

PROJECT HOME AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2021 AND 2020
AND
INDEPENDENT AUDITORS' REPORT

PROJECT HOME AND SUBSIDIARIES

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Financial Statements	
Consolidated Statements of Financial Position	3-4
Consolidated Statements of Activities and Changes in Net Assets	5-6
Consolidated Statements of Functional Expenses	7-8
Consolidated Statements of Cash Flows	9
Notes to Consolidated Financial Statements	10-36

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of
Project HOME and Subsidiaries
Philadelphia, Pennsylvania

We have audited the accompanying consolidated financial statements of Project HOME (a nonprofit organization) and Subsidiaries, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 auditors' 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.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Project HOME and Subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Friedman LLP". The signature is written in a cursive, flowing style.

Philadelphia, Pennsylvania

December 27, 2021

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2021	2020
ASSETS		
Current assets		
Cash	\$ 9,776,286	\$ 5,855,449
Restricted cash, current portion	238,869	195,969
Accounts and grants receivable, net of allowance	6,913,464	7,248,505
Accounts receivable, related parties	1,845,994	1,850,209
Pledges receivable, current portion	3,842,922	4,877,462
Notes receivable, related party, current portion	1,650,000	572,000
Interest and fees receivable, related parties, current portion	1,336,997	1,193,584
Other current assets	815,149	851,804
Total current assets	26,419,681	22,644,982
Restricted cash, net of current portion	325,561	325,529
Investments	43,813,660	33,702,024
Investments, replacement and operating reserves	21,755,906	19,640,285
Replacement and cash reserves	925,520	242,553
Deposits	79,201	112,094
Pledges receivable, net of current portion and discounts	3,732,813	5,078,467
Notes receivable, related parties, net of current portion	12,916,553	24,308,592
Interest and fees receivable, related parties, net of current portion	4,722,413	4,577,095
Construction-in-progress	98,593	276,183
Land, property and equipment, net of accumulated depreciation	23,234,219	19,836,940
Total Assets	\$ 138,024,120	\$ 130,744,744

See notes to consolidated financial statements.

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2021	2020
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 4,304,611	\$ 3,273,346
Deferred revenue	75,042	35,708
Notes payable, current portion	4,004,200	444,040
Total current liabilities	8,383,853	3,753,094
Notes payable, net of current portion	12,416,357	15,976,517
Deferred rent obligation	1,112,681	979,765
Total long-term liabilities	13,529,038	16,956,282
Total liabilities	21,912,891	20,709,376
Commitments and contingencies		
Net assets		
Without donor restrictions		
Undesignated	39,615,708	48,539,161
Designated	29,860,641	19,906,788
	69,476,349	68,445,949
With donor restrictions	46,634,880	41,589,419
Total net assets	116,111,229	110,035,368
Total Liabilities and Net Assets	\$ 138,024,120	\$ 130,744,744

See notes to consolidated financial statements.

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Operations			
Revenue, gains and other support			
Contracts, government funding	\$ 14,783,922	\$ -	\$ 14,783,922
Contributions and grants (including in-kind contributions of \$240,243)	6,054,998	11,224,720	17,279,718
Medicaid/Medicare, net	5,064,623	-	5,064,623
Program income and fees, related parties	4,839,140	-	4,839,140
Program income and fees, other	3,889,390	-	3,889,390
Investment income, net	5,643,518	3,885,917	9,529,435
Special events	203,802	-	203,802
Net assets released from restrictions - satisfaction of program restrictions	7,294,873	(7,294,873)	-
Total revenue, gains and other support	47,774,266	7,815,764	55,590,030
Expenses			
Program services			
Housing and support services	7,320,383	-	7,320,383
Outreach Services	2,391,268	-	2,391,268
Education and employment services	2,018,870	-	2,018,870
Health services	8,781,627	-	8,781,627
Strategy and impact services	988,187	-	988,187
Real estate development and asset management	1,016,446	-	1,016,446
Property management services	8,568,540	-	8,568,540
Total program services	31,085,321	-	31,085,321
Supporting services			
Management and general	4,717,214	-	4,717,214
Fund-raising and communications	1,884,756	-	1,884,756
Total supporting services	6,601,970	-	6,601,970
Total expenses	37,687,291	-	37,687,291
Changes in net assets from operations	10,086,975	7,815,764	17,902,739
Nonoperating expenses,			
Forgiveness of note receivable, related party	10,340,000	-	10,340,000
Housing development expenses	1,731,988	-	1,731,988
Total nonoperating expenses	12,071,988	-	12,071,988
Capital acquisitions and financing			
Revenue and support for capital acquisitions and financing	245,110	-	245,110
Net assets released from restrictions for capital acquisition and financing	1,019,980	(1,019,980)	-
Net assets released from restrictions for plant acquisitions	1,750,323	(1,750,323)	-
Changes in net assets from capital acquisitions and financing	3,015,413	(2,770,303)	245,110
Changes in net assets	1,030,400	5,045,461	6,075,861
Net assets, beginning of year	68,445,949	41,589,419	110,035,368
Net assets, end of year	\$ 69,476,349	\$ 46,634,880	\$ 116,111,229

See notes to consolidated financial statements.

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operations			
Revenue, gains and other support			
Contracts, government funding	\$ 12,785,399	\$ -	\$ 12,785,399
Contributions and grants (including in-kind contributions of \$243,591)	4,539,399	9,656,093	14,195,492
Forgiveness of debt, net of debt issuance costs	9,393,790	-	9,393,790
Medicaid/Medicare, net	5,442,842	-	5,442,842
Program income and fees, related parties	4,201,999	-	4,201,999
Program income and fees, other	2,582,876	-	2,582,876
Investment income, net	2,548,680	585,610	3,134,290
Net assets released from restrictions - satisfaction of program restrictions	5,823,224	(5,823,224)	-
Total revenue, gains and other support	47,318,209	4,418,479	51,736,688
Expenses			
Program services			
Housing and support services	7,174,131	-	7,174,131
Outreach Services	3,096,940	-	3,096,940
Education and employment services	2,603,535	-	2,603,535
Health services	7,482,614	-	7,482,614
Strategy and impact services	920,961	-	920,961
Real estate development and asset management	892,525	-	892,525
Property management services	8,553,967	-	8,553,967
Total program services	30,724,673	-	30,724,673
Supporting services			
Management and general	4,769,540	-	4,769,540
Fund-raising and communications	1,559,045	-	1,559,045
Total supporting services	6,328,585	-	6,328,585
Total expenses	37,053,258	-	37,053,258
Changes in net assets from operations	10,264,951	4,418,479	14,683,430
Nonoperating expenses,			
Housing development expenses	256,494	-	256,494
Total nonoperating expenses	256,494	-	256,494
Capital acquisitions and financing			
Revenue and support for capital acquisitions and financing	3,668	-	3,668
Net assets released from restrictions for capital acquisition and financing	743,152	(743,152)	-
Net assets released from restrictions for plant acquisitions	762,564	(762,564)	-
Changes in net assets from capital acquisitions and financing	1,509,384	(1,505,716)	3,668
Changes in net assets	11,517,841	2,912,763	14,430,604
Net assets, beginning of year	56,928,108	38,676,656	95,604,764
Net assets, end of year	\$ 68,445,949	\$ 41,589,419	\$ 110,035,368

See notes to consolidated financial statements.

PROJECT HOME AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021

	Program Services							Supporting Services					Total Expenses
	Housing and Support Services	Outreach Services	Education and Employment Services	Health Services	Strategy and Impact Services	Real Estate Development and Asset Management	Property Management Services	Total Program Services	Management and General	Fund-raising and Communications	Total Supporting Services		
Salaries	\$ 4,713,214	\$ 1,492,593	\$ 1,168,941	\$ 4,770,660	\$ 681,665	\$ 636,877	\$ 2,285,109	\$ 15,749,059	\$ 2,887,184	\$ 1,033,874	\$ 3,921,058	\$ 19,670,117	
Taxes and fringe benefits	1,230,079	389,654	319,955	1,207,579	166,716	125,022	576,235	4,015,240	609,838	241,021	850,859	4,866,099	
Occupancy	240,251	130,686	33,193	278,223	24,981	4,792	1,649,967	2,362,093	100,154	41,581	141,735	2,503,828	
Rent subsidy	-	6,600	-	-	-	-	2,124,317	2,130,917	-	-	-	2,130,917	
Professional fees	46,660	16,760	79,057	699,725	25,710	223,264	437,527	1,528,703	188,976	113,031	302,007	1,830,710	
Equipment rentals and maintenance	123,905	23,996	92,535	399,587	51,233	6,566	19,030	716,852	247,104	88,898	336,002	1,052,854	
General expenses	175,436	17,303	39,128	152,321	16,077	7,216	63,252	470,733	508,710	57,134	565,844	1,036,577	
Bad debt	-	-	-	765,134	-	-	-	765,134	-	43,031	43,031	808,165	
Supplies	140,662	25,940	52,179	293,379	8,075	2,967	60,353	583,555	11,618	2,593	14,211	597,766	
Other program expenses	226,149	60,080	35,072	100,160	5,240	761	29,254	456,716	54,999	45,065	100,064	556,780	
Interest expense	-	-	-	-	-	-	510,855	510,855	40,042	-	40,042	550,897	
Communication expenses	145,663	32,316	29,660	56,593	7,298	7,698	28,913	308,141	18,768	3,498	22,266	330,407	
Food expenses	161,511	50,360	2,101	1,108	112	1,283	240	216,715	-	-	-	216,715	
Fundraising	-	-	-	-	-	-	-	-	-	214,611	214,611	214,611	
Education fund	-	-	109,964	-	-	-	-	109,964	-	-	-	109,964	
Total expenses before depreciation	7,203,530	2,246,288	1,961,785	8,724,469	987,107	1,016,446	7,785,052	29,924,677	4,667,393	1,884,337	6,551,730	36,476,407	
Depreciation	116,853	144,980	57,085	57,158	1,080	-	783,488	1,160,644	49,821	419	50,240	1,210,884	
Total expenses	\$ 7,320,383	\$ 2,391,268	\$ 2,018,870	\$ 8,781,627	\$ 988,187	\$ 1,016,446	\$ 8,568,540	\$ 31,085,321	\$ 4,717,214	\$ 1,884,756	\$ 6,601,970	\$ 37,687,291	

See notes to consolidated financial statements.

PROJECT HOME AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services							Supporting Services					Total Expenses
	Housing and Support Services	Outreach Services	Education and Employment Services	Health Services	Strategy and Impact Services	Real Estate Development and Asset Management	Property Management Services	Total Program Services	Management and General	Fund-raising and Communications	Total Supporting Services		
Salaries	\$ 4,675,347	\$ 2,019,121	\$ 1,570,167	\$ 4,094,920	\$ 556,265	\$ 607,229	\$ 2,384,718	\$ 15,907,767	\$ 2,636,321	\$ 836,567	\$ 3,472,888	\$ 19,380,655	
Taxes and fringe benefits	1,054,605	474,009	361,509	973,972	129,514	113,534	566,227	3,673,370	565,964	196,700	762,664	4,436,034	
Occupancy	220,489	212,371	69,113	352,416	29,591	1,765	1,543,220	2,428,965	107,588	49,213	156,801	2,585,766	
Rent subsidy	-	6,600	-	-	-	-	2,140,916	2,147,516	-	-	-	2,147,516	
Professional fees	81,552	20,441	123,739	584,703	129,969	119,300	439,836	1,499,540	345,922	95,690	441,612	1,941,152	
General expenses	205,736	15,733	41,364	122,575	32,093	7,371	53,128	478,000	602,195	107,089	709,284	1,187,284	
Equipment rentals and maintenance	93,984	25,135	84,218	338,617	30,973	15,116	12,475	600,518	285,130	66,108	351,238	951,756	
Supplies	123,752	32,905	78,138	355,773	4,477	5,115	50,886	651,046	20,015	11,130	31,145	682,191	
Interest expense	-	-	-	-	-	-	507,104	507,104	72,046	-	72,046	579,150	
Other program expenses	227,899	55,160	51,347	84,380	3,809	9,264	40,447	472,306	39,565	12,500	52,065	524,371	
Bad debt	-	-	-	491,003	-	-	-	491,003	-	-	-	491,003	
Food expenses	276,194	58,953	6,373	2,949	-	6,752	-	351,221	-	-	-	351,221	
Communication expenses	117,793	30,971	33,458	30,971	4,270	7,079	35,592	260,134	17,656	2,932	20,588	280,722	
Fundraising	-	-	-	-	-	-	-	-	-	180,747	180,747	180,747	
Education fund	-	-	128,255	-	-	-	-	128,255	-	-	-	128,255	
Total expenses before depreciation	7,077,351	2,951,399	2,547,681	7,432,279	920,961	892,525	7,774,549	29,596,745	4,692,402	1,558,676	6,251,078	35,847,823	
Depreciation	96,780	145,541	55,854	50,335	-	-	779,418	1,127,928	77,138	369	77,507	1,205,435	
Total expenses	\$ 7,174,131	\$ 3,096,940	\$ 2,603,535	\$ 7,482,614	\$ 920,961	\$ 892,525	\$ 8,553,967	\$ 30,724,673	\$ 4,769,540	\$ 1,559,045	\$ 6,328,585	\$ 37,053,258	

See notes to consolidated financial statements.

PROJECT HOME AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended June 30,	
	2021	2020
Cash flows from operating activities		
Changes in net assets	\$ 6,075,861	\$ 14,430,604
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	1,210,884	1,205,435
Increase in pledges receivable discount	116,764	(193,515)
Write-off of uncollectible pledges receivable	43,031	-
Write-off of uncollectible accounts receivable	470,733	494,745
Forgiveness of note receivable, related party	10,340,000	-
Net realized and unrealized gains on investments	(7,875,090)	(885,476)
Contributed securities	(2,002,782)	(1,792,493)
Forgiveness of debt, net of debt issuance costs	-	(9,393,790)
Contributions restricted for long-term purposes	(47,392)	(475,000)
Amortization of debt issuance costs	-	4,412
Changes in operating assets and liabilities		
Accounts and grants receivable	(135,691)	1,775,356
Accounts receivable, related parties	4,215	(122,575)
Pledges receivable	2,220,399	1,378,166
Other current assets	36,655	(444,187)
Deposits	32,893	3,888
Interest and fees receivable, related parties	(288,731)	(1,744,046)
Accounts payable and accrued expenses	1,031,265	708,171
Accounts payable, related parties	-	(35,573)
Deferred revenue	39,334	(7,414)
Deferred rent obligation	132,916	146,649
Net cash provided by operating activities	11,405,264	5,053,357
Cash flows from investing activities		
Proceeds from sales and maturities of investments	1,722,226	2,652,518
Purchase of investments	(4,071,611)	(10,849,940)
Collection of notes receivable, related parties	153,096	9,040
Issuance of notes receivable, related parties	(179,058)	(829,564)
Purchase of land, property and equipment and construction-in-progress	(4,430,573)	(1,005,053)
Net cash used in investing activities	(6,805,920)	(10,022,999)
Cash flows from financing activities		
Contributions restricted for long-term purposes	47,392	475,000
Proceeds from notes payable	-	4,304,200
Net cash provided by financing activities	47,392	4,779,200
Net increase (decrease) in cash and restricted cash	4,646,736	(190,442)
Cash and restricted cash, beginning of year	6,619,500	6,809,942
Cash and restricted cash, end of year	\$ 11,266,236	\$ 6,619,500
Reconciliation of cash and restricted cash, beginning of year		
Cash	\$ 5,855,449	\$ 5,911,683
Restricted - Residents' security deposits	32,977	31,305
Restricted - Residents' escrow	128,131	127,556
Restricted - Employees' flexible spending accounts	34,861	63,207
New Market Tax Credit loan proceeds	-	57,686
Restricted - Note payable collateral	325,529	325,422
Replacement and cash reserves	242,553	293,083
Cash and restricted cash, beginning of year	\$ 6,619,500	\$ 6,809,942
Reconciliation of cash and restricted cash, end of year		
Cash	\$ 9,776,286	\$ 5,855,449
Restricted - Residents' security deposits	33,034	32,977
Restricted - Residents' escrow	128,165	128,131
Restricted - Employees' flexible spending accounts	77,670	34,861
Restricted - Note payable collateral	325,561	325,529
Replacement and cash reserves	925,520	242,553
Cash and restricted cash, end of year	\$ 11,266,236	\$ 6,619,500
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ -	\$ 64,816

See notes to consolidated financial statements.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 - NATURE OF ORGANIZATION

Nature of Organization and Principles of Consolidation

Project HOME (an acronym for Housing, Opportunities, Medical Care and Education) was formed as a nonprofit corporation in 1989. The mission of Project HOME is to empower adults, children and families to break the cycle of homelessness and poverty, to alleviate the underlying causes of poverty and to enable all of us to attain our fullest potential as individuals and as members of the broader society.

The accompanying consolidated financial statements include the accounts of Project HOME and its Subsidiaries, People of Piety, Inc., 1415 Fairmount Development Corporation, 2415 North Broad Development Corporation, 810 Arch Development Corporation, 1301 North 8th Development Corporation, 1315 North 8th Development Corporation, 1920 East Orleans Development Corporation, KRR Development Corporation and RJD General Partner Inc. (collectively, the “Organization”). All intercompany activities are eliminated. These subsidiaries are Pennsylvania not for profit stock corporations formed for the purpose of acquiring, developing and managing affordable housing for low and very-low income individuals. Project HOME owns 100% of the stock of these corporations, except for KRR Development Corporation for which no stock has yet been issued.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements reflect the accounts of the Organization and have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (US GAAP).

Revenues and Support

In accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”), *Revenue from Contracts with Customers* (Topic 606) (“ASC 606”), the Organization recognizes contract revenue when the following criteria are met: 1) Contract with the customer has been identified; 2) Performance obligations in the contract have been identified; 3) Transaction price has been determined; 4) The transaction price has been allocated to the performance obligations; and 5) When (or as) performance obligations are satisfied.

Program Income and Fees – In accordance with ASC 606, the Organization recognizes revenues from program income and fees in the period in which obligations to provide management, development and other contracted services are satisfied over time.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Support (Continued)

Medicare/Medicaid - In accordance with ASC 606, the Organization recognizes revenues in the period in which obligations to provide health care services are satisfied and reports the amount that reflects the consideration that the Organization expects to receive. The contractual relationships with patients, in most cases, also involve a third-party payer (e.g., Medicare, Medicaid and commercial insurance companies) and the transaction prices for the services provided are dependent upon the terms provided by or negotiated with the third-party payers. The payment arrangements with third-party payers for the services provided to the related patients typically specify payments at amounts less than the Company's standard charges. The Organization continually reviews the contractual estimation process to consider and incorporate updates to laws and regulations and the frequent changes in managed care contractual terms resulting from contract renegotiations and renewals. Medicare/Medicaid revenues are recognized as performance obligations are satisfied. Performance obligations are based on the nature of services provided. Typically, the Organization recognizes revenue at a point in time in which services are rendered.

Contracts, Government Funding – In accordance with ASC 958, *Not-for-Profit Entities* (Topic 958), funding from government contracts is generally considered nonreciprocal transactions. The Organization receives funds on a cost reimbursement basis as well as based on fixed rates as established in the contracts. This revenue has been deemed contribution revenue as the services provided by the Organization benefit the general public and the funders do not receive commensurate value in exchange. The revenue is recognized as the costs are incurred and billed to the funders.

Contributions and Grants – In accordance with ASC 958, grants awarded to the Organization which are generally considered nonreciprocal transactions restricted by funders/supporters for certain purposes, are recognized as revenue when qualifying expenditures are incurred and conditions under the grant agreements are met. Unconditional promises to give cash and other assets to the Organization are reported as contributions and recorded at fair value on the date the promise is received. All contributions are considered to be available for use without restriction unless specifically restricted by the donor. Contributions received for specific purposes or with donor stipulations are reported as increases in net assets with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues and Support (Continued)

Special Events - Revenue earned from sponsorships or attendance at fundraising events is recognized at the time of the event. Revenue from sponsorships is considered contribution revenue as they are generally nonreciprocal transactions. Revenue from ticket sales are considered an exchange transaction for the value received. Ticket sales and contributions received in advance of the event are recorded as deferred revenue (contract liability) and refundable advances, respectively, until the event is held.

Net Assets

Net assets, revenues, gains, and other support are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions. From time to time, the Board of Directors or management may designate a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events or purposes specified by the donor. Other donor-imposed restrictions are permanent in nature, where the donor stipulates that such resources be maintained in perpetuity. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

In-kind Donations

The Organization receives donated goods and services. These goods and services are recorded at their fair value at the time of receipt.

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Cash

ASC 230 *Statement of Cash Flows* (Topic 230), requires the statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. Accordingly, the consolidated statements of cash flows present a reconciliation of the changes in cash and cash equivalents and restricted cash.

Restricted cash, current portion includes \$238,869 and \$195,969 as of June 30, 2021 and 2020, respectively, for residents' security deposits, escrows and employees' flexible spending accounts.

For the years ended June 30, 2021 and 2020, the Organization has a restricted interest-bearing cash account on deposit with a bank to be used as collateral for a \$1,000,000 note payable to Wells Fargo (see Note 9). The balance in this account of \$325,561 and \$325,529, as of June 30, 2021 and 2020, respectively, will remain on deposit with the bank until the terms of the note have been met.

Replacement, Operating and Cash Reserves

As of June 30, 2021 and 2020, the Organization has designated reserves of \$22,681,426 and \$19,882,838, respectively, for future operations as well as building and equipment replacements. These reserves are comprised of a combination of cash and investments.

Accounts and Grants Receivable

Accounts and grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. The allowance is based on experience, third-party contracts and other circumstances, which may affect the ability of these parties to meet their obligations. Receivables are considered uncollectible if payments are not received in accordance with contract and grant terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The allowance for doubtful accounts was approximately \$868,000 and \$434,000 as of June 30, 2021 and 2020, respectively.

Pledges Receivable

Unconditional promises to give are recognized as support in the period pledged. Management believes that any uncollectible amounts are insignificant, and therefore no allowance has been reflected in the financial statements. Valuation of these receivables takes place at the time of contribution. Pledges due beyond one year are discounted to the estimated present value of the future receipts using U.S. Treasury rates at the time of the pledges. The rates used range from 0.25% to 3.25%.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Notes Receivable, Related Parties

Notes receivable, related parties represent loans provided to related entities to fund predevelopment and development costs for the development of various housing projects and the wellness center (see Note 7). Management evaluates these notes to determine whether it is probable that the Organization will be unable to collect all amounts due according to the contractual terms of the loan agreements based on current information and events for the purpose of recognition of impairment losses. Management has determined that none of the individual notes are deemed to be impaired, and therefore no impairment loss has been reflected in the consolidated financial statements.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their quoted or estimated fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the consolidated statements of activities and changes in net assets. Specifically identified cost is used to determine realized gains and losses for investments sold (see also Notes 4 and 5 for investment information).

Property and Equipment and Depreciation

Purchased property and equipment is stated at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are recorded as unrestricted contributions unless the donor has restricted the asset to a specific purpose. The Organization's threshold for capitalizing property and equipment expenditures is \$5,000.

Depreciation is calculated using the straight-line method over the estimated useful lives of the assets as follows:

Buildings	35 years
Building improvements	5 to 35 years
Land improvements	20 years
Leasehold improvements	5 to 15 years
Furniture and equipment	3 to 5 years
Software	3 to 5 years
Vehicles	3 to 5 years

Depreciation expense was \$1,210,884 and \$1,205,435 for the years ended June 30, 2021 and 2020, respectively.

Deferred Revenue

Deferred revenue includes grants from government agencies and revenue from other sources that have not been earned at year-end, but are expected to be recognized as revenue in the coming year.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Rent Obligation

The Organization entered into long-term operating lease agreements for certain properties that contain provisions for future annual rent increases. In accordance with generally accepted accounting principles, the Organization records monthly rent expense equal to the total of the payments due over the lease terms divided by the number of months of the lease terms. The difference between rent expense incurred and the amount paid is credited to deferred rent obligation on the accompanying consolidated statements of financial position.

Investments in Limited Partnerships and Housing Development Expenses

The Subsidiaries as defined in Note 1 own .01% of the interest in and are the general partners of several limited partnerships (LPs) as disclosed in Note 14. The investments in these LPs are accounted for under the equity method. These investments are not recoverable and therefore, the capital contributions in these LPs are expensed and included in housing development expenses on the statements of activities and changes in net assets in the year that they are contributed.

Functional Allocation of Expenses

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the consolidated statement of functional expenses. The Organization records expenses, including salaries, taxes and fringe benefits to programs based on direct charges for those costs that can be specifically identified with the respective programs. For those costs that cannot be specifically identified for a program, the Organization allocates such costs based on the most reasonable basis determined by management such as time and effort spent, personnel costs, square footage or headcount, as applicable.

Income Tax Status

The Internal Revenue Service has classified Project HOME as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (“Code”); as an organization, contributions to which are deductible under Section 170(c) of the Code; and as an organization that is not a private foundation as defined in Section 509(a) of the Code.

People of Piety, Inc., 1415 Fairmount Development Corporation, 2415 North Broad Development Corporation, 810 Arch Development Corporation, 1301 North 8th Development Corporation, 1315 North 8th Development Corporation, 1920 East Orleans Development Corporation, KRR Development Corporation and RJD General Partner Inc. are Pennsylvania not-for-profit stock corporations with minimal activity, but are not recognized by the Internal Revenue Service as not-for-profit organizations for federal income tax purposes.

The Organization recognizes accrued interest and penalties associated with uncertain tax positions, if any, as part of the income tax provision. There was no income tax related interest and penalties recorded for the years ended June 30, 2021 and 2020.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3 - LIQUIDITY AND AVAILABILITY OF RESOURCES

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

	As of June 30, 2021	As of June 30, 2020
Cash	\$ 9,776,286	\$ 5,855,449
Accounts and grants receivable	6,913,464	7,248,505
Accounts receivable, related parties	1,845,994	1,850,209
Pledges receivable, current portion	3,842,922	4,877,462
Notes receivable, related party, current portion	1,650,000	572,000
Interest and fees receivable, related parties, current portion	1,336,997	1,193,584
Investments	65,569,566	53,342,309
Total financial assets available within one year	90,935,229	74,939,518
Less: amounts unavailable for general expenditures within one year, due to		
Restricted by donor with purpose restrictions	(36,173,911)	(29,782,796)
Restricted by donor in perpetuity	(6,728,156)	(6,728,156)
Board and management designated funds	(29,860,641)	(19,906,708)
Total financial assets available to management for general expenditure within one year	\$ 18,172,521	\$ 18,521,858

The Organization’s financial assets available to meet cash needs for general expenditures within one year represents funding for ongoing operational requirements and planned increases in program expenditures in fiscal year 2022.

The Organization has certain time and purpose restricted contributions that will also be available for general expenditures in the next year, which are included as liquid assets available in the next year. Accordingly, these assets have been included in the above table of financial assets available to meet general expenditures within one year.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

3 - LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)

To help manage unanticipated liquidity needs, the Organization has Board Designated net assets without donor restrictions that, while the Organization does not intend to spend these for purposes other than those identified, the amounts could be made available for current operations, if necessary.

Liquidity Management

The Organization has various sources of liquidity, including cash and investments, which are available for general expenditures, liabilities and other obligations as they come due. Management is focused on sustaining the financial liquidity of the Organization throughout the year. This is done through monitoring and reviewing the cash flow needs on a monthly basis. As a result, management is aware of the nature of the Organization's cash flow related to its various funding sources and is therefore able to ensure that there is cash available to meet current liquidity needs or to support organizational initiatives and development projects. As part of its liquidity plan, excess cash is invested in accordance with the Organization's investment policy. The Organization has investments that can be liquidated, if needed, and made available to meet current cash flow needs. To help manage unanticipated liquidity needs, the Organization also has a committed line of credit of \$2,000,000, all of which was unused and available to draw upon as of June 30, 2021.

4 - FAIR VALUE MEASUREMENTS

US GAAP defines fair value, provides guidance for measuring fair value and requires certain disclosures. US GAAP discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow) and the cost approach (cost to replace the service capacity of an asset or replacement cost). US GAAP provides for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The following is a brief description of those three levels:

- Level 1: Observable inputs such as quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs that reflect management's own assumptions.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4 - FAIR VALUE MEASUREMENTS (Continued)

The following is a description of the valuation methodologies used for investments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy, as applicable. There have been no changes in the methodologies.

Money market funds, Exchange traded funds and Mutual funds (collectively the “funds”) – Valued at the daily closing price as reported by the funds. The funds are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The funds held by the Organization are deemed to be actively traded.

U.S Government and agency obligations, Corporate bonds and Mortgage backed securities – Bonds are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. Government obligations and mortgage backed securities are valued using pricing models maximizing the use of observable inputs for similar securities.

Private equity – Net asset values provided by limited partnership investees are based on the NAV per share as reported by the investee as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities.

Other investment – The Organization received donated securities of 15,000 shares of Class B common shares in a corporation and 15,000 common units of a limited liability company during the year ended June 30, 2020 pursuant to a transfer and assignment agreement. The fair value was determined by the assignors basis in the stock and units. The units were liquidated during the year ended June 30, 2021.

The following tables summarize investment assets measured at fair value:

Investment Assets at Fair Value as of June 30, 2021					
		Level 1	Level 2	Level 3	Total
Money market funds	\$	7,307,171	-	-	7,307,171
United States Government and agency obligations		-	619,117	-	619,117
Corporate bonds		-	3,760,334	-	3,760,334
Exchange traded funds					
Domestic Large Cap Value		2,066,903	-	-	2,066,903
Domestic Large Cap Core		8,673,851	-	-	8,673,851
Domestic Large Cap Growth		4,791,351	-	-	4,791,351
Domestic Mid Cap Core		1,671,232	-	-	1,671,232
Domestic Small Cap Broad		1,284,472	-	-	1,284,472
Domestic Small Cap Value		613,846	-	-	613,846

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

4 - FAIR VALUE MEASUREMENTS (Continued)

Investment Assets at Fair Value as of June 30, 2021				
(Continued)	Level 1	Level 2	Level 3	Total
Exchange traded funds (Continued)				
International Large Cap Core	6,586,001	-	-	6,586,001
Short Term Bond	1,492,440	-	-	1,492,440
Mutual funds				
Short Term Bond	18,854,948	-	-	18,854,948
Domestic Large Cap Core	5,058,307	-	-	5,058,307
Mortgage backed securities	-	2,773,340	-	2,773,340
Total investment in the fair value hierarchy	58,400,522	7,152,791		65,553,313
Private equity funds reported at net asset value as a practical expedient	-	-	-	16,253
Total investment assets at fair value	\$ 58,400,522	\$ 7,152,791	\$ -	\$ 65,569,566

Investment Assets at Fair Value as of June 30, 2020				
	Level 1	Level 2	Level 3	Total
Money market funds	\$ 11,926,403	\$ -	\$ -	\$ 11,926,149
United States Government and agency obligations	-	1,216,996	-	1,216,996
Corporate bonds	-	3,337,144	-	3,337,144
Exchange traded funds				
Domestic Large Cap Value	1,554,172	-	-	1,554,172
Domestic Large Cap Core	6,244,199	-	-	6,244,199
Domestic Large Cap Growth	3,387,726	-	-	3,387,726
Domestic Mid Cap Core	1,105,863	-	-	1,105,863
Domestic Small Cap Broad	801,808	-	-	801,808
Domestic Small Cap Value	360,894	-	-	360,894
International Large Cap Core	2,774,935	-	-	2,774,935
Mutual funds				
Short Term Bond	14,123,369	-	-	14,123,369
Domestic Large Cap Core	3,523,054	-	-	3,523,054
Mortgage backed securities	-	2,685,969	-	2,685,969
Other investments	-	-	287,094	287,094
Total investment in the fair value hierarchy	45,802,423	7,240,109	287,094	53,329,626
Private equity funds reported at net asset value as a practical expedient	-	-	-	12,683
Total investment assets at fair value	\$ 45,802,423	\$ 7,240,109	\$ 287,094	\$ 53,342,309

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

5 - INVESTMENT INCOME

Investment income consists of the following:

	2021	2020
Investment income		
Interest and dividends	\$ 1,045,531	\$ 1,641,572
Net realized and unrealized gains	7,875,090	885,476
	8,920,621	2,527,048
Interest earned on notes receivable, related parties and cash operating accounts	800,140	776,042
Less investment management fees	(191,326)	(168,800)
Total investment income	\$ 9,529,435	\$ 3,134,290

6 - PLEDGES RECEIVABLE

Promises to give included in temporarily and permanently restricted revenue are as follows:

	June 30,	
	2021	2020
Receivable in less than one year – gross	\$ 3,842,922	\$ 4,877,462
Receivable in one to five years – gross	3,055,000	4,497,418
Receivable in more than five years	1,045,000	1,065,000
Less total discounts to net present value	(367,187)	(483,951)
Net receivable in one to five years	3,732,813	5,078,467
Total net pledges receivable	\$ 7,575,735	\$ 9,955,929

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7 - NOTES RECEIVABLE, RELATED PARTIES

Notes receivable, related parties consists of various loans entered into as follows (see also Note 14):

	June 30,	
	2021	2020
In July 2003, to assist with the development and construction of a housing project on behalf of 1929 Sansom Limited Partnership, and to satisfy the outstanding acquisition and predevelopment loans, a note totaling \$2,866,156 was received; collateralized by a fourth position lien and bears interest at 4.51% per year. (a)(b)	\$ 2,866,156	\$ 2,866,156
In April 2009, to assist with the development and construction of a housing project on behalf of 1212 Ludlow Limited Partnership, a note totaling \$677,750 was received; collateralized by a fourth position lien and bears interest at 3.67% per year; total interest of \$24,839 and \$24,908 was accrued during the years ended June 30, 2021 and 2020; accrued interest as of June 30, 2021 and 2020 was \$303,319 and \$278,480, respectively. (c)	677,750	677,750
In October 2012, to assist with the acquisition of a ground lease and the construction of a housing project on behalf of 1415 Fairmount Limited Partnership, a note totaling \$600,000 was received; collateralized by a third position lien and bears interest at 7% per year compounded monthly; no interest and principal due until the maturity date of the note in October 2042; total interest of \$74,371 and \$69,549 was accrued during the years ended June 30, 2021 and 2020, respectively; accrued interest as of June 30, 2021 and 2020 was \$504,632 and \$430,261, respectively.	600,000	600,000
In January 2013, to assist with the construction of a housing project on behalf of 1415 Fairmount Limited Partnership, a note totaling \$250,000 was received; collateralized by a second position lien and bears interest at 2.68% per year compounded monthly; no interest and principal due until the maturity date of the note in October 2042; total interest of \$8,278 and \$8,081 was accrued during the years ended June 30, 2021 and 2020, respectively; accrued interest as of June 30, 2021 and 2020 was \$63,798 and \$55,520, respectively.	250,000	250,000

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7 - NOTES RECEIVABLE, RELATED PARTIES (Continued)

(Continued)	June 30,	
	2021	2020
<p>In December 2013, to assist with the acquisition, construction and development of a new wellness center on behalf of Klein Wellness Center Investment Fund LLC., a note totaling \$10,340,000 was received; collateralized by a first security interest in the pledged securities and related items as defined in the Pledge and Security Agreement; bears interest at 1.40% per year, payable quarterly in arrears; one-time principal payment of \$500,000 due in December 2020 and beginning April 2021, a principal and interest payment of \$106,351 paid quarterly with the final payment due on December 31, 2048. The note was fully forgiven in December 2020 by Project HOME.</p>	-	10,340,000
<p>In June 2014, to assist with the acquisition, construction and development of a housing project on behalf of 810 Arch Limited Partnership, a note totaling \$3,532,504 was received; collateralized by a third position lien on the building and bears interest at 7% compounded annually; total interest of \$371,115 and \$347,759 was accrued during the years ended June 30, 2021 and 2020, respectively; accrued interest as of June 30, 2021 and 2020 was \$2,147,541 and \$1,776,426, respectively. (d)</p>	3,532,504	3,532,504
<p>In June 2015, to assist with the acquisition, construction and development of a housing project on behalf of 810 Arch Limited Partnership, a non-interest bearing note totaling \$500,000 was received; collateralized by a first position lien; no principal payments due until the maturity date in June 2055.</p>	500,000	500,000
<p>In May 2016, to assist with the acquisition, construction and development of a housing project on behalf of 2415 North Broad Limited Partnership, a note totaling \$2,083,071 was received; collateralized by a third position lien and bears interest at 5% compounded annually; total interest of \$122,026 and \$116,823 was accrued during the years ended June 30, 2021 and 2020, respectively; accrued interest as of June 30, 2021 and 2020 was \$586,472 and \$464,446, respectively. (e)</p>	1,827,643	1,980,739

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7 - NOTES RECEIVABLE, RELATED PARTIES (Continued)

(Continued)	June 30,	
	2021	2020
In May 2016, to assist with the acquisition, construction and development of a housing project on behalf of 2415 North Broad Limited Partnership, a note totaling \$862,500 was received; collateralized by a fourth position lien and bears interest at 5% compounded annually; total interest of \$52,770 and \$50,390 was accrued during the years ended June 30, 2021 and 2020, respectively; accrued interest as of June 30, 2021 and 2020 was \$245,760 and \$192,990, respectively. (e)	862,500	862,500
In September 2016, to assist with the construction and development of a housing project on behalf of 2415 North Broad Limited Partnership, a non-interest bearing note totaling \$500,000 was received; collateralized by a second position lien; no principal payments due until the maturity date in May 2048.	500,000	500,000
In April 2019, to assist with the acquisition and predevelopment activities of a housing project on behalf of 115 East Huntingdon Limited Partnership, a non-interest bearing note up to \$1,650,000 was received; collateralized by a first position lien. (g)	1,650,000	1,470,943
In October 2019, to assist with the rehabilitation and development of a housing project on behalf of 1920 East Orleans Limited Partnership, a non-interest bearing note totaling \$300,000 was received; collateralized by a third position lien; no principal or interest payments due until the maturity date in May 2055.	300,000	300,000
In May 2020, to assist with the acquisition, construction and development of a housing project on behalf of 1301 North 8 th Limited Partnership, a note totaling \$1,000,000 was received; collateralized by a third position lien and bears interest at 6.5% compounded annually; total interest of \$65,303 and \$6,038 was accrued during the years ended June 30, 2021 and June 30, 2020, respectively; accrued interest as of June 30, 2021 and 2020 was \$71,341 and \$6,038, respectively. (h)	1,000,000	1,000,000
	14,566,553	24,880,592
Notes receivable, related parties, current portion	(1,650,000)	(572,000)
Total long-term notes receivable, related parties	\$ 12,916,553	\$ 24,308,592

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

7 - NOTES RECEIVABLE, RELATED PARTIES (Continued)

(a) In September 2007, the construction loan to 1929 Sansom Limited Partnership was repaid with a permanent loan financed by Project HOME at the same interest rate. Principal and interest on the permanent loan will be due and payable upon the sooner of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of legal or equitable title to the property, or (4) 30 years from the date of the mortgage note (September 2037).

(b) In 2007, Project HOME adopted a policy whereby interest on permanent mortgages given to affiliated entities in furtherance of its mission will not be accrued unless it is determined with a high probability that the interest will be repaid pursuant to the terms of the note. Since the high probability threshold could not be satisfied for the interest on the permanent note to 1929 Sansom Limited Partnership, no interest has been accrued on this note since 2007. As of June 30, 2021 and 2020, the total prior accrued interest owed on the permanent loan to 1929 Sansom Limited Partnership was \$477,023. Project HOME will continue to assess the probability that interest would be repaid when determining whether or not to accrue interest on this note in accordance with its policy.

(c) Principal and accrued interest on the note will be due and payable upon the sooner of (1) the sale of the property, (2) the refinancing of the property, (3) incident of default under the Note Agreement, or (4) the maturity date in June 2040.

(d) Principal and accrued interest on the note will be due and payable upon the sooner of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of the legal or equitable title to the property, or (4) the maturity date in June 2034.

(e) Principal and accrued interest on the note will be due and payable on the earlier of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of legal or equitable title to the property, or (4) the maturity date in May 2048.

(f) Principal and accrued interest on the note will be due and payable on the earlier of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of legal or equitable title to the property, or (4) the maturity date in September 2022. This note was rolled into the new note in (h).

(g) Principal and accrued interest on the note will be due and payable on the earlier of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of legal or equitable title to the property and (4) the maturity date in April 2024. In July 2021, the note was paid in full upon refinancing of the property.

(h) Principal and accrued interest on the note will be due and payable on the earlier of (1) the sale of the property, (2) the refinancing of the property, (3) the transfer of legal or equitable title to the property or (4) the maturity date in May 2062.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

8 - LAND, PROPERTY AND EQUIPMENT AND CONSTRUCTION-IN-PROGRESS

Land, property and equipment consists of the following:

	June 30,	
	2021	2020
Land	\$ 1,541,196	\$ 1,541,196
Land improvements	601,701	601,701
Building and building improvements	26,222,271	21,891,421
Leasehold improvements	4,285,407	4,285,407
Furniture and equipment	4,833,538	4,556,226
Software	746,899	746,899
Vehicles	478,171	478,170
	38,709,183	34,101,020
Less accumulated depreciation	(15,474,964)	(14,264,080)
	<u>\$ 23,234,219</u>	<u>\$ 19,836,940</u>

Construction-in-progress of \$98,593 and \$276,183 as of June 30, 2021 and 2020, respectively, represents costs incurred for current renovation projects as well as leasehold improvement projects not placed in service as of year-end.

During the year ended June 30, 2021, there were no dispositions of depreciated property. During the year ended June 30, 2020, the Organization disposed of \$24,223 of fully depreciated property.

9 - NOTES PAYABLE

Notes payable consists of various loans entered into as follows:

	June 30,	
	2021	2020
Unsecured note payable to Pennsylvania Housing Finance Agency for the Honickman Learning Center/Comcast Technology Labs, conditional upon continuation of the facility; to be forgiven in full in 2032 (a)(b)	\$ 450,000	\$ 450,000
Note payable to Wells Fargo Mortgage advanced from the Federal Home Loan Bank of San Francisco's Affordable Housing Program; to be forgiven in full in December 2025; collateralized by a note receivable owed from a related party and a restricted cash collateral account held by the lender (a)(b)	1,000,000	1,000,000

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 - NOTES PAYABLE (Continued)

Notes payable consists of various loans entered into as follows:

(Continued)	June 30,	
	2021	2020
Note payable to Redevelopment Authority of Philadelphia, noninterest-bearing except in the event of default (as defined in the agreement), for acquisition of a property to provide residential housing; principal balance to be forgiven in November 2025, the fifteenth anniversary of the completion of the development of the property; collateralized by a first mortgage on the property (a)(b)	944,671	944,671
Note payable to Redevelopment Authority of Philadelphia, noninterest-bearing except in the event of default (as defined in the agreement), for development of a property to provide residential housing; principal balance to be forgiven in May 2041, the thirtieth anniversary of the original date of the note; collateralized by a second mortgage on the property (a)(b)	8,221,686	8,221,686
Non-interest bearing note payable to Project HOME Community Development Corporation, advanced from Federal Home Loan Bank of Pittsburgh; to be forgiven in full 15 years after completion of the related project; collateralized by a second mortgage on the property (a)(b)	250,000	250,000
Non-interest bearing note payable to PNC Bank N.A., advanced from Federal Home Loan Bank of Pittsburgh; to be forgiven in full 15 years after completion of the related project; collateralized by a second mortgage on the property (a)(b)	250,000	250,000
Note payable to Capital One Bank, advanced from Federal Home Loan Bank of Atlanta; to be forgiven in full 15 years after completion of the related project collateralized by a second mortgage on the property (a)(b)	500,000	500,000
Note payable to PNC Bank N.A., advanced from Federal Home Loan Bank of Pittsburgh; to be forgiven in full 15 years after completion of the related project; collateralized by a second mortgage on the property (a)(b)	500,000	500,000

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 - NOTES PAYABLE (Continued)

(Continued)	June 30,	
	2021	2020
Note payable to PNC Bank N.A., advanced from Federal Home Loan Bank of Pittsburgh; to be forgiven in full 15 years after the completion of the project; collateralized by a third mortgage on the property (a) (b)	300,000	300,000
Note payable to Bank, under the Paycheck Protection Program. Due in monthly payments of \$226,341 beginning May 2021, including interest at 1% per annum, matures October 2022 if not forgiven. (c)	4,004,200	4,004,200
	16,420,557	16,420,557
Less current maturities	(4,004,200)	(444,040)
Total long-term notes payable	\$ 12,416,357	\$ 15,976,517

(a) These notes are noninterest-bearing. The Organization has recorded imputed interest at 3% to 5% per annum for loans executed since 2011 and at 5% per annum for loans executed prior to 2011, amounting to \$510,855 and \$507,104 for the years ended June 30, 2021 and 2020, respectively, which is included in contributions revenue and interest expense on the consolidated statements of activities and changes in net assets.

(b) Subject to the conditions of compliance in the various agreements noted above, \$12,416,357 of this amount is expected to ultimately be forgiven, rather than repaid by the Organization.

(c) As a result of COVID-19, on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act (the “Act”) was signed into law. The Act amends the Small Business Act to include a new guaranteed, unsecured loan program (the “Paycheck Protection Program”). The loan has a term of two years and is subject to interest of 1%. Subject to certain conditions as defined in the Act, up to 100% of the loan may be forgiven. In August 2021, the loan and all accrued interest was forgiven in full; therefore, the entire balance is classified as current liabilities as of June 30, 2021.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

9 - NOTES PAYABLE (Continued)

Scheduled future maturities and self-amortizing amounts of long-term debt are as follows:

Year Ending June 30,	
2022	\$ 4,004,200
2023	-
2024	-
2025	-
2026	1,944,671
Thereafter (b)	10,471,686
	\$ 16,420,557

The Organization has available a \$2,000,000 revolving bank line-of-credit which expires on June 30, 2022 and is secured by certain assets of the Organization. There is no outstanding balance on this line-of-credit as of June 30, 2021 and 2020. The line-of-credit bears interest at the bank's prime rate (3.25% as of June 30, 2021 and 2020).

10 - NEW MARKET TAX CREDITS

In January 2013, under the Federal New Market Tax Credits Program (NMTC), Project HOME entered into a transaction that resulted in approximately \$9.7 million net proceeds to ultimately be used to fund operations and certain capital projects. To effect the transaction, Project HOME leveraged \$7 million contributed by a third party to the leveraged lender, Project HOME CDC, a related entity, to generate the tax credits for the tax credit investor (PNC New Market Investment Partners, LLC) which also contributed \$3 million, for a combined investment amount of \$10 million. The proceeds, net of closing costs, came to Project HOME in the form of notes payable with mostly interest only payable quarterly for fifteen years and principal and interest payments due thereafter until their maturity date in January 2053.

The NMTC is a Federal tax credit available over a seven year period to investors, during which time certain compliance obligations must be met. Project HOME has assumed responsibility with these compliance obligations. During this period, Project HOME Services Division, the qualified active low-income community business (QALICB), was expected to maintain separate accounting of the use of the NMTC funds within Project HOME's books and records, refrain from engaging in prohibited activities and pay the debt service on the loans. The credits were subject to recapture from the investor if the compliance obligations were not sufficiently met.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

10 - NEW MARKET TAX CREDITS (Continued)

The seven-year compliance period ended in January 2020 and the tax credit investor exercised a put option that required Project HOME to purchase all of the tax credit investor's interest in the transaction for a nominal price of \$1,000. All notes related to this transaction were forgiven and the income was recorded as forgiveness of debt on the consolidated statement of activities and changes in net assets in the amount of \$9,393,790, net of debt issuance costs of \$291,210 as of June 30, 2020.

11 - NET ASSETS WITHOUT DONOR RESTRICTIONS

The Organization's designated net assets without donor restrictions are comprised of amounts for the following purposes:

Board Designated Funds

The Board has designated funds to be reserved for short term and project development needs of the Organization. This designated balance at June 30, 2021 and 2020 was \$15,979,245 and \$9,245,084, respectively.

Other Designated Funds

Management has designated certain funds for future capital improvements to the Organization's facilities. The designated balance at June 30, 2021 and 2020 was \$13,881,396 and \$10,661,704, respectively.

12 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

	June 30,	
	2021	2020
Housing and support services	\$ 14,599,003	\$ 14,965,573
Outreach services	548,763	797,775
Education and employment services	8,707,417	6,632,947
Health services	1,059,782	988,796
Strategy and impact services	500,000	1,111,750
General operating reserve and other	1,714,612	909,268
Plant acquisitions	1,285,337	1,751,709
Capital acquisitions and financing	11,491,810	7,703,445
Honickman Learning Center/Comcast Technology Labs – held in perpetuity	6,728,156	6,728,156
	<u>\$ 46,634,880</u>	<u>\$ 41,589,419</u>

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

12 - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes by the expiration of a time restriction or by occurrence of other events specified by donors as follows:

	June 30,	
	2021	2020
Net assets released for operations:		
Housing and support services	\$ 4,190,552	\$ 2,442,968
Outreach services	144,266	207,618
Education and employment services	2,008,603	2,416,470
Health services	448,654	422,513
Advocacy and impact initiatives	265,212	45,754
General operating reserve and other	237,586	287,901
Plant acquisitions	1,750,323	762,564
Capital acquisitions and financing	1,019,980	743,152
	<u>\$ 10,065,176</u>	<u>\$ 7,328,940</u>

13 - RESTRICTED ENDOWMENT FUNDS

The Organization's endowment fund includes funds restricted by the respective donors for various purposes including, the Honickman Learning Center/Comcast Technology Labs ("HLCCTL"), housing and support services, and general operating reserves. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of the Organization reviews the endowment funds as well as operating reserve funds annually and establishes the spending rate to be used for each fiscal year. The approved spending rate for each of the years ended June 30, 2021 and 2020 was 4% of the average market value of the endowment funds for the preceding three years. The full return on the investments of the endowment fund and the donor restricted operating reserve fund is calculated and recorded as investment income with donor restrictions. From this amount, the Organization releases funds from investment income with donor restrictions to investment income without donor restrictions as needed. The amount released is limited to the established spending rate for the fiscal year plus funds needed from the donor restricted operating reserve fund for expenditures that meet the restrictions established by the donor. Any unreleased spending rate funds remain in net assets with donor restrictions to be used to support operations in subsequent years.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13 - RESTRICTED ENDOWMENT FUNDS (Continued)

Return Objectives and Risk Parameters

The Organization has adopted investment and spending policies that attempt to provide a relatively predictable and growing stream of annual distributions in support of the Organization while preserving the long-term, real purchasing power of assets. An additional purpose of the endowment fund is to provide a source of funds for a time when the Organization may face a financial emergency, subject to any funds being utilized in such a manner being consistent with the original donor restrictions. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization's current asset allocation targets a strategic composition of 57.5% equities, 37.5% fixed income and 5% cash equivalents, each with an acceptable range of variation.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The earnings on the endowment net assets are included in net assets with donor restrictions and released as used in operations in accordance with the spending rate policy.

The Organization's endowment fund had the following activity:

	June 30,	
	2021	2020
Endowment net assets, beginning of year	\$ 17,593,869	\$ 17,447,041
Investment return		
Investment income	316,012	348,901
Net appreciation (realized and unrealized)	3,569,905	236,709
Total investment return	3,885,917	585,610
Contributions	1,051,000	229,727
Appropriation of endowment assets for expenditure	(172,448)	(668,509)
Changes in endowment net assets	878,552	146,828
Endowment net assets, end of year	\$ 22,358,338	\$ 17,593,869

The endowment consisted entirely of donor restricted funds as of June 30, 2021 and 2020, of which \$6,728,156 is restricted in perpetuity.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

13 - RESTRICTED ENDOWMENT FUNDS (Continued)

The Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization has no underwater endowment funds as June 30, 2021 and 2020.

14 - RELATED PARTY TRANSACTIONS

The Organization has entered into several arrangements with various limited partnerships and other non-profit corporations as well as a community development corporation to develop affordable community housing and shelter programs. This is done by providing various loans, short-term advances and services to manage, support and develop the properties. Certain officers of Project HOME serve on the Board of Directors of these entities, none of which meet the requirements to be included in the accompanying consolidated financial statements. For some of the properties, Project HOME owns 100% of the stock of the general partners, which are included in the consolidated financial statements. These subsidiaries own .01% of the interest in and are the general partners of several limited partnerships (LPs).

The investments in these LPs are accounted for under the equity method. These investments are not recoverable and therefore, the capital contributions in these LPs are expensed and included in housing development expenses on the statements of activities and changes in net assets in the year that they are contributed. In addition, Project HOME has helped finance some of these projects through loans payable, which are expected to be forgiven, rather than repaid, at the end of the applicable compliance period as disclosed in Note 9.

The Organization had related party balances and activity as of and for the year ended June 30, as follows:

June 30, 2021:

Entity	Accounts Receivable (a)	Notes Receivable (b)	Interest and Fees Receivable (b)	Interest Income (b)	Management and Maintenance Fees (c)	Supportive Service Fees (c)	Developer Fees (c)
Project HOME Community Development Corporation	\$ 74,596	\$ -	\$ -	\$ -	\$ 342,850	\$ -	\$ -
115 East Huntingdon Limited Partnership	184,784	1,650,000	-	-	-	-	-
810 Arch Limited Partnership	106,018	4,032,504	2,147,540	371,115	480,943	59,198	-
1212 Ludlow Limited Partnership	58,427	677,750	437,288	24,839	354,323	-	-
1301 North 8 th Limited Partnership	-	1,000,000	1,088,153	65,303	-	-	870,265
1315 North 8 th Limited Partnership	29,354	-	17,786	-	154,756	-	-
1415 Fairmount Limited Partnership	67,068	850,000	568,431	82,649	268,693	45,368	-
1850 North Croskey Development Corporation	21,266	-	98,883	-	64,414	-	-
1920 East Orleans Limited Partnership	29,154	300,000	174,873	-	160,054	-	-
1929 Sansom Limited Partnership	821,402	2,866,156	477,023	-	509,432	138,608	-
2415 North Broad Limited Partnership	79,503	3,190,143	832,233	174,796	326,643	55,455	-
Mpower Development Corp	69,873	-	-	72,379	61,111	-	-
RJD 15 Limited Partnership (d)	181,685	-	217,200	-	250,730	42,806	657,852
Other	122,864	-	-	-	-	(4,361)	-
	\$ 1,845,994	\$ 14,566,553	\$ 6,059,410	\$ 791,081	\$ 2,973,949	\$ 337,074	\$ 1,528,117

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

14 - RELATED PARTY TRANSACTIONS (Continued)

June 30, 2020:

Entity	Accounts Receivable (a)	Notes Receivable (b)	Interest and Fees Receivable (b)	Interest Income (b)	Management and Maintenance Fees (c)	Supportive Service Fees (c)	Developer Fees (c)
Project HOME Community Development Corporation	\$ 16,417	\$ -	\$ -	\$ -	\$ 328,279	\$ -	\$ -
115 East Huntingdon Limited Partnership	-	1,470,943	-	-	-	-	-
810 Arch Limited Partnership	3,674	4,032,504	1,776,426	347,759	372,353	51,004	-
1212 Ludlow Limited Partnership	75,069	677,750	418,448	24,908	364,737	-	-
1301 North 8 th Limited Partnership	75,150	1,000,000	152,584	4,604	-	-	266,546
1315 North 8 th Limited Partnership	16,871	-	558,982	-	79,108	-	-
1415 Fairmount Limited Partnership	25,909	850,000	485,781	77,630	204,566	24,893	-
1850 North Croskey Development Corporation	6,355	-	98,883	-	57,395	-	-
1900 North Judson Limited Partnership	555,572	-	-	-	177,009	87,137	-
1920 East Orleans Limited Partnership	518,167	300,000	1,115,115	-	715	-	1,068,905
1929 Sansom Limited Partnership	501,483	2,866,156	477,023	-	512,614	134,572	-
2415 North Broad Limited Partnership	44,315	3,343,239	687,437	167,213	308,025	53,841	-
2700 Diamond Development Corporation	(1,195)	-	-	-	55,022	-	-
Mpower Development Corp	6,043	10,340,000	-	144,760	55,279	-	-
Other	6,379	-	-	-	-	-	-
	\$ 1,850,209	\$ 24,880,592	\$ 5,770,679	\$ 766,874	\$ 2,515,102	\$ 351,446	\$ 1,335,451

- (a) Accounts receivable, related parties represents advances to related parties for operational purposes.
- (b) See Note 7 for further details.
- (c) The Organization receives management and maintenance fees for providing services to manage the properties for certain related parties. The Organization receives developer fees for services rendered in connection with the development and construction of certain projects on behalf of related parties. The Organization receives a supportive services fee for providing social and supportive services to residents for certain related parties. All of these fees are reported within program income and fees, related parties on the consolidated statements of activities and changes in net assets.
- (d) In December 2020, Project HOME contributed \$1,185,000 of capital to RJD General Partner, Inc., the General Partner of a related limited partnership through the purchase of shares of stock. This amount is included in housing development expenses for the year ended June 30, 2021. RJD General Partner, Inc, in turn, made a \$1,185,000 capital contribution to RJ 15 Limited Partnership for the development and rehabilitation of 39 affordable rental units for low-income households.

15 - DONATED PROPERTY AND SERVICES

For the years ended June 30, 2021 and 2020, the Organization recorded \$126,801 and \$130,150, respectively, of in-kind contributions for legal and other professional services performed. In addition, the Organization recorded \$113,442 of in-kind contributions for the use of donated facilities for each of the years ended June 30, 2021 and 2020. These contributions are reported within revenue and expenses on the consolidated statements of activities and changes in net assets.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

15 - DONATED PROPERTY AND SERVICES (Continued)

Additionally, a substantial number of volunteers donate their time to the Organization for program services. No amounts have been included in the consolidated financial statements for such services since the volunteers' time does not meet the criteria necessary for financial statement recognition.

16 - RETIREMENT PLANS

The Organization established a Deferred Compensation Plan under Internal Revenue Code Section 457(f). The purpose of the plan is to provide deferred compensation for the benefit of a select group of management and highly compensated employees of the Organization. Distributions under this plan are paid in accordance with the plan's vesting schedule. The plan is being funded annually in a separate investment account. As of June 30, 2021 and 2020, an asset and liability for \$487,169 and \$328,332, respectively, is payable under the plan and reflected in accounts payable and accrued expenses and investments. For the year ended June 30, 2021 and 2020, the deferred compensation expense recognized was \$135,700 and \$125,700, respectively.

The Organization maintains a 401(k) retirement savings plan for all eligible employees as defined. Under the plan, employees may contribute a percentage of their eligible gross wages to the plan and the Organization matched 100% for each dollar up to 5% of each employee's salary for the fiscal years ended June 30, 2021 and 2020. Pension expense incurred for the years ended June 30, 2021 and 2020 was \$582,424 and \$435,183, respectively.

17 - COMMITMENTS AND CONTINGENCIES

Leases

As of June 30, 2021, the Organization had entered into various operating lease agreements for the rental of equipment and office and residential facilities expiring through December 2043, including some with related parties. The annual minimum future lease payments as of June 30, 2021 are as follows:

Year Ending June 30,	
2022	\$ 1,027,029
2023	845,542
2024	852,396
2025	856,893
2026	750,748
Thereafter	15,129,571
	<hr/>
	\$ 19,462,179

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

17 - COMMITMENTS AND CONTINGENCIES (Continued)

Leases (Continued)

Rental expense under all operating leases for the years ended June 30, 2021 and 2020 was \$1,225,235 and \$1,213,194, respectively.

Legal Matters

In the course of its business operations, the Organization is involved in various legal matters, which are generally covered by insurance. As of June 30, 2021, management believes there is no exposure to such matters that, if decided adversely, would be material to the consolidated financial statements or would not be covered by insurance.

Funding Sources

Approximately 36% and 43% of the Organization's revenue and support, excluding forgiveness of debt, is from government contracts, including Medicaid and Medicare, for each of the years ended June 30, 2021 and 2020, respectively. Until the financial information required by these government funding sources is accepted, costs billed for program services under these contracts are subject to review and possible disallowance. In management's opinion, such disallowance, if any, would not be material to the consolidated financial statements. Further, collection of receivables arising under these contracts is subject to the availability of funds from these funding sources.

Guarantees

In the ordinary course of its mission and operations, Project HOME provides various tax credit, operating deficit and construction completion guarantees as well as guarantees in the event of noncompliance for certain related entities described in Note 14. Management does not believe that any of these guarantees result in a liability for financial reporting purposes.

18 - CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts insured by the Federal Deposit Insurance Corporation (FDIC). Each of these accounts is guaranteed by the FDIC up to \$250,000. At times, during the year, these balances may exceed FDIC limits. At June 30, 2021 the Organization had approximately \$11,000,000 of uninsured balances.

The Organization invests in various investment securities that are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect account balances and the amounts reported in the consolidated statements of financial position. The Board of Trustees has implemented investment guidelines intended to mitigate the investments' risk. See Notes 2, 4 and 13 for investment information.

PROJECT HOME AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

19 - UNCERTAIN TAX POSITIONS

Management of the Organization considers the likelihood of changes by taxing authorities in its filed income tax returns and recognizes a liability for or discloses potential significant changes that management believes are more likely than not to occur upon examination by tax authorities, including changes to the Organization's status as a not-for-profit entity. Management believes the Organization met the requirements to maintain its tax-exempt status and has not identified any uncertain tax positions subject to the unrelated business income tax that require recognition or disclosure in the accompanying financial statements.

20 - RISKS AND UNCERTAINTIES

The spread of a novel strain of coronavirus (“COVID-19”) around the world in 2020 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its future operations.

21 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 27, 2021, which is the date the consolidated financial statements were available to be issued, and no material events were noted that would require adjustment to or disclosure in the consolidated financial statements.