

EISNERAMPER

**CONGRESO DE LATINOS UNIDOS, INC.
AND AFFILIATES**

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2019

(with consolidating supplementary information)



CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Congreso de Latinos Unidos, Inc. and Affiliates

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Congreso de Latinos Unidos, Inc. and Affiliates, which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities and 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.

Opinion

In our opinion, based on our audit, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Congreso de Latinos Unidos, Inc. and Affiliates as of June 30, 2019, and the consolidated 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.



Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating supplementary information shown on pages 20 to 22 is presented for purposes of additional analysis and is not a required part 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 certain other 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 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.

EisnerAmper LLP

EISNERAMPER LLP
Philadelphia, Pennsylvania
October 31, 2019

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Consolidated Statement of Financial Position June 30, 2019

ASSETS

Current assets:

Cash	\$ 1,223,885
Restricted cash	1,885,563
Accounts receivable:	
Related party	106,859
Other	281,280
Contributions receivable:	
Governmental grants and contracts, net of allowance for uncollectibles of \$10,232	4,237,031
Promises to give	10,000
Investments	188,224
Prepaid expenses and other assets	113,815

Total current assets 8,046,657

Property and equipment, net of accumulated depreciation of \$9,923,471 15,950,118

\$ 23,996,775

LIABILITIES

Current liabilities:

Current portion of long-term debt	\$ 216,936
Accounts payable and accrued expenses	415,329
Interest payable	16,646
Unearned revenue	114,189

Total current liabilities 763,100

Long-term debt, net of current portion, discounts
and debt issuance costs 11,154,543

Total liabilities 11,917,643

Commitments and contingencies

NET ASSETS

Without donor restrictions	11,164,123
With donor restrictions	915,009

Total net assets 12,079,132

\$ 23,996,775

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Consolidated Statement of Activities and Changes in Net Assets Year Ended June 30, 2019

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
Revenue and support:			
Governmental grants and contracts	\$13,569,039	\$ -	\$13,569,039
Corporation and foundation contributions	1,099,031	591,968	1,690,999
Fees and services	274,457	-	274,457
Fundraising revenue	377,484	-	377,484
Rental income and fees	1,105,274	-	1,105,274
Gain on acquisition of loan receivable	2,167,166	-	2,167,166
Other	572,783	-	572,783
Net assets released from restrictions	661,921	(661,921)	-
	<u>19,827,155</u>	<u>(69,953)</u>	<u>19,757,202</u>
Expenses:			
Program services:			
Education and workforce services	4,799,461	-	4,799,461
Family and housing services	5,140,105	-	5,140,105
Health promotion and wellness	4,784,840	-	4,784,840
	<u>14,724,406</u>	<u>-</u>	<u>14,724,406</u>
General and administrative	2,172,213	-	2,172,213
Fundraising	301,918	-	301,918
	<u>17,198,537</u>	<u>-</u>	<u>17,198,537</u>
Change in net assets before depreciation	2,628,618	(69,953)	2,558,665
Depreciation	<u>598,853</u>	<u>-</u>	<u>598,853</u>
Change in net assets	2,029,765	(69,953)	1,959,812
Net assets at beginning of year	<u>9,134,358</u>	<u>984,962</u>	<u>10,119,320</u>
Net assets at end of year	<u><u>\$11,164,123</u></u>	<u><u>\$ 915,009</u></u>	<u><u>\$12,079,132</u></u>

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

**Consolidating Statement of Functional Expenses
Year Ended June 30, 2019**

	Program Services				Supporting Services		
	Education and Workforce Services	Family and Housing Services	Health Promotion and Wellness	Total	General and Administrative	Fundraising	Total
Salaries	\$2,969,162	\$ 2,250,081	\$ 2,819,667	\$ 8,038,910	\$ 260,848	\$ 141,554	\$ 8,441,312
Fringe benefits	719,651	545,363	683,417	1,948,431	63,028	34,505	2,045,964
Bad debt	-	-	-	-	104,414	-	104,414
Client activities and incentives	193,638	16,005	1,574	211,217	-	-	211,217
Communications - telephone	46,540	45,242	48,569	140,351	12,732	-	153,083
Consumable supplies	177,837	39,225	226,232	443,294	6,948	881	451,123
Emergency payments	-	114,838	111,980	226,818	-	-	226,818
Equipment	36,854	81,777	35,181	153,812	15,659	2,925	172,396
Event and meetings	49,920	9,998	23,218	83,136	101,028	115,714	299,878
Fees and services	1,000	1,000	17,937	19,937	152,198	682	172,817
Insurance	79,899	72,899	75,209	228,007	129,918	-	357,925
Interest expense including amortization of debt issuance costs	-	-	-	-	605,280	-	605,280
Marketing and outreach expenses	6,751	4,901	570	12,222	15,336	3,811	31,369
MIS/information technology	39,599	36,729	41,928	118,256	13,050	-	131,306
Occupancy	187,232	210,690	275,620	673,542	516,336	-	1,189,878
Professional fees	222,258	76,080	347,964	646,302	165,450	-	811,752
Rental assistance	-	1,601,419	-	1,601,419	-	-	1,601,419
Training and conferences	26,917	5,537	15,745	48,199	652	-	48,851
Travel and related costs	42,203	28,321	60,029	130,553	9,336	1,846	141,735
Total expenses before depreciation	4,799,461	5,140,105	4,784,840	14,724,406	2,172,213	301,918	17,198,537
Depreciation	17,520	19,046	17,606	54,172	543,989	692	598,853
Total expenses	<u>\$4,816,981</u>	<u>\$ 5,159,151</u>	<u>\$ 4,802,446</u>	<u>\$14,778,578</u>	<u>\$2,716,202</u>	<u>\$ 302,610</u>	<u>\$17,797,390</u>

See notes to consolidated financial statements

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Consolidated Statement of Cash Flows Year Ended June 30, 2019

Cash flows from operating activities:

Change in net assets	\$ 1,959,812
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	598,853
Amortization of loan closing costs	17,818
Bad debt	104,414
Realized and unrealized loss on investments	792
Gain on acquisition of loan receivable	(2,167,166)
Changes in assets and liabilities:	
Accounts receivable - due from related party	(106,859)
Accounts receivable - other	167,494
Contributions receivable - governmental grants and contracts	(645,054)
Contributions receivable - Promises to give	327,000
Prepaid expenses and other assets	(7,437)
Accounts payable and accrued expenses	(27,833)
Interest payable	(45,215)
Unearned revenue	(71,351)
Net cash provided by operating activities	<u>105,268</u>

Cash flows from investing activities:

Purchase of investments	(193,286)
Acquisition of loan receivable	(1,000)
Proceeds from sale of investments	4,270
Purchase of property and equipment	(793,984)
Net cash used in investing activities	<u>(984,000)</u>

Cash flows from financing activities:

Debt issuance costs paid	(434,192)
Payments on long-term debt	(3,239,546)
Proceeds from borrowings on long-term debt	3,203,205
Net cash used in financing activities	<u>(470,533)</u>

Net decrease in cash and restricted cash

(1,349,265)

Cash and restricted cash at beginning of year

4,458,713

Cash and restricted cash at end of year

\$ 3,109,448

Supplemental disclosure of cash flow information:

Cash paid during the year for interest	<u><u>\$ 632,677</u></u>
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Supplemental disclosure of non-cash financing activities:

Proceeds from long-term debt issuances transferred directly to repay outstanding debt	\$ 13,661,183
Debt repayments directly from issuances of long-term debt	(13,661,183)

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE A - ORGANIZATION AND BASIS OF PRESENTATION

Congreso de Latinos Unidos, Inc. (“Congreso”) is a multiservice, social service agency founded in 1977 and headquartered in eastern North Philadelphia with a mission to enable individuals and families in predominantly Latino neighborhoods to achieve economic self-sufficiency and well-being. Congreso served 15,039 unduplicated individuals in FY19, offering a continuum of services through its three programmatic divisions: Education and Workforce Services (“EWS”), Health Promotion and Wellness (“HPW”), and Family and Housing Services (“FHS”). EWS encompasses in-school and out-of-school-time programs, on-site GED instruction and GED testing center, adult education programming, Commercial Driver License Class A courses, ESL instruction, and post-secondary options such as Harcum College at Congreso and a Child Development Associate credentialing program. Services within FHS include teen parenting services, older adult programming, housing services, family empowerment and social services, truancy services, and a financial empowerment center. The HPW Division, which houses Congreso’s Federally Qualified Health Center, offers HIV and AIDS services, health education and training, breastfeeding consultation, and the Latina Domestic Violence Program.

2800 American Street Company (“2800 American”) and 216 Somerset Company (“216 Somerset”) are wholly-owned subsidiaries of Congreso, organized as nonprofit organizations to support Congreso and its mission. Both of these subsidiaries own properties in which Congreso or its related organizations operate programs.

Congreso Business Services LLC (“CBS”) is a single member LLC in which Congreso is the sole member. CBS provides facilities management to property owned by 2800 American.

The accompanying consolidated financial statements contain the accounts of Congreso, 2800 American, 216 Somerset, and CBS (collectively, the “Organization”) and have been prepared using the accrual basis of accounting in accordance with accounting principles general accepted in the United States of America (“U.S. GAAP”). All significant intercompany activity has been eliminated.

Aprendizaje Superior de la Comunidad, LLC (“ASC”) was organized as a limited liability company (“LLC”) with another nonprofit organization to provide programs for students to earn college credits towards an Associate Degree from Harcum College through a cohort-based learning experience consisting of curriculum for majors in Early Childhood Education, Law & Justice, and Human Services. Congreso is a 50% limited partner in this LLC and revenues and expenses relating to Congreso’s share of ASC’s operations are included in the consolidated statement of activities and changes in net assets under the equity method of accounting. ASC received funds from Harcum College based on the number of students enrolled through the Department of Education of Pennsylvania. The activities of ASC ceased during the year ended June 30, 2018, and all remaining assets were distributed and liabilities were settled during the year ended June 30, 2019. As of June 30, 2019, ASC had no assets or liabilities and no earned revenues or incurred expenses.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed by the Organization in the preparation of the consolidated financial statements.

[1] Classification of net assets:

Net assets and revenues are classified based on the existence or absence of donor- or grantor-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 and donor-restricted contributions whose restrictions are met in the same reporting period as when the contributions are received.

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[1] Classification of net assets (continued):

Net Assets With Donor Restrictions – Net assets are subject to donor-imposed or certain grantor-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 specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Net assets with donor restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

[2] Cash and restricted cash:

Restricted cash represent various amounts restricted as to use and are not available for use in operations. Restrictions include escrows for the properties that are required by project funders and collateral for debt instruments.

The following table provides a reconciliation of cash and restricted cash reported within the consolidated statement of financial position that sum to the total of the same such amounts shown in the consolidated statement of cash flows:

Cash	\$ 1,223,885
Restricted cash	<u>1,885,563</u>
Total cash and restricted cash shown in the consolidated statement of cash flows	<u>\$ 3,109,448</u>

[3] Revenue recognition – contributions:

Government grants and contracts

Funding for the Organization's activities is achieved substantially through cost reimbursement government grants and contracts. These grants and contracts provide funding to be used to benefit members of the community. As the government is not receiving a benefit as a result of these transactions, the grants and contracts are considered to be contributions to the Organization. The grant and contract agreements require that funds be expended for a specific purpose or contain specific service requirements. As these stipulations create a barrier that must be achieved, government grants and contracts are considered to be conditional contributions until such time as the conditions are met. Contributions from grant and contract agreements are therefore recognized as revenue when costs are incurred and specific service requirements are met as required by the agreements. Until the financial information required by the funding sources is accepted, costs billed for program services under cost reimbursement contracts are subject to review and possible disallowance. In management's opinion, the potential for material disallowances is remote, and therefore is not a barrier that would prevent the recognition of revenue. There were no government grants or contracts whose conditions had not been met as of June 30, 2019.

Government grants and contracts receivable are recorded net of an allowance for doubtful accounts. The Organization establishes a provision for doubtful accounts based on history of past write-offs and collections and current credit conditions. An account is written off when it is determined that all collection efforts have been exhausted. Management has determined that the provision for doubtful accounts for the year ended June 30, 2019 was \$10,232.

All outstanding government grants and contracts reported on the consolidated statement of financial position are expected to be received in less than one year, therefore, no discount is recorded as of June 30, 2019.

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[3] Revenue recognition – contributions (continued):

Foundations and corporations

Foundation and corporate contributions, including unconditional promises to give, are recognized as revenues in the period are received. Contributions of assets other than cash are recorded at their estimated fair value at the date of donation. Conditional promises to give are not included as revenue until such time as the conditions are substantially met.

All outstanding promises to give reported on the consolidated statement of financial position are expected to be received in less than one year, therefore, no discount is recorded as of June 30, 2019.

Donated services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

There were numerous volunteer hours that were contributed to the Organization for the year ended June 30, 2019. The value of these contributed services is not recorded in these consolidated financial statements since the services did not meet the criteria for recognition under U.S. GAAP.

[4] Revenue recognition – fees and services:

Fees and services revenue is reported at the amount that reflects the consideration expected to be received in exchange for providing counseling services to program participants. These amounts, representing the transaction price, are due from third-party payors (primarily health insurance companies) and are based on predetermined rates, as set by the third-party payor, for the service provided. Generally, the Organization bills third-party payors monthly after the services have been provided to the program participant.

Revenue is recognized as performance obligations are satisfied. A performance obligation is considered satisfied at the time a single unit of service is completed; that is, each 15 minute interval over the course of a counseling session. There were no performance obligations that were unsatisfied or partially unsatisfied as of June 30, 2019.

During the year ended June 30, 2019, fees and services revenue recognized amounted to \$274,457. Accounts receivable related to these services amounted to \$67,235 as of June 30, 2019.

[5] Revenue recognition – rental income and fees:

Rental income and fees are earned pursuant to agreements. The rents are accounted for as operating leases and revenues are recorded ratably over the term of the agreement. If advanced rental or fees are received, they are included in unearned revenue on the consolidated statement of financial position.

[6] Investments:

Investments in marketable securities are stated at fair value in the consolidated statement of financial position. Realized and unrealized gains and losses are included in the accompanying consolidated statement of activities and changes in net assets. Increases and decreases in fair value are recognized in the periods in which they occur.

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[6] Investments (continued):

Management 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 statement of financial position.

[7] Property and equipment and depreciation:

Property and equipment are stated at cost less accumulated depreciation. Contributed property and equipment are recorded at fair value at the date of donation. The Organization capitalizes all significant additions of \$5,000 or greater, while all other costs that do not improve or extend the useful lives of the respective assets are expensed in the period in which they occur. Depreciation is provided by the straight-line method over estimated useful lives of three to 40 years.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2019, and in the opinion of management, there was no impairment. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[8] Functional allocation of expenses:

Directly identifiable expenses are charged to program services, general and administrative, and fundraising as incurred. Salaries, payroll taxes, and benefits are charged to the different functions based on the employees actual functions performed. Expenses related to more than one function are allocated among the functions benefited, as follows: communications – telephone, postage, equipment, insurance, MS/information technology, and occupancy - based on actual program FTE's. Depreciation is allocated to multiple functions based on total expenses per functional area.

[9] Use of estimates:

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

[10] Federal tax status:

The Internal Revenue Service has classified Congreso, 2800 American, and 216 Somerset as exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code ("Code"); as organizations, contributions to which are deductible under Section 170(c) of the Code; and as organizations that are not private foundations as defined in Section 509(a) of the Code. CBS is a limited liability company whose sole member is an exempt organization.

U.S. GAAP requires management to evaluate tax positions taken and recognize a tax liability, if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by a government authority. Management has analyzed the tax positions taken by the Organization and has concluded that as of June 30, 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the consolidated financial statements.

The Organization recognizes accrued interest and penalties associated with uncertain tax positions, if any. There were no income tax related interest and penalties recorded for the year ended June 30, 2019. Because Congreso is the sole member of CBS, this LLC is included in Congreso's tax return.

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[11] Debt issuance costs:

Debt issuance costs related to a recognized debt liability are presented in the consolidated statement of financial position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. Debt issuance costs are amortized to interest expense over the term of the related debt note using the straight-line method, which approximates the effective interest rate method.

[12] New accounting pronouncements:

In May 2014, Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU 2014-09 requires an entity to recognize revenue depicting the transfer of 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. ASU 2014-09 will also result in enhanced revenue related disclosures. This standard is effective for fiscal years beginning after December 15, 2018. The Organization has adopted the FASB Accounting Standards Codification ("ASC") Topic 606 as of and for the year ended June 30, 2019. ASC 606 has been applied on the modified-retrospective method using the cumulative effect method on contracts existing on July 1, 2018. As part of the adoption of ASC 606, the Organization elected to follow the practical expedient of applying ASC 606 only to contracts that were not completed as of July 1, 2018. All prior contracts had been completed as of July 1, 2018 resulting in no change to beginning net assets. The adoption of ASU 2014-19 also resulted in additional disclosures related to fees and services revenue.

In August 2016, FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 amends the presentation and disclosures to help not-for-profit organizations provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: a) net asset classes, b) investment return, c) expenses, d) liquidity and availability of resources, and e) presentation of operating cash flows. ASU 2016-14 is effective for annual reporting periods beginning after December 15, 2017. The Organization adopted the ASU as of and for the year ended June 30, 2019. The adoption of ASU 2016-14 required the presentation of a statement of functional expenses, reclassification of net asset classes and additional disclosures related to liquidity and availability of resources.

In June 2018, FASB issued ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and improves guidance concerning, 1) evaluating whether a transaction should be accounted for as an exchange transaction or as a contribution, and 2) determining whether a contribution received is conditional. ASU 2018-08 is effective for annual periods beginning after December 15, 2018 for entities that are resource recipients and for annual periods beginning after December 15, 2019 for entities that are resource providers. ASU 2018-08 should be applied on a modified prospective basis. The Organization has adopted the ASU as of and for the year ended June 30, 2019. The adoption of this ASU required enhanced disclosures and an analysis of the classification of existing government grants and contracts. The analysis found that all existing government grants and contracts should be considered contributions which resulted in a change as this revenue had previously been reported as exchange transactions. This change had no impact on net assets as all conditions on prior year government grants and contracts were considered to be met as of June 30, 2018, but did require reclassification of receivables from accounts receivable to contributions receivable on the consolidated statement of financial position.

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[13] Upcoming accounting pronouncement:

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The standard's core principle is to increase transparency and comparability among organizations by recognizing lease assets and liabilities on the balance sheet and disclosing key information. ASU 2016-02 will be effective for nonpublic entities for fiscal years beginning after December 15, 2018 and for nonpublic entities for fiscal years beginning after December 15, 2020, with early adoption permitted. Management is currently evaluating the effect that this new guidance will have on its consolidated financial statements and related disclosures.

NOTE C - DECONSOLIDATION

For the year ended June 30, 2018, the assets, liabilities, net assets, revenues and expenses of the Pan American Academy Charter School (the "PAACS"), were included in the consolidated financial statements of Congreso de Latinos Unidos Inc. and Affiliates. Consolidation was required as Congreso had the ability to appoint a majority of the Board of Directors of the PAACS which gave them the ability to control the activities of the PAACS. Effective August 1, 2018, the bylaws of the PAACS were amended to reduce the number of director positions that Congreso could appoint to below 50%. This amendment resulted in Congreso no longer being able to control the activities of PAACS which required deconsolidation of the PAACS.

The deconsolidation of the PAACS resulted in a decrease in assets of \$4,996,424 and a decrease in liabilities of \$2,401,369 from amounts previously reported as of June 30, 2018. The impact of the deconsolidation on net assets without donor restrictions, is as follows as of June 30, 2018:

Net assets without donor restrictions, as previously stated	\$ 11,729,413
Deconsolidation of the PAACS	<u>(2,595,055)</u>
Net assets without donor restrictions, after deconsolidation	<u>\$ 9,134,358</u>

There was no change to net assets with donor restrictions as of June 30, 2018.

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE D - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date, comprise the following as of June 30, 2019.

Financial assets:	
Cash	\$ 1,223,885
Restricted cash	794,412
Accounts receivable:	
Related party	106,859
Other	281,280
Contributions receivable:	
Governmental grants and contracts, net	4,237,031
Promises to give	10,000
Investments	<u>188,224</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 6,841,691</u>

General expenditures include program service expenses, management and general expenses, and fundraising expenses expected to be paid in the subsequent year. Restricted cash represents escrow and reserve funds expected to be used in the subsequent year.

As part of the Organization's liquidity management plan, the Organization structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term liquid investments. As more fully described in Note I, the Organization also has a committed line-of-credit in the amount of \$3,000,000 as of June 30, 2019, \$3,000,000 of which could be drawn upon in the event of an unanticipated liquidity need.

NOTE E - CONCENTRATIONS OF CREDIT RISK

[1] Cash balances:

The Organization maintains its cash balances in financial institutions with insurance provided by the Federal Deposit Insurance Corporation. At times, these accounts may exceed the federally insured limit. Management does not believe there is a significant credit risk with these institutions.

[2] Funding sources:

The Organization receives a significant amount of its funding from the City of Philadelphia. This funding source accounted for 52% of total governmental grants and contracts revenue for the year ended June 30, 2019. This funding source also accounted for 45% of total accounts receivable from governmental grants and contracts as of June 30, 2019.

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE F - FAIR VALUE MEASUREMENTS

ASC 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is an estimate of the exit price, representing the amount that would be received to sell an asset in an orderly transaction between market participants (i.e., the exit price at the measurement date). Fair value measurements are not adjusted for transaction costs.

In determining fair value, the Organization uses various valuation approaches, including market, income and/or cost approaches. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements), and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under the topic are described below:

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

Level 2 - Inputs to the valuation methodology include (a) quoted prices for similar assets or liabilities in active markets; (b) quoted prices for identical or similar assets or liabilities in inactive markets; (c) inputs other than quoted prices that are observable for the asset or liability; or (d) inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation levels are not necessarily an indication of the risk or liquidity associated with the underlying assets.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of June 30, 2019.

Stock ETFs – Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds – Valued at the closing price reported on the active market on which the individual mutual funds are traded.

Corporate bonds and global notes – Valued at the closing price reported on the active market on which the individual corporate bonds and global notes are traded.

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

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE F - FAIR VALUE MEASUREMENTS (CONTINUED)

The following tables set forth, by level, the Organization's investments at fair value, within the aforementioned fair value hierarchy, as of June 30, 2019:

	Investment Assets at Fair Value as of June 30, 2019			
	Total	Level 1	Level 2	Level 3
Stock ETFs	\$ 34,678	\$ 34,678	\$ -	\$ -
Mutual funds	102,161	102,161	-	-
Corporate bonds and global notes	51,385	51,385	-	-
Total investment assets at fair value	<u>\$ 188,224</u>	<u>\$ 188,224</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE G - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2019 is as follows:

Building and improvements	\$25,216,003
Furniture and fixtures	448,794
Equipment	<u>208,792</u>
	25,873,589
Less accumulated depreciation	<u>9,923,471</u>
	<u>\$15,950,118</u>

Depreciation for the year ended June 30, 2019 was \$598,853.

NOTE H - LONG-TERM DEBT

Long-term debt as of June 30, 2019 is as follows:

TD Bank, \$1,922,000 term loan to restructure debt and make capital improvements to property and equipment located at 216 Somerset Street; principal together with interest at 5.17% is due in monthly payments of \$15,446; all outstanding principal and interest is due on December 2028; collateralized by substantially all business assets of 216 Somerset	<u>\$ 1,879,096</u>
Subtotal, carried forward	1,879,096

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE H - LONG-TERM DEBT (CONTINUED)

Subtotal, brought forward 1,879,096

Philadelphia Authority for Industrial Development ("PAID"); \$7,870,000 obtained by 2800 American through a nonrecourse tax exempt revenue bond issuance ("Series 2018A") as part of PAID's tax-exempt bond program; bears interest at rates ranging from 5.50% to 5.75%; requires monthly interest payments and matures in varying amounts on July 1 of each year at which time the associated outstanding principal and accrued interest is due; maturities commence on July 1, 2019 with the final maturity on July 1, 2048; on January 1, 2029, PAID has the option to redeem all outstanding Series 2018A bond scheduled to mature on or after July 1, 2029; subject to certain financial and nonfinancial covenants; collateralized by the property located at 2830 American Street and future revenues received by the PAACS from the School District of Philadelphia 7,870,000

PAID; \$240,000 obtained by 2800 American through a nonrecourse taxable revenue bond issuance ("Series 2018B"); bears interest at a rate of 6.38%; requires monthly interest payments and matures in varying amounts on July 1 of each year at which time the associated outstanding principal and accrued interest is due; maturities commence on July 1, 2019 with the final maturity on July 1, 2021; subject to certain financial and nonfinancial covenants; collateralized by the property located at 2830 American Street and future revenues received by PAACS from the School District of Philadelphia 240,000

TRF, loan to refinance the 2800 American property; interest only payment payment at 5.37% is due for the month of November 2017; beginning on December 1, 2017, principal together with interest is due in monthly payments aggregating approximately \$11,500, with the final payment due on February 1, 2044; collateralized by substantially all business assets of 2800 American 1,910,198

15,657,486
Less current portion 216,936
Less unamortized discount on bond issuance 19,084
Less unamortized debt issuance costs 508,731

\$ 14,912,735

In October 2018, the Organization obtained a term loan with PNC Bank which bore interest at a rate of 2% plus the Daily LIBOR Rate. The loan required monthly interest-only payments commencing in November 2018 with all outstanding principal and accrued interest due in April 2019, the maturity date. The loan was subject to certain financial and nonfinancial covenants and was collateralized by substantially all business assets. The loan was fully repaid in December 2018 with proceeds from the Series 2018A and Series 2018B bond issuances described above.

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

**Notes to Consolidated Financial Statements
June 30, 2019**

NOTE H - LONG-TERM DEBT (CONTINUED)

In October 2018, the outstanding TRF development and construction loans of \$6,192,312 and \$2,899,848 were paid in full using proceeds from the \$6,851,472 term loan with PNC Bank described above, and the remaining sinking fund balance of \$2,338,123. The TRF loans bore interest at a rate of 5.31%, required monthly installments ranging from approximately \$13,000 to \$28,000 and were collateralized by substantially all assets of 2800 American.

2800 American held a \$2,223,840 loan with TRF that bore interest at a rate of 5.31%, required monthly installments of approximately \$10,000 and was collateralized by substantially all assets of 2800 American. Tied to this loan was a put option agreement whereby TRF had the option to sell all of its rights, titles, and interests in and to the loan to Congreso for a price of \$1,000. TRF exercised this put option in October 2018 which resulted in Congreso acquiring the remaining balance on the loan of \$2,168,166 for \$1,000. Congreso recognized a gain on loan acquisition of \$2,167,166 which is included in the consolidated statement of activities and changes in net assets.

In October 2018, subsequent to the acquisition of this loan, Congreso forgave the entire remaining balance of \$2,168,166 due from 2800 American. This resulted in a forgiveness of debt expense recognized by Congreso and forgiveness of debt revenue recognized by 2800 which have been eliminated in consolidation.

In November 2018, the then outstanding TD bank loan of \$796,056 was paid in full using proceeds from the TD bank term loan described above. The previous loan with TD Bank bore interest at a rate of 4.49%, required monthly installments of \$8,836 and was collateralized by substantially all business assets of Congreso.

Scheduled future principal maturities of long-term debt as of June 30, 2019 are as follows:

<u>Year Ending June 30</u>	
2020	\$ 216,936
2021	244,066
2022	256,322
2023	273,965
2024	286,819
Thereafter	<u>10,621,186</u>
	<u>\$ 11,899,294</u>

Interest expense for long-term debt for the year ended June 30, 2019 was \$605,280 including amortization of debt issuance costs of \$17,818.

The terms of the loans for the Series 2018A and Series 2018B bond issuances provide for a sinking fund to be funded by monthly payments of \$15,000 as of June 30, 2019. The required payments may change year to year and are set at amounts that ensure that the balance in the sinking fund is sufficient to cover the maturities and related accrued interest of the subsequent year. For the year ended June 30, 2019, the balance in the sinking fund was \$652,963.

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE I - LINE-OF-CREDIT

Congreso has a bank line-of-credit with a maximum borrowing availability of \$3,000,000, bearing interest at 4% above the LIBOR rate (LIBOR was 2.40% as of June 30, 2019). The line-of-credit is secured by all of Congreso's business assets. There was no outstanding balance on the line-of-credit as of June 30, 2019. The line-of-credit expires on February 15, 2020. There was no interest expense incurred on the line-of-credit for the year ended June 30, 2019.

NOTE J - RELATED PARTY TRANSACTIONS

2800 American has two lease agreements with the PAACS, a Pennsylvania non-profit corporation, whereby PAACS leases space from 2800 American to operate a charter school. The lease agreements call for monthly base rental payments of approximately \$47,000 and \$11,000, respectively, and expire in June 2048 and February 2044, respectively. PAACS is also required to pay utilities and additional rents as stipulated in the agreements.

CBS has an agreement with PAACS whereby CBS provides facility management services. Monthly payments under the agreement vary and are determined yearly when the annual contract renews.

Congreso has the ability to appoint four of the nine board members of PAACS.

Total rental income and fees earned from PAACS amounted to \$1,497,378 for the year ended June 30, 2019. Amounts due from PAACS for rent were \$106,859 as of June 30, 2019 and are included in accounts receivable – related party on the consolidated statement of financial position.

NOTE K - COMMITMENTS AND CONTINGENCIES

[1] Operating lease:

The Organization leases office space and office equipment under operating lease agreements which require monthly payments ranging from \$343 to \$2,949 and expire at various times through October 2023.

Total lease expense amounted to \$130,220 for the year ended June 30, 2019.

Future minimum lease payments for office space and office equipment as of June 30, 2019 are as follows:

<u>Year Ending June 30</u>	
2020	\$ 94,160
2021	55,137
2022	51,157
2023	42,573
2024	<u>10,196</u>
	<u>\$ 253,223</u>

[2] 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, 2019, management believes there is no exposure to such matters that, if decided adversely, would be material to the consolidated financial statements or are not adequately covered by insurance.

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Notes to Consolidated Financial Statements June 30, 2019

NOTE L - FUTURE RENTAL RECEIPTS

The Organization leases office space to PAACS and a third-party tenant under long-term leases expiring through June 2048.

Scheduled future rental receipts under the long-term leases as of June 30, 2019 are as follows:

<u>Year Ending June 30</u>	<u>PAACS</u>	<u>Other</u>	<u>Total</u>
2020	\$ 696,282	\$ 36,179	\$ 732,461
2021	702,318	37,264	739,582
2022	711,477	38,382	749,859
2023	714,273	39,533	753,806
2024	720,237	40,719	760,956
Thereafter	17,604,359	-	17,604,359
	<u>\$ 21,148,946</u>	<u>\$ 192,077</u>	<u>\$ 21,341,023</u>

NOTE M - RETIREMENT PLAN

Congreso sponsors a 403(b) defined-contribution pension plan ("Plan") which allows those employees who regularly complete at least 20 hours of work per week to make pre-tax and/or Roth payroll contributions. Congreso will match 50% of an employee's contribution, up to 6%, for those Plan participants who have completed at least one year of service, as defined by the Plan document. Participants are fully vested in their elective deferral and rollover contributions immediately after admittance into the Plan. Participants are fully vested in the matching contributions after three years of service. Pension expense for the year ended June 30, 2019 was \$63,894.

NOTE N - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2019:

	<u>July 1, 2018</u>	<u>Contributions</u>	<u>Satisfaction of Program Restrictions</u>	<u>June 30, 2019</u>
Education and workforce services	\$ 547,047	\$ 296,892	\$ (390,232)	\$ 453,707
Family and housing services	96,130	183,457	(71,410)	208,177
Health promotion and wellness	341,785	111,619	(200,279)	253,125
	<u>\$ 984,962</u>	<u>\$ 591,968</u>	<u>\$ (661,921)</u>	<u>\$ 915,009</u>

NOTE O - SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through October 31, 2019, which is the date the consolidated financial statements were available to be issued.

CONSOLIDATING SUPPLEMENTARY INFORMATION

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

**Consolidating Schedule of Financial Position
June 30, 2019**

	Congreso de Latinos Unidos, Inc. and Subsidiary*	2800 American Street Company	216 Somerset Company	Eliminations	Total
ASSETS					
Current assets:					
Cash	\$1,114,834	\$ 109,051	\$ -	\$ -	\$ 1,223,885
Restricted cash	471,884	943,192	470,487	-	1,885,563
Accounts receivable:					
Affiliates	-	1,681,361	1,697,018	(3,378,379)	-
Related party	-	106,859	-	-	106,859
Other	276,685	4,595	-	-	281,280
Investments	188,224	-	-	-	188,224
Contributions receivable:					
Governmental grants and contracts, net of allowance for uncollectibles of \$10,232	4,237,031	-	-	-	4,237,031
Promises to give	10,000	-	-	-	10,000
Prepaid expenses and other assets	112,435	-	1,380	-	113,815
Total current assets	6,411,093	2,845,058	2,168,885	(3,378,379)	8,046,657
Property and equipment, net of accumulated depreciation of \$9,923,471	387,970	13,818,895	1,743,253	-	15,950,118
	<u>\$6,799,063</u>	<u>\$16,663,953</u>	<u>\$3,912,138</u>	<u>\$ (3,378,379)</u>	<u>\$23,996,775</u>
LIABILITIES					
Current liabilities:					
Current portion of long-term debt	\$ -	\$ 128,240	\$ 88,696	\$ -	\$ 216,936
Accounts payable and accrued expenses	415,329	-	-	-	415,329
Interest payable	-	8,548	8,098	-	16,646
Due to affiliate	3,378,379	-	-	(3,378,379)	-
Unearned revenue	114,189	-	-	-	114,189
Total current liabilities	3,907,897	136,788	96,794	(3,378,379)	763,100
Long-term debt, net of current portion, discounts and debt issuance costs	-	9,386,204	1,768,339	-	11,154,543
Total liabilities	3,907,897	9,522,992	1,865,133	(3,378,379)	11,917,643
NET ASSETS					
Without donor restrictions	1,976,157	7,140,961	2,047,005	-	11,164,123
With donor restrictions	915,009	-	-	-	915,009
Total net assets	2,891,166	7,140,961	2,047,005	-	12,079,132
	<u>\$6,799,063</u>	<u>\$16,663,953</u>	<u>\$3,912,138</u>	<u>\$ (3,378,379)</u>	<u>\$23,996,775</u>

* Congreso de Latinos Unidos, Inc. and subsidiary includes the consolidated accounts of Congreso and CBS.

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

**Consolidating Schedule of Activities and Changes in Net Assets
Year Ended June 30, 2019**

	Congreso de Latinos Unidos, Inc.		2800 American Street Company	216 Somerset Company		
	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Net Assets Without Donor Restrictions	Net Assets Without Donor Restrictions	Eliminations	Total
Revenue and support:						
Governmental grants and contracts	\$ 13,569,039	\$ -	\$ -	\$ -	\$ -	\$ 13,569,039
Corporation and foundation contributions	1,095,431	591,968	3,600	-	-	1,690,999
Fees and services	274,457	-	-	-	-	274,457
Fundraising revenue	377,484	-	-	-	-	377,484
Rental income and fees	106,716	-	1,033,814	162,844	(198,100)	1,105,274
Gain on acquisition of loan receivable	2,167,166	-	-	-	-	2,167,166
Gain on forgiveness of long-term debt	-	-	2,168,166	-	(2,168,166)	-
Other	93,463	-	592,373	2,854	(115,907)	572,783
Net assets released from restrictions	661,921	(661,921)	-	-	-	-
	<u>18,345,677</u>	<u>(69,953)</u>	<u>3,797,953</u>	<u>165,698</u>	<u>(2,482,173)</u>	<u>19,757,202</u>
Expenses:						
Program services:						
Education and workforce services	4,799,461	-	-	-	-	4,799,461
Family and housing services	5,140,105	-	-	-	-	5,140,105
Health promotion and wellness	4,784,840	-	-	-	-	4,784,840
	14,724,406	-	-	-	-	14,724,406
General and administrative	3,283,412	-	1,312,213	58,761	(2,482,173)	2,172,213
Fundraising	301,918	-	-	-	-	301,918
	<u>18,309,736</u>	<u>-</u>	<u>1,312,213</u>	<u>58,761</u>	<u>(2,482,173)</u>	<u>17,198,537</u>
Change in net assets before depreciation	35,941	(69,953)	2,485,740	106,937	-	2,558,665
Depreciation	59,705	-	450,038	89,110	-	598,853
Change in net assets	(23,764)	(69,953)	2,035,702	17,827	-	1,959,812
Net assets at beginning of year	1,999,921	984,962	5,105,259	2,029,178	-	10,119,320
Net assets at end of year	<u>\$ 1,976,157</u>	<u>\$ 915,009</u>	<u>\$ 7,140,961</u>	<u>\$ 2,047,005</u>	<u>\$ -</u>	<u>\$ 12,079,132</u>

CONGRESO DE LATINOS UNIDOS, INC. AND AFFILIATES

Consolidating Schedule of Functional Expenses
Year Ended June 30, 2019

	Congreso de Latinos Unidos, Inc.					2800 American Street Company	216 Somerset Company			
	Education and Workforce Services	Family and Housing Services	Health Promotion and Wellness	General and Administrative	Fundraising	Total	General and Administrative	General and Administrative	Eliminations	Total
Salaries	\$2,969,162	\$ 2,250,081	\$2,819,667	\$ 260,848	\$ 141,554	\$ 8,441,312	\$ -	\$ -	\$ -	\$ 8,441,312
Fringe benefits	719,651	545,363	683,417	63,028	34,505	2,045,964	-	-	-	2,045,964
Bad debt	-	-	-	104,414	-	104,414	-	-	-	104,414
Client activities and incentives	193,638	16,005	1,574	-	-	211,217	-	-	-	211,217
Communications - telephone	46,540	45,242	48,569	12,732	-	153,083	-	-	-	153,083
Consumable supplies	177,837	39,225	226,232	6,948	881	451,123	-	-	-	451,123
Emergency payments	-	114,838	111,980	-	-	226,818	-	-	-	226,818
Equipment	36,854	81,777	35,181	15,659	2,925	172,396	-	-	-	172,396
Event and meetings	49,920	9,998	23,218	101,028	115,714	299,878	-	-	-	299,878
Fees and services	1,000	1,000	17,937	143,060	682	163,679	9,138	-	-	172,817
Forgiveness of debt	-	-	-	2,168,166	-	2,168,166	-	-	(2,168,166)	-
Insurance	79,899	72,899	75,209	38,838	-	266,845	91,080	-	-	357,925
Interest expense including amortization of debt issuance costs	-	-	-	28,756	-	28,756	517,763	58,761	-	605,280
Marketing and outreach expenses	6,751	4,901	570	15,336	3,811	31,369	-	-	-	31,369
MIS/information technology	39,599	36,729	41,928	13,050	-	131,306	-	-	-	131,306
Occupancy	187,232	210,690	275,620	183,046	-	856,588	647,297	-	(314,007)	1,189,878
Professional fees	222,258	76,080	347,964	118,515	-	764,817	46,935	-	-	811,752
Rental assistance	-	1,601,419	-	-	-	1,601,419	-	-	-	1,601,419
Training and conferences	26,917	5,537	15,745	652	-	48,851	-	-	-	48,851
Travel and related costs	42,203	28,321	60,029	9,336	1,846	141,735	-	-	-	141,735
Total expenses before depreciation	4,799,461	5,140,105	4,784,840	3,283,412	301,918	18,309,736	1,312,213	58,761	(2,482,173)	17,198,537
Depreciation	17,520	19,046	17,606	4,841	692	59,705	450,038	89,110	-	598,853
Total expenses	\$4,816,981	\$ 5,159,151	\$4,802,446	\$3,288,253	\$ 302,610	\$18,369,441	\$1,762,251	\$147,871	\$(2,482,173)	\$17,797,390