income (expense)	58,698	-	58,698	(17,627)	-	(17,627)
Change in net assets	271,938	38,585	310,523	244,420	(22,642)	221,778
Net assets - beginning of year	2,760,355	-	2,760,355	2,515,935	22,642	2,538,577
Net assets - end of year	$ 3,032,293	$ 38,585	$ 3,070,878	$ 2,760,355	$ -	$ 2,760,355

See accompanying notes.

HOMESPACE CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2019
(with summarized information for the year ended December 31, 2018)

	Program Services						Supporting Services		Total All Services	
	Homespace	**Second Chance Home**	**Next Step**	**Children and Family Treatment and Support Services**	**Independent Living Program**	**Total Program Services**	**Management and General**	**Fundraising**	**2019**	**2018**
Salaries expense	$ 289,688	$ 755,296	$ 394,240	$ 98,918	$ 64,550	$ 1,602,692	$ 98,944	$ 17,064	**$ 1,718,700**	$ 1,316,555
Program supplies	224,953	112,476	89,981	22,495	12,555	462,460	-	-	**462,460**	341,604
Payroll taxes and employee benefits	89,766	149,609	44,883	14,961	17,383	316,602	19,546	3,371	**339,519**	272,169
Rent	51,314	31,432	27,386	5,796	-	115,928	6,563	2,188	**124,679**	100,198
Repair and maintenance	60,452	30,226	24,181	6,045	-	120,904	-	-	**120,904**	100,428
Depreciation	50,270	26,468	6,353	-	2,238	85,329	35,018	-	**120,347**	107,665
Insurance	18,218	18,805	18,805	2,938	-	58,766	10,371	-	**69,137**	45,621
Utilities	31,776	15,888	12,710	3,178	-	63,552	-	-	**63,552**	69,066
Office	7,534	13,389	11,648	2,609	255	35,435	5,200	799	**41,434**	49,641
Telephone	6,763	6,982	6,982	1,091	1,200	23,018	2,558	-	**25,576**	18,537
Conference and training	1,635	6,541	6,541	1,635	160	16,512	1,673	-	**18,185**	25,895
Professional fees	3,804	3,927	3,927	614	-	12,272	5,759	-	**18,031**	12,753
Printing and publicity	1,076	4,842	4,304	538	-	10,760	717	2,869	**14,346**	18,926
Special events	-	-	-	-	-	-	-	9,260	**9,260**	7,175
Dues, licenses and subscriptions	1,684	1,496	1,496	234	-	4,910	519	-	**5,429**	2,376
Postage	449	465	465	73	-	1,452	182	182	**1,816**	631
Total expenses	$ 839,382	$ 1,177,842	$ 653,902	$ 161,125	$ 98,341	$ 2,930,592	$ 187,050	$ 35,733	**$ 3,153,375**	$ 2,489,240

HOMESPACE CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2018

	Program Services					Supporting Services		Total All Services
	Homespace	Second Chance Home	Next Step	Independent Living Program	Total Program Services	Management and General	Fundraising	2018
Salaries expense	$ 332,073	$ 627,502	$ 191,653	$ 64,463	$ 1,215,691	$ 84,726	$ 16,138	**$ 1,316,555**
Program supplies	174,647	118,377	32,150	16,430	341,604	-	-	**341,604**
Payroll taxes and employee benefits	69,840	139,679	23,280	18,519	251,318	17,515	3,336	**272,169**
Depreciation	42,453	60,867	2,898	-	106,218	1,447	-	**107,665**
Repair and maintenance	64,274	30,128	6,026	-	100,428	-	-	**100,428**
Rent	52,212	29,172	12,477	-	93,861	4,753	1,584	**100,198**
Utilities	44,202	20,720	4,144	-	69,066	-	-	**69,066**
Office	11,697	13,627	11,579	3,915	40,818	7,499	1,324	**49,641**
Insurance	11,633	15,511	11,634	-	38,778	6,843	-	**45,621**
Conference and training	3,201	13,644	6,437	250	23,532	2,363	-	**25,895**
Printing and publicity	1,388	6,940	5,552	315	14,195	946	3,785	**18,926**
Telephone	5,109	5,265	5,109	1,200	16,683	1,854	-	**18,537**
Professional fees	2,451	2,525	2,451	1,500	8,927	3,826	-	**12,753**
Special events	-	-	-	-	-	-	7,175	**7,175**
Dues, licenses and subscriptions	767	700	680	-	2,147	229	-	**2,376**
Postage	167	171	167	-	505	63	63	**631**
Total expenses	$ 816,114	$ 1,084,828	$ 316,237	$ 106,592	$ 2,323,771	$ 132,064	$ 33,405	**$ 2,489,240**

See accompanying notes.

HOMESPACE CORPORATION

STATEMENTS OF CASH FLOWS
For the Years Ended December 31,

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 310,523	$ 221,778
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	120,347	107,665
Decrease in allowance for doubtful accounts	(962)	(3,511)
Loss on disposal of assets	-	851
Net investment (gain) loss	(58,529)	16,776
(Increase) decrease in assets:		
Accounts receivable	(195,074)	(130,029)
Prepaid expense	(1,669)	(238)
Other current assets	-	14,350
Increase (decrease) in liabilities:		
Accounts payable - trade	735	(15,599)
Accrued expenses	16,353	14,935
Deferred revenue	500	-
Net cash provided by operating activities	192,224	226,978
Cash flows from investing activities:		
Purchases of land, building and equipment	(75,885)	(174,886)
Purchases of investments	-	(200,000)
Proceeds from investments	221	150,179
Net cash used by investing activities	(75,664)	(224,707)
Net increase in cash, cash equivalents and restricted cash	116,560	2,271
Cash, cash equivalents and restricted cash - beginning of year	392,216	389,945
Cash, cash equivalents and restricted cash - end of year	$ 508,776	$ 392,216

Total cash, cash equivalents and restricted cash reconciliation:
The following table provides a reconciliation of cash, cash equivalents and restricted cash to the amounts reported within the statements of financial position:

	2019	2018
Cash and cash equivalents	$ 494,297	$ 377,892
Replacement reserve	14,479	14,324
Total cash, cash equivalents and restricted cash	$ 508,776	$ 392,216

See accompanying notes.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Homespace Corporation (the Organization) was incorporated October 16, 1989 in New York State and is a not-for-profit corporation engaged in providing a safe and nurturing transitional living environment with supportive services for single parent families and individuals that prepares them to achieve and maintain their independence.

Basis of Presentation: The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Display of Net Assets by Class: The net assets of the Organization are reported in each of the following two classes: (a) net assets without donor restrictions, and (b) net assets with donor restrictions. Net assets with donor restrictions are created only by donor-imposed restrictions on their use. All other net assets, including board-designated or appropriated amounts, are legally unrestricted, and are reported as net assets without donor restrictions.

Cash and Cash Equivalents: The Organization considers all unrestricted highly liquid investments with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk: Financial instruments that potentially subject the Organization to concentration of credit risk consist of cash accounts in financial institutions. Although the cash accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institutions. Management reviews the financial viability of these institutions on a periodic basis.

Accounts Receivable: Accounts receivable are stated at cost. The Organization has not experienced any significant losses on such accounts and believes it is not exposed to any significant credit risk on accounts receivable. On a periodic basis, the Organization evaluates its allowance for uncollectible accounts, based upon history of past write-offs and collections. Management has determined that no allowance for doubtful accounts is necessary as of December 31, 2019 ($962 - 2018).

Land, Building and Equipment: The Organization follows the practice of recording land, building and equipment at cost, or if donated, at fair value at the date of donation. Ordinary repairs and maintenance are expensed as incurred. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 5 to 40 years. Depreciation expense for the year ended December 31, 2019 was $120,347 ($107,665 - 2018).

Impairment of Long Lived Assets: The Organization reviews long-lived assets to be held and used by the Organization for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In determining whether there is an impairment of long-lived assets, the Organization compares the sum of the expected future net cash flows (undiscounted and without interest charges) to the carrying amount of the assets. At December 31, 2019 and 2018, no impairment has been recognized.

In-Kind Contributions: Donated supplies, clothing, equipment and other are recorded at their fair value when received and recorded as contribution revenue and capitalized or recorded as an offsetting expense where applicable.

Contributions and Grants: The Organization recognizes all contributions and grants as income in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class. When a restriction is fulfilled, 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.

Donor-restricted support for a specific purpose is reported as an increase in net assets with donor restrictions. Upon satisfaction of the restriction, amounts are shown as net assets released from restriction in the statement of activities. As of December 31, 2019, there were $38,585 net assets with donor restrictions. There were no assets with donor restrictions as of December 31, 2018.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Resident Shelter Allowance: The Organization has contracts in place with various counties in Upstate New York in order to provide transitional living services. The Organization recognizes revenue based on occupancy as the Organization receives a daily rate which is determined annually by the New York State Office of Children and Family Services.

The Organization provides supporting services for residents through the Children and Family Treatment and Support Services in New York State Medicaid Program. The Organization recognizes revenue as services are performed based on rates set by the New York State Interagency Team consisting of the Department of Health, Office of Mental Health, Office of Alcoholism and Substance Abuse Services, and Office of Children and Family Services.

Functional Allocation of Expenses: The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied, as follows: salaries expense and payroll taxes and employee benefits are allocated based on estimated time incurred; depreciation, rent, and utilities are allocated on a square footage basis dependent on the programs and supporting activities occupying the space; telephone, insurance, and other various expenses are allocated based on approximate actual usage. Every year the basis on which costs are allocated are evaluated.

Advertising: The Organization expenses all advertising costs when incurred. Advertising expense for the Organization totaled $14,346 for the year ended December 31, 2019 ($18,926 - 2018).

Recently Adopted Accounting Principles: In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance, and requires significantly expanded disclosures about revenue recognition. The core principle of the revenue model is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Organization has implemented the standard for the year ended December 31, 2019.

In November 2016, the FASB issued ASU 2016-18, Statement of Cash Flows (Topic 230), Restricted Cash. The new restricted cash standard requires that amounts generally described as restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the statement of cash flows. The amendments are effective for fiscal years beginning after December 15, 2018. The standard must be applied retrospectively to each period presented. The Organization has implemented the standard for the year ended December 31, 2019.

In June 2018, the FASB issued ASU 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made, which assists entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance. The update also clarifies how to determine if a contribution is conditional. The Organization adopted this standard on January 1, 2019 on a modified, prospective basis. The adoption of this ASU did not have a significant impact on the Organization's financial position or change in net assets.

Revenue Recognition: The Organization's revenue consists of revenue from contracts with customers, grant revenue and contribution revenue. The Organization adopted ASC 606, *"Revenue from Contracts with Customers"* using the modified retrospective approach as of January 1, 2019. This new revenue recognition standard outlines a comprehensive model for companies to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry specific guidance. There were no material effects on the accompanying financial statements.

NOTE 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue from Contracts with Customers (Topic 606): The accounting for the types of revenues accounted for pursuant to Topic 606 are as follows:

Resident Shelter Allowance: The Organization provides a transitional living environment with supportive services for single parent families and individuals. For housing services, the Organization receives funds on a per resident, per day basis, based on rates established by the county.

For supporting services, the Organization receives funds under agreements with third-party payors (Medicaid and Insurance Payors) on a per resident per service basis, based on rates established by New York State. If amounts received are less than the established billing rates, the difference is accounted for as a reduction of revenue. The Organization determines performance obligations based on the nature of the services provided and revenue is recognized as performance obligations are satisfied.

Revenue from Contributions (Topic 958): The accounting for the types of revenues accounted for pursuant to Topic 958 are as follows:

Grant Revenue: Grant revenue is recorded as revenue when expenditures have been incurred in compliance with the grant requirements. Support received under federal, state, and county grants is recorded as revenue when the related costs of the associated programs are incurred. Grant revenue includes funds received from federal, state and county sources.

Contributions: The Organization recognizes all contributions as income in the period received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. When a restriction is fulfilled, net assets with donor restrictions are then reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income Taxes: The Organization is exempt from federal income tax as provided in the regulations set forth in the Section 501(c)(3) of the Internal Revenue Code. The Organization accounts for uncertain tax positions in accordance with U.S. GAAP, which requires the recognition and measurement of uncertain tax positions that the Organization has taken or expects to take in the Organization's tax return. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements.

The Organization files its Return of Organization Exempt from Income Tax in the U.S federal jurisdiction and its Annual Filing of Charitable Organizations in New York State.

Accounting Estimates: The process of preparing financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly, actual results could differ from estimated amounts.

Reclassification: Certain amounts in the prior year financial statements have been reclassified to conform with the current year presentation.

Recently Issued Accounting Pronouncements: In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact the adoption of this new standard will have on its financial statements.

NOTE 2. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of December 31, are:

	2019	2018
Current financial assets:		
Cash and cash equivalents	**$ 494,297**	$ 377,892
Accounts receivable	**679,429**	483,393
Financial assets available to meet general expenditures within one year	**$ 1,173,726**	$ 861,285

As part of the Organization's liquidity management, it structures its financial assets to be available as its general expenditures and liabilities become due. The Organization invests cash in excess of daily requirements in an investment account with a broker and its investment portfolio primarily consists of exchange traded funds and mutual funds.

NOTE 3. REPLACEMENT RESERVE

In 2007, as a result of its grant enforcement note with the New York State Homeless Housing and Assistance Corporation (HHAC), a replacement reserve account was created with a $13,784 deposit from HHAC. All withdrawals from the account must be pre-approved by HHAC. Upon the satisfactory completion of all its obligations under the grant enforcement note, the Corporation may request the release of all funds that remain on deposit in the account. (See Note 6). The balance at December 31, 2019 was $14,479 ($14,324 - 2018). These funds are invested in a money market fund with M&T Securities with interest at .02%.

NOTE 4. LAND, BUILDING AND EQUIPMENT

Land, building and equipment at December 31, 2019 and 2018 is as follows:

	2019	2018
Land	**$ 84,599**	$ 84,599
Building and improvements	**2,347,278**	2,292,658
Furniture and equipment	**268,623**	247,358
Vehicles	**83,705**	83,705
	2,784,205	2,708,320
Less accumulated depreciation	**(1,405,497)**	(1,285,150)
	$ 1,378,708	$ 1,423,170

NOTE 5. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

NOTE 5. FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value at December 31, 2019 and 2018.

Cash and cash equivalents: Stated at cost, which approximates fair value. Cash and cash equivalents are classified as Level 1 investments.

Exchange traded funds (ETF's): Valued at the closing price reported on the active market on which the individual securities are traded. Exchange traded funds are classified as Level 1 investments.

Mutual funds: Valued at the net asset value (NAV) of shares held at year end. The NAV is the closing price reported on the active market on which the securities are traded. Mutual funds are classified as Level 1 investments.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2019:

	Assets at Fair Value			
	(Level 1)	(Level 2)	(Level 3)	Total
Cash and cash equivalents	$ 4,751	$ -	$ -	**$ 4,751**
Mutual funds	379,616	-	-	**379,616**
Exchange traded funds	167,383	-	-	**167,383**
Total	$ 551,750	$ -	$ -	**$ 551,750**

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2018:

	Assets at Fair Value			
	(Level 1)	(Level 2)	(Level 3)	Total
Cash and cash equivalents	$ 5,943	$ -	$ -	**$ 5,943**
Mutual funds	284,188	-	-	**284,188**
Exchange traded funds	203,311	-	-	**203,311**
Total	$ 493,442	$ -	$ -	**$ 493,442**

NOTE 6. CONTINGENT LIABILITY

The Organization entered into a grant enforcement note payable with the New York State Homeless Housing and Assistance Corporation (HHAC), on November 9, 2004, for the construction of a second facility located in Buffalo. The total amount of this note is $901,900, which was previously recognized into revenue, and is secured by the property. The mortgage is for 25 years, at no interest, with no scheduled payments and will be forgiven at the end of the term (October 2030). Under the terms of the grant enforcement note with HHAC, the property must be used for 25 years as housing for persons who would otherwise be homeless. If the Organization does not comply with the terms of the agreement, the amount provided will be considered to be in default and the original amount provided shall be immediately due and payable.

NOTE 7. RENT

Effective for the year ended December 31, 2019, the Organization leases administrative office space under an operating lease agreement expiring August 31, 2022. Rent expense for the year ended December 31, 2019 was $43,751 ($31,688 - 2018). Future annual minimum lease payments under this lease are $59,963 for 2020, $59,963 for 2021, and $39,975 for 2022.

Effective for the year ended December 31, 2019, the Organization leases office equipment under various operating lease agreements expiring through June 2021. Rent expense for the year ended December 31, 2019 was $9,838 under these agreements ($10,388 - 2018). Future annual minimum lease payments under this lease are $6,000 in 2020 and $1,640 in 2021.

The Organization leases off-site apartments for qualifying residents under its independent living program. Lease terms are generally expected to not exceed a one-year term. Rent expense under this program was $71,090 in 2019 ($58,122 - 2018). Future annual minimum rental payments amount to $54,325 for 2020.

NOTE 8. SUBSEQUENT EVENTS

The Organization evaluated its December 31, 2019 financial statements for subsequent events through the date the financial statements were issued. The spread of the COVID-19 coronavirus has resulted in economic uncertainties. The operational and financial impacts of such uncertainties are not reasonably estimable.

In response to the COVID-19 coronavirus, the federal government issued the Coronavirus Aid, Relief and Economic Security Act (CARES Act) in March 2020. A section of the CARES Act includes the Paycheck Protection Program (PPP) which provides funding to small businesses and non-profits impacted by COVID-19. The Organization applied for a loan through the PPP and received $422,900. If these funds are used within the provisions set forth by the PPP, this loan is eligible to be forgiven.

These financial statements have not been updated for subsequent events occurring after September 22, 2020, which is the date these financial statements were available to be issued.