

Inspirica, Inc. and Subsidiaries

Consolidated Financial Statements

June 30, 2025 and 2024

Independent Auditors' Report

Board of Directors
Inspirica, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Inspirica, Inc. and Subsidiaries (a nonprofit organization), which comprise the consolidated statements of financial position as of June 30, 2025 and 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Inspirica, Inc. and Subsidiaries as of June 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Inspirica, Inc. and Subsidiaries 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.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

**Board of Directors
Inspirica, Inc.**

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In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position and consolidating statements of activities as of and for the years ended June 30, 2025 and 2024 shown on pages 27 through 30 are presented for the purpose of additional analysis of the consolidated financial statements rather than to present the financial position, and changes in net assets of the individual entities, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

PKF O'Connor Davies, LLP

December 3, 2025

Inspirica, Inc. and Subsidiaries

Consolidated Statements of Financial Position

	June 30,	
	2025	2024
ASSETS		
Cash and cash equivalents	\$ 481,894	\$ 1,055,500
Cash held for tenant security deposits	115,190	112,856
Cash held for future capital expenditures	-	309,829
Total Cash, Cash Equivalents, and Restricted Cash	597,084	1,478,185
Unconditional promises to give, net	408,579	116,604
Government grants receivable	219,974	151,721
Accounts receivable, net of allowance of \$9,770 and \$15,290	259,724	421,388
Prepaid expenses and other current assets	88,817	115,446
Investments	11,033,467	10,339,795
Restricted deposits and funded reserves	2,741,150	2,625,142
Property and equipment, net	19,929,092	20,228,511
	\$ 35,277,887	\$ 35,476,792
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 1,337,092	\$ 1,202,474
Deferred revenue	7,524	712
Security deposits and agency funds	130,961	131,677
Mortgages and notes payable	6,322,963	6,285,775
Total Liabilities	7,798,540	7,620,638
Net Assets		
Without Donor Restrictions		
Operations	(797,516)	(404,343)
Board Designated Funds		
RLS Operating Reserve Fund	2,523,948	2,404,688
Capital Reserve Fund	1,197,806	1,351,253
Strategic Plan Fund	791,248	796,824
Total Board Designated Funds	4,513,002	4,552,765
Total Operations and Board Designated		
Net Assets Without Donor Restrictions	3,715,486	4,148,422
Investment in property and equipment, restricted deposits, and funded reserves, net of related debt and net assets with donor restrictions	15,644,288	15,806,203
Total Net Assets Without Donor Restrictions	19,359,774	19,954,625
With Donor Restrictions	8,119,573	7,901,529
Total Net Assets	27,479,347	27,856,154
	\$ 35,277,887	\$ 35,476,792

See Notes to Consolidated Financial Statements

Inspirica, Inc. and Subsidiaries

Consolidated Statements of Activities

	Year Ended June 30, 2025			Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUE						
Contributions	\$ 964,765	\$ 1,421,867	\$ 2,386,632	\$ 1,649,355	\$ 220,252	\$ 1,869,607
Government grants	3,161,369	-	3,161,369	2,796,853	-	2,796,853
Client fees and rental income	2,252,072	-	2,252,072	2,179,789	-	2,179,789
Special events, net of direct donor benefits of \$92,387 and \$79,446	341,216	-	341,216	299,726	-	299,726
Other income	424,737	-	424,737	398,198	-	398,198
Appropriation for expenditure	317,928	-	317,928	295,876	-	295,876
Net assets released from restrictions	<u>1,437,257</u>	<u>(1,437,257)</u>	<u>-</u>	<u>394,293</u>	<u>(394,293)</u>	<u>-</u>
Total Operating Revenue	<u>8,899,344</u>	<u>(15,390)</u>	<u>8,883,954</u>	<u>8,014,090</u>	<u>(174,041)</u>	<u>7,840,049</u>
EXPENSES						
Program Services						
Permanent supportive/deeply affordable housing	3,418,203	-	3,418,203	3,494,398	-	3,494,398
Temporary housing	2,378,683	-	2,378,683	2,419,989	-	2,419,989
Youth services	504,847	-	504,847	326,607	-	326,607
Gilead and CSP	900,317	-	900,317	813,921	-	813,921
McKinney residence	515,385	-	515,385	512,435	-	512,435
Education employment & financial empowerment	250,337	-	250,337	290,366	-	290,366
Not-for-profit tenant services	374,798	-	374,798	461,800	-	461,800
Holiday gift collection	<u>39,718</u>	<u>-</u>	<u>39,718</u>	<u>18,254</u>	<u>-</u>	<u>18,254</u>
Total Program Services	8,382,288	-	8,382,288	8,337,770	-	8,337,770
Support Services						
Management and general	720,900	-	720,900	674,827	-	674,827
Fundraising	<u>783,825</u>	<u>-</u>	<u>783,825</u>	<u>678,679</u>	<u>-</u>	<u>678,679</u>
Total Expenses	<u>9,887,013</u>	<u>-</u>	<u>9,887,013</u>	<u>9,691,276</u>	<u>-</u>	<u>9,691,276</u>
Excess (Deficit) of Operating Revenue Over Expenses	(987,669)	(15,390)	(1,003,059)	(1,677,186)	(174,041)	(1,851,227)
NONOPERATING ACTIVITIES						
Casualty loss	(62,331)	-	(62,331)	-	-	-
Investment return, net of appropriation for expenditure	<u>455,149</u>	<u>233,434</u>	<u>688,583</u>	<u>551,961</u>	<u>357,537</u>	<u>909,498</u>
Change in Net Assets	(594,851)	218,044	(376,807)	(1,125,225)	183,496	(941,729)
NET ASSETS						
Beginning of year	<u>19,954,625</u>	<u>7,901,529</u>	<u>27,856,154</u>	<u>21,079,850</u>	<u>7,718,033</u>	<u>28,797,883</u>
End of year	<u>\$ 19,359,774</u>	<u>\$ 8,119,573</u>	<u>\$ 27,479,347</u>	<u>\$ 19,954,625</u>	<u>\$ 7,901,529</u>	<u>\$ 27,856,154</u>

See Notes to Consolidated Financial Statements

Inspirica, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2025

	Program Services								Support Services				Total
	Permanent Supportive/ Deeply Affordable Housing	Temporary Housing	Youth Services	Gilead and CSP	McKinney Residence	Education Employment & Financial Empowerment	Not-for-Profit Tenant Services	Holiday Gift Collection	Total Program Services	Management and General	Fund-raising	Direct Donor Benefits	
Expenses													
Salaries and wages	\$ 1,290,747	\$ 1,207,101	\$ 285,962	\$ 462,157	\$ 292,152	\$ 141,150	\$ 197,275	\$ 21,587	\$ 3,898,131	\$ 479,979	\$ 405,423	\$ -	\$ 4,783,533
Payroll taxes and benefits	261,574	245,882	41,714	153,215	61,426	37,840	90,716	9,113	901,480	40,808	94,177	-	1,036,465
Total Salary Related Expenses	<u>1,552,321</u>	<u>1,452,983</u>	<u>327,676</u>	<u>615,372</u>	<u>353,578</u>	<u>178,990</u>	<u>287,991</u>	<u>30,700</u>	<u>4,799,611</u>	<u>520,787</u>	<u>499,600</u>	<u>-</u>	<u>5,819,998</u>
Other Expenses													
Client support (including meals, rent subsidies, clothing, and other)	21,481	69,465	14,447	9,074	6,939	6,266	237	21	127,930	466	1,072	-	129,468
Event production	-	-	-	-	-	-	-	-	-	-	-	92,387	92,387
Program supplies and activities	40,802	16,009	24,138	3,624	3,392	4,323	647	21	92,956	77	1,064	-	94,097
Travel, meals and accommodation	5,755	2,262	298	4,379	159	169	84	9	13,115	205	206	-	13,526
Printing and copying	446	754	161	260	164	79	111	12	1,987	270	10,045	-	12,302
Office supplies	17,932	4,672	1,096	1,783	1,812	469	2,129	54	29,947	1,209	1,469	-	32,625
Postage	359	497	100	162	183	50	69	8	1,428	169	1,503	-	3,100
Telecommunications	41,900	27,172	5,233	10,953	6,625	2,583	3,610	395	98,471	8,783	7,419	-	114,673
Legal and accounting	24,693	37,885	8,089	13,072	8,264	3,993	5,580	611	102,187	13,576	11,468	-	127,231
Management fee	69,307	-	-	-	-	-	-	-	69,307	-	-	-	69,307
Consultants	67,446	117,445	40,283	40,525	25,618	12,377	17,298	1,893	322,885	42,088	101,080	-	466,053
Security	-	22,730	-	-	-	-	-	-	22,730	-	-	-	22,730
Marketing and promotion	86	145	31	50	32	15	21	2	382	52	314	-	748
Recruiting and staff development	11,440	26,471	2,834	4,926	2,929	1,401	2,261	208	52,470	4,628	4,926	-	62,024
Equipment and vehicle expense	78,504	71,872	16,097	29,521	16,537	7,176	11,124	1,097	231,928	24,401	53,021	-	309,350
Interest expense	80,359	17,014	3,632	5,871	3,711	1,793	2,506	274	115,160	6,097	5,150	-	126,407
Dues and publications	1,401	1,934	413	667	422	204	285	31	5,357	693	585	-	6,635
Insurance	130,694	51,047	8,486	20,163	8,669	4,188	5,854	641	229,742	14,243	12,030	-	256,015
Occupancy	564,167	226,520	21,815	66,143	47,592	10,678	15,009	1,633	953,557	36,309	32,420	-	1,022,286
Provision for bad debt	16,002	-	-	-	-	-	-	-	16,002	-	500	-	16,502
Other	38,864	43,653	9,377	15,290	9,414	4,548	7,084	697	128,927	15,465	13,445	-	157,837
Total Other Expenses	<u>1,211,638</u>	<u>737,547</u>	<u>156,530</u>	<u>226,463</u>	<u>142,462</u>	<u>60,312</u>	<u>73,909</u>	<u>7,607</u>	<u>2,616,468</u>	<u>168,731</u>	<u>257,717</u>	<u>92,387</u>	<u>3,135,303</u>
Total Expenses Before Depreciation and Amortization	2,763,959	2,190,530	484,206	841,835	496,040	239,302	361,900	38,307	7,416,079	689,518	757,317	92,387	8,955,301
Depreciation and amortization	654,244	188,153	20,641	58,482	19,345	11,035	12,898	1,411	966,209	31,382	26,508	-	1,024,099
	<u>3,418,203</u>	<u>2,378,683</u>	<u>504,847</u>	<u>900,317</u>	<u>515,385</u>	<u>250,337</u>	<u>374,798</u>	<u>39,718</u>	<u>8,382,288</u>	<u>720,900</u>	<u>783,825</u>	<u>92,387</u>	<u>9,979,400</u>
Direct donor benefits	-	-	-	-	-	-	-	-	-	-	-	(92,387)	(92,387)
Total Expenses	<u>\$ 3,418,203</u>	<u>\$ 2,378,683</u>	<u>\$ 504,847</u>	<u>\$ 900,317</u>	<u>\$ 515,385</u>	<u>\$ 250,337</u>	<u>\$ 374,798</u>	<u>\$ 39,718</u>	<u>\$ 8,382,288</u>	<u>\$ 720,900</u>	<u>\$ 783,825</u>	<u>\$ -</u>	<u>\$ 9,887,013</u>

Inspirica, Inc. and Subsidiaries

Consolidated Statement of Functional Expenses
Year Ended June 30, 2024

	Program Services								Support Services				Total
	Permanent Supportive/ Deeply Affordable Housing	Temporary Housing	Youth Services	Gilead and CSP	McKinney Residence	Education Employment & Financial Empowerment	Not-for-Profit Tenant Services	Holiday Gift Collection	Total Program Services	Management and General	Fund-raising	Direct Donor Benefits	
Expenses													
Salaries and wages	\$ 1,443,537	\$ 1,307,456	\$ 174,328	\$ 479,401	\$ 305,073	\$ 174,328	\$ 305,073	\$ -	\$ 4,189,196	\$ 174,328	\$ 305,073	\$ -	\$ 4,668,597
Payroll taxes and benefits	309,668	288,828	29,879	119,515	69,717	49,798	99,596	-	967,001	19,919	69,717	-	1,056,637
Total Salary Related Expenses	1,753,205	1,596,284	204,207	598,916	374,790	224,126	404,669	-	5,156,197	194,247	374,790	-	5,725,234
Other Expenses													
Client support (including meals, rent subsidies, clothing, and other)	34,927	41,156	4,543	11,792	5,284	9,339	11	1,400	108,452	22,593	367	-	131,412
Event production	-	-	-	-	-	-	-	-	-	-	-	79,446	79,446
Program supplies and activities	358	33,086	23,399	2,798	1,838	15,494	14	-	76,987	5,673	344	-	83,004
Travel, meals and accommodation	2,032	1,980	158	1,021	40	1,065	7	1	6,304	147	121	-	6,572
Printing and copying	276	999	243	80	37	106	145	194	2,080	1,707	12,126	-	15,913
Office supplies	15,997	6,640	498	2,275	1,045	480	454	120	27,509	1,556	5,119	-	34,184
Postage	785	1,205	2	475	230	6	52	-	2,755	4	3,031	-	5,790
Telecommunications	32,457	38,582	7,239	10,582	5,992	2,431	3,996	1,289	102,568	4,698	2,963	-	110,229
Legal and accounting	34,952	56,089	3,231	24,303	11,142	2,328	2,775	123	134,943	109,491	12,269	-	256,703
Management fee	46,618	-	-	-	-	-	-	-	46,618	-	-	-	46,618
Consultants	116,689	61,431	4,604	22,398	11,360	530	2,962	211	220,185	90,891	152,904	-	463,980
Security	-	21,301	-	-	-	-	-	-	21,301	-	-	-	21,301
Marketing and promotion	58	97	13	50	20	9	5	-	252	1,897	13,309	-	15,458
Recruiting and staff development	23,287	36,755	4,761	18,132	7,363	7,492	2,017	192	99,999	109,382	9,555	-	218,936
Equipment and vehicle expense	49,954	50,882	6,845	12,752	9,528	5,422	2,943	378	138,704	10,379	56,057	-	205,140
Interest expense	81,024	22,246	2	8,530	4,268	106	947	-	117,123	19	5,784	-	122,926
Dues and publications	1,618	157	21	78	33	14	9	1	1,931	7,927	26	-	9,884
Insurance	112,117	67,501	6,923	17,553	10,600	1,931	5,558	1,585	223,768	2,742	9,659	-	236,169
Occupancy	424,494	240,502	37,573	50,279	40,301	10,433	23,052	8,305	834,939	24,978	14,048	-	873,965
Provision for bad debt	162,636	-	-	-	-	-	-	-	162,636	-	-	-	162,636
Other	21,266	12,055	691	3,703	2,001	646	613	74	41,049	8,858	2,917	-	52,824
Total Other Expenses	1,161,545	692,664	100,746	186,801	111,082	57,832	45,560	13,873	2,370,103	402,942	300,599	79,446	3,153,090
Total Expenses Before Depreciation and Amortization	2,914,750	2,288,948	304,953	785,717	485,872	281,958	450,229	13,873	7,526,300	597,189	675,389	79,446	8,878,324
Depreciation and amortization	579,648	131,041	21,654	28,204	26,563	8,408	11,571	4,381	811,470	77,638	3,290	-	892,398
	3,494,398	2,419,989	326,607	813,921	512,435	290,366	461,800	18,254	8,337,770	674,827	678,679	79,446	9,770,722
Direct donor benefits	-	-	-	-	-	-	-	-	-	-	-	(79,446)	(79,446)
Total Expenses	\$ 3,494,398	\$ 2,419,989	\$ 326,607	\$ 813,921	\$ 512,435	\$ 290,366	\$ 461,800	\$ 18,254	\$ 8,337,770	\$ 674,827	\$ 678,679	\$ -	\$ 9,691,276

Inspirica, Inc. and Subsidiaries

Consolidated Statements of Cash Flows

	Year Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (376,807)	\$ (941,729)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	903,773	892,398
Unrealized and realized gains	(628,493)	(822,724)
Casualty loss	62,331	-
Provision for bad debt	16,502	162,636
Donation for endowment	(1,000,000)	-
Government grants for capital projects	-	(69,821)
Discounting and amortization of mortgages and notes payable to present value	58,684	55,704
Changes in operating assets and liabilities		
Unconditional promises to give	(291,975)	340,619
Government grants receivable	(68,253)	(43,652)
Accounts receivable	145,162	(144,416)
Prepaid expenses and other current assets	26,629	(24,108)
Accounts payable and accrued expenses	134,618	359,983
Deferred revenue	6,812	(6,786)
Security deposits and agency funds	(716)	1,456
Net Cash from Operating Activities	(1,011,733)	(240,440)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(3,864,086)	(4,284,987)
Sale of investments	3,798,907	4,907,907
Deposits to reserve for replacement and interest retained	(221,953)	(156,288)
Withdrawals from restricted deposits and funded reserves	105,945	40,984
Purchases of property and equipment	(666,685)	(415,698)
Net Cash from Investing Activities	(847,872)	91,918
CASH FLOWS FROM FINANCING ACTIVITIES		
Government grants for capital projects	-	69,821
Donation for endowment	1,000,000	-
Payments on mortgages and notes payable	(21,496)	(20,948)
Net Cash from Financing Activities	978,504	48,873
Net Change in Cash, Cash Equivalents, and Restricted Cash	(881,101)	(99,649)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH		
Beginning of year	1,478,185	1,577,834
End of year	\$ 597,084	\$ 1,478,185
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash paid for interest	\$ 25,723	\$ 25,221

See Notes to Consolidated Financial Statements

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2025 and 2024

1. The Organization

The mission of Inspirica, Inc. (“Inspirica”) is to end homelessness and housing insecurity by helping individuals and families achieve stability through support services and affordable housing. Inspirica’s vision is for a community where everyone has a stable, affordable home and home for a bright future. Inspirica services Fairfield County, Connecticut with programs that range geographically from Greenwich to Fairfield, Connecticut and offers hope and direction which help people to lead meaningful and productive lives.

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

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

992 LLC was formed for the purpose of owning a 50% interest in 992 Summer Street Housing Corporation (“992 Corp.”). The remaining 50% ownership of 992 Corp. is owned by an unrelated not-for-profit organization. All operations of 992 Corp. are jointly controlled by its shareholders. 992 Corp. is the general partner of 992 Summer Street Development Limited Partnership (“992 LP”). 992 Corp. owns 0.01% of 992 LP. 992 LP was created to build and operate a Low-Income Housing Tax Credit building (the “Development”) located at 992 Summer Street, Stamford, Connecticut (the “Property”). The Property is owned by Inspirica and is being leased to 992 LP (see Note 9). Inspirica and 992 LLC have no obligation to provide additional capital and have not guaranteed any losses of 992 Corp. and 992 LP beyond their initial investment in 992 Corp. Because Inspirica does not have a majority ownership of 992 Corp. or 992 LP, has no contractual control of 992 Corp. or 992 LP, and has no additional exposure to loss from 992 Corp. and 992 LP, Inspirica accounts for its investment in 992 Corp. on the equity method. During the year ended June 30, 2016, 992 LP began construction of the Development. The Development was completed in April 2017 and operations began. As of June 30, 2025 and 2024, and for the years then ended, 992 Corp. only sustained losses. In accordance with the equity method of accounting, the investment in 992 Corp. is zero on the Organization’s consolidated financial statements.

72 LLC is wholly-owned by Inspirica. 72 LLC was developed and owns a 46,000 square foot building located at 72 Franklin Street, Stamford, Connecticut, consisting of 53 deeply affordable apartments for people primarily earning between 25% and 35% of area median income.

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2025 and 2024

2. Summary of Significant Accounting Policies

Consolidation Policy

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

Basis of Presentation and Use of Estimates

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

Leases

The Organization assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the consolidated statements of financial position. Lease expense is recognized for these leases on a straight-line basis over the lease.

The Organization leases residential units to tenants. The leases are typically 12 months or less. The Organization also leases space to other not-for-profit entities that further the Organization’s mission. Rental income from these units is recognized ratably over the term of the lease agreements. The Organization also leases space to tenants needing emergency or temporary housing on a month-to-month basis. Revenue from these units is charged based on the tenant’s ability to pay based on various formulas and is recognized when received.

Cash, Cash Equivalents, and Restricted Cash

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

	2025	2024
Cash and cash equivalents	\$ 481,894	\$ 1,055,500
Cash held for tenant security deposits	115,190	112,856
Cash held for future capital expenditures	-	309,829
Cash, Cash Equivalents, and Restricted Cash	<u>\$ 597,084</u>	<u>\$ 1,478,185</u>

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2025 and 2024

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

Contributions and Unconditional Promises to Give

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

The Organization has considered a number of factors in estimating its allowance for doubtful contributions receivable, including the uncertainty of the current economy, ongoing circumstances surrounding contributors' continuing ability to meet their contribution obligations, and contribution payment history. If any of these factors were to change, it could have a material effect on the need for or amount of the estimated allowance. Uncollected contributions receivable are written off when the Organization has exhausted reasonable collection efforts. As of June 30, 2025 and 2024, management did not believe an allowance for doubtful contributions receivable was required.

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

Fees and other income

The Organization has various other program and contract revenue that are accounted for as exchange transactions. Revenue is recognized as performance obligations are met in an amount that reflects the consideration which the Organization expects to be entitled in exchange for providing services. Payment terms vary but generally align with the timing of the services performed. As substantially all performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption not to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. Generally, performance obligations are satisfied over time and relate to the number of days of participation in a program. The Organization measures the performance obligation from the days of services provided. The Organization defers revenues when payments are received in advance of the performance under the contract.

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2025 and 2024

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

Accounts Receivable and Allowance for Credit Losses

Accounts receivable represents fees and other charges earned but not yet collected. The Organization assesses credit loss through a combination of write-off history, aging analysis and any specific known troubled accounts, with a methodology that reflects expected credit losses and requires the use of a forward-looking expected credit loss rate for its accounts receivable. The Organization writes off uncollectible accounts receivable once collection efforts have been exhausted. Accounts receivable was \$439,608 at July 1, 2023.

Investments

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

Fair Value of Financial Instruments

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

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated assets, at estimated fair value at the date of gift. Buildings, leasehold improvements, furniture, fixtures, equipment and vehicles are depreciated or amortized using the straight-line method over the shorter of the estimated useful lives of the assets or the related lease term. The table below summarizes the estimated useful lives applied to each major asset class.

- Buildings and related improvements – 20 to 40 years
- Furniture, fixtures and equipment – 5 to 10 years
- Leasehold improvements – 5 to 15 years
- Vehicles – 5 years

The title to certain equipment purchased with government grant funds is held by the grantor. Pursuant to prevailing accounting principles, the Organization has capitalized and depreciated such equipment in its consolidated financial statements.

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2025 and 2024

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

Impairment or Disposal of Long-lived Assets

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

Interest Free Notes Payable

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

Net Assets

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

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

Net Assets With Donor Restrictions – Assets subject to usage limitations based on donor-imposed restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may require the assets to be maintained in perpetuity. The Organization records contributions with donor restrictions as an increase in net assets without donor restrictions if the restrictions expire in the reporting period in which the revenue is recognized. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

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

Functional Expense Allocation

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

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2025 and 2024

2. Summary of Significant Accounting Policies (continued)

In-kind Contributions

Contributions of donated non-cash assets are recorded at their fair value in the period received. The Organization's policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair value in the period received. A substantial number of volunteers have contributed their time to the Organization's programs and supporting services; however, none of these services meet the requirements for financial statement recognition.

Income Taxes

Inspirica, Inc. is exempt from income taxes as defined in Internal Revenue Code Section 501(c)(3). Atlantic PSH LLC, Colony PSH LLC, and 72 Franklin LLC are each single-member limited liability companies wholly owned by Inspirica, Inc. and are treated as disregarded entities for federal and state income tax purposes; accordingly, their activity is reported within Inspirica, Inc.'s tax filings and they are not subject to separate income taxes. 992 Summer St. Development LP is a pass-through partnership for income tax purposes and therefore does not incur income taxes, as all taxable items flow through to its partners. Accordingly, the consolidated financial statements do not reflect a provision for income taxes.

Accounting for Uncertainty in Income Taxes

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

Measure of Operations

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

Reclassifications

Certain amounts in the prior year's consolidated financial statements have been reclassified to conform to the current year presentation. Such reclassifications had no effect on the change in net assets or financial position for the prior year.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the consolidated financial statements through the date that the consolidated financial statements were available to be issued, which date is December 3, 2025.

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2025 and 2024

3. Investments

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

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Investments Held in Donor Restricted Endowment				
Level 1 Investments				
Cash equivalents	\$ -	\$ -	\$ 227,723	\$ 227,723
United States Treasury notes	875,988	864,534	915,994	926,573
Equities	3,376,888	2,766,960	2,786,058	2,161,389
Mutual funds - equities	1,103,940	734,774	550,625	625,850
Mutual funds - fixed income	673,103	381,990	823,429	822,026
Total Level 1 Investments	<u>6,029,919</u>	<u>4,748,258</u>	<u>5,303,829</u>	<u>4,763,561</u>
Level 2 Investments				
Corporate Bonds	609,928	589,694	394,282	397,630
Assets Outside The Fair Value Hierarchy				
Cash	<u>369,897</u>	<u>369,897</u>	<u>78,199</u>	<u>78,199</u>
Total Investments Held in Donor Restricted Endowment	<u>7,009,744</u>	<u>5,707,849</u>	<u>5,776,310</u>	<u>5,239,390</u>
Investments - Board Designated Funds				
Level 1 Investments				
Cash equivalents	10,722	10,722	640,924	630,204
United States Treasury Notes	917,920	917,920	801,339	819,619
Equities	666,309	411,880	1,661,631	1,405,542
Mutual funds - equities	490,990	934,628	393,724	413,659
Mutual funds - fixed income	623,536	440,109	56,714	55,847
Total Level 1 Investments	<u>2,709,477</u>	<u>2,715,259</u>	<u>3,554,332</u>	<u>3,324,871</u>
Level 2 Investments				
Corporate Bonds	623,658	604,027	891,027	889,827
Assets Outside The Fair Value Hierarchy				
Cash	<u>690,588</u>	<u>690,588</u>	<u>118,126</u>	<u>118,126</u>
Total Investments - Board Designated Funds	<u>4,023,723</u>	<u>4,009,874</u>	<u>4,563,485</u>	<u>4,332,824</u>
Total Investments	<u>\$11,033,467</u>	<u>\$ 9,717,723</u>	<u>\$10,339,795</u>	<u>\$ 9,572,214</u>

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2025 and 2024

3. Investments (continued)

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

	2025	2024
Interest and dividend income	\$ 404,635	\$ 432,815
Net realized and unrealized gains	628,493	822,724
Investment expenses	(26,617)	(50,165)
Investment Return before Appropriation for Expenditure	1,006,511	1,205,374
Appropriation for expenditure	(317,928)	(295,876)
Total Investment Return, Net of Appropriation for Expenditure	\$ 688,583	\$ 909,498

4. Unconditional Promises to Give

Unconditional promises to give due in less than one year was \$408,579 and \$116,604 as of June 30, 2025 and 2024.

5. Property and Equipment

Property and equipment consists of the following as of June 30:

	2025	2024
Depreciable Assets		
Buildings and related equipment	\$ 24,381,294	\$ 24,066,834
Furniture, fixtures and equipment	1,731,059	1,637,459
Leasehold improvements	1,952,949	1,921,149
Vehicles	239,771	183,637
Gross Depreciable Assets	28,305,073	27,809,079
Accumulated depreciation and amortization	(13,168,439)	(12,373,026)
Net Depreciable Assets	15,136,634	15,436,053
Non-depreciable assets		
Construction in progress	10,836	10,836
Land	4,781,622	4,781,622
Property and Equipment, Net	\$ 19,929,092	\$ 20,228,511

6. Restricted Deposits and Funded Reserves

According to certain loan and other regulatory agreements, the Organization is required to maintain escrow deposits and reserves related to the properties owned by Atlantic and Colony. Withdrawals from the reserves must be approved by CHFA. As of June 30, 2025 and 2024, \$1,270,957 and \$1,238,902 of the escrow deposits and reserves use is restricted to the building owned by Atlantic. As of June 30, 2025 and 2024, \$1,470,193 and \$1,386,240 of the escrow deposits and reserves use is restricted to the building owned by Colony.

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2025 and 2024

7. Funds Held for Long-Term Investment

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

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

The Board of Directors of the Organization as of June 30, 2025 and 2024 have interpreted CUPMIFA as requiring the preservation of the fair value of the original gifts as of the gift date of the endowment funds with donor restrictions absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with donor restrictions in perpetuity: (a) the original value of gifts donated with donor restrictions to the permanent endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organization. In accordance with CUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Organization and (7) the Organization’s investment policies.

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

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2025 and 2024

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

The Organization has a policy of approving for distribution each year a target of between 4% to 5½% of its endowment fund's average fair value for the twelve quarters preceding the quarter in which the distribution is planned. The Organization may deviate from the 4% to 5½% guideline if it deems such action prudent and justified. In establishing this policy, the Organization considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, and the possible effects of inflation. The Organization expects the current spending policy to allow its endowment funds to grow at a nominal average rate equal to inflation. This expectation is consistent with the Organization's objective of maintaining the purchasing power of the endowment assets as well as providing additional real growth through new gifts and investment return.

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

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning balance, July 1, 2023	\$ -	5,418,773	\$ 5,418,773
Investment income, net	-	106,561	106,561
Appropriation for expenditure	-	(295,876)	(295,876)
Capital appreciation	-	546,852	546,852
Ending Balance, June 30, 2024	-	5,776,310	5,776,310
Investment income, net	-	97,099	97,099
Contributions	-	1,000,000	1,000,000
Appropriation for expenditure	-	(317,928)	(317,928)
Capital appreciation	-	454,263	454,263
Ending Balance, June 30, 2025	<u>\$ -</u>	<u>\$ 7,009,744</u>	<u>\$ 7,009,744</u>

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

The Organization had a revolving line of credit (the "Line") in the amount of \$1,250,000 with a financial institution (the "Bank") that expired on March 9, 2024, which was not renewed. Interest was payable at the published Wall Street Journal Prime Rate. The Line was collateralized by assets of the Organization. As of June 30, 2024, there was no outstanding balance on the Line. The Organization's mortgage and notes payable totaling \$6,322,963 and \$6,285,775 on the consolidated statements of financial position as of June 30, 2025 and 2024 are separated into three categories.

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2025 and 2024

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

First Category

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

	2025	2024
Mortgage loan in the original amount of \$365,715 dated August 11, 2017 from First Republic Bank. The loan bears interest at 2.4% per annum and is payable in equal monthly installments of \$1,629 consisting of principal and interest through September 1, 2032. The entire unpaid principal balance of this loan and all unpaid interest thereon is due and payable on September 1, 2032. The loan is secured by a mortgage on 24 Woodland Place, Stamford, Connecticut.	\$ 275,053	\$ 287,736
Mortgage loan in the original amount of \$254,154 dated August 11, 2017 from First Republic Bank. The loan bears interest at 2.4% per annum and is payable in equal monthly installments of \$1,132 consisting of principal and interest through September 1, 2032. The entire unpaid principal balance of this loan and all unpaid interest thereon is due and payable on September 1, 2032. The loan is secured by a mortgage on 26 Woodland Place, Stamford, Connecticut.	191,149	199,962
	\$ 466,202	\$ 487,698

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

	Amount
Year ending June 30,	
2026	\$ 21,497
2027	22,026
2028	22,568
2029	23,096
2030	23,691
Thereafter	353,324
	\$ 466,202

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2025 and 2024

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

Second Category

The second category consists of those mortgages and notes which require no principal or interest payments until maturity, have a stated interest rate, and require that the Organization comply with various requirements from CHFA. This category of loans is secured by the assets of Atlantic and Colony. On June 30, 2014, Atlantic and Colony entered into a mortgage modification agreement with CHFA which modified the mortgages such that no monthly payments of interest would be required and extended the maturity date of the notes. All accrued but unpaid interest is payable on the maturity date. As of June 30, 2025 and 2024, cumulative accrued but unpaid interest of \$462,000 and \$420,000 was reported in accounts payable and accrued expenses on the consolidated statements of financial position. Notes accruing interest payments until the maturity date consist of the following as of June 30:

Lender	Maturity Date	2025 Note Balance	2024 Note Balance	Interest Rate
CHFA	June 2041	\$ 1,812,500	\$ 1,812,500	1.00
CHFA	June 2041	362,500	362,500	1.00
CHFA	March 2042	337,500	337,500	1.00
CHFA	March 2042	1,687,500	1,687,500	1.00
		\$ 4,200,000	\$ 4,200,000	

Third Category

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

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2025 and 2024

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

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

Lender	Maturity Date	Note Maturity Balance	2025 Discounted Balance	2024 Discounted Balance	Deemed Interest Rate
SCDP	December 2026	\$ 155,520	\$ 140,061	\$ 130,619	7.00
CHFA	January 2027	99,000	99,000	99,000	0.00
SCDP	November 2027	150,000	126,717	118,174	7.00
SCDP	February 2029	50,000	38,709	36,100	7.00
SCDP	February 2029	63,315	47,063	43,891	7.00
SCDP	December 2031	30,350	20,318	18,947	7.00
SCDP	January 2032	40,265	31,060	29,844	4.00
SCDP	February 2032	42,375	32,579	31,303	4.00
SCDP	February 2033	51,750	38,310	36,837	4.00
SCDP	March 2034	43,000	31,041	29,906	3.73
SCDP	April 2034	35,048	25,468	24,564	3.62
SCDP	April 2035	186,000	93,636	87,323	7.00
SCDP	June 2035	34,660	25,533	24,764	3.06
SCDP	June 2035	87,880	64,738	62,790	3.06
SCDP	June 2035	40,000	33,062	32,499	1.72
SCDP	June 2036	30,000	22,717	22,146	2.55
SCDP	April 2037	75,000	54,444	52,990	2.71
SCDP	January 2038	280,000	140,953	135,531	4.00
SCDP	April 2041	69,000	36,300	34,879	4.00
SCDP	March 2042	210,000	177,183	175,421	1.00
SCDP	May 2042	60,000	30,802	29,617	4.00
SCDP	May 2043	135,000	108,955	107,872	1.00
SCDP	May 2044	98,612	51,734	50,007	3.40
SCDP	September 2044	80,000	48,632	45,513	3.17
SCDP	December 2044	54,419	29,332	29,332	2.75
SCDP	July 2054	72,558	25,531	25,531	3.26
SCDP	December 2050	61,395	59,144	58,938	0.25
SCDP	March 2041	24,605	23,739	23,739	0.25
		<u>\$ 2,359,752</u>	<u>\$ 1,656,761</u>	<u>\$ 1,598,077</u>	

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2025 and 2024

9. Leases and Rents

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

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

The Organization has a lease agreement on Metcalf House. Rent expense incurred under this lease was \$53,048 and \$47,674 for the years ended June 30, 2025 and 2024. The lease agreement expired on June 30, 2025. Minimum future annual lease payments during the year ending June 30, 2026 will be \$54,639.

10. Restrictions and Designations of Net Assets

Designations

The Board of Directors authorized and maintains the Richard L. Schuster ("RLS") operating reserve fund. Through June 30, 2025, the Board has authorized at various times a total of \$1,401,770 to the fund. As of June 30, 2025 and 2024, the balance was \$2,523,948 and \$2,404,688, which includes investment income earned on the funds.

The Board authorized and maintains the Capital Reserve Fund. The purpose of the fund is to ensure the maintenance, upkeep and improvement of Inspirica's facilities when such maintenance, upkeep and improvement cannot be procured through other funds. It may also be used towards the purchase of new facilities. Through June 30, 2025, the Board has authorized at various times a total of \$900,000 to the fund. As of June 30, 2025 and 2024, the balance was \$1,197,806 and \$1,351,253, which included investment income earned on the funds less withdrawals for use of funds.

The Board authorized and maintains the Strategic Plan Fund. The purpose of the fund is to implement strategic initiatives that are the result of the ongoing Strategic Planning initiative. Through June 30, 2025, the Board has designated at various times transfers to and from the fund totaling a net of \$545,199. As of June 30, 2025 and 2024, the balance was \$791,248 and \$796,824 which included investment income earned on the funds less withdrawals for use of funds.

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2025 and 2024

10. Restrictions and Designations of Net Assets (continued)

Restrictions

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

	2025	2024
Early Childhood & Parenting	\$ 313,505	\$ 28,327
Two Generation (Family, Parenting, or Youth Services)	174,850	1,161
Education & Employment	468,146	93,599
Housing Stability fund	16,941	16,870
Voluntary Services	1,202	1,630
Neighborhood Assistance Act Tax Credit Program	309,829	-
Time restricted	94,100	197,002
Present value discount on notes payable (Note 8)	58,684	55,704
	\$ 1,437,257	\$ 394,293

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

	2025	2024
Subject to a specific purpose		
Early Childhood & Parenting	\$ -	\$ 313,505
Two Generation (Family, Parenting, or Youth Services)	-	174,850
Education & Employment	-	431,304
Housing Stability fund	16,845	33,786
Unappropriated endowment earnings (see Note 7)	3,142,291	2,908,857
Voluntary Services	-	1,202
Neighborhood Assistance Act Tax Credit Program	-	309,829
Time restricted	389,993	99,068
Present value discount on notes payable (see Note 8)	702,991	761,675
Total Purpose Restrictions	4,252,120	5,034,076
Held in Perpetuity		
Endowment fund	3,709,341	2,709,341
Endowment fund - earnings restricted to		
Children's Community scholarships	147,902	147,902
Legacy Bread & Roses	10,210	10,210
Total Held in Perpetuity	3,867,453	2,867,453
Total Net Assets With Donor Restrictions	\$ 8,119,573	\$ 7,901,529

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2025 and 2024

11. Liens and Promissory Notes

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

Property	Grantor	Original Amount	Expiration
8 Woodland Place	City of Stamford	\$ 11,600	June 30, 2026
28 Rose Park Avenue	City of Stamford	210,000	June 30, 2033
8 Woodland Place and 141 Franklin St	Department of Housing	95,100	May 31, 2036

12. Pension Plan

The Organization has a 403(b) voluntary retirement savings plan. No employer contributions were made to the plan, or required, for the years ended June 30, 2025 and 2024.

13. Concentration of Credit Risk and Related Parties

The Organization maintains cash balances at multiple financial institutions. Accounts at each banking institution are insured by the Federal Deposit Insurance Corporation up to \$250,000 and accounts at each brokerage institution are insured by the Securities Investor Protection Corporation up to \$500,000 (\$250,000 for cash). The Organization has not experienced any loss in such accounts. As of June 30, 2025 and 2024, the uninsured balance is approximately \$10,670,000 and \$10,847,000. The Organization believes it is not exposed to any significant credit risk on its cash and investment balances.

As of June 30, 2025 and 2024, approximately 62% and 60% of unconditional promises to give were from two and three donors. Board members donated approximately \$148,000 for the year ended June 30, 2025.

One special event represented approximately 85% and 83% of net special event income for the years ended June 30, 2025 and 2024.

A significant portion of the Organization's support and revenue is from government grants and fees. For the years ended June 30, 2025 and 2024, approximately \$1,668,000 and \$1,545,000 of government grant income recognized was received directly from the State of Connecticut. For the years ended June 30, 2025 and 2024, the Organization recognized government grant income of approximately \$350,000 and \$362,000 received directly from the City of Stamford, Connecticut. The Organization also receives directly and indirectly various grants funded by the United States of America. As with all government funding, these grants and fees may be subject to reduction or termination in future years. Any significant reduction in these grants and fees could have a negative impact on the Organization's program services.

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

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements June 30, 2025 and 2024

14. Liquidity and Availability of Financial Assets

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

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

	2025	2024
Cash, cash equivalents, and restricted cash	\$ 597,084	\$ 1,478,185
Unconditional promises to give, net	408,579	116,604
Government grants receivable	219,974	151,721
Accounts receivable, net	259,724	421,388
Investments	11,033,467	10,339,795
Total Financial Assets Available Within One Year	12,518,828	12,507,693
Less Amounts Unavailable for General Expenditures		
Within One Year Due To:		
Net assets with donor restrictions:		
Cash held for tenant security deposits	115,190	112,856
Cash held for future capital expenditures	-	309,829
Unexpended net assets with donor restrictions	4,252,120	5,034,076
Net assets with donor restrictions held in perpetuity	3,867,453	2,867,453
Board designated net assets	4,513,002	4,552,765
	12,747,765	12,876,979
Total Financial Assets Available to Meet Cash		
Needs for General Expenditures Within One Year	(228,937)	(369,286)
Board designated net assets	4,513,002	4,552,765
Total Financial Assets Assuming Availability of		
Board Designated Net Assets	\$ 4,284,065	\$ 4,183,479

* Should a liquidity event occur, the board may elect to utilize funds currently designated for specific purposes

The principal source of liquidity is cash flow generated from contributions and government grants. As part of the Organization's liquidity strategy, management structures its financial assets, consisting of cash, investments, and receivables to be available as its general expenditures, liabilities and obligations come due within one year.

Inspirica, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
June 30, 2025 and 2024

15. Investments in Property and Equipment, Restricted Deposits, and Funded Reserves, Net of Related Debt and Net Assets With Donor Restrictions

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

	<u>2025</u>	<u>2024</u>
Property and equipment, net	\$ 19,929,092	\$ 20,228,511
Restricted deposits and funded reserves	2,741,150	2,625,142
Mortgages and notes payable	(6,322,963)	(6,285,775)
Net assets with donor restrictions		
Present value discount on notes payable (see Note 8)	<u>(702,991)</u>	<u>(761,675)</u>
	<u>\$ 15,644,288</u>	<u>\$ 15,806,203</u>

Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could be material.

Inspirica, Inc. and Subsidiaries

Consolidating Supplementary Information

June 30, 2025 and 2024

Inspirica, Inc. and Subsidiaries

Consolidating Statement of Financial Position
June 30, 2025

	Inspirica, Inc.	72 Franklin LLC	992 Summer Street LLC	Atlantic PSH LLC	Colony PSH LLC	Total Before Eliminations	Eliminations	Total
ASSETS								
Cash and cash equivalents	\$ 293,087	\$ 111,572	\$ -	\$ 36,359	\$ 40,876	\$ 481,894	\$ -	\$ 481,894
Cash held for tenant security deposits	-	78,931	-	14,197	22,062	115,190	-	115,190
Cash held for future capital expenditures	-	-	-	-	-	-	-	-
Total Cash, Cash Equivalents, and Restricted Cash	293,087	190,503	-	50,556	62,938	597,084	-	597,084
Unconditional promises to give, net	408,579	-	-	-	-	408,579	-	408,579
Government grants receivable	193,542	-	-	26,432	-	219,974	-	219,974
Accounts receivable, net	206,016	-	-	25,785	27,923	259,724	-	259,724
Prepaid expenses and other current assets	72,902	-	-	7,634	8,281	88,817	-	88,817
Intercompany receivables	19,915	1,869,346	100	-	-	1,889,361	(1,889,361)	-
Investments	11,033,467	-	-	-	-	11,033,467	-	11,033,467
Investment in limited liability companies	11,039,306	-	-	-	-	11,039,306	(11,039,306)	-
Restricted deposits and funded reserves	-	-	-	1,270,957	1,470,193	2,741,150	-	2,741,150
Property and equipment, net	8,496,809	7,717,834	-	1,971,708	1,742,741	19,929,092	-	19,929,092
	<u>\$ 31,763,623</u>	<u>\$ 9,777,683</u>	<u>\$ 100</u>	<u>\$ 3,353,072</u>	<u>\$ 3,312,076</u>	<u>\$ 48,206,554</u>	<u>\$ (12,928,667)</u>	<u>\$ 35,277,887</u>
LIABILITIES AND NET ASSETS								
Liabilities								
Accounts payable and accrued expenses	\$ 587,158	\$ 75,837	\$ -	\$ 357,399	\$ 316,698	\$ 1,337,092	\$ -	\$ 1,337,092
Intercompany payables	1,935,542	-	-	9,399	10,519	1,955,460	(1,955,460)	-
Deferred revenue	7,000	-	-	517	7	7,524	-	7,524
Security deposits and agency funds	16,751	79,135	-	13,605	21,470	130,961	-	130,961
Mortgages and notes payable	1,737,825	-	-	2,301,183	2,283,955	6,322,963	-	6,322,963
Total Liabilities	4,284,276	154,972	-	2,682,103	2,632,649	9,754,000	(1,955,460)	7,798,540
Net Assets								
Without Donor Restrictions								
Operations	8,790,779	1,904,877	100	(270,513)	(249,552)	10,175,691	(10,973,207)	(797,516)
Board Designated Funds								
RLS Operating Reserve Fund	2,523,948	-	-	-	-	2,523,948	-	2,523,948
Capital Reserve Fund	1,197,806	-	-	-	-	1,197,806	-	1,197,806
Strategic Plan Fund	791,248	-	-	-	-	791,248	-	791,248
Total Board Designated Funds	4,513,002	-	-	-	-	4,513,002	-	4,513,002
Total Operations and Board Designated Net Assets Without Donor Restrictions	13,303,781	1,904,877	100	(270,513)	(249,552)	14,688,693	(10,973,207)	3,715,486
Investment in property and equipment, restricted deposits, and funded reserves, net of related debt and net assets with donor restrictions	6,114,855	7,717,834	-	908,665	902,934	15,644,288	-	15,644,288
Total Net Assets Without Donor Restrictions	19,418,636	9,622,711	100	638,152	653,382	30,332,981	(10,973,207)	19,359,774
With donor restrictions	8,060,711	-	-	32,817	26,045	8,119,573	-	8,119,573
Total Net Assets	27,479,347	9,622,711	100	670,969	679,427	38,452,554	(10,973,207)	27,479,347
	<u>\$ 31,763,623</u>	<u>\$ 9,777,683</u>	<u>\$ 100</u>	<u>\$ 3,353,072</u>	<u>\$ 3,312,076</u>	<u>\$ 48,206,554</u>	<u>\$ (12,928,667)</u>	<u>\$ 35,277,887</u>

See Independent Auditors' Report

Inspirica, Inc. and Subsidiaries

Consolidating Statement of Financial Position
June 30, 2024

	Inspirica, Inc.	72 Franklin LLC	992 Summer Street LLC	Atlantic PSH LLC	Colony PSH LLC	Total Before Eliminations	Eliminations	Total
ASSETS								
Cash and cash equivalents	\$ 664,344	\$ 195,508	\$ -	\$ 55,741	\$ 139,907	\$ 1,055,500	\$ -	\$ 1,055,500
Cash held for tenant security deposits	-	80,910	-	14,370	17,576	112,856	-	112,856
Cash held for future capital expenditures	309,829	-	-	-	-	309,829	-	309,829
Total Cash, Cash Equivalents, and Restricted Cash	974,173	276,418	-	70,111	157,483	1,478,185	-	1,478,185
Unconditional promises to give, net	116,604	-	-	-	-	116,604	-	116,604
Government grants receivable	151,721	-	-	-	-	151,721	-	151,721
Accounts receivable, net	377,546	21,327	-	9,545	12,970	421,388	-	421,388
Prepaid expenses and other current assets	102,526	-	-	6,200	6,720	115,446	-	115,446
Intercompany receivables	17,299	1,344,691	100	-	-	1,362,090	(1,362,090)	-
Investments	10,339,795	-	-	-	-	10,339,795	-	10,339,795
Investment in limited liability companies	11,108,682	-	-	-	-	11,108,682	(11,108,682)	-
Restricted deposits and funded reserves	-	-	-	1,238,902	1,386,240	2,625,142	-	2,625,142
Property and equipment, net	8,448,592	7,945,307	-	2,044,881	1,789,731	20,228,511	-	20,228,511
	<u>\$ 31,636,938</u>	<u>\$ 9,587,743</u>	<u>\$ 100</u>	<u>\$ 3,369,639</u>	<u>\$ 3,353,144</u>	<u>\$ 47,947,564</u>	<u>\$ (12,470,772)</u>	<u>\$ 35,476,792</u>
LIABILITIES AND NET ASSETS								
Liabilities								
Accounts payable and accrued expenses	\$ 712,946	\$ 8,827	\$ -	\$ 232,124	\$ 248,577	\$ 1,202,474	\$ -	\$ 1,202,474
Intercompany payables	1,344,791	-	-	8,556	8,743	1,362,090	(1,362,090)	-
Deferred revenue	1	-	-	10	701	712	-	712
Security deposits and agency funds	19,564	81,155	-	13,846	17,112	131,677	-	131,677
Mortgages and notes payable	1,703,482	-	-	2,299,421	2,282,872	6,285,775	-	6,285,775
Total Liabilities	<u>3,780,784</u>	<u>89,982</u>	<u>-</u>	<u>2,553,957</u>	<u>2,558,005</u>	<u>8,982,728</u>	<u>(1,362,090)</u>	<u>7,620,638</u>
Net Assets								
Without Donor Restrictions								
Operations	9,418,425	1,552,454	100	(168,680)	(97,960)	10,704,339	(11,108,682)	(404,343)
Board Designated Funds								
RLS Operating Reserve Fund	2,404,688	-	-	-	-	2,404,688	-	2,404,688
Capital Reserve Fund	1,351,253	-	-	-	-	1,351,253	-	1,351,253
Strategic Plan Fund	796,824	-	-	-	-	796,824	-	796,824
Total Board Designated Funds	<u>4,552,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,552,765</u>	<u>-</u>	<u>4,552,765</u>
Total Operations and Board Designated	13,971,190	1,552,454	100	(168,680)	(97,960)	15,257,104	(11,108,682)	4,148,422
Investment in property and equipment, restricted deposits, and funded reserves, net of related debt and net assets with donor restrictions	6,045,142	7,945,307	-	949,783	865,971	15,806,203	-	15,806,203
Total Net Assets Without Donor Restrictions	<u>20,016,332</u>	<u>9,497,761</u>	<u>100</u>	<u>781,103</u>	<u>768,011</u>	<u>31,063,307</u>	<u>(11,108,682)</u>	<u>19,954,625</u>
With donor restrictions	7,839,822	-	-	34,579	27,128	7,901,529	-	7,901,529
Total Net Assets	<u>27,856,154</u>	<u>9,497,761</u>	<u>100</u>	<u>815,682</u>	<u>795,139</u>	<u>38,964,836</u>	<u>(11,108,682)</u>	<u>27,856,154</u>
	<u>\$ 31,636,938</u>	<u>\$ 9,587,743</u>	<u>\$ 100</u>	<u>\$ 3,369,639</u>	<u>\$ 3,353,144</u>	<u>\$ 47,947,564</u>	<u>\$ (12,470,772)</u>	<u>\$ 35,476,792</u>

See Independent Auditors' Report

Inspirica, Inc. and Subsidiaries

Consolidating Statement of Activities
Year Ended June 30, 2025

	Inspirica, Inc.	72 Franklin LLC	992 Summer Street LLC	Atlantic PSH LLC	Colony PSH LLC	Total Before Eliminations	Eliminations	Total
OPERATING REVENUE								
Contributions	\$ 2,386,632	\$ -	\$ -	\$ -	\$ -	\$ 2,386,632	\$ -	\$ 2,386,632
Government grants	3,161,369	-	-	-	-	3,161,369	-	3,161,369
Client fees and rental income	683,480	626,792	-	487,705	454,095	2,252,072	-	2,252,072
Special events, net of direct donor benefits of \$92,387	341,216	-	-	-	-	341,216	-	341,216
Management fees	219,386	-	-	-	-	219,386	(219,386)	-
Appropriation for expenditure	317,928	-	-	-	-	317,928	-	317,928
Other income	324,815	97,448	-	755	1,719	424,737	-	424,737
Total Operating Revenue	<u>7,434,826</u>	<u>724,240</u>	<u>-</u>	<u>488,460</u>	<u>455,814</u>	<u>9,103,340</u>	<u>(219,386)</u>	<u>8,883,954</u>
EXPENSES								
Program Services								
Permanent supportive/deeply affordable housing	1,894,076	599,290	-	582,142	562,081	3,637,589	(219,386)	3,418,203
Temporary housing	2,378,683	-	-	-	-	2,378,683	-	2,378,683
Youth services	504,847	-	-	-	-	504,847	-	504,847
Gilead and CSP	900,317	-	-	-	-	900,317	-	900,317
McKinney residence	515,385	-	-	-	-	515,385	-	515,385
Education employment & financial empowerment	250,337	-	-	-	-	250,337	-	250,337
Not-for-profit tenant services	374,798	-	-	-	-	374,798	-	374,798
Holiday gift collection	39,718	-	-	-	-	39,718	-	39,718
Total Program Services	<u>6,858,161</u>	<u>599,290</u>	<u>-</u>	<u>582,142</u>	<u>562,081</u>	<u>8,601,674</u>	<u>(219,386)</u>	<u>8,382,288</u>
Support Services								
Management and general	677,014	-	-	24,813	19,073	720,900	-	720,900
Fundraising	783,825	-	-	-	-	783,825	-	783,825
Total Expenses	<u>8,319,000</u>	<u>599,290</u>	<u>-</u>	<u>606,955</u>	<u>581,154</u>	<u>10,106,399</u>	<u>(219,386)</u>	<u>9,887,013</u>
Excess (Deficit) of Operating Revenue Over Expenses	<u>(884,174)</u>	<u>124,950</u>	<u>-</u>	<u>(118,495)</u>	<u>(125,340)</u>	<u>(1,003,059)</u>	<u>-</u>	<u>(1,003,059)</u>
NONOPERATING ACTIVITIES								
Casualty loss	-	-	-	(62,331)	-	(62,331)	-	(62,331)
Investment return, net of appropriation for expenditure	576,746	-	-	54,186	57,651	688,583	-	688,583
Return on limited liability companies	(69,379)	-	-	-	-	(69,379)	69,379	-
	<u>507,367</u>	<u>-</u>	<u>-</u>	<u>(8,145)</u>	<u>57,651</u>	<u>556,873</u>	<u>69,379</u>	<u>626,252</u>
Change in Net Assets	(376,807)	124,950	-	(126,640)	(67,689)	(446,186)	69,379	(376,807)
NET ASSETS								
Beginning of year	27,856,154	9,497,761	100	815,682	795,139	38,964,836	(11,108,682)	27,856,154
Distributions	-	-	-	(18,073)	(48,023)	(66,096)	66,096	-
End of year	<u>\$ 27,479,347</u>	<u>\$ 9,622,711</u>	<u>\$ 100</u>	<u>\$ 670,969</u>	<u>\$ 679,427</u>	<u>\$ 38,452,554</u>	<u>\$ (10,973,207)</u>	<u>\$ 27,479,347</u>

See Independent Auditors' Report

Inspirica, Inc. and Subsidiaries

Consolidating Statement of Activities
Year Ended June 30, 2024

	Inspirica, Inc.	72 Franklin LLC	992 Summer Street, LLC	Atlantic PSH LLC	Colony PSH LLC	Total Before Eliminations	Eliminations	Total
OPERATING REVENUE								
Contributions	\$ 1,869,607	\$ -	\$ -	\$ -	\$ -	\$ 1,869,607	\$ -	\$ 1,869,607
Government grants	2,796,853	-	-	54,836	65,460	2,917,149	(120,296)	2,796,853
Client fees and rental income	642,926	598,917	-	474,874	463,072	2,179,789	-	2,179,789
Special events, net of direct donor benefits of \$79,446	299,726	-	-	-	-	299,726	-	299,726
Management fees	178,757	-	-	-	-	178,757	(178,757)	-
Appropriation for expenditure	295,876	-	-	-	-	295,876	-	295,876
Other income	379,229	12,652	-	1,558	4,759	398,198	-	398,198
Total Operating Revenue	<u>6,462,974</u>	<u>611,569</u>	<u>-</u>	<u>531,268</u>	<u>533,291</u>	<u>8,139,102</u>	<u>(299,053)</u>	<u>7,840,049</u>
EXPENSES								
Program Services								
Permanent supportive/deeply affordable housing	2,256,732	522,705	-	529,546	484,468	3,793,451	(299,053)	3,494,398
Temporary housing	2,419,989	-	-	-	-	2,419,989	-	2,419,989
Youth services	326,607	-	-	-	-	326,607	-	326,607
Gilead and CSP	813,921	-	-	-	-	813,921	-	813,921
McKinney residence	512,435	-	-	-	-	512,435	-	512,435
Education employment & financial empowerment	290,366	-	-	-	-	290,366	-	290,366
Not-for-profit tenant services	461,800	-	-	-	-	461,800	-	461,800
Holiday gift collection	18,254	-	-	-	-	18,254	-	18,254
Total Program Services	<u>7,100,104</u>	<u>522,705</u>	<u>-</u>	<u>529,546</u>	<u>484,468</u>	<u>8,636,823</u>	<u>(299,053)</u>	<u>8,337,770</u>
Support Services								
Management and general	619,045	-	-	30,079	25,703	674,827	-	674,827
Fundraising	678,679	-	-	-	-	678,679	-	678,679
Total Expenses	<u>8,397,828</u>	<u>522,705</u>	<u>-</u>	<u>559,625</u>	<u>510,171</u>	<u>9,990,329</u>	<u>(299,053)</u>	<u>9,691,276</u>
Excess (Deficit) of Operating Revenue Over Expenses	<u>(1,934,854)</u>	<u>88,864</u>	<u>-</u>	<u>(28,357)</u>	<u>23,120</u>	<u>(1,851,227)</u>	<u>-</u>	<u>(1,851,227)</u>
NONOPERATING ACTIVITIES								
Investment return, net of appropriation for expenditure	789,163	-	-	58,216	62,119	909,498	-	909,498
Return on limited liability companies	203,962	-	-	-	-	203,962	(203,962)	-
Total Nonoperating Activities	<u>993,125</u>	<u>-</u>	<u>-</u>	<u>58,216</u>	<u>62,119</u>	<u>1,113,460</u>	<u>(203,962)</u>	<u>909,498</u>
Change in Net Assets	(941,729)	88,864	-	29,859	85,239	(737,767)	(203,962)	(941,729)
NET ASSETS								
Beginning of year	<u>28,797,883</u>	<u>9,408,897</u>	<u>100</u>	<u>785,823</u>	<u>709,900</u>	<u>39,702,603</u>	<u>(10,904,720)</u>	<u>28,797,883</u>
End of year	<u>\$ 27,856,154</u>	<u>\$ 9,497,761</u>	<u>\$ 100</u>	<u>\$ 815,682</u>	<u>\$ 795,139</u>	<u>\$ 38,964,836</u>	<u>\$ (11,108,682)</u>	<u>\$ 27,856,154</u>

See Independent Auditors' Report