

**Center for  
Housing and Health**

**Financial Statements  
and Independent Auditors' Report**

**June 30, 2022 and 2021**

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# MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Center for Housing and Health  
Chicago, Illinois

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of the Center for Housing and Health ("the Organization"), which comprise the statement of financial position as of June 30, 2022, the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matter**

The financial statements of the Organization, as of and for the year ended June 30, 2021, were audited by other auditors whose report dated March 1, 2022 expressed an unmodified opinion on those statements.

#### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 Financial Statements**

Management is responsible for the preparation and fair presentation of the 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.

(Continued)

### **Responsibilities of Management for the Financial Statements (Continued)**

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

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 the Organization'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization'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.

(Continued)

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2023, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.

A handwritten signature in cursive script that reads "Miller, Cooper & Co., Ltd." The signature is written in black ink and is positioned above a horizontal line.

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Certified Public Accountants

Deerfield, Illinois  
February 3, 2023

## **FINANCIAL STATEMENTS**

**Center for Housing and Health**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>CURRENT ASSETS</b>						
Cash	\$ 799,489	\$ 221,528	\$ 1,021,017	\$ 454,557	\$ 47,091	\$ 501,648
Grants receivable	3,791,402	-	3,791,402	2,037,463	493,016	2,530,479
Other receivables	121	-	121	-	-	-
Prepaid expenses and deposits	19,998	-	19,998	15,949	-	15,949
Due from related party	50,000	-	50,000	-	-	-
Total assets	<u>\$ 4,661,010</u>	<u>\$ 221,528</u>	<u>\$ 4,882,538</u>	<u>\$ 2,507,969</u>	<u>\$ 540,107</u>	<u>\$ 3,048,076</u>
<b>CURRENT LIABILITIES</b>						
Accounts payable	\$ 31,143	\$ -	\$ 31,143	\$ 9,426	\$ -	\$ 9,426
Refundable advance	600,000	-	600,000	30,687	-	30,687
Deferred revenue	799,970	-	799,970	922,948	-	922,948
Due to related party	548,026	-	548,026	519,728	-	519,728
Total liabilities	<u>1,979,139</u>	<u>-</u>	<u>1,979,139</u>	<u>1,482,789</u>	<u>-</u>	<u>1,482,789</u>
<b>NET ASSETS</b>						
Without donor restrictions	2,681,871	-	2,681,871	1,025,180	-	1,025,180
With donor restrictions	<u>-</u>	<u>221,528</u>	<u>221,528</u>	<u>-</u>	<u>540,107</u>	<u>540,107</u>
Total net assets	<u>2,681,871</u>	<u>221,528</u>	<u>2,903,399</u>	<u>1,025,180</u>	<u>540,107</u>	<u>1,565,287</u>
Total liabilities and net assets	<u>\$ 4,661,010</u>	<u>\$ 221,528</u>	<u>\$ 4,882,538</u>	<u>\$ 2,507,969</u>	<u>\$ 540,107</u>	<u>\$ 3,048,076</u>

Miller Cooper & Co., Ltd.

The accompanying notes are an integral part of these statements.

**Center for Housing and Health**  
**STATEMENTS OF ACTIVITIES**  
For the years ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue						
Government grants	\$ 13,845,538	\$ -	\$ 13,845,538	\$ 13,557,179	\$ -	\$ 13,557,179
Flexible Housing Pool grants	11,721,597	8,075	11,729,672	3,951,782	468,016	4,419,798
Contributions	304,433	213,453	517,886	251,716	47,091	298,807
Net assets released from restrictions	540,107	(540,107)	-	236,848	(236,848)	-
<b>Total support and revenue</b>	<b>26,411,675</b>	<b>(318,579)</b>	<b>26,093,096</b>	<b>17,997,525</b>	<b>278,259</b>	<b>18,275,784</b>
Expenses						
Program services	24,089,499	-	24,089,499	17,576,436	-	17,576,436
Management and general	665,485	-	665,485	464,309	-	464,309
<b>Total expenses</b>	<b>24,754,984</b>	<b>-</b>	<b>24,754,984</b>	<b>18,040,745</b>	<b>-</b>	<b>18,040,745</b>
<b>CHANGE IN NET ASSETS</b>	<b>1,656,691</b>	<b>(318,579)</b>	<b>1,338,112</b>	<b>(43,220)</b>	<b>278,259</b>	<b>235,039</b>
Net assets, beginning of year	1,025,180	540,107	1,565,287	1,068,400	261,848	1,330,248
Net assets, end of year	\$ 2,681,871	\$ 221,528	\$ 2,903,399	\$ 1,025,180	\$ 540,107	\$ 1,565,287

Miller Cooper & Co., Ltd.

The accompanying notes are an integral part of these statements.



**Center for Housing and Health**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended June 30, 2022

Miller Cooper & Co., Ltd.

	<u>Program Services</u>	<u>Management and General Administration</u>	<u>Total Expenses</u>
Salaries and related	\$ 2,043,256	\$ 104,649	\$ 2,147,905
Professional and technical services	242,342	523,524	765,866
Occupancy	196,609	6,876	203,485
Equipment lease and maintenance	10,307	366	10,673
Utilities and telephone	16,287	528	16,815
Direct client support	18,597,992	-	18,597,992
Liability insurance	19,603	751	20,354
Equipment use	41,914	1,676	43,590
Bank fees and other	1,481	11,760	13,241
Meetings and travel	40,979	368	41,347
Postage and messenger services	2,602	4,061	6,663
Membership dues and subscriptions	1,001	5,550	6,551
Printing	-	-	-
Supplies	45,793	5,376	51,169
Private grant expense	100,000	-	100,000
Subcontractor program costs	2,729,333	-	2,729,333
	<u>\$ 24,089,499</u>	<u>\$ 665,485</u>	<u>\$ 24,754,984</u>

The accompanying notes are an integral part of this statement.

**Center for Housing and Health**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended June 30, 2021

Miller Cooper & Co., Ltd.

	<u>Program Services</u>	<u>Management and General Administration</u>	<u>Total Expenses</u>
Salaries and related	\$ 1,559,009	\$ 97,017	\$ 1,656,026
Professional and technical services	70,972	315,879	386,851
Occupancy	159,332	7,198	166,530
Equipment lease and maintenance	4,734	309	5,043
Utilities and telephone	10,610	1,817	12,427
Direct client support	13,845,958	15,126	13,861,084
Liability insurance	9,752	466	10,218
Equipment use	40,701	2,616	43,317
Bank fees and other	896	8,464	9,360
Meetings and travel	35,401	332	35,733
Postage and messenger services	2,352	4,298	6,650
Membership dues and subscriptions	232	5,833	6,065
Printing	60	3	63
Supplies	63,438	4,951	68,389
Subcontractor program costs	1,772,989	-	1,772,989
	<u>\$ 17,576,436</u>	<u>\$ 464,309</u>	<u>\$ 18,040,745</u>

The accompanying notes are an integral part of this statement.

**Center for Housing and Health**  
**STATEMENTS OF CASH FLOWS**  
For the years ended June 30, 2022 and 2021

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	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ 1,338,112	\$ 235,039
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
(Increase) decrease in assets:		
Grants receivables	(1,270,381)	(658,325)
Prepaid expenses	(4,049)	(9,663)
Other receivables	9,337	-
Due from related party	(50,000)	-
Increase (decrease) in liabilities:		
Accounts payable	21,717	(54,590)
Due to related party	28,298	36,153
Deferred revenue	(153,665)	701,217
Refundable advance	600,000	11,343
Net cash provided by operating activities	<u>519,369</u>	<u>261,174</u>
NET INCREASE IN CASH	519,369	261,174
Cash, beginning of year	<u>501,648</u>	<u>240,474</u>
Cash, end of year	<u><u>\$ 1,021,017</u></u>	<u><u>\$ 501,648</u></u>

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The accompanying notes are an integral part of these statements.

**Center for Housing and Health**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

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NOTE A - ORGANIZATION AND NATURE OF THE BUSINESS

Center for Housing and Health (the "Organization") is an Illinois not-for-profit corporation and is exempt from federal income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. The Organization began operations in December 2011 and is organized to promote the coordination, research, evaluation, and policy development of housing and health programs that serve vulnerable populations in the Chicago metropolitan area. The Organization is a supporting organization of the AIDS Foundation of Chicago ("AFC").

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

*Net assets without donor restrictions:* Net assets that are not subject to donor (or certain grantor) restrictions and may be expended for any purpose in performing the primary objectives of the Organization. Net assets without donor restrictions may be designated for specific purposes by the Board of Directors.

*Net assets with donor restrictions:* Net assets are subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. As of June 30, 2022 and 2021, all of the Organizations' net assets with donor restrictions were temporary in nature.

2. Grants and Other Receivables

*Grants receivable:* Grants receivable consists primarily of amounts due from funding organizations for reimbursable expenses incurred in accordance with related agreements. The Organization considers grants receivable to be fully collectible, and, accordingly, no allowance for uncollectable accounts has been recorded.

**Center for Housing and Health**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Grants and Other Receivables (Continued)

*Other receivables:* Other receivables consist of contributions, miscellaneous fees, and trade receivables. Amounts are reviewed for collectability by management, and an allowance for doubtful accounts is recorded, as needed, based on collection history. Management believes these receivables to be collectible, and, therefore, no allowance for uncollectible amounts has been recorded as of June 30, 2022 and 2021. If an account becomes uncollectible, it will be written off at that time.

3. Revenue Recognition

*Contribution Revenue*

Contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence or nature of any donor-imposed restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. 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 statements of activities as net assets released from restrictions. Interest and dividend income and realized and unrealized gains/losses resulting from contributions are reported as net assets without donor restrictions or net assets with donor restrictions, as designated by the donor.

*Government Grants and Flexible Housing Pool Grants*

The Organization receives a substantial portion of its operating funds from government grants and awards. These funds are reported as without donor restrictions as the grants reimburse the Organization for services already provided. Many activities funded by the federal government are carried out for the benefit of the general public, rather than to obtain goods or services for the government's own use. The primary beneficiary of the Organization's activity is the general public, and not the government itself, the arrangement is not an exchange of commensurate value and thus, the transaction is nonreciprocal (i.e. non-exchange).

**Center for Housing and Health**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Revenue Recognition (Continued)

*Government Grants and Flexible Housing Pool Grants* (Continued)

Most government grants are subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, revenue is not recorded for government grants until those conditions are met and if grants are paid in advance, the funds are reported as deferred revenue until those conditions are met. These expenditures are subject to audit and acceptance by the funding agencies, and, as a result of such audit, they may at their discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by the Organization with the terms of the grants/contracts.

*Rental Subsidy*

The Organization participates in a rental subsidy program partially funded by the Department of Housing and Urban Development (HUD). As part of this program, the Organization began collecting rent directly from tenants as a pass-through to the landlords of the properties. The tenants are listed in the lease agreements and the Organization is complying with HUD guidelines that require the Organization to pay the landlords 100% of the tenant's portion of the rent. As such, the tenant's portion of the rent paid to the Organization and passed through to the landlord is considered an agency transaction and is not reported in revenues or expenses on the financial statements. The amount of rent passed through to the landlord was \$484,959 and \$414,356 for the years ended June 30, 2022 and 2021, respectively.

4. Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. GAAP requires management to evaluate tax positions by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities.

Management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

**Center for Housing and Health**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

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NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Use of Estimates

In preparing financial statements in accordance with GAAP, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

6. Fair Value

The carrying amounts of financial instruments, including grant receivables, other receivables, and accounts payable, approximate fair value due to the short maturity of these instruments.

It is the Organization's policy, in general, to measure nonfinancial assets and liabilities at fair value on a nonrecurring basis. These items are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (such as evidence of impairment) which, if material, are disclosed in the accompanying notes to the financial statements.

7. Functional Allocation of Expenses

The costs of providing program and supporting services has been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function based on time and effort. The Organization charges direct program expenses directly to each program. The Organization uses a salary allocation based on time and effort to allocate all shared costs to program, and management and general.

8. Significant Accounting Standard Applicable in Future Years

The FASB issued ASU 2016-02, *Leases*, (Topic 842), in February 2016. ASU 2016-02 will require lessees to recognize, at commencement date, a lease liability representing the lessee's obligation to make payments arising from the lease and a right-of-use asset representing the lessee's right to use or control the use of a specific asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. ASU 2016-02 is effective for annual financial statements of not-for-profit organizations issued for fiscal years beginning after December 15, 2021, and should be applied using a modified retrospective approach.

**Center for Housing and Health**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Significant Accounting Standard Applicable in Future Years (Continued)

ASU 2016-02 is effective for the Organization's June 30, 2023 financial statements and thereafter. Management is currently evaluating the effect that ASU 2016-02 will have on the Organization's financial statements.

NOTE C - AVAILABILITY AND LIQUIDITY

As of June 30, 2022 and 2021, the following tables shows the total financial assets held by the Organization and the amounts of those financial assets that could be readily made available within one year of the statement of financial position date to meet general expenditures:

	<u>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,021,017	\$ 501,648
Grants receivable	3,791,402	2,530,479
Other receivables	121	-
Prepaid expenses and deposits	19,998	15,949
Due from related party	<u>50,000</u>	<u>-</u>
Total financial assets	<u>4,882,538</u>	<u>3,048,076</u>
Less amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(221,528)</u>	<u>(540,107)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,661,010</u>	<u>\$ 2,507,969</u>

The Organization does not have a formal liquidity policy, but generally maintains financial assets in liquid form such as cash to help cover expenses for government grants.



**Center for Housing and Health**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

NOTE D - REFUNDABLE ADVANCE

As of June 30, 2021, the Organization had a refundable advance liability of \$600,000. This amount represents the receipt of an award from the Department of Family and Support Services passed-through the City of Chicago to assist with cash flow for the Flexible Housing Pool project. The Organization determined the award is a conditional grant and has applied the policy as described in Note B-5. Accordingly, the award is reported as a refundable advance liability until the conditions are substantially met or explicitly waived.

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

As of June 30, 2022 and 2021, net assets with donor restrictions, which have either purpose or time restrictions, consisted of the following:

	2022	2021
<u>Purpose Restricted</u>		
Housing systems improvements and innovation	\$ 63,453	\$ 47,091
Flexible Housing Pool	8,075	468,016
Total purpose restricted	71,528	515,107
<u>Time restricted</u>		
Crown Family Philanthropies	150,000	25,000
Total net assets with donor restrictions	\$ 221,528	\$ 540,107

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose or by occurrence of the passage of time or other events specified by the donors. Net assets released from restrictions due to an event totaled \$515,107 and \$236,848 for the years ended June 30, 2022 and 2021, respectively. Net assets released from restrictions due to a passage of time totaled \$25,000 and \$0 for the years ended June 30, 2022 and 2021, respectively.

**Center for Housing and Health**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

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**NOTE F - RELATED PARTY TRANSACTIONS**

The AFC formed the Center for Housing and Health (the Organization) as a supporting organization. The Organization was organized to promote the coordination, research, evaluation, and policy development of housing and health programs that serve vulnerable populations in the Chicago Metropolitan area. The Organization and AFC have a few common board members. The Organization's personnel, office space, and financial activities are primarily supported by the AFC through a managed services arrangement. AFC provides personnel and office space and allocates appropriate expenses to the Organization. Grant procurement is also completed by AFC. As such, the Organization does not have fundraising activities. Additionally, AFC awards pass-through federal grants to the Organization. Below is a summary of activity included in the financial statements

*Included in the statements of financial position for the years ended June 30:*

	<u>2022</u>	<u>2021</u>
Due from related party	\$ 50,000	\$ -
Due to related party	548,026	519,728

*Included in the statements of activities for the years ended June 30:*

	<u>2022</u>	<u>2021</u>
Federal pass-through grants	\$ 9,792,190	\$ 9,765,256
Fee for administrative support	515,202	312,077

**NOTE G - RISKS AND UNCERTAINTIES**

1. **Uninsured Cash**

The Organization maintains a bank account in a major Chicagoland bank subject to the Federal Deposit Insurance Corporation's \$250,000 limit. At times throughout the year, bank balances exceeded FDIC insured limits. The Organization has not experienced any loss in this account and believes it is not exposed to any significant credit risk on its cash balance. As of June 30, 2022 the Organization had \$2,322,965 of uninsured cash balances.

**Center for Housing and Health**  
NOTES TO FINANCIAL STATEMENTS  
June 30, 2022 and 2021

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NOTE G - RISKS AND UNCERTAINTIES (Continued)

2. Concentrations of Revenues

For the year ended June 30, 2022, approximately 92% of the Organization's revenue was earned under various contracts from three funding sources. For the year ended June 30, 2022, the Organization recognized revenue of \$24,113,176 from these funding sources. As of June 30, 2022, these three funding sources owed the Organization \$3,439,670.

For the year ended June 30, 2021, approximately 70% of the Organization's revenue was earned under various contracts from two funding sources. For the year ended June 30, 2021, the Organization recognized revenue of \$12,856,311 from these funding sources. As of June 30, 2021, these two funding sources owed the Organization \$986,816.

If these funding sources terminated their support for the Organization, the Organization's ability to provide services could be significantly reduced.

3. Grants

Financial assistance from governmental entities in the form of grants is subject to special audits. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

NOTE H - SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 3, 2023, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the statement of financial position date that would require additional disclosure in the financial statements.