



LONG ISLAND HOUSING SERVICES, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2021 and 2020

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

LONG ISLAND HOUSING SERVICES, INC.
TABLE OF CONTENTS
JUNE 30, 2021 AND 2020

	<u>Page(s)</u>
Independent Auditors' Report	1-2
Financial Statements:	
Statements of Financial Position	3
Statements of Activities and Changes in Net Assets	4
Statements of Expenses by Function and Natural Classification	5-6
Statements of Cash Flows	7
Notes to Financial Statements	8-14
Supplementary Information:	
Schedules of Expenditures of Federal Awards for the Years Ended June 30, 2021 and 2020	15-16
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government</i> <i>Auditing Standards</i>	17-18



Jones, Little & Co., CPA's, LLP

Thomas Jones, CPA
Roy Little, CPA
Kathleen Galway, CPA
Lori LaPonte, CPA
www.jonesandlittle.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Long Island Housing Services, Inc.
Bohemia, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Long Island Housing Services, Inc. (the Organization), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities and changes in net assets, expenses by function and natural classification and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information: the schedules of expenditures of federal awards for the years ended June 30, 2021 and 2020, are presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2021, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Jones, Little + Co, CPAs, LLP

Port Jefferson Station, New York
December 9, 2021

LONG ISLAND HOUSING SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 545,990	\$ 777,446
Grants and contracts receivables	608,640	298,686
Prepaid expenses	23,181	20,413
	1,177,811	1,096,545
Fixed assets, net	20,771	8,172
Security deposits	5,797	5,797
	\$ 1,204,379	\$ 1,110,514
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 13,802	\$ 18,520
Accrued payroll and related liabilities	13,000	41,223
Accrued compensated absences	68,159	49,741
Grant and contract advances	152,459	29,205
Deferred Revenue -- PPP Loan	-	96,769
	247,420	235,458
NET ASSETS		
Without donor restrictions	956,959	875,056
	956,959	875,056
	\$ 1,204,379	\$ 1,110,514

See accompanying notes to Financial Statements.

LONG ISLAND HOUSING SERVICES, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>			<u>2020</u>		
SUPPORT AND REVENUES	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Government and grant revenue	\$ 987,332	\$ -	\$ 987,332	\$ 825,482	\$ -	\$ 825,482
Contributed services	71,700	-	71,700	78,550	-	78,550
Private grant revenue	366,962	-	366,962	104,974	-	104,974
Settlement income	48,485	-	48,485	-	-	-
Contributions	13,945	-	13,945	36,259	-	36,259
Miscellaneous Income	4,075	-	4,075	2,525	-	2,525
Interest income	586	-	586	3,691	-	3,691
TOTAL SUPPORT AND REVENUES	1,493,085	-	1,493,085	1,051,481	-	1,051,481
EXPENSES						
Program services:						
Housing services	1,201,275	-	1,201,275	820,643	-	820,643
Supporting services:						
Management and general	236,949	-	236,949	217,795	-	217,795
Fundraising	69,727	-	69,727	57,175	-	57,175
Total supporting services	306,676	-	306,676	274,970	-	274,970
TOTAL EXPENSES	1,507,951	-	1,507,951	1,095,613	-	1,095,613
CHANGE IN NET ASSETS - PRIOR TO OTHER CHANGES	(14,866)	-	(14,866)	(44,132)	-	(44,132)
OTHER CHANGES						
Net assets released from restrictions	-	-	-	17,175	(17,175)	-
PPP loan forgiveness	96,769	-	96,769	51,431	-	51,431
TOTAL OTHER CHANGES	96,769	-	96,769	68,606	(17,175)	51,431
CHANGE IN NET ASSETS	81,903	-	81,903	24,474	(17,175)	7,299
NET ASSETS, BEGINNING OF YEAR	875,056	-	875,056	850,582	17,175	867,757
NET ASSETS, END OF YEAR	\$ 956,959	\$ -	\$ 956,959	\$ 875,056	\$ -	\$ 875,056

See accompanying notes to Financial Statements.

LONG ISLAND HOUSING SERVICES, INC.
STATEMENTS OF EXPENSES BY FUNCTION AND NATURAL CLASSIFICATION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			
	<u>Program Services</u>	<u>Supporting Services</u>		
	Housing Services	Management and General	Fundraising	Total
Salaries	\$ 755,323	\$ 156,305	\$ 52,547	\$ 964,175
Other Employee Benefits	117,249	16,750	5,584	139,583
Payroll Taxes	64,852	9,264	3,088	77,204
Fees For Service:				
Legal	-	1,200	-	1,200
Accounting	-	10,078	-	10,078
Office Expenses	36,635	1,740	-	38,375
Occupancy	99,394	14,199	4,733	118,326
Travel	2,215	57	-	2,272
Depreciation	-	6,022	-	6,022
Insurance	3,966	10,603	190	14,759
Computer Systems and Support	34,134	8,009	1,516	43,659
Dues and Subscriptions	11,250	150	360	11,760
Miscellaneous	-	172	-	172
Printing and Publications	6,957	-	-	6,957
All Other Expenses	-	-	1,709	1,709
Contributed Services	69,300	2,400	-	71,700
	<u>69,300</u>	<u>2,400</u>	<u>-</u>	<u>71,700</u>
Total	<u><u>\$ 1,201,275</u></u>	<u><u>\$ 236,949</u></u>	<u><u>\$ 69,727</u></u>	<u><u>\$ 1,507,951</u></u>

See Independent Auditors' Report.

LONG ISLAND HOUSING SERVICES, INC.
STATEMENTS OF EXPENSES BY FUNCTION AND NATURAL CLASSIFICATION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2020			
	<u>Program Services</u>	<u>Supporting Services</u>		
	Housing Services	Management and General	Fundraising	Total
Salaries	\$ 510,737	\$ 129,723	\$ 35,874	\$ 676,334
Other Employee Benefits	71,833	16,553	4,356	92,742
Payroll Taxes	36,111	9,028	2,376	47,515
Fees For Service:				
Management	-	6,184	-	6,184
Legal	-	1,200	-	1,200
Accounting	-	9,760	-	9,760
Office Expenses	19,040	8,415	2,215	29,670
Occupancy	52,645	13,161	3,463	69,269
Travel	11,303	1,325	287	12,915
Depreciation	-	2,651	-	2,651
Insurance	2,049	9,293	140	11,482
Computer Systems and Support	32,244	1,409	948	34,601
Dues and Subscriptions	3,599	5,576	355	9,530
Miscellaneous	-	2,434	-	2,434
Printing and Publications	3,332	283	-	3,615
All Other Expenses	-	-	7,161	7,161
Contributed Services	77,750	800	-	78,550
	<u>77,750</u>	<u>800</u>	<u>-</u>	<u>78,550</u>
Total	<u><u>\$ 820,643</u></u>	<u><u>\$ 217,795</u></u>	<u><u>\$ 57,175</u></u>	<u><u>\$ 1,095,613</u></u>

See Independent Auditors' Report.

LONG ISLAND HOUSING SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets - prior to other changes	\$ (14,866)	\$ (44,132)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES		
Depreciation	6,022	2,651
Change in:		
Grants and contracts receivables	(309,954)	71,142
Prepaid expenses	(2,768)	(6,596)
Accounts payable and accrued expenses	(4,718)	6,680
Accrued payroll and related liabilities	(28,223)	15,229
Accrued compensated absences	18,418	14,171
Grant and contract advances	123,254	(72,717)
Deferred Revenue -- PPP Loan	<u>(96,769)</u>	<u>96,769</u>
 NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	 <u>(309,604)</u>	 <u>83,197</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
PPP loan forgiveness	96,769	51,431
Purchase of fixed assets	<u>(18,621)</u>	<u>(4,202)</u>
 NET CASH PROVIDED BY FINANCING ACTIVITIES	 <u>78,148</u>	 <u>47,229</u>
 Net (decrease) increase in Cash	 (231,456)	 130,426
 Cash, beginning of year	 <u>777,446</u>	 <u>647,020</u>
 Cash, end of year	 <u>\$ 545,990</u>	 <u>\$ 777,446</u>

See accompanying notes to Financial Statements.

LONG ISLAND HOUSING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1: NATURE OF ORGANIZATION

Long Island Housing Services, Inc. (the Organization) is a private, nonprofit, fair housing counseling and enforcement agency which provides its services throughout Nassau and Suffolk Counties in New York State. The mission of the Organization is the elimination of unlawful housing discrimination and promotion of decent and affordable housing through advocacy and education. The Organization was established in 1969.

In the matter of fair housing, the Organization assists in investigations, informal resolution or complaint filing and facilitates enforcement of fair housing laws through administrative or judicial action. The Organization provides education and advocacy services regarding topics of fair housing and unlawful discrimination, tenants' rights, mortgage issues related to purchase, refinance, delinquency foreclosure prevention and anti-predatory lending. The Organization does not charge fees to the clients it serves.

The Organization was incorporated in 1977 and is exempt from federal income taxes as an organization (not a private foundation) formed for charitable purposes under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to the Organization within the requirements of the Code.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies followed by the Organization are described below:

a. Financial statement presentation:

The classification of a not-for-profit organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the classes of net assets be displayed in the Statements of Financial Position and that the amounts of change in each of those classes of net assets be displayed in the Statements of Activities and Changes in Net Assets.

In accordance with the United States of America generally accepted accounting principles (U.S. GAAP), the Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction.

1. *Net assets without donor restriction* - net assets available for general use to support operations. The only limits on the use of net assets without donor restriction are broad limits resulting from the nature of the Organization, the environment in which it operates, and the purposes specified in its corporate documents.
2. *Net assets with donor restrictions* - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or programmatic purposes specified by the donor.

b. Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting.

LONG ISLAND HOUSING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

c. Cash
Cash is composed of available cash balances maintained in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant credit risk on cash.

d. Grants and Contracts Receivables
Grants and contracts receivables are comprised of federal, state, county and various other funds expected to be received within the upcoming year. Based on payment history and subsequent receipts, management believes that no allowance for uncollectible amounts is necessary.

e. Fixed Assets
The Organization capitalized all property and equipment expenditures with a cost of \$1,000 or more and having estimated useful lives of more than one year. Fixed assets are capitalized at cost. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Equipment	5 years
Furniture and fixtures	12 years

Additions and betterments are capitalized, whereas costs of maintenance and repairs are charged to expenses as incurred.

f. Revenue and Expense Recognition
The Organization's revenue consists of grants, contributions and settlement income. Settlement income may only be kept by the Organization with the written permission of the government, and such funds must be used to further fair housing and fair housing activities. Federal, State, and local government revenues are deemed to be earned and are reported as support to the extent that expenses have been incurred for the purpose specified by the grantor during the period. To the extent the grant allows, the excess of grant expenses over receipts is reported as grants and contracts receivables, while the excess of grant receipts over expenses is reported as grant and contract advances.

g. Statement of Expenses by Function and Natural Classification
The costs of providing the program and other activities of the Organization have been summarized on a functional basis in the Statement of Expenses by Function and Natural Classification, which include all expenses incurred for the year. Accordingly, certain costs have been allocated among the program and supporting services benefited. Such allocations are determined by management in accordance with an equitable basis.

h. Uncertainty in Income Taxes
The Organization does not believe there are any material uncertain tax positions and, accordingly, it has not recognized any liability for uncertain tax benefits. For the year ended June 30, 2021, there were no interest or penalties recorded or included in the financial statements. Information returns filed for tax years ended on or after June 30, 2018, are subject to examination by federal and state authorities.

LONG ISLAND HOUSING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- i. Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.
- j. Accounting Pronouncements
Recent Accounting Pronouncements
The Financial Accounting Standards Board (“FASB”) has issued certain accounting standard updates effective June 30, 2021. These standards have had no such impact on the Organization’s financial statements.
- New Accounting Pronouncements Not Yet Effective
The Financial Accounting Standards Board (FASB) has issued certain accounting standards updates as of June 30, 2021 that will become effective in subsequent periods. Management believes that none of the updates would have significantly affected the Organization’s financial accounting measures or disclosures had they been in effect during the fiscal year ended June 30, 2021 and does not believe that any of those pronouncements will have a significant impact on the Organization’s financial statements at the time that they become effective.

NOTE 3: LEASE AGREEMENTS

- a. On May 31, 2019 the Organization entered into a three-year rider to its original lease dated August 11, 2006 (Original Lease). The rider is for the three-year period from June 1, 2019 through May 31, 2022. Monthly rent is \$5,572 per month (after-tax) with a 3.75% annual increase. Monthly rent expense of \$5,572 includes electricity, HVAC, cleaning and real estate taxes.
- b. On May 29, 2020, the Organization entered into an additional rider to its Original Lease to rent an extension of space. This rider is for the 23-month period from July 1, 2020 through May 31, 2022 (ending same time as other lease rider). Monthly rent for the extended space is \$3,440 per month (after-tax) with no annual increase. Monthly rent expense of \$3,440 (after-tax) includes electricity, HVAC, cleaning and real estate taxes.

The Organization’s future minimum rent payments are as follows:

For the Year Ended:

June 30, 2022 (lease ends May 31st)	\$	101,343
-------------------------------------	----	---------

NOTE 4: FAIR VALUE INVESTMENTS

FASB ASC 820 *Fair Value Measurements* (FASB ASC 820) establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are as follows:

LONG ISLAND HOUSING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4: FAIR VALUE INVESTMENTS (continued)

Level 1	Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date;
Level 2	Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;
Level 3	Inputs that are unobservable.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by the Organization.

The Organization considers observable data is market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources actively involved in the relevant market. The categorization of financial instruments in the hierarchy is based on the pricing transparency of that instrument and does not necessarily correspond to the Organization's perceived risk of that instrument. The preceding may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation is appropriate and consistent with market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. As of June 30, 2021, and 2020, the Organization did not have any investments besides cash.

NOTE 5: ACCRUED COMPENSATED ABSENCES

The Organization provides to employees paid time for vacation, sick and personal days, depending on job classification, length of service, and other factors. Employees may carry over a balance of vacation days from one year to the next depending on the number of years of employment as follows: after the 1st and 2nd year of employment 10 days, after the 3rd, 4th and 5th year of employment 15 days and after the 6th year and thereafter of employment 20 days. Full-time employees with six months of continuous experience will be entitled to receive the unused vacation pay upon termination or voluntary resignation. Employees can accumulate up to 168 hours of sick leave. Sick days beyond 168 are forfeited. Unused sick time will not be compensated upon separation of employment. Unused personal days are converted to sick days on the employee's anniversary.

NOTE 6: DEFINED CONTRIBUTION RETIREMENT PLAN 403(b)

The Organization offers its full-time employees who have completed one full year of service an employer contribution to a 403(b) account equivalent to 1% of their annualized, base salary. At each anniversary, the Organization will make such an annual contribution. This benefit is subject to availability of funds and revision or termination at the discretion of the Organization.

LONG ISLAND HOUSING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 7: GRANTS AND CONTRACTS RECEIVABLES

Grants and contracts receivables as of June 30, 2021 and 2020 are comprised of the following:

	June 30, 2021	June 30, 2020
U.S. Department of Housing and Urban Development (HUD):		
Private Enforcement Initiative	\$ 175,000	\$ 25,000
Education and Enforcement Initiative (EOI)	-	25,000
Housing Counseling Assistance Program	58,328	30,672
Community Development Block Grants	200,040	187,227
Enterprise	172,039	29,459
United Way	345	1,262
Other	2,889	66.00
	<u>\$ 608,641</u>	<u>\$ 298,686</u>

NOTE 8: FIXED ASSETS

Fixed assets as of June 30, 2021 and 2020 are comprised of the following:

	June 30, 2021	June 30, 2020
Equipment	\$ 85,504	\$ 84,279
Furniture and fixtures	42,798	25,402
	128,302	109,681
Less: accumulated depreciation	<u>(107,531)</u>	<u>(101,509)</u>
	<u>\$ 20,771</u>	<u>\$ 8,172</u>

Depreciation expense for the year ended June 30, 2021 and 2020 is \$6,022 and \$2,651 respectively.

NOTE 9: CONTRIBUTED SERVICES

The Organization recognizes contributed services revenue when either the service (a) creates or enhances a long-lived asset or (b) requires specialized skills, that are provided by individuals possessing those skills and would typically need to be purchased if not provided by contribution. The amounts reflected in the accompanying financial statements as contributed services revenue is offset by like amounts included in the appropriate expenses. The Organization received \$71,700 and \$78,550 of contributed professional services for the years ended June 30, 2021 and 2020, respectively. Many volunteers have donated significant amounts of their time in the Organization's programs and administration. However, since these services do not meet the criteria for recognition, they are not reflected in the accompanying financial statements.

LONG ISLAND HOUSING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 10: COMMITMENTS AND CONTINGENCIES

- a. The Organization receives a substantial portion of its funding from contracts and grants which are subject to audit by government agencies (Agencies). Such audits may result in disallowances and a request for a return of funds. There are no open audits from the Agencies and the Organization is not aware of any disallowances that may result in a request for a return of funds.
- b. Included in Government and Grant revenue is a multi-year grant with the Homeowner Protection Program (HOPP grant) which was renewed on July 16, 2020 and expired on July 15, 2021. The agreement was then extended through August 2023. HOPP grant revenue for the year ended June 30, 2021 totaled approximately \$370,000, which represents approximately 26% of the Organization's total revenue.

NOTE 11: LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available to meet cash needs for general expenditures within one year of the Statement of Financial Position date are as follows:

	June 30, 2021
Cash and cash equivalents	\$ 545,990
Grants and contracts receivables	608,640
	<u>\$ 1,154,630</u>

NOTE 12: PAYROLL PROTECTION PROGRAM

On April 15, 2020, the Organization received loan proceeds of \$148,200 under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the twenty-four-week period. As of June 30, 2021, the Organization has been notified by the Small Business Administration that the entire PPP loan of \$148,200 has been forgiven.

NOTE 13: COVID-19 IMPACT

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings. The COVID-19 outbreak is also disrupting supply chains and affecting the production of sales across a range of industries. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the Organization expects this matter to negatively impact its operating results. The extent of the impact of the COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on the Organization's members and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition of the Organization or results of operations is uncertain.

LONG ISLAND HOUSING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 14: SUBSEQUENT EVENTS

Management of the Organization has evaluated the impact of all subsequent events for the Organization as of December 9, 2021, the date the financial statements are available to be issued. Management has determined that there are no material subsequent events that would require disclosure in or adjustments to the Organization's financial statements.

LONG ISLAND HOUSING SERVICES, INC.
SUPPLEMENTAL SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

2021

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>		
<u>Direct Programs:</u>		
Education and Enforcement Initiative	14.416	\$ -
Private Enforcement Initiative	14.418	300,000
<u>Passed-through Programs From:</u>		
State of New York Mortgage Agency	14.169	108,030
New York State Housing Finance Agency: Housing Counseling Assistance Program		
County of Nassau Office of Housing and Intergovernmental Affairs: Community Development Block Grants/Entitlement Grants	14.218	112,798
Town of Islip Community Development Agency: Community Development Block Grants /Entitlement Grants	14.218	27,498
County of Suffolk Office of Community Development Agency: Community Development Block Grants/Entitlement Grants	14.218	30,000
Town of Huntington Community Development Agency: Community Development Block Grants/Entitlement Grants	14.218	9,843
Town of Babylon Community Development Agency: Community Development Block Grants/Entitlement Grants	14.218	13,000
Town of Brookhaven Community Development Agency: Community Development Block Grants/Entitlement Grants	14.218	23,329
<u>NEIGHBORWORKS AMERICA</u>		
State of New York Mortgage Agency	21.000	-
New York State Housing Finance Agency: National Foreclosure Mitigation Counseling		
Total Expenditures of Federal Awards		<u>\$ 624,498</u>

See Independent Auditors' Report.

LONG ISLAND HOUSING SERVICES, INC.
SUPPLEMENTAL SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

2020

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>		
<u>Direct Programs:</u>		
Education and Enforcement Initiative	14.416	\$ 64,280
Private Enforcement Initiative	14.418	196,755
<u>Passed-through Programs From:</u>		
State of New York Mortgage Agency	14.169	63,851
New York State Housing Finance Agency: Housing Counseling Assistance Program		
County of Nassau Office of Housing and Intergovernmental Affairs: Community Development Block Grants/Entitlement Grants	14.218	122,886
Town of Islip Community Development Agency: Community Development Block Grants /Entitlement Grants	14.218	25,000
County of Suffolk Office of Community Development Agency: Community Development Block Grants/Entitlement Grants	14.218	-
Town of Huntington Community Development Agency: Community Development Block Grants/Entitlement Grants	14.218	9,292
Town of Babylon Community Development Agency: Community Development Block Grants/Entitlement Grants	14.218	10,000
Town of Brookhaven Community Development Agency: Community Development Block Grants/Entitlement Grants	14.218	23,314
<u>NEIGHBORWORKS AMERICA</u>		
State of New York Mortgage Agency	21.000	-
New York State Housing Finance Agency: National Foreclosure Mitigation Counseling		
Total Expenditures of Federal Awards		<u>\$ 515,378</u>

See Independent Auditors' Report.



Jones, Little & Co., CPA's, LLP

Thomas Jones, CPA
Roy Little, CPA
Kathleen Galway, CPA
Lori LaPonte, CPA
www.jonesandlittle.com

**INDEPENDENT AUDITORS' REPORT
ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Long Island Housing Services, Inc.
Bohemia, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Long Island Housing Services, Inc. (the Organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities and changes in net assets, expenses by function and natural classification and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which would have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Jones, Little + Co, CPAs, LLP

Port Jefferson Station, New York
December 9, 2021