

Options for Community Living, Inc. and Affiliates

Combined Financial Statements
and Supplementary Information

December 31, 2021 and 2020

Options for Community Living, Inc. and Affiliates

Table of Contents

December 31, 2021 and 2020

	<u>Page</u>
Independent Auditors' Report	1
Combined Financial Statements	
Combined Statements of Financial Position	3
Combined Statement of Activities and Change in Net Assets	4
Combined Statements of Functional Expenses	5
Combined Statements of Cash Flows	7
Notes to Combined Financial Statements	8
Supplementary Information	
Combining Statement of Financial Position	19
Combining Statement of Activities and Change in Net Assets	20

Independent Auditors' Report

To the Board of Directors of
Options for Community Living, Inc. and Affiliates

Opinion

We have audited the combined financial statements of Options for Community Living, Inc. and Affiliates (Options), which comprise the combined statements of financial position as of December 31, 2021 and 2020, and the related combined statement of activities and change in net assets for the year ended December 31, 2021, and functional expenses and cash flows for the years ended December 31, 2021 and 2020, and the related notes to the combined financial statements.

In our opinion, the accompanying combined financial statements present fairly, in all material respects, the combined financial position of Options as of December 31, 2021 and 2020, and the combined change in their net assets for the year ended December 31, 2021 and their combined cash flows for the years ended December 31, 2021 and 2020 in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Options and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter

Report on Summarized Comparative Information

We have previously audited the Options' 2020 combined financial statements, and we expressed an unmodified audit opinion on those combined audited financial statements in our report dated April 21, 2021. In our opinion, the summarized comparative information on the combined statement of activities and change in net assets presented herein for the year ended December 31, 2020 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

Responsibilities of Management for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of the combined financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Options' ability to continue as a going concern within one year after the date that the combined financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements.

In performing an audit in accordance with GAAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Options' internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Options' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the combined financial statements as a whole. The combining information on pages 19 to 20 is presented for purposes of additional analysis of the combined financial statements rather than to present the financial position, change in net assets and cash flows of the individual organizations, and it is not a required part of the combined 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 combined financial statements. The combining information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

Baker Tilly US, LLP

Uniondale, New York
April 13, 2022

Options for Community Living, Inc. and Affiliates

Combined Statements of Financial Position

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 3,668,121	\$ 5,331,501
Investments	4,744,258	4,532,083
Accounts receivable, net of allowance for doubtful accounts of \$110,000 and \$80,000, respectively	2,707,699	2,129,828
Prepaid expenses and other current assets	337,280	213,679
Total current assets	<u>11,457,358</u>	<u>12,207,091</u>
Assets Limited as to Use		
Reserve for replacements	1,739,429	1,671,230
Residual receipts reserve	39,764	39,768
Tenant deposits held in trust	124,734	127,501
Other assets limited as to use	307,959	251,527
	<u>2,211,886</u>	<u>2,090,026</u>
Land, Buildings and Improvements and Equipment, Net	<u>40,662,888</u>	<u>41,968,477</u>
Total assets	<u><u>\$ 54,332,132</u></u>	<u><u>\$ 56,265,594</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued expenses	\$ 717,383	\$ 656,374
Accrued salaries and related costs	921,623	900,863
Due to governmental agencies	1,681,905	1,722,085
Current portion of long-term debt	286,414	270,430
Deferred income	41,643	2,633,224
Other current liabilities	7,027	2,485
Total current liabilities	3,655,995	6,185,461
Long-Term Debt, Net	6,098,452	6,380,382
Tenant Deposits Held in Trust	124,734	127,501
Advance From New York State	384,565	384,565
Other Liabilities	74,100	152,236
Total liabilities	<u>10,337,846</u>	<u>13,230,145</u>
Net Assets		
Net assets without donor restrictions	43,841,063	42,899,859
Net assets with donor restrictions	153,223	135,590
Total net assets	<u>43,994,286</u>	<u>43,035,449</u>
Total liabilities and net assets	<u><u>\$ 54,332,132</u></u>	<u><u>\$ 56,265,594</u></u>

See notes to combined financial statements

Options for Community Living, Inc. and Affiliates

Combined Statement of Activities and Change in Net Assets
Year Ended December 31, 2021 (With Summarized Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
Revenue				
Program services:				
Mental health licensed programs	\$ 8,278,791	\$ -	\$ 8,278,791	\$ 7,522,450
Mental health supportive housing	5,259,825	-	5,259,825	4,906,958
ATC - care coordination	4,706,143	-	4,706,143	4,924,547
ATC - residential services	2,967,847	-	2,967,847	2,804,673
HUD Section 811 rental fees	1,722,052	-	1,722,052	1,687,526
Mainstream rent vouchers	1,081,411	-	1,081,411	1,118,554
Thrift shop	33,417	-	33,417	21,399
Total program services	<u>24,049,486</u>	<u>-</u>	<u>24,049,486</u>	<u>22,986,107</u>
Other revenue:				
Investment income	234,887	-	234,887	400,291
Contributions and grants	1,905,821	524,014	2,429,835	156,051
Miscellaneous income	5,394	-	5,394	4,389
Total other revenue	<u>2,146,102</u>	<u>524,014</u>	<u>2,670,116</u>	<u>560,731</u>
Net assets released from restrictions	<u>506,381</u>	<u>(506,381)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>26,701,969</u>	<u>17,633</u>	<u>26,719,602</u>	<u>23,546,838</u>
Expenses				
Program services:				
Mental health licensed programs	6,826,899	-	6,826,899	7,059,730
Mental health supportive housing	4,954,192	-	4,954,192	4,481,309
ATC - care coordination	4,192,405	-	4,192,405	4,372,371
ATC - residential services	3,616,512	-	3,616,512	3,512,603
HUD Section 811 housing	2,248,173	-	2,248,173	2,202,579
Mainstream rent vouchers	1,090,153	-	1,090,153	1,124,956
Thrift shop	57,871	-	57,871	47,531
Total program expenses	<u>22,986,205</u>	<u>-</u>	<u>22,986,205</u>	<u>22,801,079</u>
Supporting services:				
Management and general	<u>2,736,594</u>	<u>-</u>	<u>2,736,594</u>	<u>2,499,087</u>
Total expenses	<u>25,722,799</u>	<u>-</u>	<u>25,722,799</u>	<u>25,300,166</u>
Change in net assets before capital advances and residual receipts due to HUD	979,170	17,633	996,803	(1,753,328)
Capital Advances	-	-	-	85,073
Residual Receipts Due to HUD	<u>(37,966)</u>	<u>-</u>	<u>(37,966)</u>	<u>(49,281)</u>
Change in net assets	941,204	17,633	958,837	(1,717,536)
Net Assets, Beginning	<u>42,899,859</u>	<u>135,590</u>	<u>43,035,449</u>	<u>44,752,985</u>
Net Assets, Ending	<u>\$ 43,841,063</u>	<u>\$ 153,223</u>	<u>\$ 43,994,286</u>	<u>\$ 43,035,449</u>

See notes to combined financial statements

Options for Community Living, Inc. and Affiliates

Combined Statement of Functional Expenses

Year Ended December 31, 2021 (With Comparative Totals for 2020)

	Program Services							Supporting	2021	2020	
	Mental Health Licensed Programs	Mental Health Supportive Housing	ATC - Care Coordination	ATC - Residential Services	HUD Section 811 Housing	Mainstream Rent Vouchers	Thrift Shop	Management and General			
Salaries	\$ 3,567,817	\$ 1,844,300	\$ 2,666,067	\$ 728,605	\$ 347,697	\$ -	\$ 13,791	\$ 9,168,277	\$ 1,610,681	\$ 10,778,958	\$ 11,064,063
Payroll taxes and employee benefits	1,119,749	589,361	936,237	259,469	107,758	-	6,292	3,018,866	556,067	3,574,933	3,859,408
Total salaries, payroll taxes and employee benefits	4,687,566	2,433,661	3,602,304	988,074	455,455	-	20,083	12,187,143	2,166,748	14,353,891	14,923,471
Expenses:											
Money management, clients	146,365	-	-	-	-	-	-	146,365	-	146,365	147,870
Utilities	174,770	234,607	11,488	193,908	260,408	-	4,153	879,334	24,675	904,009	825,738
Rent and real estate taxes	234,344	1,317,978	61,255	17,150	-	-	-	1,630,727	-	1,630,727	1,538,069
Interest	246,961	23,823	6,171	2,610	-	-	-	279,565	16,404	295,969	306,013
Maintenance and repairs	193,962	207,945	17,626	264,394	277,307	-	2,147	963,381	27,317	990,698	831,350
Travel	49,366	33,905	49,233	12,169	-	-	-	144,673	2,817	147,490	137,866
Telephone	86,652	42,535	66,707	16,743	-	-	2,777	215,414	20,347	235,761	228,339
Office and computer expenses	103,758	57,152	57,178	23,518	-	-	640	242,246	45,604	287,850	261,909
Dues and subscriptions	5,013	11,928	15,298	1,686	-	-	-	33,925	5,265	39,190	23,098
Outreach and recruitment	3,951	4,842	3,700	1,236	-	-	694	14,423	30,655	45,078	31,328
Staff training and development	24,600	12,000	14,157	3,766	-	-	964	55,487	19,212	74,699	60,606
Insurance	76,985	45,628	19,678	63,174	54,625	-	1,001	261,091	18,618	279,709	240,184
Program supplies and expenses	20,323	42,031	194,463	37,243	52,649	-	231	346,940	3,400	350,340	231,595
Food	68,456	134	6,064	57	-	-	-	74,711	-	74,711	81,124
Household supplies	71,662	82,938	1,112	16,509	-	-	-	172,221	1,999	174,220	148,678
Contracted services and professional fees	289,359	161,255	45,433	186,861	330,635	8,741	8,584	1,030,868	275,175	1,306,043	993,262
Minor equipment	37,371	74,807	2,388	34,829	-	-	70	149,465	925	150,390	87,381
Rental assistance and related expenses	-	57,261	-	908,490	-	1,081,412	-	2,047,163	-	2,047,163	2,024,963
Bad debt	4,704	3,751	-	36,992	2,676	-	-	48,123	-	48,123	18,104
Depreciation	298,059	105,272	16,544	806,549	814,418	-	16,527	2,057,369	51,845	2,109,214	2,133,537
Miscellaneous expense	2,672	739	1,606	554	-	-	-	5,571	25,588	31,159	25,681
Total expenses	\$ 6,826,899	\$ 4,954,192	\$ 4,192,405	\$ 3,616,512	\$ 2,248,173	\$ 1,090,153	\$ 57,871	\$ 22,986,205	\$ 2,736,594	\$ 25,722,799	\$ 25,300,166

See notes to combined financial statements

Options for Community Living, Inc. and Affiliates

Combined Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services							Supporting Services		
	Mental Health Licensed Programs	Mental Health Supportive Housing	ATC - Care Coordination	ATC - Residential Services	HUD Section 811 Housing	Mainstream Rent Vouchers	Thrift Shop	Total	Management and General	Total
Salaries	\$ 3,863,167	\$ 1,730,708	\$ 2,831,544	\$ 739,075	\$ 339,310	\$ -	\$ 10,560	\$ 9,514,364	\$ 1,549,699	\$ 11,064,063
Payroll taxes and employee benefits	1,173,237	632,621	1,042,651	259,062	119,135	-	3,838	3,230,544	628,864	3,859,408
Total salaries, payroll taxes and employee benefits	5,036,404	2,363,329	3,874,195	998,137	458,445	-	14,398	12,744,908	2,178,563	14,923,471
Expenses:										
Money management, clients	147,870	-	-	-	-	-	-	147,870	-	147,870
Utilities	150,065	206,705	10,220	199,048	233,782	-	3,565	803,385	22,353	825,738
Rent and real estate taxes	221,304	1,237,780	61,934	17,051	-	-	-	1,538,069	-	1,538,069
Interest	253,216	25,665	6,010	2,542	-	-	-	287,433	18,580	306,013
Maintenance and repairs	132,395	122,814	16,618	238,517	293,447	-	3,467	807,258	24,092	831,350
Travel	50,787	32,356	39,931	11,671	-	-	17	134,762	3,104	137,866
Telephone	81,013	40,687	72,399	17,933	-	-	2,595	214,627	13,712	228,339
Office and computer expenses	92,854	45,969	52,031	19,971	-	-	135	210,960	50,949	261,909
Dues and subscriptions	5,249	11,937	446	1,718	-	-	-	19,350	3,748	23,098
Outreach and recruitment	3,415	1,230	7,790	67	-	-	-	12,502	18,826	31,328
Staff training and development	21,859	9,701	13,785	3,183	-	-	18	48,546	12,060	60,606
Insurance	66,827	37,764	16,892	53,982	47,623	-	1,118	224,206	15,978	240,184
Program supplies and expenses	20,909	13,439	137,997	9,189	47,767	-	552	229,853	1,742	231,595
Food	74,499	3,041	2,372	1,212	-	-	-	81,124	-	81,124
Household supplies	64,393	48,275	932	34,490	-	-	588	148,678	-	148,678
Contracted services and professional fees	293,365	127,294	42,032	151,134	300,734	6,939	4,348	925,846	67,416	993,262
Minor equipment	21,925	27,446	-	38,010	-	-	-	87,381	-	87,381
Rental assistance and related expenses	-	9,047	200	897,699	-	1,118,017	-	2,024,963	-	2,024,963
Bad debt	13,816	671	-	2,389	1,228	-	-	18,104	-	18,104
Depreciation	304,600	115,682	15,687	814,486	819,553	-	16,730	2,086,738	46,799	2,133,537
Miscellaneous expense	2,965	477	900	174	-	-	-	4,516	21,165	25,681
Total expenses	\$ 7,059,730	\$ 4,481,309	\$ 4,372,371	\$ 3,512,603	\$ 2,202,579	\$ 1,124,956	\$ 47,531	\$ 22,801,079	\$ 2,499,087	\$ 25,300,166

See notes to combined financial statements

Options for Community Living, Inc. and Affiliates

Combined Statements of Cash Flows
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 958,837	\$ (1,717,536)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Noncash grant for improvements and equipment additions	(151,581)	-
Noncash capital advance	-	(85,073)
Depreciation	2,109,214	2,133,537
Interest expense on debt issuance costs	14,074	13,046
Noncash principal payments	(64,575)	(231,057)
Increase in allowance for doubtful accounts	30,000	-
Realized and unrealized gain on investments	(131,852)	(304,996)
Donated investments	(310,910)	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(607,871)	22,249
Prepaid expenses and other current assets	(123,601)	(796)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	28,372	86,315
Accrued salaries and related costs	20,760	271,602
Due to governmental agencies	(40,180)	242,047
Deferred income	(2,591,581)	2,386,546
Other current liabilities	4,542	(3,551)
Tenant deposits held in trust	(2,767)	1,440
Other liabilities	(78,136)	(10,021)
Net cash flows from operating activities	<u>(937,255)</u>	<u>2,803,752</u>
Cash Flows From Investing Activities		
Proceeds from redemption of short-term investments	2,412,128	3,062,103
Purchases of short-term investments	(2,181,541)	(3,125,019)
Purchases of land, building and improvements and equipment	<u>(619,407)</u>	<u>(126,748)</u>
Net cash flows from investing activities	<u>(388,820)</u>	<u>(189,664)</u>
Cash Flows From Financing Activities		
Payments on line of credit	-	(1,273,000)
Principal payments on long-term debt	(208,188)	(197,178)
Payments of debt issuance costs	<u>(7,257)</u>	<u>-</u>
Net cash flows from financing activities	<u>(215,445)</u>	<u>(1,470,178)</u>
(Decrease) increase in cash and cash equivalents and restricted cash	(1,541,520)	1,143,910
Cash and Cash Equivalents and Restricted Cash, Beginning	<u>7,421,527</u>	<u>6,277,617</u>
Cash and Cash Equivalents and Restricted Cash, Ending	<u>\$ 5,880,007</u>	<u>\$ 7,421,527</u>
Reconciliation of Cash and Cash Equivalents and Restricted Cash to the Combined Statements of Financial Position		
Cash and cash equivalents	\$ 3,668,121	\$ 5,331,501
Tenant deposits held in trust	124,734	127,501
Reserve for replacements	1,739,429	1,671,230
Residual receipts reserve	39,764	39,768
Other assets limited as to use	<u>307,959</u>	<u>251,527</u>
Total cash and cash equivalents and restricted cash	<u>\$ 5,880,007</u>	<u>\$ 7,421,527</u>
Noncash Financing Activities		
Proceeds from mortgage (Note 17)	<u>\$ -</u>	<u>\$ 2,382,811</u>
Noncash Investing Activities		
Purchase of fixed assets recorded in accounts payable and accrued expenses	<u>\$ 32,637</u>	<u>\$ -</u>
Supplemental Disclosures of Cash Flow Information		
Cash paid during the year for interest	<u>\$ 195,709</u>	<u>\$ 204,332</u>

See notes to combined financial statements

Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2021 and 2020

1. Description of the Organization and Summary of Significant Accounting Policies

Nature of Operations

Options for Community Living, Inc. (Options) was incorporated under New York State law for the purpose of providing residential and support services to people with special needs. Options assures that families and individuals are offered the community resources essential to independent living and self-sufficiency. Options is a multifaceted agency, with programs serving adults with mental illness, individuals and families with HIV/AIDS and other chronic illness. Options' primary sources of funding are fees paid by contracts with the New York State Office of Mental Health (OMH) and Medicaid.

Options is affiliated through common board membership and control with OCL Properties, Inc., OCL Properties II, Inc., OCL Properties III East, Inc., OCL Properties III West, Inc., OCL Properties IV, Inc., OCL Properties V, Inc., OCL Properties VI, Inc., OCL Properties VII, Inc., OCL Properties VIII, Inc., OCL Properties IX, Inc., OCL Properties X, Inc., OCL Properties XI, Inc., OCL Properties XII, Inc., OCL Properties XIII, Inc., OCL Properties XIV, Inc. and OCL Properties XV, Inc. (the Projects). Their purpose is to establish, operate and provide housing for persons with chronic mental illness. The Projects' funding is derived primarily from capital advances and rental fees paid by the United States Department of Housing and Urban Development (HUD) and tenants under lease agreements with the tenants. The housing is provided in Suffolk County, New York.

Basis of Accounting

These combined financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America (U.S. GAAP).

Principles of Combination

The combined financial statements include the accounts of Options for Community Living, Inc. and its Affiliates, which have been combined. All intercompany transactions have been eliminated. As used herein, Options includes Options for Community Living, Inc. and its Affiliates.

Restricted Deposits

Restricted deposits, which consist of cash, include assets restricted under regulatory agreements executed with HUD and residents' deposits. The use of interest earned on these cash balances is also limited.

Fixed Assets and Depreciation

Fixed assets are stated at cost. All fixed assets other than land are depreciated on a straight-line basis over the estimated useful lives of the related assets, which range from 3 to 25 years. Options capitalizes fixed asset purchases with a cost of \$5,000 or more.

Investments

Investments consist primarily of mutual funds, treasury notes and bonds and are carried at fair value. Realized and unrealized gains and losses on investments are reported in the combined statement of activities and change in net assets as increases or decreases in net assets without donor restrictions.

Net Assets

Options' financial presentation distinguishes between net assets with or without donor restrictions and change in net assets with or without donor restrictions, as follows:

Net Assets Without Donor Restrictions - Net assets which have not been donor restricted, and are, therefore, available for use in carrying out the operations of Options.

Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2021 and 2020

Net Assets With Donor Restrictions - Net assets which have been limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled and removed by the actions of Options pursuant to those stipulations and net assets subject to donor-imposed restrictions that stipulate resources be maintained in perpetuity. Options has no net assets required to be maintained in perpetuity.

Contribution Income

Government Support

Revenues from government grants are recognized when earned, generally by incurring qualifying expenses. Expense-based grants are recognized as allowable expenses are incurred. Performance-based grants are recognized as performance obligations are met. Advances on government grants are recorded as deferred income until earned.

Contributions and Grants

Options reports gifts of cash or other assets as restricted support, if they are received with donor stipulations that limit the use of the donated assets. When net assets with donor restrictions expire, 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 combined statement of activities and change in net assets as net assets released from restrictions.

Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, Options reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Conditional contributions, including conditional promises to give, are not recognized until they become unconditional, that is, when the conditions, which include a barrier and right of return or release, are substantially met.

Revenue From Contracts

Revenue from contracts includes tenant fees, third-party reimbursements, including Medicaid, OMH, and HUD and portions of some government contracts. Such revenues are recognized at the point in time services are rendered or, if related to housing, during the month when housing is provided at contractual rates or, in the case of third-party reimbursements, at the net realizable value. Subsequent adjustments to net realizable value are recorded as reductions to revenue when made. Advances on contracts are recorded as deferred income until earned.

Fair Value

In accordance with Accounting Standards Codification (ASC) 820, Options must determine whether its assets and liabilities recorded at fair value are valued based on Level 1 (valued based on quoted prices in an active market for identical assets), Level 2 (valued based on significant other observable inputs) or Level 3 (valued based on significant unobservable inputs) measurements.

Combined Statements of Cash Flows

For purposes of the combined statements of cash flows, Options considers all highly liquid debt instruments with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash held by investment managers is included in investments, as Options considers these balances to be invested for long-term purpose.

Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2021 and 2020

Allocation of Expenses on a Functional Basis

The cost of providing the various programs and other activities have been reported on a functional basis in the combined statements of activities and change in net assets and functional expenses. Some expenses are directly identified to their related programs and supporting function and are reported accordingly. Salaries and wages and fringe benefits are mainly allocated based on actual time and effort reported by staff. Occupancy costs, repairs and maintenance and depreciation related to the administrative office are allocated based on square footage.

Income Taxes

Options and the Projects qualify as tax-exempt not-for-profit organizations under Section 501(c)(3) of the Internal Revenue Code and as not-for-profit corporations under the laws of New York State. Accordingly, no provision for federal or state income taxes is required.

Uncertain Tax Positions

Management has evaluated Options' tax positions and concluded that Options has not taken any uncertain tax positions that require adjustment to the combined financial statements to comply with the provisions of ASC 740.

Estimates

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

Allowance for Doubtful Accounts

Management must make estimates of the uncollectibility of accounts receivable. Management specifically analyzes accounts receivable, historical bad debts, current funding trends and changes in payment terms and rates when evaluating the adequacy of the allowance for doubtful accounts.

Subsequent Events

Management has evaluated subsequent events through April 13, 2022, the date the combined financial statements are available for issuance, for inclusion or disclosure in the combined financial statements.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and lease liabilities on the combined statements of financial position and disclosing key information about leasing arrangements. ASU 2016-02 is effective for Options for fiscal years beginning after December 15, 2021. Management is currently evaluating the impact of ASU 2016-02 on Options' combined financial statements.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. ASU 2020-07 improves financial reporting by providing new presentation and disclosure requirements about contributed nonfinancial assets, including additional disclosure requirements for recognized contributed services. The standard will be required to be applied retrospectively for annual periods beginning after June 15, 2021. Management is currently evaluating the impact of ASU 2020-07 on Options' combined financial statements.

Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2021 and 2020

2. Program Service Revenue

Options disaggregates program service revenue, including revenue from contracts and government and other grants, by type of service and payor source as this depicts the nature, amount and timing of revenue. Performance obligations are satisfied as services are rendered. Payments are due upon receipt of related billing.

The following table represents program service revenue for the year ended December 31, 2021:

	Mental Health Licensed Programs	Mental Health Supportive Housing	ATC - Care Coordination	ATC - Residential Services	HUD Section 811 Rental Fees	Mainstream Rent Vouchers	Thrift Shop	Total
Revenue from contracts:								
Medicaid	\$ 5,908,289	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,908,289
NYS OMH	-	3,707,075	-	-	-	-	-	3,707,075
Medicaid Managed Care	315,270	-	3,753,659	-	-	-	-	4,068,929
Tenant fees	1,527,425	562,936	417	760,442	706,769	-	-	3,557,989
HUD	-	-	-	-	1,015,283	-	-	1,015,283
Other	-	-	195,773	-	-	-	33,417	229,190
Total revenue from contracts	<u>7,750,984</u>	<u>4,270,011</u>	<u>3,949,849</u>	<u>760,442</u>	<u>1,722,052</u>	<u>-</u>	<u>33,417</u>	<u>18,486,755</u>
Government and other grants:								
NYS OMH	506,768	480	-	-	-	-	-	507,248
HUD	-	209,765	-	867,143	-	1,081,411	-	2,158,319
NYS OTDA	-	777,669	-	257,113	-	-	-	1,034,782
NYS DOH	-	-	-	883,028	-	-	-	883,028
Health Research, Inc.	-	-	453,606	-	-	-	-	453,606
Other	21,039	1,900	302,688	200,121	-	-	-	525,748
Total government and other grants	<u>527,807</u>	<u>989,814</u>	<u>756,294</u>	<u>2,207,405</u>	<u>-</u>	<u>1,081,411</u>	<u>-</u>	<u>5,562,731</u>
Total program service revenue	<u>\$ 8,278,791</u>	<u>\$ 5,259,825</u>	<u>\$ 4,706,143</u>	<u>\$ 2,967,847</u>	<u>\$ 1,722,052</u>	<u>\$ 1,081,411</u>	<u>\$ 33,417</u>	<u>\$ 24,049,486</u>

The following table represents program service revenue for the year ended December 31, 2020:

	Mental Health Licensed Programs	Mental Health Supportive Housing	ATC - Care Coordination	ATC - Residential Services	HUD Section 811 Rental Fees	Mainstream Rent Vouchers	Thrift Shop	Total
Revenue from contracts:								
Medicaid	\$ 4,698,960	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,698,960
NYS OMH	-	3,567,029	-	-	-	-	-	3,567,029
Medicaid Managed Care	289,028	-	3,800,197	-	-	-	-	4,089,225
Tenant fees	1,536,559	562,393	-	795,656	692,658	-	-	3,587,266
HUD	-	-	-	-	994,868	-	-	994,868
Other	-	-	161,566	-	-	-	21,399	182,965
Total revenue from contracts	<u>6,524,547</u>	<u>4,129,422</u>	<u>3,961,763</u>	<u>795,656</u>	<u>1,687,526</u>	<u>-</u>	<u>21,399</u>	<u>17,120,313</u>
Government and other grants:								
NYS OMH	378,251	477	-	-	-	-	-	378,728
HUD	-	8,651	-	794,949	-	1,118,554	-	1,922,154
NYS OTDA	-	767,752	-	275,265	-	-	-	1,043,017
NYS DOH	-	-	-	938,238	-	-	-	938,238
Health Research, Inc.	-	-	487,481	-	-	-	-	487,481
Other	619,652	656	475,303	565	-	-	-	1,096,176
Total government and other grants	<u>997,903</u>	<u>777,536</u>	<u>962,784</u>	<u>2,009,017</u>	<u>-</u>	<u>1,118,554</u>	<u>-</u>	<u>5,865,794</u>
Total program service revenue	<u>\$ 7,522,450</u>	<u>\$ 4,906,958</u>	<u>\$ 4,924,547</u>	<u>\$ 2,804,673</u>	<u>\$ 1,687,526</u>	<u>\$ 1,118,554</u>	<u>\$ 21,399</u>	<u>\$ 22,986,107</u>

Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2021 and 2020

Accounts receivable, net, as of December 31, 2021 and 2020, consisted of \$1,780,958 and \$1,277,602, respectively, related to revenue from contracts and \$926,741 and \$852,226, respectively, related to government and other grants. As of December 31, 2021, Options has been awarded cost reimbursements and other conditional grants that have not been recognized as income in the amount of approximately \$11,198,000.

3. Liquidity and Availability of Resources

The following table reflects Options' financial assets available for general expenditure within one year as of December 31, 2021 and 2020. Financial assets are considered unavailable when illiquid or not convertible to cash within one year. Unavailable financial assets consist of assets limited as to use and tenant deposits.

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,668,121	\$ 5,331,501
Investments	4,744,258	4,532,083
Accounts receivable	<u>2,707,699</u>	<u>2,129,828</u>
	11,120,078	11,993,412
Less amounts unavailable for general expenditures within one year, due to:		
Purpose restrictions	<u>153,223</u>	<u>135,590</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 10,966,855</u>	<u>\$ 11,857,822</u>

As part of Options' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. Options' main source of liquidity is program service revenue. Although investments are available for expenditure, it is not Options' intention to use investments for operating purposes.

Options is required to maintain reserve for replacements accounts. Options had balances of \$1,739,429 and \$1,671,230 as of December 31, 2021 and 2020, respectively, in its reserve for replacements accounts available for such limited purposes.

4. Investments

Investments are valued based on Level 1 and Level 2 inputs and consist of the following as of December 31:

	<u>Fair Value Measurements as of December 31, 2021</u>			
	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Total Fair Value</u>	<u>Cost</u>
Mutual funds	\$ 1,287,611	\$ -	\$ 1,287,611	\$ 792,418
Corporate bonds	-	2,070,862	2,070,862	2,057,934
Treasury notes and bonds	<u>870,026</u>	<u>-</u>	<u>870,026</u>	<u>884,599</u>
Total	<u>\$ 2,157,637</u>	<u>\$ 2,070,862</u>	4,228,499	<u>\$ 3,734,951</u>
Cash and cash equivalents			<u>515,759</u>	
Total investments			<u>\$ 4,744,258</u>	

Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2021 and 2020

Fair Value Measurements as of December 31, 2020				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value	Cost
Mutual funds	\$ 1,225,929	\$ -	\$ 1,225,929	\$ 848,503
Corporate bonds	-	2,103,162	2,103,162	2,046,089
Treasury notes and bonds	865,507	-	865,507	847,989
Total	<u>\$ 2,091,436</u>	<u>\$ 2,103,162</u>	4,194,598	<u>\$ 3,742,581</u>
Cash and cash equivalents			337,485	
Total investments			<u>\$ 4,532,083</u>	

Investment income consists of the following for the years ended December 31:

	2021	2020
Interest and dividends	\$ 103,035	\$ 95,295
Unrealized gain	41,531	171,747
Realized gain	90,321	133,249
Total	<u>\$ 234,887</u>	<u>\$ 400,291</u>

5. Assets Limited as to Use

Assets limited as to use represent cash segregated in accordance with contractual requirements and for tenant security deposits.

6. Land, Buildings and Improvements and Equipment, Net

Land, buildings and improvements and equipment, net, consist of the following as of December 31:

	2021	2020
Land	\$ 16,362,562	\$ 16,313,962
Buildings and improvements	53,261,021	52,695,635
Furniture, equipment and vehicles	2,344,487	2,154,848
	71,968,070	71,164,445
Accumulated depreciation	<u>(31,305,182)</u>	<u>(29,195,968)</u>
Total	<u>\$ 40,662,888</u>	<u>\$ 41,968,477</u>

Included in buildings and improvements as of December 31, 2021 are amounts that represent construction in progress, which are not in service, of \$284,844. There was no construction in progress as of December 31, 2020.

Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2021 and 2020

Options has received capital advances, secured by various mortgage notes, under certain HUD programs for purchase and renovation of buildings to provide housing to individuals meeting the eligibility requirements of those programs. As of December 31, 2021 and 2020, approximately \$39,685,000 and \$40,653,000, respectively, were subject to repayment. The capital advances are not required to be repaid, as long as the housing continues to be used for the specified purposes for periods ranging from 5 to 40 years. The capital advances were recognized as revenue prior to the adoption of ASU 2018-08 and are recorded in net assets.

Capital advances of \$85,073 were recognized as income during the year ended December 31, 2020. There was no capital advance revenue for the year ended December 31, 2021.

7. Due to Governmental Agencies

Due to governmental agencies represents amounts due for excess Medicaid and OMH Contract payments, and excess residual receipts due back to HUD.

8. Lines of Credit

On December 9, 2019, Options entered into a line of credit in the amount of \$1,273,000 with JP Morgan Chase Bank, N.A. The line was secured and collateralized by Options' property. Interest on the unpaid principal balance was computed at the yearly LIBOR plus 2 percent per annum. There was no interest expense on the line of credit for the year ended December 31, 2020. The outstanding balance was paid in full in January 2020 and the line was closed.

9. Advance From New York State

During 2011, Options entered into an agreement with OMH to purchase and renovate a multiple apartment dwelling for the Mental Health Residential Service program and had received total advances of \$2,705,776 as of December 31, 2019 for acquisition and rehabilitation of the site. On April 30, 2020, Options entered into a loan agreement with the Dormitory Authority of the State of New York (DASNY) at which time \$2,321,211 was converted into a mortgage (see Notes 10 and 17). The remaining advances were \$384,565 as of both December 31, 2021 and 2020. As of both December 31, 2021 and 2020, Options had the ability and intent to refinance the advances on a long term basis and therefore, has included them in long-term liabilities on the combined statements of financial position as of December 31, 2021 and 2020.

Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2021 and 2020

10. Long-Term Debt

Long-term debt consists of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Huntington mortgage, payable in monthly installments of \$1,376 through August 2023, including interest at 5.75% per annum, collateralized by the respective property.	\$ 24,934	\$ 40,735
Selden mortgage, payable in monthly installments of \$1,329 through July 2024, including interest at 6.375% per annum, collateralized by the respective property.	36,377	50,602
Town of Islip Community Development mortgage, payable in monthly installments of \$556 through March 2042, noninterest bearing, collateralized by the respective property in Bay Shore.	133,331	139,998
Town of Islip Community Development mortgage, payable in monthly installments of \$556 through March 2042, noninterest bearing, collateralized by the respective property in Central Islip.	133,331	139,998
Town of Islip Community Development mortgage, payable in monthly installments of \$556 through September 2043, noninterest bearing, collateralized by the respective property in Bay Shore.	144,999	151,666
Town of Islip Community Development mortgage, payable in monthly installments of \$556 through September 2043, noninterest bearing, collateralized by the respective property in Bay Shore.	144,999	151,666
Patchogue mortgage, payable in monthly installments of \$2,104 through May 2028 including interest at 5.25% per annum, collateralized by the respective property.	215,648	229,032
Community Preservation Corporation mortgage, payable in monthly installments of \$20,072 through July 2038, including interest at 5.25% per annum, collateralized by the nine respective properties.	2,663,388	2,761,614
Ronkonkoma mortgage, payable in monthly installments of \$6,409 through December 2029, including interest at 3.50% per annum, and a balloon payment of \$646,440, due December 2029, collateralized by the respective property.	1,021,504	1,061,388
DASNY mortgage, payable in semi-annual installments through February 2041, including interest at 5.00% per annum. Payments are made by the New York State Office of Mental Health on behalf of Options. The mortgage is collateralized by the respective property.	<u>2,087,179</u>	<u>2,151,754</u>
Subtotal	6,605,690	6,878,453
Less current maturities	(286,414)	(270,430)
Less unamortized deferred financing costs	<u>(220,824)</u>	<u>(227,641)</u>
Total long-term debt	<u>\$ 6,098,452</u>	<u>\$ 6,380,382</u>

Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2021 and 2020

Long-term debt matures approximately as follows:

Years ending December 31:	
2022	\$ 286,000
2023	291,000
2024	285,000
2025	286,000
2026	300,000
Thereafter	<u>5,158,000</u>
Total	<u>\$ 6,606,000</u>

Total interest expense on long-term debt for the years ended December 31, 2021 and 2020 approximated \$282,000 and \$290,000, respectively.

11. Paycheck Protection Program

On May 3, 2020, Options received loan proceeds in the amount of \$1,721,300 under the Paycheck Protection Program (PPP), which was established as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act and is administered through the Small Business Administration (SBA). The PPP provides loans to qualifying businesses in amounts up to 2.5 times their average monthly payroll expenses and was designed to provide a direct financial incentive for qualifying businesses to keep their workforce employed during the Coronavirus crisis. PPP loans are uncollateralized and guaranteed by the SBA and are forgivable after a "covered period" (eight or twenty-four weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible expenses, including payroll, benefits, mortgage interest, rent and utilities. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries and wages more than 25 percent during the covered period. Any unforgiven portion is payable over 2 years at an interest rate of 1 percent with payments deferred until the SBA remits the borrower's loan forgiveness amount to the lender, or, if the borrower does not apply for forgiveness, ten months after the end of the covered period.

During the year ended December 31, 2020, Options had expended all of the PPP funds received on qualified expenses. Options applied for forgiveness and was notified on May 18, 2021 that it received full forgiveness of the loan from the SBA. Therefore, Options recorded grant revenue of \$1,721,300 within its combined statement of activities and change in net assets for the year ended December 31, 2021.

The SBA reserves the right to audit any PPP loan, regardless of size. These audits may occur after forgiveness has been granted. In accordance with the CARES Act, all borrowers are required to maintain their PPP loan documentation for six years after the PPP loan is forgiven or repaid in full and to provide that documentation to the SBA upon request. Options does not believe the results of any audits or reviews by the SBA would have a material impact on the combined financial statements.

12. Net Assets With Donor Restrictions

Net assets with donor restrictions designated for specific programs aggregated \$153,223 and \$135,590 as of December 31, 2021 and 2020, respectively. During the years ended December 31, 2021 and 2020, \$506,381 and \$235,010, respectively, of net assets with donor restrictions were released from restrictions because they were used for the donor-specified purpose.

13. Fundraising Expenses

For the years ended December 31, 2021 and 2020, fundraising expenses were approximately \$126,000 and \$65,000, respectively, and are included in management and general expenses.

Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2021 and 2020

14. Retirement Plans

Options maintains a defined contribution retirement plan covering all eligible employees, as defined. Retirement expense is determined based on a formula dependent on each eligible employee's deferral and salary amount. Options also sponsors a 457(b) plan for certain of its employees, which is funded through employee salary deferrals, which are included in other assets limited as to use and other liabilities of approximately \$40,000 each on the accompanying combined statement of financial position as of December 31, 2021. No balances were recorded as of December 31, 2020. Expenses for these plans for the years ended December 31, 2021 and 2020 approximated \$405,000 and \$457,000, respectively.

15. Commitments and Contingencies

Operating Leases

Options is obligated under various noncancellable operating leases for certain of its facilities and equipment, expiring through 2024. Options is also obligated to pay for maintenance and real estate taxes on certain leased properties.

Future minimum lease payments under these operating leases are approximately as follows:

Years ending December 31:	
2022	\$ 1,175,000
2023	450,000
2024	<u>98,000</u>
Total	<u>\$ 1,723,000</u>

Rent expense for the years ended December 31, 2021 and 2020 approximated \$1,607,000 and \$1,515,000, respectively.

Government Funding and Possible Rate Adjustments

Substantial funding of programs is provided to Options by federal, state, city, and county (Suffolk and Nassau) governments. Continuation of such funding is dependent on budgetary allocations from such agencies. In addition, reimbursements under contracts or rates are subject to audit by various agencies on a regular basis. The potential exposure from the outcome of such audits, if any, cannot be determined.

Litigation and Claims

Options is subject to lawsuits and claims with respect to matters arising in the normal course of business. Options defends its position on all actions. In the opinion of management, the ultimate liabilities, if any, from these lawsuits or claims will not materially affect the financial position or results of operations of Options. Nevertheless, due to the uncertainty of the settlement process, management's view of the outcome may be modified in the future.

16. Concentrations of Credit Risk

Financial instruments which potentially subject Options to concentrations of credit risk consist principally of cash, investments and accounts receivable. Options places its temporary cash investments with financial institutions. At times throughout the year, Options' cash balances with any one financial institution exceeded the federal depository insurance coverage limit. Accounts receivable are predominantly from federal, state and local government agencies, including Medicaid, other third parties and private payors.

Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements
December 31, 2021 and 2020

17. Noncash Transactions

During the years ended December 31, 2021 and 2020, Options rehabilitated buildings using contributions and capital advances primarily from HUD paid directly to the contractors, totaling \$151,581 and \$85,073, respectively. The initial acquisition and rehabilitation for these sites was previously funded by HUD. During the year ended December 31, 2020, Options also converted \$2,321,211 of its Advance from New York State to long-term debt and financed \$61,600 of loan costs. For the years ended December 31, 2021 and 2020, \$64,575 and \$231,057 of the mortgage was repaid by OMH on behalf of Options, respectively.

Options for Community Living, Inc. and Affiliates

Combining Statement of Financial Position
December 31, 2021 (With Summarized Comparative Totals for 2020)

	Options for Community Living, Inc.	OCL Properties, Inc.	OCL Properties II, Inc.	OCL Properties III East, Inc.	OCL Properties III West, Inc.	OCL Properties IV, Inc.	OCL Properties V, Inc.	OCL Properties VI, Inc.	OCL Properties VII, Inc.	OCL Properties VIII, Inc.	OCL Properties IX, Inc.	OCL Properties X, Inc.	OCL Properties XI, Inc.	OCL Properties XII, Inc.	OCL Properties XIII, Inc.	OCL Properties XIV, Inc.	OCL Properties XV, Inc.	Eliminations	2021 Combined Totals	2020 Combined Totals
Assets																				
Current Assets																				
Cash and cash equivalents	\$ 3,434,089	\$ 3,132	\$ 26,595	\$ 16,894	\$ 1,928	\$ 12,666	\$ 7,671	\$ 20,536	\$ 19,071	\$ 28,432	\$ 2,869	\$ 829	\$ 18,673	\$ 20,039	\$ 37,059	\$ 4,792	\$ 12,846	\$ -	\$ 3,668,121	\$ 5,331,501
Investments	4,744,258	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,744,258	4,532,083
Accounts receivable, net of allowance for doubtful accounts of \$110,000 and \$80,000, respectively	2,695,569	199	981	4	330	315	1,685	57	226	1,767	873	3,098	549	680	4	1,098	264	-	2,707,699	2,129,828
Due from affiliates	112,458	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(112,458)	-	-
Prepaid expenses and other current assets	337,280	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	337,280	213,679
Total current assets	11,323,654	3,331	27,576	16,898	2,258	12,981	9,356	20,593	19,297	30,199	3,742	3,927	19,222	20,719	37,063	5,890	13,110	(112,458)	11,457,358	12,207,091
Assets Limited as to Use																				
Reserve for replacements	643,859	55,818	27,327	17,981	47,139	48,586	41,476	72,362	41,819	32,871	39,000	35,252	159,765	182,871	144,343	97,228	51,732	-	1,739,429	1,671,230
Residual receipts reserve	-	3,754	3,750	1,500	-	2,253	3,000	2,250	2,250	-	3,004	2,251	3,001	3,000	3,000	3,000	3,751	-	39,764	39,768
Tenant deposits held in trust	80,992	3,202	3,964	1,520	1,845	1,826	2,785	2,276	2,006	3,938	2,513	1,900	2,317	3,301	3,579	2,679	4,091	-	124,734	127,501
Other assets limited as to use	307,959	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	307,959	251,527
	1,032,810	62,774	35,041	21,001	48,984	52,665	47,261	76,888	46,075	36,809	44,517	39,403	165,083	189,172	150,922	102,907	59,574	-	2,211,886	2,090,026
Land, Buildings and Improvements and Equipment, Net																				
	26,889,745	303,323	332,883	147,701	242,046	247,851	386,970	341,400	444,761	1,119,508	1,043,331	1,118,300	1,226,490	1,308,036	1,671,758	1,548,514	2,290,271	-	40,662,888	41,968,477
Total assets	\$ 39,246,209	\$ 369,428	\$ 395,500	\$ 185,600	\$ 293,288	\$ 313,497	\$ 443,587	\$ 438,881	\$ 510,133	\$ 1,186,516	\$ 1,091,590	\$ 1,161,630	\$ 1,410,795	\$ 1,517,927	\$ 1,859,743	\$ 1,657,311	\$ 2,362,955	\$ (112,458)	\$ 54,332,132	\$ 56,265,594
Liabilities and Net Assets																				
Current Liabilities																				
Accounts payable and accrued expenses	\$ 474,664	\$ 15,203	\$ 17,130	\$ 6,611	\$ 11,441	\$ 12,305	\$ 13,040	\$ 13,292	\$ 12,856	\$ 19,568	\$ 15,805	\$ 15,475	\$ 32,781	\$ 14,075	\$ 16,009	\$ 15,654	\$ 11,474	\$ -	\$ 717,383	\$ 656,374
Accrued salaries and related costs	921,623	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	921,623	900,863
Due to affiliate	-	9,982	5,624	1,932	6,483	2,974	5,232	3,549	3,329	5,553	25,979	18,510	4,209	4,275	4,677	4,828	5,322	(112,458)	-	-
Due to governmental agencies	1,643,939	-	3,841	8,353	-	-	-	3,697	3,011	636	-	-	-	2,055	16,373	-	-	-	1,681,905	1,722,085
Current portion of long-term debt	286,414	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	286,414	270,430
Deferred income	41,643	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41,643	2,633,224
Other current liabilities	7,027	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,027	2,485
Total current liabilities	3,375,310	25,185	26,595	16,896	17,924	15,279	18,272	20,538	19,196	25,757	41,784	33,985	36,990	20,405	37,059	20,482	16,796	(112,458)	3,655,995	6,185,461
Long-Term Debt, Net	6,098,452	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,098,452	6,380,382
Tenant Deposits Held in Trust	80,992	3,202	3,964	1,520	1,845	1,826	2,785	2,276	2,006	3,938	2,513	1,900	2,317	3,301	3,579	2,679	4,091	-	124,734	127,501
Advance From New York State	384,565	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	384,565	384,565
Other Liabilities	74,100	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74,100	152,236
Total liabilities	10,013,419	28,387	30,559	18,416	19,769	17,105	21,057	22,814	21,202	29,695	44,297	35,885	39,307	23,706	40,638	23,161	20,887	(112,458)	10,337,846	13,230,145
Net Assets																				
Net assets without donor restrictions	29,079,567	341,041	364,941	167,184	273,519	296,392	422,530	416,067	488,931	1,156,821	1,047,293	1,125,745	1,371,488	1,494,221	1,819,105	1,634,150	2,342,068	-	43,841,063	42,899,859
Net assets with donor restrictions	153,223	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	153,223	135,590
Total net assets	29,232,790	341,041	364,941	167,184	273,519	296,392	422,530	416,067	488,931	1,156,821	1,047,293	1,125,745	1,371,488	1,494,221	1,819,105	1,634,150	2,342,068	-	43,994,286	43,035,449
Total liabilities and net assets	\$ 39,246,209	\$ 369,428	\$ 395,500	\$ 185,600	\$ 293,288	\$ 313,497	\$ 443,587	\$ 438,881	\$ 510,133	\$ 1,186,516	\$ 1,091,590	\$ 1,161,630	\$ 1,410,795	\$ 1,517,927	\$ 1,859,743	\$ 1,657,311	\$ 2,362,955	\$ (112,458)	\$ 54,332,132	\$ 56,265,594

Options for Community Living, Inc. and Affiliates

Combining Statement of Activities and Change in Net Assets

Year Ended December 31, 2021 (With Summarized Comparative Totals for 2020)

	Options for Community Living, Inc.	OCL Properties, Inc.	OCL Properties II, Inc.	OCL Properties III East, Inc.	OCL Properties III West, Inc.	OCL Properties IV, Inc.	OCL Properties V, Inc.	OCL Properties VI, Inc.	OCL Properties VII, Inc.	OCL Properties VIII, Inc.	OCL Properties IX, Inc.	OCL Properties X, Inc.	OCL Properties XI, Inc.	OCL Properties XII, Inc.	OCL Properties XIII, Inc.	OCL Properties XIV, Inc.	OCL Properties XV, Inc.	Eliminations	2021 Combined Totals	2020 Combined Totals	
Net Assets Without Donor Restrictions																					
Revenue:																					
Program services:																					
Mental health licensed programs	\$ 8,278,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,278,791	\$ 7,522,450
Mental health supportive housing	5,259,825	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,259,825	4,906,958
ATC - care coordination	4,706,143	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,706,143	4,924,547
ATC - residential services	2,967,847	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,967,847	2,804,673
HUD Section 811 rental fees	-	137,520	135,720	62,208	80,090	89,720	104,350	86,026	90,598	144,106	112,576	91,141	110,400	113,615	117,482	115,889	130,611	-	1,722,052	1,687,526	
Mainstream rent vouchers	1,081,411	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,081,411	1,118,554
Thrift shop	33,417	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,417	21,399
Total program services	22,327,434	137,520	135,720	62,208	80,090	89,720	104,350	86,026	90,598	144,106	112,576	91,141	110,400	113,615	117,482	115,889	130,611	-	24,049,486	22,986,107	
Other revenue:																					
Investment income	234,778	5	3	3	5	5	4	7	4	3	5	5	16	18	13	9	4	-	234,887	400,291	
Management fees	155,485	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(155,485)	-	-	
Contributions and grants	1,905,821	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,905,821	70,930	
Miscellaneous income	2,183	-	95	-	46	-	-	44	-	-	71	2,226	534	195	-	-	-	-	5,394	4,389	
Total other revenue	2,298,267	5	98	3	51	5	4	51	4	3	76	2,231	550	213	13	9	4	(155,485)	2,146,102	475,610	
Net assets released from restrictions	506,381	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	506,381	235,010	
Total revenue	25,132,082	137,525	135,818	62,211	80,141	89,725	104,354	86,077	90,602	144,109	112,652	93,372	110,950	113,828	117,495	115,898	130,615	(155,485)	26,701,969	23,696,727	
Expenses																					
Program services:																					
Mental health licensed programs	6,826,899	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,826,899	7,059,730	
Mental health supportive programs	4,954,192	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,954,192	4,481,309	
ATC - care coordination	4,192,405	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,192,405	4,372,371	
ATC - residential services	3,616,512	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,616,512	3,512,603	
HUD Section 811 housing	-	168,773	168,475	71,054	101,399	104,871	133,059	105,683	111,424	188,728	159,630	156,856	135,773	139,493	142,930	156,027	203,998	-	2,248,173	2,202,579	
Mainstream rent vouchers	1,090,153	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,090,153	1,124,956	
Thrift shop	57,871	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	57,871	47,531	
Total program expenses	20,738,032	168,773	168,475	71,054	101,399	104,871	133,059	105,683	111,424	188,728	159,630	156,856	135,773	139,493	142,930	156,027	203,998	-	22,986,205	22,801,079	
Supporting services:																					
Management and general	2,712,225	16,200	15,667	5,537	9,234	9,139	11,495	9,360	8,986	15,510	12,647	9,191	10,901	10,945	10,831	10,746	13,465	(155,485)	2,736,594	2,499,087	
Total expenses	23,450,257	184,973	184,142	76,591	110,633	114,010	144,554	115,043	120,410	204,238	172,277	166,047	146,674	150,438	153,761	166,773	217,463	(155,485)	25,722,799	25,300,166	
Change in net assets without donor restrictions before capital advances and residual receipts due to HUD																					
	1,681,825	(47,448)	(48,324)	(14,380)	(30,492)	(24,285)	(40,200)	(28,966)	(29,808)	(60,129)	(59,625)	(72,675)	(35,724)	(36,610)	(36,266)	(50,875)	(86,848)	-	979,170	(1,603,439)	
Capital Advances																					
Residual Receipts Due to HUD	-	-	(3,841)	(8,353)	-	-	-	(3,697)	(3,011)	(636)	-	-	-	(2,055)	(16,373)	-	-	-	(37,966)	85,073	
Change in net assets without donor restrictions	1,681,825	(47,448)	(52,165)	(22,733)	(30,492)	(24,285)	(40,200)	(32,663)	(32,819)	(60,765)	(59,625)	(72,675)	(35,724)	(38,665)	(52,639)	(50,875)	(86,848)	-	941,204	(1,567,647)	
Change In Net Assets With Donor Restrictions																					
Contributions and grants	524,014	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	524,014	85,121
Net assets released from restrictions	(506,381)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(506,381)	(235,010)	
Change in net assets with donor restrictions	17,633	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,633	(149,889)
Change in net assets	1,699,458	(47,448)	(52,165)	(22,733)	(30,492)	(24,285)	(40,200)	(32,663)	(32,819)	(60,765)	(59,625)	(72,675)	(35,724)	(38,665)	(52,639)	(50,875)	(86,848)	-	958,837	(1,717,536)	
Net Assets, Beginning	27,533,332	388,489	417,106	189,917	304,011	320,677	462,730	448,730	521,750	1,217,586	1,106,918	1,198,420	1,407,212	1,532,886	1,871,744	1,685,025	2,428,916	-	43,035,449	44,752,985	
Net Assets, Ending	\$ 29,232,790	\$ 341,041	\$ 364,941	\$ 167,184	\$ 273,519	\$ 296,392	\$ 422,530	\$ 416,067	\$ 488,931	\$ 1,156,821	\$ 1,047,293	\$ 1,125,745	\$ 1,371,488	\$ 1,494,221	\$ 1,819,105	\$ 1,634,150	\$ 2,342,068	\$ -	\$ 43,994,286	\$ 43,035,449	