



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

**Consolidated Financial Statements and  
Reports of Independent Auditors  
For the Year Ended June 30, 2020**

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

## **CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020**

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	<b>PAGE</b>
INDEPENDENT AUDITORS' REPORT	1-2
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statement of Financial Position	3
Consolidated Statement of Activities	4-5
Consolidated Statement of Functional Expenses	6
Consolidated Statement of Cash Flows	7
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS	8-25
SUPPLEMENTARY INFORMATION:	
Schedule of Behavioral Health Expenses	26



- **MAIN OFFICE**  
133-10 39<sup>TH</sup> AVENUE  
FLUSHING, NY 11354  
TEL. (718) 445-6308  
FAX. (718) 445-6760
- **CALIFORNIA OFFICE**  
36 W BAY STATE STREET  
ALHAMBRA, CA 91801  
TEL. (626) 282-1630  
FAX. (626) 282-9726

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Hamilton-Madison House, Inc.

We have audited the accompanying consolidated financial statements of the Hamilton-Madison House, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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



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

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Hamilton-Madison House, Inc. and Subsidiary as of June 30, 2020, and the changes in their net deficiency and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **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 2019 consolidated financial statements, and we expressed an unmodified opinion on those audited consolidated financial statements in our report dated January 31, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, 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  
May 12, 2021

# HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION JUNE 30, 2020 (WITH COMPARATIVE TOTALS FOR 2019)

ASSETS	2020	2019
<b>Current assets:</b>		
Cash and cash equivalents <i>(Note 2)</i>	\$ 1,069,953	\$ 384,048
Accounts receivable, net of allowance for doubtful accounts of \$163,420 <i>(Notes 2 and 3)</i>	1,412,370	1,521,025
Prepaid expenses	42,833	39,124
Total current assets	2,525,156	1,944,197
<b>Noncurrent assets:</b>		
Peaceful Garden - cemetery <i>(Note 2)</i>	229,335	238,206
Fixed assets, net <i>(Notes 2 and 4)</i>	1,722,797	1,813,162
<b>TOTAL ASSETS</b>	<b>\$ 4,477,288</b>	<b>\$ 3,995,565</b>
<b>LIABILITIES AND NET ASSETS (DEFICIENCY)</b>		
<b>Current liabilities:</b>		
Accounts payable and accrued expenses	\$ 645,053	\$ 767,926
Accrued payroll liabilities <i>(Note 2)</i>	640,111	549,081
Advances from grantors	576,972	503,433
Due to grantors	60,000	116,654
Due to OMH <i>(Note 11)</i>	250,000	300,000
Notes payable <i>(Note 5)</i>	30,000	595,000
Mortgage payable <i>(Note 6)</i>	60,199	115,746
Total current liabilities	2,262,335	2,947,840
<b>Noncurrent liabilities:</b>		
Due to OMH <i>(Note 11)</i>	2,279,433	2,788,339
Due to grantors	66,590	382,472
Notes payable <i>(Note 5)</i>	1,501,222	75,000
Accrued interest - OMH <i>(Note 11)</i>	113,084	87,780
Mortgage payable <i>(Note 6)</i>	-	60,198
<b>TOTAL LIABILITIES</b>	<b>6,222,664</b>	<b>6,341,629</b>
<b>Net assets (deficiency):</b>		
Net assets without donor restrictions	(1,845,376)	\$ (2,446,064)
Net assets with donor restrictions <i>(Note 10)</i>	100,000	100,000
<b>TOTAL NET ASSETS (DEFICIENCY)</b>	<b>(1,745,376)</b>	<b>(2,346,064)</b>
<b>TOTAL LIABILITIES AND NET ASSETS (DEFICIENCY)</b>	<b>\$ 4,477,288</b>	<b>\$ 3,995,565</b>

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, 2020 (WITH COMPARATIVE TOTALS FOR 2019)

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	
			2020	2019
<b>SUPPORT AND REVENUES:</b>				
Operating revenues:				
Government contract and grants <i>(Note 2)</i>	\$ 8,320,797	\$ -	\$ 8,320,797	\$ 8,832,828
Nongovernment contract revenue <i>(Note 2)</i>	344,100	-	344,100	251,505
Contributions <i>(Note 2)</i>	532,898	-	532,898	409,142
Fee for services <i>(Note 2)</i>	2,752,676	-	2,752,676	3,176,898
Rental income <i>(Note 2)</i>	100,100	-	100,100	128,983
In-kind contributions <i>(Notes 2 and 7)</i>	720,974	-	720,974	829,982
Special events revenues	377,573			
Direct cost of special events	(172,428)	205,145	205,145	395,250
Total operating revenues	12,976,690	-	12,976,690	14,024,588
Other revenues, (expenses), gains and (losses):				
Gain on sale of cemetery plots - Peaceful Garden <i>(Note 2)</i>	15,489	-	15,489	38,098
Other income	14,446	-	14,446	40,465
Total other revenues, (expenses), gains and (losses)	29,935	-	29,935	78,563
<b>TOTAL SUPPORT AND REVENUES</b>	<b>\$ 13,006,625</b>	<b>\$ -</b>	<b>\$ 13,006,625</b>	<b>\$ 14,103,151</b>

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, 2020 (WITH COMPARATIVE TOTALS FOR 2019)

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total	
			2020	2019
<b>EXPENSES:</b>				
Operating expenses:				
Program services				
Behavioral health	\$ 3,876,330	\$ -	\$ 3,876,330	\$ 3,839,711
Cultural enhancement program	166,202	-	166,202	245,252
Early Learn	5,041,746	-	5,041,746	5,318,669
Senior services	2,444,572	-	2,444,572	2,557,268
Peaceful Garden	977	-	977	2,254
Total program services	11,529,827	-	11,529,827	11,963,154
Supporting services:				
Management and general	1,231,583	-	1,231,583	1,014,489
Fundraising	26,748	-	26,748	5,350
Total supporting services	1,258,331	-	1,258,331	1,019,839
<b>TOTAL OPERATING EXPENSES</b>	<b>12,788,158</b>	<b>-</b>	<b>12,788,158</b>	<b>12,982,993</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Prior period income (expense) - program close out adjustments	629,915	-	629,915	38,112
Prior period income (expense) - funding source retroactive rate adjustments	-	-	-	22,500
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>	<b>629,915</b>	<b>-</b>	<b>629,915</b>	<b>60,612</b>
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE DEPRECIATION AND AMORTIZATION</b>	<b>848,382</b>	<b>-</b>	<b>848,382</b>	<b>1,180,770</b>
Depreciation and amortization (Note 4)	(247,694)	-	(247,694)	(262,057)
<b>CHANGE IN NET ASSETS</b>	<b>600,688</b>	<b>-</b>	<b>600,688</b>	<b>918,713</b>
<b>NET ASSETS (DEFICIENCY) - BEGINNING OF YEAR</b>	<b>(2,446,064)</b>	<b>100,000</b>	<b>(2,346,064)</b>	<b>(3,264,777)</b>
<b>NET ASSETS (DEFICIENCY) - END OF YEAR</b>	<b>\$ (1,845,376)</b>	<b>\$ 100,000</b>	<b>\$ (1,745,376)</b>	<b>\$ (2,346,064)</b>

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, 2020 (WITH COMPARATIVE TOTALS FOR 2019)

	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	2020		2019	
Salaries	\$ 2,003,279	\$ 99,203	\$ 1,914,832	\$ 1,471,013	\$ -	\$ 5,488,327	\$ -	\$ 789,028	\$ -	\$ 6,277,355	\$ 6,076,913	
Payroll taxes and fringe benefits	510,214	12,239	503,500	328,177	-	1,354,130	-	134,562	-	1,488,692	1,532,901	
Total salaries and related expenses	2,513,493	111,442	2,418,332	1,799,190	-	6,842,457	-	923,590	-	7,766,047	7,609,814	
Food services	4,361	-	317,307	246,289	-	567,957	-	259	-	568,216	767,119	
Printing	1,354	556	5,632	3,749	-	11,291	-	609	-	11,900	29,938	
Maintenance and repairs	42,140	4,624	30,280	23,431	-	100,475	-	10,499	-	110,974	107,717	
Equipment rental and maintenance	17,801	2,742	7,671	9,872	-	38,086	-	4,162	-	42,248	42,355	
Meetings and conferences	15,046	6,170	2,550	17,180	-	40,946	-	28,387	-	69,333	90,862	
Travel (staff/client)	2,697	-	3,783	1,007	450	7,937	-	707	-	8,644	11,295	
Professional fees	292,406	19,650	120,151	44,197	-	476,404	26,664	121,258	-	624,326	461,869	
Staff expenses	1,135	-	6,731	165	-	8,031	-	8,794	-	16,825	38,370	
Office supplies and materials	21,547	10,209	59,139	35,672	-	126,567	-	11,667	-	138,234	136,615	
Postage	158	-	688	126	-	972	-	2,736	-	3,708	2,905	
Household supplies	11,742	1,265	21,103	36,327	-	70,437	-	456	-	70,893	89,196	
Insurance	84,181	1,515	71,622	29,262	-	186,580	-	19,837	-	206,417	180,932	
Communication	36,740	2,348	21,628	28,954	-	89,670	-	11,428	-	101,098	93,994	
Occupancy (Notes 2)	729,639	-	1,001,848	39,157	-	1,770,644	-	22,674	-	1,793,318	1,688,204	
Stipends	-	-	817,262	4,344	-	821,606	-	-	-	821,606	955,085	
Processing fees	26,547	4,488	20,821	18,011	-	69,867	-	4,062	-	73,929	73,477	
Administrative overhead	384,317	12,522	3,510	291,395	14,313	706,057	-	(706,057)	-	-	-	
Auto	3,960	-	-	14,987	-	18,947	-	9,600	-	28,547	32,137	
Event space and food	-	-	-	-	-	-	-	-	172,428	172,428	259,253	
Interest	8,225	-	-	-	-	8,225	-	25,304	-	33,529	43,118	
Volunteers (Notes 2 and 7)	-	-	106,653	-	-	106,653	-	-	-	106,653	247,619	
Miscellaneous expenses	63,159	1,193	8,545	92,652	526	166,075	84	25,554	-	191,713	280,372	
Total expenses before depreciation and amortization	4,260,648	178,724	5,045,256	2,735,967	15,289	12,235,884	26,748	525,526	172,428	12,960,586	13,242,246	
Depreciation and amortization (Note 4)	73,015	4,054	78,258	60,120	-	215,447	-	32,247	-	247,694	262,057	
Total expenses after depreciation and amortization	4,333,663	182,778	5,123,514	2,796,087	15,289	12,451,331	26,748	557,773	172,428	13,208,280	13,504,303	
Administrative overhead	(384,318)	(12,522)	(3,510)	(291,395)	(14,312)	(706,057)	-	706,057	-	-	-	
TOTAL FUNCTIONAL EXPENSES	3,949,345	170,256	5,120,004	2,504,692	977	11,745,274	26,748	1,263,830	172,428	13,208,280	13,504,303	
Event space and food	-	-	-	-	-	-	-	-	(172,428)	(172,428)	(259,253)	
Depreciation and amortization (Note 4)	(73,015)	(4,054)	(78,258)	(60,120)	-	(215,447)	-	(32,247)	-	(247,694)	(262,057)	
TOTAL OPERATING EXPENSES AS ADJUSTED	\$ 3,876,330	\$ 166,202	\$ 5,041,746	\$ 2,444,572	\$ 977	\$ 11,529,827	\$ 26,748	\$ 1,231,583	\$ -	\$ 12,788,158	\$ 12,982,993	

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



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

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**JUNE 30, 2020 (WITH COMPARATIVE TOTALS FOR 2019)**

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	<b>2020</b>	<b>2019</b>
Change in net assets	\$ 600,688	\$ 918,713
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation and amortization	247,694	262,057
Gain on sale of Peaceful Garden cemetery plots	(15,489)	(38,098)
Forgiveness of debt	(115,745)	(109,548)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	108,655	(327,506)
(Increase) decrease in prepaid expenses and other assets	(3,709)	18,275
(Decrease) in accounts payable and accrued expenses	(122,873)	(570,937)
Increase (decrease) in accrued payroll liabilities	91,030	(33,499)
Increases (decrease) in advances from grantors	73,539	(4,492)
(Decrease) in due to grantors	(372,536)	(122,446)
(Decrease) in due to OMH	(558,906)	(300,000)
Increase in accrued interest - OMH	25,304	28,237
Net cash (used in) operating activities	(42,348)	(279,244)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Acquisition of fixed assets	(157,330)	(16,157)
Proceeds from sale of Peaceful Garden plots	24,360	59,980
Net cash (used in) provided by investing activities	(132,970)	43,823
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from notes	2,231,926	500,000
Repayments made on notes	(1,370,703)	(555,000)
Net cash provided by (used in) financing activities	861,223	(55,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	685,905	(290,421)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	384,048	674,469
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 1,069,953</b>	<b>\$ 384,048</b>
<b>SUPPLEMENTAL DISCLOSURE OF ADDITIONAL CASH FLOW INFORMATION:</b>		
Cash paid for interest	\$ -	\$ 460
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, 2020**

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### **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 alcoholism services city-wide.

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. Furthermore, on March 21, 2020, New York Governor Andrew Cuomo issued an Executive Order entitled "New York State on PAUSE" (Policy that Assures Uniform Safety for Everyone) (the "Order"), pursuant to which, all nonessential employees (as defined by the State) must stay at home starting March 22, 2020. Beginning on March 15, 2020, prior to this order, the Organization announced the remote services to protect its employees and the families and communities it serves. The Organization is currently operating effectively as of the date of this report.

The following is a description 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, 2020**

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### **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.

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 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, and Universal Pre-Kindergarten (“UPK”).

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 childcare providers to develop and maintain a safe, nurturing, educational, and high-quality child care environment in their homes.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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### **1. NATURE OF ORGANIZATION (continued)**

#### **Early Learn (continued)**

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.

#### **Cultural Enrichment Programs**

The House offers various youth development programs for children and teens that provide students with life-enhancing activities that develop life skills to handle everyday stresses effectively and to prepare them for future responsibilities at school, work, and home.

The Saturday Program provides affordable enrichment activities and classes during the school calendar year. Current activities feature Chinese brush painting, literacy and math clubs, computer graphics classes and tutoring for teens. Guitar classes for ages 11 and up are also offered.

The Music School provides accessible and affordable music lessons in violin and cello for children ages 5 to 12 and a limited number of highly motivated adults. Classes take place on Saturdays and selected evenings during the school year. One-month summer intensive lessons are offered to selected students.

The House strives to alleviate poverty in the community by providing non-English-speaking residents with English language, computer, and career skills. These services help community members become active in local businesses, community and their children's academic and social lives.

The Chinatown and Korean Resource Centers work to empower the community and promote community stability by offering case management, referral services and public education programs. The Chinatown Resource Center partners with other community groups to cosponsor important community events and ongoing services. These include legal assistance; health screenings; financial counseling; case management services to help local residents negotiate the complex and bureaucratic system of accessing benefits; application assistance and advocacy; walk-in services, including translation services and completing forms; information and referral to legal, housing and other social services; public education workshops; and adult English as a Second Language ("ESL") and computer classes.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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### **1. NATURE OF ORGANIZATION (continued)**

#### **Cultural Enrichment Programs (continued)**

The New Horizons Band is a community band for adults age 50 and over who are interested in learning or refreshing skills in the following instruments: trumpet, trombone, saxophone, flute, and clarinet.

#### **Senior Services**

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

The programs and centers serve more than 6,000 seniors 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 Senior 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.

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.

# HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **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.

#### **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 presentation**

The consolidated financial statements follow the Financial Accounting Standards Board (“FASB”) Accounting Standards Update (“ASU”) 2016-14 (Topic 958), *Presentation of Financial Statements*. Under FASB ASU 2016-14 (Topic 958), the House is required to report information regarding its financial position and activities according to two classes of net assets:

*Net assets without donor restrictions:* The part of net assets of a not-for-profit entity that is not subject to donor-imposed restrictions.

*Net assets with donor restrictions:* The part of net assets of a not-for-profit entity that is subject to donor-imposed restrictions.

The adoption of ASU 2016-14 (Topic 958) had no effects on the Organization. Donor restricted contributions whose restrictions are met within the same year as received are reflected as net assets without donor restrictions in the accompanying consolidated financial statements.

# HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### **Fair value measurements**

FASB 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 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, other assets, accounts payable and accrued expenses, accrued payroll liabilities, and advances from grantors 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, 2020.

#### **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.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Income tax status (continued)**

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 2017, 2018 and 2019 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.

#### **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, 2020, the allowance for doubtful accounts was \$163,420.



# HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### 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 \$1,000 with estimated useful lives of more than one year 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. Depreciation is calculated for financial statement purposes over the following lives:

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

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 donor. 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, 2020.

#### Government contract revenues and fees for service

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. The House recognizes revenue on government contracts when earned, or when reimbursable expenses 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.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **Government contract revenues and fees for service (continued)**

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.

#### **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.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **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, 2020 was \$8,871.

#### **Operating leases**

Operating leases are recorded on the straight-line basis over the term of the lease. Deferred rent is recorded where there are material differences between the fixed payment and the rent expense recognized.

#### **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.

#### **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, 2020, the House's accrued vacation liabilities were \$320,459.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### **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 Organization's consolidated financial statements for the year ended June 30, 2019, from which the summarized information was derived.

### **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, 2020, the House had cash balances in excess of Federally insured limits of approximately \$1,094,000. The House has not experienced any losses in such accounts. Management believes it is not exposed to any significant credit risk related to cash.

# HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### 3. CONCENTRATIONS (continued)

Approximately 25% of revenues are derived from the New York City Department of Education (“DOE”). The majority of 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. This may impact our revenues in the future.

The gross mix of receivables at June 30, 2020 is as follows:

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Medicaid/Medicare/Managed Care	45%
Other governmental agencies	40%
Private and other	15%
	100%

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### 4. FIXED ASSETS

Fixed assets at June 30, 2020 are summarized as follows:

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Land	\$ 116,235
Building and building improvements	1,883,088
Computer hardware and software	203,363
Furniture and equipment	651,826
Leasehold improvements	1,956,676
	4,811,188
Less: accumulated depreciation and amortization	(3,088,391)
Fixed assets, net	\$ 1,722,797

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Depreciation and amortization expense for the year ended June 30, 2020 was \$247,694.

# HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### 5. NOTES PAYABLE

From August 2014 to February 2016, the House borrowed under several demand promissory notes with the Two Bridges Neighborhood Council, Inc., totaling \$795,000. The House entered into a payment plan to repay \$5,000 in principal plus related interest monthly commencing September 2016. The interest rate was 5%. As of June 30, 2020, all the principle and interest were paid.

In fiscal year 2017, the House received various cash flow loans totaling \$1,215,000 from The Fund for the City of New York. As of June 30, 2020, there was \$85,000 outstanding, of which \$5,000 was repaid in July 2020. No interest was charged for the year ended June 30, 2020. In addition, the House received an interest-free refundable grant loan in July and August 2019 in total of \$785,704 to cover operating expenses pending receipt of funds from the New York City Department of Education and paid off the balance in September 2019.

In June 2019, the House entered into a short-term cash flow loan agreement with an undisclosed board member for \$500,000. Interest was waived due to the short-term nature. The balance has been paid off in August and September 2019.

On April 30, 2020, the House received loan proceeds in the amount of \$1,446,222 under the Paycheck Protection Program ("PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), provides for loans to qualifying business. The PPP loan and its accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes including payroll, benefits, rent and utilities and maintains its payroll levels. The unforgiven portion of the loan, if any, is payable over five years at an interest rate of 1%. As of June 30, 2020, the House has depleted the PPP loans based on the SBA issued guidelines. The House will submit a loan forgiveness application in June 2021.

Notes payable at June 30, 2020 are summarized as follows:

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Paycheck Protection Program - non - current	\$ 1,446,222
Fund for the City of New York - current	30,000
Fund for the City of New York - non-current	55,000
<hr/>	
Total	\$ 1,531,222

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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### **6. MORTGAGE PAYABLE**

In 1994, the House obtained financing from OMH to purchase 108-11 48th Avenue in Queens, New York, a building to be used for supportive housing services. In 2004, OMH closed on a mortgage with the Dormitory Authority of the State of New York (“DASNY”) on behalf of the House for \$1,350,000 to be repaid in semiannual installments, bearing interest at 5.5797% and maturing December 1, 2020. OMH makes the debt service payments to DASNY on behalf of the House.

The House, in turn, records revenue on an annual basis equal to the debt service payments made by OMH to DASNY. The mortgage is collateralized by the land and building.

The outstanding balance at June 30, 2020 was \$60,199. Interest expense for the year ended June 30, 2020 was \$8,225.

### **7. IN-KIND CONTRIBUTIONS**

#### **Donated space**

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, 2020 amounted to \$614,321, which is included in revenue as in-kind contributions and occupancy expense on the consolidated statement of functional expenses.

#### **Donated services**

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. The value of the donated volunteer hours for the year ended June 30, 2020 amounted to \$106,653.

In addition, the House benefited from approximately 1,780 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 \$55,800 for the year ended June 30, 2020.

# HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### 8. 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 in the defined benefit pension plan of the Head Start sponsoring board council of the City of New York, Inc. The House paid \$90,816 to the defined benefit pension plan of the Head Start sponsoring board council of the City of New York, Inc.

The House made no contributions to the defined contribution pension plan for the year ended June 30, 2020.

### 9. OPERATING LEASES

The House leases office space and equipment for program and administrative use, under various non-cancelable leases expiring between 2019 and 2044. Rent expense for the leases was \$1,018,060 the year ended June 30, 2020, excluding donated space (Note 7).

Future minimum annual lease payments are as follows:

Year Ending June 30,	Amount
2021	1,091,555
2022	767,770
2023	672,232
2024	673,951
2025	414,812
Thereafter	7,220,433
Total	\$ 10,840,752

### 10. 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.



# HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2020

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### 10. NET ASSETS WITH DONOR RESTRICTIONS (continued)

#### 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.

#### 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.

#### Endowment net asset composition by type of fund

The endowment net asset composition was:

June 30, 2020

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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, 2020.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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### **11. 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 right 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 may be 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 are to be repaid. Accordingly, OMH established a long-term payment 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, are to be repaid.

These overpayments were made by withholding 15% of the total Medicaid payment 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 1<sup>st</sup> day of each month thereafter until the full amount is paid. The House may prepay the outstanding balance, or any portion thereof, at any time without penalty. As of June 30, 2020, the COPS and CSP balance on OMIG audit findings was \$2,357,307. The accrued interest was \$113,084 as of June 30, 2020. The House has estimated an additional liability of \$172,126 on CSP contract that was terminated in 2013.

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.

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

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2020**

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### **12. LIQUIDITY AND AVAILABILITY OF RESOURCES**

The following represents the House's financial assets as of June 30, 2020:

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Cash and cash equivalents	\$ 1,069,953
Accounts receivable, net	1,412,370
Prepaid expenses	42,833

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Financial assets available to meet general expenditures over the next twelve months	\$ 2,525,156
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### **13. SUBSEQUENT EVENTS**

The House's management has performed subsequent events procedures through May 12, 2021, which is the date the consolidated financial statements were available to be issued. There were no subsequent events requiring adjustment to or disclosure in the consolidated financial statements.

HAMILTON-MADISON HOUSE, INC. AND SUBSIDIARY

SCHEDULE OF BEHAVIORAL HEALTH EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)

	Outpatient Clinics	PROS	Supported Housing	Asian- American Recovery	Total	
					2020	2019
Salaries	\$ 942,043	\$ 385,647	\$ 305,458	\$ 370,131	\$ 2,003,279	\$ 1,989,176
Payroll taxes and employee benefits	220,774	101,748	73,620	114,072	510,214	508,425
Food services	-	3,721	640	-	4,361	-
Printing	746	176	31	401	1,354	1,538
Maintenance and repairs	4,767	12,636	13,556	11,181	42,140	58,579
Equipment rental and maintenance	3,161	4,330	7,256	3,055	17,802	17,873
Meetings and conferences	5,456	3,765	2,792	3,033	15,046	16,075
Travel (staff/client)	680	542	1,063	411	2,696	361
Professional fees	161,403	91,913	3,605	35,486	292,407	206,870
Staff expenses/training	552	33		550	1,135	15,717
Office supplies and materials	5,531	1,812	2,902	11,302	21,547	26,547
Postage	115	13	31		159	323
Household supplies	572	1,031	1,790	8,350	11,743	12,026
Insurance	11,715	15,017	46,299	11,150	84,181	75,107
Communication	14,225	5,581	7,294	9,640	36,740	34,286
Occupancy	163,874	117,564	337,128	111,072	729,638	729,225
Stipends	-		-	-	-	1,710
Processing fees	14,947	5,059	2,144	4,398	26,548	28,369
Miscellaneous	36,547	11,423	1,510	13,675	63,155	98,545
Administrative overhead	23,367	65,437	199,675	95,839	384,318	604,547
Auto		-	3,960		3,960	4,537
Interest	-	-	8,225	-	8,225	14,422
Depreciation and amortization	4,262	128	49,166	19,459	73,015	73,185
	1,614,737	827,576	1,068,145	823,205	4,333,663	4,517,443
Administrative overhead	(23,367)	(65,437)	(199,675)	(95,839)	(384,318)	(604,547)
<b>TOTAL EXPENSES</b>	\$ 1,591,370	\$ 762,139	\$ 868,470	\$ 727,366	\$ 3,949,345	\$ 3,912,896
Depreciation and amortization	(4,262)	(128)	(49,166)	(19,459)	(73,015)	(73,185)
<b>TOTAL OPERATING EXPENSES - AS ADJUSTED</b>	\$ 1,587,108	\$ 762,011	\$ 819,304	\$ 707,907	\$ 3,876,330	\$ 3,839,711

See independent auditors' report.