



**BUCKELEW PROGRAMS  
AND AFFILIATES**

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**COMBINED FINANCIAL STATEMENTS  
and  
SUPPLEMENTAL INFORMATION**

**JUNE 30, 2021**

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## CONTENTS

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Independent Auditors' Report	1-2
Combined Statement of Financial Position	3
Combined Statement of Activities	4
Combined Statement of Functional Expenses	5-6
Combined Statement of Cash Flows	7
Notes to Combined Financial Statements	8-22
Supplemental Information:	
Combining Statement of Financial Position	23
Combining Statement of Activities	24
Combining Statement of Functional Expenses – Management and General Only	25
Combining Statement of Functional Expenses – Programs Only	26
Combining Statement of Cash Flows	27
Statement of Functional Expenses – Buckelew Programs Only	28-29

## **INDEPENDENT AUDITORS' REPORT**

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To the Board of Directors  
Buckelew Programs and Affiliates

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

We have audited the accompanying combined financial statements of Buckelew Programs (a nonprofit organization) and Affiliates, which comprise of the Combined Statement of Financial Position as of June 30, 2021, 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.

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

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

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these combined financial statements based on our audit. 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 \$9,194,688 as of June 30, 2021, and total combined support and revenue of \$843,657, 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 \$468,478 as of June 30, 2021, and total revenue and support of \$181,130, for the year then ended. Those statements were reviewed by other accountants, whose report has been furnished to us. Our opinion, insofar as it relates to the amounts included for the Affiliates, is based solely on the reports of the other auditors and accountants. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

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

## INDEPENDENT AUDITORS' REPORT

continued

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### Opinion

In our opinion, based on our audit and the reports of other auditors, 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, 2021, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### *Report on Summarized Comparative Information*

We have previously audited Buckelew Programs and Affiliates' 2020 combined financial statements, and we expressed an unmodified audit opinion on those audited combined financial statements in our report dated December 7, 2020 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, 2020, is consistent, in all material respects, with the audited combined financial statements from which it has been derived.

#### *Report on Supplemental Information*

Our audit was conducted for the purpose of forming an opinion on the combined financial statements as a whole. The accompanying supplemental information on page 23 through 29 are presented for the purpose of additional analysis and are 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

March 3, 2022

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINED STATEMENT OF FINANCIAL POSITION

June 30, 2021

With comparative totals at June 30, 2020

	2021	2020
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents (Note 2)	\$ 1,835,934	\$ 2,583,444
Contracts receivable, net (Note 4)	2,676,564	2,580,770
Grants and pledges receivable (Note 2)	16,373	172,951
In-kind rent receivable	2,160	8,966
Tenant rents receivables, net (Note 2)	11,378	5,659
Unbilled contracts receivable	699	559
Prepaid expenses	207,388	209,321
Total current assets	4,750,496	5,561,670
Restricted cash and reserves (Note 2)	965,267	890,404
Property and equipment, net (Note 6)	13,813,481	14,199,887
Deposits	222,146	231,593
<b>TOTAL ASSETS</b>	<b>\$ 19,751,390</b>	<b>\$ 20,883,554</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	\$ 187,174	\$ 404,500
Accrued liabilities (Note 7)	918,544	1,007,781
Accrued unemployment liability (Note 8)	106,319	41,837
Deferred income	5,912	5,262
Current portion of notes payable (Note 9)	147,736	133,235
Total current liabilities	1,365,685	1,592,615
Tenant security deposits	32,666	34,846
Accrued mortgage interest payable	1,120,635	1,055,343
Long-term portion of notes payable, net (Note 9)	8,333,893	8,488,422
Paycheck protection program loan (Note 10)	-	1,644,605
<b>TOTAL LIABILITIES</b>	<b>10,852,879</b>	<b>12,815,831</b>
<b>NET ASSETS</b>		
Without donor restrictions	7,972,201	7,068,604
With donor restrictions (Note 15)	926,310	999,119
<b>TOTAL NET ASSETS</b>	<b>8,898,511</b>	<b>8,067,723</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 19,751,390</b>	<b>\$ 20,883,554</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, 2021

With comparative totals for the year ended June 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
<b>REVENUE AND SUPPORT</b>				
Government and contracts	\$ -	\$ 10,735,708	\$ 10,735,708	\$ 10,393,690
Client rent and fees	2,487,081		2,487,081	2,728,090
Paycheck protection program loan (Note 10)	1,644,605		1,644,605	-
Grants and contributions	416,495	550,102	966,597	1,780,621
Special events			-	76,711
Investment and other income	33,937		33,937	72,011
In-kind contributions	38,465		38,465	7,336
Net assets released from restrictions (Note 15)	11,358,619	(11,358,619)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	<u>15,979,202</u>	<u>(72,809)</u>	<u>15,906,393</u>	<u>15,058,459</u>
<b>EXPENSES</b>				
Program services	13,276,354		13,276,354	12,584,082
Management and general	1,765,759		1,765,759	2,200,456
Fundraising	550,943		550,943	457,280
<b>TOTAL EXPENSES</b>	<u>15,593,056</u>	<u>-</u>	<u>15,593,056</u>	<u>15,241,818</u>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	386,146	(72,809)	313,337	(183,359)
<b>OTHER CHANGES</b>				
Contract settlements - prior year	517,451		517,451	-
<b>CHANGE IN NET ASSETS</b>	903,597	(72,809)	830,788	(183,359)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>7,068,604</u>	<u>999,119</u>	<u>8,067,723</u>	<u>8,251,082</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 7,972,201</u>	<u>\$ 926,310</u>	<u>\$ 8,898,511</u>	<u>\$ 8,067,723</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, 2021

With comparative totals for the year ended June 30, 2020

	Program Services					Total	
	100 M.A.I.L.	200 R.S.S.	600 Sonoma	Affiliates'	Other	Program Services	
	Program	Program	Program	Programs	Programs	2021	2020
Staff compensation	\$ 1,147,467	\$ 1,112,086	\$ 1,156,619	\$ 112,431	\$ 2,630,987	<b>\$ 6,159,590</b>	\$ 5,824,066
Taxes and benefits	242,508	260,837	288,998	35,158	603,920	<b>1,431,421</b>	1,362,491
Total personnel costs	1,389,975	1,372,923	1,445,617	147,589	3,234,907	<b>7,591,011</b>	7,186,557
Rent	1,032,548	17,295	422,875	12,377	623,714	<b>2,108,809</b>	1,789,681
Professional services	40,800	45,234	37,081	93,111	97,925	<b>314,151</b>	443,562
Utilities	178,522	80,451	77,361	108,620	191,881	<b>636,835</b>	512,155
Depreciation	13,385	70,640	917	315,397	192,616	<b>592,955</b>	596,277
Building repair and maintenance	59,320	88,269	31,035	121,639	76,454	<b>376,717</b>	425,060
Food and meals	145,341	105,906	1,018		90,640	<b>342,905</b>	377,804
Equipment and furniture	54,876	38,502	38,139		101,141	<b>232,658</b>	286,631
Supplies	44,194	75,761	16,457	17,739	66,147	<b>220,298</b>	208,492
Interest	425	33,263	430	137,236	28,322	<b>199,676</b>	262,891
Insurance	29,165	14,776	15,751	48,387	35,678	<b>143,757</b>	113,433
Travel and transportation	52,241	15,331	41,153		47,822	<b>156,547</b>	196,969
Miscellaneous	29,117	3,849	7,503	14,420	29,486	<b>84,375</b>	44,248
Staff development	5,723	8,069	11,244		21,157	<b>46,193</b>	9,013
Bad debt	13,196	5,572	21,613	6,322	20,196	<b>66,899</b>	37,849
Taxes, licenses, and fees	5,641	17,356	3,618	9,117	23,674	<b>59,406</b>	36,250
Bank service charge	37	41	38	41,876	1,923	<b>43,915</b>	4,901
Equipment leasing and maintenance	1,047	3,036	3,007	6,106	18,703	<b>31,899</b>	10,192
Advertising and promotion		1,774	2,960	495	550	<b>5,779</b>	22,050
Stipends	247	13,332				<b>13,579</b>	11,936
Meetings	285	196	425		574	<b>1,480</b>	3,834
Postage and shipping	541	595	526		1,359	<b>3,021</b>	202
Dues and membership	449	695	1,060		1,285	<b>3,489</b>	4,095
<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>	
TOTAL 2020 FUNCTIONAL EXPENSES	<u>\$ 2,989,751</u>	<u>\$ 2,029,692</u>	<u>\$ 1,855,499</u>	<u>\$ 1,119,657</u>	<u>\$ 4,589,483</u>		<u>\$ 12,584,082</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, 2021

With comparative totals for the year ended June 30, 2020

continued

	Program Services	Management and General	Fundraising	Total Expenses	
				2021	2020
Staff compensation	\$ 6,159,590	\$ 1,081,532	\$ 178,205	\$ 7,419,327	\$ 7,271,741
Taxes and benefits	1,431,421	266,487	48,476	1,746,384	1,701,041
Total personnel costs	7,591,011	1,348,019	226,681	9,165,711	8,972,782
Rent	2,108,809	71,545	18,859	2,199,213	1,896,867
Professional services	314,151	239,179	171,704	725,034	797,059
Utilities	636,835	7,046	1,285	645,166	529,129
Depreciation	592,955	733	36	593,724	605,881
Building repair and maintenance	376,717	3,674	716	381,107	433,303
Food and meals	342,905	1	42	342,948	377,804
Equipment and furniture	232,658	(8,502)	34,395	258,551	350,904
Supplies	220,298	7,847	23,414	251,559	237,283
Interest	199,676		25	199,875	262,891
Insurance	143,757	28,128	3,552	175,437	149,138
Travel and transportation	156,547	2,304	661	159,512	208,399
Miscellaneous	84,375	10,926	32,520	127,821	74,856
Staff development	46,193	28,069	1,092	75,354	48,576
Bad debt	66,899	5,558		72,457	114,368
Taxes, licenses, and fees	59,406	7,416	1,411	68,233	42,505
Bank service charge	43,915	48	3,442	47,405	9,588
Equipment leasing and maintenance	31,899	5,631	563	38,093	18,012
Advertising and promotion	5,779	442	24,867	31,088	47,713
Stipends	13,579		50	13,629	12,111
Meetings	1,480	4,992	3,963	10,435	19,136
Postage and shipping	3,021	1,125	1,567	5,713	7,375
Dues and membership	3,489	1,404	98	4,991	26,138
<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>	
<b>TOTAL 2020 FUNCTIONAL EXPENSES</b>	<b>\$ 12,584,082</b>	<b>\$ 2,200,456</b>	<b>\$ 457,280</b>		<b>\$ 15,241,818</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, 2021

With comparative totals for the year ended June 30, 2020

	2021	2020
<b>CASH FLOWS (TO) FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 830,788	\$ (183,359)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation	593,724	605,881
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	61,731	(767,946)
Prepaid expenses	1,933	60,525
Deposits	9,447	(43,385)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(242,081)	236,665
Accrued mortgage interest payable	65,292	95,311
Tenant security deposits	(2,180)	4,931
Deferred income	650	(4)
	<b>(325,103)</b>	8,817
<b>CASH FLOWS (TO) INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(207,318)	(131,790)
Net (decrease) to reserves	(74,863)	(69,732)
	<b>(282,181)</b>	(201,522)
<b>CASH FLOWS (TO) FROM FINANCING ACTIVITIES:</b>		
Proceeds from paycheck protection program loan	-	1,644,605
Loan principal payments	(140,226)	(143,052)
	<b>(140,226)</b>	1,501,553
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(747,510)</b>	1,308,848
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>2,583,444</b>	1,274,596
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 1,835,934</b>	\$ 2,583,444
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Operating activities reflect interest paid of:	<b>\$ 164,021</b>	\$ 151,557

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. (“Buckelew and Affiliates”). All inter-organization transactions have been eliminated.

continued

# 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.

continued

## 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 \$16,373 at June 30, 2021 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, 2021, the tenant rents receivable of \$23,259 is shown net of the allowance for doubtful accounts of \$11,881. As such, tenant rents receivable, net at June 30, 2021 is \$11,378.

##### **Restricted Cash and Reserves**

Buckelew and Affiliates are required to maintain various reserves for replacement and repair of property and equipment, residual receipts, tenant security deposits, rent subsidy 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, 2021 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 67% of aggregate revenue generated by Buckelew and Affiliates at June 30, 2021 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, 2021, Buckelew and Affiliates recorded in-kind contributions of \$38,465 for materials and facilities received. Valuation techniques used to measure the fair market value of donated materials are summarized in Note 5.

#### 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's programs and other activities have been presented in the supplemental Statement of Functional Expenses – Buckelew Programs 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 recognizes contributions when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

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 in compliance with specific contract or grant provisions.

##### 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 and Affiliates' combined financial statements for the year ended June 30, 2020, from which the summarized information was derived.

##### Reclassification

Certain amounts from the June 30, 2020 combined financial statements have been reclassified to conform to the June 30, 2021 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.

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 3. Liquidity and Availability of Resources, continued

As of June 30, 2021, 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	\$1,856,350
Contracts and tenant rents receivable, net	2,688,643
Grants and pledges receivable	<u>16,373</u>
Total financial assets	4,561,366
Less: donor restricted funds	<u>(926,310)</u>
Financial assets available for general expenditures	<u>\$3,635,056</u>

#### 4. Contracts Receivable

Contracts receivable for Buckelew and Affiliates at June 30, 2021 consist of the following:

Contracts receivable	\$2,706,566
Less: allowance for doubtful accounts	<u>(30,000)</u>
	<u>\$2,676,566</u>

#### 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, 2021:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Pledged contributions – new	\$ -	\$ -	\$550,102	<b>\$550,102</b>
In-kind contributions		<u>38,465</u>		<u>38,465</u>
Total	<u>\$ -</u>	<u>\$38,465</u>	<u>\$550,102</u>	<u>\$588,567</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).

continued

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 6. Property and Equipment

Buckelew and Affiliates' property and equipment at June 30, 2021 consist of the following:

Land	\$ 2,483,654
Buildings	19,200,044
Furniture and equipment	652,578
Vehicles	174,810
Leasehold improvements	<u>99,163</u>
	22,610,249
Less: accumulated depreciation	<u>(8,796,768)</u>
	<u>\$13,813,481</u>

Depreciation expense for the year ended June 30, 2021 was \$593,724.

#### 7. Accrued Liabilities

Accrued liabilities at June 30, 2021 consist of the following:

Accrued vacation	\$474,371
Accrued payroll and taxes	248,890
Marin county contract payable	130,302
Other accrued liabilities	<u>64,981</u>
	<u>\$918,544</u>

#### 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, 2021, the estimated liability for outstanding unemployment claims was \$106,319.



## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 9. Notes Payable

Notes payable at June 30, 2021 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

## 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. 628,903

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, 2021, accrued interest totaled \$2,232. 611,661

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. 512,841

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.	416,974
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.	194,823
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.	284,597
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.	152,653
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>
	8,487,762
Less: unamortized debt issuance costs	<u>(6,133)</u>
	8,481,629
Less: current portion	<u>(147,736)</u>
	<u>\$8,333,893</u>

Principal payments on the notes payable are as follows:

<u>Year ending June 30,</u>	
2022	\$ 147,736
2023	155,339
2024	630,941
2025	147,051
2026	96,027
Thereafter	<u>7,310,668</u>
	<u>\$8,487,762</u>

#### 10. Paycheck Protection Program Loan

In April 2020, Buckelew received loan proceeds in the amount of \$1,644,605 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loan and accrued interest are forgivable after a period of up to twenty-four weeks (the “covered period”) as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its full-time equivalency levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries during the covered period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral period for loan payments of either (1) the date that the U.S. Small Business Administration (SBA) remits the borrower’s loan forgiveness amount to the lender or (2) if the borrower does not apply for loan forgiveness, 10 months after the end of the borrower’s loan forgiveness covered period.

As of June 30, 2021, Buckelew believed it used the total loan proceeds on qualifying expenses and met the conditions as set forth in the agreement. As such, Buckelew recorded the PPP loan amount as revenue in the year then ended (see Note 17).

continued

# BUCKELEW PROGRAMS AND AFFILIATES

## NOTES TO COMBINED FINANCIAL STATEMENTS

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### 11. 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>	
2022	\$ 789,791
2023	616,276
2024	555,666
2025	427,571
2026	342,458
Thereafter	<u>186,148</u>
	<u>\$2,917,910</u>

Rent expense under operating leases for the year ended June 30, 2021 was \$2,252,428.

#### 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.

#### Impact of COVID-19 Virus

Following the County and State "Safer at Home" orders, Buckelew and Affiliates have been conducting business activities while practicing social distancing protocols and allowing for remote work opportunities. The overall, long-term financial impact of the COVID-19 virus on Buckelew and Affiliates cannot be foreseen at this time and is not reflected in these 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.

continued

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 11. Commitments and Contingencies, continued

BCHDO 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.

#### 12. 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, 2021 were \$11,232.

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, 2021 were \$15,552.

#### 13. 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, 2021 were \$143,177.

## BUCKELEW PROGRAMS AND AFFILIATES

### NOTES TO COMBINED FINANCIAL STATEMENTS

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#### 14. 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, 2021, receipts under the PRAC was \$106,759.

#### 15. Net Asset With Donor Restrictions

Net assets with donor restrictions of time or purpose at June 30, 2021 consist of the following:

Suicide prevention	\$384,915
Family services counseling	358,042
Healthy families	91,080
Supportive Housing	89,778
Avanti	<u>2,495</u>
	<u>\$926,310</u>

For the year ended June 30, 2021, net assets released from purpose and time restrictions were \$11,358,619.

#### 16. Related Party Transactions

Buckelew carries a \$119,067 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, 2021 was (\$103,449).

#### 17. Subsequent Events

In August 2021, Buckelew Programs was notified by their banking partner that the SBA had approved their PPP loan forgiveness application for the full loan amount of \$1,644,605.

The SBA reserves the right to review any loan in their discretion and the SBA will review a loan of any size at any time. Areas of review include eligibility, necessity, calculation of the loan amount, use of loan proceeds, and the calculation of the loan forgives amount. PPP loan documentation should be retained for six years after the date the loan is forgiven or repaid in full.

Management has evaluated subsequent events through March 3, 2022, the date which the combined 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 combined financial statements.



**SUPPLEMENTAL INFORMATION**

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**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINING STATEMENT OF FINANCIAL POSITION  
June 30, 2021

	(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)	\$ 1,408,180	\$ 347,115	\$ 33,891	\$ 3,784	\$ 27,745	\$ 15,219	\$ 1,835,934	\$ -	\$ 1,835,934
Contracts receivable, net (Note 4)	2,676,338			226			2,676,564		2,676,564
Grants and pledges receivable (Note 2)	16,373						16,373		16,373
In-kind rent receivable - short term					2,160		2,160		2,160
Tenant receivables, net (Note 2)		6,147	3,808	126	1,297		11,378		11,378
Unbilled contracts receivable	699						699		699
Prepaid expenses	182,512	19,126	3,933	1,207	610		207,388		207,388
Total current assets	4,284,102	372,388	41,632	5,343	31,812	15,219	4,750,496	-	4,750,496
Restricted cash and reserves (Note 2)		551,118	157,469	113,646	124,679	18,355	965,267		965,267
Note receivable from affiliate	119,067						119,067	(119,067)	-
Property and equipment, net (Note 6)	5,581,753	4,657,481	265,503	2,150,228	1,158,516		13,813,481		13,813,481
Deposits	186,736	19,382	3,874	3,874	6,219	2,061	222,146		222,146
Investment in subsidiaries	(103,449)						(103,449)	103,449	-
<b>TOTAL ASSETS</b>	<b>\$ 10,068,209</b>	<b>\$ 5,600,369</b>	<b>\$ 468,478</b>	<b>\$ 2,273,091</b>	<b>\$ 1,321,226</b>	<b>\$ 35,635</b>	<b>\$ 19,767,008</b>	<b>\$ (15,618)</b>	<b>\$ 19,751,390</b>
<b>LIABILITIES AND NET ASSETS</b>									
<b>LIABILITIES</b>									
Current Liabilities									
Accounts payable	\$ 143,008	\$ 3,834	\$ 10,518	\$ 18,052	\$ 11,762	\$ -	\$ 187,174	\$ -	\$ 187,174
Accrued liabilities (Note 7)	907,793					10,751	918,544		918,544
Accrued unemployment liability (Note 8)	106,319						106,319		106,319
Deferred income		3,386	2,491		35		5,912		5,912
Current portion of long-term debt (Note 9)	81,953	38,361	27,422				147,736		147,736
Total current liabilities	1,239,073	45,581	40,431	18,052	11,797	10,751	1,365,685	-	1,365,685
Tenant security deposits		18,232	3,848	3,208	5,026	2,352	32,666		32,666
Accrued mortgage interest payable		657,415	1,177	462,043			1,120,635		1,120,635
Intercompany notes payable		119,067					119,067	(119,067)	-
Long-term portion of notes payable (Note 9)	2,653,886	2,978,276	125,231	1,065,200	1,511,300		8,333,893		8,333,893
Paycheck protection program loan (Note 10)									-
<b>TOTAL LIABILITIES</b>	<b>3,892,959</b>	<b>3,818,571</b>	<b>170,687</b>	<b>1,548,503</b>	<b>1,528,123</b>	<b>13,103</b>	<b>10,971,946</b>	<b>(119,067)</b>	<b>10,852,879</b>
<b>NET ASSETS</b>									
Without donor restrictions	5,248,940	1,781,798	297,791	724,588	(206,897)	22,532	7,868,752	103,449	7,972,201
With donor restrictions (Note 15)	926,310						926,310		926,310
<b>TOTAL NET ASSETS</b>	<b>6,175,250</b>	<b>1,781,798</b>	<b>297,791</b>	<b>724,588</b>	<b>(206,897)</b>	<b>22,532</b>	<b>8,795,062</b>	<b>103,449</b>	<b>8,898,511</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 10,068,209</b>	<b>\$ 5,600,369</b>	<b>\$ 468,478</b>	<b>\$ 2,273,091</b>	<b>\$ 1,321,226</b>	<b>\$ 35,635</b>	<b>\$ 19,767,008</b>	<b>\$ (15,618)</b>	<b>\$ 19,751,390</b>

See independent auditors' report.

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINING STATEMENT OF ACTIVITIES  
For the year ended June 30, 2021

	(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	\$ 10,735,708	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,735,708	\$ -	\$ 10,735,708
Client rent and fees	1,446,554	528,126	190,583	121,275	174,922	25,621	2,487,081		2,487,081
Paycheck protection program loan (Note 10)	1,644,605						1,644,605		1,644,605
Grants and contributions	966,597						966,597		966,597
In-kind contributions	38,465						38,465		38,465
Investment and other income	4,962	13,296	547	127	5,911	6	24,849	9,088	33,937
Special events	-						-		-
<b>TOTAL REVENUE AND SUPPORT</b>	<b>14,836,891</b>	<b>541,422</b>	<b>191,130</b>	<b>121,402</b>	<b>180,833</b>	<b>25,627</b>	<b>15,897,305</b>	<b>9,088</b>	<b>15,906,393</b>
<b>EXPENSES</b>									
Program services	12,195,923	506,102	146,960	238,449	174,566	14,354	13,276,354		13,276,354
General and administrative	1,669,133	46,873	18,277	2,238	24,441	4,797	1,765,759		1,765,759
Fundraising	550,943						550,943		550,943
<b>TOTAL EXPENSES</b>	<b>14,415,999</b>	<b>552,975</b>	<b>165,237</b>	<b>240,687</b>	<b>199,007</b>	<b>19,151</b>	<b>15,593,056</b>	<b>-</b>	<b>15,593,056</b>
<b>CHANGE IN NET ASSETS BEFORE OTHER CHANGES</b>	<b>420,892</b>	<b>(11,553)</b>	<b>25,893</b>	<b>(119,285)</b>	<b>(18,174)</b>	<b>6,476</b>	<b>304,249</b>	<b>9,088</b>	<b>313,337</b>
<b>OTHER CHANGES</b>									
Contract settlements - prior year	517,451						517,451		517,451
<b>CHANGE IN NET ASSETS</b>	<b>938,343</b>	<b>(11,553)</b>	<b>25,893</b>	<b>(119,285)</b>	<b>(18,174)</b>	<b>6,476</b>	<b>821,700</b>	<b>9,088</b>	<b>830,788</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>5,236,907</b>	<b>1,793,351</b>	<b>271,898</b>	<b>843,873</b>	<b>(188,723)</b>	<b>16,056</b>	<b>7,973,362</b>	<b>94,361</b>	<b>8,067,723</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 6,175,250</b>	<b>\$ 1,781,798</b>	<b>\$ 297,791</b>	<b>\$ 724,588</b>	<b>\$ (206,897)</b>	<b>\$ 22,532</b>	<b>\$ 8,795,062</b>	<b>\$ 103,449</b>	<b>\$ 8,898,511</b>

See independent auditors' report.

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINING STATEMENT OF FUNCTIONAL EXPENSES - MANAGEMENT AND GENERAL ONLY

For the year ended June 30, 2021

	(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	\$ 1,054,167	\$ 12,791	\$ 7,648	\$ 400	\$ 6,526	\$ -	\$ -	\$ 1,081,532
Taxes and benefits	266,487							266,487
Total personnel costs	<u>1,320,654</u>	<u>12,791</u>	<u>7,648</u>	<u>400</u>	<u>6,526</u>	<u>-</u>	<u>-</u>	<u>1,348,019</u>
Rent	67,161			266	4,118			71,545
Professional services	198,872	20,918	8,052	1,240	10,097			239,179
Utilities	3,402	2,234	298	314	798			7,046
Depreciation	733							733
Building repair and maintenance	3,674							3,674
Food and meals	1							1
Equipment and furniture	(8,502)							(8,502)
Supplies	4,458	3,293	96					7,847
Interest	174							174
Insurance	28,128							28,128
Travel and transportation	2,304							2,304
Miscellaneous	2,937	2,128	540	18	506	4,797		10,926
Staff development	28,069							28,069
Bad debt		5,092	185		281			5,558
Taxes, licenses, and fees	7,416							7,416
Bank service charge	48							48
Equipment leasing and maintenance	2,083		1,458		2,090			5,631
Advertising and promotion		417			25			442
Stipends								-
Meetings	4,992							4,992
Postage and shipping	1,125							1,125
Dues and membership	1,404							1,404
<b>TOTAL 2021 FUNCTIONAL EXPENSES</b>	<u><u>\$ 1,669,133</u></u>	<u><u>\$ 46,873</u></u>	<u><u>\$ 18,277</u></u>	<u><u>\$ 2,238</u></u>	<u><u>\$ 24,441</u></u>	<u><u>\$ 4,797</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,765,759</u></u>

See independent auditors' report.

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINING STATEMENT OF FUNCTIONAL EXPENSES - PROGRAMS ONLY

For the year ended June 30, 2021

	(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	\$ 6,047,159	\$ 45,799	\$ 23,756	\$ 19,932	\$ 22,944	\$ -	\$ -	\$ 6,159,590
Taxes and benefits	1,396,263	12,715	6,515	9,399	6,529	-	-	1,431,421
Total personnel costs	7,443,422	58,514	30,271	29,331	29,473	-	-	7,591,011
Rent	2,096,432			5,378	6,999			2,108,809
Professional services	221,040	22,361	14,100	39,490	17,160			314,151
Utilities	528,215	42,525	15,167	22,639	20,829	7,460		636,835
Depreciation	277,558	148,766	28,124	91,755	46,752			592,955
Building repair and maintenance	255,078	55,526	31,898		29,910	4,305		376,717
Food and meals	342,905							342,905
Equipment and furniture	232,658							232,658
Supplies	202,559	9,368	235	2,449	5,687			220,298
Interest	62,440	122,038	15,198					199,676
Insurance	95,370	30,288	3,878	4,465	9,373	383		143,757
Travel and transportation	156,547							156,547
Miscellaneous	69,955	3,441	3,922	3,071	3,986			84,375
Staff development	46,193							46,193
Bad debt	60,577	5,521	323			478		66,899
Taxes, licenses, and fees	50,289	7,301	1,291		201	324		59,406
Bank service charge	2,039			39,670			2,206	43,915
Equipment leasing and maintenance	25,793		2,553		3,553			31,899
Advertising and promotion	5,284	453				42		5,779
Stipends	13,579							13,579
Meetings	1,480							1,480
Postage and shipping	3,021							3,021
Dues and membership	3,489							3,489
<b>TOTAL 2021 FUNCTIONAL EXPENSES</b>	<b>\$ 12,195,923</b>	<b>\$ 506,102</b>	<b>\$ 146,960</b>	<b>\$ 238,449</b>	<b>\$ 174,566</b>	<b>\$ 14,354</b>	<b>\$ -</b>	<b>\$ 13,276,354</b>

See independent auditors' report.

**BUCKELEW PROGRAMS  
AND AFFILIATES**

COMBINING STATEMENT OF CASH FLOWS  
June 30, 2021

	(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 (TO) OPERATING ACTIVITIES:</b>									
Change in net assets	\$ 938,343	\$ (11,553)	\$ 25,893	\$ (119,285)	\$ (18,174)	\$ 6,476	\$ 821,700	\$ 9,088	\$ 830,788
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:									
Depreciation	278,327	148,766	28,124	91,755	46,752		593,724		593,724
Paycheck protection program loan forgiveness	(1,644,605)						(1,644,605)		(1,644,605)
Amortization of debt issuance costs		198					198		198
Loss from investment in subsidiaries	9,088						9,088	(9,088)	-
(Increase) decrease in operating assets:									
Contract, tenant rents, grants and pledges receivables	60,675	(2,126)	(3,514)	(352)	7,048		61,731		61,731
Prepaid expenses	6,551	(3,495)	(1,116)	2	(9)		1,933		1,933
Deposits	6,649	2,686	217		(4)	(101)	9,447		9,447
Increase (decrease) in operating liabilities:									
Accounts payable and accrued liabilities	(169,338)	(42,299)	(11,513)	(22,285)	1,788	1,566	(242,081)		(242,081)
Accrued mortgage interest payable		38,448	(192)	27,036			65,292		65,292
Tenant security deposit		(2,153)	(196)		(35)	204	(2,180)		(2,180)
Deferred income		(1,313)	1,955		8		650		650
<b>NET CASH (USED) BY OPERATING ACTIVITIES</b>	<u>(514,310)</u>	<u>127,159</u>	<u>39,658</u>	<u>(23,129)</u>	<u>37,374</u>	<u>8,145</u>	<u>(325,103)</u>	<u>-</u>	<u>(325,103)</u>
<b>CASH FLOWS (TO) INVESTING ACTIVITIES:</b>									
Proceeds from notes receivable from affiliate	7,445						7,445	(7,445)	-
Purchase of property and equipment	(191,034)	(11,575)		(1,948)	(2,761)		(207,318)		(207,318)
Net (decrease) increase to reserves		(44,165)	(7,165)	7,434	(29,291)	(1,676)	(74,863)		(74,863)
<b>NET CASH (USED) BY INVESTING ACTIVITIES</b>	<u>(183,589)</u>	<u>(55,740)</u>	<u>(7,165)</u>	<u>5,486</u>	<u>(32,052)</u>	<u>(1,676)</u>	<u>(274,736)</u>	<u>-</u>	<u>(282,181)</u>
<b>CASH FLOWS (TO) FINANCING ACTIVITIES:</b>									
Proceeds from paycheck protection program loan							-		-
Loan principal payments to affiliate		(7,445)					(7,445)	7,445	-
Loan principal payments	(78,765)	(36,453)	(25,008)				(140,226)		(140,226)
<b>NET CASH (USED) BY FINANCING ACTIVITIES</b>	<u>(78,765)</u>	<u>(43,898)</u>	<u>(25,008)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147,671)</u>	<u>-</u>	<u>(140,226)</u>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>(776,664)</u>	<u>27,521</u>	<u>7,485</u>	<u>(17,643)</u>	<u>5,322</u>	<u>6,469</u>	<u>(747,510)</u>	<u>-</u>	<u>(747,510)</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>2,184,844</u>	<u>319,594</u>	<u>26,406</u>	<u>21,427</u>	<u>22,423</u>	<u>8,750</u>	<u>2,583,444</u>		<u>2,583,444</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,408,180</u>	<u>\$ 347,115</u>	<u>\$ 33,891</u>	<u>\$ 3,784</u>	<u>\$ 27,745</u>	<u>\$ 15,219</u>	<u>\$ 1,835,934</u>	<u>\$ -</u>	<u>\$ 1,835,934</u>
<b>SUPPLEMENTAL DISCLOSURE:</b>									
Operating activities reflect interest paid of:	<u>\$ 62,639</u>	<u>\$ 83,789</u>	<u>\$ 17,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,021</u>	<u>\$ -</u>	<u>\$ 164,021</u>

See independent auditors' report.

## BUCKELEW PROGRAMS

### STATEMENT OF FUNCTIONAL EXPENSES - BUCKELEW PROGRAMS ONLY

For the year ended June 30, 2021

With comparative totals for the year ended June 30, 2020

	Program Services	Management and General	Fundraising	Total Expenses	
				2021	2020
Staff compensation	\$ 6,047,159	\$ 1,054,167	\$ 178,205	\$ 7,279,531	\$ 7,122,405
Taxes and benefits	1,396,263	266,487	48,476	1,711,226	1,667,813
Total personnel costs	7,443,422	1,320,654	226,681	8,990,757	8,790,218
Rent	2,096,432	67,161	18,859	2,182,452	1,875,156
Professional services	221,040	198,872	171,704	591,616	674,595
Utilities	528,215	3,402	1,285	532,902	428,768
Depreciation	277,558	733	36	278,327	292,040
Building repair and maintenance	255,078	3,674	716	259,468	240,789
Food and meals	342,905	1	42	342,948	377,804
Equipment and furniture	232,658	(8,502)	34,395	258,551	350,904
Supplies	202,559	4,458	23,414	230,431	228,358
Interest	62,440	174	25	62,639	63,336
Insurance	95,370	28,128	3,552	127,050	107,283
Travel and transportation	156,547	2,304	661	159,512	208,399
Miscellaneous	69,955	2,937	32,520	105,412	45,428
Staff development	46,193	28,069	1,092	75,354	48,576
Bad debt	60,577			60,577	114,110
Taxes, licenses, and fees	50,289	7,416	1,411	59,116	33,566
Bank service charge	2,039	48	3,442	5,529	7,920
Equipment leasing and maintenance	25,793	2,083	563	28,439	16,180
Advertising and promotion	5,284		24,867	30,151	47,574
Stipends	13,579		50	13,629	12,111
Meetings	1,480	4,992	3,963	10,435	18,575
Postage and shipping	3,021	1,125	1,567	5,713	7,375
Dues and membership	3,489	1,404	98	4,991	26,138
<b>Total 2021 functional expenses</b>	<b>\$ 12,195,923</b>	<b>\$ 1,669,133</b>	<b>\$ 550,943</b>	<b>\$ 14,415,999</b>	
Total 2020 functional expenses	\$ 11,464,425	\$ 2,093,498	\$ 457,280		\$ 14,015,203

See independent auditors' report.

**BUCKELEW PROGRAMS**

STATEMENT OF FUNCTIONAL EXPENSES - BUCKELEW PROGRAMS ONLY

For the year ended June 30, 2021

With comparative totals for the year ended June 30, 2020

continued

	Program Services				Total	
	100 M.A.I.L. Program	200 R.S.S. Program	600 Sonoma Program	Other Programs	Program Services 2021	2020
Staff compensation	\$ 1,147,467	\$ 1,112,086	\$ 1,156,619	\$ 2,630,987	\$ 6,047,159	\$ 5,712,415
Taxes and benefits	242,508	260,837	288,998	603,920	1,396,263	1,329,263
Total personnel costs	1,389,975	1,372,923	1,445,617	3,234,907	7,443,422	7,041,678
Rent	1,032,548	17,295	422,875	623,714	2,096,432	1,772,472
Professional services	40,800	45,234	37,081	97,925	221,040	358,121
Utilities	178,522	80,451	77,361	191,881	528,215	414,354
Depreciation	13,385	70,640	917	192,616	277,558	282,436
Building repair and maintenance	59,320	88,269	31,035	76,454	255,078	236,533
Food and meals	145,341	105,906	1,018	90,640	342,905	377,804
Equipment and furniture	54,876	38,502	38,139	101,141	232,658	286,631
Supplies	44,194	75,761	16,457	66,147	202,559	199,880
Interest	425	33,263	430	28,322	62,440	63,336
Insurance	29,165	14,776	15,751	35,678	95,370	71,578
Travel and transportation	52,241	15,331	41,153	47,822	156,547	196,969
Miscellaneous	29,117	3,849	7,503	29,486	69,955	34,604
Staff development	5,723	8,069	11,244	21,157	46,193	9,013
Bad debt	13,196	5,572	21,613	20,196	60,577	37,701
Taxes, licenses, and fees	5,641	17,356	3,618	23,674	50,289	27,311
Bank service charge	37	41	38	1,923	2,039	3,233
Equipment leasing and maintenance	1,047	3,036	3,007	18,703	25,793	9,081
Advertising and promotion		1,774	2,960	550	5,284	21,970
Stipends	247	13,332			13,579	11,936
Meetings	285	196	425	574	1,480	3,487
Postage and shipping	541	595	526	1,359	3,021	202
Dues and membership	449	695	1,060	1,285	3,489	4,095
<b>Total 2021 functional expenses</b>	<b>\$ 3,097,075</b>	<b>\$ 2,012,866</b>	<b>\$ 2,179,828</b>	<b>\$ 4,906,154</b>	<b>\$ 12,195,923</b>	
Total 2020 functional expenses	\$ 2,989,751	\$ 2,029,692	\$ 1,855,499	\$ 4,589,483		\$ 11,464,425

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