

# **Options for Community Living, Inc. and Affiliates**

Combined Financial Statements  
and Supplementary Information

December 31, 2020 and 2019

# Options for Community Living, Inc. and Affiliates

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## Independent Auditors' Report

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

### **Report on the Combined Financial Statements**

We have audited the accompanying combined financial statements of Options for Community Living, Inc. and Affiliates (Options), which comprise the combined statements of financial position as of December 31, 2020 and 2019, and the related combined statements of activities and change in net assets for the year ended December 31, 2020, and functional expenses and cash flows for the years ended December 31, 2020 and 2019, and the related notes to the combined financial statements.

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

Management is responsible for the preparation and fair presentation of these combined 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 combined 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 combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined 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 combined 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 combined financial statements.

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

### ***Opinion***

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of Options for Community Living, Inc. and Affiliates as of December 31, 2020 and 2019, and the combined change in their net assets for the year ended December 31, 2020 and their combined cash flows for the years ended December 31, 2020 and 2019 in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### **Report on Summarized Comparative Information**

We have previously audited Options' 2019 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated April 27, 2020. 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, 2019 is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

### **Report on Supplementary Combining 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 and change in net assets of the individual organizations, and 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 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 information is fairly stated, in all material respects, in relation to the combined financial statements as a whole.

*Baker Tilly US, LLP*

Melville, New York  
April 21, 2021

## Options for Community Living, Inc. and Affiliates

Combined Statements of Financial Position

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 5,331,501	\$ 4,298,888
Investments	4,532,083	4,164,171
Accounts receivable, net of allowance for doubtful accounts of \$80,000	2,129,828	2,152,077
Prepaid expenses and other current assets	213,679	212,883
Total current assets	<u>12,207,091</u>	<u>10,828,019</u>
<b>Assets Limited as to Use</b>		
Reserve for replacements	1,671,230	1,563,798
Residual receipts reserve	39,768	38,999
Tenant deposits held in trust	127,501	126,061
Other assets limited as to use	251,527	249,871
	<u>2,090,026</u>	<u>1,978,729</u>
<b>Land, Buildings and Improvements and Equipment, Net</b>	<u>41,968,477</u>	<u>43,890,193</u>
Total assets	<u>\$ 56,265,594</u>	<u>\$ 56,696,941</u>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 656,374	\$ 570,059
Accrued salaries and related costs	900,863	629,261
Due to governmental agencies	1,722,085	1,480,038
Line of credit	-	1,273,000
Current portion of long-term debt	270,430	197,001
Deferred income	2,633,224	246,678
Other current liabilities	2,485	6,036
Total current liabilities	6,185,461	4,402,073
<b>Long-Term Debt, Net</b>	6,380,382	4,547,789
<b>Tenant Deposits Held in Trust</b>	127,501	126,061
<b>Advance From New York State</b>	384,565	2,705,776
<b>Other Liabilities</b>	<u>152,236</u>	<u>162,257</u>
Total liabilities	<u>13,230,145</u>	<u>11,943,956</u>
<b>Net Assets</b>		
Net assets without donor restrictions	42,899,859	44,467,506
Net assets with donor restrictions	135,590	285,479
Total net assets	<u>43,035,449</u>	<u>44,752,985</u>
Total liabilities and net assets	<u>\$ 56,265,594</u>	<u>\$ 56,696,941</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, 2020 (With Summarized Comparative Totals for 2019)

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<b>Revenue</b>				
Program services:				
Mental health licensed programs	\$ 7,522,450	\$ -	\$ 7,522,450	\$ 7,314,924
Mental health supportive housing	4,906,958	-	4,906,958	4,852,289
ATC - care coordination	4,924,547	-	4,924,547	4,506,259
ATC - residential services	2,804,673	-	2,804,673	2,271,461
HUD Section 811 rental fees	1,687,526	-	1,687,526	1,644,729
Mainstream rent vouchers	1,118,554	-	1,118,554	1,022,862
Thrift shop	21,399	-	21,399	28,452
Total program services	<u>22,986,107</u>	<u>-</u>	<u>22,986,107</u>	<u>21,640,976</u>
Other revenue:				
Investment income	400,291	-	400,291	473,115
Contributions and grants	70,930	85,121	156,051	372,518
Miscellaneous income	4,389	-	4,389	71,916
Total other revenue	<u>475,610</u>	<u>85,121</u>	<u>560,731</u>	<u>917,549</u>
Net assets released from restrictions	<u>235,010</u>	<u>(235,010)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>23,696,727</u>	<u>(149,889)</u>	<u>23,546,838</u>	<u>22,558,525</u>
<b>Expenses</b>				
Program services:				
Mental health licensed programs	7,059,730	-	7,059,730	6,286,061
Mental health supportive housing	4,481,309	-	4,481,309	4,432,968
ATC - care coordination	4,372,371	-	4,372,371	4,131,115
ATC - residential services	3,512,603	-	3,512,603	2,982,565
HUD Section 811 housing	2,202,579	-	2,202,579	2,177,147
Mainstream rent vouchers	1,124,956	-	1,124,956	1,031,624
Thrift shop	47,531	-	47,531	32,180
Total program expenses	<u>22,801,079</u>	<u>-</u>	<u>22,801,079</u>	<u>21,073,660</u>
Supporting services:				
Management and general	<u>2,499,087</u>	<u>-</u>	<u>2,499,087</u>	<u>2,663,074</u>
Total expenses	<u>25,300,166</u>	<u>-</u>	<u>25,300,166</u>	<u>23,736,734</u>
Change in net assets before capital advances, residual receipts due to HUD and gains on sales	(1,603,439)	(149,889)	(1,753,328)	(1,178,209)
Capital advances	85,073	-	85,073	22,808
Residual receipts due to HUD	(49,281)	-	(49,281)	(38,748)
Gains on sales of land, building and improvements and equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>982,142</u>
Change in net assets	(1,567,647)	(149,889)	(1,717,536)	(212,007)
<b>Net Assets, Beginning</b>	<u>44,467,506</u>	<u>285,479</u>	<u>44,752,985</u>	<u>44,964,992</u>
<b>Net Assets, Ending</b>	<u>\$ 42,899,859</u>	<u>\$ 135,590</u>	<u>\$ 43,035,449</u>	<u>\$ 44,752,985</u>

See notes to combined financial statements

**Options for Community Living, Inc. and Affiliates**

Combined Statement of Functional Expenses  
 Year Ended December 31, 2020 (With Comparative Totals for 2019)

	Program Services							Supporting	2020 Total	2019 Total	
	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	\$ 3,863,167	\$ 1,730,708	\$ 2,831,544	\$ 739,075	\$ 339,310	\$ -	\$ 10,560	\$ 9,514,364	\$ 1,549,699	\$ 11,064,063	\$ 10,322,103
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	3,415,712
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	13,737,815
Expenses:											
Money management, clients	147,870	-	-	-	-	-	-	147,870	-	147,870	148,929
Utilities	150,065	206,705	10,220	199,048	233,782	-	3,565	803,385	22,353	825,738	880,973
Rent and real estate taxes	221,304	1,237,780	61,934	17,051	-	-	-	1,538,069	-	1,538,069	1,551,192
Interest	253,216	25,665	6,010	2,542	-	-	-	287,433	18,580	306,013	279,476
Maintenance and repairs	132,395	122,814	16,618	238,517	293,447	-	3,467	807,258	24,092	831,350	806,409
Travel	50,787	32,356	39,931	11,671	-	-	17	134,762	3,104	137,866	221,624
Telephone	81,013	40,687	72,399	17,933	-	-	2,595	214,627	13,712	228,339	230,422
Office and computer expenses	92,854	45,969	52,031	19,971	-	-	135	210,960	50,949	261,909	334,994
Dues and subscriptions	5,249	11,937	446	1,718	-	-	-	19,350	3,748	23,098	21,692
Outreach and recruitment	3,415	1,230	7,790	67	-	-	-	12,502	18,826	31,328	50,596
Staff training and development	21,859	9,701	13,785	3,183	-	-	18	48,546	12,060	60,606	96,198
Insurance	66,827	37,764	16,892	53,982	47,623	-	1,118	224,206	15,978	240,184	237,537
Program supplies and expenses	20,909	13,439	137,997	9,189	47,767	-	552	229,853	1,742	231,595	113,158
Food	74,499	3,041	2,372	1,212	-	-	-	81,124	-	81,124	81,328
Household supplies	64,393	48,275	932	34,490	-	-	588	148,678	-	148,678	161,444
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	877,102
Minor equipment	21,925	27,446	-	38,010	-	-	-	87,381	-	87,381	128,519
Rental assistance and related expenses	-	9,047	200	897,699	-	1,118,017	-	2,024,963	-	2,024,963	1,533,538
Bad debt	13,816	671	-	2,389	1,228	-	-	18,104	-	18,104	29,884
Depreciation	304,600	115,682	15,687	814,486	819,553	-	16,730	2,086,738	46,799	2,133,537	2,181,261
Miscellaneous expense	2,965	477	900	174	-	-	-	4,516	21,165	25,681	32,643
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	\$ 23,736,734

See notes to combined financial statements

**Options for Community Living, Inc. and Affiliates**

Combined Statement of Functional Expenses  
Year Ended December 31, 2019

	Program Services							Supporting Services	2019 Total	
	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
Salaries	\$ 3,305,554	\$ 1,683,067	\$ 2,778,717	\$ 640,257	\$ 352,389	\$ -	\$ -	\$ 8,759,984	\$ 1,562,119	\$ 10,322,103
Payroll taxes and employee benefits	1,022,578	593,338	910,436	221,582	121,519	-	-	2,869,453	546,259	3,415,712
Total salaries, payroll taxes and employee benefits	4,328,132	2,276,405	3,689,153	861,839	473,908	-	-	11,629,437	2,108,378	13,737,815
Expenses:										
Money management, clients	148,929	-	-	-	-	-	-	148,929	-	148,929
Utilities	172,741	219,103	8,870	181,271	242,479	-	3,750	828,214	52,759	880,973
Rent and real estate taxes	232,982	1,218,484	68,924	17,658	-	-	-	1,538,048	13,144	1,551,192
Interest	160,949	21,165	-	-	-	-	-	182,114	97,362	279,476
Maintenance and repairs	166,074	104,855	11,927	233,953	257,550	-	714	775,073	31,336	806,409
Travel	70,311	44,179	84,622	15,160	-	-	-	214,272	7,352	221,624
Telephone	73,724	47,293	75,870	16,575	-	-	1,732	215,194	15,228	230,422
Office and computer expenses	126,675	48,524	61,210	27,159	-	-	536	264,104	70,890	334,994
Dues and subscriptions	5,195	11,470	140	1,597	-	-	-	18,402	3,290	21,692
Outreach and recruitment	8,662	1,704	7,817	1,150	-	-	100	19,433	31,163	50,596
Staff training and development	26,578	13,404	21,333	3,753	-	-	506	65,574	30,624	96,198
Insurance	66,525	35,506	14,726	50,846	46,044	-	1,040	214,687	22,850	237,537
Program supplies and expenses	12,802	34,887	23,895	1,061	39,140	-	1,373	113,158	-	113,158
Food	81,218	21	-	89	-	-	-	81,328	-	81,328
Household supplies	72,161	63,765	2,290	22,772	-	-	456	161,444	-	161,444
Contracted services and professional fees	181,797	121,239	42,396	157,027	293,333	6,794	4,834	807,420	69,682	877,102
Minor equipment	37,420	39,457	-	51,642	-	-	-	128,519	-	128,519
Rental assistance and related expenses	76	4,036	94	504,502	-	1,024,830	-	1,533,538	-	1,533,538
Bad debt	1,582	3,916	-	20,012	4,374	-	-	29,884	-	29,884
Depreciation	307,434	123,031	16,503	814,201	820,319	-	16,974	2,098,462	82,799	2,181,261
Miscellaneous expense	4,094	524	1,345	298	-	-	165	6,426	26,217	32,643
Total expenses	\$ 6,286,061	\$ 4,432,968	\$ 4,131,115	\$ 2,982,565	\$ 2,177,147	\$ 1,031,624	\$ 32,180	\$ 21,073,660	\$ 2,663,074	\$ 23,736,734

See notes to combined financial statements



## Options for Community Living, Inc. and Affiliates

### Combined Statements of Cash Flows

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Cash Flows From Operating Activities</b>		
Change in net assets	\$ (1,717,536)	\$ (212,007)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Noncash capital advance	(85,073)	(22,808)
Depreciation	2,133,537	2,181,261
Interest expense on debt issuance costs	13,046	8,328
Noncash principal payments	(231,057)	-
Realized and unrealized gain on investments	(304,996)	(333,954)
Gain on sale of land, building and improvements and equipment	-	(982,142)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	22,249	(522,845)
Prepaid expenses and other current assets	(796)	5,125
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	86,315	(23,882)
Accrued salaries and related costs	271,602	65,732
Due to governmental agencies	242,047	2,810
Deferred income	2,386,546	(681,811)
Other current liabilities	(3,551)	(1,821)
Tenant deposits held in trust	1,440	6,396
Other liabilities	(10,021)	(56,125)
Net cash flows from operating activities	<u>2,803,752</u>	<u>(567,743)</u>
<b>Cash Flows From Investing Activities</b>		
Proceeds from redemption of short-term investments	3,062,103	2,453,292
Purchases of short-term investments	(3,125,019)	(2,545,453)
Purchases of land, building and improvements and equipment	(126,748)	(268,448)
Proceeds from disposal of land, building and improvements and equipment	-	1,272,893
Net cash flows from investing activities	<u>(189,664)</u>	<u>912,284</u>
<b>Cash Flows From Financing Activities</b>		
Payments on line of credit	(1,273,000)	-
Principal payments on long-term debt	(197,178)	(168,214)
Payments of debt issuance costs	-	(29,082)
Net cash flows from financing activities	<u>(1,470,178)</u>	<u>(197,296)</u>
Increase in cash and cash equivalents and restricted cash	1,143,910	147,245
<b>Cash and Cash Equivalents and Restricted Cash, Beginning</b>	<u>6,277,617</u>	<u>6,130,372</u>
<b>Cash and Cash Equivalents and Restricted Cash, Ending</b>	<u>\$ 7,421,527</u>	<u>\$ 6,277,617</u>
<b>Reconciliation of Cash and Cash Equivalents and Restricted Cash to the Combined Statements of Financial Position</b>		
Cash and cash equivalents	\$ 5,331,501	\$ 4,298,888
Tenant deposits held in trust	127,501	126,061
Reserve for replacements	1,671,230	1,563,798
Residual receipts reserve	39,768	38,999
Other assets limited as to use	251,527	249,871
Total cash and cash equivalents and restricted cash	<u>\$ 7,421,527</u>	<u>\$ 6,277,617</u>
<b>Noncash Financing Activities</b>		
Proceeds from mortgage (Note 17)	<u>\$ 2,382,811</u>	<u>\$ -</u>
<b>Supplemental Disclosures of Cash Flow Information</b>		
Cash paid during the year for interest	<u>\$ 204,332</u>	<u>\$ 265,803</u>

See notes to combined financial statements

# Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2020 and 2019

## 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

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Notes to Combined Financial Statements

December 31, 2020 and 2019

**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

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Notes to Combined Financial Statements

December 31, 2020 and 2019

### Allocation of Expenses on a Functional Basis

The cost of providing the various programs and other activities have been summarized 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 from grants and contributions. 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 21, 2021, 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, with early adoption permitted. 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. Early adoption is permitted. 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, 2020 and 2019

## 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, 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>

The following table represents program service revenue for the year ended December 31, 2019:

	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	\$ 4,537,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,537,086
NYS OMH	-	3,543,899	-	-	-	-	-	3,543,899
Medicaid Managed Care	209,023	-	3,595,200	-	-	-	-	3,804,223
Tenant fees	1,513,281	547,279	-	738,086	639,418	-	-	3,438,064
HUD	-	-	-	324,731	1,005,311	-	-	1,330,042
Other	-	-	-	-	-	-	28,452	28,452
Total revenue from contracts	<u>6,259,390</u>	<u>4,091,178</u>	<u>3,595,200</u>	<u>1,062,817</u>	<u>1,644,729</u>	<u>-</u>	<u>28,452</u>	<u>16,681,766</u>
Government and other grants:								
NYS OMH	456,851	515	-	-	-	-	-	457,366
HUD	-	-	-	176,459	-	1,022,862	-	1,199,321
NYS OTDA	-	760,596	-	223,421	-	-	-	984,017
NYS DOH	-	-	-	808,764	-	-	-	808,764
Health Research, Inc.	-	-	472,815	-	-	-	-	472,815
Other	598,683	-	438,244	-	-	-	-	1,036,927
Total government and other grants	<u>1,055,534</u>	<u>761,111</u>	<u>911,059</u>	<u>1,208,644</u>	<u>-</u>	<u>1,022,862</u>	<u>-</u>	<u>4,959,210</u>
Total program service revenue	<u>\$ 7,314,924</u>	<u>\$ 4,852,289</u>	<u>\$ 4,506,259</u>	<u>\$ 2,271,461</u>	<u>\$ 1,644,729</u>	<u>\$ 1,022,862</u>	<u>\$ 28,452</u>	<u>\$ 21,640,976</u>

## Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2020 and 2019

Accounts receivable, net, as of December 31, 2020 and 2019, consisted of \$1,277,602 and \$1,444,060, respectively, related to revenue from contracts and \$852,226 and \$708,017, respectively, related to government and other grants. As of December 31, 2020, Options has been awarded cost reimbursements and other conditional grants that have not been recognized as income in the amount of approximately \$7,013,000.

### 3. Liquidity and Availability of Resources

The following table reflects Options' financial assets available for general expenditure within one year as of December 31, 2020 and 2019. 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>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 5,331,501	\$ 4,298,888
Investments	4,532,083	4,164,171
Accounts receivable	<u>2,129,828</u>	<u>2,152,077</u>
	11,993,412	10,615,136
Less amounts unavailable for general expenditures within one year, due to:		
Purpose restrictions	<u>135,590</u>	<u>285,479</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 11,857,822</u>	<u>\$ 10,329,657</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 \$1,671,230 and \$1,563,798 as of December 31, 2020 and 2019, 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, 2020</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	\$ 1,225,929	\$ -	\$ 1,225,929	\$ 848,503
Corporate bonds	-	2,103,162	2,103,162	2,046,089
Treasury notes and bonds	<u>865,507</u>	<u>-</u>	<u>865,507</u>	<u>847,989</u>
Total	<u>\$ 2,091,436</u>	<u>\$ 2,103,162</u>	4,194,598	<u>\$ 3,742,581</u>
Cash and cash equivalents			<u>337,485</u>	
Total investments			<u>\$ 4,532,083</u>	

## Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2020 and 2019

Fair Value Measurements as of December 31, 2019				
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Total Fair Value	Cost
Mutual funds	\$ 1,100,899	\$ -	\$ 1,100,899	\$ 854,163
Corporate bonds	-	1,534,833	1,534,833	1,516,854
Treasury notes and bonds	1,308,809	-	1,308,809	1,293,254
Total	<u>\$ 2,409,708</u>	<u>\$ 1,534,833</u>	3,944,541	<u>\$ 3,664,271</u>
Cash and cash equivalents			219,630	
Total investments			<u>\$ 4,164,171</u>	

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

	2020	2019
Interest and dividends	\$ 95,295	\$ 139,161
Unrealized gain	171,747	306,760
Realized gain	133,249	27,194
Total	<u>\$ 400,291</u>	<u>\$ 473,115</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:

	2020	2019
Land	\$ 16,313,962	\$ 16,313,962
Buildings and improvements	52,695,635	52,498,983
Furniture, equipment and vehicles	2,154,848	2,153,690
	71,164,445	70,966,635
Accumulated depreciation	(29,195,968)	(27,076,442)
Total	<u>\$ 41,968,477</u>	<u>\$ 43,890,193</u>

Included in buildings and improvements as of December 31, 2019 are amounts that represent construction in progress, which are not in service, of \$8,833. There was no construction in progress as of December 31, 2020.

## Options for Community Living, Inc. and Affiliates

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Notes to Combined Financial Statements

December 31, 2020 and 2019

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, 2020 and 2019, approximately \$40,653,000 and \$42,146,000, 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 and \$22,808 were recognized as income during the years ended December 31, 2020 and 2019, respectively.

Options sold its Smithtown property in December 2019 which resulted in a gain of approximately \$977,000.

### 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 17, 2018, Options entered into a line of credit agreement with JPMorgan Chase Bank, N.A. in the amount of \$2,700,000. The line is secured and collateralized by Options' property. Interest on the unpaid principal balance is computed at the yearly LIBOR plus 3 percent per annum. The prior outstanding balance was due and payable in full on September 17, 2019, at which time, the terms were extended through December 17, 2019.

On December 9, 2019, Options refinanced its line of credit agreement with a \$1,100,000 mortgage and a new line of credit in the amount of \$1,273,000 with JP Morgan Chase Bank, N.A. The line is secured and collateralized by Options' property. Interest on the unpaid principal balance is computed at the yearly LIBOR plus 2 percent per annum (3.96 percent as of December 31, 2019). As of December 31, 2019, there was \$1,273,000 outstanding on the line. The outstanding balance was paid in full in January 2020 and the line was closed.

Total interest expense on the line of credit for the year ended December 31, 2019 approximated \$97,000.

### 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 advance was \$384,565 as of December 31, 2020. As of both December 31, 2020 and 2019, 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, 2020 and 2019.



## Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2020 and 2019

### 10. Long-Term Debt

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

	<u>2020</u>	<u>2019</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.	\$ 40,735	\$ 54,474
Selden mortgage, payable in monthly installments of \$1,329 through July 2024, including interest at 6.375% per annum, collateralized by the respective property.	50,602	62,855
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.	139,998	146,665
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.	139,998	146,665
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.	151,666	158,332
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.	151,666	158,332
Patchogue mortgage, payable in monthly installments of \$2,104 through May 2028 including interest at 5.25% per annum, collateralized by the respective property.	229,032	241,689
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.	2,761,614	2,854,865
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.	1,061,388	1,100,000
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.	2,151,754	-
Subtotal	6,878,453	4,923,877
Less current maturities	(270,430)	(197,001)
Less unamortized deferred financing costs	(227,641)	(179,087)
Total long-term debt	<u>\$ 6,380,382</u>	<u>\$ 4,547,789</u>

## Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2020 and 2019

Long-term debt matures approximately as follows:

Years ending December 31:	
2021	\$ 270,000
2022	286,000
2023	291,000
2024	285,000
2025	286,000
Thereafter	<u>5,460,000</u>
Total	<u>\$ 6,878,000</u>

Total interest expense on long-term debt for the years ended December 31, 2020 and 2019 approximated \$290,000 and \$174,000, 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.

As Options expects to meet the PPP's eligibility criteria and believes that the PPP loan represents, in substance, a grant that is expected to be forgiven, Options has elected to account for the loan as a grant. As of December 31, 2020, Options had applied for but has not yet received forgiveness, therefore, no grant revenue is recorded within its combined statement of activities and change in net assets for the year ended December 31, 2020. The full amount of PPP funds received are recorded as deferred income in Options' December 31, 2020 combined statement of financial position. Options believes it will overcome the remaining barriers and the deferred income will be reported as grant revenue within its combined statement of activities and change in net assets at that time.

### 12. Net Assets With Donor Restrictions

Net assets with donor restrictions designated for specific programs aggregated \$135,590 and \$285,479 as of December 31, 2020 and 2019, respectively. During the years ended December 31, 2020 and 2019, \$235,010 and \$89,542, respectively, of net assets with donor restrictions were released from restrictions because they were used for the donor-specified purpose.

## Options for Community Living, Inc. and Affiliates

Notes to Combined Financial Statements

December 31, 2020 and 2019

### 13. Fundraising Expenses

For the years ended December 31, 2020 and 2019, fundraising expenses were approximately \$65,000 and \$54,000, respectively, and are included in management and general expenses.

### 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. Assets and liabilities under this plan, which is funded through employee salary deferrals, are included in other assets limited as to use and other liabilities on the accompanying combined statements of financial position, however no balances are recorded as of December 31, 2020 and 2019. Expenses for these plans for the years ended December 31, 2020 and 2019 approximated \$457,000 and \$378,000, 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:	
2021	\$ 1,156,100
2022	704,400
2023	187,600
2024	72,300
	<hr/>
Total	\$ 2,120,400

Rent expense for the years ended December 31, 2020 and 2019 approximated \$1,515,000 and \$1,488,000, 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.

## **Options for Community Living, Inc. and Affiliates**

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Notes to Combined Financial Statements

December 31, 2020 and 2019

### **16. Concentrations of Credit Risk**

Financial instruments which potentially subject Options to concentrations of credit risk consist principally of cash, investments and accounts receivable from government agencies. 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.

### **17. Noncash Transactions**

During the years ended December 31, 2020 and 2019, Options rehabilitated buildings using proceeds of capital advances and mortgages primarily from HUD paid directly to the contractors, totaling \$85,073 and \$22,808, 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 year ended December 31, 2020, \$231,057 of the mortgage was repaid by OMH on behalf of Options.

**Options for Community Living, Inc. and Affiliates**

Combining Statement of Financial Position  
December 31, 2020 (With Summarized Comparative Totals for 2019)

	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	2020 Combined Totals	2019 Combined Totals
<b>Assets</b>																				
<b>Current Assets</b>																				
Cash and cash equivalents	\$ 5,048,541	\$ 24,942	\$ 24,191	\$ 18,763	\$ 1,487	\$ 13,362	\$ 20,908	\$ 22,008	\$ 21,247	\$ 16,034	\$ 2,452	\$ 4,224	\$ 2,523	\$ 28,801	\$ 28,515	\$ 24,317	\$ 29,186	\$ -	\$ 5,331,501	\$ 4,298,888
Investments	4,532,083	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,532,083	4,164,171
Accounts receivable, net	2,121,138	-	666	343	838	2	7	243	-	230	198	2,815	331	244	152	1,620	1,001	-	2,129,828	2,152,077
Due from affiliates	94,011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(94,011)	-	-
Prepaid expenses and other current assets	212,789	-	-	-	-	-	-	-	-	445	-	-	-	-	-	445	-	-	213,679	212,883
Total current assets	12,008,562	24,942	24,857	19,106	2,325	13,364	20,915	22,251	21,247	16,709	2,650	7,039	2,854	29,045	28,667	26,382	30,187	(94,011)	12,207,091	10,828,019
<b>Assets Limited as to Use</b>																				
Reserve for replacements	589,233	50,147	21,449	15,309	52,595	44,752	42,015	68,161	37,151	23,558	43,986	65,396	171,986	175,198	135,804	88,495	45,995	-	1,671,230	1,563,798
Residual receipts reserve	-	3,754	3,751	1,500	-	2,252	3,001	2,251	2,251	-	3,003	2,251	3,001	3,001	3,000	3,001	3,751	-	39,768	38,999
Tenant deposits held in trust	82,336	3,202	3,964	1,520	1,845	1,826	2,883	2,162	2,008	4,160	2,363	1,900	2,780	3,611	3,520	2,944	4,477	-	127,501	126,061
Other assets limited as to use	251,527	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	251,527	249,871
Total assets limited as to use	923,096	57,103	29,164	18,329	54,440	48,830	47,899	72,574	41,410	27,718	49,352	69,547	177,767	181,810	142,324	94,440	54,223	-	2,090,026	1,978,729
<b>Land, Buildings and Improvements and Equipment, Net</b>	<b>27,491,890</b>	<b>334,631</b>	<b>391,241</b>	<b>172,764</b>	<b>277,517</b>	<b>276,221</b>	<b>417,708</b>	<b>378,075</b>	<b>482,350</b>	<b>1,197,782</b>	<b>1,077,601</b>	<b>1,158,061</b>	<b>1,254,805</b>	<b>1,354,443</b>	<b>1,732,940</b>	<b>1,591,464</b>	<b>2,378,984</b>	<b>-</b>	<b>41,968,477</b>	<b>43,890,193</b>
Total assets	\$ 40,423,548	\$ 416,676	\$ 445,262	\$ 210,199	\$ 334,282	\$ 338,415	\$ 486,522	\$ 472,900	\$ 545,007	\$ 1,242,209	\$ 1,129,603	\$ 1,234,647	\$ 1,435,426	\$ 1,565,298	\$ 1,903,931	\$ 1,712,286	\$ 2,463,394	\$ (94,011)	\$ 56,265,594	\$ 56,696,941
<b>Liabilities and Net Assets</b>																				
<b>Current Liabilities</b>																				
Accounts payable and accrued expenses	\$ 410,891	\$ 19,752	\$ 14,439	\$ 9,629	\$ 15,764	\$ 12,563	\$ 12,253	\$ 13,760	\$ 17,527	\$ 15,193	\$ 15,858	\$ 17,185	\$ 15,018	\$ 20,316	\$ 18,035	\$ 15,179	\$ 13,012	\$ -	\$ 656,374	\$ 570,059
Accrued salaries and related costs	900,863	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	900,863	629,261
Due to affiliate	-	5,233	4,021	2,375	12,662	3,349	4,156	3,340	3,587	5,270	4,464	17,142	10,416	4,175	4,149	4,338	5,334	(94,011)	-	-
Due to governmental agencies	1,672,804	-	5,732	6,758	-	-	4,500	4,908	135	-	-	-	-	4,310	6,483	4,800	11,655	-	1,722,085	1,480,038
Line of credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,273,000
Current portion of long-term debt	270,430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	270,430	197,001
Deferred income	2,633,224	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,633,224	246,678
Other current liabilities	2,485	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,485	6,036
Total current liabilities	5,890,697	24,985	24,192	18,762	28,426	15,912	20,909	22,008	21,249	20,463	20,322	34,327	25,434	28,801	28,667	24,317	30,001	(94,011)	6,185,461	4,402,073
<b>Long-Term Debt, Net</b>	<b>6,380,382</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,380,382</b>	<b>4,547,789</b>
<b>Tenant Deposits Held in Trust</b>	<b>82,336</b>	<b>3,202</b>	<b>3,964</b>	<b>1,520</b>	<b>1,845</b>	<b>1,826</b>	<b>2,883</b>	<b>2,162</b>	<b>2,008</b>	<b>4,160</b>	<b>2,363</b>	<b>1,900</b>	<b>2,780</b>	<b>3,611</b>	<b>3,520</b>	<b>2,944</b>	<b>4,477</b>	<b>-</b>	<b>127,501</b>	<b>126,061</b>
<b>Advance From New York State</b>	<b>384,565</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>384,565</b>	<b>2,705,776</b>
<b>Other Liabilities</b>	<b>152,236</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>152,236</b>	<b>162,257</b>
Total liabilities	12,890,216	28,187	28,156	20,282	30,271	17,738	23,792	24,170	23,257	24,623	22,685	36,227	28,214	32,412	32,187	27,261	34,478	(94,011)	13,230,145	11,943,956
<b>Net Assets</b>																				
Net assets without donor restrictions	27,397,742	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	-	42,899,859	44,467,506
Net assets with donor restrictions	135,590	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135,590	285,479
Total net assets	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
Total liabilities and net assets	\$ 40,423,548	\$ 416,676	\$ 445,262	\$ 210,199	\$ 334,282	\$ 338,415	\$ 486,522	\$ 472,900	\$ 545,007	\$ 1,242,209	\$ 1,129,603	\$ 1,234,647	\$ 1,435,426	\$ 1,565,298	\$ 1,903,931	\$ 1,712,286	\$ 2,463,394	\$ (94,011)	\$ 56,265,594	\$ 56,696,941

**Options for Community Living, Inc. and Affiliates**

Combining Statement of Activities and Change in Net Assets  
Year Ended December 31, 2020 (With Summarized Comparative Totals for 2019)

	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	2020 Combined Totals	2019 Combined Totals	
<b>Net Assets Without Donor Restrictions</b>																					
Revenue:																					
Program services:																					
Mental health licensed programs	\$ 7,522,450	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,522,450	\$ 7,314,924
Mental health supportive housing	4,906,958	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,906,958	4,852,289
ATC - care coordination	4,924,547	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,924,547	4,506,259
ATC - residential services	2,804,673	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,804,673	2,271,461
HUD Section 811 rental fees	-	134,400	135,720	61,456	75,435	83,049	106,416	84,643	86,512	144,163	105,377	86,742	108,758	111,561	118,368	113,558	131,368	-	1,687,526	1,644,729	
Mainstream rent vouchers	1,118,554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,118,554	1,022,862
Thrift shop	21,399	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	21,399	28,452
Total program services	21,298,581	134,400	135,720	61,456	75,435	83,049	106,416	84,643	86,512	144,163	105,377	86,742	108,758	111,561	118,368	113,558	131,368	-	22,986,107	21,640,976	
Other revenue:																					
Investment income	400,180	5	3	2	6	6	4	8	4	2	5	6	16	17	13	8	6	-	400,291	473,115	
Management fees	153,530	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(153,530)	-	-	
Contributions and grants	70,930	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	70,930	38,568	
Miscellaneous income	2,823	150	175	-	231	-	-	-	-	295	195	-	-	-	-	325	195	-	4,389	71,916	
Total other revenue	627,463	155	178	2	237	6	4	8	4	297	200	6	16	17	13	333	201	(153,530)	475,610	583,599	
Net assets released from restrictions	235,010	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	235,010	89,542
Total revenue	22,161,054	134,555	135,898	61,458	75,672	83,055	106,420	84,651	86,516	144,460	105,577	86,748	108,774	111,578	118,381	113,891	131,569	(153,530)	23,696,727	22,314,117	
<b>Expenses</b>																					
Program services:																					
Mental health licensed programs	7,059,730	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,059,730	6,286,061
Mental health supportive programs	4,481,309	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,481,309	4,432,968
ATC - care coordination	4,372,371	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,372,371	4,131,115
ATC - residential services	3,512,603	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,512,603	2,982,565
HUD Section 811 housing	-	159,555	166,221	71,964	110,245	109,070	126,259	105,098	110,598	192,029	148,089	135,383	142,120	132,544	147,259	144,683	201,462	-	2,202,579	2,177,147	
Mainstream rent vouchers	1,124,956	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,124,956	1,031,624
Thrift shop	47,531	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,531	32,180
Total program expenses	20,598,500	159,555	166,221	71,964	110,245	109,070	126,259	105,098	110,598	192,029	148,089	135,383	142,120	132,544	147,259	144,683	201,462	-	22,801,079	21,073,660	
Supporting services:																					
Management and general	2,478,861	15,602	15,319	5,121	9,087	8,539	11,722	9,083	8,555	15,695	12,048	8,704	10,301	10,343	10,506	10,031	13,100	(153,530)	2,499,087	2,663,074	
Total expenses	23,077,361	175,157	181,540	77,085	119,332	117,609	137,981	114,181	119,153	207,724	160,137	144,087	152,421	142,887	157,765	154,714	214,562	(153,530)	25,300,166	23,736,734	
Change in net assets without donor restrictions before capital advances, residual receipts due to HUD and gains on sales																					
	(916,307)	(40,602)	(45,642)	(15,627)	(43,660)	(34,554)	(31,561)	(29,530)	(32,637)	(63,264)	(54,560)	(57,339)	(43,647)	(31,309)	(39,384)	(40,823)	(82,993)	-	(1,603,439)	(1,422,617)	
Capital advances																					
Residual receipts due to HUD	85,073	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,073	22,808
Gains on sales of land, building and improvements and equipment	-	-	(5,732)	(6,758)	-	-	(4,500)	(4,908)	(135)	-	-	-	-	(4,310)	(6,483)	(4,800)	(11,655)	-	(49,281)	(38,748)	
Change in net assets without donor restrictions	(831,234)	(40,602)	(51,374)	(22,385)	(43,660)	(34,554)	(36,061)	(34,438)	(32,772)	(63,264)	(54,560)	(57,339)	(43,647)	(35,619)	(45,867)	(45,623)	(94,648)	-	(1,567,647)	(456,415)	
Change in net assets with donor restrictions:																					
Contributions and grants	85,121	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85,121	333,950
Net assets released from restrictions	(235,010)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(235,010)	(89,542)
Change in net assets with donor restrictions	(149,889)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(149,889)	244,408
Change in net assets	(981,123)	(40,602)	(51,374)	(22,385)	(43,660)	(34,554)	(36,061)	(34,438)	(32,772)	(63,264)	(54,560)	(57,339)	(43,647)	(35,619)	(45,867)	(45,623)	(94,648)	-	(1,717,536)	(212,007)	
<b>Net Assets, Beginning</b>	<b>28,514,455</b>	<b>429,091</b>	<b>468,480</b>	<b>212,302</b>	<b>347,671</b>	<b>355,231</b>	<b>498,791</b>	<b>483,168</b>	<b>554,522</b>	<b>1,280,850</b>	<b>1,161,478</b>	<b>1,255,759</b>	<b>1,450,859</b>	<b>1,568,505</b>	<b>1,917,611</b>	<b>1,730,648</b>	<b>2,523,564</b>	<b>-</b>	<b>44,752,985</b>	<b>44,964,992</b>	
<b>Net Assets, Ending</b>	<b>\$ 27,533,332</b>	<b>\$ 388,489</b>	<b>\$ 417,106</b>	<b>\$ 189,917</b>	<b>\$ 304,011</b>	<b>\$ 320,677</b>	<b>\$ 462,730</b>	<b>\$ 448,730</b>	<b>\$ 521,750</b>	<b>\$ 1,217,586</b>	<b>\$ 1,106,918</b>	<b>\$ 1,198,420</b>	<b>\$ 1,407,212</b>	<b>\$ 1,532,886</b>	<b>\$ 1,871,744</b>	<b>\$ 1,685,025</b>	<b>\$ 2,428,916</b>	<b>\$ -</b>	<b>\$ 43,035,449</b>	<b>\$ 44,752,985</b>	