



PHOENIX FAMILY

FINANCIAL STATEMENTS

Years Ended June 30, 2021 and 2020





INDEPENDENT AUDITOR’S REPORT

To the Board of Directors

PHOENIX FAMILY

We have audited the accompanying financial statements of Phoenix Family (the "Organization"), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Phoenix Family as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Report on Summarized Comparative Information

We have previously audited the financial statements for Phoenix Family as of and for the year ended June 30, 2020, and our report dated October 29, 2020 expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Mayer Hoffman McCann P.C.

Kansas City, Missouri
May 13, 2022

PHOENIX FAMILY
STATEMENTS OF FINANCIAL POSITION

June 30, 2021 and 2020

	2021	2020
<u>ASSETS</u>		
CURRENT ASSETS		
Cash and cash equivalents		
Operating cash	\$ 87,868	\$ 166,080
Restricted cash and cash equivalents:		
Cash reserve	424,087	356,810
Restricted cash	159,924	218,813
Cash held for other organizations	668,212	547,530
Total cash and cash equivalents	1,340,091	1,289,233
Other receivables, net	376,939	205,867
Developer fee receivable - current portion	-	39,776
Unconditional promises to give, net - current portion	28,190	70,956
TOTAL CURRENT ASSETS	1,745,220	1,605,832
DEVELOPER FEE RECEIVABLE, less current portion	67,655	67,655
UNCONDITIONAL PROMISES TO GIVE, less current portion	-	20,000
FIXED ASSETS, at cost, less accumulated depreciation	18,320	28,120
TOTAL ASSETS	\$ 1,831,195	\$ 1,721,607
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 50,562	\$ 42,540
Accrued expenses	168,778	168,056
Deferred revenue	356,900	372,936
Paycheck Protection Program loan payable	110,413	42,059
TOTAL CURRENT LIABILITIES	686,653	625,591
<u>NET ASSETS</u>		
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Undesignated net assets	644,601	337,727
Board designated net assets	424,087	356,810
TOTAL NET ASSETS WITHOUT DONOR RESTRICTIONS	1,068,688	694,537
NET ASSETS WITH DONOR RESTRICTIONS	75,854	401,479
TOTAL NET ASSETS	1,144,542	1,096,016
TOTAL LIABILITIES AND NET ASSETS	\$ 1,831,195	\$ 1,721,607

See Notes to Financial Statements

PHOENIX FAMILY

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the Year Ended June 30, 2021, with Summarized Financial Information for the Year Ended June 30, 2020

	<u>2021</u>			<u>2020</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	
SERVICE REVENUE	\$ 1,734,743	\$ -	\$ 1,734,743	\$ 1,707,892
GRANTS AND CONTRIBUTIONS	420,977	520,201	941,178	905,948
PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS	245,458	-	245,458	366,191
OTHER SUPPORT AND REVENUE				
Revenue from special events				
Contributions	101,382	-	101,382	105,850
Less: special event expenditures	(6,500)	-	(6,500)	(14,611)
Net revenues from special events	94,882	-	94,882	91,239
Partnership management fees	37,533	-	37,533	36,200
Interest income	1,090	-	1,090	3,318
Other income	23,635	-	23,635	24,082
Release of restrictions	845,826	(845,826)	-	-
TOTAL OTHER SUPPORT AND REVENUE	1,002,966	(845,826)	157,140	154,839
TOTAL REVENUE	3,404,144	(325,625)	3,078,519	3,134,870
EXPENSES				
Program services	2,376,864	-	2,376,864	2,324,793
Supporting services				
Management and general	424,189	-	424,189	453,871
Fundraising	228,940	-	228,940	193,085
Total supporting services	653,129	-	653,129	646,956
TOTAL EXPENSES	3,029,993	-	3,029,993	2,971,749
TOTAL CHANGES IN NET ASSETS	374,151	(325,625)	48,526	163,121
NET ASSETS, BEGINNING OF YEAR	694,537	401,479	1,096,016	932,895
NET ASSETS, END OF YEAR	<u>\$ 1,068,688</u>	<u>\$ 75,854</u>	<u>\$ 1,144,542</u>	<u>\$ 1,096,016</u>

See Notes to Financial Statements

PHOENIX FAMILY

STATEMENTS OF FUNCTIONAL EXPENSES

Years Ended June 30, 2021 and 2020

	2021				2020			
	Program Services	Fundraising Services	Management and General	Total All Funds	Program Services	Fundraising Services	Management and General	Total All Funds
Payroll and related expenses	\$ 1,786,100	\$ 169,423	\$ 296,287	\$ 2,251,810	\$ 1,817,437	\$ 163,337	\$ 320,790	\$ 2,301,564
Supplies and office	125,498	25,857	41,774	193,129	137,075	9,073	46,287	192,435
Tenant and family services	388,788	19,548	33,309	441,645	313,989	16,414	32,346	362,749
Meetings and training	39,299	3,598	4,965	47,862	30,569	1,936	15,728	48,233
Bad debt	-	-	25,349	25,349	-	-	5,250	5,250
Accounting and professional fees	14,896	5,721	14,559	35,176	-	-	28,903	28,903
Depreciation	9,800	-	-	9,800	9,800	-	-	9,800
Insurance	12,483	4,793	7,946	25,222	15,923	2,325	4,567	22,815
TOTAL FUNCTIONAL EXPENSES	\$ 2,376,864	\$ 228,940	\$ 424,189	\$ 3,029,993	\$ 2,324,793	\$ 193,085	\$ 453,871	\$ 2,971,749
	<u>78.44%</u>	<u>7.56%</u>	<u>14.00%</u>	<u>100.00%</u>	<u>78.23%</u>	<u>6.50%</u>	<u>15.27%</u>	<u>100.00%</u>

See Notes to Financial Statements

PHOENIX FAMILY

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 48,526	\$ 163,121
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	9,800	9,800
Paycheck Protection Program loan forgiveness	(245,458)	(366,191)
Change in operating assets and liabilities:		
Other receivables	(171,072)	(15,807)
Developer fee receivable	39,776	-
Unconditional promises to give	62,766	(46,184)
Accounts payable	8,022	2,932
Accrued expenses	722	22,642
Deferred revenue	(16,036)	65,192
	(262,954)	(164,495)
NET CASH FLOWS FROM OPERATING ACTIVITIES	(262,954)	(164,495)
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection Program loan proceeds	313,812	408,250
	313,812	408,250
NET CHANGE IN CASH AND RESTRICTED CASH AND CASH EQUIVALENTS	50,858	243,755
CASH AND RESTRICTED CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,289,233	1,045,478
CASH AND RESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,340,091	\$ 1,289,233
Operating cash	\$ 87,868	\$ 166,080
Restricted cash and cash equivalents:		
Cash reserve	424,087	356,810
Restricted cash	159,924	218,813
Cash held for other organizations	668,212	547,530
CASH AND RESTRICTED CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,340,091	\$ 1,289,233
NONCASH INVESTING AND FINANCING ACTIVITIES		
Paycheck Protection Program loan forgiveness	\$ 245,458	\$ 366,191
	245,458	366,191

See Notes to Financial Statements

PHOENIX FAMILY

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies

Nature of operations - Phoenix Family Housing Corporation d/b/a Phoenix Family (the "Organization") empowers people living in low-income housing communities with the on-site support they need to gain stability and achieve self-sufficiency. The services help residents to build personal and financial assets, to overcome barriers to success, and to develop the skills needed to create a stable home. The Organization connects residents to critical resources and services, provides direct support, and supports residents as they become self-sufficient. Skilled and knowledgeable on-site staff members carry out the Organization's mission by providing support, advocacy, referrals, and program management to 5,153 people living in 2934 units at 22 senior residential communities and 11 multi-family communities in Missouri, Kansas and Iowa. In addition, the Organization has partnerships with 7 other affordable housing communities, serving 561 units in 8 states nationwide. Phoenix Family Ventures, Inc. ("Ventures") a not-for-profit with a similar mission, has control over the appointment of the Board of Directors of the Organization. Ventures allows the two Organizations to segregate the social services and future affordable housing services components of each Organization's operations on a going forward basis.

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

<u>Assets</u>	<u>Estimated Useful Lives</u>
Furniture, fixtures and equipment	5
Computer equipment	3 - 5
Vehicles	5

Capitalization policy - The Organization capitalizes fixed asset additions over \$1,500. Assets purchased are capitalized based on the cost of the asset. Assets donated are capitalized based on the fair value of the asset at the time of donation.

Cash - For purposes of the statements of cash flows, cash is considered to be bank checking accounts and cash on hand.

Restricted cash and cash equivalents - Amounts included in restricted cash and cash equivalents represent those funds required to be set aside by donor restriction, a board designated cash reserve, and cash held for other organizations which include money market accounts. These restricted cash and cash equivalent amounts are reflected as assets on the statements of financial position. The restriction will lapse when the Organization's donor restrictions are satisfied, by board designation and upon the recognition of service revenue in accordance with Topic 606, *Revenue from Contracts with Customers*.

Cash held for other organizations - Cash held for other organizations includes amounts for which services have not yet been rendered and, accordingly, offsetting amounts have been included as deferred revenue. In addition, included in cash held for other organization is cash available to cover past operating shortfalls, as well as current obligations for projects in which total committed assets are less than total current obligations. Amounts included in cash held for other organizations to fund past operating shortfalls, which have been currently funded by the Organizations unrestricted net assets, approximated \$330,000 and \$170,000 at June 30, 2021 and 2020, respectively.

Investments - The Organization has a small fractional interest in several low-income housing partnerships. Management estimates that the current value of their partnership interests is negligible to the financial statements as a whole and, accordingly, has not reflected any value in these financial statements.

Use of estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PHOENIX FAMILY

NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Taxes - The Organization has been granted exemption from income taxes by the Internal Revenue Service under the provisions of Section 501(c)(3) of the Internal Revenue Code and is considered a public charity.

The Organization assesses uncertain tax positions on an annual basis. This assessment includes the assessment of private benefits to related parties and disqualified persons. Management believes that no excess private benefit has been conveyed through June 30, 2021. This determination has been made through an assessment of estimated revenue streams in relation to below market loans, including developer fees, support service fees, and initially projected principal and interest payment streams. There has not been any interest or penalties recognized either in the statements of activities and changes in net assets or statements of financial position related to uncertain tax positions. The Organization is no longer subject to income tax examinations by taxing authorities for years before 2018.

Functional expenses - The Organization allocates its expenses on a functional basis among its various program and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Expenses that are common to several functions are allocated by management's estimate of resources devoted to the program or support service. Payroll and related expenses are allocated based upon where a staff person spends their time. The Organization separates its accounts into various department categories according to their natural classification to aid in tracking expenses. The amount of supplies and office and meetings and training expenses are recorded to program, management and general and fundraising based upon these department codes.

Net assets with donor restrictions - Net assets with donor restrictions consist of purpose and time restrictions on grants and other contributions.

Net assets without donor restriction - Net assets without donor restriction consist of amounts that are available for use in carrying out the operations of the Organization. These include those expendable resources which have been designated by the Board of Directors.

Board designated net assets - Board designated net assets represent funds without donor restriction designated by the board of directors for specific projects and/or cash shortfalls and are included within restricted cash and cash equivalents.

Revenue recognition - Contributions, including unconditional promises to give, are recognized as revenues as either without or with donor restrictions in the period verifiably committed by the donor. Contributions of assets other than cash are recorded at their estimated fair value and per the fair value policies described elsewhere in these policies. Contributions with donor imposed restrictions that can be met through the passage of time or upon the incurring of expenses consistent with the purposes are recorded as net assets with restrictions and reclassified to net assets without donor restrictions when such time or purpose restriction has been satisfied. Gifts of property, plant and equipment are recorded as without donor restrictions unless the donor explicitly states how such assets should be used. Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement.

The Organization recognizes service, partnership management fee, and developer fee revenues in accordance with Topic 606, *Revenue from Contracts with Customers*. Revenue recognition is based on the five-step model: (i) identify the contract with the customer; (ii) identify the performance obligation in the contract; (iii) determine the contract price; (iv) allocate the transaction price; and (v) recognize revenue (or as) each performance obligation is satisfied. Revenues are recognized when the performance obligations of providing the services are met.

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NOTES TO FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Service fees are recognized ratably over the contract service period as benefits are provided consistently through the service period. Service fees are payable in equal monthly installments over the terms of the related contracts. If it is determined that a contract with enforceable right and obligation does not exist, revenues are deferred until all criteria for an enforceable contract are met. Payment of management fees are collected when sufficient surplus cash exists at the partnership level in accordance with the terms of the partnership agreement and regulatory agreements. Developer fees are recognized ratably over the development period of the projects. Payment of developer fees are collected when sufficient surplus cash exists at the partnership level in accordance with the terms of the partnership agreement and developer fee agreements.

Donated assets are reflected as contributions at their estimated fair value at the date of receipt. A substantial number of volunteers have donated hundreds of hours during the years ended June 30, 2021 and 2020, which do not meet the requirements of the Not-For-Profit Topic of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification related to revenue recognition of contributions received and, accordingly, are not recorded in these financial statements. The Organization received \$119,624 and \$126,400 of donated services and goods during the years ended June 30, 2021 and 2020, respectively. These amounts are included within grants and contributions on the statements of activities and changes in net assets. Of these amounts, the Organization recognized \$10,500, of donated office space, which reflects management's estimate of the value of the space for the years ended June 30, 2021 and 2020.

Consolidation - In connection with the Organization's investments in certain real estate partnerships, as required by accounting principles generally accepted in the United States of America, management annually assesses whether consolidation is required in the financial statements of these interests, either directly at the Organization level or indirectly through the Organization's ownership in various limited partner, general partner, and member positions in various affordable housing projects. Factors that are considered include assessment of the power to control the entities in question and the economic obligations of the projects.

As of June 30, 2021 and 2020, management has assessed each of these projects and determined that consolidation of project level activity is either not required or the activities were negligible. However, should economic factors or other factors change in the future, consolidation may be required.

Reclassifications - Certain items on the June 30, 2020 financial statements have been reclassified to conform to the June 30, 2021 financial statement presentation. There was no impact on the changes in net assets.

(2) Other receivables

	June 30,	
	2021	2020
Trade receivables	\$ 377,015	\$ 185,867
Partnership management fees receivable	11,773	36,500
Less: allowance for doubtful accounts	(11,849)	(16,500)
Net other receivables	\$ 376,939	\$ 205,867

The Organization allows for aged trade and partnership fee receivables where no payments have been made in the current year and which has an outstanding balance of greater than one year. The allowance as of June 30, 2021 and 2020 was \$11,849 and \$16,500, respectively.

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NOTES TO FINANCIAL STATEMENTS

(3) **Developer fee receivable**

In connection with the Organization's participation in the development of an apartment complex located in Burlington, Iowa ("Stone Gardens"), the Organization earned, along with the co-developer, a development fee totaling \$1,650,000, of which the Organization's portion of the fee amounted to \$825,000. The Organization is the sole member in the general partner for the partnership that owns this apartment complex. Any unpaid development fee will be non-interest bearing. Of the fee earned, \$39,776 and \$0 was paid during the years ended June 30, 2021 and 2020, respectively.

The anticipated payout for the remaining fee is expected to be as follows:

<u>Years ending June 30,</u>	
2022	\$ -
2023	67,655
Total	<u>\$ 67,655</u>

(4) **Note receivable**

The Organization owns a 100% interest in Greenway GP, LLC. Greenway GP, LLC is the general partner in Greenway of Burlington Associates, LP, which owns the apartment complex discussed in Note 3. HUD assigned its interest in the previous owner's mark-to-market mortgage note, which amounted to approximately \$1,420,280, to Greenway GP, LLC. Due to the low priority of this obligation in relation to the other obligations of the partnership and management's assessment of the low likelihood that the complex will generate sufficient cash flow to provide for repayment of this obligation prior to its maturity on December 31, 2041, management has assessed the probability of the note generating positive cash flow to be remote. In the event that the project does generate sufficient cash flow to make payments on this obligation, the Organization, in negotiations with the special limited partner, has agreed to use a substantial portion of such funds received to provide on-site social services at the complex. With consideration of the aforementioned factors, the Organization has fully reserved the note as of June 30, 2021 and 2020. All other activities of Greenway GP, LLC, as a subsidiary of the Organization, are considered negligible to the financial statements of the Organization taken as a whole.

Management will reassess the value of this obligation on an annual basis and, if economic factors and cash flows change, the Organization will reflect the changes as current period income or expense. During each of the years ended June 30, 2021 and 2020, there was no activity included in the financial statements for this note receivable.

(5) **Unconditional promises to give**

Promises to give are carried at promised amounts, less a discount for promised gifts to be received more than one year from the statement of financial position date. The discounts on these amounts are computed using interest rates applicable to the years in which the promises are received. The discount rate used in valuing unconditional promises to give was 1.87% and 1.29% as of June 30, 2021 and 2020, respectively. Amortization of the discount is included in contribution revenue. Management has evaluated the discount as of June 30, 2021 and has determined it is immaterial to the financial statements taken as a whole.

On a periodic basis, the Organization evaluates promises to give and establishes an allowance for doubtful collections, based on history, past write-offs and collections and current conditions. A promise is written off when it is determined that all collection efforts have been exhausted. Management has estimated an allowance for uncollectible accounts of \$0 as of June 30, 2021 and 2020.

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NOTES TO FINANCIAL STATEMENTS

(5) Unconditional promises to give (continued)

The following table summarizes promises to give as of June 30, 2021 and 2020.

	June 30,	
	2021	2020
Unconditional promises to give	\$ 28,190	\$ 90,956
Less: allowance for doubtful accounts	-	-
Net unconditional promises to give	28,190	90,956
Current portion due	(28,190)	(70,956)
Long-term unconditional promises to give	\$ -	\$ 20,000

Amounts due in:

Years ending June 30,

2022

\$ 28,190

(6) Fixed assets

	June 30,	
	2021	2020
Cost		
Furniture, fixtures and equipment	\$ 7,718	\$ 7,718
Computer equipment	104,935	104,935
Vehicles	48,999	69,102
Total cost	161,652	181,755
Less: accumulated depreciation	(143,332)	(153,635)
Net fixed assets	\$ 18,320	\$ 28,120

Depreciation expense charged to operations was \$9,800 for the years ended June 30, 2021 and 2020.

(7) Deferred revenue

Deferred revenue represents funding that has been received from individual apartment complexes under contractual obligations to provide services to tenants at future points in time. The revenue is to be recognized as expenses are incurred and performance obligations are met. As funds are received they are maintained in cash held for other organizations until the revenue is earned, at which time the funds are transferred to operating cash. Revenue recognized for the years ended June 30, 2021 and 2020 that was included in the deferred revenue liability balance at the beginning of each year was \$372,936 and \$307,744, respectively.

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NOTES TO FINANCIAL STATEMENTS

(8) Paycheck Protection Program loan payable

During the year ended June 30, 2020, the Organization applied for and received a forgivable Paycheck Protection Loan (“PPP”) of approximately \$408,250 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded on April 8, 2020. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs for the 24 week period through October 8, 2020 and that certain employment levels are maintained. If the funds are used for other items not specified within the agreement, the loan accrues interest at 1% with monthly payments of \$21,757 beginning October 8, 2020 and will mature April 8, 2022. Through June 30, 2020, the Organization had used \$366,191 of the proceeds on qualified costs and, as such, this amount was been reported as contribution revenue on the statements of activities and changes in net assets for the year ended June 30, 2020 with an offsetting reduction to the PPP loan payable on the statement of financial position as of June 30, 2020. The Organization received forgiveness of all principal and interest accrued on this loan on April 16, 2021. As such, the remaining \$42,059 was recognized as contribution revenue during the year ended June 30, 2021.

During the year ended June 30, 2021, the Organization applied for and received a second Paycheck Protection Program (“PPP2”) loan of approximately \$313,812, as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded on April 2, 2021. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs and that certain employment levels are maintained. If the funds are used for other items not specified within the agreement, the loan accrues interest at 1% with monthly payments of \$7,038 beginning on July 2, 2022 and will mature April 2, 2026. Through June 30, 2021, the Organization has used \$203,399 of the proceeds on qualified costs as such, this amount has been reported as contribution revenue on the statements of activities and changes in net assets for the year ended June 30, 2021 with an offsetting reduction to the PPP loan payable on the statement of financial position as of June 30, 2021. The Organization anticipates using all of the proceeds for eligible costs and expects the entire loan to be forgiven. A formal request for forgiveness will be submitted after the period outlined above.

Should this loan not be forgiven as anticipated, maturities are as follows:

Years ending June 30,

2022	\$	-
2023		27,435
2024		29,018
2025		29,310
2026		24,650
Total	\$	110,413

(9) Net assets with donor restrictions

Net assets with donor restrictions are comprised of the following:

	June 30,	
	2021	2020
HIKE Reading Achievement Program	\$ 49,792	\$ 109,183
Emergency Assistance	4,314	69,674
Program Services	6,667	5,549
Senior Empowerment Program	5,345	32,701
Technology	5,866	5,866
Time restricted, net	3,870	174,989
PPP/COVID Area of Most Need	-	3,517
Total	\$ 75,854	\$ 401,479

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NOTES TO FINANCIAL STATEMENTS

(9) Net assets with donor restrictions (continued)

\$24,320 and \$51,815 of unconditional promises to give and grants receivable on the statements of financial position as of June 30, 2021 and 2020, respectively had purpose restrictions in addition to the inherent time restrictions. As a result, these are reflected within the appropriate purpose restricted classifications in the table above.

Net assets with donor restrictions were released from restriction for the following purposes:

	Years Ended June 30,	
	2021	2020
HIKE Reading Achievement Program	\$ 91,046	\$ 155,779
Emergency Assistance	108,360	47,179
Program Services	65,763	3,183
Senior Empowerment Program	92,188	48,743
Technology	-	393
Time restricted	171,119	23,950
PPP/COVID Area of Most Need	317,350	396,874
Total	\$ 845,826	\$ 676,101

(10) Lease commitments

The Organization leases solar panels and a copier under operating leases. Minimum future rental payments under these non-cancelable leases with an original term in excess of one year are as follows:

Years ending June 30,

2022	\$ 13,800
2023	13,200
2024	13,200
2025	13,200
2026	13,200
Thereafter	26,400
Total	\$ 93,000

Total rent and occupancy expense was \$33,710 and \$33,767 for the years ended June 30, 2021 and 2020, respectively. This expense includes the amount of donated office space described in Note 1.

(11) Related party transactions

During the years ended June 30, 2021 and 2020, respectively, \$239,700 and \$214,100 was contributed to the Organization from Ventures. As of June 30, 2021 and 2020, \$5,940 and \$0 is owed from Ventures and is included in other receivables on the statements of activities and changes in net assets.

In addition to the developer fee discussed in Note 3, the Organization also earned partnership management fees and distributions of \$37,533 and \$50,719 from Partnerships in which the Organization holds an ownership interest, which have been reflected on the statements of activities and changes in net assets for the years ended June 30, 2021 and 2020, respectively.

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NOTES TO FINANCIAL STATEMENTS

(12) Concentrations

The Organization maintains cash balances in financial institutions in excess of FDIC insurance limits. Management monitors the soundness of the institutions involved and feels that the Organization's risk is negligible. The Organization has not experienced any losses in such accounts.

The Organization offers services to multiple properties, of which 58% of these properties are owned by two different entities as of June 30, 2021 and 2020. The remaining properties are owned by various owners.

Several parties who owe the Organization other receivables depend on service coordinator grant proceeds from HUD to fund a substantial portion of its programs. Approximately 80% and 61% of the other receivables, net balance was due from these parties as of June 30, 2021 and 2020, respectively.

(13) Liquidity

The following reflects the Organization's financial assets as of June 30, 2021 and 2020, available for general expenditures within one year of the statements of financial position.

	June 30,	
	2021	2020
Financial assets, end of year		
Cash and cash equivalents	\$ 1,340,091	\$ 1,289,233
Receivables, net	376,939	205,867
Developer fee receivable - current portion	-	39,776
Unconditional promises to give, net - current portion	28,190	70,956
Subtotal	1,745,220	1,605,832
Less those unavailable for general expenditures within one year due to:		
Restricted cash	(159,924)	(218,813)
Cash held for other organizations	(668,212)	(547,530)
Cash reserve	(424,087)	(356,810)
Financial assets available to meet cash needs for general expenditures within one year	\$ 492,997	\$ 482,679

Phoenix Family has a goal to maintain financial assets consisting of cash and cash equivalents and receivables and promises to give expected to be converted quickly to cash on hand to meet 90 days of normal operating expenses. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing business activities to be general expenditures except those relating to specific donor-imposed purpose restrictions and cash amounts held to be utilized at specific property locations. Phoenix Family has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due by operating a balanced budget. Thus the Organization anticipates collecting sufficient revenue to cover general expenditures. In addition, as part of its liquidity management, Phoenix Family's board of directors has designated funds to hold a cash reserve in a money market account to utilize towards any special projects or cash shortfalls.

PHOENIX FAMILY

NOTES TO FINANCIAL STATEMENTS

(14) Risk and uncertainties

On March 11, 2020 the World Health Organization declared the outbreak of a coronavirus (“COVID-19”) a pandemic. The COVID-19 outbreak began disrupting operations and affecting a wide range of industries and their employees. The extent of the impact of COVID-19 on the Organization’s operational and financial performance as of June 30, 2021 or June 30, 2020 was not deemed significant, but the extent of the impact moving forward will depend on certain developments, including the duration and spread of new outbreaks and the related impact on its programs, donors, employees, and vendors, all of which are uncertain and cannot be predicted. The extent to which COVID-19 may impact the Organization’s financial condition or results of operations is uncertain and cannot be reasonably estimated.

In response to the pandemic the Organization applied and was approved for a \$313,812 PPP2 loan during the year ended June 30, 2021 and a \$408,250 PPP loan during the year ended June 30, 2020, as described in Note 8.

(15) Subsequent events

The Organization has evaluated subsequent events through May 13, 2022, which is the date the financial statements were available to be issued. No significant matters besides the matter described below were identified for disclosure during this evaluation.

On July 30, 2021, Villas at Briar Ridge, one of the investments in which the Organization holds a small fractional interest was sold and the impact of this sale is considered negligible.