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**FUND FOR PUBLIC HOUSING, INC.
d/b/a PUBLIC HOUSING COMMUNITY FUND**

Audited Financial Statements

December 31, 2022



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Fund for Public Housing, Inc.
d/b/a Public Housing Community Fund

Opinion

We have audited the accompanying financial statements of Fund for Public Housing, Inc. doing business as the Public Housing Community Fund ("PHCF"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PHCF as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of PHCF and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.


In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PHCF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about PHCF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Summarized Comparative Information

The financial statements of PHCF, as of and for the year ended December 31, 2021, were audited by other auditors whose report dated September 2, 2022, expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects with the audited financial statements from which it was derived.


New York, NY
September 28, 2023

FUND FOR PUBLIC HOUSING, INC.
d/b/a PUBLIC HOUSING COMMUNITY FUND
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2022
(With comparative totals at December 31, 2021)

	<u>12/31/22</u>	<u>12/31/21</u>
Assets		
Cash and cash equivalents	\$2,914,567	\$954,328
Pledges receivable, net (Note 3)	<u>1,917,764</u>	<u>58,793</u>
Total assets	<u><u>\$4,832,331</u></u>	<u><u>\$1,013,121</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	<u>\$283,161</u>	<u>\$73,339</u>
Total liabilities	<u>283,161</u>	<u>73,339</u>
Net assets:		
Without donor restrictions	520,106	26,909
With donor restrictions (Note 4)	<u>4,029,064</u>	<u>912,873</u>
Total net assets	<u>4,549,170</u>	<u>939,782</u>
Total liabilities and net assets	<u><u>\$4,832,331</u></u>	<u><u>\$1,013,121</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

FUND FOR PUBLIC HOUSING, INC.
d/b/a PUBLIC HOUSING COMMUNITY FUND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 12/31/22</u>	<u>Total 12/31/21</u>
Public support and revenue:				
Contributions	\$566,697	\$4,098,660	\$4,665,357	\$1,487,100
In-kind contributions (Note 2g)			0	703,300
Interest income	21,763		21,763	135
Net assets released from restrictions (Note 4)	<u>982,469</u>	<u>(982,469)</u>	<u>0</u>	<u>0</u>
Total public support and revenue	<u>1,570,929</u>	<u>3,116,191</u>	<u>4,687,120</u>	<u>2,190,535</u>
Expenses:				
Program services	<u>566,580</u>		<u>566,580</u>	<u>1,828,198</u>
Supporting services:				
Management and general	239,906		239,906	179,995
Fundraising	<u>271,246</u>		<u>271,246</u>	<u>55,144</u>
Total supporting services	<u>511,152</u>	<u>0</u>	<u>511,152</u>	<u>235,139</u>
Total expenses	<u>1,077,732</u>	<u>0</u>	<u>1,077,732</u>	<u>2,063,337</u>
Change in net assets	493,197	3,116,191	3,609,388	127,198
Net assets - beginning of year	<u>26,909</u>	<u>912,873</u>	<u>939,782</u>	<u>812,584</u>
Net assets - end of year	<u><u>\$520,106</u></u>	<u><u>\$4,029,064</u></u>	<u><u>\$4,549,170</u></u>	<u><u>\$939,782</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

FUND FOR PUBLIC HOUSING, INC.
d/b/a PUBLIC HOUSING COMMUNITY FUND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	Supporting Services			Total Supporting Services	Total Expenses 12/31/22	Total Expenses 12/31/21
	Program Services	Management and General	Fundraising			
Salaries and fringe benefits (Note 5)	\$46,010	\$158,085	\$271,246	\$429,331	\$475,341	\$215,600
Administrative fees (Note 5)		47,534		47,534	47,534	21,560
Grant expenses	64,000			0	64,000	207,653
Food				0	0	52,520
Contract labor, landscaping and park equipment				0	0	702,010
In-kind goods for NYCHA residents (Note 2g)				0	0	121,300
In-kind mobile hotspots for NYCHA residents (Note 2g)				0	0	582,000
Program consultants	143,200				143,200	0
Professional fees	305,649	30,000		30,000	335,649	149,650
Liability insurance		4,233		4,233	4,233	1,491
Other expenses	7,721	54		54	7,775	9,553
Total expenses	\$566,580	\$239,906	\$271,246	\$511,152	\$1,077,732	\$2,063,337

The attached notes and auditor's report are an integral part of these financial statements.

FUND FOR PUBLIC HOUSING, INC.
d/b/a PUBLIC HOUSING COMMUNITY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022
(With comparative totals for the year ended December 31, 2021)

	<u>12/31/22</u>	<u>12/31/21</u>
Cash flows from operating activities:		
Change in net assets	\$3,609,388	\$127,198
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Changes in assets and liabilities:		
Pledges receivable	(1,858,971)	120,952
Accounts payable and accrued expenses	209,822	(39,574)
Conditional contributions	<u>0</u>	<u>(29,852)</u>
Net cash provided by operating activities/ net increase in cash and cash equivalents	1,960,239	178,724
Cash and cash equivalents - beginning of year	<u>954,328</u>	<u>775,604</u>
Cash and cash equivalents - end of year	<u><u>\$2,914,567</u></u>	<u><u>\$954,328</u></u>
Supplemental information:		
Interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

FUND FOR PUBLIC HOUSING, INC.
d/b/a PUBLIC HOUSING COMMUNITY FUND
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022

Note 1 - Organization

Fund for Public Housing, Inc. doing business as the Public Housing Community Fund (“PHCF”), is a not-for-profit organization dedicated to investing in the well-being of New York City Housing Authority (“NYCHA”) residents and their communities. The organization collaborates with public and private partners to dramatically improve the way public housing in New York City works.

PHCF develops a variety of programs to achieve its goal: Help residents thrive and reach their full potential, reimagine the public housing “campus” to connect and enhance the surrounding community, and establish new models to generate and leverage resident talent opportunities and economic security. PHCF’s primary source of revenue is contributions.

PHCF has been notified by the Internal Revenue Service that it is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

b. Recently Adopted Accounting Pronouncements

Effective January 1, 2022, PHCF adopted the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Update (“ASU”) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures. Adoption of this standard did not have a material impact on PHCF’s financial statements.

Additionally, on January 1 2022, PHCF adopted FASB ASU No. 2016-02, *Leases*, which requires lessees to recognize leases on the statement of financial position and disclose key information about leasing arrangements. See Note 2j for further details.

c. Basis of Presentation

PHCF reports information regarding their financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – accounts for activity without donor-imposed restrictions.
- *Net Assets With Donor Restrictions* – relates to activity based on specific donor restrictions that are expected to be satisfied by the passage of time or performance of activities.

d. Revenue Recognition

PHCF follows the requirements of the FASB's Accounting Standards Codification ("ASC") 958-605 for recording contributions, which are reported as an increase in net assets without donor restrictions, unless they contain a restriction by the donor for a specific program or time period, in which case they are reported in the net asset class with donor restrictions. When a restriction expires, that is when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. However, if a restriction is satisfied in the period the contribution has been made, it is recorded as net assets without donor restrictions.

Contributions may be subject to conditions, which are defined as both a barrier to entitlement and a right of return of payments, or release from obligations, and are recognized as income once the conditions have been substantially met.

Unconditional promises to give are recorded at net realizable value if expected to be received in one year or at fair value using a risk-adjusted discount rate if expected to be received after one year, if material. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Management reviews receivables to determine if any are unlikely to be collected based on historical experience and a review of activity subsequent to the statement of financial position date. Based on knowledge of specific donors and a review of historical experience, management has determined that no reserve is necessary.

e. Cash and Cash Equivalents

PHCF considers all liquid investments that have an initial maturity of three months or less to be cash and cash equivalents.

f. Significant Concentrations

Financial instruments, which potentially subject PHCF to a concentration of credit risk consist of cash and money market accounts, which are placed with financial institutions that management deems to be creditworthy. At certain times during the year and at year end, cash balances exceeded Federal Deposit Insurance Corporation ("FDIC") insurance levels; however, PHCF has not experienced any losses due to the failure of any financial institution.

During the year ended December 31, 2021, PHCF received approximately 67% of its total support and revenue (excluding in-kind) from one organization.

g. In-Kind Contributions

PHCF records donated goods and services if they create or enhance non-financial assets or if the service requires specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided in-kind.

During the year ended December 31, 2021, PHCF received donated hotspots valued at \$582,000 and computer tablets valued at \$121,300 for public housing residents living in the five boroughs of New York City, which were reported as program expenses on the statement of functional expenses. The hotspots and tablets were valued at the estimated fair value based on current rates for similar products.

Board members and other individuals volunteer their time and perform a variety of services that assist PHCF. These services do not meet the criteria to be recorded and have not been included in the financial statements.

h. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

Salaries and fringe benefits were allocated using time and effort as the basis. All other expenses have been charged directly to the applicable program or supporting services.

i. Advertising Costs

Advertising costs are expensed as incurred.

j. Leases

PHCF determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use ("ROU") assets and lease liabilities in the statement of financial position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term and ROU assets also include prepaid or accrued rent. Operating lease expense is recognized on a straight-line basis over the lease term. PHCF does not report ROU assets and leases liabilities for its short-term leases (leases with a term of 12 months or less). Instead, the lease payments of those leases are reported as lease expense on a straight-line basis over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that PHCF will exercise that option. At December 31, 2022, PHCF did not have any leases.

k. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

l. Accounting for Uncertainty of Income Taxes

PHCF does not believe its financial statements include any uncertain tax positions. Tax filings for periods ending December 31, 2019 and later are subject to examination by applicable taxing authorities.

m. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with PHCF's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Note 3 - Pledges Receivable

Pledges receivable at year end are due in the following periods:

Year ending:	December 31, 2023	\$1,867,764
	December 31, 2024	15,000
	December 31, 2025	15,000
	December 31, 2026	15,000
	December 31, 2027	5,000
Total		<u>\$1,917,764</u>

The amounts have not been discounted using present value techniques due to the immaterial nature.

Note 4 - Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions:

	<u>December 31, 2022</u>			
	<u>Beginning Balance 1/1/22</u>	<u>Contributions</u>	<u>Released from Restrictions</u>	<u>Ending Balance 12/31/22</u>
Program restricted:				
Youth program	\$101,388	\$326,985	(\$83,265)	\$345,108
Connected communities	0	3,120,000	(489,320)	2,630,680
Electrician aptitude test	143	0	(143)	0
Food business pathways	11,662	0	(0)	11,662
Youth leadership	13,602	0	(7,000)	6,602
Food access and affordability pilot	52,130	0	(0)	52,130
Access solar	5,245	0	(5,245)	0
Construction business pathways & mentorship	245,065	267,750	(222,950)	289,865
Resident training academy	116,800	96,000	(25,997)	186,803
Scholarship	178,597	22,340	(62,271)	138,666
Family self-sufficiency	71,250	146,250	(27,778)	189,722
Executive search	50,000	0	(30,000)	20,000
Climate action now	0	20,000	(0)	20,000
Youth tech corp.	0	46,000	(0)	46,000
Health start	0	46,000	(0)	46,000
Sustainability	0	7,335	(0)	7,335
Food assistance	19,500	0	(19,500)	0
Total program restricted	<u>865,382</u>	<u>4,098,660</u>	<u>(973,469)</u>	<u>3,990,573</u>
Time restricted – scholarship	47,491	0	(9,000)	38,491
Total	<u>\$912,873</u>	<u>\$4,098,660</u>	<u>(\$982,469)</u>	<u>\$4,029,064</u>

	December 31, 2021			
	Beginning Balance <u>1/1/21</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Ending Balance <u>12/31/21</u>
Program restricted:				
Youth program	\$49,743	\$137,394	(\$85,749)	\$101,388
Connected communities	289,320	0	(289,320)	0
Electrician aptitude test	143	0	(0)	143
Food business pathways	11,662	0	(0)	11,662
Youth leadership	16,482	0	(2,880)	13,602
Food access and affordability pilot	52,130	0	(0)	52,130
Access solar	5,245	0	(0)	5,245
Market access contractor	10,503	0	(10,503)	0
Construction business pathways & mentorship	0	297,750	(52,685)	245,065
Resident training academy	0	150,000	(33,200)	116,800
Scholarship	32,257	150,340	(4,000)	178,597
Family self-sufficiency	0	75,000	(3,750)	71,250
Executive search	0	50,000	(0)	50,000
Food assistance	<u>106,020</u>	<u>0</u>	<u>(86,520)</u>	<u>19,500</u>
Total program restricted	573,505	860,484	(568,607)	865,382
Time restricted – admin	163,333	0	(163,333)	0
Time restricted – scholarship	<u>55,812</u>	<u>679</u>	<u>(9,000)</u>	<u>47,491</u>
Total	<u>\$792,650</u>	<u>\$861,163</u>	<u>(\$740,940)</u>	<u>\$912,873</u>

Note 5 - Shared Services Agreements

On August 7, 2015, PHCF entered into a shared service agreement with NYCHA, where PHCF pays to receive certain support services, resources, and staff expertise that are provided by NYCHA and its employees. This agreement was superseded by a fee for services agreement effective August 7, 2020. The scope and quantity of the services within each of these agreements may change over time as PHCF grows, hires its own employees, independent contractors, and third-party service providers, and procures its own resources. Under this agreement, NYCHA invoices the operational services provided to PHCF as either direct or indirect costs. Direct costs are those that can be readily identified, and indirect costs are general administrative and overhead costs, which are 10% of the direct costs identified.

Salaries and fringe benefits expense was \$475,341 and \$215,600 for 2022 and 2021, respectively plus \$47,534 and \$21,560 of administrative fees for the same periods. A total balance of \$265,511 and \$1,174 was due to NYCHA for such costs at December 31, 2022 and 2021, respectively.

Note 6 - Liquidity and Availability of Financial Resources

Financial assets available within one year of the statement of financial position date for general expenditure are as follows:

Cash and cash equivalents	\$2,914,567	
Pledges receivable	<u>1,917,764</u>	
Total financial assets		\$4,832,331
Less amounts not available for general expenditures:		
Donor-imposed restrictions		<u>(4,029,064)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$803,267</u>

PHCF maintains cash on hand to be available for its general expenditures, liabilities, and other obligations for on-going operations. As part of its liquidity management plan, PHCF operates its programs within an approved budget and relies on contributions to fund its operations.

Note 7 - Subsequent Events

Subsequent events have been evaluated through September 28, 2023, the date the financial statements were available to be issued. Adjustments and disclosures have been made for all subsequent events that have occurred.