Community Access, Inc. and Subsidiaries

Consolidated Financial Statements
and Supplementary Information
Year Ended June 30, 2019

Community Access, Inc. and Subsidiaries

Consolidated Financial Statements and Supplementary Information

Year Ended June 30, 2019

Community Access, Inc. and Subsidiaries

Contents

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Independent Auditor's Report

The Board of Directors
Community Access, Inc. and Subsidiaries
New York, New York

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Community Access, Inc. and Subsidiaries, (collectively, the Organization), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

BDO

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community Access, Inc. and Subsidiaries as of June 30, 2019, and the changes in their net assets and their cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 15 to the consolidated financial statements, the Organization discontinued operations for 347 East 4th Street Housing Development Fund Company in 2019. Our opinion is not modified with respect to this matter.

Report on Summarized Comparative Information

We have previously audited Community Access, Inc. and Subsidiaries' combining financial statements and our report dated November 30, 2018 expressed an unmodified opinion on those audited combining financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary Consolidating Schedule of Financial Position and Consolidating Schedule of Activities are presented for purposes of additional analysis and are not required parts of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and to certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements, or to the consolidated financial statements themselves, and to other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

BDO USA, LLP

November 26, 2019

Community Access, Inc. and Subsidiaries

Consolidated Statement of Financial Position
(with comparative totals for 2018)

June 30,		2019		2018
Assets				
Current				
Cash and cash equivalents (Note 2)	$	7,199,707	$	3,553,054
Restricted cash (Notes 2 and 9)		11,491,407		11,581,540
Investments at fair value (Notes 2 and 4)		11,621		261,995
Due from government funding sources, net (Notes 2 and 5)		4,610,130		5,183,133
Rent receivables, net		359,677		518,729
Pledges receivable – current portion (Notes 2 and 8)		1,310,213		1,276,275
Due from related parties (Notes 1 and 6)		22,264		113,065
Prepaid expenses and other current assets		2,202,528		1,898,962
Total Current Assets		27,207,547		24,386,753
Property and Equipment, Net (Notes 2 and 7)		206,454,546		162,469,194
Pledges Receivable, net of current portion (Notes 2 and 8)		115,000		-
Security Deposits and Other Assets		847,048		902,586
Assets Held-for-Sale (Note 15)		335,320		368,273
Total Assets	$	234,959,461	$	188,126,806
Liabilities and Net Assets and Non-Controlling Interest				
Current Liabilities				
Accounts payable, accrued expenses and taxes	$	13,409,984	$	12,035,932
Accrued compensated absences (Note 2)		1,011,465		1,005,716
Deferred revenue and due to government funding sources (Note 2)		6,023,964		3,212,000
Mortgages and notes payable, current portion (Note 10)		247,706		181,240
Loan payable, current portion (Note 11)		22,622,474		4,029,682
Total Current Liabilities		43,315,593		20,464,570
Security Deposits and Other Liabilities		198,451		194,822
Accrued Lease Obligation (Note 12)		232,388		149,494
Mortgage and Loan Interest Payable		1,980,322		1,556,224
Mortgages and Notes Payable, net of current portion and unamortized mortgage costs (Note 10)		43,534,623		43,411,539
Loans Payable, net of current portion and unamortized loan issuance costs (Note 11)		114,297,785		87,450,561
Liabilities Held-for-Sale (Note 15)		6,985		5,486
Total Liabilities		203,566,147		153,232,696
Commitments and Contingencies (Notes 3, 10, 11, 12, and 13)				
Net Assets (Deficit) (Notes 2, 14, and 15)				
Without donor restrictions		6,292,471		5,059,929
With donor restrictions		10,890		1,592,965
Non-Controlling Interest in Affiliates		25,089,953		28,241,216
Total Net Assets and Non-Controlling Interest		31,393,314		34,894,110
Total Liabilities and Net Assets and Non-Controlling Interest	$	234,959,461	$	188,126,806

See accompanying notes to consolidated financial statements.

Community Access, Inc. and Subsidiaries

Consolidated Statement of Activities
(with comparative totals for 2018)

Year ended June 30,

	Without Donor Restrictions	With Donor Restrictions	**2019**	2018
Public Support and Revenue				
Operating revenues:				
Contract revenue	$ 19,750,927	$ -	**$ 19,750,927**	$ 18,846,917
Medicaid income	6,687,611	-	**6,687,611**	6,073,705
Clients' fees (net of client allowance of $252,432 and $243,104 in 2019 and 2018, respectively)	1,541,873	-	**1,541,873**	1,558,600
Rental income	6,355,992	-	**6,355,992**	6,339,444
Contributions - foundations and corporations	88,200	-	**88,200**	189,870
Contributions - individuals	1,431,161	-	**1,431,161**	2,747,134
Special events (net of direct benefit expenses of $22,796 and $4,285 in 2019 and 2018, respectively)	775,806	-	**775,806**	187,703
Net assets released from restriction	1,582,075	(1,582,075)	**-**	-
Total Operating Revenues	38,213,645	(1,582,075)	**36,631,570**	35,943,373
Other Operating Revenues				
Property management and developer's fees	283,459	-	**283,459**	291,560
Total Public Support and Revenue	38,497,104	(1,582,075)	**36,915,029**	36,234,933
Operating Expenses				
Program services:				
Housing programs	20,710,968	-	**20,710,968**	18,454,086
Education and training programs	861,307	-	**861,307**	812,256
Other programs	6,061,862	-	**6,061,862**	4,518,748
Total Program Services	27,634,137	-	**27,634,137**	23,785,090
Supporting services:				
Management and general	4,228,039	-	**4,228,039**	4,463,238
Fundraising	1,057,607	-	**1,057,607**	880,781
Total Supporting Services	5,285,646	-	**5,285,646**	5,344,019
Subsidiaries' Operating Expenses	9,077,266	-	**9,077,266**	9,985,397
Total Operating Expenses	41,997,049	-	**41,997,049**	39,114,506
Change in Net Assets from Operating Activities	(3,499,945)	(1,582,075)	**(5,082,020)**	(2,879,573)
Non-Operating Activities				
Interest and other income	1,779,576	-	**1,779,576**	2,978,214
Change in Net Assets Before Discontinued Operations	(1,720,369)	(1,582,075)	**(3,302,444)**	98,641
Loss on Discontinued Operations	(198,352)	-	**(198,352)**	(129,619)
Change in Net Assets	$ (1,918,721)	$ (1,582,075)	**$ (3,500,796)**	$ (30,978)

See accompanying notes to consolidated financial statements.

Community Access, Inc. and Subsidiaries

Consolidated Statement of Changes in Net Assets
(with comparative totals for 2018)

Year ended June 30, 2019

	Controlling Interest			
	CAI and Affiliates Net Assets - Without Donor Restrictions	CAI and Affiliates Net Assets – With Donor Restrictions	Non-controlling Interest in Affiliates	Total
Net Assets, June 30, 2017	$ 1,842,798	$ 2,035,787	$ 27,669,466	$ 31,548,051
Change in net assets	3,217,051	(442,822)	(2,805,207)	(30,978)
Capital contributions	338	-	3,376,699	3,377,037
Transfer of net assets	(258)	-	258	-
Net Assets, June 30, 2018	5,059,929	1,592,965	28,241,216	34,894,110
Change in net assets	1,232,542	(1,582,075)	(3,151,263)	(3,500,796)
Capital contributions	-	-	-	-
Transfer of net assets	-	-	-	-
Net Assets (Deficit), June 30, 2019	$ 6,292,471	$ 10,890	$ 25,089,953	$ 31,393,314

See accompanying notes to financial statements.

Community Access, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
(with comparative totals for 2018)

June 30,

	Program Services						Supporting Services						Total	
	CAI - Housing	HDFC Entities - Housing	Total - Housing	CAI - Training and Education Programs	CAI - Other Programs	Total Program Services	CAI - Management and General	HDFC Entities - Management and General	Total - Management and General	CAI - Fundraising	Total Supporting Services	Subsidiaries' Operating Expenses	**2019**	2018
Salaries and Related Expenses														
Salaries	$ 7,549,649	$ 299,346	$ 7,848,995	$ 411,080	$ 3,523,313	$ 11,783,388	$ 1,239,967	$ -	$ 1,239,967	$ 321,075	$ 1,561,042	$ 843,905	**$14,188,335**	$ 14,335,688
Fringe benefits	2,055,481	86,811	2,142,292	112,246	955,011	3,209,549	289,938	-	289,938	86,445	376,383	244,731	**3,830,663**	4,022,888
Total Salaries and Related Expenses	9,605,130	386,157	9,991,287	523,326	4,478,324	14,992,937	1,529,905	-	1,529,905	407,520	1,937,425	1,088,636	**18,018,998**	18,358,576
Other Expenses														
Contracted and professional fees	1,671,646	25,869	1,697,515	36,523	516,194	2,250,232	784,830	38,777	823,607	218,847	1,042,454	588,907	**3,881,593**	2,547,621
Supplies and equipment	372,347	1,113	373,460	17,014	130,303	520,777	328,301	-	328,301	92,634	420,935	81,537	**1,023,249**	721,095
Occupancy and insurance	1,191,773	865,884	2,057,657	191,715	516,150	2,765,522	560,467	-	560,467	130	560,597	3,362,592	**6,688,711**	6,115,450
Participant expense	3,479,053	24,260	3,503,313	81,170	343,719	3,928,202	13,237	-	13,237	-	13,237	18,066	**3,959,505**	3,264,235
Staff expense	102,984	-	102,984	9,959	97,863	210,806	127,546	-	127,546	1,683	129,229	-	**340,035**	278,211
Events and other fundraising costs	3,450	-	3,450	-	3,509	6,959	21,862	-	21,862	280,037	301,899	-	**308,858**	245,660
Vehicle expenses	19,079	-	19,079	-	60	19,139	701	-	701	-	701	-	**19,840**	22,682
Fees and other expenses	29,676	168,423	198,099	1,600	59,888	259,587	237,977	-	237,977	56,756	294,733	95,542	**649,862**	636,830
Interest expense	-	1,259,736	1,259,736	-	-	1,259,736	3,079	-	3,079	-	3,079	348,307	**1,611,122**	1,667,897
Provision for allowance	48,153	698,933	747,086	-	(84,148)	662,938	377,860	-	377,860	-	377,860	233,599	**1,274,397**	1,115,994
Depreciation and amortization	-	757,302	757,302	-	-	757,302	203,497	-	203,497	-	203,497	3,260,080	**4,220,879**	4,140,255
Total Expenses	$ 16,523,291	$ 4,187,677	$ 20,710,968	$ 861,307	$ 6,061,862	$ 27,634,137	$ 4,189,262	$ 38,777	$ 4,228,039	$ 1,057,607	$ 5,285,646	$ 9,077,266	**$41,997,049**	$ 39,114,506

See accompanying notes to consolidated financial statements.

Community Access, Inc. and Subsidiaries

Consolidated Statement of Cash Flows
(with comparative totals for 2018)

June 30,		2019		2018
Cash Flows from Operating Activities				
Change in net assets	$	(3,500,796)	$	(30,978)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation and amortization		4,220,879		4,140,255
Interest expense related to deferred financing cost		436,506		453,392
Forgiveness of debt		(54,255)		(122,471)
Provision for bad debts		590,844		464,727
Donated stock		-		(253,401)
Increase (decrease) in assets:				
Due from government funding sources		231,138		(685,474)
Rent receivables		(89,927)		(264,259)
Pledges receivable		(148,938)		(69,562)
Due from related parties		90,801		(739,748)
Prepaid expenses		(303,219)		(299,167)
Security deposits and other assets		58,817		(522,543)
(Increase) decrease in liabilities:				
Accounts payable		(8,352,824)		1,784,590
Accrued compensated absences		5,749		90,838
Due to related parties		-		(744,686)
Deferred revenue and due to government funding sources		2,811,964		(204,135)
Accrued lease obligation		82,894		(739,481)
Net Cash (Used in) Provided by Operating Activities – Continuing Operations		(419,571)		2,288,875
Net Cash Provided by Operating Activities – Discontinued Operations		42,273		78,700
Net Cash (Used in) Provided by Operating Activities		(3,878,094)		2,336,597
Cash Flows from Investing Activities				
Decrease (increase) in restricted cash		90,133		(1,908,914)
Purchase of property and equipment		(38,479,353)		(32,265,998)
Redemption of investments		250,374		-
Net Cash Used in Investing Activities – Continuing Operations		(38,138,846)		(34,174,912)
Net Cash Used in Investing Activities - Discontinued Operations		(5,388)		(4,939)
Net Cash Used in Investing Activities		(38,144,234)		(34,179,851)
Cash Flows from Financing Activities				
Capital contributions		-		3,377,295
Capital distributions		-		(258)
Proceeds from line of credit		-		900,000
Repayment of line of credit		-		(900,000)
Proceeds from loan payable		45,804,895		39,018,042
Principal payments on loans payable		(6,676)		(10,600,000)
Principal payments on mortgages payable		(126,805)		(273,867)
Net Cash Provided by Financing Activities – Continuing Operations		45,671,414		31,521,212
Net Cash Provided by Financing Activities		45,671,414		31,521,212
Net Increase (Decrease) in Cash and Cash Equivalents		3,649,086		(322,042)
Cash and Cash Equivalents, beginning of year		3,556,396		3,878,438
Cash and Cash Equivalents, end of year		7,205,482		3,556,396
Less: Cash and Cash Equivalents of Discontinued Operations, end of year		(5,775)		(3,342)
Cash and Cash Equivalents of Continued Operations, end of year	$	7,199,707	$	3,553,054
Supplemental Disclosure of Cash Flow Information				
Cash paid for interest	$	1,777,223	$	1,419,755
Supplemental Disclosure for Non-Cash Transactions				
Capitalized interest	$	1,831,508	$	2,671,544
Capitalized construction cost		9,726,878		8,117,376

See accompanying notes to consolidated financial statements.

1. Organization

Organization

Community Access, Inc. (CAI) is a not-for-profit organization founded in 1974 for the purpose of developing housing and providing support and training to clients with psychiatric disabilities attempting to achieve a transition to community life in the New York City metropolitan area.

In furtherance of this mission, CAI has formed various corporations and partnerships to develop and to own and operate affordable supportive housing for adults with psychiatric disabilities and low-income families and individuals.

Principles of Consolidation

The consolidated financial statements include the accounts of CAI and its subsidiaries (collectively, the Organization). All material intercompany transactions and balances have been eliminated. The following entities are included in the consolidated financial statements:

- Access House, Inc. (Access House) owns and operates a 15-unit community residence for adults with psychiatric disabilities. The directors of Access House are required to be directors of CAI or to have been approved by the directors of CAI. As a result, CAI controls Access House.
- 347 East 4th Street Housing Development Fund Company, Inc. (Libby House) - (Discontinued Operations) commonly known as Libby House, owns and operates a 12-bed community residence for adults with psychiatric disabilities. CAI is the sole member of 347 East 4th Street Housing Development Fund Company, Inc. As a result, CAI controls Libby House. As further discussed in Note 15, on February 14, 2019, Libby House entered into an agreement with a purchaser to sell the property for $2.65 million.
- 202 West 108th Street Housing Development Fund Company, Inc. (202 West HDFC) owns and operates a five-unit supportive housing project for adults with psychiatric disabilities. The directors of 202 West 108th Street HDFC are required to be directors of CAI or to have been appointed or elected directors by CAI. As a result, CAI controls 202 West 108th Street HDFC.
- Community Recovery Houses Housing Development Fund Company, Inc. (Community Recovery Houses HDFC) owns and operates three residential buildings. Two of the buildings serve as community residences for adults with psychiatric disabilities. The third building is used as a short-stay respite center for individuals experiencing an emotional or mental crisis. The directors of Community Recovery Houses HDFC are required to be directors of CAI or to have been appointed or elected directors by CAI. As a result, CAI controls Community Recovery HDFC.
- Community Access Housing Development Fund Company, Inc. (Community Access HDFC) owns a residential condominium unit used as housing for adults with psychiatric disabilities. CAI is the sole member of Community Access HDFC. As a result, CAI controls Community Access HDFC. As further discussed in Note 16, on August 27, 2019, Community Access HDFC purchased land at 1861 Carter Avenue, Bronx, NY for a new housing development.
- 107-109 Limited Partnership (107-109 LP) owns and operates a 45-unit supportive housing facility located at 107-109 Avenue D, New York, NY for low-income adult and adults with psychiatric disabilities. A wholly owned subsidiary of CAI is the sole limited partner of 107-109 LP. As a result, CAI controls 107-109 LP.

- 258 East 4th Street Limited Partnership (258 East 4th Street LP). owns and operates a 51-unit housing facility located at 258 East 4th Street, New York, NY for low-income families and adults with psychiatric disabilities. A wholly owned subsidiary of CAI is the sole limited partner of 258 East 4th Street LP. As a result, CAI controls 258 East 4th Street LP.
- 1854 Cedar Avenue Housing Development Fund Company, Inc. (1854 Cedar Ave HDFC) owns and leases land at 1854 Cedar Avenue to 1854 Cedar Avenue, LLC (1854 Cedar Ave LLC). A majority of the directors of 1854 Cedar Ave HDFC are required to be directors of CAI or to have been appointed or elected directors by CAI. As a result, CAI control 1854 Cedar Ave HDFC.
- 1710 Vyse Avenue Housing Development Fund Company, Inc. (1710 Vyse Ave HDFC) has a nominee agreement with 1710 Vyse Avenue Limited Partnership (Vyse Ave LP) under which 1710 Vyse Ave HDFC retains legal title to the property. The directors of 1710 Vyse Ave HDFC are required to be directors of CAI or to have been appointed or elected directors by CAI. As a result, CAI controls 1710 Vyse Ave HDFC.
- Gouverneur Court Housing Development Fund Company, Inc. (Gouverneur Court HDFC) owns and operates a 124-unit housing facility located at 621 Water Street, New York, NY for low-income adults and adults with psychiatric disabilities. The directors of Gouverneur Court HDFC are required to be directors of CAI or to have been appointed or elected directors by CAI. As a result, CAI controls Gouverneur Court HDFC.
- 111 East 172nd Street Housing Development Fund Company, Inc. (111 East 172nd Street HDFC) owns a site on which it is building a 126-unit housing facility for adults with psychiatric disabilities and low-income families. 111 East 172nd Street HDFC has a nominee agreement with 111 East 172nd Street Owners LLC (111 East 172nd Street LLC) under which 111 East 172nd Street HDFC retains legal title to the property. The directors of 111 East 172nd Street HDFC are required to be directors of CAI or to have been appointed or elected directors by CAI. As a result, CAI controls 111 East 172nd Street HDFC.
- 985 Bruckner Boulevard Housing Development Fund Company, Inc. (985 Bruckner Blvd HDFC) owns a site on which it is building a 215-unit housing facility for adults with psychiatric disabilities, families that have experienced chronic homelessness, and low-income adults and families. On December 28, 2017, 985 Bruckner Blvd HDFC transferred all beneficial and equitable interest in the property to 985 Bruckner Boulevard Owners, LLC (985 Bruckner Blvd LLC) under a nominee agreement pursuant to which 985 Bruckner Blvd HDFC retains legal title to the property. The directors of 985 Bruckner Blvd HDFC are required to be directors of CAI or to have been appointed or elected directors by CAI. As a result, CAI controls 985 Bruckner Blvd HDFC.
- 1159 River Avenue Housing Development Fund Company, Inc. (1159 River Ave HDFC) owns a site on which it plans to build and operate rental housing for adults with psychiatric disabilities, families that have experienced chronic homelessness, and low-income adults and families. It purchased the site on August 15, 2018 for $11,010,306. The directors of 1159 River Ave HDFC are required to be directors of CAI or to have been appointed or elected directors by CAI. As a result, CAI controls 1159 River Ave HDFC.

CAI has investments in stock ownership for the following entities which, by themselves or through partnerships, develop and manage rental apartment buildings that provide housing to low-income individuals, families and adults with psychiatric disabilities. The ownership interest in these entities is reported as controlling and non-controlling interest in the consolidated financial statements. These entities and a description of their operations are as follows:

- 910 DeKalb Avenue, Inc. is the general partner of 910 DeKalb Avenue Limited Partnership (910 Dekalb Ave LP), which owns and operates a 64-unit housing facility located at 910 DeKalb Avenue, Brooklyn, NY for low-income families and adults with psychiatric disabilities.
- 1363 Franklin Avenue, Inc. is the general partner of 1363 Franklin Avenue Limited Partnership (1363 Franklin Ave LP), which owns and operates a 66-unit housing facility located at 1363 Franklin Avenue, Bronx, NY for low-income families and adults with psychiatric disabilities.
- CHICA, Inc. is the general partner of CHICA Limited Partnership (CHICA LP or 1022 Rev. James Polite Avenue), which owns and operates a 68-unit housing facility located at 1022 Reverend James A. Polite Avenue, Bronx, NY for low income-adults and adults with psychiatric disabilities.
- 772 East 168th Street Corporation is the managing member of 772 East 168th Street LLC (Tinton Ave), which owns and operates a 60-unit housing facility located at 772 East 168th Street, Bronx, NY for low-income adults and adults with psychiatric disabilities.
- 29 East 2nd Street Corporation is the general partner of 29 East 2nd Street Limited Partnership (29 East 2nd Street LP), which owns and operates a 54-unit housing facility located at 29 East 2nd Street, New York, NY for low-income adults and adults with psychiatric disabilities.
- 1750 Davidson Avenue GP, Inc. is the general partner of 1750 Davidson Avenue Limited Partnership (1750 Davidson Ave LP), which owns a 74-unit housing facility located at 1750 Davidson Avenue, Bronx, NY for low-income adults and adults with psychiatric disabilities.
- 1854 Cedar Avenue Managers, LLC is the managing member of 1854 Cedar Avenue LLC (1854 Cedar Ave LLC), which operates a 106-unit housing facility located at 1854 Cedar Avenue, Brooklyn, NY for low-income families and adults with psychiatric disabilities.
- 1710 Vyse Avenue GP Corp. is the general partner of 1710 Vyse Avenue Limited Partnership (1710 Vyse Ave LP), which owns and operates a 65-unit housing facility located at 1710 Vyse Avenue, Bronx, NY for adults with psychiatric disabilities.
- CA 172nd Street, Inc. is the managing member of East 172nd Street MM LLC, which is the managing member of 111 East 172nd Street LLC.
- CA Bruckner Boulevard, Inc. is the managing member of Bruckner Boulevard MM LLC, which is the managing member of 985 Bruckner Blvd LLC.

2. Summary of Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America, as applicable to not-for-profit organizations. In the consolidated statement of financial position, assets and liabilities are presented in order of liquidity or conversion to cash and their maturity resulting in the use of cash, respectively.

Non-Controlling Interests

In accordance with Accounting Standards Codification (ASC) 810, “Consolidation,” the Organization reports non-controlling interests, sometimes referred to as minority interests, as part of total net assets in the consolidated statement of financial position. Furthermore, the Organization reports the changes in net assets of both the controlling and non-controlling interests, for the period presented, in the consolidated statement of changes in net assets.

Financial Statement Presentation

The classification of a not-for-profit organization’s net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of two classes of net assets—with donor restrictions and without donor restrictions—be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities.

These classes are defined as follows:

Net Assets Without Donor Restrictions – This class consists of net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the board of directors.

Net Assets with Donor Restrictions – Net assets with donor restrictions consists of assets whose use is limited by donor-imposed, time and/or purpose restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

At June 30, 2019, there were no net assets with donor restriction that are perpetual in nature.

Measure of Operations

The Organization includes in its measure of operations:

- All revenues and expenses that are an integral part of its programs and supporting activities
- Net assets released from restrictions to support operating expenditures

The Organization excludes from its measure of operations:

- Interest income net of expenses
- Other income resulted from non-operating activities
- Discontinued operations

Revenue Recognition

The Organization receives funding from Medicaid, the New York State Office of Mental Health (OMH), New York City Department of Mental Health (DMH), New York City Department of Homeless Services (DHS), HIV/AIDS Services Administration (HASA), U.S. Department of Housing and Urban Development (HUD), New York State Office of Vocational and Educational Services for Individuals with Disabilities (VESID), and donations from individuals, grants from foundations and corporations. Contract revenues are recognized when reimbursable expenses are incurred, Medicaid revenues are recognized when the services have been performed, and unconditional promises to give in the form of contributions and grants are recognized in the period received, unless conditional. Client fees are recognized when earned. Rental income are recognized as income when earned. Rentals are generally under annual lease arrangements. Tenant leases are for periods not exceeding one year and are accounted for as operating leases. Payments by OMH for loan payables are recognized as income when made.

Reimbursements are subject to audit and retroactive adjustment by respective third-party fiscal intermediaries. Revenue from retroactive adjustments is recognized in the year the adjustments are made.

Gross receivables are shown unless documentation is received from the funder stating that the claims are approved, and advances will be recouped.

Deferred revenue and due to funding sources represent advances received from governmental agencies, where these agencies have not notified the Organization that the claims were approved, and advances will be recouped against those claims.

Promises to Give

Unconditional promises-to-give (pledges) that are expected to be collected within one year are recorded at estimated net realizable value, while those that are expected to be collected beyond one year are recorded at the present value of estimated future cash flows. Discount rates are applied using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. As of June 30, 2019, there were no discounted pledges recorded.

Conditional promises to give are not included as support until the conditions are substantially met.

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with a maturity of three months or less to be cash and cash equivalents.

Cash and cash equivalents are maintained at a level to meet anticipated operating cash needs and are maintained in Federal Depository Insurance Corporation (FDIC) insured accounts at credit qualified financial institutions. At times, such amounts may exceed the FDIC insurance limits.

Restricted Cash

Restricted cash includes tenant security deposits and operating and replacement reserves, which are deposited in separate bank accounts. These funds are carried at cost plus interest, which approximates fair value. Withdrawals of operating and replacement reserves can only be made with the prior approval from the custodian.

Fair Value Measurements

ASC 820, "Fair Value Measurement," defines fair value, establishes a framework for measuring fair value and expands the disclosures about fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in a principal or most advantageous market. Fair value is a market-based measurement that is determined based on inputs, which refer broadly to assumptions that market participants use in pricing assets or liabilities. These inputs can be readily observable, market corroborated, or unobservable. ASC 820 established a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value in three broad levels. The standard requires that assets and liabilities be classified in their entirety based on the level of input that is significant to the fair value measurement. Assessing the significance of a particular input may require judgment considering factors specific to the asset or liability and may affect the valuation of the asset or liability and its placement within the fair value hierarchy. The Organization classifies fair value balances based on the fair value hierarchy defined by ASC 820, as follows:

Level 1 - Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Valuation adjustments and block discounts are not applied to Level 1 instruments.

Level 2 - Valuations are based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations are based on inputs that are unobservable and significant to the overall fair value measurement.

Net investment income (including realized and unrealized gains on trading investments, interest and dividends) is included in the consolidated statement of activities.

Use of Estimates

In preparing the consolidated financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and revenue and expenses during the reported period. Actual results could differ from those estimates.

Deferred Financing Costs

Deferred financing costs represent the costs incurred in connection with obtaining financing. Deferred financing costs are amortized over the life of the mortgage and loan and netted with the mortgage and loan liability.

Property and Equipment

Property and equipment are stated at cost. Donations of property and equipment are stated at the estimated fair value at the date of the donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets. The estimated useful lives of the Organization's fixed assets are as follows:

Building and building improvements	27.5 - 40 years
Furniture and equipment	3 - 10 years
Leasehold improvements	Lesser of 5 - 15 years or the life of the lease

Provision for Bad Debts

Accounts receivable consists primarily of amounts due from government funding sources.

The Organization maintains an allowance for doubtful accounts for the contracts and rent receivables that are specifically identified by management as to their uncertainty in regard to collectability. The allowance for doubtful accounts for rent receivable was $289,978 at June 30, 2019.

Compensated Absences

The Organization's policy is to accrue all vested vacation benefits as earned by employees.

Income Taxes

CAI and certain affiliated entities were incorporated in the state of New York and are exempt from federal, state and local income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), and therefore have made no provision for income taxes in the accompanying consolidated financial statements. CAI and those affiliated entities have been determined by the Internal Revenue Service (IRS) not to be "private foundations" within the meaning of Section 509(a) of the Code. Community Recovery Houses HDFC filed an application for tax-exempt status under 501(c)(3) of the Code and was denied. 1710 Vyse Avenue HDFC, 111 East 172nd Street HDFC, and 985 Bruckner Blvd HDFC have not filed for tax-exempt status under 501(c)(3) of the Code. As a result, Community Recovery Houses HDFC, 1710 Vyse Avenue HDFC, 111 East 172nd Street HDFC, and 985 Bruckner Blvd HDFC could be for-profit entities and subject to U.S. federal, state and local income tax provisions.

Certain CAI-affiliated entities are for-profit entities and are subject to federal, state and local taxes. The income tax regulations associated with these entities provide that all taxes on income of the limited partnership or limited liability company are payable by the partners or members.

Except for the matters noted above for Community Recovery Houses HDFC, 1710 Vyse Avenue HDFC, 111 East 172nd Street HDFC, and 985 Bruckner Boulevard HDFC, the Organization has not taken an uncertain tax position that would require provision of a liability under ASC 740, "Income Taxes". Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination. The Organization does not believe there are any material uncertain tax positions and, accordingly, it will not recognize the financial statement effects for unrecognized tax positions. The Organization has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Organization has filed IRS Form 990 tax returns, as required, and all other applicable returns in jurisdictions when it is required.

Impairment of Long-Lived Assets to be Disposed

Professional standards provide a single accounting model for long-lived assets to be disposed of. The standard also changes the criteria for classifying an asset as held for sale and broadens the scope of businesses to be disposed of that qualify for reporting as discontinued operations and changes the timing of recognizing losses on such operations. In accordance with the standard, long-lived assets, such as property, building and equipment, and purchased intangibles subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of would be separately presented in the consolidated statement of financial position and reported at the lower of the carrying amount or fair value less costs to sell and are no longer depreciated. The assets and liabilities of a disposed group classified as held for sale would be presented separately in the appropriate asset and liability sections of the consolidated statement of financial position. For the year ended June 30, 2019, there were no impairments recorded in the consolidated financial statements.

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist primarily of cash and cash equivalent accounts in financial institutions which, from time to time, exceed the FDIC limit. The Organization does not believe the credit risk related to these deposits to be significant.

Functional Classification of Expenses

The cost of providing the Organization's programs and other activities has been summarized on a functional basis and by natural classification in the consolidated statement of functional expenses. Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited based upon the rates listed in the chart below. Management and general expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Organization. A portion of the management and general costs have been allocated to housing and education programs in the consolidated statement of functional expenses. The amount of administrative expense allocated from management and general to the programs represents the portion of administration costs funded by the Organization's contracts. Fundraising costs are expensed as incurred, even though they may result in contributions received in future years. The Organization generally does not conduct its fundraising activities in conjunction with its other activities.

Most expenses are charged to individual programs as actually incurred. Salaries and fringe of certain personnel who work on multiple programs are allocated, as are certain expenses recorded as part of agency-wide purchasing programs. Such allocations are determined by management on an equitable basis and are disclosed to and audited by program funders. Costs that are allocated include the following:

Expense	Allocation Methodology
Salaries and fringe	Based on the number of beds in the program as a percentage of the total number of beds in program for which the employee is responsible, adjusted for the percentage of time that the employee dedicates to other functions. Allocation for certain contracts is reduced based on available funding.
Rent	Based on square footage occupied by program as percent of total rental space.
Insurance	Based on premium information provided by insurer and insurance broker, which are based on size of program and historical claims and loss experience.
Subscriptions/Dues	Based on number of staffs at program and available funding.

Reclassifications

Certain amounts included in the fiscal year 2018 combining financial statements have been reclassified to conform to the fiscal year 2019 presentation.

Comparative Financial Information

The consolidated financial statements include certain prior-year summarized comparative information. The consolidated statement of activities is presented in total rather than by net asset class. With respect to the consolidated statement of functional expenses, the prior-year expenses are presented by expense classification in total rather than functional category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's combining financial statements for the year ended June 30, 2018.

Assets and Liabilities Held-for-Sale

The assets and liabilities for Libby House that meet accounting requirements to be classified as held-for-sale are presented as single asset and liability amounts in the consolidated statement of financial position.

The determination of fair value for assets and liabilities involved judgments and assumptions.

Development of estimates of fair values in this circumstance is dependent upon, among other factors, the nature of the potential sale transaction, composition of assets and liabilities, the comparability to market transactions, negotiations with purchaser, etc. Such factors bear directly on the range of potential fair values and the selection of the best estimates.

The Organization reviews all assets held-for-sale each reporting period to determine whether the existing carrying amounts are fully recoverable in comparison to estimated fair values.

The activities for Libby House are presented as a single line item in the consolidated statement of activities and consolidated statement of cash flows that meet accounting requirements to be classified as held-for-sale.

Accrued Lease Obligation

The difference between rent expenses incurred by the Organization on an accrual basis and the rent amounts paid in cash is reported as accrued lease obligation.

Recently Adopted Accounting Pronouncements

Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) and Health Care Entities (Topic 954) – Presentation of Financial Statements of Not-for-Profit Entities." The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled "net assets without donor restrictions" and "net assets with donor restrictions"; (b) modifying the presentation of underwater endowment funds and related disclosures; (c) requiring the use of the placed-in-service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise; (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs; (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (f) presenting investment return net of external and direct expenses; and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for the Organization's consolidated financial statements for fiscal years beginning after December 15, 2017. Early adoption is permitted. The provisions of the ASU must be applied on a retrospective basis for all years presented, although certain optional practical expedients are available for periods prior to adoption. Management has adopted the ASU as of and for the year ended June 30, 2019. Accordingly, certain comparative amounts from the prior-year combining financial statements have been reclassified to conform with the current-year presentation format.

Accounting Pronouncements Issued but Not Yet Adopted

Revenue from Contracts with Customers (Topic 606)

In May 2014, the FASB issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)," which is a comprehensive new revenue recognition standard that will supersede existing revenue recognition guidance. The core principle of the guidance is that an entity should recognize 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 FASB also issued ASU 2015-14, which deferred the effective date for the Organization until annual periods beginning after December 15, 2018. Earlier adoption is permitted, subject to certain limitations. The amendments in this update are required to be applied retrospectively to each prior reporting period presented or with the cumulative effect being recognized consolidated financial statements. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

Leases (Topic 842)

In February 2016, the FASB issued ASU 2016-02, "Leases (Topic 842)," to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for all leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. On March 2019, the FASB issued ASU 2019-01 to update Topic 842. The ASU is effective for the Organization's fiscal years beginning after December 15, 2020 with early adoption permitted. Management is currently evaluating the impact of this ASU on its consolidated financial statements.

3. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the consolidated statement of financial position for general expenditure are as follows:

Year ended June 30, 2019		
Cash and cash equivalents	$	7,199,707
Restricted cash		11,491,407
Investments, at fair value		11,621
Due from government funding sources, net of allowance for uncollectable accounts		4,610,130
Rent receivables, net of allowance for uncollectable accounts		359,677
Pledge receivable - current portion		1,310,213
Due from related parties		407,989
Prepaid expenses and other current assets		2,202,528
Total Financial Assets		27,593,272
Less amounts not available to be used within one year:		
Restricted cash		(11,491,407)
Prepaid expenses and other current assets		(2,202,528)
Total Financial Assets Available to Meet General Expenditure Within One Year	$	13,899,337

Liquidity Management

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. To help manage unanticipated liquidity needs, the Organization also has a committed line of credit in the amount of $3,000,000, which was undrawn at June 30, 2019. The Organization's goal is to maintain Liquid Unrestricted Net Assets (LUNA) of Community Access, Inc. to meet 90 days of that entity's expenses. LUNA includes unrestricted cash and amounts undrawn and available under the line of credit.

4. Investments and Fair Value Measurement

Cost and fair value of investments at June 30, 2019 are as follows:

June 30, 2019		Cost		Fair Value
Mutual funds	$	8,594	$	11,621

The Organization's assets recorded at fair value have been categorized based upon a fair value hierarchy, in accordance with ASC 820. See Note 2 for a discussion of the Organization's policies regarding this hierarchy. A description of the valuation techniques applied to the Organization's major categories of assets and liabilities measured at fair value are as follows:

Mutual Funds

For the Organization's investments in mutual funds, the Organization has ownership interest in the mutual fund but not in the individual securities held by the fund. The assets of each mutual fund consist primarily of shares of the underlying holdings. These mutual funds are invested primarily in equity securities. Mutual funds are valued at the net asset value (NAV) of each share (which is actively traded on national securities exchanges) and are classified as Level 1.

There were no transfers between levels during the year ended June 30, 2019.

5. Amounts Due from Government Funding Sources

The Organization had amounts reimbursable under the terms of agreements signed with various governmental agencies, totaling $4,610,130, comprising the following:

June 30, 2019		
New York City Department of Homeless Services	$	435,119
New York City Department of Health and Mental Hygiene		2,398,314
New York City Department of Human Resources Administration		424,043
U.S. Department of Housing and Urban Development		98,192
New York State Department of Health - Medicaid Reimbursement		1,153,361
Other		796,850
		5,305,879
Less: allowance for uncollectable accounts		(695,749)
Due from Government Funding Sources, net of allowance	$	4,610,130

6. Related-Party Transactions

Reimbursements

The Organization made certain payments on behalf of the affiliated entities. The amounts due from the unconsolidated affiliated entity were as follows:

Year ended June 30, 2019		
29 East 2nd Street LLC	$	22,264

Loans

On August 15, 2018, 1159 River Ave HDFC entered into a loan agreement with an employee of CAI to borrow $850,000 (Note 11) to finance a portion of the down payment in connection with a purchase for 1159 River Avenue. The loan bears an interest rate at 1.75% and matures on September 1, 2020. The entire loan principal balance remains outstanding at June 30, 2019.

On June 15, 2019, Community Access HDFC entered into a loan agreement with an employee of CAI to borrow $600,000 (Note 11) to finance a portion of the down payment in connection with a purchase for 1861 Carter Avenue. The loan bears an interest rate at 1.75% and matures on August 31, 2022. The entire loan principal balance remains outstanding at June 30, 2019.

Contributions

The Organization receives contributions from its employees and members of the Board from time to time.

7. Property and Equipment, Net

Major classes of property and equipment, net consist of the following:

June 30, 2019		
Land	$	20,809,230
Building and building improvements		133,192,645
Leasehold improvements		3,208,424
Office furniture and equipment		709,282
Apartment furniture and equipment		467,718
Construction-in-progress*		100,841,134
		259,228,433
Less: accumulated depreciation		(52,773,887)
Net Property and Equipment	$	206,454,546

* At June 30, 2019, the estimated cost to complete construction-in-progress, which related primarily to construction of the 985 Bruckner Blvd LLC and 111 East 172nd Street LLC, was $15.7 million.

Depreciation and amortization expense for the year ended June 30, 2019 was $4,220,879.

8. Pledges Receivable

Pledges receivable are unconditional promises to give.

At June 30, 2019, the pledge receivable balance collectible within one year was $1,310,213. The pledge receivable balance collectible between one and two years was $115,000.

In July 2015, CAI received a conditional $4,400,000 four-year pledge for fiscal years 2016 through 2020 for new affordable housing development and related expenditures. As of June 30, 2019, CAI had collected $3,000,000 of that pledge.

9. Restricted Cash

Replacement and Operating Reserves

Under regulatory and operating agreements, the Organization is required to establish and fund amounts for the replacement of property and other project expenditures, such as major repairs, approved by HUD, NYC Department of Housing Preservation and Development (HPD), the Housing Trust Fund Corporation (HTFC), and The Community Preservation Corporation (CPC). The replacement reserves totaled $4,748,455 at June 30, 2019. In addition to the replacement reserves, the Organization is required to maintain operating reserves to fund operating deficits in the respective projects financed by HPD and HTFC. The operating reserves totaled $5,023,395 at June 30, 2019. Replacement reserves and operating reserves are held in separate accounts and are not available for operating purposes without prior regulatory approval.

985 Bruckner Boulevard Owners LLC held deposits in an equity escrow account made in connection with the construction of 985 Bruckner Boulevard. The balance in the escrow account was $1,521,106 at June 30, 2019.

Tenant Security Deposits

Under rental agreements with tenants, the Organization collects security deposits at the inception of the rental agreement, which will be subsequently repaid to the tenants when the rental term ends. The security deposits are held in separate accounts and are not available for operating purposes. The tenant security deposits totaled $198,451 at June 30, 2019.

10. Mortgages and Notes Payable

Access House, Inc.

In August 2013, Access House executed a mortgage note agreement with CPC to borrow $973,190 to refinance an outstanding mortgage. The mortgage note is secured by related property. The new mortgage is payable in monthly installments of $7,130 and bears interest at 3.86% per annum. At June 30, 2019, the outstanding principal was $664,711. Mortgage interest expense for the year ended June 30, 2019 was $26,237.

In October 2014, Access House entered into a mortgage note agreement with the City of New York (the City), acting through HPD in the amount of $93,788. The loan was made in response to Superstorm Sandy funds from HUD under the Disaster Recovery Loans Program for Sandy. The note bears no interest rate and shall be deemed satisfied on October 24, 2019, subject to Access

House compliance with all terms, covenants and conditions contained in the loan documents. The outstanding balance as of June 30, 2019 was $18,758.

In October 2016, Access House executed a mortgage agreement with CPC in the amount of $1,119,121. The loan was made in response to Superstorm Sandy, the City, acting by and through HPD, awarded funds (the CDBG-DR Funds) under the CDBG Disaster Recovery Program for Sandy. The mortgage bears no interest rate and shall be deemed satisfied on March 7, 2028, subject to Access House's compliance with all terms, covenants and conditions contained in the loan documents. The advanced disbursement as of June 30, 2019 was $834,198.

Community Recovery Houses HDFC

In November 2010, CAI acquired three sites from an unrelated not-for-profit organization. As part of the purchase and sale agreement, CAI assumed the unpaid principal of the mortgages payable to OMH and the Dormitory Authority of the State of New York (DASNY). Subsequent to the acquisition, title to the properties was transferred and the mortgages were assumed by Community Recovery Houses HDFC. These mortgages, which bear interest rates ranging from 4.83% to 7.40% per annum, are payable in semi-annual installments ranging from $7,801 to $70,924 and have maturity dates ranging from February 2016 to June 2035. As of June 30, 2019, the outstanding principal was $832,572. Mortgage interest expense for the year ended June 30, 2019 was $45,171. The mortgages are secured by the related buildings and land.

Gouverneur Court HDFC

In October 1992, Gouverneur Court HDFC acquired a building from 107-109 HDFC (a related party at the time of acquisition) through the assumption of the building loan contract under financing provided by HPD. The entire principal balance of $8,253,369 is due and payable in March 2022. Interest was payable monthly at the rate of 1% per year. In addition, an annual service fee of .25% was required. In July 2006, HPD reduced the outstanding mortgage balance by $234,343, which represents the unspent construction funds. As a result, the monthly interest payment has been reduced from $8,597 to $8,353. All other terms of the mortgage loan remain the same. During 2006, HPD agreed to amend the terms of the HPD loan to defer payment of interest, service and replacement reserve deposits for a period of two years. In July 2012, Gouverneur Court and HPD modified the terms of the agreement. The mortgage, as restated, bears no interest and requires no service fees. The new principal balance of $8,180,548 is due on May 1, 2039. As part of the modified financing agreement, HPD transferred the balance of the sinking fund under the old agreement in the amount of $1,327,076 to Gouverneur Court's replacement and operating reserves. There is no liability to repay the funds to HPD at maturity of the mortgage. The outstanding balance on the mortgage as of June 30, 2019 was $8,180,548. The mortgage is secured by the related land and building.

On October 24, 2014, Gouverneur Court HDFC entered into a mortgage note agreement with the City, acting through its HPD in the amount of $196,477. The loan was made in response to Superstorm Sandy funds from HUD under the Disaster Recovery Loans Program for Sandy. The note bears no interest rate and shall be deemed satisfied on October 24, 2019, subject to Gouverneur Court HDFC's compliance with all terms, covenants and conditions contained in the loan documents. The outstanding balance as of June 30, 2019 was $39,295.

On October 7, 2016, Gouverneur Court HDFC executed a mortgage agreement with CPC in the amount of $1,426,557. The loan was made in response to Superstorm Sandy. The City, acting by and through HPD, awarded the CDBG-DR Funds under the CDBG Disaster Recovery Program for Sandy. The mortgage bears no interest rate and shall be deemed satisfied on December 7, 2027, subject to Gouverneur Court HDFC's compliance with all terms, covenants and conditions contained in the loan documents. The advanced disbursement as of June 30, 2019 was $899,563.

107-109 LP

In June 1992, the 107-109 LP acquired a building through assumption of the mortgage with HPD representing all costs incurred during construction. The entire principal balance of $2,833,520 is due and payable in July 2022. In January 2006, HPD agreed to amend the terms of the loan to defer payment of interest and replacement reserve deposits until January 1, 2008. The deferred interest payments were to be paid on the maturity date of the mortgage. Effective June 15, 2009, HPD and 107-109 LP agreed to modify the terms of the mortgage. The deferred interest in the amount of $70,838 was added to the principal balance to form a new principal amount of $2,903,768. The new principal amount bears no interest. The new principal amount is due and payable on July 15, 2037. On June 15, 2009, as part of the new financing, HPD transferred $403,775 to 107-109 LP's operating reserve account with the understanding that the funds will be repaid to HPD at maturity of the mortgage. The amount, which is included in amounts due to HPD, is noninterest-bearing. At June 30, 2019, the outstanding principal under the mortgage was $2,903,768.

1710 Vyse Ave LP

In December 2010, 1710 Vyse Ave LP entered into a note payable agreement with 1710 Vyse Ave HDFC and signed a promissory note in the amount of $10,576,577. The note bears interest at 0% per annum, and the entire balance is due in December 2050. The note is secured by the low-income housing project (Project) and is subject to a regulatory agreement, which was entered into by HDFC and OMH. The intent of HDFC is to forgive the loan to 1710 Vyse Ave LP once the 15-year compliance period for low-income housing tax credit is over, which is expected to be in December 2025, and the related OMH loan payable is repaid.

29 East 2nd Street LP

On June 12, 2002, 29 East 2nd Street LP entered into an agreement with HPD and signed a promissory note in the amount of $5,897,934 to cover costs during construction. The entire principal balance is due and payable in June 2032. The loan is non-interest bearing and is secured by the Project. As of June 30, 2019, $5,889,933 has been advanced to 29 East 2nd Street LP.

In August 2002, 29 East 2nd Street LP received a 30-year loan from the sponsors, affiliates of the general partner, in the amount of $379,762. The note bears interest at 1% per annum. The entire principal balance plus accrued interest is due and payable in August 2032. As of June 30, 2019, interest totaling $64,560 has been accrued.

29 East 2nd Street Housing Development Fund Company, Inc. (a related party with the general partner through common Board of Directors) acquired the land for the Project from the City and issued a $1 million promissory note to the City. The land, along with the promissory note obligation, was assigned to 29 East 2nd Street LP. 29 East 2nd Street Housing Development Fund Company, Inc. will continue to hold legal title to the land and 29 East 2nd Street LP will have all the beneficial and equitable interest in the land. The note is non-interest bearing and is due and payable in June 2032.

1363 Franklin Ave LP

In June 2005, 1363 Franklin Ave LP entered into a permanent financing agreement with HTFC and signed a promissory note in the amount of $2,000,000. The note bears interest at 1% per annum and matures in June 2035. The note is secured by the Project and a Regulatory Agreement. Interest is accrued annually and paid on April 30 of the following year out of excess income prior to distribution of any return of equity, as defined. As of June 30, 2019, interest totaling $70,000 has been accrued and is included in interest payable on the consolidated statement of financial position. Loan costs, included in deferred costs, totaling $20,015 at June 30, 2019 is being amortized over the term of the related loan using the straight-line method over the life of the loan. Amortization for the year ended June 30, 2019 was $667, which is included in interest expense on the consolidated statement of activities. At June 30, 2019, accumulated amortization was $9,562.

1750 Davidson Ave LP

In February 2008, 1750 Davidson Ave LP entered into a permanent financing agreement with HTFC and signed a promissory note in the amount of $1,940,000, of which the entire amount was drawn down as of December 31, 2009. The note bears interest at 1% per annum and matures in February 2038. The note is secured by the Project and a regulatory agreement. Interest is accrued annually and paid in April 30 of the following year out of excess income prior to distribution of any return of equity, as defined. As of June 30, 2019, interest totaling $46,999 has been accrued and is included in interest payable on the consolidated statement of financial position. Loan costs, included in deferred costs, totaling $12,693 at June 30, 2019 is being amortized over the term of the related loan using the straight-line method over the life of the loan. Amortization for the year ended June 30, 2019 was $1,058, which is included in interest expense on the consolidated statement of activities. At June 30, 2019, accumulated amortization was $11,105.

772 East 168th Street LLC (Tinton Ave)

In October 2004, 772 East 168th Street LLC entered into an agreement with HPD and signed a promissory note in the amount of $6,000,000. The entire principal balance is due and payable in October 2034. Interest is accrued at a rate of .25% per annum and is payable on the maturity date of the loan. In addition, an annual service fee of $3,000 increasing by 3% each year is required. The loan is secured by the property. As of December 31, 2013, $6,000,000 has been advanced to the 772 East 168th Street LLC. As of June 30, 2019, interest totaling $183,288 has been accrued and is included in interest payable on the consolidated statement of financial position. Deferred financing costs totaling $60,000 at June 30, 2019 is being amortized over the term of the related loan using the straight-line method. Amortization for the year ended June 30, 2019 was $2,000. At June 30, 2019, the accumulated amortization was $25,000.

CHICA LP (1022 Rev. James Polite Avenue)

On May 27, 2003, CHICA LP acquired a building on 1022 Rev James Polite Avenue through the assumption of a building loan agreement with the New York City Housing Development Corporation (HDC). Through December 31, 2009, $7,323,632 has been advanced to CHICA LP. During 2014, the loan was transferred to HPD. Interest accrues monthly at a rate of .25% per year. The entire mortgage balance and accrued interest is due and payable in May 2033. As of June 30, 2019, interest totaling $261,524 has been accrued and is included in interest payable on the consolidated statement of financial position. Deferred financing costs totaling $73,236 at June 30, 2019 is being amortized over the term of the related loan using the straight-line method. Amortization for the year ended June 30, 2019 was $2,441. At June 30, 2019, the accumulated amortization was $34,175.

910 Dekalb Ave LP

In June 2004, 910 Dekalb Ave LP entered into a permanent financing agreement with HTFC and signed a promissory note in the amount of $2,000,000. The note bears interest at 1% per annum and matures in June 2034. The note is secured by the Project and a regulatory agreement. Interest is accrued annually and paid on April 30 of the following year out of excess income prior to distribution of any return of equity, as defined. As of June 30, 2019, interest expense totaling $49,020 for each year has been accrued and is included in interest payable on the consolidated statement of financial position.

Principal maturities on the related obligations are as follows:

Year ending June 30,		
2020	$	247,706
2021		198,462
2022		207,685
2023		152,413
2024		88,330
Thereafter		43,063,135
Total		43,957,731
Less:		
Current portion		(247,706)
Unamortized mortgage costs		(175,402)
Total Mortgage Payable, net of current portion and deferred financing costs	$	43,534,623

11. Loans Payable

Community Access HDFC

On June 15, 2019, Community Access HDFC entered into a loan agreement with an employee of CAI to borrow $600,000 (Note 6) to finance a portion of the down payment in connection with a purchase of 1861 Carter Avenue. The loan bears an interest rate at 1.75% and matures on August 31, 2022. The entire loan principal balance remains outstanding at June 30, 2019.

258 East 4th Street LP

In May 1993, the 258 East 4th Street LP entered into a permanent financing agreement with HTFC and signed a promissory note in the amount of $5,923,192. In 1995 and 1997, pursuant to the agreement, 258 East 4th Street LP made mortgage principal payments of $520,363 and $221,876, respectively, as a result of 258 East 4th Street LP's sale of limited partnership interests. The balance of the note in the amount of $5,180,953 bore interest at 1.4% per annum and matured in April 2008. In 1995, 258 East 4th Street LP elected to prepay the entire interest on the mortgage, which amounted to $997,719 as provided in the mortgage agreement. Interest expense was recognized over the initial 15-year term of the mortgage. During 2010, 258 East 4th Street LP made a payment of $4,623 towards the mortgage payable. On March 13, 2012, based on the terms of the original agreement, HTFC has exercised the option to extend the principal balance of the loan to December 6, 2092. The note bears interest at the annual uncompounded rate of 1% of the outstanding principal of the loan. The interest obligation is limited by the extent of excess income calculated annually. If at any time excess income is insufficient to pay all or a portion of any payment of interest due, that amount of interest which exceeds excess income will be forgiven. The outstanding principal under the mortgage was $5,176,330 for June 30, 2019. The interest accrued as of June 30, 2019 was $188,505.

1854 Cedar Ave LLC

In May 2009, 1845 Cedar Ave LLC obtained financing of $10,100,000 (the Senior Leasehold Loan) for the construction of the Project from New York State Housing Finance Agency (HFA). The loan required monthly payments of interest at a fixed rate of 5.75% on loan principal amount of $2,400,000 and 4.5% on loan principal amount of $7,700,000. The loan requires an annual HFA Servicing Fee of .25% as well as an annual premium on a State of New York Mortgage Agency (SONYMA) policy. The loan is secured by the Project and has an outstanding balance of $2,095,475 for the year ended June 30, 2019. Interest expense for the year ended June 30, 2019 is $121,939.

In May 2009, 1845 Cedar LLC also obtained a “Subsidy Loan” from the HFA. The principal amount of $2,951,000 was made available during the construction period. The amount borrowed required interest at 6% per annum through February 15, 2012. Deferred interest in the amount of $317,308 during this period was not payable but added to the outstanding principal amount of the Subsidy Loan. The new loan payable amounted to $3,268,308. Effective February 16, 2012, the loan bears interest at 1% per annum. Monthly payments of $5,030 are to commence on January 1, 2027. The payments are to be applied first to the current interest due and then to the outstanding principal. The balance of the Subsidy Loan and any unpaid interest is payable on the earlier of July 1, 2041, the prepayment in full of the portion of the Senior Leasehold Loan, any default under the credit terms of the portion of the Senior Leasehold Loan, or at the option of the holder in event of default. Interest expense for the year ended June 30, 2019 was $32,683. As of June 30, 2019, interest totaling $241,861 has been accrued and is included in interest payable on the consolidated statement of financial position. The outstanding loan balance was $3,268,308 for the year ended June 30, 2019.

Also, in May 2009, 1845 Cedar LLC obtained additional financing from the HTFC. The principal amount of $2,951,000 was made available during the construction period. The amount borrowed required interest at 6% per annum through February 15, 2012. Deferred interest in the amount of $83,572 during this period was not payable but added to the outstanding principal amount of the HTFC loan. The new loan amount is $3,034,572. Effective February 16, 2012, the loan bears interest at 1% per annum. The deferred interest is not currently payable. Beginning on February 15, 2028, annual payments of $60,356 are due. The payments are to be applied first to the deferred interest due, then to the current interest due and finally to the outstanding principal. The balance of the loan and any unpaid interest is due and payable on February 15, 2042. Interest expense for the year ended June 30, 2019 was $30,346. As of June 30, 2019, interest totaling $224,202 has been accrued and is included in interest payable on the consolidated statement of financial position. The outstanding balance was $3,034,572 for the year ended June 30, 2019.

985 Bruckner Blvd LLC

In December 2017, 985 Bruckner Boulevard Owners LLC entered into loan agreements with HDC in the amount of $71,400,000 to finance the construction of a 215-unit housing project. Prior to the conversion to permanent financing, the loan bears interests at 2.4% and 5% on 61.27% and 38.73% of the outstanding principal amount, respectively. After conversion, the loan bears an interest rate of 5.7% per annum and matures in September 2051. As of June 30, 2019, the principal amount of the loan was not fully drawn. The outstanding principal amount for the year ended June 30, 2019 was $44,112,838. Pursuant to the terms of the loan, a financial institution issued a letter of credit to HDC for the account of 985 Bruckner Boulevard Owners LLC in the amount of $42,854,167 for the construction of the projects.

111 East 172nd Street LLC

On September 22, 2016, 111 East 172nd Street LLC entered into a loan agreement with HFA in the amount of $25,400,000 to finance the costs of acquiring and constructing a 126-unit housing project. The loan includes both the short-term principal amount of $5,050,000 and the long-term principal amount of $20,350,000. The loan bears an interest rate at 2.5% for short term portion of the loan. The long-term portion of the loan bears interest rate of 5.35% from the date until the conversion from construction to permanent financing, and 4.1% per annum on the outstanding principal amount until payment in full. Prior to the loan conversion date, in addition to payments of principal and interest, 111 East 172nd Street LLC is obligated for monthly equal installment of the HFA Serving Fee equal to 0.75% per annum on the maximum principal amount of the short-term loan and 0.25% per annum on the original principal amount of the long-term loan. Upon the loan conversion date, 111 East 172nd Street LLC is also obligated for the SONYMA premium in the amount of 0.5% per annum of the outstanding principal amount of the loan. As of June 30, 2019, 111 East 172nd Street LLC has not drawn the entire amount of the loan. The outstanding amount of principal at June 30, 2019 was $22,621,213.

On September 22, 2016, 111 East 172nd Street Owners LLC entered into a loan agreement with HPD in the amount of $3,300,000 to finance the costs of constructing the housing project. The loan bears an interest rate at 0.25% and matures on September 22, 2019. As of June 30, 2019, the outstanding balance was $3,300,000.

On September 22, 2016, 111 East 172nd Street Owners LLC entered into a Subordinate Loan Agreement with Citibank, N.A. in the amount of $2,000,000 to finance costs of constructing the housing project. The loan bears interest at 1% per annum and matures on September 22, 2017. The outstanding amount of principal balance at June 30, 2019 was $2,000,000.

CAI

On September 14, 2016, CAI entered into a Sponsor Loan Agreement with OMH pursuant to which OMH agreed to lend up to $15,000,000 to CAI, and CAI agreed to advance those funds to 111 East 172nd Street Owners LLC, to finance costs of constructing the housing project. The loan bears interest at 5.10% and matures on the construction loan conversion date in fiscal year 2020. The outstanding amount of principal balance at June 30, 2019 was $13,517,881.

1159 River Ave HDFC

On August 15, 2018, 1159 River Ave HDFC entered into a loan agreement with an employee of CAI to borrow $850,000 (Note 6) to finance a portion of the down payment in connection with a purchase of 1159 River Avenue. The loan bears an interest rate at 1.75% and matures on September 1, 2020. The entire loan principal balance remains outstanding at June 30, 2019.

On August 15, 2018, 1159 River Ave HDFC entered into an acquisition loan agreement with New York City Acquisition Fund LLC in the amount of $10,275,000 to finance the purchase of the property, net of the deposit already paid, and related closing costs. Simultaneously with the making of the loan, New York City Acquisition Fund LLC has agreed to lend 1159 River Ave HDFC a building loan in the amount of $1,110,000 and a project loan in the amount of $2,215,000, to fund pre-fund interest on the acquisition loan and other pre-development costs. The loans bear an interest rate at the one-month London Inter-Bank Offered Rate (LIBOR) rate plus 3.75% and mature on September 1, 2020. As of June 30, 2019, the outstanding balance was $12,485,937.

BankUnited Line of Credit

In February 2016, CAI entered into a loan agreement with BankUnited, N.A. to provide a $2,000,000 line of credit. Borrowings under the line of credit bear interest at the one-month LIBOR rate plus 2.0%. The line of credit was subsequently increased to $3,000,000. Any borrowings under the line of credit must be repaid on or prior to March 1, 2020. At June 30, 2019, there were no outstanding borrowings under the line of credit.

Principal maturities on the loans payable are as follows:

Year ending June 30,		
2020	$	22,622,474
2021		14,140,592
2022		1,445,200
2023		887,852
2024		932,723
Thereafter		97,764,218
Total		137,793,059
Less:		
Current portion		(22,622,474)
Unamortized loan issuance costs		(872,800)
Total Loan Payable, net of current portion and deferred financing costs	$	114,297,785

12. Commitments and Contingencies

Operating Leases

The Organization leases office space under various leases expiring at various dates through May 2033.

Future minimum payments under noncancelable operating leases with initial or remaining terms of one year or more at June 30, 2019 are as follows:

Year ending June 30,		
2020	$	895,146
2021		940,604
2022		773,984
2023		752,523
2024		750,260
Thereafter		5,578,528
Total	$	9,691,045

For financial statement purposes, base rent is expensed on the straight-line basis over the term of the lease. Rent expense was approximately $1,050,000 for the year ended June 30, 2019.

In addition to rents paid to related parties (Note 6), the Organization rents apartments for clients and office space under arrangements accounted for as operating leases.

The rental commitment presented above does not include operating leases with terms of one year or less. Rent expense under all operating leases for the year ended June 30, 2019, which includes leases with month-to-month terms and related-party transactions, amounted to approximately $3,300,000.

Federal, State and City Funding

The Organization participates in various state and city programs for the benefit of clients with psychiatric disabilities. These programs have strict requirements for participation and, accordingly, the Organization is subject to government program reviews covering compliance with laws and regulations.

The expenses of programs that have been reimbursed pursuant to state and city government contracts and grants are subject to audit by the respective granting agencies.

Developer Guarantees

CAI acted as developer or co-developer of the housing projects owned or controlled by CAI and its subsidiaries. As the developer, CAI acts as guarantor of various obligations of the development entities, principally the timely completion of building construction (Completion Guarantees) and the ability of a building to achieve break-even operations within a certain period after completion (Operating Deficit Guarantees). These guarantees are generally limited to the amount of the cash developer's fee CAI expects to receive in connection with the project. At June 30, 2019, CAI had outstanding Completion Guarantees and Operating Deficit Guarantees in connection with the construction-in-progress at 111 East 172nd Street and 985 Bruckner Boulevard, and a partial repayment guarantee for the acquisition, building, and project loans to 1159 River Ave HDFC. CAI also acts as guarantor of certain continuing obligations of the development entities with respect to potential tax credit adjustments. (See *Low-Income Housing Tax Credits* below.)

Low-Income Housing Tax Credits

The Projects' low-income housing tax credits are contingent on their ability to maintain compliance with applicable provisions of Section 42, which primarily relate to occupant eligibility and unit gross rent. Failure to maintain compliance or to correct non-compliance within a specified time period could result in a reduction in tax credits for which the Projects are eligible, and recapture of tax credits previously taken plus accrued interest, which could also require an adjustment to the capital contributed by the investing members. If such non-compliance is due to events within the control of the managing members, then the managing members shall compensate the investing members for any resulting tax credit reduction and/or recapture. If such non-compliance is not due to events within the control of the managing members, then the limited partnerships or limited liability companies may be required to compensate the investing members for any resulting tax credit reduction and/or recapture out of operating cash flow or from the proceeds of a refinancing or sale of the Projects.

13. Employee Benefit Plan

In January 2004, the Organization established a 403(b) retirement plan (the Plan) covering all eligible employees. Employees are eligible to participate if they have completed one year of service. Participating employees may contribute a percentage of their pay to the Plan up to the maximum amount allowed by the IRS. The Plan provides for a discretionary basic contribution that can vary year to year. For the year ended June 30, 2019, contributions to the Plan totaled $131,607.

14. Net Assets with Donor Restrictions

Net assets with donor restrictions were as follows:

June 30, 2019		
Specific purpose:		
Housing program services	$	10,890
Total	$	10,890

Net assets released from restriction are as follows:

June 30, 2019		
Satisfaction of purpose restrictions	$	60,830
Passage of time		1,521,245
Total	$	1,582,075

15. Discontinued Operations

On February 14, 2019, Libby House entered into an agreement with a purchaser to sell the property for $2.65 million.

As a result of the intended sale, in accordance with U.S. GAAP, the Organization has prepared its consolidated financial statements with Libby House reported as discontinued operations for the year presented.

Included in the consolidated statement of financial position within total assets held-for-sale, total liabilities held-for-sale and net deficit without donor restrictions held-for-sale are the following:

June 30, 2019		
Assets		
Cash and cash equivalents	$	5,775
Restricted cash		47,965
Prepaid expenses and other current assets		1,115
Property and equipment, net (Notes 2 and 6)		277,900
Security deposits and other assets		2,565
Total Assets Held-for-Sale		335,320
Liabilities		
Accounts payable, accrued expenses and taxes		6,985
Total Liabilities Held-for-Sale	$	6,985

Included in the change in net assets from discontinued operations within the consolidated statements of activities and consolidated statement of changes in net assets are the following:

June 30, 2019		
Loss on Discontinued Operations		
Housing programs	$	194,223
Management and general		4,129
Total Expenses and Loss on Discontinued Operations	$	198,352

16. Subsequent Events

On August 27, 2019, Community Access, HDFC acquired property at 1861 Carter Avenue in the Bronx, New York for a new housing project for $6,000,000.

The Organization has evaluated subsequent events through November 26, 2019, which is the date these consolidated financial statements were available to be issued, and there were no other subsequent events requiring adjustments or disclosures to the financial statements.

Supplementary Information

Community Access, Inc. and Subsidiaries

Consolidating Schedule of Financial Position
(with comparative totals for 2018)

June 30, 2019

																	Total	
	Community Access, Inc.	Access House	202 West HDFC	1710 Vyse Ave HDFC	1854 Cedar Ave HDC	Community Access HDFC	Community Recovery Houses HDFC	Gouverneurs Court HDFC	258 East 4th Street LP	107-109 LP	111 East 172nd Street HDFC	1159 River Ave HDFC	Subsidiaries in syndication	Sub-total Continued Operations	Libby House (Discontinued Operations)	Eliminations	**2019**	2018
Assets																		
Current																		
Cash and cash equivalents (Note 2)	$ 4,406,212	$ 50,497	$ 2,655	$ -	$ -	$ 1,234	$ 907	$ 1,064,041	$ 39,399	$ 6,515	$ 569	$ 18,414	$ 1,609,264	$ 7,199,707	$ -	$ -	**$ 7,199,707**	$ 3,553,054
Restricted cash (Notes 2 and 9)	125,786	574,391	138,510	-	-	-	-	1,643,608	541,899	765,384	-	-	7,701,829	11,491,407	-	-	**11,491,407**	11,581,540
Investments at fair value (Notes 2 and 4)	11,621	-	-	-	-	-	-	-	-	-	-	-	-	11,621	-	-	**11,621**	261,995
Due from government funding sources, net (Notes 2 and 5)	4,610,130	-	-	-	-	-	-	-	-	-	-	-	-	4,610,130	-	-	**4,610,130**	5,183,133
Rent receivables, net	-	-	(2)	-	-	-	-	55,180	22,315	2,783	-	-	279,401	359,677	-	-	**359,677**	518,729
Pledges receivable - current portion (Notes 2 and 8)	1,310,213	-	-	-	-	-	-	-	-	-	-	-	-	1,310,213	-	-	**1,310,213**	1,276,275
Due from related parties (Notes 1 and 6)	3,601,747	-	-	-	-	10,193	-	227,883	-	-	-	-	22,264	3,862,087	-	(3,839,823)	**22,264**	113,065
Prepaid expenses and other current assets	1,415,243	1,277	423	-	50,833	600,671	-	83,673	1,048	3,756	-	-	45,604	2,202,528	-	-	**2,202,528**	1,898,962
Total Current Assets	15,480,952	626,165	141,586	-	50,833	612,098	907	3,074,385	604,661	778,438	569	18,414	9,658,362	31,047,370	-	(3,839,823)	**27,207,547**	24,386,753
Property and Equipment, Net (Notes 2 and 7)	1,206,732	1,634,594	1,133,553	-	4,000,000	-	2,432,795	4,826,870	917,775	1,125,786	-	13,373,120	175,803,321	206,454,546	-	-	**206,454,546**	162,469,194
Pledges Receivable, net of current portion (Notes 2 and 8)	115,000	-	-	-	-	-	-	-	-	-	-	-	-	115,000	-	-	**115,000**	-
Security Deposits and Other Assets	749,650	670	265	-	-	-	-	13,070	6,255	140	-	-	76,998	847,048	-	-	**847,048**	902,586
Loans Receivable, Net	14,767,381	-	-	7,929,362	10,668,322	-	-	-	-	-	-	-	-	33,365,065	-	(33,365,065)	**-**	-
Assets Held-for-Sale (Note 15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	335,320	-	**335,320**	368,273
Total Assets	$ 32,319,715	$ 2,261,429	$ 1,275,404	$ 7,929,362	$ 14,719,155	$ 612,098	$ 2,433,702	$ 7,914,325	$ 1,528,691	$ 1,904,364	$ 569	$ 13,391,534	$ 185,538,681	$ 271,829,029	$ 335,320	$ (37,204,888)	**$234,959,461**	$ 188,126,806
Liabilities and Net Assets (Deficit) and Non-Controlling Interest																		
Current Liabilities																		
Accounts payable, accrued expenses and taxes	$ 1,354,352	$ 33,816	$ 23,568	$ 1	$ -	$ (641)	$ -	$ 142,879	$ 24,249	$ 23,268	$ -	$ 15,774	$ 11,792,718	$ 13,409,984	$ -	$ -	**$ 13,409,984**	$ 12,035,932
Accrued compensated absences (Note 2)	1,011,465	-	-	-	-	-	-	-	-	-	-	-	-	1,011,465	-	-	**1,011,465**	1,005,716
Due to related parties (Notes 1 and 6)	238,077	-	98,117	-	-	-	-	251,356	66,454	89,401	-	39,843	2,670,850	3,454,098	-	(3,454,098)	**-**	-
Deferred revenue and due to government funding sources (Note 2)	6,023,964	-	-	-	-	-	-	-	-	-	-	-	-	6,023,964	-	-	**6,023,964**	3,212,000
Mortgages and notes payable, current portion (Note 10)	-	79,737	-	-	-	-	128,674	39,295	-	-	-	-	-	247,706	-	-	**247,706**	181,240
Loan payable, current portion (Note 11)	-	-	-	375,515	341,973	-	-	-	-	-	-	-	21,904,986	22,622,474	-	-	**22,622,474**	4,029,682
Total Current Liabilities and Non-Controlling Interest	8,627,858	113,553	121,685	375,516	341,973	(641)	128,674	433,530	90,703	112,669	-	55,617	36,368,554	46,769,691	-	(3,454,098)	**43,315,593**	20,464,570
Security Deposits and Other Liabilities	-	-	908	-	-	-	-	18,701	15,318	9,342	-	-	154,182	198,451	-	-	**198,451**	194,822
Accrued Lease Obligation (Note 12)	232,388	-	-	-	-	-	-	-	-	-	-	-	-	232,388	-	-	**232,388**	149,494
Mortgage and Loan Interest Payable	-	-	-	-	-	-	-	5,998	188,505	72,594	-	-	1,713,225	1,980,322	-	-	**1,980,322**	1,556,224
Mortgages and Notes Payable, net of current portion and unamortized mortgage costs (Note 10)	-	1,385,820	-	-	-	-	703,898	9,080,111	-	3,307,543	-	-	37,236,613	51,713,985	-	(8,179,362)	**43,534,623**	43,411,539
Loan Payable, net of current portion and unamortized loan issuance costs (Note 11)	13,517,381	-	-	7,553,846	14,326,349	600,000	-	-	5,176,330	-	-	13,335,937	84,973,645	139,483,488	-	(25,185,703)	**114,297,785**	87,450,561
Liabilities Held-for-Sale (Note 15)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	392,710	(385,725)	**6,985**	5,486
Total Liabilities	22,377,627	1,499,373	122,593	7,929,362	14,668,322	599,359	832,572	9,538,340	5,470,856	3,502,148	-	13,391,554	160,446,219	240,378,325	392,710	(37,204,888)	**203,566,147**	153,232,696
Commitments and Contingencies (Notes 3, 10, 11, 12 and 13)																		
Net Assets (Deficit) (Notes 2, 14, and 15)																		
Without donor restrictions	9,931,198	762,056	1,152,811	-	50,833	12,739	1,601,130	(1,624,015)	(3,942,165)	(1,597,784)	569	(20)	2,509	6,349,861	(57,390)	-	**6,292,471**	5,059,929
With donor restrictions	10,890	-	-	-	-	-	-	-	-	-	-	-	-	10,890	-	-	**10,890**	1,592,965
Non-Controlling Interest in Affiliates	-	-	-	-	-	-	-	-	-	-	-	-	25,089,953	25,089,953	-	-	**25,089,953**	28,241,216
Total Net Assets (Deficit) and Non-Controlling Interest	9,942,088	762,056	1,152,811	-	50,833	12,739	1,601,130	(1,624,015)	(3,942,165)	(1,597,784)	569	(20)	25,092,462	31,450,704	(57,390)	-	**31,393,314**	34,894,110
Total Liabilities and Net Assets and Non-Controlling Interest	$ 32,319,715	$ 2,261,429	$ 1,275,404	$ 7,929,362	$ 14,719,155	$ 612,098	$ 2,433,702	$ 7,914,325	$ 1,528,691	$ 1,904,364	$ 569	$ 13,391,534	$ 185,538,681	$ 271,829,029	$ 335,320	$ (37,204,888)	**$234,959,461**	$ 188,126,806

Community Access, Inc. and Subsidiaries

Consolidating Schedule of Activities
(with comparative totals for 2018)

Year ended June 30, 2019

	Community Access Inc.				West 202 HDFC						
	Without Donor Restrictions	With Donor Restrictions	Community Access, Inc. Total	Access House (Without Donor Restrictions)	Without Donor Restriction	With Donor Restriction	1710 Vyse Ave HDFC (Without Donor Restrictions)	1854 Cedar Ave HDFC (Without Donor Restrictions	Community Access HDFC (Without Donor Restrictions)	Community Recovery Houses HDFC (Without Donor Restrictions)	Gouverneur Court HDFC (Without Donor Restrictions)
Public Support and Revenue											
Operating revenues:											
Contract revenue	$ 17,600,508	$ -	$ 17,600,508	$ -	$ -	$ -	$ 695,398	$ 1,287,285	$ -	$ 167,736	$ -
Medicaid income	6,687,611	-	6,687,611	-	-	-	-	-	-	-	-
Clients' fees (net of client allowance of $252,432 and $243,104 in 2019 and 2018, respectively)	1,541,873	-	1,541,873	-	-	-	-	-	-	-	-
Rental income	-	-	-	436,131	80,004	-	-	-	13,200	-	1,240,747
Contributions - foundations and corporations	88,200	-	88,200	-	-	-	-	-	-	-	-
Contributions - individuals	1,431,161	-	1,431,161	-	-	-	-	-	-	-	-
Special events (net of direct benefit expenses of $22,796 and $4,285 in 2019 and 2018, respectively)	775,806	-	775,806	-	-	-	-	-	-	-	-
Net assets released from restrictions	443,830	(443,830)	-	-	1,138,245	(1,138,245)	-	-	-	-	-
Total Operating Revenues	28,568,989	(443,830)	28,125,159	436,131	1,218,249	(1,138,245)	695,398	1,287,285	13,200	167,736	1,240,747
Other Operating Revenue											
Property management and developer's fees	1,246,842	-	1,246,842	-	-	-	-	-	-	-	-
Total Public Support and Revenue	29,815,831	(443,830)	29,372,001	436,131	1,218,249	(1,138,245)	695,398	1,287,285	13,200	167,736	1,240,747
Operating Expenses											
Program services:											
Housing programs	18,116,964	-	18,116,964	448,644	155,934	-	695,398	1,287,285	10,022	122,447	1,467,947
Education and training programs	861,307	-	861,307	-	-	-	-	-	-	-	-
Other programs	6,061,862	-	6,061,862	-	-	-	-	-	-	-	-
Total Program Services	25,040,133	-	25,040,133	448,644	155,934	-	695,398	1,287,285	10,022	122,447	1,467,947
Supporting services:											
Management and general	4,189,262	-	4,189,262	36,686	15,016	-	-	-	3,955	-	171,152
Fundraising	1,057,607	-	1,057,607	-	-	-	-	-	-	-	-
Total Supporting Services	5,246,869	-	5,246,869	36,686	15,016	-	-	-	3,955	-	171,152
Subsidiaries' Operating Expenses	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenses	30,287,002	-	30,287,002	485,330	170,950	-	695,398	1,287,285	13,977	122,447	1,639,099
Change in Net Assets from Operating Activities	(471,171)	(443,830)	(915,001)	(49,199)	1,047,299	(1,138,245)	-	-	(777)	45,289	(398,352)
Non-Operating Activities											
Interest and other income	1,335,995	-	1,335,995	19,203	-	-	-	5,000	-	-	282,999
Change in Net Assets Before Discontinued Operations	864,824	(443,830)	420,994	(29,996)	1,047,299	(1,138,245)	-	5,000	(777)	45,289	(115,353)
Loss on Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-
Change in Net Assets	$ 864,824	$ (443,830)	$ 420,994	$ (29,996)	$ 1,047,299	$ (1,138,245)	$ -	$ 5,000	$ (777)	$ 45,289	$ (115,353)

Consolidating Schedule of Activities
(with comparative totals for 2018)

Year ended June 30, 2019

	258 East 4th Street LP (Without Donor Restrictions)	107-109 LP (Without Donor Restrictions)	1159 River Ave HDFC (Without Donor Restrictions)	Subsidiaries in Syndication (Without Donor Restrictions)	Subtotal (Without Donor Restrictions - Continued Operations)	Libby House (Without Donor Restrictions - Discontinued Operations)	Eliminations	Total Without Donor Restrictions	Total With Donor Restrictions	Total **2019**	Total 2018
Public Support and Revenue											
Operating revenues:											
Contract revenue	$ -	$ -	$ -	$ -	$ 19,750,927	$ -	$ -	$ 19,750,927	$ -	**$ 19,750,927**	$ 18,846,917
Medicaid income	-	-	-	-	6,687,611	-	-	6,687,611	-	**6,687,611**	6,073,705
Clients' fees (net of client allowance of $252,432 and $243,104 in 2019 and 2018, respectively)	-	-	-	-	1,541,873	-	-	1,541,873	-	**1,541,873**	1,558,600
Rental income	545,797	477,964	-	5,090,587	7,884,430	-	(1,528,438)	6,355,992	-	**6,355,992**	6,339,444
Contributions - foundations and corporations	-	-	-	-	88,200	-	-	88,200	-	**88,200**	189,870
Contributions - individuals	-	-	-	-	1,431,161	-	-	1,431,161	-	**1,431,161**	2,747,134
Special events (net of direct benefit expenses of $22,796 and $4,285 in 2019 and 2018, respectively)	-	-	-	-	775,806	-	-	775,806	-	**775,806**	187,703
Net assets released from restrictions	-	-	-	-	1,582,075	-	-	1,582,075	(1,582,075)	**-**	-
Total Operating Revenues	545,797	477,964	-	5,090,587	39,742,083	-	(1,528,438)	38,213,645	(1,582,075)	**36,631,570**	35,943,373
Other Operating Revenues											
Property management and developer's fees	-	-	-	-	1,246,842	-	(963,383)	283,459	-	**283,459**	291,560
Total Public Support and Revenue	545,797	477,964	-	5,090,587	40,988,925	-	(2,491,821)	38,497,104	(1,582,075)	**36,915,029**	36,234,933
Operating Expenses											
Program services:											
Housing programs	-	-	-	-	22,304,641	-	(1,593,673)	20,710,968	-	**20,710,968**	18,454,086
Education and training programs	-	-	-	-	861,307	-	-	861,307	-	**861,307**	812,256
Other programs	-	-	-	-	6,061,862	-	-	6,061,862	-	**6,061,862**	4,518,748
Total Program Services	-	-	-	-	29,227,810	-	(1,593,673)	27,634,137	-	**27,634,137**	23,785,090
Supporting services:											
Management and general	-	-	-	-	4,416,071	-	(188,032)	4,228,039	-	**4,228,039**	4,463,238
Fundraising	-	-	-	-	1,057,607	-	-	1,057,607	-	**1,057,607**	880,781
Total Supporting Services	-	-	-	-	5,473,678	-	(188,032)	5,285,646	-	**5,285,646**	5,344,019
Subsidiaries' Operating Expense	907,006	628,693	20	8,295,037	9,830,756	-	(753,490)	9,077,266	-	**9,077,266**	9,985,397
Total Operating Expenses	907,006	628,693	20	8,295,037	44,532,244	-	(2,535,195)	41,997,049	-	**41,997,049**	39,114,506
Change in Net Assets from Operating Activities	(361,209)	(150,729)	(20)	(3,204,450)	(3,543,319)	-	43,374	(3,499,945)	(1,582,075)	**(5,082,020)**	(2,879,573)
Non-Operating Activities											
Interest and other income	6,817	76,690	-	52,872	1,779,576	-	-	1,779,576	-	**1,779,576**	2,978,214
Change in Net Assets Before Discontinued Operations	(354,392)	(74,039)	(20)	(3,151,578)	(1,763,743)	-	43,374	(1,720,369)	(1,582,075)	**(3,302,444)**	98,641
Loss on Discontinued Operations	-	-	-	-	-	(154,978)	(43,374)	(198,352)	-	**(198,352)**	(129,619)
Change in Net Assets	$ (354,392)	$ (74,039)	$ (20)	$ (3,151,578)	$ (1,763,743)	$ (154,978)	$ -	$ (1,918,721)	$ (1,582,075)	**$ (3,500,796)**	$ (30,978)