

**Inspirica, Inc. and Affiliates**

Consolidated Financial Statements

June 30, 2021 and 2020

## **Independent Auditors' Report**

**Board of Directors**  
**Inspirica, Inc.**

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of Inspirica, Inc., which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

### ***Management's Responsibility for the 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 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 audits. We did not audit the financial statements of Atlantic PSH LLC and Colony PSH LLC, wholly owned subsidiaries, whose financial statements reflect total assets of \$6,935,080, respectively, as of June 30, 2020, and total revenues of \$835,522, respectively, for the year ended June 30, 2020. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Atlantic PSH LLC and Colony PSH LLC, is based solely on the reports of the other auditors. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 auditors' 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.

**Board of Directors  
Inspirica, Inc.**

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***Opinion***

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Inspirica, Inc. as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities as of and for the years ended June 30, 2021 and 2020 shown on pages 27 through 30 are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it 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 consolidating 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, which insofar as it relates to Atlantic PSH LLC and Colony PSH LLC as of and for the year ended June 30, 2020, is based on the reports of other auditors, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*PKF O'Connor Davies, LLP*

Stamford, Connecticut  
December 30, 2021

## Inspirica, Inc. and Affiliates

### Consolidated Statements of Financial Position

	June 30,	
	2021	2020
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,972,467	\$ 3,416,970
Cash held for tenant security deposits	75,956	102,971
Cash held for future capital expenditures	171,918	46,028
Total Cash, Cash Equivalents, and Restricted Cash	3,220,341	3,565,969
Unconditional promises to give, net	382,401	418,101
Government grants receivable	269,873	181,134
Accounts receivable	135,506	92,504
Prepaid expenses and other current assets	69,820	98,052
Investments	10,434,610	8,744,022
Restricted deposits and funded reserves	2,312,927	2,372,157
Property and equipment, net	21,613,371	21,810,081
	\$ 38,438,849	\$ 37,282,020
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 652,903	\$ 694,109
Refundable government grants	37,499	52,893
Security deposits and agency funds	115,245	114,236
Paycheck Protection Program Loan	758,900	758,900
Line of credit borrowings, mortgages, and notes payable	6,241,362	6,150,254
Total Liabilities	7,805,909	7,770,392
Net Assets		
Without Donor Restrictions		
Operations	784,754	889,397
Board Designated Funds		
RLS Operating Reserve Fund	2,097,546	1,818,896
Capital Reserve Fund	1,258,048	1,093,621
Strategic Plan Fund	841,188	731,244
Total Board Designated Funds	4,196,782	3,643,761
Total Operations and Board Designated Net Assets Without Donor Restrictions	4,981,536	4,533,158
Investment in property and equipment, restricted deposits, and funded reserves, net of related debt and net assets with donor restrictions	16,762,041	17,059,871
Total Net Assets Without Donor Restrictions	21,743,577	21,593,029
With donor restrictions	8,889,363	7,918,599
Total Net Assets	30,632,940	29,511,628
	\$ 38,438,849	\$ 37,282,020

See Notes to Consolidated Financial Statements

**Inspirica, Inc. and Affiliates**

Consolidated Statements of Activities

	Year Ended June 30, 2021			Year Ended June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>OPERATING REVENUE</b>						
Contributions	\$ 1,308,539	\$ 546,723	\$ 1,855,262	\$ 1,694,901	\$ 693,937	\$ 2,388,838
Government grants	3,108,515	2,994	3,111,509	2,871,035	-	2,871,035
Client fees and rental income	1,919,582	-	1,919,582	1,698,471	-	1,698,471
Special events, net of direct donor benefits of \$52,619 and \$7,026	260,059	-	260,059	237,765	-	237,765
In-kind contributions	26,726	-	26,726	617	-	617
Other income	265,781	-	265,781	204,124	-	204,124
Net assets released from restrictions	716,520	(716,520)	-	5,565,000	(5,565,000)	-
Total Operating Revenue	7,605,722	(166,803)	7,438,919	12,271,913	(4,871,063)	7,400,850
<b>EXPENSES</b>						
Program Services						
Permanent supportive/deeply affordable housing	2,535,515	-	2,535,515	2,376,421	-	2,376,421
New Beginnings Program for Persons Facing Homelessness	2,007,473	-	2,007,473	1,953,022	-	1,953,022
Youth services	362,755	-	362,755	358,310	-	358,310
Mental illness programs	874,437	-	874,437	946,256	-	946,256
Bread & Roses Programs for People Living with HIV/AIDS	498,882	-	498,882	465,108	-	465,108
Education & employment	190,585	-	190,585	152,195	-	152,195
Not-for-profit tenant services	618,851	-	618,851	551,083	-	551,083
Holiday gift collection	36,628	-	36,628	32,985	-	32,985
Total Program Services	7,125,126	-	7,125,126	6,835,380	-	6,835,380
Support Services						
Management and general	361,647	-	361,647	306,609	-	306,609
Fundraising	533,206	-	533,206	416,039	-	416,039
Total Expenses	8,019,979	-	8,019,979	7,558,028	-	7,558,028
Excess (Deficit) of Operating Revenue Over Expenses	(414,257)	(166,803)	(581,060)	4,713,885	(4,871,063)	(157,178)
<b>NONOPERATING ACTIVITIES</b>						
Investment return	564,805	1,137,567	1,702,372	165,728	115,428	281,156
Change in Net Assets	150,548	970,764	1,121,312	4,879,613	(4,755,635)	123,978
<b>NET ASSETS</b>						
Beginning of year	21,593,029	7,918,599	29,511,628	16,713,416	12,674,234	29,387,650
End of year	\$ 21,743,577	\$ 8,889,363	\$ 30,632,940	\$ 21,593,029	\$ 7,918,599	\$ 29,511,628

See Notes to Consolidated Financial Statements

Inspirica, Inc. and Affiliates

Consolidated Statement of Functional Expenses  
Year Ended June 30, 2021

	Program Services							Supporting Services					Total
	Permanent Supportive/ Deeply Affordable Housing	New Beginnings Program for Persons Facing Homelessness	Youth Services	Mental Illness Programs	Bread & Roses Programs for People Living with HIV/AIDS	Education & Employment	Not-for-Profit Tenant Services	Holiday Gift Collection	Total Program Services	Management and General	Fund-raising	Direct Donor Benefits	
<b>Expenses</b>													
Salaries and wages	\$ 1,134,179	\$ 1,197,427	\$ 191,312	\$ 581,735	\$ 300,289	\$ 114,961	\$ 355,462	\$ 10,832	\$ 3,886,197	\$ 94,312	\$ 308,254	\$ -	\$ 4,288,763
Payroll taxes and benefits	230,110	261,885	32,110	111,950	66,398	28,062	70,996	4,243	805,754	18,656	41,857	-	866,267
Total Salary Related Expenses	<u>1,364,289</u>	<u>1,459,312</u>	<u>223,422</u>	<u>693,685</u>	<u>366,687</u>	<u>143,023</u>	<u>426,458</u>	<u>15,075</u>	<u>4,691,951</u>	<u>112,968</u>	<u>350,111</u>	<u>-</u>	<u>5,155,030</u>
<b>Other Expenses</b>													
Client support (including meals, rent subsidies, clothing, and other)	5,258	49,066	11,299	5,895	5,441	9,870	168	-	86,997	240	298	3,874	91,409
Event production	-	-	-	-	-	-	-	-	-	-	-	8,024	8,024
Program supplies and activities	13,442	6,946	19,821	2,778	5,969	13,206	318	1,398	63,878	-	563	6,506	70,947
Travel, meals and accommodation	370	518	75	171	55	2,261	3	-	3,453	-	51	-	3,504
Printing and copying	281	229	63	41	35	28	152	77	906	26	16,128	4,875	21,935
Office supplies	6,619	2,996	52	1,626	1,545	533	715	132	14,218	329	1,214	28	15,789
Postage	1,172	1,260	1	671	438	1	216	-	3,759	98	2,482	2,865	9,204
Telecommunications	28,355	20,829	4,870	9,284	5,731	2,051	11,441	845	83,406	2,578	2,801	-	88,785
Legal and accounting	20,038	21,247	2,752	12,022	5,702	2,484	6,095	112	70,452	68,968	4,527	-	143,947
Management fee	1,800	-	-	-	-	-	-	-	1,800	-	-	-	1,800
Consultants	39,060	16,123	27,894	7,321	4,198	35	2,519	3,018	100,168	68,410	43,194	-	211,772
Marketing and promotion	1,152	1,078	-	166	32	-	5	1,140	3,573	204	11,964	7,210	22,951
Recruiting and staff development	8,555	8,992	1,079	3,902	2,553	993	1,943	65	28,082	22,412	2,448	-	52,942
Equipment and vehicle expense	64,469	53,151	6,242	28,055	13,676	3,210	12,004	406	181,213	2,261	31,162	19,237	233,873
Interest expense	78,461	15,254	-	8,132	4,692	-	2,640	-	109,179	-	4,683	-	113,862
Dues and publications	75	-	-	-	-	-	-	-	75	5,897	584	-	6,556
Insurance	83,506	41,334	6,018	14,905	9,985	1,221	18,350	1,406	176,725	23,743	7,362	-	207,830
Occupancy	336,042	133,390	29,786	43,547	33,215	6,038	77,665	6,893	666,576	18,439	14,210	-	699,225
Provision for bad debt	13,909	-	-	-	-	-	-	-	13,909	4,267	-	-	18,176
Other	7,854	5,283	462	2,736	1,510	325	1,321	1,138	20,629	17,864	27,045	-	65,538
Total Other Expenses	<u>710,418</u>	<u>377,696</u>	<u>110,414</u>	<u>141,252</u>	<u>94,777</u>	<u>42,256</u>	<u>135,555</u>	<u>16,630</u>	<u>1,628,998</u>	<u>235,736</u>	<u>170,716</u>	<u>52,619</u>	<u>2,088,069</u>
Total Expenses Before Depreciation and Amortization	2,074,707	1,837,008	333,836	834,937	461,464	185,279	562,013	31,705	6,320,949	348,704	520,827	52,619	7,243,099
Depreciation and amortization	460,808	170,465	28,919	39,500	37,418	5,306	56,838	4,923	804,177	12,943	12,379	-	829,499
	<u>2,535,515</u>	<u>2,007,473</u>	<u>362,755</u>	<u>874,437</u>	<u>498,882</u>	<u>190,585</u>	<u>618,851</u>	<u>36,628</u>	<u>7,125,126</u>	<u>361,647</u>	<u>533,206</u>	<u>52,619</u>	<u>8,072,598</u>
Direct donor benefits	-	-	-	-	-	-	-	-	-	-	-	(52,619)	(52,619)
Total Expenses	<u>\$ 2,535,515</u>	<u>\$ 2,007,473</u>	<u>\$ 362,755</u>	<u>\$ 874,437</u>	<u>\$ 498,882</u>	<u>\$ 190,585</u>	<u>\$ 618,851</u>	<u>\$ 36,628</u>	<u>\$ 7,125,126</u>	<u>\$ 361,647</u>	<u>\$ 533,206</u>	<u>\$ -</u>	<u>\$ 8,019,979</u>

Inspirica, Inc. and Affiliates

Consolidated Statement of Functional Expenses  
Year Ended June 30, 2020

	Program Services								Supporting Services				Total
	Permanent Supportive/ Deeply Affordable Housing	New Beginnings Program for Persons Facing Homelessness	Youth Services	Mental Illness Programs	Bread & Roses Programs for People Living with HIV/AIDS	Education & Employment	Not-for-Profit Tenant Services	Holiday Gift Collection	Total Program Services	Management and General	Fund-raising	Direct Donor Benefits	
<b>Expenses</b>													
Salaries and wages	\$ 1,086,113	\$ 1,159,616	\$ 205,574	\$ 625,737	\$ 280,973	\$ 92,777	\$ 297,695	\$ 11,823	\$ 3,760,308	\$ 102,989	\$ 232,882	\$ -	\$ 4,096,179
Payroll taxes and benefits	205,985	229,353	27,543	118,771	59,874	21,434	60,573	4,853	728,386	1,516	30,350	-	760,252
Total Salary Related Expenses	<u>1,292,098</u>	<u>1,388,969</u>	<u>233,117</u>	<u>744,508</u>	<u>340,847</u>	<u>114,211</u>	<u>358,268</u>	<u>16,676</u>	<u>4,488,694</u>	<u>104,505</u>	<u>263,232</u>	<u>-</u>	<u>4,856,431</u>
<b>Other Expenses</b>													
Client support (including meals, rent subsidies, clothing, and other)	16,829	53,154	13,531	15,120	7,203	10,127	1,035	1	117,000	2	1,641	-	118,643
Event production	-	-	-	-	-	-	-	-	-	-	-	5,917	5,917
Program supplies and activities	2,686	5,016	16,634	2,507	1,901	3,576	97	16	32,433	1	150	-	32,584
Travel, meals and accommodation	1,172	1,049	(73)	3,097	965	2,116	27	-	8,353	118	36	-	8,507
Printing and copying	-	-	-	-	-	-	-	-	-	-	10,531	-	10,531
Office supplies	11,470	4,977	506	2,573	1,127	218	950	249	22,070	1,739	7,125	-	30,934
Postage	1,740	1,312	-	792	383	-	(479)	-	3,748	-	389	-	4,137
Telecommunications	26,457	20,807	2,662	11,479	6,692	1,816	6,350	270	76,533	1,147	3,502	-	81,182
Legal and accounting	18,996	20,499	2,617	11,568	5,275	2,362	5,814	107	67,238	96,670	4,272	-	168,180
Consultants	25,000	22,614	19,262	10,291	5,108	756	6,962	1,890	91,883	32,742	44,655	-	169,280
Marketing and promotion	3,529	274	-	124	14	-	-	180	4,121	-	14,183	-	18,304
Recruiting and staff development	20,497	16,464	2,435	7,960	3,707	2,010	5,444	276	58,793	20,336	3,493	-	82,622
Equipment and vehicle expense	55,535	32,417	3,454	13,809	6,635	1,822	9,363	344	123,379	1,320	18,861	-	143,560
Interest expense	79,963	13,554	-	8,219	3,743	-	2,558	-	108,037	-	4,101	-	112,138
Dues and publications	1,155	1,894	-	877	157	13	16	-	4,112	4,562	1,624	-	10,298
Insurance	37,468	46,008	3,500	21,907	11,251	710	14,657	818	136,319	2,142	10,305	-	148,766
Occupancy	346,305	147,872	30,853	44,972	31,295	6,489	80,242	7,192	695,220	18,807	12,623	-	726,650
Provision for bad debt	44,745	-	-	-	-	-	-	-	44,745	-	-	-	44,745
Other	8,209	7,989	1,238	4,534	2,137	931	1,998	29	27,065	9,556	2,761	1,109	40,491
Total Other Expenses	<u>701,756</u>	<u>395,900</u>	<u>96,619</u>	<u>159,829</u>	<u>87,593</u>	<u>32,946</u>	<u>135,034</u>	<u>11,372</u>	<u>1,621,049</u>	<u>189,142</u>	<u>140,252</u>	<u>7,026</u>	<u>1,957,469</u>
Total Expenses Before Depreciation and Amortization	1,993,854	1,784,869	329,736	904,337	428,440	147,157	493,302	28,048	6,109,743	293,647	403,484	7,026	6,813,900
Depreciation and amortization	382,567	168,153	28,574	41,919	36,668	5,038	57,781	4,937	725,637	12,962	12,555	-	751,154
Direct donor benefits	-	-	-	-	-	-	-	-	-	-	-	(7,026)	(7,026)
Total Expenses	<u>\$ 2,376,421</u>	<u>\$ 1,953,022</u>	<u>\$ 358,310</u>	<u>\$ 946,256</u>	<u>\$ 465,108</u>	<u>\$ 152,195</u>	<u>\$ 551,083</u>	<u>\$ 32,985</u>	<u>\$ 6,835,380</u>	<u>\$ 306,609</u>	<u>\$ 416,039</u>	<u>\$ -</u>	<u>\$ 7,558,028</u>

**Inspirica, Inc. and Affiliates**

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,121,312	\$ 123,978
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	829,499	751,154
Unrealized and realized gains	(1,450,068)	(90,102)
Provision for bad debt	18,176	44,745
Government grants for capital projects	(185,100)	(48,000)
Donations restricted for capital projects	-	(405,000)
Discounting and amortization of mortgages and notes payable to present value	52,212	50,008
Changes in operating assets and liabilities		
Unconditional promises to give	35,700	186,055
Accounts receivable	(61,178)	(25,184)
Prepaid expenses and other current assets	28,232	(23,851)
Government grants receivable	(88,739)	83,759
Accounts payable and accrued expenses	(41,206)	194,821
Refundable government grants	(15,394)	15,394
Security deposits and agency funds	1,009	79,574
Net Cash from Operating Activities	244,455	937,351
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments	(13,645,768)	(2,727,124)
Sale of investments	13,405,248	2,570,717
Deposits to reserve for replacement and interest retained	(42,864)	(68,563)
Withdrawals from restricted deposits and funded reserves	102,094	2,001
Purchases of property and equipment	(632,789)	(1,432,651)
Net Cash from Investing Activities	(814,079)	(1,655,620)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Government grants for capital projects	185,100	48,000
Donations restricted for capital projects	-	405,000
Payments on mortgages and notes payable	(19,505)	(19,000)
Proceeds from Paycheck Protection Program Loan	-	758,900
Borrowings from mortgages and notes payable	58,401	-
Net Cash from Financing Activities	223,996	1,192,900
Net Change in Cash, Cash Equivalents, and Restricted Cash	(345,628)	474,631
<b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>		
Beginning of year	3,565,969	3,091,338
End of year	\$ 3,220,341	\$ 3,565,969
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash paid for interest	\$ 71,938	\$ 70,137

See Notes to Consolidated Financial Statements



## Inspirica, Inc. and Affiliates

### Notes to Consolidated Financial Statements June 30, 2021 and 2020

#### 1. The Organization

The mission of Inspirica, Inc. (“Inspirica”) is to break the cycle of homelessness by helping people to achieve - and maintain - housing and stability in their lives. Inspirica services Fairfield County, Connecticut with programs that range geographically from Greenwich to Fairfield, Connecticut and offers hope and direction which help people to lead meaningful and productive lives.

The consolidated financial statements are comprised of Inspirica and Inspirica’s wholly-owned single member limited liability companies, Atlantic PSH LLC (“Atlantic”), Colony PSH LLC (“Colony”), 992 Summer Street, LLC (“992 LLC”), and 72 Franklin LLC (“72 LLC”) collectively referred to as the “Organization.”

Atlantic and Colony own residential apartment buildings consisting of 27 and 29 rental units in Stamford, Connecticut (the “Projects”). The Projects are subject to an extended low-income housing commitment with the Connecticut Housing Finance Authority (“CHFA”). The Projects’ units must be rented to qualified occupants pursuant to Section 42 of the Internal Revenue Code for a 15-year period ending in September 2028 and January 2027, respectively.

992 LLC was formed for the purpose of owning a 50% interest in 992 Summer Street Housing Corporation (“992 Corp.”). The remaining 50% ownership of 992 Corp. is owned by an unrelated not-for-profit organization. All operations of 992 Corp. are jointly controlled by its shareholders. 992 Corp. is the general partner of 992 Summer Street Development Limited Partnership (“992 LP”). 992 Corp. owns 0.01% of 992 LP. 992 LP was created to build and operate a Low-Income Housing Tax Credit building (the “Development”) located at 992 Summer Street, Stamford, Connecticut (the “Property”). The Property is owned by Inspirica and is being leased to 992 LP (see Note 10). Inspirica and 992 LLC have no obligation to provide additional capital and have not guaranteed any losses of 992 Corp. and 992 LP beyond their initial investment in 992 Corp. Because Inspirica does not have a majority ownership of 992 Corp. or 992 LP, has no contractual control of 992 Corp. or 992 LP, and has no additional exposure to loss from 992 Corp. and 992 LP, Inspirica accounts for its investment in 992 Corp. on the equity method. During the year ended June 30, 2016, 992 LP began construction of the Development. The Development was completed in April 2017 and operations began. As of June 30, 2021 and 2020 and for the years then ended, 992 Corp. only sustained losses. In accordance with the equity method of accounting, the investment in 992 Corp. is zero on the Organization’s consolidated financial statements.

72 LLC is wholly-owned by Inspirica. 72 LLC was developed and owns a 46,000 square foot building located at 72 Franklin Street, Stamford, Connecticut, consisting of 53 deeply affordable apartments for people primarily earning between 25% and 35% of area median income. Construction on the building was started during the year ended June 30, 2018 and was completed in August 2019.

## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 2. Summary of Significant Accounting Policies

#### ***Change in Accounting Principle***

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2014-09, *Revenue from Contracts with Customers (Topic 606)* (“ASU 2014-09”). This ASU provides a single principles-based revenue recognition model with a five-step analysis of transactions to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for goods or services. In addition, the new standard requires that reporting companies disclose the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. On July 1, 2020, the Organization adopted this ASU on a modified retrospective basis, and it was determined that the adoption of this ASU had no impact on the Organization’s consolidated financial statements.

#### ***Consolidation Policy***

The consolidated financial statements have been presented in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”). Significant inter-organizational transactions and balances have been eliminated in consolidation.

#### ***Basis of Presentation and Use of Estimates***

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

#### ***Cash, Cash Equivalents, and Restricted Cash***

The Organization considers all highly liquid debt instruments with a maturity of three months or less at the time of purchase to be cash equivalents. Restricted cash includes funds that are restricted as to use by the Organization. The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported with the consolidated statements of cash flows for the years ended June 30:

	2021	2020
Cash and cash equivalents	\$ 2,972,467	\$ 3,416,970
Cash held for tenant security deposits	75,956	102,971
Cash held for future capital expenditures	171,918	46,028
Cash, Cash Equivalents, and Restricted Cash	<u>\$ 3,220,341</u>	<u>\$ 3,565,969</u>

## **Inspirica, Inc. and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Contributions and Unconditional Promises to Give***

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Federal and state contracts and grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Refundable government grants consists of government grants received for which performance requirements or incurrence of allowable qualifying expenses have not yet been met or incurred. Unconditional promises to give that are due beyond one year are discounted to reflect the present value of future cash flows using a risk adjusted discount rate assigned in the year the respective pledge originates. Amortization of the discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any.

The Organization has considered a number of factors in estimating its allowance for doubtful contributions receivable, including the uncertainty of the current economy, ongoing circumstances surrounding contributors' continuing ability to meet their contribution obligations, and contribution payment history. If any of these factors were to change, it could have a material effect on the need for or amount of the estimated allowance. Uncollected contributions receivable are written off when the Organization has exhausted reasonable efforts. As of June 30, 2021 and 2020, management did not believe an allowance for doubtful contributions receivable was required.

Contributions that the donor requires to be used to acquire long-lived assets (e.g., building improvements, furniture, fixtures and equipment) are reported as net assets with donor restrictions. The Organization reflects the expiration of the donor-imposed restriction when long-lived assets have been placed in service, at which net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

#### ***Accounts Receivable and Allowance for Doubtful Accounts***

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Organization uses the allowance method to account for uncollectible accounts receivable. The Organization provides an allowance for doubtful accounts equal to the estimated uncollectible portion of accounts receivable. Management's estimate is based on historical experience and its evaluation of the current status of amounts receivable. The allowance for doubtful accounts at June 30, 2021 and 2020 is \$0.

## **Inspirica, Inc. and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### **2. Summary of Significant Accounting Policies (continued)**

#### ***Investments***

Investments in marketable securities are stated at fair value in the consolidated statements of financial position. Changes in unrealized gains or losses are included in the consolidated statements of activities.

#### ***Fair Value of Financial Instruments***

The Organization follows U.S. GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

#### ***Property and Equipment***

Property and equipment are recorded at cost or in the case of donated assets at estimated fair value at date of gift. Buildings, leasehold improvements, furniture, fixtures, equipment and vehicles are being depreciated using the straight-line method over the estimated useful lives of the assets which range from 5 to 40 years. The title to certain equipment purchased with government grant funds is held by the grantor. Pursuant to prevailing accounting principles, the Organization has capitalized and depreciated such equipment in its consolidated financial statements.

#### ***Impairment or Disposal of Long-lived Assets***

U.S. GAAP guidance requires long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. Recoverability of the long-lived assets is measured by a comparison of their carrying amount to market value or future undiscounted net cash flows expected to be generated by the assets. If such assets are considered to be impaired, their carrying amounts are reduced.

#### ***Interest Free Notes Payable***

Interest free notes payable are discounted to their present values at the time of the loan and each year a portion of the discount is recorded as interest expense and the balance of the loan is correspondingly increased.

## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 2. Summary of Significant Accounting Policies (*continued*)

#### ***Net Assets***

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions. Net assets are comprised of two groups as follows:

**Net Assets Without Donor Restrictions** – Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met. This category may also include amounts designated by the Board of Directors.

**Net Assets With Donor Restrictions** – Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may require the assets to be maintained in perpetuity. If contributions are received with donor stipulations that limit their use either through purpose or time restrictions, the Organization records them as contributions with donor restrictions. Contributions restricted by donors are reported as an increase in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increase in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor restricted net assets by the donor or by applicable state law.

#### ***Functional Expense Allocation***

The Organization allocates its expenses on a functional basis among its program and support services. Expenses that can be specifically identified with a program or support service are allocated directly. Overhead and other indirect expenses, which include expenses in almost all natural expense categories reported on the consolidated statements of functional expenses, that are common to several functions are allocated based on various factors including the number of participants, square footage, number of employees, and direct expenses of program.

#### ***In-kind Gifts***

Contributions of donated non-cash assets are recorded at their fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received. A substantial number of volunteers have contributed their time to the Organization's programs and supporting services; however, none of these services meet the requirements for financial statement recognition.

## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 2. Summary of Significant Accounting Policies (continued)

#### ***Income Taxes***

Inspirica, Atlantic, Colony, 992 LLC, and 72 LLC are exempt from income taxes as defined in Internal Revenue Code Section 501(c)(3) and, accordingly, the consolidated financial statements do not reflect a provision for income taxes.

#### ***Accounting for Uncertainty in Income Taxes***

Management recognizes the effects of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Organization had no uncertain tax positions that would require financial statement recognition or disclosure.

#### ***Measure of Operations***

The consolidated statements of activities separately report changes in net assets from operating and non-operating activities. Operating activities consist principally of revenues and expenses related to ongoing activities. Non-operating activities consist of investment return.

#### ***Subsequent Events Evaluation by Management***

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is December 30, 2021.

### 3. Unconditional Promises to Give

Unconditional promises to give expected to be collected consist of the following at June 30:

	2021	2020
Receivables due in less than one year	\$ 382,401	\$ 320,062
Receivables due in one to five years	-	100,000
Discount on pledges	-	(1,961)
	<u>\$ 382,401</u>	<u>\$ 418,101</u>

The aforementioned promises to give have been included in the following net asset categories at June 30:

	2021	2020
With donor restriction	\$ 197,539	\$ 307,044
Without donor restriction	184,862	111,057
	<u>\$ 382,401</u>	<u>\$ 418,101</u>

For unconditional promises to give to be received over a period in excess of 1 year, a discount of 4% was applied.

## Inspirica, Inc. and Affiliates

### Notes to Consolidated Financial Statements June 30, 2021 and 2020

#### 4. Investments

Investments grouped by the U.S. GAAP fair value hierarchy consist of the following at June 30:

	2021		2020	
	Fair Value	Cost	Fair Value	Cost
Investments Held in Donor Restricted Endowment				
Level 1 Investments				
United States Treasury Notes	\$ 452,466	\$ 453,991	\$ -	\$ -
Equities	3,883,896	3,544,322	1,262,248	1,001,570
Mutual funds - equities	431,762	411,683	1,659,162	1,441,881
Mutual funds - fixed income	115,058	114,028	1,943,544	1,945,090
Mutual funds - non-traditional	-	-	160,868	179,884
Total Level 1 Investments	<u>4,883,182</u>	<u>4,524,024</u>	<u>5,025,822</u>	<u>4,568,425</u>
Level 2 Investments				
Corporate Bonds	<u>1,034,729</u>	<u>1,026,838</u>	-	-
Total Level 2 Investments	<u>1,034,729</u>	<u>1,026,838</u>	-	-
Assets Outside The Fair Value Hierarchy				
Cash	<u>319,917</u>	<u>319,917</u>	<u>74,439</u>	<u>74,439</u>
Total Investments Held in Donor Restricted Endowment	<u>6,237,828</u>	<u>5,870,779</u>	<u>5,100,261</u>	<u>4,642,864</u>
Investments - Board Designated Funds				
Level 1 Investments				
United States Treasury Notes	488,950	490,593	749,678	749,548
Equities	1,498,064	1,344,365	580,543	407,367
Mutual funds - equities	246,307	236,389	841,531	728,064
Mutual funds - fixed income	101,693	100,782	1,438,379	1,426,302
Total Level 1 Investments	<u>2,335,014</u>	<u>2,172,129</u>	<u>3,610,131</u>	<u>3,311,281</u>
Level 2 Investments				
Corporate Bonds	<u>1,086,805</u>	<u>1,078,220</u>	-	-
Total Level 2 Investments	<u>1,086,805</u>	<u>1,078,220</u>	-	-
Assets Outside The Fair Value Hierarchy				
Cash	<u>774,963</u>	<u>774,963</u>	<u>33,630</u>	<u>33,630</u>
Total Investments - Board Designated Funds	<u>4,196,782</u>	<u>4,025,312</u>	<u>3,643,761</u>	<u>3,344,911</u>
Total Investments	<u>\$10,434,610</u>	<u>\$ 9,896,091</u>	<u>\$8,744,022</u>	<u>\$7,987,775</u>

## Inspirica, Inc. and Affiliates

### Notes to Consolidated Financial Statements June 30, 2021 and 2020

#### 4. Investments (continued)

Investment return, including interest on cash and cash equivalents, is as follows for the years ended June 30:

	2021	2020
Interest and dividend income	\$ 298,318	\$ 239,207
Net realized and unrealized gains	1,450,068	90,102
Investment Return before Investment Expenses	1,748,386	329,309
Investment expenses	(46,014)	(48,153)
Total Investment Return	\$ 1,702,372	\$ 281,156

#### 5. Property and Equipment

Property and equipment consists of the following at June 30:

	2021	2020
Depreciable Assets		
Buildings and related equipment	\$23,164,106	\$22,766,904
Furniture, fixtures and equipment	1,146,708	1,073,520
Leasehold improvements	1,921,149	1,921,149
Vehicles	183,637	183,637
Gross Depreciable Assets	26,415,600	25,945,210
Accumulated depreciation and amortization	(9,735,869)	(8,916,751)
Net Depreciable Assets	16,679,731	17,028,459
Non-depreciable assets		
Construction in progress	152,018	-
Land	4,781,622	4,781,622
Property and Equipment, net	\$ 21,613,371	\$ 21,810,081

#### 6. Restricted Deposits and Funded Reserves

According to certain loan and other regulatory agreements, the Organization is required to maintain escrow deposits and reserves related to the properties owned by Atlantic and Colony. Withdrawals from the reserves must be approved by CHFA. As of June 30, 2021 and 2020, \$1,022,152 and \$1,066,448 of the escrow deposits and reserves use is restricted to the building owned by Atlantic. As of June 30, 2021 and 2020, \$1,290,775 and \$1,305,709 of the escrow deposits and reserves use is restricted to the building owned by Colony.



## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 7. Funds Held for Long-Term Investments

The State of Connecticut enacted the Connecticut Uniform Prudent Management of Institutional Funds Act (“CUPMIFA”) effective October 1, 2007, the provisions of which apply to endowment funds existing on or established after that date. The Boards of Directors have determined that all of the Organization’s net assets with donor restrictions meet the definition of endowment funds under CUPMIFA.

The Organization’s endowment consists of multiple donor restricted funds established to provide long-term support for the Organization’s programs. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of Inspirica as of June 30, 2021 and 2020, respectively, have interpreted CUPMIFA as requiring the preservation of the fair value of the original gifts as of the gift date of the endowment funds with donor restrictions absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions in perpetuity: (a) the original value of gifts donated with donor restrictions to the permanent endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by Inspirica. In accordance with CUPMIFA, Inspirica considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization and (7) the Organization’s investment policies.

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution in the range of 4% to 5½%, while growing the funds if possible. Therefore, the Organization expects its assets, over time, to produce an average rate of return of approximately 4% to 5½% plus inflation annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed with the intention of not exposing the fund to unacceptable levels of risk.

## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 7. Funds Held for Long-Term Investments *(continued)*

The Organization has a policy of approving for distribution each year a target of between 4% to 5½% of its endowment fund's average fair value for the twelve quarters preceding the quarter in which the distribution is planned. The Organization may deviate from the above 4% to 5½% guideline if it deems such action prudent and justified. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate equal to inflation. This expectation is consistent with the Organization's objective of maintaining the purchasing power of the endowment assets as well as providing additional real growth through new gifts and investment return. Management elected not to withdraw the spending policy distribution from the endowment fund for the years ended June 30, 2021 and 2020.

Activity of funds held for long-term investments is as follows for the years ended June 30:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning balance, July 1, 2019	\$ -	\$ 4,984,833	\$ 4,984,833
Investment income, net	-	101,584	101,584
Capital appreciation	-	13,844	13,844
	<hr/>	<hr/>	<hr/>
Ending Balance, June 30, 2020	-	5,100,261	5,100,261
Investment income, net	-	158,198	158,198
Capital appreciation	-	979,369	979,369
	<hr/>	<hr/>	<hr/>
Ending Balance, June 30, 2021	<u>\$ -</u>	<u>\$ 6,237,828</u>	<u>\$ 6,237,828</u>

### 8. Line of Credit Borrowings, Mortgages, and Notes Payable

The Organization has a revolving line of credit (the "Line") in the amount of \$1,250,000 expiring March 10, 2022 with a financial institution (the "Bank"). Interest is payable at the Bank's prime rate. The Line is collateralized by assets of the Organization. At June 30, 2021 and 2020, there was no outstanding balance on the Line.

The Organization's mortgage and notes payable totaling \$6,241,362 and \$6,150,254 on the consolidated statements of financial position as of June 30, 2021 and 2020 are separated into three categories.

## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 8. Line of Credit Borrowings, Mortgages, and Notes Payable *(continued)*

#### *First Category*

The first category consists of those mortgages which require cash outflow to satisfy the liabilities. Loans requiring cash outflow to satisfy the liabilities consist of the following as of June 30:

	2021	2020
Mortgage loan in the original amount of \$365,715 dated August 11, 2017 from First Republic Bank. The loan bears interest at 2.4% per annum and is payable in equal monthly installments of \$1,629 consisting of principal and interest through September 1, 2032. The entire unpaid principal balance of this loan and all unpaid interest thereon is due and payable on September 1, 2032. The loan is secured by a mortgage on 24 Woodland Place, Stamford, Connecticut.	\$ 323,968	\$ 335,476
Mortgage loan in the original amount of \$254,154 dated August 11, 2017 from First Republic Bank. The loan bears interest at 2.4% per annum and is payable in equal monthly installments of \$1,132 consisting of principal and interest through September 1, 2032. The entire unpaid principal balance of this loan and all unpaid interest thereon is due and payable on September 1, 2032. The loan is secured by a mortgage on 26 Woodland Place, Stamford, Connecticut.	<u>225,142</u> <u>\$ 549,110</u>	<u>233,139</u> <u>\$ 568,615</u>

The future scheduled principal payments of these mortgage loans payable are as follows:

Year ending June 30,	Amount
2022	\$ 19,986
2023	20,477
2024	20,948
2025	21,497
2026	22,026
Thereafter	<u>444,176</u> <u>\$ 549,110</u>

## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 8. Line of Credit Borrowings, Mortgages, and Notes Payable (continued)

#### Second Category

The second category consists of those mortgages and notes which will be forgiven provided the Organization complies with various requirements from third-parties, primarily maintain the buildings as supportive housing for low income persons for various periods of time, and require no payment of interest or principal. The third parties consist of CHFA and Stamford Community Development Program (“SCDP”). This second category of loans is secured by the properties to which the loan funds were used to acquire or improve. Non-interest bearing notes are recorded at present value when received. The difference between the note maturity value and carrying value is recorded as net assets with donor restrictions. The restriction is released to net assets without donor restrictions as the note value is accreted to the maturity value using the interest rate method.

Non-interest bearing notes consist of the following as of June 30:

Lender	Maturity Date	Note Maturity Balance	2021 Discounted Balance	2020 Discounted Balance	Deemed Interest Rate
SCDP	December 2021	\$ 80,000	\$ 73,316	\$ 72,048	7.00 %
SCDP	December 2026	155,520	99,963	98,800	7.00
CHFA	January 2027	99,000	99,000	99,000	0.00
SCDP	November 2027	150,000	90,959	89,387	7.00
SCDP	February 2029	50,000	27,787	27,306	7.00
SCDP	February 2029	63,315	33,783	33,198	7.00
SCDP	December 2031	30,350	14,585	14,332	7.00
SCDP	January 2032	40,265	25,551	25,398	4.00
SCDP	February 2032	42,375	26,843	26,682	4.00
SCDP	February 2033	51,750	31,671	31,489	4.00
SCDP	March 2034	43,000	25,904	25,768	3.73
SCDP	April 2034	35,048	21,363	21,257	3.62
SCDP	April 2035	186,000	105,763	66,051	7.00
SCDP	June 2035	34,660	21,993	21,915	3.06
SCDP	June 2035	87,880	55,763	55,565	3.06
SCDP	June 2035	40,000	30,865	30,339	1.72
SCDP	June 2036	30,000	20,050	20,000	2.55
SCDP	April 2037	75,000	48,857	47,552	2.71
SCDP	January 2038	280,000	116,525	115,853	4.00
SCDP	April 2041	69,000	29,909	29,731	4.00
SCDP	March 2042	210,000	170,239	168,544	1.00
SCDP	May 2042	60,000	25,463	25,317	4.00
SCDP	May 2043	135,000	104,685	103,644	1.00
SCDP	May 2044	98,612	43,847	43,656	3.40
SCDP	September 2044	80,000	35,881	37,126	3.17
SCDP	December 2044	54,419	28,537	27,764	2.75
SCDP	July 2054	72,558	24,713	23,917	3.26
SCDP	December 2050	61,395	58,437	-	0.25
		<u>\$ 2,415,147</u>	<u>\$ 1,492,252</u>	<u>\$ 1,381,639</u>	

## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 8. Line of Credit Borrowings, Mortgages, and Notes Payable *(continued)*

#### *Third Category*

The third category consists of those mortgages and notes which require no principal or interest payments until maturity, have a stated interest rate, and require that the Organization comply with various requirements from CHFA. This category of loans is secured by the assets of Atlantic and Colony. On June 30, 2014, Atlantic and Colony entered into a mortgage modification agreement with CHFA which modified the mortgages such that no monthly payments of interest would be required and extended the maturity date of the notes. All accrued but unpaid interest is payable on the maturity date. As of June 30, 2021 and 2020, cumulative accrued but unpaid interest of \$294,000 and \$252,000 was reported in accounts payable and accrued expenses on the consolidated statements of financial position. Notes accruing interest payments until the maturity date consist of the following as of June 30:

Lender	Maturity Date	2021 Note Balance	2020 Note Balance	Interest Rate
CHFA	June 2041	\$ 1,812,500	\$ 1,812,500	1.00 %
CHFA	June 2041	362,500	362,500	1.00
CHFA	March 2042	337,500	337,500	1.00
CHFA	March 2042	1,687,500	1,687,500	1.00
		<u>\$ 4,200,000</u>	<u>\$ 4,200,000</u>	

### 9. Paycheck Protection Program Loan

On April 16, 2020, Inspirica received loan proceeds in the amount of \$758,900 under the Paycheck Protection Program (the "PPP"). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"), provides for loans to qualifying entities for amounts up to 2.5 times the 2019 average monthly payroll expenses of the qualifying entity. The PPP loan bears an interest rate of 1% per annum.

All or a portion of the PPP loan principal and accrued interest are forgivable as long as the borrower uses the loan proceeds for eligible purposes, as described in the CARES Act, over a period between eight and twenty-four weeks (the "Covered Period"). The amount of loan forgiveness could be reduced if the borrower terminates employees or reduces salaries above a certain threshold during the Covered Period and does not qualify for certain safe harbors. The unforgiven portion of the PPP Loan, if any, is payable within two years from the date of the PPP loan with a deferral of payments of principal or interest until the amount of loan forgiveness is approved by the United States Small Business Administration ("SBA").

As of June 30, 2021, the PPP loan is recognized as debt on the consolidated statements of financial position. Inspirica will recognize the income from the forgiveness of the PPP loan when it receives the notification of forgiveness from SBA in accordance with Accounting Standards Codification 470, *Debt*. As of July 1, 2021, the SBA has notified Inspirica that the PPP loan has been forgiven.

## Inspirica, Inc. and Affiliates

### Notes to Consolidated Financial Statements June 30, 2021 and 2020

#### 10. Leases and Rents

992 LP entered into a 98-year land lease with Inspirica for the Property (see Note 1). The annual base rent is \$1 per annum. The base rent for the entire term has been prepaid. 992 LP is responsible for all costs associated with the Property during the lease term. 992 LP completed construction of a 48-unit apartment complex on the Property for low income persons 55 years or older. At the end of the lease term, all permanent improvements to the Property shall transfer to Inspirica. 992 LLC entered into a joint venture agreement with Rippowam Corporation, the remaining 50% owner in 992 Corp. The Organization was appointed the service provider to provide support services to the residents of the apartment complex.

On July 18, 1995, the Organization entered into a lease for 8 Woodland Place with the Episcopal Diocese of Connecticut and St. John's Episcopal Church of Stamford, CT (the "Church"). The lease term is ninety-nine years, commencing July 1, 1993 and ending June 30, 2092, with a term rental of \$99, which was paid in advance. The Organization has incurred costs of renovations of approximately \$2,400,000 which will revert to the Church at the end of the lease. Since the cost of the leasehold improvements exceed the fair rental value of the property over the extended term of the lease agreement, the Organization has not recorded any contribution income in connection with the use of the facility.

The Organization has a lease agreement on Metcalf House. The lease agreement expires on June 30, 2022 unless the Organization exercises an optional renewal for an additional year with a 2% annual increase on base rent. Rent expense incurred under this lease was \$49,988 and \$49,008 for the years ended June 30, 2021 and 2020. Minimum future annual lease payments during the year ending June 30, 2022 are \$50,988.

#### 11. Restrictions and Designations of Net Assets

##### *Designations*

The Board of Directors authorized and maintains the Richard L. Schuster ("RLS") operating reserve fund. Through June 30, 2021, the Board has authorized at various times a total of \$1,451,770 to the fund. At June 30, 2021 and 2020, the balance was \$2,097,546 and \$1,818,896, which includes investment income earned on the funds.

The Board authorized and maintains the Capital Reserve Fund. The purpose of the fund is to ensure the maintenance, upkeep and improvement of Inspirica's facilities when such maintenance, upkeep and improvement cannot be procured through other funds. It may also be used towards the purchase of new facilities. Through June 30, 2021, the Board has authorized at various times a total of \$900,000 to the fund. As of June 30, 2021 and 2020, the balance was \$1,258,048 and \$1,093,621, which included investment income earned on the funds.

The Board authorized and maintains the Strategic Plan fund. The purpose of the fund is to implement strategic initiatives that are the result of the ongoing Strategic Planning initiative. Through June 30, 2021, the Board has designated at various times transfers to and from the fund totaling a net of \$545,199. As of June 30, 2021 and 2020, the balance was \$841,188 and \$731,244, which included investment income earned on the funds.

## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 11. Restrictions and Designations of Net Assets *(continued)*

#### **Restrictions**

Net assets with donor restrictions, including unconditional promises to give, were available for the following purposes at June 30:

	2021	2020
Subject to a specific purpose		
Children's Community/Scholarships/Youth Services	\$ -	\$ 89,560
Early Childhood & Parenting	496,129	525,528
Two Generation (Family, Parenting, or Youth Services)	436,809	459,809
Education & Employment	490,152	498,946
McKinney - Bread and Roses	69	7,669
Housing Stability fund	31,679	62,390
Unappropriated endowment earnings (see Note 7)	3,370,375	2,232,808
Voluntary Services	4,345	4,952
NAA Neighborhood Assistance Act Tax Credit Program	171,918	46,028
Coronavirus (COVID-19)	-	44,299
Time restricted	97,539	107,044
Present value discount on notes payable (see Note 8)	922,895	972,113
Total Purpose Restrictions	6,021,910	5,051,146
Held in Perpetuity		
Endowment fund - earnings unrestricted	2,709,341	2,709,341
Endowment fund - earnings restricted to		
Children's Community scholarships	147,902	147,902
Legacy Bread & Roses	10,210	10,210
Total Held in Perpetuity	2,867,453	2,867,453
Total Net Assets With Donor Restrictions	\$ 8,889,363	\$ 7,918,599

## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 11. Restrictions and Designations of Net Assets *(continued)*

#### *Restrictions (continued)*

Net assets released from restrictions during the years ended June 30, by incurring expenses that satisfy the restricted purpose or by the occurrence of other events specified by donors, were as follows:

	2021	2020
Children's Community/Scholarships/Youth Services	\$ 89,560	\$ 176,940
Early Childhood & Parenting	200,074	137,498
Two Generation (Family, Parenting, or Youth Services)	100,000	100,000
Education & Employment	62,294	46,092
Independence Fund - HIV/AIDS	-	69
McKinney-Bread and Roses	7,669	38,720
Housing Stability fund	30,711	34,734
Voluntary Services	607	405
NAA Neighborhood Assistance Act Tax Credit Program	22,050	-
Coronavirus (COVID-19)	44,299	-
72 Franklin Avenue	-	4,787,044
Time restricted	107,044	193,490
Present value discount on notes payable (Note 8)	52,212	50,008
	\$ 716,520	\$ 5,565,000

### 12. Liens and Promissory Notes

Grantors have placed various liens on or obtained promissory notes collateralized by property owned and leased by the Organization. The liens and notes expire at various dates in the future without payment required if the properties are still providing the services performed when the various grants were obtained. No liabilities have been recognized in the accompanying consolidated financial statements for the following:

Property	Grantor	Original Amount	Expiration
8 Woodland Place	City of Stamford	\$ 136,600	June 30, 2022 - 2026
28 Rose Park Avenue	City of Stamford	210,000	June 30, 2033
20 Woodland Place	Department of Social Services	63,300	June 30, 2022
8 Woodland Place and 141 Franklin St	Department of Housing	95,100	May 31, 2036

### 13. Pension Plan

The Organization has a 403(b) voluntary retirement savings plan. No employer contributions were made to the plan, or required, for the years ended June 30, 2021 and 2020.



## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 14. Concentration of Credit Risk and Related Parties

The Organization maintains cash balances at multiple financial institutions. Accounts at each banking institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 and accounts at each brokerage institution are insured by the Securities Investor Protection Corporation up to \$500,000 (\$250,000 for cash). The Organization has not experienced any loss in such accounts. As of June 30, 2021 and 2020, the uninsured balance is approximately \$12,075,000 and \$10,974,000. The Organization believes it is not exposed to any significant credit risk on its cash and investment balances.

At June 30, 2021 and 2020, approximately 65% and 83% of unconditional promises to give were from two donors. Board members donated approximately \$271,000 and \$352,000 for the years ended June 30, 2021 and 2020. For the year ended June 30, 2020, one donor accounted for 17% of contributions.

One special event represented approximately 94% and 96% of net special event income for the years ended June 30, 2021 and 2020.

A significant portion of the Organization's support and revenue is from government grants and fees. For the years ended June 30, 2021 and 2020, approximately \$2,310,000 and \$1,941,000 of government grant income recognized was received directly from the State of Connecticut. For the years ended June 30, 2021 and 2020, the Organization recognized government grant income of approximately \$304,000 and \$306,000 received directly from the City of Stamford, Connecticut. The Organization also receives directly and indirectly various grants funded by the United States of America. As with all government funding, these grants and fees may be subject to reduction or termination in future years. Any significant reduction in these grants and fees could have a negative impact on the Organization's program services.

The Organization's operations are concentrated in the Fairfield County, Connecticut geographical area. Buildings and land owned by the Organization are concentrated in the City of Stamford, Connecticut.

### 15. Liquidity and Availability

The following reflects the Organization's available financial assets, reduced by amounts not available for general use within one year. Amounts not available for use within one year include financial assets received with donor restrictions that are designated for a specific purpose, timeline or contractual obligation, and have been earmarked as resources available for future years.

## Inspirica, Inc. and Affiliates

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### 15. Liquidity and Availability *(continued)*

Total financial assets available to meet cash needs for general expenditure within one year at June 30 are as follows:

	2021	2020
Cash, cash equivalents, and restricted cash	\$ 3,220,341	\$ 3,565,969
Unconditional promises to give, net	382,401	418,101
Government grants receivable	269,873	181,134
Accounts receivable	135,506	92,504
Investments	10,434,610	8,744,022
Total Financial Assets Available Within One Year	14,442,731	13,001,730

Less Amounts Unavailable for General Expenditures

Within One Year Due To:

Net assets with donor restrictions:

Cash held for tenant security deposits	75,956	102,971
Cash held for future capital expenditures	171,918	46,028
Unexpended net assets with donor restrictions	6,021,910	5,051,146
Net unconditional promises to give due in over one year	-	98,039
Net assets with donor restrictions held in perpetuity	2,867,453	2,867,453
Board designated net assets	4,196,782	3,643,761
	13,334,019	11,809,398

Total Financial Assets Available to Meet Cash

Needs for General Expenditures Within One Year	\$ 1,108,712	\$ 1,192,332
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### 16. Investments in Property and Equipment, Restricted Deposits, and Funded Reserves, Net of Related Debt and Net Assets With Donor Restrictions

The following table presents the items that comprise investments in property and equipment, restricted deposits, and funded reserves, net of related debt and net assets with donor restrictions as of June 30:

	2021	2020
Property and equipment, net	\$ 21,613,371	\$ 21,810,081
Restricted deposits and funded reserves	2,312,927	2,372,157
Line of credit borrowings, mortgages, and notes payable	(6,241,362)	(6,150,254)
Net assets with donor restrictions		
Present value discount on notes payable (see Note 8)	(922,895)	(972,113)
	\$ 16,762,041	\$ 17,059,871

## **Inspirica, Inc. and Affiliates**

Notes to Consolidated Financial Statements  
June 30, 2021 and 2020

### **17. COVID-19**

The Organization's operations and financial performance may be affected by the coronavirus outbreak, which has spread globally and is expected to adversely affect economic conditions throughout the world. If the outbreak continues and conditions worsen, the Organization may experience a disruption in operations as well as a decline in grants, contributions and other revenue streams. The outbreak is likely to adversely affect the Organization's business, financial conditions and results of operations on an interim basis.

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# **Inspirica, Inc. and Affiliates**

Consolidated Supplementary Information

June 30, 2021 and 2020

Inspirica, Inc. and Affiliates

Consolidating Statement of Financial Position  
June 30, 2021

	Inspirica, Inc.	72 Franklin Street LLC	992 Summer Street LLC	Atlantic PSH LLC	Colony PSH LLC	Total Before Eliminations	Eliminations	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 2,140,469	\$ 290,014	\$ -	\$ 314,031	\$ 227,953	\$ 2,972,467	\$ -	\$ 2,972,467
Cash held for tenant security deposits	-	39,978	-	14,791	21,187	75,956	-	75,956
Cash held for future capital expenditures	171,918	-	-	-	-	171,918	-	171,918
Total Cash, Cash Equivalents, and Restricted Cash	2,312,387	329,992	-	328,822	249,140	3,220,341	-	3,220,341
Unconditional promises to give, net	382,401	-	-	-	-	382,401	-	382,401
Government grants receivable	260,335	-	-	4,083	5,455	269,873	-	269,873
Accounts receivable	110,837	21,128	-	230	3,311	135,506	-	135,506
Prepaid expenses and other current assets	58,899	-	-	5,185	5,736	69,820	-	69,820
Intercompany receivables	-	516,360	100	-	-	516,460	(516,460)	-
Investments	10,434,610	-	-	-	-	10,434,610	-	10,434,610
Investment in limited liability companies	11,244,655	-	-	-	-	11,244,655	(11,244,655)	-
Restricted deposits and funded reserves	-	-	-	1,022,152	1,290,775	2,312,927	-	2,312,927
Property and equipment, net	8,909,535	8,585,864	-	2,220,327	1,897,645	21,613,371	-	21,613,371
	<u>\$ 33,713,659</u>	<u>\$ 9,453,344</u>	<u>\$ 100</u>	<u>\$ 3,580,799</u>	<u>\$ 3,452,062</u>	<u>\$ 50,199,964</u>	<u>\$ (11,761,115)</u>	<u>\$ 38,438,849</u>
<b>LIABILITIES AND NET ASSETS</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	\$ 319,054	\$ 6,171	\$ -	\$ 157,670	\$ 170,008	\$ 652,903	\$ -	\$ 652,903
Intercompany payables	281,234	-	-	97,754	137,472	516,460	(516,460)	-
Refundable government grants	37,499	-	-	-	-	37,499	-	37,499
Security deposits and agency funds	16,594	77,450	-	8,048	13,153	115,245	-	115,245
Paycheck Protection Program Loan	758,900	-	-	-	-	758,900	-	758,900
Line of credit borrowings, mortgages, and notes payable	1,667,438	-	-	2,294,239	2,279,685	6,241,362	-	6,241,362
Total Liabilities	<u>3,080,719</u>	<u>83,621</u>	<u>-</u>	<u>2,557,711</u>	<u>2,600,318</u>	<u>8,322,369</u>	<u>(516,460)</u>	<u>7,805,909</u>
<b>Net Assets</b>								
<b>Without Donor Restrictions</b>								
Operations	11,227,593	783,859	100	74,848	(56,991)	12,029,409	(11,244,655)	784,754
<b>Board Designated Funds</b>								
RLS Operating Reserve Fund	2,097,546	-	-	-	-	2,097,546	-	2,097,546
Capital Reserve Fund	1,258,048	-	-	-	-	1,258,048	-	1,258,048
Strategic Plan Fund	841,188	-	-	-	-	841,188	-	841,188
Total Board Designated Funds	<u>4,196,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,196,782</u>	<u>-</u>	<u>4,196,782</u>
Total Operations and Board Designated Net Assets Without Donor Restrictions	15,424,375	783,859	100	74,848	(56,991)	16,226,191	(11,244,655)	4,981,536
Investment in property and equipment, restricted deposits, and funded reserves, net of related debt and net assets with donor restrictions	6,389,278	8,585,864	-	908,479	878,420	16,762,041	-	16,762,041
Total Net Assets Without Donor Restrictions	<u>21,813,653</u>	<u>9,369,723</u>	<u>100</u>	<u>983,327</u>	<u>821,429</u>	<u>32,988,232</u>	<u>(11,244,655)</u>	<u>21,743,577</u>
With donor restrictions	8,819,287	-	-	39,761	30,315	8,889,363	-	8,889,363
Total Net Assets	<u>30,632,940</u>	<u>9,369,723</u>	<u>100</u>	<u>1,023,088</u>	<u>851,744</u>	<u>41,877,595</u>	<u>(11,244,655)</u>	<u>30,632,940</u>
	<u>\$ 33,713,659</u>	<u>\$ 9,453,344</u>	<u>\$ 100</u>	<u>\$ 3,580,799</u>	<u>\$ 3,452,062</u>	<u>\$ 50,199,964</u>	<u>\$ (11,761,115)</u>	<u>\$ 38,438,849</u>

See Independent Auditors' Report

**Inspirica, Inc. and Affiliates**

Consolidating Statement of Financial Position  
June 30, 2020

	Inspirica, Inc.	72 Franklin Street LLC	992 Summer Street LLC	Atlantic PSH LLC	Colony PSH LLC	Total Before Eliminations	Eliminations	Total
<b>ASSETS</b>								
Cash and cash equivalents	\$ 2,860,353	\$ 171,232	\$ -	\$ 236,626	\$ 148,759	\$ 3,416,970	\$ -	\$ 3,416,970
Cash held for tenant security deposits	-	76,321	-	12,253	14,397	102,971	-	102,971
Cash held for future capital expenditures	46,028	-	-	-	-	46,028	-	46,028
Total Cash, Cash Equivalents, and Restricted Cash	2,906,381	247,553	-	248,879	163,156	3,565,969	-	3,565,969
Unconditional promises to give, net	418,101	-	-	-	-	418,101	-	418,101
Government grants receivable	161,085	-	-	9,139	10,910	181,134	-	181,134
Accounts receivable	54,921	5,151	-	20,562	11,870	92,504	-	92,504
Prepaid expenses and other current assets	87,235	-	-	5,135	5,682	98,052	-	98,052
Intercompany receivables	140,406	308,795	100	-	-	449,301	(449,301)	-
Investments	8,744,022	-	-	-	-	8,744,022	-	8,744,022
Investment in limited liability companies	11,140,350	-	-	-	-	11,140,350	(11,140,350)	-
Restricted deposits and funded reserves	-	-	-	1,066,448	1,305,709	2,372,157	-	2,372,157
Property and equipment, net	8,971,425	8,751,062	-	2,148,695	1,938,899	21,810,081	-	21,810,081
	<u>\$ 32,623,926</u>	<u>\$ 9,312,561</u>	<u>\$ 100</u>	<u>\$ 3,498,858</u>	<u>\$ 3,436,226</u>	<u>\$ 48,871,671</u>	<u>\$ (11,589,651)</u>	<u>\$ 37,282,020</u>
<b>LIABILITIES AND NET ASSETS</b>								
Liabilities								
Accounts payable and accrued expenses	\$ 415,606	\$ 686	\$ -	\$ 133,391	\$ 144,426	\$ 694,109	\$ -	\$ 694,109
Intercompany payables	308,895	-	-	85,346	55,060	449,301	(449,301)	-
Refundable government grants	37,499	-	-	15,394	-	52,893	-	52,893
Security deposits and agency funds	12,332	76,321	-	11,503	14,080	114,236	-	114,236
Paycheck Protection Program Loan	758,900	-	-	-	-	758,900	-	758,900
Line of credit borrowings, mortgages, and notes payable	1,579,066	-	-	2,292,544	2,278,644	6,150,254	-	6,150,254
Total Liabilities	3,112,298	77,007	-	2,538,178	2,492,210	8,219,693	(449,301)	7,770,392
Net Assets								
Without Donor Restrictions								
Operations	11,529,022	484,492	100	38,081	(21,948)	12,029,747	(11,140,350)	889,397
Board Designated Funds								
RLS Operating Reserve Fund	1,818,896	-	-	-	-	1,818,896	-	1,818,896
Capital Reserve Fund	1,093,621	-	-	-	-	1,093,621	-	1,093,621
Strategic Plan Fund	731,244	-	-	-	-	731,244	-	731,244
Total Board Designated Funds	3,643,761	-	-	-	-	3,643,761	-	3,643,761
Total Operations and Board Designated								
Net Assets Without Donor Restrictions	15,172,783	484,492	100	38,081	(21,948)	15,673,508	(11,140,350)	4,533,158
Investment in property and equipment, restricted deposits, and funded reserves, net of related debt and net assets with donor restrictions	6,493,058	8,751,062	-	881,143	934,608	17,059,871	-	17,059,871
Total Net Assets Without Donor Restrictions	21,665,841	9,235,554	100	919,224	912,660	32,733,379	(11,140,350)	21,593,029
With donor restrictions								
	7,845,787	-	-	41,456	31,356	7,918,599	-	7,918,599
Total Net Assets	29,511,628	9,235,554	100	960,680	944,016	40,651,978	(11,140,350)	29,511,628
	<u>\$ 32,623,926</u>	<u>\$ 9,312,561</u>	<u>\$ 100</u>	<u>\$ 3,498,858</u>	<u>\$ 3,436,226</u>	<u>\$ 48,871,671</u>	<u>\$ (11,589,651)</u>	<u>\$ 37,282,020</u>

See Independent Auditors' Report

**Inspirica, Inc. and Affiliates**

Consolidating Statement of Activities  
Year Ended June 30, 2021

	Inspirica, Inc.	72 Franklin LLC	992 Summer Street LLC	Atlantic PSH LLC	Colony PSH LLC	Total Before Eliminations	Eliminations	Total
<b>OPERATING REVENUE</b>								
Contributions	\$ 1,855,262	\$ -	\$ -	\$ -	\$ -	\$ 1,855,262	\$ -	\$ 1,855,262
Government grants	3,021,509	-	-	139,000	65,457	3,225,966	(114,457)	3,111,509
Client fees and rental income	668,281	549,797	-	367,779	333,725	1,919,582	-	1,919,582
Special events, net of direct donor benefits of \$52,619	260,059	-	-	-	-	260,059	-	260,059
In-kind contributions	26,726	-	-	-	-	26,726	-	26,726
Management fees	581,436	-	-	-	-	581,436	(581,436)	-
Other income	213,739	52,042	-	-	-	265,781	-	265,781
Total Public Support and Revenue	<u>6,627,012</u>	<u>601,839</u>	<u>-</u>	<u>506,779</u>	<u>399,182</u>	<u>8,134,812</u>	<u>(695,893)</u>	<u>7,438,919</u>
<b>EXPENSES</b>								
Program Services								
Permanent supportive/deeply affordable housing	1,839,256	467,675	-	431,977	474,069	3,212,977	(677,462)	2,535,515
New Beginnings Program for Persons Facing Homelessness	2,007,473	-	-	-	-	2,007,473	-	2,007,473
Youth services	362,755	-	-	-	-	362,755	-	362,755
Mental illness programs	874,437	-	-	-	-	874,437	-	874,437
Bread & Roses Programs for People Living with HIV/AIDS	498,882	-	-	-	-	498,882	-	498,882
Education & employment	190,585	-	-	-	-	190,585	-	190,585
Not-for-profit tenant services	618,851	-	-	-	-	618,851	-	618,851
Holiday gift collection	36,628	-	-	-	-	36,628	-	36,628
Total Program Services	<u>6,428,867</u>	<u>467,675</u>	<u>-</u>	<u>431,977</u>	<u>474,069</u>	<u>7,802,588</u>	<u>(677,462)</u>	<u>7,125,126</u>
Support Services								
Management and general	347,308	-	-	13,735	19,035	380,078	(18,431)	361,647
Fundraising	533,206	-	-	-	-	533,206	-	533,206
Total Expenses	<u>7,309,381</u>	<u>467,675</u>	<u>-</u>	<u>445,712</u>	<u>493,104</u>	<u>8,715,872</u>	<u>(695,893)</u>	<u>8,019,979</u>
Excess (Deficit) of Operating Revenue Over Expenses	<u>(682,369)</u>	<u>134,164</u>	<u>-</u>	<u>61,067</u>	<u>(93,922)</u>	<u>(581,060)</u>	<u>-</u>	<u>(581,060)</u>
<b>NONOPERATING ACTIVITIES</b>								
Investment return	1,699,376	5	-	1,341	1,650	1,702,372	-	1,702,372
Return on limited liability companies	104,305	-	-	-	-	104,305	(104,305)	-
Total Nonoperating Activities	<u>1,803,681</u>	<u>5</u>	<u>-</u>	<u>1,341</u>	<u>1,650</u>	<u>1,806,677</u>	<u>(104,305)</u>	<u>1,702,372</u>
Change in Net Assets	1,121,312	134,169	-	62,408	(92,272)	1,225,617	(104,305)	1,121,312
<b>NET ASSETS</b>								
Beginning of year	<u>29,511,628</u>	<u>9,235,554</u>	<u>100</u>	<u>960,680</u>	<u>944,016</u>	<u>40,651,978</u>	<u>(11,140,350)</u>	<u>29,511,628</u>
End of year	<u>\$ 30,632,940</u>	<u>\$ 9,369,723</u>	<u>\$ 100</u>	<u>\$ 1,023,088</u>	<u>\$ 851,744</u>	<u>\$ 41,877,595</u>	<u>\$ (11,244,655)</u>	<u>\$ 30,632,940</u>

See Independent Auditors' Report

**Inspirica, Inc. and Affiliates**

Consolidating Statement of Activities  
Year Ended June 30, 2020

	Inspirica, Inc.	72 Franklin LLC	992 Summer Street, LLC	Atlantic PSH LLC	Colony PSH LLC	Total Before Eliminations	Eliminations	Total
<b>OPERATING REVENUE</b>								
Contributions	\$ 1,963,838	\$ 425,000	\$ -	\$ -	\$ -	\$ 2,388,838	\$ -	\$ 2,388,838
Government grants	2,874,263	-	-	54,834	65,457	2,994,554	(123,519)	2,871,035
Client fees and rental income	636,433	374,052	-	358,744	329,242	1,698,471	-	1,698,471
Special events, net of direct donor benefits of \$7,026	237,765	-	-	-	-	237,765	-	237,765
In-kind contributions	617	-	-	-	-	617	-	617
Management fees	554,757	-	-	-	-	554,757	(554,757)	-
Other income	193,548	10,576	-	-	-	204,124	-	204,124
Total Public Support and Revenue	<u>6,461,221</u>	<u>809,628</u>	<u>-</u>	<u>413,578</u>	<u>394,699</u>	<u>8,079,126</u>	<u>(678,276)</u>	<u>7,400,850</u>
<b>EXPENSES</b>								
Program Services								
Permanent supportive/deeply affordable housing	1,732,614	398,094	-	464,995	449,768	3,045,471	(669,050)	2,376,421
New Beginnings Program for Persons Facing Homelessness	1,953,022	-	-	-	-	1,953,022	-	1,953,022
Youth services	358,310	-	-	-	-	358,310	-	358,310
Mental illness programs	946,256	-	-	-	-	946,256	-	946,256
Bread & Roses Programs for People Living with HIV/AIDS	465,108	-	-	-	-	465,108	-	465,108
Education & employment	152,195	-	-	-	-	152,195	-	152,195
Not-for-profit tenant services	551,083	-	-	-	-	551,083	-	551,083
Holiday gift collection	32,985	-	-	-	-	32,985	-	32,985
Total Program Services	<u>6,191,573</u>	<u>398,094</u>	<u>-</u>	<u>464,995</u>	<u>449,768</u>	<u>7,504,430</u>	<u>(669,050)</u>	<u>6,835,380</u>
Support Services								
Management and general	289,501	-	-	13,710	12,624	315,835	(9,226)	306,609
Fundraising	416,039	-	-	-	-	416,039	-	416,039
Total Expenses	<u>6,897,113</u>	<u>398,094</u>	<u>-</u>	<u>478,705</u>	<u>462,392</u>	<u>8,236,304</u>	<u>(678,276)</u>	<u>7,558,028</u>
Excess (Deficit) of Operating Revenue Over Expenses	<u>(435,892)</u>	<u>411,534</u>	<u>-</u>	<u>(65,127)</u>	<u>(67,693)</u>	<u>(157,178)</u>	<u>-</u>	<u>(157,178)</u>
<b>NONOPERATING ACTIVITIES</b>								
Investment return	253,167	744	-	13,218	14,027	281,156	-	281,156
Return on limited liability companies	306,703	-	-	-	-	306,703	(306,703)	-
Total Nonoperating Activities	<u>559,870</u>	<u>744</u>	<u>-</u>	<u>13,218</u>	<u>14,027</u>	<u>587,859</u>	<u>(306,703)</u>	<u>281,156</u>
Change in Net Assets	123,978	412,278	-	(51,909)	(53,666)	430,681	(306,703)	123,978
<b>NET ASSETS</b>								
Beginning of year	<u>29,387,650</u>	<u>8,823,276</u>	<u>100</u>	<u>1,012,589</u>	<u>997,682</u>	<u>40,221,297</u>	<u>(10,833,647)</u>	<u>29,387,650</u>
End of year	<u>\$ 29,511,628</u>	<u>\$ 9,235,554</u>	<u>\$ 100</u>	<u>\$ 960,680</u>	<u>\$ 944,016</u>	<u>\$ 40,651,978</u>	<u>\$ (11,140,350)</u>	<u>\$ 29,511,628</u>

See Independent Auditors' Report