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CENTER FOR URBAN COMMUNITY SERVICES, INC.

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020 and 2019

CENTER FOR URBAN COMMUNITY SERVICES, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Center for Urban Community Services, Inc.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Center for Urban Community Services, Inc. and its wholly-controlled entities (together, "CUCS"), which comprise the consolidated statements of financial position as of June 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

CUCS's 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Center for Urban Community Services, Inc. and its wholly-controlled entities as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for each of the years then ended, in accordance with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 5, 2021

CENTER FOR URBAN COMMUNITY SERVICES, INC.

Consolidated Statements of Financial Position

	June 30, 2020	June 30, 2019
ASSETS		
Cash, cash equivalents and restricted cash	**$ 5,688,033**	$ 6,177,104
Government grants receivable	**31,175,440**	32,241,528
Contributions receivable	**1,022,000**	1,004,204
Accounts receivable	**735,197**	1,178,394
Investments	**1,659,433**	1,622,132
Notes receivable from limited partnerships	**81,880,822**	56,648,906
Prepaid expenses	**550,434**	472,429
Property and equipment, net	**25,883,597**	24,338,156
Other assets	**435,599**	415,600
Total assets	**$149,030,555**	$124,098,453
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 9,329,233**	$ 10,085,493
Refundable advances	**17,868,786**	20,305,819
Notes payable	**103,042,643**	74,530,228
Total liabilities	**130,240,662**	104,921,540
Commitments, contingencies, and other uncertainty (Note M)		
Net assets:		
Without donor restrictions:		
Undesignated and available for operations	**17,130,460**	16,376,781
Board designated – special operating reserve	**1,659,433**	1,622,132
Total net assets without donor restrictions	**18,789,893**	17,998,913
With donor restrictions – purpose restricted	**-**	1,178,000
Total net assets	**18,789,893**	19,176,913
	$149,030,555	$124,098,453

See notes to consolidated financial statements.

CENTER FOR URBAN COMMUNITY SERVICES, INC.

Consolidated Statements of Activities

	Year Ended June 30,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and operating revenue:						
Grants and contracts	**$ 62,137,945**	**$ -**	**$ 62,137,945**	$ 58,481,022	$ -	$ 58,481,022
Program service fees	**4,795,621**	**-**	**4,795,621**	5,060,212	-	5,060,212
Contributions	**1,977,733**	**1,022,000**	**2,999,733**	687,429	1,178,000	1,865,429
Special event (net of direct benefit to donors of $3,813 in 2019)	**-**	**-**	**-**	38,837	-	38,837
Investment income	**9,512**	**-**	**9,512**	76,113	-	76,113
Other income	**68,057**	**-**	**68,057**	110,172	-	110,172
Total public support and revenue before release from restrictions	**68,988,868**	**1,022,000**	**70,010,868**	64,453,785	1,178,000	65,631,785
Net assets released from restrictions	**2,200,000**	**(2,200,000)**	**-**	770,300	(770,300)	-
Total public support and revenue	**71,188,868**	**(1,178,000)**	**70,010,868**	65,224,085	407,700	65,631,785
Operating expenses:						
Program services	**62,823,047**	**-**	**62,823,047**	59,335,943	-	59,335,943
Supporting services:						
Management and general	**6,976,275**	**-**	**6,976,275**	6,094,336	-	6,094,336
Fund-raising	**598,566**	**-**	**598,566**	547,186	-	547,186
Total operating expenses	**70,397,888**	**-**	**70,397,888**	65,977,465	-	65,977,465
Change in net assets	**790,980**	**(1,178,000)**	**(387,020)**	(753,380)	407,700	(345,680)
Net assets, beginning of year	**17,998,913**	**1,178,000**	**19,176,913**	18,752,293	770,300	19,522,593
Net assets, end of year	**$ 18,789,893**	**$ -**	**$ 18,789,893**	$ 17,998,913	$ 1,178,000	$ 19,176,913

See notes to consolidated financial statements.

CENTER FOR URBAN COMMUNITY SERVICES, INC.

Consolidated Statement of Functional Expenses
Year Ended June 30, 2020
(with summarized financial information for 2019)

	Program Services							Supporting Services			
	Supportive Housing Services	Outreach and Transitional Services	Project for Psychiatric Outreach to the Homeless	Training and Technical Assistance	Vocational Services	Research	Total Program Services	Management and General	Fund-Raising	Total Expenses 2020	Total Expenses 2019
Salaries	$ 11,273,977	$ 8,318,916	$ 6,814,228	$ 2,134,725	$ 681,335	$ 154,001	$ 29,377,182	$ 3,709,585	$ 312,913	$ 33,399,680	$ 31,034,902
Fringe benefits	3,293,007	2,490,984	1,691,894	640,051	209,713	73,552	8,399,201	1,223,133	64,586	9,686,920	8,968,499
	14,566,984	10,809,900	8,506,122	2,774,776	891,048	227,553	37,776,383	4,932,718	377,499	43,086,600	40,003,401
Occupancy	960,405	4,194,919	59,685	-	-	-	5,215,009	107,456	20,000	5,342,465	5,437,632
Professional fees	3,764	25	15,131	333,111	10	9,318	361,359	388,173	105,189	854,721	1,064,727
Equipment expenses	103,993	59,606	30,519	6,004	5,308	-	205,430	37,485	3,569	246,484	435,265
Staff and client travel	22,423	36,004	19,359	43,137	1,012	-	121,935	39,790	1,211	162,936	162,282
Depreciation and amortization	255,080	525,694	40,198	107,420	2,550	-	930,942	205,697	-	1,136,639	1,006,326
Subcontractor costs	1,976,877	8,984,657	81,108	16,280	24,670	997	11,084,589	84,918	19,629	11,189,136	10,402,055
Repairs and maintenance	388,992	2,905,908	24,769	67,897	14,154	-	3,401,720	122,792	1,927	3,526,439	3,058,395
Supplies and materials	449,877	1,336,961	320,263	54,214	28,418	-	2,189,733	264,087	39,620	2,493,440	2,348,626
Communications	157,227	80,370	17,494	40,042	815	-	295,948	79,532	3,079	378,559	351,688
Insurance	16,043	39,631	206,414	205	-	-	262,293	372,485	-	634,778	512,556
Interest	68,814	575,121	13,980	64,442	-	-	722,357	81,888	-	804,245	625,032
Other	118,427	100,084	24,271	10,881	1,686	-	255,349	259,254	26,843	541,446	573,293
Total expenses	19,088,906	29,648,880	9,359,313	3,518,409	969,671	237,868	62,823,047	6,976,275	598,566	70,397,888	65,981,278
Less: direct benefit to donor	-	-	-	-	-	-	-	-	-	-	(3,813)
Total operating expenses	$ 19,088,906	$ 29,648,880	$ 9,359,313	$ 3,518,409	$ 969,671	$ 237,868	$ 62,823,047	$ 6,976,275	$ 598,566	$ 70,397,888	$ 65,977,465

See notes to consolidated financial statements.

CENTER FOR URBAN COMMUNITY SERVICES, INC.

Consolidated Statement of Functional Expenses
Year Ended June 30, 2019

	Program Services								Supporting Services		
	Supportive Housing Services	Outreach and Transitional Services	Project for Psychiatric Outreach to the Homeless	Training and Technical Assistance	Vocational Services	Intensive Wellness	Research	Total Program Services	Management and General	Fund-Raising	Total Expenses
Salaries	$ 10,593,197	$ 7,426,470	$ 6,185,510	$ 2,106,661	$ 709,481	$ 542,592	$ 173,609	$ 27,737,520	$ 2,958,292	$ 339,090	$ 31,034,902
Fringe benefits	3,250,750	2,158605	1,394,972	666,454	217,869	166,599	17,055	7,872,304	1,024,360	71,835	8,968,499
	13,843,947	9,585,075	7,580,482	2,773,115	927,350	709,191	190,664	35,609,824	3,982,652	410,925	40,003,401
Occupancy	1,054,182	4,083,913	50,925	10,152	-	65,822	-	5,264,994	163,354	9,284	5,437,632
Professional fees	17,725	95,204	56,731	455,826	240	-	-	625,726	370,014	68,987	1,064,727
Equipment expenses	298,247	109,142	5,150	3,002	46	593	-	416,180	18,976	109	435,265
Staff and client travel	17,565	49,331	15,437	48,916	1,320	1,094	-	133,663	27,244	1,375	162,282
Depreciation and amortization	236,494	288,581	35,241	112,637	5,296	59,805	-	738,054	268,272	-	1,006,326
Subcontractor costs	2,035,238	8,174,557	45,555	33,439	35,482	2,324	1,029	10,327,624	73,649	782	10,402,055
Repairs and maintenance	499,788	2,310,358	20,039	90,505	31,723	16,340	-	2,968,753	88,010	1,632	3,058,395
Supplies and materials	470,144	1,246,426	359,087	56,414	34,753	9,015	-	2,175,839	145,947	26,840	2,348,626
Communications	153,726	72,492	16,104	39,283	792	7,355	-	289,752	60,047	1,889	351,688
Insurance	16,085	18,912	137,594	183	-	-	-	172,774	339,531	251	512,556
Interest	72,565	276,215	14,742	67,955	-	-	-	431,477	193,555	-	625,032
Other	86,613	22,730	4,622	56,283	2,821	8,214	-	181,283	363,085	28,925	573,293
Total expenses	18,802,319	26,332,936	8,341,709	3,747,710	1,039,823	879,753	191,693	59,335,943	6,094,336	550,999	65,981,278
Less: direct benefit to donor	-	-	-	-	-	-	-	-	-	(3,813)	(3,813)
Total operating expenses	$ 18,802,319	$ 26,332,936	$ 8,341,709	$ 3,747,710	$ 1,039,823	$ 879,753	$ 191,693	$ 59,335,943	$ 6,094,336	$ 547,186	$ 65,977,465

See notes to consolidated financial statements.

CENTER FOR URBAN COMMUNITY SERVICES, INC.

Consolidated Statements of Cash Flows

	Year Ended June 30, 2020	Year Ended June 30, 2019
Cash flows from operating activities:		
Change in net assets	**$ (387,020)**	$ (345,680)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	**1,136,639**	1,006,326
Net realized and unrealized losses (gains) on investments	**61,202**	(24,357)
Changes in:		
Government grants receivable	**1,066,088**	(10,023,139)
Contributions receivable	**(17,796)**	(195,204)
Accounts receivable	**443,197**	771,956
Prepaid expenses	**(78,005)**	(157,433)
Other assets	**(19,999)**	(319,609)
Accounts payable and accrued expenses	**(756,260)**	2,105,953
Refundable advances	**(2,437,033)**	6,816,179
Net cash used in operating activities	**(988,987)**	(365,008)
Cash flows from investing activities:		
Acquisitions of property and equipment	**(2,682,080)**	(7,058,535)
Purchases of investments	**(98,503)**	(48,718)
Proceeds from sales of investments	**-**	12,120
Loans extended for notes receivable	**(25,231,916)**	(7,609,877)
Net cash used in investing activities	**(28,012,499)**	(14,705,010)
Cash flows from financing activities:		
Proceeds received from line of credit	**2,000,000**	-
Principal payments made on line of credit	**(1,293,094)**	(2,256,906)
Proceeds received from notes payable	**28,227,016**	21,169,086
Principal payments made on notes payable	**(421,507)**	(270,637)
Net cash provided by financing activities	**28,512,415**	18,641,543
Net change in cash, cash equivalents and restricted cash	**(489,071)**	3,571,525
Cash, cash equivalents and restricted cash, beginning of year	**6,177,104**	2,605,579
Cash, cash equivalents and restricted cash, end of year	**$ 5,688,033**	$ 6,177,104
Supplemental disclosures of cash flow information:		
Cash paid for interest	**$ 804,245**	$ 625,032
Unrelated business income taxes paid	**$ -**	$ 68,663

See notes to consolidated financial statements.

NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES

[1] The Organization:

The accompanying consolidated financial statements include the financial positions and changes in net assets and cash flows of the Center for Urban Community Services, Inc. (the "Center"), CUCS Housing Development Fund Corporation II ("CUCS-HDFC II"), CUCS Housing Development Fund Corporation III ("CUCS-HDFC III"), CUCS Housing Development Fund Corporation IV ("CUCS-HDFC IV"), CUCS Initiatives, Inc. ("Initiatives"), and Janian Medical Care P.C. (the "PC"), the seven of which are described below. As used herein, the term "CUCS" refers to the six entities, collectively.

The Center was incorporated in the State of New York in 1994 as a tax-exempt, not-for-profit organization, with its primary purpose being to create comprehensive, effective housing and service programs for homeless and low-income people, particularly those suffering from serious mental illness, HIV/AIDS, and other disabling conditions. CUCS sponsors 20 service sites throughout Manhattan, Brooklyn and the Bronx, which include (i) transitional living communities; (ii) an outreach program; (iii) a job training and employment program; (iv) a training, consultation and housing information services department; (v) a permanent supportive housing program; and (vi) psychiatric outreach to the homeless.

CUCS-HDFC II is a not-for-profit corporation, incorporated in the State of New York, which was formed in February 2008 for the development of low-income housing. As described in Note F[1], CUCS-HDFC II is the sole owner of Lenniger Residences, GP, Inc., which, in turn, owns a small percentage of a limited partnership.

CUCS-HDFC III is a not-for-profit corporation, incorporated in the State of New York, which was formed in August 2012 for the development of low-income housing in the Bronx. As described in Note F[2], CUCS-HDFC III is the sole owner of Arthur Avenue Residences, GP, Inc., which, in turn, owns a small percentage of a limited partnership.

CUCS-HDFC IV is a not-for-profit corporation, incorporated in the State of New York, which was formed in March 2017 for the development of low-income housing. As described in Note F[3], CUCS-HDFC IV is the sole owner of CUCS West 127th Street MM Inc., GP, Inc., which, in turn, owns a small percentage of a limited company.

Initiatives is a not-for-profit corporation, incorporated in the State of New York, which was formed in August 2005 and commenced operations in fiscal-year 2007. Initiatives was formed for the purpose of providing relief to the poor, distressed, and underprivileged through development in impoverished neighborhoods in the City of New York.

The PC is a not-for-profit corporation, incorporated in the State of New York, which was formed in 2012 to provide an updated legal, administrative and management structure to support and streamline ongoing operations and to allow for the expansion of primary health-care services.

The CUCS entities described above are exempt from federal income taxes under the provisions of Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws.

All inter-entity amounts have been eliminated in consolidation.

[2] Basis of accounting:

The consolidated financial statements of CUCS have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations.

NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and gains, and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

[4] Cash and cash equivalents:

CUCS considers highly liquid financial investments, purchased with a maturity of three months or less, to be cash equivalents, except for balances in money-market funds held in the investment portfolio.

[5] Investments:

CUCS's investments in mutual funds are reported at their fair values in the consolidated statements of financial position based on quoted market prices. Cash and cash equivalents held part of the investment portfolio and are also included in the balance reported as investments.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the consolidated statements of activities as increases or decreases in net assets without donor restrictions, unless their use is with donor restrictions through donor stipulation. Realized gains and losses on investments are determined by comparison of the average cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each fiscal-year. The earnings from dividends and interest are recognized when earned.

CUCS's investments, in general, are subject to various risks, such as interest-rate, market, and credit risks. Due to the level of risk associated with certain investment vehicles, it is at least reasonably possible that changes in the values of those securities could occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

[6] Property and equipment:

Property and equipment are reported at their original costs at the date of acquisition less accumulated depreciation or amortization. Building and leasehold improvements are capitalized and amortized using the straight-line method over the remaining lease term or the useful lives of the improvements, whichever is shorter. Minor costs for repairs and maintenance is expensed as incurred. Depreciation for property and equipment purchased by CUCS at amounts greater than $2,500 is calculated using the straight-line method over the estimated useful lives of the assets, which range from; 20 to 50 years for buildings and improvements; and 3 to 20 years for furniture and fixtures, and equipment. Land is not depreciated.

Management evaluates the recoverability of the investment in long-lived assets on an ongoing basis and recognized any impairment in the year of determination. Long-lived assets were tested for impairment as of June 30, 2020 and 2019, respectively, and in the opinion of management, there were no impairments. 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.

NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[7] Paycheck Protection Program loan payable:

On March 27, 2020, Congress enacted the Coronavirus Aid Relief, and Economic Security (‘CARES”) Act. The Paycheck Protection Program (“PPP”) established by the CARES Act, implemented by the U.S. Small Business Administration (“SBA”), provides businesses, including certain not-for-profit organizations, with funds to pay payroll and other costs during the coronavirus ("COVID-19") outbreak. During fiscal-year 2020, CUCS applied for and received PPP funds.

There are two acceptable methods for accounting for the PPP funds received under the CARES Act. Entities can elect to treat the funds as a loan or as a conditional contribution. CUCS has elected to record the PPP funds as a loan under the Financial Accounting Standards Board’s (the “FASB”) Accounting Standards Codification (“ASC”) 470 *Debt*. CUCS is in the process of applying for loan forgiveness, which will be recognized when the application is formally approved by the bank and the SBA; however, no assurance can be provided that CUCS will be eligible for forgiveness, in whole, or in part (see Note E).

[8] Net assets:

The net assets of CUC and changes therein are classified and reported as follows:

(i) Net assets without donor restrictions:

Net assets without donor restrictions represents those resources for which there are no donor imposed restrictions and may be used for the general activities of CUCS. The Board of Directors has designated $1,659,433 and $1,622,132 of net assets without donor restriction in fiscal-years 2020 and 2019, respectively, to be maintained as a special operating reserve. Income generated by the special reserve may be used for general operations. Also included within the special operating reserve are amounts of $453,050 and $441,747, as of June 30, 2020 and 2019, respectively for the George Brager Memorial Scholarship Fund.

(ii) Net assets with donor restrictions:

Net assets with donor restrictions represent those resources that are subject to donor-imposed restrictions, such as specific purposes and/or specific period of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statements of activities as "net assets released from restrictions." It is the policy of CUCS that donations, the restriction of which are satisfied in the year of donation, appear in the category of net assets without donor restrictions.

[9] Revenue recognition:

(i) Grants and contracts:

Revenue from grants and contracts is recognized when costs are incurred or other services are performed. Grants and contracts are not recorded as revenue until the grantor or contractor’s specified conditions have been met by requisite actions of CUCS’s management or necessary events have taken place; if assets for conditional grants and contracts are received prior to the satisfaction of those conditions, they would be recognized in the consolidated statements of financial position as funds received in advance (see Note G).

NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[9] Revenue recognition: (continued)

(ii) Program service fees:

Program service fees are recognized based upon services rendered in accordance with contractual provisions. Management fees are recognized based upon services rendered, in accordance with relative contractual provisions.

(iii) Contributions:

Contributions to CUCS are recognized as revenue upon the receipt either of cash or other assets, or of unconditional pledges. Gifts of goods and equipment are reported as without donor restrictions unless explicit donor stipulations specify how the donated assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restrictions. In the absence of explicit donor stipulations about the length of time for which long-lived assets must be maintained, CUCS reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Contributions are reported as “with donor restrictions” if they are received with donor stipulations or time considerations as to their use. Conditional contributions are not recorded as revenue until the donors' specified conditions have been met by requisite actions of CUCS’s management or necessary events have taken place; if assets for conditional contributions are received prior to the satisfaction of those conditions, they would be recognized in the consolidated statements of financial position as funds received in advance. Contributions to be received over periods longer than a single year are discounted to present value, at an interest rate commensurate with the risk involved.

Gross proceeds paid by attendees at special events held as fundraising activities represents contribution revenue as well as the payment of the direct cost of the benefit received by the attendee at the event. Special-event income is reported net of the direct benefit to donors. Special event revenues, other than contributions, applicable to a current year are recognized as revenue in the year a special event takes place. Special event revenue received for a future year's event is deferred and recognized when the event takes place.

Those donated services that meet the requirements for recognition under U.S. GAAP are recorded as revenue and expense in the consolidated statements of activities, at amounts determined by management to be reasonable for obtaining such services. CUCS did not receive any donated services in fiscal-years 2020 and 2019.

[10] Functional allocation of expenses:

The costs of providing CUCS’s various program and support services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present expenses by function and natural classification. Accordingly, direct costs have been functionalized within the program and supporting services based on the nature of the expense. Natural expenses attributable to more than one functional expense category have been allocated among the programs and supporting services based on square footage and certain allocations of resources utilized. The expenses that are allocated include salaries and benefits, occupancy, repairs and maintenance, and supplies and materials.

NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[11] Income taxes:

CUCS is subject to the provisions of the FASB's ASC Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. For CUCS, these provisions could be applicable to the incurrence of unrelated business income tax ("UBIT") on transit and qualified parking fringe benefits. Since CUCS has always recorded any potential tax liabilities and due to its general not-for-profit status, ASC Topic 740 has not had, and is not anticipated to have, a material impact on CUCS's consolidated financial statements.

The provision in the tax code requiring CUCS to remit a tax attributable to transportation fringe benefits was repealed retroactively to December 31, 2017, therefore eliminating CUCS's obligation for this tax. CUCS has filed for a refund for any taxes paid subsequent to December 31, 2017 relating to transportation fringe benefits. As of June 30, 2020, CUCS had recorded a receivable for this amount with the anticipated refund reflected as "other revenue" on the consolidated statements of activities.

[12] Adoption of accounting principles:

(i) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made:

In June 2018, the FASB issued Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 958)*. 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 periods beginning after December 15, 2019 for entities that are resource providers. ASU 2018-08 should be applied on a modified prospective basis. CUCS adopted the resource recipient portion and early-adopted the resource provider portion of the standard for its year ended June 30, 2020 and this accounting guidance did not have a material effect on CUCS's consolidated financial statements.

(ii) Disclosure Requirements for Fair Value Measurement:

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820) Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*, which modified the disclosure requirements for fair value measurements and is effective for years beginning after December 15, 2019, with early adoption permitted. The effect of adopting this accounting guidance will result in the removal or modification of certain fair value measurement disclosures presented in CUCS's consolidated financial statements. CUCS early-adopted this pronouncement as of June 30, 2020, which under U.S. GAAP is a change in accounting principle requiring retroactive application in the consolidated financial statements for all periods presented.

NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[13] Upcoming accounting pronouncements:

(i) Revenue from Contracts with Customers:

In May 2014, the FASB issued Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers*. This ASU is a comprehensive new revenue recognition model that requires an entity to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods or services. In August 2015, the FASB issued ASU 2015-14, *Revenue from Contracts with Customers – Deferral of the Effective Date*, which delayed the effective date by one year. Entities may use either a full retrospective or modified retrospective approach to adopt this ASU. As a result of recent deferrals due to COVID-19, the new standard is effective for fiscal years beginning after December 15, 2019; accordingly management plans to adopt the new standard using the modified retrospective approach and is in the process of assessing the impact of this ASU on the consolidated financial statements.

(ii) Accounting Updates to Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets:

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets. For each category of contributed nonfinancial assets recognized, not-for-profit organization will need to disclose: (i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period. If utilized, a description of the programs or other activities in which those assets were used; (ii) the not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; (iii) a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; (iv) the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, *Fair Value Measurement*, at initial recognition; and (v) the principal market (or most advantageous market) used to arrive at a fair value measure, if it is a market in which the recipient entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The amendments in this ASU will be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021.

(iii) Leases:

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which will require entities to recognize lease assets and lease liabilities (related to leases previously classified as operating under previous U.S. GAAP) on the consolidated statements of financial position. The ASU will be effective for CUCS commencing July 1, 2022 and will be applied on a retrospective basis. CUCS is currently evaluating the effect that this new guidance will have on the financial statements and related disclosures.

NOTE A - THE ORGANIZATION AND ITS SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[14] Reclassification:

Certain information in the fiscal-year 2019 financial statements has been reclassified to conform to the accompanying fiscal-year 2020 presentation.

[15] Subsequent events:

CUCS has evaluated subsequent events through May 5, 2021, the date on which the consolidated financial statements are available to be issued.

NOTE B - RECEIVABLES

[1] Government grants receivable:

At each fiscal year-end, amounts due to CUCS from governmental agencies, in support of client services and under the terms of agreements with various federal and City of New York agencies, were as follows:

	June 30,	
	2020	**2019**
Medicaid	**$ 130,267**	$ 61,928
Federal	**-**	6,130
New York City	**31,045,173**	31,089,471
New York State	**-**	1,083,999
	$ 31,175,440	$ 32,241,528

Management periodically evaluates the collectability of government grants made, and accordingly, based on prior history, management considers these receivables to be fully collectible; accordingly, no allowance for doubtful amounts has been established (see Note L).

[2] Contributions receivable:

Unconditional amounts pledged to CUCS, but not yet collected as of the fiscal year-end, have been recorded as contributions receivable. At June 30, 2020 and 2019, contributions receivable of $1,022,000 and $1,004,204, respectively, were estimated to be collected in the subsequent fiscal year.

Management periodically evaluates the collectability of contributions made, and accordingly, considers all contributions to be fully collectible; accordingly, no allowance for doubtful amounts has been established.

[3] Accounts receivable:

At each fiscal year-end, accounts receivable consisted of amounts due to CUCS for exchange-type transactions. All amounts are due within one year. Based on management's past experience, management periodically evaluates the collectability of its accounts receivables made, and accordingly, no amounts were reserved as uncollectible in either fiscal-year 2020 or fiscal-year 2019.

NOTE C - INVESTMENTS

At each fiscal year-end, investments consisted of the following:

	June 30,			
	2020		2019	
	Fair Value	Cost	Fair Value	Cost
Money-market funds	**$ 79,743**	**$ 79,743**	$ 60,691	$ 60,691
Mutual funds	**1,579,690**	**1,625,387**	1,561,441	1,545,936
	$ 1,659,433	**$ 1,705,130**	$ 1,622,132	$ 1,606,627

During each fiscal-year, investment income consisted of the following:

	Year Ended June 30,	
	2020	2019
Interest and dividends	**$ 70,714**	$ 51,756
Net unrealized (losses) gains	**(61,202)**	8,500
Net realized gains	**-**	15,857
	$ 9,512	$ 76,113

The FASB's ASC Topic 820, *Fair Value Measurements*, establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for those investments, or similar investments, at the reporting date.

Level 2: Valuations are based on (i) quoted prices for similar investments, in active markets, or (ii) quoted prices for those investments, or similar investments, in markets that are not active, or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where there is little, if any, market activity for the investments or the investments cannot be independently valued.

The availability of market data is monitored to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. The investments held by CUCS at each fiscal year-end are Level 1 investments.

NOTE D - PROPERTY AND EQUIPMENT

At each fiscal year-end, property and equipment consisted of the following:

	June 30, 2020	June 30, 2019
Land	**$ 1,340,640**	$ 1,340,640
Building and improvements	**26,285,318**	18,845,504
Furniture and fixtures	**967,600**	964,804
Equipment	**2,226,338**	1,952,007
	30,819,896	23,102,955
Less: accumulated depreciation	**(7,470,742)**	(6,334,103)
	23,349,154	16,768,852
Construction-in-progress	**2,534,443**	7,569,304
	$ 25,883,597	$ 24,338,156

NOTE E - NOTES PAYABLE

At each fiscal year-end, notes payable consisted of the following:

	June 30, 2020	June 30, 2019
Paycheck Protection Program loan to Janian, bearing interest at 1.00%	**$ 995,100**	$ -
Nonprofit Finance Fund to CUCS, interest free, due June 2021	**2,000,000**	-
Build NYC Resource Corporation to Initiatives bearing interest at 4.35% requiring monthly principal and interest payments over 25 years, due in July 2039	**5,433,192**	5,609,216
New York City Department of Housing Preservation and Development to CUCS-HDFC II, due on the 270th day following substantial completion of the project and converted from a construction loan to a permanent loan (see Note F[1])	**19,716,220**	19,716,220
New York City Housing Development Corporation to CUCS-HDFC III, bearing interest at 1.00%, due in June 2047 (see Note F[2])	**3,315,000**	3,315,000
New York City Housing Development Corporation to CUCS-HDFC III, bearing interest at 1.00%, due in June 2047 (see Note F[2])	**7,020,000**	7,020,000
New York City Housing Development Corporation to CUCS-HDFC III, bearing interest at 1.00%, due in June 2047 (see Note F[2])	**7,020,000**	7,020,000
New York City Housing Development Corporation to CUCS-HDFC IV, bearing interest at 2.75%, due the day following substantial completion of the project and converted from a construction loan to a permanent loan (see Note F[3])	**42,640,166**	17,408,250
Build NYC Resource Corporation to CUCS bearing interest at 4.15% requiring monthly principal and interest payments over 25 years, due in September 2046	**4,374,223**	4,463,231
Build NYC Resource Corporation to CUCS bearing interest at 4.15% requiring monthly principal and interest payments over 25 years, due in May 2048	**8,528,742**	8,685,217
	101,042,643	73,237,134
First Republic Bank, line of credit up to $6,500,000, at prime rate plus 50 basis points, which was 6.00% and 5.50% at June 30, 2020 and 2019, respectively, paid monthly, due in July 2021	**2,000,000**	1,293,094
	$ 103,042,643	$ 74,530,228

NOTE E - NOTES PAYABLE (CONTINUED)

CUCS incurred interest expense of $804,245 and $625,032 in fiscal-years 2020 and 2019, respectively.

Certain covenants exist under the terms of these loans. As of June 30, 2020 and June 30, 2019, CUCS is not in violation of any of these covenants. Certain notes are secured by assets of CUCS related to the development of properties.

The principal payments due on notes payable in each of the five years subsequent to June 30, 2020 are as follows:

Year Ending June 30,	Principal
2021	$ 5,437,245
2022	461,501
2023	481,705
2024	500,831
2025	524,722
2026-2048	95,636,639
	$ 103,042,643

NOTE F - RELATED-PARTY TRANSACTIONS

[1] Lenniger L.P.:

In December 2009, Lenniger Residences, GP, Inc. ("Lenniger Inc.") was organized as a New York corporation to acquire, own, finance, construct, develop, lease, manage and operate real property owned by Lenniger Residences, L.P. ("Lenniger L.P."), a New York State limited partnership. The sole owner of Lenniger Inc. is CUCS-HDFC II. Lenniger Inc. is the general partner of Lenniger L.P. and holds a .01% interest in the partnership.

In May 2008, CUCS-HDFC II financed the purchase of 2013-2018 Hughes Avenue, The Bronx ("2013 Hughes Avenue"). In December 2009, beneficial title in 2013 Hughes Avenue was transferred to Lenniger L.P. in exchange for a mortgage note receivable.

The project construction was financed through (i) a loan from the New York City Department of Housing Preservation and Development ("HPD") in the principal amount of $20,039,954 (the "HPD Loan") that was funded with funds provided by (a) the federal HOME Investments Partnership Program for $11,151,468, and (b) the ARRA TCAP program for $8,888,486, (ii) an equity investment made by the limited partners of Lenniger L.P. in the amount of $7,931,250, (iii) a grant from the New York State Energy Research and Development Authority ("NYSERDA") in the amount of $40,000, and (iv) a private grant from Enterprise Green in the amount of $25,000.

As a result of this financing, at June 30, 2020 and 2019, CUCS has reported, in the consolidated statements of financial position, a note receivable of $19,721,204, in each fiscal-year, due from Lenniger L.P. and a note payable of $19,716,220 in each fiscal year, representing the existing drawdown on the HPD Loan.

NOTE F - RELATED-PARTY TRANSACTIONS (CONTINUED)

[2] Arthur Avenue L.P.:

In December 2013, Arthur Avenue Residences, GP, Inc. ("Arthur Avenue Inc.") was organized as a New York corporation to acquire, own, finance, construct, develop, lease, manage and operate real property owned by Arthur Avenue Residence, L.P. ("Arthur Avenue L.P."), a New York State limited partnership. The sole owner of Arthur Avenue Inc. is CUCS-HDFC III. Arthur Avenue Inc. is the general partner of Arthur Avenue L.P. and holds a .01% interest in the partnership.

In July 2012, CUCS-HDFC III financed the purchase of 2116-2128 Arthur Avenue, The Bronx ("Arthur Avenue") with a loan from the New York City Acquisition Fund, LLC ("NYCAF"). In December 2013, Arthur Avenue construction financing was obtained and the New York City Acquisition Fund, LLC financing was repaid.

In fiscal-year 2015, CUCS also received a state aid grant from OMH in the amount of $2,099,652, for the construction of the Arthur Avenue project, which was loaned to Arthur Avenue L.P. At June 30, 2020 and 2019, CUCS has reported in the consolidated statement of financial position a note receivable of $2,099,652, due from Arthur Avenue L.P.

In fiscal-year 2016, CUCS also received a grant from NYSERDA in the amount of $129,600, in connection with the construction of the Arthur Avenue project, which was loaned to Arthur Avenue L.P. At June 30, 2020 and 2019, CUCS has reported in the accompanying consolidated statement of financial position a note receivable of $64,800 due from Arthur Avenue L.P.

In May 2017, the project construction financing was converted to permanent financing and is now financed through (i) three loans from the New York City Housing Development Corporation in the principal amounts of $3,315,000, $7,020,000 and $7,020,000, respectively, and (ii) a loan from the New York State Homeless Housing Assistance Corporation in the principal amount of $3,825,000, and (iii) a grant from OMH in the principal amount of $2,099,652.

As a result of this financing, at June 30, 2020 and 2019, CUCS has reported, in the consolidated statements of financial position, a note receivable of $17,355,000 in each fiscal-year, due from Arthur Avenue L.P., and notes payable totaling $17,355,000, each year respectively, representing the project's permanent financing.

[3] CUCS West 127th Street LLC:

In April 2018, CUCS West 127th Street MM Inc. ("127th Street Inc.") was organized as a New York corporation to acquire, own, finance, construct, develop, lease, manage and operate real property owned by CUCS West 127th Street LLC ("127th Street LLC"), a New York State limited liability company. The sole owner of 127th Street Inc. is CUCS-HDFC IV. 127th Street Inc. is the managing member of 127th Street LLC and holds a .01% interest in the company.

In June 2018, the New York City Housing Development Corporation ("HDC") agreed to provide construction and permanent financing. The construction of the project will be financed through (i) three mortgage loans from HDC totaling approximately $60,000,000, (ii) a mortgage loan from New York State Housing and Assistance Corporation of $7,750,000, (iii) an equity investment of approximately $14,000,000 by the tax-credit investor and (iv) various sponsor loans totaling approximately $4,000,000. The total construction cost of the project is estimated to be $86,000,000. During fiscal-years 2020 and 2019, HDC distributed $25,231,915 and $7,919,086, respectively, to assist in the construction and permanent financing and is included as a note payable in the consolidated statement of financial position. In addition, CUCS-HDFC IV will convey beneficial title to the real property in exchange for an escalating note receivable based on construction costs of $42,640,166 and $17,408,250 in fiscal-years 2020 and 2019, respectively, and is reported in the consolidated statements of financial position.

NOTE F - RELATED-PARTY TRANSACTIONS (CONTINUED)

At each fiscal year-end, notes receivable consisted of the following:

	June 30, 2020	June 30, 2019
Lenniger L.P. (see Note F[1])	**$ 19,721,204**	$ 19,721,204
Arthur Avenue L.P. (see Note F[2])	**19,519,452**	19,519,452
CUCS West 127th Street LLC (see Note F[3])	**42,640,166**	17,408,250
	$ 81,880,822	$ 56,648,906

NOTE G - REFUNDABLE ADVANCES

CUCS has received funding relating to certain contracts and grants from various government agencies prior to CUCS performing the related services as required by those contracts. At June 30, 2020 and 2019, amounts relating to funds received in advance were $17,868,786 and $20,305,819, respectively.

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

At each fiscal year-end, net assets with donor restrictions consisted of the following:

	June 30, 2020	June 30, 2019
Purpose restricted - Intensive wellness	**$ -**	$ 1,178,000

During each fiscal-year, net assets with donor restrictions released from restrictions consisted of the following:

	Year Ended June 30, 2020	Year Ended June 30, 2019
Purpose restricted - Intensive wellness	**$ 2,200,000**	$ 770,300

NOTE I - RETIREMENT PLANS

The Center provides a defined-contribution section 403(b) plan for all full-time employees, and the PC provides a section 401(k) plan for its workers. Employer contributions are available to all employees after two full years of service. Total pension expense for fiscal-years 2020 and 2019 was $1,102,265 and $1,069,058, respectively.

NOTE J - SPECIAL-PURPOSE ENTITIES

In fiscal-years 2020 and 2019, the following entities of CUCS reported support and revenue and related expenses, which are subject to elimination in the consolidated financial statements, for each of its special purpose entities as follows:

	Year Ended June 30, 2020				
	CUCS-HDFC II	**CUCS-HDFC III**	**CUCS-HDFC IV**	**Initiatives**	**PC**
Support and revenue	**$ -**	**$ -**	**$ 3,873**	**$ 803,274**	**$ 9,420,670**
Expenses	**$ -**	**$ 224**	**$ -**	**$ 637,805**	**$ 9,820,921**

	Year Ended June 30, 2019				
	CUCS-HDFC II	**CUCS-HDFC III**	**CUCS-HDFC IV**	**Initiatives**	**PC**
Support and revenue	$ -	$ -	$ -	$ 803,274	$ 8,315,853
Expenses	$ 700	$ 226	$ -	$ 705,448	$ 8,758,837

NOTE K - CLIENT/REPRESENTATIVE PAYEE ACCOUNT

CUCS acts as a representative for funds paid to over 100 clients who receive services from CUCS. Cash received on behalf of the clients is initially deposited in individual "client" accounts at Citibank. Depending on the level of a client's needs for funds, a portion is subsequently transferred to a primary account. Payments for rents and for certain personal needs of the clients are made from the primary account. Interest, if any, is accumulated in the individual client accounts. During fiscal-year 2020, the activity in these accounts, which is not included in the accompanying consolidated financial statements, was as follows:

Client accounts:	
Balance as of June 30, 2019	$ 290,001
Deposits	3,737,028
Transfers to the primary account	(3,556,713)
Balance as of June 30, 2020	**$ 470,316**
Primary account:	
Balance as of June 30, 2019	$ 56,343
Transfers from the client accounts	865,946
Disbursements	(790,667)
Balance as of June 30, 2020	**$ 131,622**

NOTE L - CONCENTRATION OF CREDIT RISK

CUCS received grants from New York City and New York State governmental agencies in the amounts of approximately $58,800,000 and $56,300,000 for the fiscal-years ended June 30, 2020 and 2019, respectively. Such grants represented approximately 84% and 86% of total public support and revenue for fiscal-years 2020 and 2019, respectively. In the event the governmental agencies were not able to continue funding CUCS, CUCS could experience difficulties in supporting their operations.

Financial instruments that potentially expose CUCS to a concentration of credit risk consist primarily of cash accounts with major financial institutions in amounts that are in excess of federally insured limits. Management believes that the credit risk to these accounts is minimal.

NOTE M - COMMITMENTS, CONTINGENCIES AND OTHER UNCERTAINTY

[1] Operating leases:

At June 30, 2020, CUCS was obligated under various operating leases expiring through CUCS's fiscal-year 2025. For fiscal-years subsequent to fiscal-year 2020, minimum annual future rental commitments under the lease agreements are as follows:

Year Ending June 30,	Amount
2021	$ 4,074,017
2022	4,074,017
2023	4,074,017
2024	4,074,017
2025	4,074,017
	$ 20,370,085

Rent expense for fiscal-years 2020 and 2019 was approximately $3,949,867 and $4,035,835, respectively.

[2] Audits by funding sources:

In the course of business, CUCS's government grants are regularly subject to government audits. As of June 30, 2020 and 2019, a provision of approximately $360,000 and $537,000 was made for any liabilities that may arise from such audits, respectively, and in the event of any disallowances or adjustments to this provision, the change would be reported accounts payable and accrued expenses in the consolidated financial statements in the years of settlement.

[3] Accrued vacation:

Based on their tenure, CUCS's employees are entitled to be paid for unused vacation time if they leave the organization's employment. Accordingly, at each fiscal year-end, CUCS acknowledges a maximum liability for the amount that would be incurred if employees with such unused vacation were to leave. At June 30, 2020 and 2019, the amounts of the unreported accrued vacation obligation were $2,114,465 and $1,465,517, respectively.

[4] State aid grants:

In fiscal-year 2002, CUCS received a state aid grant from OMH in the amount of $701,600, for the purchase of the Kelly Hotel in Manhattan. The grant was recognized fully as revenue in the fiscal year it was awarded. CUCS is contingently obligated to refund the amount of the grant if it does not manage the hotel in compliance with the grant's terms. However, OMH reduces the potential amount due by an amount equal to 5% of the total for each full fiscal-year (starting with fiscal-year 2003) in which CUCS performs the obligation in accordance with the grant agreement.

At June 30, 2020, the contingent liability for the Kelly Hotel was calculated at $70,160, an amount which has not been reported in the accompanying consolidated financial statements as CUCS has been in compliance with the project award.

In fiscal-year 2015, CUCS received a state aid grant from OMH in the amount of $2,099,652 for the construction of the Arthur Avenue project. CUCS is contingently obligated to refund the amount of the grant if it does not manage the project in compliance with the grant's terms. However, OMH will reduce the potential amount due by an amount equal to 5% of the total for each full fiscal-year (starting with fiscal-year the asset is placed in service) in which CUCS performs the obligation in accordance with the grant agreement.

NOTE M - COMMITMENTS, CONTINGENCIES AND OTHER UNCERTAINTY (CONTINUED)

[4] State aid grants: (continued)

At June 30, 2020, the contingent liability for the Arthur Avenue project was calculated at $1,574,741, an amount which has not been reported in the accompanying consolidated financial statements as CUCS has been in compliance with the project award.

[5] COVID-19:

The extent of the impact of COVID-19 outbreak on CUCS's programming, operational and financial performance is uncertain and will depend on the continued future developments of the outbreak and external restrictions imposed. The potential economic impact brought by, and the duration of, the COVID-19 pandemic is difficult to assess or predict, and may have an adverse impact on CUCS's operations.

NOTE N - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects CUCS's financial assets as of each year-end, reduced by amounts not available for general use within one year of statement of financial position date because of contractual or donor-imposed restrictions or internal designations:

	June 30,	
	2020	**2019**
Cash and cash equivalents (net of restricted cash)	**$ 3,721,229**	$ 2,015,930
Government grants receivable	**31,175,440**	32,241,528
Contributions receivable	**1,022,000**	1,004,204
Accounts receivable	**735,197**	1,178,394
Investments	**1,659,433**	1,622,132
Total financial assets available within one year	**38,313,299**	38,062,188
Less: amounts unavailable for general expenditures within one year, due to:		
Restricted by donors with:		
Purpose restrictions	**-**	(1,178,000)
Total amounts unavailable for general expenditure within one year	**-**	(1,178,000)
Amounts unavailable to management without Board's approval:		
Board-designated funds - special operating reserve	**(1,659,433)**	(1,622,132)
Total financial assets available to meet cash needs for general expenditures within one year	**$ 36,653,866**	$ 35,262,056

Liquidity policy:

CUCS maintains a sufficient level of operating cash and investments to be available as its general expenditures, liabilities, and other obligations come due as part of its liquidity management. Additionally, CUCS has board-designated funds whereby amounts could be made available for current operations, if necessary; however, CUCS does not intend to spend these funds for purposes other than those approved by the Board. Further, CUCS has the ability to access additional resources associated with a line-of-credit agreement it had entered into with a bank (see Note E).