



LONG ISLAND HOUSING SERVICES, INC.

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
JUNE 30, 2022 and 2021

(WITH INDEPENDENT AUDITORS' REPORT THEREON)

LONG ISLAND HOUSING SERVICES, INC.
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INDEPENDENT AUDITORS' REPORT

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

Report on Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Long Island Housing Services, Inc. (the Organization), as of and for the years ended June 30, 2022 and 2021, which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities and changes in net assets, expenses by function and natural classification and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in financial position and its 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government 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 substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 the Organization's 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 financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's 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 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, 2022 and 2021, 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 8, 2022, 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 solely to 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 over financial reporting 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 8, 2022

LONG ISLAND HOUSING SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 734,215	\$ 545,990
Grants and Contracts Receivables	679,903	608,640
Prepaid Expenses	23,352	23,181
	1,437,470	1,177,811
TOTAL CURRENT ASSETS	1,437,470	1,177,811
Fixed Assets, net	18,749	20,771
Security Deposits	5,797	5,797
	18,749	20,771
TOTAL ASSETS	\$ 1,462,016	\$ 1,204,379
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 18,797	\$ 13,802
Accrued Payroll and Related Liabilities	15,788	13,000
Accrued Compensated Absences	66,356	68,159
Grant and Contract Advances	243,557	152,459
	344,498	247,420
TOTAL CURRENT LIABILITIES	344,498	247,420
NET ASSETS		
Without Donor Restrictions	1,117,518	956,959
	1,117,518	956,959
TOTAL NET ASSETS	1,117,518	956,959
TOTAL LIABILITIES AND NET ASSETS	\$ 1,462,016	\$ 1,204,379

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, 2022 AND 2021

	<u>2022</u>			<u>2021</u>		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES						
Government and Grant Revenue	\$ 1,174,498	\$ -	\$ 1,174,498	\$ 987,332	\$ -	\$ 987,332
Contributed Services	69,200	-	69,200	71,700	-	71,700
Private Grant Revenue	311,154	-	311,154	366,962	-	366,962
Settlement Income	128,027	-	128,027	48,485	-	48,485
Contributions	29,873	-	29,873	13,945	-	13,945
Miscellaneous Income	-	-	-	4,075	-	4,075
Interest Income	316	-	316	586	-	586
TOTAL SUPPORT AND REVENUES	<u>1,713,068</u>	<u>-</u>	<u>1,713,068</u>	<u>1,493,085</u>	<u>-</u>	<u>1,493,085</u>
EXPENSES						
Program Services:						
Housing Services	1,335,694	-	1,335,694	1,201,275	-	1,201,275
Supporting Services:						
Management and General	178,248	-	178,248	236,949	-	236,949
Fundraising	38,567	-	38,567	69,727	-	69,727
Total Supporting Services	<u>216,815</u>	<u>-</u>	<u>216,815</u>	<u>306,676</u>	<u>-</u>	<u>306,676</u>
TOTAL EXPENSES	<u>1,552,509</u>	<u>-</u>	<u>1,552,509</u>	<u>1,507,951</u>	<u>-</u>	<u>1,507,951</u>
CHANGE IN NET ASSETS - PRIOR TO OTHER CHANGES	<u>160,559</u>	<u>-</u>	<u>160,559</u>	<u>(14,866)</u>	<u>-</u>	<u>(14,866)</u>
OTHER CHANGES						
PPP Loan Forgiveness	-	-	-	96,769	-	96,769
TOTAL OTHER CHANGES	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,769</u>	<u>-</u>	<u>96,769</u>
CHANGE IN NET ASSETS	160,559	-	160,559	81,903	-	81,903
Net Assets - Beginning of Year	956,959	-	956,959	875,056	-	875,056
NET ASSETS - END OF YEAR	<u>\$ 1,117,518</u>	<u>\$ -</u>	<u>\$ 1,117,518</u>	<u>\$ 956,959</u>	<u>\$ -</u>	<u>\$ 956,959</u>

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, 2022 AND 2021

	2022			
	Program Services	Supporting Services		
	<u>Housing Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 864,057	\$ 109,095	\$ 24,219	\$ 997,371
Other Employee Benefits	130,609	11,609	2,904	145,122
Payroll Taxes	67,189	6,011	1,495	74,695
Fees For Service:				
Legal	-	1,200	-	1,200
Accounting	-	10,250	-	10,250
Office Expenses	38,042	3,350	838	42,230
Occupancy	106,975	9,509	2,377	118,861
Travel	8,025	284	-	8,309
Depreciation	-	7,022	-	7,022
Insurance	5,650	11,376	126	17,152
Computer Systems and Support	35,251	3,901	4,283	43,435
Dues and Subscriptions	8,822	749	50	9,621
Miscellaneous	82	599	-	681
Printing and Publications	3,944	-	-	3,944
All Other Expenses	248	893	2,275	3,416
Contributed Services	66,800	2,400	-	69,200
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 1,335,694</u>	<u>\$ 178,248</u>	<u>\$ 38,567</u>	<u>\$ 1,552,509</u>

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, 2022 AND 2021

	2021			
	Program Services	Supporting Services		
	<u>Housing Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
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 Accompanying Notes to Financial Statements.

LONG ISLAND HOUSING SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets - Prior to Other Changes	\$ 160,559	\$ (14,866)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	7,022	6,022
Change in Operating Assets and Liabilities:		
Grants and Contracts Receivables	(71,263)	(309,954)
Prepaid Expenses	(171)	(2,768)
Accounts Payable and Accrued Expenses	4,995	(4,718)
Accrued Payroll and Related Liabilities	2,788	(28,223)
Accrued Compensated Absences	(1,803)	18,418
Grant and Contract Advances	91,098	123,254
Deferred Revenue -- PPP Loan	<u>-</u>	<u>(96,769)</u>
Net Cash Provided by (Used in) Operating Activities	<u>193,225</u>	<u>(309,604)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Fixed Assets	<u>(5,000)</u>	<u>(18,621)</u>
Net Cash (Used In) Investing Activities	<u>(5,000)</u>	<u>(18,621)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
PPP Loan Forgiveness	<u>-</u>	<u>96,769</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>96,769</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	188,225	(231,456)
Cash and Cash Equivalents - Beginning of Year	<u>545,990</u>	<u>777,446</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 734,215</u>	<u>\$ 545,990</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest Expense	<u>\$ -</u>	<u>\$ -</u>

See Accompanying Notes to Financial Statements.

LONG ISLAND HOUSING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 AND 2021

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 receivable 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, 2022, 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, 2019, are subject to examination by federal and state authorities.

LONG ISLAND HOUSING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022. 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, 2022 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, 2022 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 was for the three-year period from June 1, 2019 expiring on May 31, 2022. As of June 1, 2022, the Organization rents space on a month-to-month basis for \$5,788 per month (after-tax). The monthly rent expense of \$5,788 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 was for the 23-month period from July 1, 2020 expiring on May 31, 2022 (ending same time as other lease rider). As of June 1, 2022, the Organization rents the extra space on a month-to-month basis for \$3,578 per month (after-tax). The monthly rent expense of \$3,578 includes electricity, HVAC, cleaning and real estate taxes.

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, 2022 AND 2021

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 as 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, 2022, and 2021, the Organization did not have any investments besides cash.

NOTE 5: ACCRUED COMPENSATED ABSENCES

The Organization provides 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, 2022 AND 2021

NOTE 7: GRANTS AND CONTRACTS RECEIVABLES

Grants and contracts receivable as of June 30, 2022 and 2021 are comprised of the following:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
U.S. Department of Housing and Urban Development (HUD):		
Private Enforcement Initiative	\$ 297,224	\$ 175,000
Housing Counseling Assistance Program	81,020	58,328
Community Development Block Grants	197,671	200,040
Enterprise	66,667	172,039
Suffolk County	35,228	-
United Way	688	345
Other	1,405	2,888
	<u>\$ 679,903</u>	<u>\$ 608,640</u>

NOTE 8: FIXED ASSETS

Fixed assets as of June 30, 2022 and 2021 are comprised of the following:

	<u>June 30, 2022</u>	<u>June 30, 2021</u>
Equipment	\$ 90,504	\$ 85,504
Furniture and Fixtures	42,798	42,798
	133,302	128,302
Less: Accumulated Depreciation	<u>(114,553)</u>	<u>(107,531)</u>
	<u>\$ 18,749</u>	<u>\$ 20,771</u>

Depreciation expense for the years ended June 30, 2022 and 2021 is \$7,022 and \$6,022, 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 \$69,200 and \$71,700 of contributed professional services for the years ended June 30, 2022 and 2021, 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, 2022 AND 2021

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 grant with the Homeowner Protection Program (HOPP grant) which was extended for an additional year from July 16, 2022 to July 16, 2023. HOPP grant revenue for the years ended June 30, 2022 and 2021 totaled approximately \$504,000 and \$373,000, respectively, which represents approximately 30% and 25% of the Organization's total revenue, respectively.

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, 2022
Cash and Cash Equivalents	\$ 734,215
Grants and Contracts Receivables	679,903
	<u>\$ 1,414,118</u>

NOTE 12: PAYROLL PROTECTION PROGRAM

On April 15, 2020, the Organization received loan proceeds of \$148,200 under the Paycheck Protection Program (PPP) which was established as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The PPP loan of \$148,200 was applied over the two years ended June 30, 2021 and 2020 in the amounts of \$96,769 and \$51,431, respectively; and the total loan was forgiven in full.

NOTE 13: COVID-19 IMPACT

The COVID-19 outbreak in the United States has caused business disruption though 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, 2022 AND 2021

NOTE 14: SUBSEQUENT EVENTS

Management of the Organization has evaluated the impact of all subsequent events for the Organization as of December 8, 2022, 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, 2022 AND 2021

2022

<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	266,105
HUD FHIP Private Enforcement Initiative-American Rescue Plan	14.418	11,416
<u>Passed-through Programs From:</u>		
State of New York Mortgage Agency	14.169	106,291
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	149,452
Town of Islip Community Development Agency: Community Development Block Grants /Entitlement Grants	14.218	27,919
County of Suffolk Office of Community Development Agency: Community Development Block Grants/Entitlement Grants	14.218	17,706
Town of Huntington Community Development Agency: Community Development Block Grants/Entitlement Grants	14.218	12,358
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	28,592
<u>NEIGHBORWORKS AMERICA</u>		
New York Mortgage Coalition Housing Stability Counseling Program	99.U19	1,561
		<hr/>
Total Expenditures of Federal Awards		<u><u>\$ 634,400</u></u>

See Independent Auditors' Report.

LONG ISLAND HOUSING SERVICES, INC.
SUPPLEMENTAL SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

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.



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

Thomas Jones, CPA
Roy Little, CPA
Kathleen Galway, CPA
Lori LaPonte, CPA

**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, 2022, 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 8, 2022.

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 8, 2022