



**BUCKELEW PROGRAMS  
AND AFFILIATES**

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**COMBINED FINANCIAL STATEMENTS  
and  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2022**

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## **INDEPENDENT AUDITORS' REPORT**

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To the Board of Directors  
Buckelew Programs and Affiliates

### **Opinion**

We have audited the accompanying combined financial statements of Buckelew Programs (a nonprofit organization) and Affiliates, which comprise the Combined Statement of Financial Position as of June 30, 2022, and the related Combined Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the combined financial statements.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Buckelew Programs and Affiliates as of June 30, 2022, and the changes in net assets and its cash flows for the year 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Combined Financial Statements section of our report. We are required to be independent of Buckelew Programs and Affiliates 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 Combined Financial Statements**

Management is responsible for the preparation and fair presentation of the combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

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

## INDEPENDENT AUDITORS' REPORT

continued

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### Auditors' Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. We did not audit the financial statements of Buckelew Community Housing Development Organization, Inc., Boulevard Apartments, Inc., and Olive Avenue Apartments, Inc., affiliates of Buckelew Programs, whose statements reflect total combined assets of \$9,099,061 as of June 30, 2022, and total combined support and revenue of \$889,617, for the year then ended. Those statements were audited by other auditors, whose reports have been furnished to us. We also did not audit the financial statements of Buckelew Housing, Inc., whose statements reflect total assets of \$471,699 as of June 30, 2022, and total revenue and support of \$202,742, for the year then ended. Those statements were reviewed by other accountants, whose report has been furnished to us. 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 aggregate, they would influence the judgment made by a reasonable user based on the combined financial statements. Our opinion, insofar as it relates to the amounts included for the Affiliates identified, is based solely on the reports of the other auditors and accountants.

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 combined financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the combined financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Buckelew Programs and Affiliates' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Buckelew Programs and Affiliates' 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.

## INDEPENDENT AUDITORS' REPORT

continued

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### Other Matters

#### *Report on Summarized Comparative Information*

We have previously audited Buckelew Programs and Affiliates' 2021 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated March 3, 2022 based on our audit and the reports of other auditors. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

#### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplementary information on pages 25 through 31 is presented for the purpose of additional analysis and is not a required part of the combined financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the combined financial statements. The information has been subjected to the auditing procedures applied in the audit of the combined financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the combined financial statements or to the combined financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, such information is fairly stated in all material respects in relation to the combined financial statements as a whole.

*Harrington Group*

Oakland, California  
April 17, 2023

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINED STATEMENT OF FINANCIAL POSITION

June 30, 2022

With comparative totals at June 30, 2021

	2022	2021
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 1,887,643	\$ 1,835,934
Contracts receivable, net (Note 4)	2,038,796	2,676,564
Grants and pledges receivable (Note 2)	1,801,673	16,373
In-kind rent receivable		2,160
Tenant rents receivables, net (Note 2)	23,459	11,378
Unbilled contracts receivable	22,463	699
Prepaid expenses	191,806	207,388
Total current assets	5,965,840	4,750,496
Restricted reserves and security deposits (Note 2)	1,016,094	1,000,677
Property and equipment, net (Note 6)	13,422,096	13,813,481
Deposits	184,514	186,736
<b>TOTAL ASSETS</b>	<b>\$ 20,588,544</b>	<b>\$ 19,751,390</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 324,216	\$ 187,174
Accrued liabilities (Note 7)	939,557	918,544
Accrued unemployment liability (Note 8)	17,719	106,319
Deferred income	8,967	5,912
Current portion of notes payable (Note 9)	152,393	147,736
Total current liabilities	1,442,852	1,365,685
Tenant security deposits	31,009	32,666
Accrued mortgage interest payable	1,200,883	1,120,635
Long-term portion of notes payable, net (Note 9)	8,184,575	8,333,893
<b>TOTAL LIABILITIES</b>	<b>10,859,319</b>	<b>10,852,879</b>
<b>NET ASSETS</b>		
Without donor restrictions	8,860,949	7,972,201
With donor restrictions (Note 14)	868,276	926,310
<b>TOTAL NET ASSETS</b>	<b>9,729,225</b>	<b>8,898,511</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 20,588,544</b>	<b>\$ 19,751,390</b>

The accompanying notes are an integral part of these combined financial statements.

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINED STATEMENT OF ACTIVITIES

For the year ended June 30, 2022

With comparative totals for the year ended June 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2022</u>	<u>2021</u>
<b>REVENUE AND SUPPORT</b>				
Government and contracts	\$ 11,068,170	\$ -	\$ 11,068,170	\$ 10,735,708
Grants and contributions	2,196,672	818,885	3,015,557	966,597
Client rent and fees	2,348,688		2,348,688	2,487,081
In-kind contributions (Note 16)	179,369		179,369	38,465
Investment and other income	57,063		57,063	33,937
Special events	25,173		25,173	-
Paycheck protection program loan forgiveness			-	1,644,605
Net assets released from restrictions (Note 14)	876,919	(876,919)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<u>16,752,054</u>	<u>(58,034)</u>	<u>16,694,020</u>	<u>15,906,393</u>
<b>EXPENSES</b>				
Program services	13,338,441		13,338,441	13,276,354
Management and general	1,811,308		1,811,308	1,765,759
Fundraising	713,557		713,557	550,943
<b>TOTAL EXPENSES</b>	<u>15,863,306</u>	<u>-</u>	<u>15,863,306</u>	<u>15,593,056</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	888,748	(58,034)	830,714	313,337
<b>OTHER CHANGES</b>				
Contract settlements - prior year			-	517,451
<b>CHANGE IN NET ASSETS</b>	888,748	(58,034)	830,714	830,788
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>7,972,201</u>	<u>926,310</u>	<u>8,898,511</u>	<u>8,067,723</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 8,860,949</u>	<u>\$ 868,276</u>	<u>\$ 9,729,225</u>	<u>\$ 8,898,511</u>

The accompanying notes are an integral part of these combined financial statements.

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022

With comparative totals for the year ended June 30, 2021

	Program Services					Total	
	100 M.A.I.L.	200 R.S.S.	600 Sonoma	Affiliates'	Other	Program Services	
	Program	Program	Program	Programs	Programs	2022	2021
Staff compensation	\$ 937,368	\$ 1,156,934	\$ 1,373,844	\$ 127,803	\$ 2,768,732	<b>\$ 6,364,681</b>	\$ 6,159,590
Taxes and benefits	197,484	230,237	287,942	47,196	589,088	<b>1,351,947</b>	1,431,421
Total personnel costs	1,134,852	1,387,171	1,661,786	174,999	3,357,820	<b>7,716,628</b>	7,591,011
Rent	811,451	15,664	423,146	16,942	674,909	<b>1,942,112</b>	2,108,809
Professional services	54,548	48,507	108,073	87,405	111,016	<b>409,549</b>	314,151
Utilities	149,552	85,916	90,079	135,907	101,913	<b>563,367</b>	636,835
Equipment and furniture	84,302	64,321	79,363	14,814	143,247	<b>386,047</b>	232,658
Depreciation	13,841	72,519	1,664	319,501	199,021	<b>606,546</b>	592,955
Building repair and maintenance	55,895	125,619	22,994	143,720	81,904	<b>430,132</b>	376,717
Food and meals	77,577	90,251	946		113,312	<b>282,086</b>	342,905
Interest	27,830	32,042		194,220		<b>254,092</b>	199,676
Supplies	31,574	70,766	17,218	17,579	67,223	<b>204,360</b>	220,298
Travel and transportation	34,903	21,514	58,232		58,523	<b>173,172</b>	156,547
Insurance	23,803	13,348	16,207	51,748	31,643	<b>136,749</b>	143,757
Miscellaneous	2,959	6,609	24,150	12,224	8,307	<b>54,249</b>	84,375
Staff development	6,308	7,812	8,129	161	12,398	<b>34,808</b>	46,193
Advertising and promotion		1,042	12,000	7,175	10,704	<b>30,921</b>	5,779
Taxes, licenses, and fees	3,521	18,581	4,465	9,698	10,335	<b>46,600</b>	59,406
Meetings	526	712	853	1,105	883	<b>4,079</b>	1,480
Bad debt		(1,084)	15,585	1,055	14,241	<b>29,797</b>	66,899
Dues and membership	699	1,168	1,181		4,569	<b>7,617</b>	3,489
Equipment leasing and maintenance	1,317	778	2,664		4,606	<b>9,365</b>	31,899
Stipends	100	9,209				<b>9,309</b>	13,579
Bank service charge	6	(3)	7	1,670	2,090	<b>3,770</b>	43,915
Postage and shipping	592	567	651		1,276	<b>3,086</b>	3,021
<b>TOTAL 2022 FUNCTIONAL EXPENSES</b>	<b>\$ 2,516,156</b>	<b>\$ 2,073,029</b>	<b>\$ 2,549,393</b>	<b>\$ 1,189,923</b>	<b>\$ 5,009,940</b>	<b>\$ 13,338,441</b>	
<b>TOTAL 2021 FUNCTIONAL EXPENSES</b>	<b>\$ 3,097,075</b>	<b>\$ 2,012,866</b>	<b>\$ 2,179,828</b>	<b>\$ 1,080,431</b>	<b>\$ 4,906,154</b>		<b>\$ 13,276,354</b>

The accompanying notes are an integral part of these combined financial statements.



**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINED STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2022

With comparative totals for the year ended June 30, 2021

continued

	Program Services	Management and General	Fundraising	Total Expenses	
				2022	2021
Staff compensation	\$ 6,364,681	\$ 1,021,693	\$ 382,836	\$ 7,769,210	\$ 7,419,327
Taxes and benefits	1,351,947	204,173	97,504	1,653,624	1,746,384
Total personnel costs	7,716,628	1,225,866	480,340	9,422,834	9,165,711
Rent	1,942,112	69,507	21,975	2,033,594	2,199,213
Professional services	409,549	311,873	93,707	815,129	725,034
Utilities	563,367	7,756	2,945	574,068	645,166
Equipment and furniture	386,047	18,446	11,284	415,777	258,551
Depreciation	606,546	761	262	607,569	593,724
Building repair and maintenance	430,132	711	225	431,068	381,107
Food and meals	282,086			282,086	342,948
Interest	254,092	25,947		280,039	199,875
Supplies	204,360	3,961	26,048	234,369	251,559
Travel and transportation	173,172	9,308	679	183,159	159,512
Insurance	136,749	26,829	4,402	167,980	175,437
Miscellaneous	54,249	50,390	339	104,978	127,821
Staff development	34,808	34,089	2,113	71,010	75,354
Advertising and promotion	30,921	296	36,479	67,696	31,088
Taxes, licenses, and fees	46,600	1,795	470	48,865	68,233
Meetings	4,079	9,508	22,283	35,870	10,435
Bad debt	29,797	455		30,252	72,457
Dues and membership	7,617	10,580	1,819	20,016	4,991
Equipment leasing and maintenance	9,365	2,023	628	12,016	38,093
Stipends	9,309			9,309	13,629
Bank service charge	3,770	853	4,498	9,121	47,405
Postage and shipping	3,086	354	3,061	6,501	5,713
<b>TOTAL 2022 FUNCTIONAL EXPENSES</b>	<b>\$ 13,338,441</b>	<b>\$ 1,811,308</b>	<b>\$ 713,557</b>	<b>\$ 15,863,306</b>	
<b>TOTAL 2021 FUNCTIONAL EXPENSES</b>	<b>\$ 13,276,354</b>	<b>\$ 1,765,759</b>	<b>\$ 550,943</b>		<b>\$ 15,593,056</b>

The accompanying notes are an integral part of these combined financial statements.

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINED STATEMENT OF CASH FLOWS  
For the year ended June 30, 2022  
With comparative totals for the year ended June 30, 2021

	2022	2021
<b>CASH FLOWS (TO) FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 830,714	\$ 830,788
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	607,569	593,724
Paycheck protection program loan forgiveness	-	(1,644,605)
Amortization of debt issuance costs	198	198
(Increase) decrease in operating assets:		
Contract, tenant rents, grants and pledges receivables	(1,179,217)	61,731
Prepaid expenses	15,582	1,933
Deposits	2,222	9,447
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	69,456	(242,081)
Accrued mortgage interest payable	80,248	65,292
Tenant security deposits	(1,657)	(2,180)
Deferred income	3,055	650
	<b>428,170</b>	<b>(325,103)</b>
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
<b>CASH FLOWS (TO) INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(216,185)	(207,318)
Net (decrease) to reserves	(15,417)	(74,863)
	<b>(231,602)</b>	<b>(282,181)</b>
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>		
<b>CASH FLOWS (TO) FINANCING ACTIVITIES:</b>		
Loan principal payments	(144,859)	(140,226)
	<b>(144,859)</b>	<b>(140,226)</b>
<b>NET CASH (USED) BY FINANCING ACTIVITIES</b>		
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>51,709</b>	<b>(747,510)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,835,934</b>	<b>2,583,444</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,887,643</b>	<b>\$ 1,835,934</b>
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Operating activities reflect interest paid of:	<b>\$ 138,943</b>	<b>\$ 164,021</b>

The accompanying notes are an integral part of these combined financial statements.

# BUCKELEW PROGRAMS AND AFFILIATES

## NOTES TO COMBINED FINANCIAL STATEMENTS

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### 1. Organization

Buckelew Programs (“Buckelew”) is a California not-for-profit public benefit corporation founded in 1970. Buckelew’s mission is to enhance the quality of life of individuals and families by providing mental, emotional, behavioral health and addiction services that promote recovery, resilience and hope. Buckelew has offices and program sites in Marin, Napa, and Sonoma counties.

Buckelew’s programs include provision of affordable, supported housing, effective, supportive employment, wellness and recovery supports, family supports and specialized programs that are tailored to the unique needs and interests of different groups of clients, such as programs specifically geared to adults with serious mental illness, adults with a dual-diagnosis of mental illness and substance disorders, and adults involved in the criminal justice system.

Affiliated Organizations:

Buckelew is affiliated with and under common board control or majority board control with other not-for-profit corporations which have been formed as instruments to further Buckelew’s organizational objectives. These entities are:

Buckelew Community Housing Development Organization, Inc. (“BCHDO”)  
Buckelew Housing, Inc.  
Boulevard Apartments, Inc.  
Henry House

Buckelew holds fifty percent control, through board membership, of the following non-profit entity:

Olive Avenue Apartments, Inc.

### 2. Summary of Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the accompanying combined financial statements is as follows:

#### Principles of Combination

The combined financial statements include the accounts of Buckelew and its affiliates: BCHDO, Buckelew Housing, Inc., Boulevard Apartments, Inc., Henry House, and Olive Avenue Apartments, Inc. (collectively “Buckelew and Affiliates”). All inter-organization transactions have been eliminated.

# BUCKELEW PROGRAMS AND AFFILIATES

## NOTES TO COMBINED FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### **Basis of Presentation**

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

#### **Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

**Without Donor Restrictions.** Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

**With Donor Restrictions.** Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

#### **Cash and Cash Equivalents**

Buckelew and Affiliates have defined cash and cash equivalents as cash in banking institutions and certificates of deposits with an original maturity of three months or less.

#### **Contracts Receivable**

Contracts receivable primarily consists of various third-party payment arrangements that are stated at the amount management expects to collect. Buckelew and Affiliates provide for losses on contracts and accounts receivable using the allowance method. The allowance is based on past experience, third-party contracts, and other circumstances, which may affect the ability of service recipients to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with the contractual terms. It is Buckelew and Affiliates' policy to charge off uncollectible contracts and accounts receivable when management determines the receivable will not be collected.

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 2. Summary of Significant Accounting Policies, continued

##### **Grants and Pledges Receivable**

Unconditional promises to give that are expected to be collected within one year are recorded as net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discount is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Grants and pledges receivable of \$1,801,673 at June 30, 2022 are expected to be collected within one year. As such, no discount has been recorded.

##### **Tenant Rents Receivable**

Tenant rents receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on a review of outstanding receivables, historical collection experience, and existing economic conditions. It is reasonably possible that management's estimate will change. As of June 30, 2022, the tenant rents receivable of \$23,459 is shown net of the allowance for doubtful accounts of \$0. As such, tenant rents receivable, net at June 30, 2022 is \$23,459.

##### **Restricted Reserves and Security Deposit Accounts**

The Affiliates are required to maintain various reserve and tenant accounts for replacement and repair of property and equipment, residual receipts, rent subsidy, tenant security deposits, and operating purposes. The reserves should be maintained in separate bank accounts pursuant to loan and regulatory agreements.

##### **Pledges and In-kind Contributions**

Buckelew and Affiliates are required to measure new pledges and in-kind contributions at fair value. The specific techniques used to measure the fair value for these financial statement elements are described in the note that relate to each element.

##### **Concentration of Credit Risks**

Buckelew and Affiliates place their temporary cash investments with high credit quality financial institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation insurance limit. Buckelew and Affiliates have not incurred losses related to these investments.

The contract receivable balance outstanding at June 30, 2022 consists of government contract receivables due from county, state, and federal granting agencies. Concentration of credit risk with respect to these trade receivables is limited, as the majority of Buckelew and Affiliates' receivables consist of earned fees from contract programs.

Approximately 70% of aggregate revenue generated by Buckelew and Affiliates at June 30, 2022 was derived from government and non-government contracts.

continued

# BUCKELEW PROGRAMS AND AFFILIATES

## NOTES TO COMBINED FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Property and Equipment

Property and equipment are recorded at cost, if purchased, or at fair value at the date of donation, if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets, which range from five to forty years. Maintenance and repair costs are charged to expense as incurred.

Buckelew and Affiliates' property and equipment are capitalized if the cost of an asset is greater than or equal to five thousand dollars and the useful life is greater than one year.

#### Donated Materials, Services, and Facilities

Contributions of donated non-cash assets are measured on a non-recurring basis and are recorded at fair value in the period received. 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 fair value in the period received. For the year ended June 30, 2022, Buckelew recorded in-kind contributions of \$179,369 for materials and services received. Valuation techniques used to measure the fair market value of donated materials and services are summarized in Note 16.

#### Income Taxes

Buckelew and Affiliates are exempt from taxation under Internal Revenue Code Section 501(c)(3) and California Revenue and Taxation Code Section 23701d.

Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Management has considered its tax positions and believes that all of the positions taken by Buckelew and Affiliates in its federal and state exempt organization tax returns are more likely than not to be sustained upon examination. Buckelew and Affiliates' returns are subject to examination by federal and state taxing authorities, generally for three and four years, respectively, after they are filed.

#### Functional Allocation of Expenses

Costs of providing Buckelew and Affiliates other activities have been presented in the supplemental Statement of Functional Expenses – Buckelew only. During the year, such costs are accumulated into separate groupings as either direct or indirect. Shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. Buckelew uses total direct dollars to allocate shared costs.

#### Use of Estimates

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

continued

# BUCKELEW PROGRAMS AND AFFILIATES

## NOTES TO COMBINED FINANCIAL STATEMENTS

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### 2. Summary of Significant Accounting Policies, continued

#### Revenue and Revenue Recognition

Buckelew and Affiliates recognize 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.

A portion of revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Buckelew and Affiliates have incurred expenditures or meet the performance criteria in compliance with specific contract or grant provisions.

Client rental income is recognized as rent becomes due and is shown at its maximum gross potential. Vacancy loss is shown as a reduction of rental income. Rental payments received in advance are deferred until earned. All leases between Buckelew and Affiliates and tenants of the projects are operating leases. Lease terms are usually one year or less. Therefore, Buckelew and Affiliates recognize monthly rent as lease income under ASC Topic 840 Leases. Other income, related to the rentals, includes laundry, vending, pet and parking fees as well as damages. Such fees are ancillary to the lease process and are recognized as revenue at the point in time such fees are incurred.

#### Recently Adopted Accounting Pronouncement

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU clarifies the presentation and disclosure of contributed nonfinancial assets, including land, buildings, and other items, to increase transparency and comparability surrounding contributed nonfinancial assets through enhancements to presentation and disclosure. The ASU requires to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets, include in disclosures a disaggregation of the amount of contributed nonfinancial assets by category, for each category, additional qualitative disclosures. The update does not change existing recognition and measurement requirements for contributed nonfinancial assets. The ASU is effective for fiscal years beginning after June 15, 2021. Buckelew's financial statements for the year ended June 30, 2022 are presented in accordance with ASU 2020-07.

#### Comparative Totals

The combined financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Buckelew's combined financial statements for the year ended June 30, 2021, from which the summarized information was derived.

continued

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 2. Summary of Significant Accounting Policies, continued

##### Reclassification

Certain amounts from the June 30, 2021 combined financial statements have been reclassified to conform to the June 30, 2022 presentation.

#### 3. Liquidity and Availability of Resources

Buckelew and Affiliates regularly monitors liquidity required to meet its operating needs and other contractual commitments via cash flow projections, treasury management and review by the Finance Committee of the Board of Directors.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, Buckelew and Affiliates consider all expenditures related to its ongoing activities and the pattern of income from grants, contracts, fundraising and services. The Finance Committee of the Board of Directors meets regularly to review all financial aspects of the organization and meets quarterly with the full Buckelew and Affiliates Board of Directors to report out, assess risk, and make recommendations for changes as needed.

In addition to financial assets available to meet general expenditures over the next 12 months, Buckelew and Affiliates operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As of June 30, 2022, the following financial assets could readily be made available within one year of the combined statement of financial position date to meet general expenditures:

Cash and cash equivalents	\$1,887,643
Contracts receivable (including unbilled) and tenant rents receivable, net	2,084,718
Grants and pledges receivable	<u>1,801,673</u>
Total financial assets	5,774,034
Less: donor restricted funds	<u>(868,276)</u>
Financial assets available for general expenditures	<u>\$4,905,758</u>

#### 4. Contracts Receivable

Contracts receivable for Buckelew and Affiliates at June 30, 2022 consist of the following:

Contracts receivable	\$2,068,796
Less: allowance for doubtful accounts	<u>(30,000)</u>
	<u>\$2,038,796</u>

continued



## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 5. Fair Value Measurements

The table below presents Buckelew and Affiliates' transactions measured at fair value on a non-recurring basis during the year ended June 30, 2022:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pledged contributions – new	\$ -	\$ -	\$818,885	<b>\$818,885</b>
In-kind contributions		<u>179,369</u>		<u>179,369</u>
Total	<u>\$ -</u>	<u>\$179,369</u>	<u>\$818,885</u>	<u><b>\$998,254</b></u>

The fair value of in-kind contributions has been measured on a non-recurring basis using quoted prices for similar assets in inactive markets (Level 2 inputs).

The fair value of pledged contributions - new is measured on a non-recurring basis based on the value provided by the donor at the date of the pledge or donation, respectively (Level 3 inputs).

#### 6. Property and Equipment

Buckelew and Affiliates' property and equipment at June 30, 2022 consist of the following:

Land	\$ 2,483,654
Buildings	19,370,079
Furniture and equipment	698,727
Vehicles	155,167
Leasehold improvements	<u>99,164</u>
	22,806,791
Less: accumulated depreciation	<u>(9,384,695)</u>
	<u><b>\$13,422,096</b></u>

Depreciation expense for the year ended June 30, 2022 was \$607,569.

#### 7. Accrued Liabilities

Accrued liabilities at June 30, 2022 consist of the following:

Accrued vacation	\$457,884
Accrued payroll and taxes	334,300
Marin county contract payable	130,302
Other accrued liabilities	<u>17,071</u>
	<u><b>\$939,557</b></u>

continued

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 8. Accrued Unemployment Liability

Buckelew is self-insured for its unemployment claims. As such, Buckelew is billed on a quarterly basis by the State of California for any claims made. Buckelew, on a quarterly basis, performs an analysis of the potential unemployment liability based on historical claims and records an accrued unemployment liability. At June 30, 2022, the estimated liability for outstanding unemployment claims was \$17,719.

#### 9. Notes Payable

Notes payable at June 30, 2022 consist of the following:

Mortgage payable to HCD bears 3% annual simple interest, is secured by a deed of trust on 1103 Lincoln Avenue, and no currently monthly payments of principal and interest or payments from annual net cash flows are required. However, a payment of 0.42% of outstanding principal, equal to \$7,485, is due on June 30 per annum until 2036. Unpaid principal and accrued interest is payable in full March 2062. \$1,782,206

Capital Advance Program Mortgage note payable to HUD, secured by a deed of trust on the project, is non-interest bearing and repayment is not required as long as the project remains available for very low-income individuals in accordance with Section 811 of the U.S. Housing Act. 1,511,300

Non-interest bearing loan dated June 7, 2012, payable to Marin County Department of Health and Human Services, maturing on June 7, 2067 with principal due the earlier of 55 years from the recording of "Notice of Completion" with respect to the property, or the transfer of property securing the note to an entity other than Buckelew, a nonprofit public benefit corporation controlled by Buckelew, or an entity approved under an agreement between the Marin County Department of Health and Human Services and Buckelew. The loan is secured by a deed of trust on the Granton Park property at 1109 Sir Francis Drake Blvd. 739,526

continued

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 9. Notes Payable, continued

Mortgage payable to First Federal S&L Association in monthly installments of \$4,881, including interest at 5.8% per annum. The interest rate changed on August 1, 2014 and may change every six months thereafter. The rate will be based on the Eleventh District Cost of Funds, plus 2.75% not to exceed 9.5%. The mortgage is secured by a deed of trust on Duncan Greene and is due in full in August 2037.	614,262
Mortgage payable to First Federal S&L Association in monthly installments of \$3,294, including interest at 4.0% per annum. The interest rate is subject to change in October 2023. The rate will be based on the Eleventh District Cost of Funds, plus 2.75% not to exceed 9.5%. The note is secured by a deed of trust on Rogers Greene Apartments and is due in full in September 2046. As of June 30, 2022, accrued interest totaled \$2,232.	587,940
Loan payable to California Department of Housing and Community Development, Multifamily Housing program, bears 3% simple interest per annum, requires an annual payment of 0.42% of the outstanding principal balance for a period of 29 years, at which time annual loan payments are required equal to the lesser of the accrued interest for the previous 12-month period or such amount determined by HCD. Annual payments can also be made subject to available net cash flow. The note is secured by a deed of trust on the project. The entire principal and unpaid accrued interest are due in 2060.	585,000
Loan dated September 18, 2012, payable to Marin Community Foundation, simple interest at 4.00% per annum. No payments were due until March 1, 2014 and then the loan was converted to a 10-year term with payments calculated based on a 30-year amortization. Loan is due in monthly payments of \$2,864 maturing on February 1, 2024 with a balloon payment of \$475,569 due at the time of maturity. The loan is secured by a deed of trust on 1109 Sir Francis Drake Blvd.	499,786
Loan payable to Petaluma Community Development Commission, bears 3% simple interest per annum. The entire principal and accrued interest due in 2065.	480,200

continued

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 9. Notes Payable, continued

Loan payable to Bank of Marin dated December 27, 2012, maturing on December 23, 2022. The loan is payable in monthly payments of \$2,531 at a simple rate of 4.5% per annum for 60 months and then at a variable rate subject to change from time to time based on changes in an independent index. The loan is secured by a deed of trust on the D Street property.	405,265
Loan dated February 1, 2010, payable to California Health Facilities Financing Authority, simple interest at 3.00% per annum, due in monthly payments of \$4,489 maturing on May 1, 2025. The loan is secured by a deed of trust on 1109 Sir Francis Drake Blvd.	147,470
Line of credit with Bank of Marin, converted to ten-year loan on August 26, 2014, maturing on August 23, 2024. Loan is payable in monthly payments of \$1,659 at simple rate of 4.5% per annum for 60 months and then at a variable rate. Balloon payment of unpaid balance is due at maturity. The loan is secured by a deed of trust on Draper House.	277,640
Mortgage payable to HUD, due in monthly installments of \$3,367, including interest at 9.25%. Loan is collateralized by a deed of trust on the project and is due in full in the year 2026.	125,230
Non-interest bearing loan dated October 23, 2012, payable to Marin County Department of Health and Human Services, maturing on November 6, 2032 with principal due the earlier of 20 years from the recording of "Notice of Completion" with respect to the property, or the transfer of property securing the note to an entity other than Buckelew, a nonprofit public benefit corporation controlled by Buckelew, or an entity approved under an agreement between the Marin County Department of Health and Human Services and Buckelew, or acceleration of the note due to termination of the agreement between the County of Marin and Maker of the loan. The loan is secured by a deed of trust on the Granton Park property at 1109 Sir Francis Drake Blvd.	250,000

continued

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 9. Notes Payable, continued

Non-interest bearing loan dated August 21, 2012, payable to Marin County Department of Health and Human Services, maturing on August 13, 2032 with principal due the earlier of 20 years from the recording of "Notice of Completion" with respect to the property, or the transfer of property securing the note to an entity other than Buckelew, a nonprofit public benefit corporation controlled by Buckelew, or an entity approved under an agreement between the Marin County Department of Health and Human Services and Buckelew. The loan is secured by a deed of trust on the Granton Park property at 1109 Sir Francis Drake Blvd.	150,000
Agreement with County of Marin Community Development Agency dated April 2012 and amended in 2015, funds received in April through July 2012 and April 2016. No payments are required until sale, conveyance, encumbrance, grant, lease, or other alienation of premises, at which time the greater of \$54,783 or 3.6% of the proceeds from such sale, conveyance, encumbrance, grant, lease minus costs of closing are due in full. The loan is secured by a deed of trust on 1333 7th Street.	64,324
Loan payable to Marin Housing Authority, at 3.00% per annum, commencing on January 1, 2010. No payments are required until transfer or sale of collateral property, or discontinued use for the intended purpose, at which time principal and interest are due in full. The loan is secured by the property at 527 D Street.	35,000
Loan payable to Marin Housing Authority, at 3.00% per annum, commencing on February 1, 2014. No payments are required until transfer or sale of collateral property, or discontinued use for the intended purpose, at which time principal and interest are due in full. The loan is secured by the property at 30b Fairfax Street.	35,000
Loan payable to Marin Housing Authority, at 3.00% per annum, commencing on May 1, 2013. No payments are required until transfer or sale of collateral property, or discontinued use for the intended purpose, at which time principal and interest are due in full. The loan is secured by the property at 51 San Pablo Avenue.	32,110

continued

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 9. Notes Payable, continued

Loan payable to Marin Housing Authority, at 3.00% per annum, commencing on May 1, 2013. No payments are required until transfer or sale of collateral property, or discontinued use for the intended purpose, at which time principal and interest are due in full. The loan is secured by the property at 7 Le Claire Court.

	<u>20,644</u>
	8,342,903
Less: unamortized debt issuance costs	<u>(5,935)</u>
	8,336,968
Less: current portion	<u>(152,393)</u>
	<u>\$8,184,575</u>

Principal payments on the notes payable are as follows:

<u>Year ending June 30,</u>	
2023	\$ 152,393
2024	631,637
2025	148,080
2026	89,623
2027	73,116
Thereafter	<u>7,248,054</u>
	<u>\$8,342,903</u>

#### 10. Commitments and Contingencies

##### Obligations Under Operating Leases

Buckelew and Affiliates lease facilities and equipment under operating leases with various terms. Future minimum payments, by year and in the aggregate, under these leases with initial terms of one year or more, consist of the following:

<u>Year ending June 30,</u>	
2023	\$ 703,473
2024	612,012
2025	474,965
2026	369,676
2027	<u>186,148</u>
	<u>\$2,346,274</u>

Rent expense under operating leases, including monthly, for the year ended June 30, 2022 was \$2,107,851.

continued

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 10. Commitments and Contingencies, continued

##### Contracts

Buckelew and Affiliates' grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, Buckelew and Affiliates, have no provisions for the possible disallowance of program costs on its combined financial statements.

##### HUD Capital Advance

HUD has granted a Section 811 capital advance of \$2,146,000 to Boulevard Apartments. This advance is subject to repayment, along with interest, in the event that Boulevard Apartments is not made available to very low-income disabled persons for forty years in accordance with Section 811. Buckelew and Affiliates intend to comply with the capital advance requirements, and management expects the capital advance to be forgiven in June 2046. Thus, the capital advance has been included in net assets without donor restrictions.

BCHDO, Inc. has entered into various grant agreements with the County of Marin, which provided \$1,604,000 and \$119,899 in funding, under the HOME Investment Partnership Program and Community Development Block Grant Program, respectively for the purchase and rehabilitation of various properties. Pursuant to these grant agreements, a certain number of units must be designated as HOME-assisted units and must meet affordable housing, income targeting and other requirements for a defined term. In the event of default or upon sale of the property, the greater of the grant amount or a defined percentage of the proceeds from sale must be paid to the County of Marin.

Olive Avenue Apartments, Inc., in connection with the acquisition and development of an apartment complex consisting of 16 rental units for persons with disabilities in Novato, California, entered into a grant agreement with the County of Marin under the HOME Investment Partnership Program in the amount of \$452,000. Pursuant to this agreement, Olive Avenue Apartments, Inc. must remain affordable to eligible persons until May 2046. In the event of default, the County may demand repayment of the greater of \$452,000 or 19.7% of the fair market value of the property.

Buckelew has various Community Development Block Grants with the Marin Housing Authority and the Marin County Department of Health and Human Services for the purchase and rehabilitation of various properties. In the event of the sale of the property, the loan amount including interest must be paid.

#### 11. Management Fee

Creekwood Apartments, which is developed, owned and operated by Buckelew Housing, Inc., is managed by EAH, Inc., a non-related California nonprofit public benefit corporation. HUD has approved a management fee of 6.47% of collections. Management fees paid during the year ended June 30, 2022 were \$11,232.

continued

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 11. Management Fee, continued

Olive Avenue Apartments, Inc., a California nonprofit public benefit corporation, was organized in 1996 to develop, own and operate an apartment complex consisting of 16 rental units for persons with disabilities in Novato, California. The apartment complex in Novato, California, is managed by EAH, Inc., a non-related California nonprofit public benefit corporation. HUD has approved a management fee in the amount of 10.54% of collections beginning April 1, 2014 through March 31, 2016, with the option to self-renew. Management fees paid during the year ended June 30, 2022 were \$15,552.

#### 12. Housing Assistance Payment Contract Agreement

Buckelew Housing, Inc. has entered into a Housing Assistance Payments (“HAP”) contract with HUD on behalf of qualified tenants. The contract covers all of the 12 units. The contract expires on April 1, 2031. HUD has established various guidelines for the renewal of the contract. Receipts under the HAP contract for the year ended June 30, 2022 were \$158,941.

#### 13. Project Rental Assistance Contract

Olive Avenue Apartments, Inc., has entered into a Project Rental Assistance Contract (“PRAC”) with HUD on behalf of qualified tenants. The contract covers 16 of the 16 units and expired on September 30, 2021. HUD has established various guidelines for the renewal of these contracts. During the year ended June 30, 2022, receipts under the PRAC was \$100,123.

#### 14. Net Asset With Donor Restrictions

Net assets with donor restrictions at June 30, 2022 consist of the following:

<u>Purpose Restrictions:</u>	
Suicide prevention	\$296,985
Family services counseling	286,025
Supportive housing	112,813
Healthy families	101,355
Electronic Health Records	69,778
Avant	<u>1,320</u>
	<u>\$868,276</u>

For the year ended June 30, 2022, net assets released from purpose and time restrictions were \$876,919.



## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 15. Related Party Transactions

Buckelew carries a \$111,203 note receivable from BCHDO, an affiliate. The note is eliminated in the combined financial presentation but is not eliminated in the Buckelew stand-alone financial statements.

Olive Avenue Apartments is an affiliate that is owned 50% by Buckelew. The net asset valuation of the investment is recorded as an asset in the Buckelew stand-alone financial statements. The value of Buckelew's interest in Olive Avenue Apartments at the year ended June 30, 2022 was (\$121,287).

In 2022, the organization made its required annual HCD payment of 0.42% related to the California Department of Housing and Community Development, Multifamily Housing program (MHP-HCD note). Buckelew programs, the organization's sponsor, also made a payment to HCD for the same purpose resulting in an overpayment of \$2,457 to HCD. Buckelew applied for reimbursement of the overpaid fee but it was processed by HCD due to incomplete paperwork. Accordingly, HCD has indicated the overpayment will be applied to the 2023 annual HCD required payment and the organization will reimburse Buckelew.

#### 16. In-kind Contributions

In-kind contributions for the year ended June 30, 2022 consist of the following:

<b><u>Nonfinancial Asset</u></b>	<b><u>Fair Value</u></b>	<b><u>Used or Monetized</u></b>	<b><u>Donor Restrictions</u></b>	<b><u>Fair Value Technique</u></b>
Trailer from estate	\$156,000	Monetized	None	Value established based on market sales price upon liquidation
Printing and ads	18,280	Used for Bike4Buckelew fundraising event	None	Value established based on prices, at time of donation, from provider for paying customers in the region

continued

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

#### 16. In-kind Contributions, continued

<u>Nonfinancial Asset</u>	<u>Fair Value</u>	<u>Used or Monetized</u>	<u>Donor Restrictions</u>	<u>Fair Value Technique</u>
Food and beverages	2,455	Used for Bike4Buckelew fundraising event	None	Value established based on prices, at time of donation, from provider for paying customers in the region
Art and merchandise	1,650	Used for Bike4Buckelew fundraising event	None	Value established based on prices, at time of donation, from provider for paying customers in the region
Gift Certificates	984	Used for Bike4Buckelew fundraising event	None	Value established at cash value
	<u>\$179,369</u>			

#### 17. Subsequent Events

Buckelew has brought in a 33-year-old Santa Rosa residential treatment program for women into its program offerings. Athena House, a 40-bed residential treatment facility for woman and Hope Village, a sober-living facility, were slated to be closed in July 2022, from the former operator. In an effort to keep these services in Sonoma, Buckelew was able to partner with a developer to secure the site and continue this operation. The site is opened as a sober-living facility while Buckelew applies for the county's procurement process to operate the residential treatment facility as well.

Management has evaluated subsequent events through April 17, 2023, the date which the financial statements were available for issue. Except as noted above, no other events or transactions have occurred during this period that appear to require recognition or disclosure in the financial statements.

**SUPPLEMENTARY INFORMATION**

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**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINING STATEMENT OF FINANCIAL POSITION  
June 30, 2022

	(Audited) Buckelew Programs	(Audited) BCHDO, Inc.	(Reviewed) Buckelew Housing, Inc.	(Audited) Boulevard Apartments, Inc.	(Audited) Olive Avenue Apartments, Inc.	(Audited) Henry House	Total	Eliminations	Combined
<b>ASSETS</b>									
Current Assets									
Cash and cash equivalents (Note 2)	\$ 1,479,510	\$ 334,003	\$ 49,962	\$ 1,302	\$ 8,282	\$ 14,584	\$ 1,887,643	\$ -	\$ 1,887,643
Contracts receivable, net (Note 4)	2,033,098			5,698			2,038,796		2,038,796
Grants and pledges receivable (Note 2)	1,801,673						1,801,673		1,801,673
In-kind rent receivable - short term							-		-
Tenant rents receivables, net (Note 2)		20,834	2,117	457	51		23,459		23,459
Unbilled contracts receivable	22,463						22,463		22,463
Prepaid expenses	168,189	18,423	3,359	1,207	628		191,806		191,806
Total current assets	<u>5,504,933</u>	<u>373,260</u>	<u>55,438</u>	<u>8,664</u>	<u>8,961</u>	<u>14,584</u>	<u>5,965,840</u>	<u>-</u>	<u>5,965,840</u>
Restricted reserves and security deposits (Note 2)		614,853	94,610	127,431	159,132	20,068	1,016,094		1,016,094
Note receivable from affiliate	111,203						111,203	(111,203)	-
Property and equipment, net (Note 6)	5,293,685	4,624,661	321,651	2,067,647	1,114,452		13,422,096		13,422,096
Deposits	184,514						184,514		184,514
Investment in subsidiaries	(121,287)						(121,287)	121,287	-
<b>TOTAL ASSETS</b>	<u>\$ 10,973,048</u>	<u>\$ 5,612,774</u>	<u>\$ 471,699</u>	<u>\$ 2,203,742</u>	<u>\$ 1,282,545</u>	<u>\$ 34,652</u>	<u>\$ 20,578,460</u>	<u>\$ 10,084</u>	<u>\$ 20,588,544</u>
<b>LIABILITIES AND NET ASSETS</b>									
<b>LIABILITIES</b>									
Current Liabilities									
Accounts payable	\$ 217,086	\$ 72,048	\$ 4,283	\$ 28,681	\$ 2,118	\$ -	\$ 324,216	\$ -	\$ 324,216
Accrued liabilities (Note 7)	928,366					11,191	939,557		939,557
Accrued unemployment liability (Note 8)	17,719						17,719		17,719
Deferred revenue		632	1,641	11	6,683		8,967		8,967
Current portion of long-term debt (Note 9)	81,953	40,371	30,069				152,393		152,393
Total current liabilities	<u>1,245,124</u>	<u>113,051</u>	<u>35,993</u>	<u>28,692</u>	<u>8,801</u>	<u>11,191</u>	<u>1,442,852</u>	<u>-</u>	<u>1,442,852</u>
Tenant security deposits		17,689	4,326	3,208	5,018	768	31,009		31,009
Accrued mortgage interest payable		710,833	965	489,085			1,200,883		1,200,883
Intercompany notes payable		111,203					111,203	(111,203)	-
Long-term portion of notes payable (Note 9)	2,574,812	2,938,102	95,161	1,065,200	1,511,300		8,184,575		8,184,575
<b>TOTAL LIABILITIES</b>	<u>3,819,936</u>	<u>3,890,878</u>	<u>136,445</u>	<u>1,586,185</u>	<u>1,525,119</u>	<u>11,959</u>	<u>10,970,522</u>	<u>(111,203)</u>	<u>10,859,319</u>
<b>NET ASSETS</b>									
Without donor restrictions	6,284,836	1,721,896	335,254	617,557	(242,574)	22,693	8,739,662	121,287	8,860,949
With donor restrictions (Note 14)	868,276						868,276		868,276
<b>TOTAL NET ASSETS</b>	<u>7,153,112</u>	<u>1,721,896</u>	<u>335,254</u>	<u>617,557</u>	<u>(242,574)</u>	<u>22,693</u>	<u>9,607,938</u>	<u>121,287</u>	<u>9,729,225</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 10,973,048</u>	<u>\$ 5,612,774</u>	<u>\$ 471,699</u>	<u>\$ 2,203,742</u>	<u>\$ 1,282,545</u>	<u>\$ 34,652</u>	<u>\$ 20,578,460</u>	<u>\$ 10,084</u>	<u>\$ 20,588,544</u>

See independent auditors' report.

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINING STATEMENT OF ACTIVITIES  
For the year ended June 30, 2022

	(Audited) Buckelew Programs	(Audited) BCHDO, Inc.	(Reviewed) Buckelew Housing, Inc.	(Audited) Boulevard Apartments, Inc.	(Audited) Olive Avenue Apartments, Inc.	(Audited) Henry House	Total	Eliminations	Combined
<b>REVENUE AND SUPPORT</b>									
Government and contracts	\$ 11,068,170	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,068,170	\$ -	\$ 11,068,170
Grants and contributions	3,015,557						3,015,557		3,015,557
Client rent and fees	1,259,911	554,554	202,034	125,448	178,878	27,863	2,348,688		2,348,688
In-kind contributions (Note 16)	179,369						179,369		179,369
Investment and other income	6,566	13,046	708	77	17,614	1,214	39,225	17,838	57,063
Special events	25,173						25,173		25,173
<b>TOTAL REVENUE AND SUPPORT</b>	<u>15,554,746</u>	<u>567,600</u>	<u>202,742</u>	<u>125,525</u>	<u>196,492</u>	<u>29,077</u>	<u>16,676,182</u>	<u>17,838</u>	<u>16,694,020</u>
<b>EXPENSES</b>									
Program services	12,148,518	580,874	145,803	230,613	206,598	26,035	13,338,441		13,338,441
Management and general	1,714,809	46,628	19,476	1,943	25,571	2,881	1,811,308		1,811,308
Fundraising	713,557						713,557		713,557
<b>TOTAL EXPENSES</b>	<u>14,576,884</u>	<u>627,502</u>	<u>165,279</u>	<u>232,556</u>	<u>232,169</u>	<u>28,916</u>	<u>15,863,306</u>	<u>-</u>	<u>15,863,306</u>
<b>CHANGE IN NET ASSETS</b>	977,862	(59,902)	37,463	(107,031)	(35,677)	161	812,876	17,838	830,714
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>6,175,250</u>	<u>1,781,798</u>	<u>297,791</u>	<u>724,588</u>	<u>(206,897)</u>	<u>22,532</u>	<u>8,795,062</u>	<u>103,449</u>	<u>8,898,511</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 7,153,112</u>	<u>\$ 1,721,896</u>	<u>\$ 335,254</u>	<u>\$ 617,557</u>	<u>\$ (242,574)</u>	<u>\$ 22,693</u>	<u>\$ 9,607,938</u>	<u>\$ 121,287</u>	<u>\$ 9,729,225</u>

See independent auditors' report.

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINING STATEMENT OF FUNCTIONAL EXPENSES - MANAGEMENT AND GENERAL ONLY  
For the year ended June 30, 2022

	(Audited) Buckelew Programs	(Audited) BCHDO, Inc.	(Reviewed) Buckelew Housing, Inc.	(Audited) Boulevard Apartments, Inc.	(Audited) Olive Avenue Apartments, Inc.	(Audited) Henry House	Eliminations	Combined
Staff compensation	\$ 992,298	\$ 14,646	\$ 8,926	\$ 363	\$ 5,460	\$ -	\$ -	\$ 1,021,693
Taxes and benefits	204,173							204,173
Total personnel costs	1,196,471	14,646	8,926	363	5,460	-	-	1,225,866
Rent	65,711			359	3,437			69,507
Professional services	292,470	9,969	2,618	448	6,368			311,873
Utilities	4,464	172	204	284	2,632			7,756
Equipment and furniture	11,869	3,279	1,765		1,533			18,446
Depreciation	761							761
Building repair and maintenance	711							711
Food and meals								-
Supplies	3,838		123					3,961
Travel and transportation	9,308							9,308
Insurance	26,829							26,829
Miscellaneous	46,869	1,813	785	7	916			50,390
Staff development	31,208					2,881		34,089
Interest		16,350	4,425	482	4,690			25,947
Advertising and promotion	22	253			21			296
Taxes, licenses, and fees	1,795							1,795
Meetings	8,673	146	630		59			9,508
Bad debt					455			455
Dues and membership	10,580							10,580
Equipment leasing and maintenance	2,023							2,023
Stipends								-
Bank service charge	853							853
Postage and shipping	354							354
<b>TOTAL 2022 FUNCTIONAL EXPENSES</b>	<b>\$ 1,714,809</b>	<b>\$ 46,628</b>	<b>\$ 19,476</b>	<b>\$ 1,943</b>	<b>\$ 25,571</b>	<b>\$ 2,881</b>	<b>\$ -</b>	<b>\$ 1,811,308</b>

See independent auditors' report.

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINING STATEMENT OF FUNCTIONAL EXPENSES - PROGRAMS ONLY

For the year ended June 30, 2022

	(Audited) Buckelew Programs	(Audited) BCHDO, Inc.	(Reviewed) Buckelew Housing, Inc.	(Audited) Boulevard Apartments, Inc.	(Audited) Olive Avenue Apartments, Inc.	(Audited) Henry House	Eliminations	Combined
Staff compensation	\$ 6,236,878	\$ 21,266	\$ 53,343	\$ 27,286	\$ 25,908	\$ -	\$ -	\$ 6,364,681
Taxes and benefits	1,304,751	23,542	8,929	7,549	7,176			1,351,947
Total personnel costs	<u>7,541,629</u>	<u>44,808</u>	<u>62,272</u>	<u>34,835</u>	<u>33,084</u>	-	-	<u>7,716,628</u>
Rent	1,925,170			8,983	7,959			1,942,112
Professional services	322,144	48,528	4,029	11,207	23,641			409,549
Utilities	427,460	58,538	17,969	22,359	28,012	9,029		563,367
Equipment and furniture	371,233	3,599	2,684	4,982	3,549			386,047
Depreciation	287,045	152,633	28,620	91,688	46,560			606,546
Building repair and maintenance	286,412	96,909	759		33,915	12,137		430,132
Food and meals	282,086							282,086
Supplies	186,781	12,270	190	1,699	3,420			204,360
Travel and transportation	173,172							173,172
Insurance	85,001	32,548	5,239		10,762	3,199		136,749
Miscellaneous	42,025	3,558	2,149	3,473	3,044			54,249
Staff development	34,647	161						34,808
Interest	59,872	119,709	19,573	44,076	10,862			254,092
Advertising and promotion	23,746			7,125	50			30,921
Taxes, licenses, and fees	36,902	7,613	1,351	186	548			46,600
Meetings	2,974		968		137			4,079
Bad debt	28,742				1,055			29,797
Dues and membership	7,617							7,617
Equipment leasing and maintenance	9,365							9,365
Stipends	9,309							9,309
Bank service charge	2,100					1,670		3,770
Postage and shipping	3,086							3,086
<b>TOTAL 2022 FUNCTIONAL EXPENSES</b>	<u><u>\$ 12,148,518</u></u>	<u><u>\$ 580,874</u></u>	<u><u>\$ 145,803</u></u>	<u><u>\$ 230,613</u></u>	<u><u>\$ 206,598</u></u>	<u><u>\$ 26,035</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,338,441</u></u>

See independent auditors' report.

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINING STATEMENT OF CASH FLOWS  
June 30, 2022

	(Audited) Buckelew Programs	(Audited) BCHDO, Inc.	(Reviewed) Buckelew Housing, Inc.	(Audited) Boulevard Apartments, Inc.	(Audited) Olive Avenue Apartments, Inc.	(Audited) Henry House	Total	Eliminations	Combined
<b>CASH FLOWS FROM (TO) OPERATING ACTIVITIES:</b>									
Change in net assets	\$ 977,862	\$ (59,902)	\$ 37,463	\$ (107,031)	\$ (35,677)	\$ 161	\$ 812,876	\$ 17,838	\$ 830,714
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:									
Depreciation	288,068	152,633	28,620	91,688	46,560		607,569		607,569
Amortization of debt issuance costs		198					198		198
Loss from investment in subsidiaries	17,838						17,838	(17,838)	-
(Increase) decrease in operating assets:									
Contract, tenant rents, in-kind rent, grants and pledges receivables	(1,163,824)	(14,687)	1,691	(5,803)	3,406		(1,179,217)		(1,179,217)
Prepaid expenses	14,323	703	574		(18)		15,582		15,582
Deposits	2,222						2,222		2,222
Increase (decrease) in operating liabilities:									
Accounts payable and accrued liabilities	6,051	68,215	(6,235)	10,629	(9,644)	440	69,456		69,456
Accrued mortgage interest payable		53,418	(212)	27,042			80,248		80,248
Tenant security deposit		(543)	478		(8)	(1,584)	(1,657)		(1,657)
Deferred income		(2,754)	(850)	11	6,648		3,055		3,055
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>142,540</b>	<b>197,281</b>	<b>61,529</b>	<b>16,536</b>	<b>11,267</b>	<b>(983)</b>	<b>428,170</b>	<b>-</b>	<b>428,170</b>
<b>CASH FLOWS (TO) FROM INVESTING ACTIVITIES:</b>									
Proceeds from notes receivable from affiliate	7,864						7,864	(7,864)	-
Purchase of property and equipment		(119,814)	(84,768)	(9,107)	(2,496)		(216,185)		(216,185)
Net decrease (increase) to restricted reserves and security deposits		(44,353)	66,733	(9,911)	(28,234)	348	(15,417)		(15,417)
<b>NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES</b>	<b>7,864</b>	<b>(164,167)</b>	<b>(18,035)</b>	<b>(19,018)</b>	<b>(30,730)</b>	<b>348</b>	<b>(223,738)</b>	<b>(7,864)</b>	<b>(231,602)</b>
<b>CASH FLOWS (TO) FINANCING ACTIVITIES:</b>									
Proceeds from paycheck protection program loan							-		-
Loan principal payments to affiliate		(7,864)					(7,864)	7,864	-
Loan principal payments	(79,074)	(38,362)	(27,423)				(144,859)		(144,859)
<b>NET CASH (USED) BY FINANCING ACTIVITIES</b>	<b>(79,074)</b>	<b>(46,226)</b>	<b>(27,423)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(152,723)</b>	<b>7,864</b>	<b>(144,859)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>71,330</b>	<b>(13,112)</b>	<b>16,071</b>	<b>(2,482)</b>	<b>(19,463)</b>	<b>(635)</b>	<b>51,709</b>	<b>-</b>	<b>51,709</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>1,408,180</b>	<b>347,115</b>	<b>33,891</b>	<b>3,784</b>	<b>27,745</b>	<b>15,219</b>	<b>1,835,934</b>		<b>1,835,934</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,479,510</b>	<b>\$ 334,003</b>	<b>\$ 49,962</b>	<b>\$ 1,302</b>	<b>\$ 8,282</b>	<b>\$ 14,584</b>	<b>\$ 1,887,643</b>	<b>\$ -</b>	<b>\$ 1,887,643</b>
<b>SUPPLEMENTAL DISCLOSURE:</b>									
Operating activities reflect interest paid of:	\$ 59,872	\$ 66,093	\$ 12,978	\$ -	\$ -	\$ -	\$ 138,943	\$ -	\$ 138,943

See independent auditors' report.



## BUCKELEW PROGRAMS

### STATEMENT OF FUNCTIONAL EXPENSES - BUCKELEW PROGRAMS ONLY

For the year ended June 30, 2022

With comparative totals for the year ended June 30, 2021

	Program	Management		Total Expenses	
	Services	and General		Fundraising	2022
Staff compensation	\$ 6,236,878	\$ 992,298	\$ 382,836	\$ 7,612,012	\$ 7,279,531
Taxes and benefits	1,304,751	204,173	97,504	1,606,428	1,711,226
Total personnel costs	<u>7,541,629</u>	<u>1,196,471</u>	<u>480,340</u>	<u>9,218,440</u>	<u>8,990,757</u>
Rent	1,925,170	65,711	21,975	2,012,856	2,182,452
Professional services	322,144	292,470	93,707	708,321	591,616
Utilities	427,460	4,464	2,945	434,869	532,902
Equipment and furniture	371,233	11,869	11,284	394,386	278,327
Depreciation	287,045	761	262	288,068	259,468
Building repair and maintenance	286,412	711	225	287,348	342,948
Food and meals	282,086			282,086	258,551
Supplies	186,781	3,838	26,048	216,667	230,431
Travel and transportation	173,172	9,308	679	183,159	62,639
Insurance	85,001	26,829	4,402	116,232	127,050
Miscellaneous	42,025	46,869	339	89,233	159,512
Staff development	34,647	31,208	2,113	67,968	105,412
Interest	59,872			59,872	75,354
Advertising and promotion	23,746	22	36,479	60,247	60,577
Taxes, licenses, and fees	36,902	1,795	470	39,167	59,116
Meetings	2,974	8,673	22,283	33,930	5,529
Bad debt	28,742			28,742	28,439
Dues and membership	7,617	10,580	1,819	20,016	30,151
Equipment leasing and maintenance	9,365	2,023	628	12,016	13,629
Stipends	9,309			9,309	10,435
Bank service charge	2,100	853	4498	7,451	5,713
Postage and shipping	3,086	354	3,061	6,501	4,991
<b>Total 2022 functional expenses</b>	<u><u>\$ 12,148,518</u></u>	<u><u>\$ 1,714,809</u></u>	<u><u>\$ 713,557</u></u>	<u><u>\$ 14,576,884</u></u>	
Total 2021 functional expenses	<u><u>\$ 12,195,923</u></u>	<u><u>\$ 1,669,133</u></u>	<u><u>\$ 550,943</u></u>		<u><u>\$ 14,415,999</u></u>

See independent auditors' report.

**BUCKELEW PROGRAMS**

STATEMENT OF FUNCTIONAL EXPENSES - BUCKELEW PROGRAMS ONLY

For the year ended June 30, 2022

With comparative totals for the year ended June 30, 2021

continued

	Program Services				Total	
	100 M.A.I.L.	200 R.S.S.	600 Sonoma	Other	Program Services	
	Program	Program	Program	Programs	2022	2021
Staff compensation	\$ 937,368	\$ 1,156,934	\$ 1,373,844	\$ 2,768,732	\$ 6,236,878	\$ 6,047,159
Taxes and benefits	197,484	230,237	287,942	589,088	1,304,751	1,396,263
Total personnel costs	1,134,852	1,387,171	1,661,786	3,357,820	7,541,629	7,443,422
Rent	811,451	15,664	423,146	674,909	1,925,170	2,096,432
Professional services	54,548	48,507	108,073	111,016	322,144	221,040
Utilities	149,552	85,916	90,079	101,913	427,460	528,215
Equipment and furniture	84,302	64,321	79,363	143,247	371,233	232,658
Depreciation	13,841	72,519	1,664	199,021	287,045	277,558
Building repair and maintenance	55,895	125,619	22,994	81,904	286,412	255,078
Food and meals	77,577	90,251	946	113,312	282,086	342,905
Supplies	31,574	70,766	17,218	67,223	186,781	202,559
Travel and transportation	34,903	21,514	58,232	58,523	173,172	156,547
Insurance	23,803	13,348	16,207	31,643	85,001	95,370
Miscellaneous	2,959	6,609	24,150	8,307	42,025	69,955
Staff development	6,308	7,812	8,129	12,398	34,647	46,193
Interest	27,830	32,042			59,872	62,440
Advertising and promotion		1,042	12,000	10,704	23,746	5,284
Taxes, licenses, and fees	3,521	18,581	4,465	10,335	36,902	50,289
Meetings	526	712	853	883	2,974	1,480
Bad debt		(1,084)	15,585	14,241	28,742	60,577
Dues and membership	699	1,168	1,181	4,569	7,617	3,489
Equipment leasing and maintenance	1,317	778	2,664	4,606	9,365	25,793
Stipends	100	9,209			9,309	13,579
Bank service charge	6	(3)	7	2,090	2,100	2,039
Postage and shipping	592	567	651	1,276	3,086	3,021
<b>Total 2022 functional expenses</b>	<b>\$ 2,516,156</b>	<b>\$ 2,073,029</b>	<b>\$ 2,549,393</b>	<b>\$ 5,009,940</b>	<b>\$ 12,148,518</b>	
Total 2021 functional expenses	\$ 3,097,075	\$ 2,012,866	\$ 2,179,828	\$ 4,906,154		\$ 12,195,923

See independent auditors' report.