



***HAMILTON-MADISON HOUSE, INC. AND
SUBSIDIARY***

**Consolidated Financial Statements
June 30, 2024**

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2024

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Hamilton-Madison House, Inc.

Opinion

We have audited the accompanying consolidated financial statements of the Hamilton-Madison House, Inc. and Subsidiary (the "House") which comprise the consolidated statement of financial position as of June 30, 2024, and the related statement of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hamilton-Madison House, Inc. and Subsidiary as of June 30, 2024, and the changes in its net assets and its cash flows for the years 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Hamilton-Madison House, Inc. and Subsidiary 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hamilton-Madison House, Inc. and Subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are



available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated 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 consolidated 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 consolidated 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 Hamilton-Madison House, Inc. and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hamilton-Madison House, Inc. and Subsidiary'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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of behavioral health expenses is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Report on Summarized Comparative Information

We have previously audited Hamilton-Madison House, Inc., and Subsidiary's 2023 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated February 21, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Wei Wei & Co. LLP

Flushing, New York
February 11, 2025

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION JUNE 30, 2024 (WITH COMPARATIVE TOTALS FOR 2023)

ASSETS	2024	2023
Current assets:		
Cash and cash equivalents <i>(Note 2)</i>	\$ 4,276,632	\$ 3,934,298
Accounts receivable, net of allowance for doubtful accounts of \$125,890 <i>(Note 2)</i>	5,301,827	2,892,301
Prepaid expenses	104,551	78,226
Total current assets	9,683,010	6,904,825
Noncurrent assets:		
Peaceful Garden - cemetery <i>(Note 2)</i>	92,125	116,965
Operating lease right-of-use assets <i>(Note 8)</i>	4,587,449	4,710,017
Fixed assets, net <i>(Notes 2 and 4)</i>	3,366,331	1,381,499
TOTAL ASSETS	\$ 17,728,915	\$ 13,113,306
LIABILITIES AND NET ASSETS (DEFICIENCY)		
Current liabilities:		
Accounts payable and accrued expenses	1,190,079	806,996
Accrued payroll liabilities <i>(Note 2)</i>	945,161	910,891
Advances from grantors	2,499,400	1,750,180
Due to OMH <i>(Note 10)</i>	300,000	300,000
Operating lease liabilities - current <i>(Notes 8)</i>	229,640	327,605
Total current liabilities	5,164,280	4,095,672
Noncurrent liabilities:		
Loan payable <i>(Note 5)</i>	250,000	250,000
Due to OMH <i>(Note 10)</i>	1,104,433	1,404,433
Accrued interest - OMH <i>(Note 10)</i>	182,973	170,794
Operating lease liabilities - net of current portion <i>(Note 8)</i>	4,357,810	4,382,412
TOTAL LIABILITIES	11,059,496	10,303,311
Net assets:		
Net assets without donor restrictions	6,569,419	\$ 2,709,995
Net assets with donor restrictions <i>(Note 9)</i>	100,000	100,000
TOTAL NET ASSETS	6,669,419	2,809,995
TOTAL LIABILITIES AND NET ASSETS	\$ 17,728,915	\$ 13,113,306

See independent auditors' report and accompanying notes to consolidated financial statements.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2024 (WITH COMPARATIVE TOTALS FOR 2023)

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	
			2024	2023
SUPPORT AND REVENUES:				
Operating revenues:				
Government contract and grants <i>(Note 2)</i>	\$ 17,272,159	\$ -	\$ 17,272,159	\$ 13,998,420
Nongovernment contract revenue <i>(Note 2)</i>	295,540	-	295,540	344,062
Contributions <i>(Note 2)</i>	1,026,656	-	1,026,656	1,169,594
Fee for services <i>(Note 2)</i>	3,044,081	-	3,044,081	3,112,801
Rental income <i>(Note 2)</i>	95,415	-	95,415	89,815
In-kind contributions <i>(Notes 2 and 6)</i>	405,913	-	405,913	406,066
Special events revenues	517,723	-	-	-
Direct cost of special events	(202,234)	315,489	315,489	263,795
Total operating revenues	22,455,253	-	22,455,253	19,384,553
Other revenues, (expenses), gains and (losses):				
Gain on sale of cemetery plots - Peaceful Garden <i>(Note 2)</i>	61,160	-	61,160	70,012
Other income	144,180	-	144,180	14,016
Total other revenues, (expenses), gains and (losses)	205,340	-	205,340	84,028
TOTAL SUPPORT AND REVENUES	\$ 22,660,593	\$ -	\$ 22,660,593	\$ 19,468,581

See independent auditors' report and accompanying notes to consolidated financial statements.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2024 (WITH COMPARATIVE TOTALS FOR 2023)

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	
			2024	2023
EXPENSES:				
Operating expenses:				
Program services				
Behavioral health	\$ 6,262,853	\$ -	\$ 6,262,853	\$ 6,039,379
Cultural enhancement program	394,096	-	394,096	365,335
Early Learn	5,920,771	-	5,920,771	6,007,163
Senior services	4,303,977	-	4,303,977	3,730,007
Peaceful Garden	1,878	-	1,878	1,894
Total program services	16,883,575	-	16,883,575	16,143,778
Supporting services:				
Management and general	1,779,778	-	1,779,778	1,721,246
Development	259,956	-	259,956	120,126
Total supporting services	2,039,734	-	2,039,734	1,841,372
TOTAL OPERATING EXPENSES	18,923,309	-	18,923,309	17,985,150
EXCESS OF REVENUES OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION	3,737,284	-	3,737,284	1,483,431
NON-OPERATING REVENUE (EXPENSES):				
Prior year income (expenses) - year end close-out adjustments	363,786		363,786	-
TOTAL NON-OPERATING REVENUES	363,786		363,786	-
Depreciation and amortization <i>(Note 4)</i>	(241,646)	-	(241,646)	(215,567)
CHANGE IN NET ASSETS	3,859,424	-	3,859,424	1,267,864
NET ASSETS - BEGINNING OF YEAR	2,709,995	100,000	2,809,995	1,542,131
NET ASSETS- END OF YEAR	\$ 6,569,419	\$ 100,000	\$ 6,669,419	\$ 2,809,995

See independent auditors' report and accompanying notes to consolidated financial statements.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024 (WITH COMPARATIVE TOTALS FOR 2023)

	Program Services						Supporting Services		Direct Cost of Special Events	Total	
	Behavioral Health	Cultural Enhancement Program	Early Learn	Senior Services	Peaceful Garden	Total Program Services	Development	Management and General		2024	2023
Salaries	\$ 3,972,652	\$ 189,043	\$ 1,991,947	\$ 2,367,783	\$ -	\$ 8,521,425	\$ 180,065	\$ 994,499	\$ -	\$ 9,695,989	\$ 9,257,895
Payroll taxes and employee benefits	828,107	53,174	522,990	529,915	-	1,934,186	35,438	188,321	-	2,157,945	1,915,291
Total salaries and related expenses	4,800,759	242,217	2,514,937	2,897,698	-	10,455,611	215,503	1,182,820	-	11,853,934	11,173,186
Food	1,389	15,135	557,394	420,506	-	994,424	-	-	-	994,424	877,352
Printing	2,656	2,423	9,435	9,142	-	23,656	-	1,123	-	24,779	24,073
Maintenance and repairs	99,273	1,672	62,343	29,698	-	192,986	-	4,971	-	197,957	193,277
Equipment rental and maintenance	19,837	1,888	9,295	17,305	-	48,325	-	2,810	-	51,135	52,075
Meetings and conferences	22,292	1,235	1,960	22,408	-	47,895	10,512	58,577	-	116,984	99,582
Travel staff and client	3,626	16	6,335	6,385	1,200	17,562	1,270	5,710	-	24,542	24,945
Professional fees	205,513	39,117	134,592	53,992	-	433,214	24,303	244,684	-	702,201	736,580
Staff Training	2,130	-	47,060	3,288	-	52,478	-	16,796	-	69,274	51,715
Office supplies and materials	61,654	41,291	99,189	85,056	-	287,190	212	14,882	-	302,284	366,828
Postage	1,341	15	961	900	116	3,333	-	4,036	-	7,369	6,945
Household supplies	5,501	378	20,322	32,131	-	58,332	-	-	-	58,332	66,056
Insurance	84,277	1,613	26,893	5,316	-	118,099	-	91,142	-	209,241	254,523
Communication	72,450	2,720	15,788	47,789	-	138,747	1,246	15,024	-	155,017	146,926
Occupancy (Note 8)	742,083	-	499,511	73,588	-	1,315,182	-	13,815	-	1,328,997	1,317,918
Stipends	-	41,530	1,870,570	3,228	-	1,915,328	-	-	-	1,915,328	1,820,603
Processing fees	34,832	2,042	24,429	26,731	-	88,034	1,229	6,358	-	95,621	92,901
Administrative overhead	1,137,052	28,065	410,341	587,695	2,500	2,165,653	-	(2,165,653)	-	-	-
Automobile	9,827	-	-	15,802	-	25,629	-	10,828	-	36,457	45,025
Event space and food	-	-	-	-	-	-	-	-	202,234	202,234	212,563
Interest	-	-	-	-	-	-	-	12,179	-	12,179	17,059
Volunteers (Notes 6)	-	-	-	27,567	-	27,567	-	-	-	27,567	29,053
Supplemental/Respite	-	-	-	514,138	-	514,138	-	3,358	-	517,496	335,527
Provision for uncollectible billing	-	-	-	-	-	-	-	-	-	-	62,369
Miscellaneous	93,413	804	19,757	11,309	562	125,845	5,681	90,665	-	222,191	190,632
Total expenses before depreciation and amortization	7,399,905	422,161	6,331,112	4,891,672	4,378	19,049,228	259,956	(385,875)	202,234	19,125,543	18,197,713
Depreciation and amortization (Note 4)	90,553	4,562	50,522	65,432	-	211,069	-	30,577	-	241,646	215,567
Total expenses after depreciation and amortization	7,490,458	426,723	6,381,634	4,957,104	4,378	19,260,297	259,956	(355,298)	202,234	19,367,189	18,413,280
Administrative overhead	(1,137,052)	(28,065)	(410,341)	(587,695)	(2,500)	(2,165,653)	-	2,165,653	-	-	-
TOTAL FUNCTIONAL EXPENSES	6,353,406	398,658	5,971,293	4,369,409	1,878	17,094,644	259,956	1,810,355	202,234	19,367,189	18,413,280
Event space and food	-	-	-	-	-	-	-	-	(202,234)	(202,234)	(212,563)
Depreciation and amortization (Note 4)	(90,553)	(4,562)	(50,522)	(65,432)	-	(211,069)	-	(30,577)	-	(241,646)	(215,567)
TOTAL OPERATING EXPENSES AS ADJUSTED	\$ 6,262,853	\$ 394,096	\$ 5,920,771	\$ 4,303,977	\$ 1,878	\$ 16,883,575	\$ 259,956	\$ 1,779,778	\$ -	\$ 18,923,309	\$ 17,985,150

See independent auditors' report and accompanying notes to consolidated financial statements.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
JUNE 30, 2024 (WITH COMPARATIVE TOTALS FOR 2023)

CASH FLOWS FROM OPERATING ACTIVITIES:	2024	2023
Change in net assets	\$ 3,859,424	\$ 1,267,864
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation and amortization	241,646	215,567
Loss (gain) on sale of Peaceful Garden cemetery plots	(61,160)	(70,012)
Amortization of right-of-use assets	122,567	344,549
Changes in operating assets and liabilities:		
Accounts receivable	(2,409,525)	1,347,178
Prepaid expenses and other assets	(26,325)	(32,161)
Accounts payable and accrued expenses	383,083	(14,721)
Accrued payroll liabilities	34,270	100,428
Advances from grantors	749,220	41,866
Due to OMH	(300,000)	(300,002)
Accrued interest payable	12,179	16,237
Operating leases liabilities	(122,567)	(344,549)
Net cash from operating activities	2,482,812	2,572,244
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of fixed assets	(2,226,478)	(113,502)
Proceeds from sale of Peaceful Garden plots	86,000	98,400
Net cash from investing activities	(2,140,478)	(15,102)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Notes repayments	-	(25,000)
Loan proceeds	-	250,000
Line of credit (repayment)	-	(150,000)
Net cash from financing activities	-	75,000
NET CHANGE IN CASH AND CASH EQUIVALENTS	342,334	2,632,142
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	3,934,298	1,302,156
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,276,632	\$ 3,934,298
SUPPLEMENTAL DISCLOSURE OF ADDITIONAL CASH FLOW INFORMATION:		
Cash paid for interest	\$ -	\$ 823
Cash paid for income taxes	\$ -	\$ -

See independent auditors' report and accompanying notes to consolidated financial statements.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023

1. NATURE OF ORGANIZATION

Hamilton-Madison House, Inc. ("HMH"), was incorporated under the laws of the State of New York on July 16, 1902, and began operations soon thereafter. HMH is a not-for-profit organization under Section 501(c)(3) and is exempt from federal income taxes under Section 501(a) of the Internal Revenue Code ("IRC").

Hamilton-Madison House, Inc. is supported primarily by government contract revenues as well as fees for services.

City Hall Senior Center Peaceful Garden Society, Inc. ("Peaceful Garden") was incorporated under the laws of the State of Delaware on August 25, 2011. Peaceful Garden is a wholly owned subsidiary of HMH. HMH transferred title of its inventory of unsold cemetery plots to Peaceful Garden. It is a Section 501(c)(13) not-for-profit organization and is exempt from federal income taxes under Section 501(a) of the IRC.

HMH and Peaceful Garden are collectively referred to as the "House." Accordingly, the consolidated financial statements of the House include HMH and Peaceful Garden.

The House maintains facilities principally serving the Lower East Side of New York City providing health, day care, educational, athletic and other social services, including the sale of cemetery plots, to the Asian community. It also provides mental health and substance use treatment services city-wide.

The followings are descriptions of the House's programs:

Behavioral Health

The House is a leading provider of behavioral health services for New York City's Asian community. The House provides culturally and linguistically sensitive services to Chinese, Japanese, Korean and Southeast Asian clients. The program services include individual and group counseling for substance abuse and gambling treatment services, mental health, supported housing and Personalized Recovery Oriented Services ("PROS").

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

1. NATURE OF ORGANIZATION (CONTINUED)

Behavioral Health (continued)

Outpatient Chinese, Korean, Japanese and Southeast Asian clinics provide outpatient behavioral health services that strive to maintain the mental wellbeing of community residents through culturally appropriate prevention and treatment of emotional and/or social breakdown, including: diagnostic assessment, psychiatric and psychological evaluation, individual, couple, marital, family and group therapy, psychosocial education and play therapy, pharmaceutical therapy, community outreach, professional consultation to service providers and internships for graduate students in social work and psychology. A new NYC DOHMH program, the Continuous Engagement between Community and Clinic Treatment (CONNECT) extends the clinic into the community. The services provided are to add an extra layer of support and assists clients to gain rapid access to case management and clinical services.

PROS serve targeted Chinese-speaking and Korean-speaking populations, ages 18 to 60, with a diagnosed history of chronic psychiatric disorders and who require 3 to 5 hours of structured treatment daily. The House's goal is to rehabilitate and prevent re-hospitalization of these populations and to improve their quality of life. The services include group therapy, pharmaceutical therapy, symptom management, activities of daily living ("ADL") training, recreation therapy, skills building, prevocational skills training, vocational training, wellness and community living.

Supported Housing provides permanent housing for people who are seriously and persistently mentally ill to live independently in the community. The primary group of tenants are Asian-American mentally ill, which makes this program the first of its kind in New York State. The program offers 56 beds in 25 fully furnished apartments. Bilingual and bicultural case management services and ADL skills training are provided.

Asian-American Recovery Services provide alcohol, substance and gambling treatment and recovery services to the Asian population of New York City's five boroughs and to all the residents of the Two Bridges/Chinatown community with no restriction on age, sex, sexual orientation, race, ethnicity or income.

Early Learn

The House offers a variety of childcare options for children between the ages of 2 months and 6 years. The mission is to foster the healthy development of children through the holistic provision of early childhood education, health services, nutritional assistance, and social services to families. The programs include Day Care, Family Day Care, Head Start, Early Head Start and Universal Pre-Kindergarten ("UPK").

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

1. NATURE OF ORGANIZATION (CONTINUED)

Early Learn (continued)

Family Day Care coordinates licensed, home-based family day care for children between the ages of 6 weeks and 5 years. One objective is to recruit, train, and support family child care providers to develop and maintain a safe, nurturing, educational, and high-quality child care environment in their homes.

Head Start and UPK programs foster the healthy development of children between the ages of 3 to 5 years to prepare them for kindergarten. Caring and knowledgeable teachers create a learning environment that enhances a child's social, intellectual, emotional and physical growth. Early Head Start provides intensive comprehensive child development and family support services to pregnant women and infants and toddlers under the age of 3. Collectively, these programs are designed to promote the healthy development of the children, and to enable their parents to fulfill their roles as parents and to move toward self-sufficiency. This prepares the children for continued growth and development and eventual success in school and life.

Youth Development

The House provides children and teenagers with life-enhancing activities that develop life skills to effectively handle everyday stresses and to prepare them for future responsibilities at school, work, and home. The house hosts math and literacy clubs, brushes painting classes, and offers music lessons. Summer and vacation programs are offered at the House's NYCHA Alfred E. Smith Houses community center. The newest program, LIFT (Local Initiatives Fostering Togetherness), addresses the needs – and growing animosity between – Asian and Black youth on the Lower East Side. 100 youth served annually.

Youth-run Organic Farmer's Market

The LIFT program established a youth-run farmer's market, bringing fresh, organic, locally sourced and culturally appropriate produce to the farmer's market food desert of the NYCHA Alfred E. Smith Houses (a low-income public housing development) at 50 Madison Street. The House works with Fulton Stall Market and the Norwich Farm in upstate NY to obtain locally-grown organic produce. This farmer's market makes fresh produce available to local older adults who are fearful of walking far from their homes due to ongoing anti-Asian hate crimes and rising crime rates in NYC. Every Sunday morning, a long line of local older adults queue before the market opens at 10am to secure sweet corn, bok choy, strawberries and watermelon. As the season (spring, summer) progresses and public awareness of the farmer's market spreads, the queue grows longer. This anxious demand from seniors is a clear sign that the need for healthy, low-cost food options in our community is increasing amidst rising food

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

1. NATURE OF ORGANIZATION (CONTINUED)

Youth-run Organic Farmer's Market (continued)

insecurity. The market accepts cash, credit, EBT and SNAP, NYC Health Bucks (top-up money from NYC government for EBT and SNAP dollars used to purchase farmer's market produce), and NYS Farmer's Market Nutrition Program coupons disbursed to low-income older adults.

The farmer's market has guest chefs of diverse ethnic backgrounds visit to give cooking demonstrations using produce from the market. It was extremely successful in adding some flair and excitement and bringing out additional community members who had not heard about the farmers' market via the outreach campaign.

Community Services

The House strives to alleviate poverty in the community by providing non-English speaking residents with English language, computer & career skills, and access to benefits and entitlements. These services help community members become active in local business, community, and their children's academic and social lives. The House provides immigration classes, access to legal services, and workshops to help new immigrants adjust to life in their new communities. There are approximately 1,000 served annually.

Older Adult Services

The House provides a variety of senior programs and centers that strive to minimize isolation and depression by helping older adults continue to live as active members of the community.

The programs and centers serve more than 6,000 older adults who range from 60 to 90 years old and who speak five different languages and dialects. The House also provides caregivers and families caring for seniors with resources, information and support to assist their loved ones.

Programs and centers include Caregiver programs, City Hall Older Adult Center, Smith (Naturally Occurring Retirement Community "NORC") Senior Center, and Knickerbocker Village (NORC) Senior Center, Two Bridges Senior Center, and Social Adult Day Program.

Peaceful Garden

Peaceful Garden's primary mission is to provide a vital service to the New York Chinese Community by making burial plots available to those who cannot obtain them through the Chinese community and Chinese family associations.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Peaceful Garden (continued)

Peaceful Garden has established and maintains a garden cemetery, which not only honors the dead, but also brings healing and hope to the living through its beauty. It expresses reverence and gratitude for those buried there; and all who visit know that the departed were buried with dignity, honor and respect.

Basis of accounting

The accompanying consolidated financial statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of consolidation

The consolidated financial statements include the accounts of HMH and Peaceful Garden. All significant intercompany transactions and balances have been eliminated in consolidation.

Basis of presentationⁱ

In accordance with U.S. GAAP, HMH is required to maintain its net assets under the following classifications:

Net assets without donor restrictions: representing resources available for support of HMH's operations over which management and the Board of Directors have discretionary control.

Net assets with donor restrictions: representing assets that are subject to donor-imposed stipulations. Restrictions can be temporary or perpetual in nature. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities as net assets released from restrictions.

Fair value measurements

Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 820, *Fair Value Measurements and Disclosures*, specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (continued)

sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy:

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the House has the ability to access.

Level 2 Inputs – Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

Carrying values of non-derivative financial instruments, including cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued expenses, accrued payroll liabilities, advances from grantors and due to OMH approximated their fair values due to the short-term nature of these financial instruments. There were no changes in methods or assumptions during the year ended June 30, 2024.

Income tax status

The House is exempt from federal income taxes under Sections 501(c)(3) and 501(c)(13) of the Internal Revenue Code. These IRC sections enable the House to accept donations which qualify as charitable contributions to the donor. The House has filed for and received income tax exemptions in the jurisdictions where it is required to do so. Accordingly, no provision for income taxes has been made in the consolidated financial statements. In addition, the House has no unrelated business income which could be taxable. The House files with the Internal Revenue Service Form 990, "Return of Organization Exempt from Income Tax" and the related State and local exempt organization returns as required.

The House follows the provisions of FASB ASC 740-10-25. The provisions prescribe a recognition threshold and measurement attribute for uncertain tax positions taken or expected to be taken in income tax returns. The positions are judged whether they meet the "more-likely-than-not" threshold based upon the technical merits of the positions. The House believes that it does not have any uncertain tax positions.

The House's 2021, 2022 and 2023 tax years are open and subject to examination by the tax authorities. However, the House is not currently under examination, nor has it been contacted by any of the tax authorities.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of estimates

The preparation of consolidated 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. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents

For the purposes of the statement of cash flows, the House considers all demand deposits, money market funds and other short-term liquid investments with original maturities of three months or less to be cash equivalents.

Accounts receivable and allowance for doubtful accounts

The House records receivables based on contracts and rates for services provided. Government grant receivables are recorded when expenses are incurred or services are rendered and the House has a contract for services. The allowance for doubtful accounts is charged if the receivable is determined to be uncollectible based on periodic review by management. Factors used to determine whether an allowance should be recorded include the age of the receivable, history of past write-offs and collections, and a review of payments subsequent to year end. Interest is not recorded or accrued on outstanding receivables. As of June 30, 2024, the allowance for doubtful accounts was \$125,890.

Fixed assets

Fixed assets are recorded at cost, or if donated, at their approximate fair value at the date of donation. Items with a minimum value of \$2,000 with estimated useful lives of more than two years are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining term of the lease or the estimated useful lives of the improvements. The estimated service lives of the assets for depreciation purposes are as follows:

Building and building improvements	5-31 years
Computer hardware and software	5 years
Furniture and equipment	5-10 years

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fixed assets (continued)

Donations of fixed assets are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as increases in net assets with donor restrictions. It is the House's policy to imply a time restriction, based on the assets' estimated useful lives, on donations of fixed assets that are not restricted as to their use by the donors. Accordingly, those donations are recorded as increases in net assets with donor restrictions. The House reclassifies net assets with donor restrictions to net assets without donor restrictions each year for the amount of depreciation expense relating to the donated fixed assets.

Periodically, management reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Impairment is measured by comparing the carrying value of the asset to the sum of the expected future cash flows (undiscounted and without interest charges) resulting from the use of the asset and its eventual disposition. There was no impairment of assets during the year ended June 30, 2024.

Government contract revenues and fees for service

Revenue from government contracts is recorded as earned pursuant to the terms of the contracts. Revenue earned based on achievement of performance objectives is recognized when all contingencies have been resolved. The House receives certain funding for its programs in the form of operational grants, which usually run for a period of one year or longer. This support is restricted to operations within the terms of the grants and, accordingly, recognition of grant support is recorded as advances from grantors until qualified expenditures are incurred. Any excess of grant support over expenses at the end of the grant period is recorded as due to grantors. Program income is recognized when earned.

Revenues for the mental health clinics are promulgated by rates set by OMH. Laws and regulations governing the current third-party payor health care programs, including Medicaid and Medicare, are subject to audit and extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded amounts may change by a material amount in the near term. Additionally, noncompliance with such laws and regulations could result in return of revenues, fines, penalties and exclusion from the Medicaid programs.

The House is not aware of any allegations of noncompliance that could have a material adverse effect on the House's change in net assets or financial position and believes that it is substantially in compliance with all applicable laws and regulations.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Rental income

Rental leases with tenants are short-term operating leases, generally for a period of one year or less. Rental income is recognized as rentals become due each month. Rental payments received in advance are deferred until earned.

Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. The gifts are reported as either net assets with donor restrictions or net assets without donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Nongovernment contract revenue

Contract revenues are recognized when earned, based upon expenses incurred or services provided.

In-kind contributions

In-kind contributions, including services and merchandise, are recorded at fair value at the date of donation. Donated services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation.

Cemetery - Peaceful Garden

Peaceful Garden burial plots are recorded at the lower of cost or market. Revenues from cemetery plot sales are recorded net of the prorated cost per plot. Cost of plots sold for the year ended June 30, 2024 was \$24,840.

Measure of operations

Transactions deemed by management to be directly related to the programs of the House, excluding depreciation, are reported as operating revenues and expenses.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Vacation and sick leave

Vacation is granted at the rate of 1 1/4 days per month to all eligible full-time employees. A maximum of ten 10 vacation days may be carried over into the next calendar year, however, the carryover of vacation days must be used by March 31. Paid sick leave for all eligible full-time employees will accrue at the rate of one day per month of active employment. Sick days can be accumulated to a maximum of 90 days. Vacation and sick leave are paid at the employee's salary rate at the time taken or in the case of vacation pay when the employee leaves the House. Provision has been made in the consolidated financial statements for accrued vacation and sick leave liabilities. As of June 30, 2024, the House's accrued vacation liabilities were \$353,598.

Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Administrative overhead, which represents a fixed amount paid by each contract to reimburse the House for its administration costs, is shown as a program expense in order to report the total reimbursement under the contract. It is then reversed for purpose of functional reporting.

The consolidated financial statements report certain categories of expenses that are attributed to more than one program of supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation which are allocated on a square footage basis, as well as salaries, payroll taxes and fringe benefits, food services, printing, maintenance and repairs, equipment rental, meetings and conference, travel, professional fees, office supplies, postage, household supplies, insurance, communication, volunteers, and other which are allocated on the basis of estimates and effort.

Comparative financial information

The consolidated financial statements include certain prior-year summarized comparative information. With respect to the consolidated statement of activities, the prior year information is presented in total, not by the net asset class. With respect to the statement of functional expenses, the prior year expenses are presented by expense classification in total rather than functional category. 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 the House's consolidated financial statements for the year ended June 30, 2023, from which the summarized information was derived.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recent Accounting Pronouncements

FASB ASU No. 2016-13 *Financial Instruments – Credit Losses (“Topic 326”) Measurement of Credit Losses on Financial Instruments* was adopted for the year ended June 30, 2024. This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining life of the financial asset using historical experience, current conditions and reasonable and supportable forecasts. Financial assets held by the House that are subject to the guidance in ASU 2016-03 include accounts receivable and loans receivable. The adoption of this ASU was not considered material to the consolidated financial statements.

3. CONCENTRATIONS

The House maintains its cash in bank deposit accounts, which at times, may exceed the FDIC insured limits of \$250,000 per financial institution. At June 30, 2024, the House had cash balances in excess of Federally insured limits of approximately \$2,900,000. The House has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk related to cash.

Approximately 33% of revenues, Early Learn Program, are derived from the New York City Department of Education (“DOE”). The Senior Services Program accounts for 23% of total revenues for the year ended June 30, 2024. The majority of behavior health services are paid by third-party payers. Thus, the House is highly dependent on federal funding distributed through New York City. The federal government and New York State have proposed reductions in the funding of many health care programs in recent years and it may impact the House’s revenues in the future.

The gross mix of receivables at June 30, 2024 is as follows:

Medicaid/Medicare/Managed Care	34%
Other governmental agencies	65%
Private and other	1%
	100%

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

4. FIXED ASSETS, NET

Fixed assets at June 30, 2024 are summarized as follows:

Land	\$ 116,235
Building and building improvements	3,776,322
Computer hardware and software	465,406
Furniture and equipment	663,995
Leasehold improvements	2,216,980
Vehicles	117,942
	7,356,880
Less: accumulated depreciation and amortization	(3,990,549)
Fixed assets, net	\$ 3,366,331

Depreciation and amortization expense for the year ended June 30, 2024, was \$241,646.

5. LOAN PAYABLE

The Company entered into a loan agreement with a corporation in 2024, which provides working capital to support the House's operations. The sum of loan is \$250,000 and bear zero percent per annum and the maturity date will be December 15, 2025. Per the loan agreement, the House promises to pay the outstanding principal of the loan due in four (4) equal quarterly payments commencing April 1, 2025.

6. IN-KIND CONTRIBUTIONS

The House receives the use of various office space in buildings at lower than market value from several landlords. The House values the fair value of the space based on square footage made available and the prevailing market rate for similar space. The value of the donated space for the year ended June 30, 2024, amounted to \$378,346, which is included in revenue as in-kind contributions and occupancy expense on the consolidated statement of functional expenses.

The House received donated services consisting primarily of licensed therapists. These donated services have been valued at the standard market rates that would have been incurred by the House had they not been donated and are reported as both revenue and expense in the accompanying consolidated financial statements because they meet the criteria as prescribed by accounting principles generally accepted in the United States of America.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

6. IN-KIND CONTRIBUTIONS (CONTINUED)

In addition, the House benefited from approximately 1,510 hours of additional volunteer services during the year. These donated services are not reflected in the consolidated financial statements, since the services provided do not meet the criteria for recognition under FASB ASC 958-606. The value of these services was estimated to be approximately \$27,567 for the year ended June 30, 2024.

7. PENSION EXPENSE

The House maintains a defined contribution pension plan covering all qualified employees except those working in the Early Learn program, who are union employees and are covered by the defined benefit pension plan of the Head Start Sponsoring Board Council of the City of New York, Inc. The House paid \$121,441 to the defined benefit pension plan.

The House made no contributions to the defined contribution pension plan for the year ended June 30, 2024.

8. OPERATING LEASES

The House leases multiple facilities for its programs and they are all operating leases under terms of agreements and the criteria included in ASU 2016-02. The House amortizes the operating right-of-use assets over the life of the lease agreements. Right of use assets consist of the following at June 30, 2024:

Right of use assets – operating lease	\$5,455,944
Less: accumulated amortization	(868,495)
	<hr/>
	\$4,587,449

The weighted average remaining lease term related to the House's lease liabilities at June 30, 2024 was 19.52 years and the discounted rate related to those liabilities was 4.95%. The discounted rate is generally based on the House's incremental borrowing rate, as the leases' implicit rate cannot be determined.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS JUNE 30, 2024

8. OPERATING LEASES (CONTINUED)

The maturities of the House's lease liabilities were as follows:

Year Ending June 30,	Amount
2025	\$ 229,640
2026	234,745
2027	141,694
2028	148,869
2029 and thereafter	3,832,501
Total	\$ 4,587,449

Rent expense included in the accompanying statements of functional expenses for the year ended June 30, 2024 was \$744,614.

9. NET ASSETS WITH DONOR RESTRICTIONS

In June 2014, the House received a restricted contribution in the amount of \$100,000. The House's restricted net assets consist of endowment fund assets to be held in perpetuity. The income earned from endowment assets is to be used for an annual celebration for members of the House's senior programming.

General

As required by accounting principles generally accepted in the United States of America ("GAAP"), net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law

The Board of Directors of the House has adopted the New York Prudent Management of Institutional Funds Act (NYPMIFA). NYPMIFA moves away from the "historic dollar value" standard and permits charities to apply a spending policy related to endowments based on certain specified standards of prudence. The House is governed by the NYPMIFA spending policy, which establishes a standard maximum prudent spending limit of 7%. As a result of this interpretation, the House classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment fund, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

9. NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

Return objectives and strategies employed

The objective of the House is to maintain the principal endowment funds at the original amount designated by the donor and to provide a predictable stream of funding to the program to be supported by the endowment. The investment policy to achieve this objective is to invest in low-risk securities. Interest earned in relation to the endowment funds is recorded as restricted income and released from restriction upon expenditure for the program for which the endowment fund was established.

The endowment net asset composition was:

June 30, 2024

Net assets with donor restrictions	\$ 100,000
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The funds provided for this endowment have been separately invested as of June 30, 2024.

10. CONTINGENCIES

The House is responsible for reporting to various third parties. OMH, the Office of Medicaid Inspector General (“OMIG”), DOE, the New York State Office of the Attorney General, the Internal Revenue Service, and the New York State Department of Charities Registration have the rights to audit the House. If these audits determine that the revenue received was not appropriately calculated or earned under the terms of the related contracts, the House is required to return some portion of the funds already received.

The House receives Medicaid funding for its clinic services in the form of Comprehensive Outpatient Provider System (“COPS”) and Community Support Program (“CSP”) add-ons. The COPS and CSP add-ons are derived from formulas calculated by OMH. The formulas provide for a threshold for reimbursement, and all excess payments received are subject to repayment. On June 9, 2011, the OMIG issued a final schedule of audit findings pertaining to an audit of payments made for COPS through June 30, 2005. Based on the report, OMIG stated that \$1,944,507 in COPS overpayments were to be repaid. Thereafter, OMH established a long-term repayment plan for the House to pay the amounts due. On June 21, 2013, OMIG issued an audit report on payments made for COPS and CSP from July 1, 2005, through June 30, 2008. Based on the report, OMIG stated that additional \$2,397,566 and \$199,192 in COPS and CSP overpayments, respectively, were to be repaid.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2024

10. CONTINGENCIES (CONTINUED)

These overpayments were made by withholding 15% of the total Medicaid payment each year and applying them to a detailed repayment schedule. In February 2014, OMIG has agreed to waive the withholding. In a letter dated June 8, 2016, the House agreed with OMIG to make an initial payment of \$25,000 on or before August 1, 2016. The House makes payments of \$25,000 on or before the 1st day of each month thereafter until the full amount has been paid off. The House may prepay the outstanding balance, or any portion thereof, at any time without penalty. As of June 30, 2024, the COPS and CSP balance on OMIG audit findings was \$1,404,434. The accrued interest was \$182,973 as of June 30, 2024. It is possible that future audits could find additional Medicaid overpayments that would have to be repaid by the House. The House is currently not under audit for any of the programs.

11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents the House's financial assets as of June 30, 2024:

Cash and cash equivalents	\$ 4,276,632
Accounts receivable, net	5,301,827

Financial assets available to meet general expenditures over the next twelve months	\$ 9,578,459
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As part of the Organization's strategy, management structures its financial assets, consisting of cash and cash equivalents, net accounts receivable and prepaid expenses to be available for its general expenditures and liabilities coming due within one year. The Organization receives cash flow from various government Agencies and foundation grants to fund its programs and activities.

12. SUBSEQUENT EVENTS

The House's management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through February 11, 2025, which is the date the consolidated financial statements were available to be issued.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

SCHEDULE OF BEHAVIORAL HEALTH EXPENSES

FOR THE YEAR ENDED JUNE 30, 2024 (WITH COMPARATIVE TOTALS FOR 2023)

	Outpatient Clinics	PROS	Supported Housing	Asian- American Recovery	Total	
					2024	2023
Salaries	\$ 2,647,213	\$ 473,120	\$ 410,048	\$ 442,271	\$ 3,972,652	\$ 3,752,828
Payroll taxes and employee benefits	532,157	109,197	79,359	107,394	828,107	738,715
Food services	-	300	1,089	-	1,389	4,442
Printing	1,934	515	18	189	2,656	3,126
Maintenance and repairs	19,729	13,195	53,134	13,215	99,273	118,620
Equipment rental and maintenance	10,891	3,776	1,831	3,339	19,837	21,210
Meetings and conferences	12,672	2,287	5,294	2,039	22,292	17,521
Travel staff and client	2,726	218	53	629	3,626	86
Professional fees	136,618	33,811	-	35,084	205,513	279,139
Staff expenses/training	1,439	152	539	-	2,130	1,768
Office supplies and materials	52,969	2,712	1,509	4,464	61,654	73,967
Postage	1,167	79	-	95	1,341	996
Household supplies	2,788	837	894	982	5,501	6,690
Insurance	26,843	5,734	53,050		85,627	109,150
Communication	45,594	8,672	7,887	10,297	72,450	64,025
Occupancy (Note 8)	185,621	121,462	310,144	124,856	742,083	726,666
Processing fees	24,398	3,729	2,572	4,133	34,832	36,803
Miscellaneous	66,763	11,641	1,285	13,724	93,413	78,739
Administrative overhead	777,166	52,208	194,505	113,173	1,137,052	719,070
Automobile	-	-	8,477	-	8,477	4,888
Depreciation and amortization	14,623	628	71,234	4,068	90,553	77,576
	4,563,311	844,273	1,202,922	879,952	7,490,458	6,836,025
Administrative overhead	(777,166)	(52,208)	(194,505)	(113,173)	(1,137,052)	(719,070)
TOTAL EXPENSES	\$ 3,786,145	\$ 792,065	\$ 1,008,417	\$ 766,779	\$ 6,353,406	\$ 6,116,955
Depreciation and amortization	(14,623)	(628)	(71,234)	(4,068)	(90,553)	(77,576)
TOTAL OPERATING EXPENSES - AS ADJUSTED	\$ 3,771,522	\$ 791,437	\$ 937,183	\$ 762,711	\$ 6,262,853	\$ 6,039,379

See independent auditors' report.