



ASOCIACIÓN PUERTORRIQUEÑOS EN MARCHA, INC. AND AFFILIATES
Consolidated Financial Statements
June 30, 2022 and 2021
With Independent Auditor's Reports

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Table of Contents
June 30, 2022 and 2021

Independent Auditor’s Report	1-3
Financial Statements	
Consolidated Statements of Financial Position	4
Consolidated Statements of Activities and Changes in Net Assets	5
Consolidated Statements of Cash Flows	6-7
Consolidated Statements of Functional Expenses	8-9
Notes to Consolidated Financial Statements	10-25
Supplementary Information	
Consolidated Statements of Financial Position by Entity	26-32
Consolidated Statements of Activities and Changes in Net Assets	33
Consolidated Statements of Activities and Changes in Net Assets by Entity	34-37
Schedule of Expenditures of Federal, State and City Awards	38-41
Notes to Schedule of Expenditures of Federal, State and City Awards	42
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	43-44
Report on Compliance for Each Major Federal, State and City Program and Report on Internal Control Over Compliance in Accordance With Uniform Guidance and the <i>City of Philadelphia Subrecipient Audit Guide</i>	45-47
Schedule of Findings and Questioned Costs	48
City of Philadelphia Department of Human Services (DHS)	
Report on Compliance with Specified Indirect Cost Allocation Requirements	49
DHS Report of Revenue by Functional Programs	50
DHS Report of Functional Expenditures	51-53
DHS Report of Excess Revenue (Deficit)	54

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Table of Contents
June 30, 2022 and 2021

City of Philadelphia Department of Behavioral Health and Intellectual Disabilities (DBHIDS)

Report on Compliance with Specified Indirect Cost Allocation Requirements	55
Report on Applying Agreed-upon Procedures on Cost Allocation Plan (For Upcoming Budget Year)	56-57
Program Activity Invoice Summary	58
Department of Behavioral Health and Intellectual Disabilities Schedules of Adjustments on Program Activity Invoice Summary	59-60

City of Philadelphia Division of Housing and Community Development (DHCD)

Statements of Source and Status of Funds, Statements of Program Expenditures, Schedules of Program Income and Reconciliation Schedules	
Contract Number 21-20272	61-64
Contract Number 22-20265	65-68
Contract Number 21-20377	69-72
Contract Number 22-20427	73-76

City of Philadelphia Office of Homeless Services (OHS)

Reconciliations of Agency Reported Expenditures/Revenues to Audited Expenditures/Revenues	
Contract Number 21-20805	77
Contract Number 22-20861	78

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Asociación Puertorriqueños en Marcha, Inc. and Affiliates:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Asociación Puertorriqueños en Marcha, Inc. and Affiliates (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2022 and 2021, and the related consolidated statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial statement audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical requirements, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibility for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

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

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidated financial statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic consolidated financial statements. The accompanying schedule of expenditures of federal, state and city awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), and the *City of Philadelphia Subrecipient Audit Guide* and is not a required part of the consolidated financial statements. In addition, the accompanying supplemental schedules are presented for purposes of additional analysis and are required by the *City of Philadelphia Subrecipient Audit Guide* as follows: City of Philadelphia Department of Human Services (Section 2000)-Report of Revenue by Functional Programs, Report of Functional Expenditures, Report of Excess Revenue (Deficit); City of Philadelphia Department of Behavioral Health and Intellectual Disabilities (Section 6300)-Program Activity Invoice Summary, Schedules of Adjustments on Program Activity Invoice Summary; City of Philadelphia Division of Housing and Community Development (Section 4000)-Statements of Source and Status of Funds, Statements of Program Expenditures, Schedules of Program Income and Reconciliation Schedules; City of Philadelphia Office of Homeless Services (Section 5000)-Reconciliations of Agency Reported Expenditures/Revenues to Audited Expenditures/Revenues are presented for the purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards* and the *City of Philadelphia Subrecipient Audit Guide*, we have also issued our report dated February 1, 2023 on our consideration of the Organization’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and the *City of Philadelphia Subrecipient Audit Guide* in considering the Organization’s internal control over financial reporting and compliance.



February 1, 2023

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Financial Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 15,305,935	\$ 14,724,180
Accounts receivable, net	1,412,339	965,689
Grants and contracts receivable	5,333,686	4,005,394
Prepaid expenses	169,840	311,634
Other current assets	<u>135,263</u>	<u>150,832</u>
Total current assets	<u>22,357,063</u>	<u>20,157,729</u>
Property and equipment, net	<u>38,029,382</u>	<u>31,126,604</u>
Other assets		
Other assets	27,593	7,973
Restricted deposits and funded reserves	1,783,311	1,878,801
Other receivables	<u>309,949</u>	<u>308,880</u>
Total other assets	<u>2,120,853</u>	<u>2,195,654</u>
Total assets	<u>\$ 62,507,298</u>	<u>\$ 53,479,987</u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	\$ 10,199,968	\$ 6,553,627
Accrued mortgage interest payable	991,338	918,055
Deferred revenue	28,882	8,391
Current portion of long-term debt	149,497	134,909
Other current liabilities	<u>76,366</u>	<u>194,750</u>
Total current liabilities	11,446,051	7,809,732
Long-term debt, net of current portion	<u>13,161,488</u>	<u>11,527,058</u>
Total liabilities	<u>24,607,539</u>	<u>19,336,790</u>
Net assets		
Without donor restrictions		
Undesignated	27,230,267	24,836,804
Non-controlling interest in limited partnerships	<u>10,549,251</u>	<u>9,028,020</u>
Total without donor restrictions net assets	37,779,518	33,864,824
With donor restrictions	<u>120,241</u>	<u>278,373</u>
Total net assets	<u>37,899,759</u>	<u>34,143,197</u>
Total liabilities and net assets	<u>\$ 62,507,298</u>	<u>\$ 53,479,987</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Years Ended June 30, 2022 and 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue						
Public support						
Contributions	\$ 493,021	\$ 71,429	\$ 564,450	\$ 836,599	\$ 278,373	\$ 1,114,972
In-kind contributions	585,345	-	585,345	1,039,435	-	1,039,435
Total public support	<u>1,078,366</u>	<u>71,429</u>	<u>1,149,795</u>	<u>1,876,034</u>	<u>278,373</u>	<u>2,154,407</u>
Revenue						
Fees and grants from governmental agencies	24,020,929	-	24,020,929	25,368,327	-	25,368,327
Program service fees and grants	6,497,204	-	6,497,204	6,143,870	-	6,143,870
Interest income	89	-	89	19,275	-	19,275
Rental income	2,302,227	-	2,302,227	2,333,816	-	2,333,816
Other income	647,388	-	647,388	2,367,939	-	2,367,939
Gain (loss) on sale of assets	(29,418)	-	(29,418)	50,000	-	50,000
Net assets released from donor restrictions	229,561	(229,561)	-	-	-	-
Total revenue	<u>33,667,980</u>	<u>(229,561)</u>	<u>33,438,419</u>	<u>36,283,227</u>	<u>-</u>	<u>36,283,227</u>
Total public support and revenue	<u>34,746,346</u>	<u>(158,132)</u>	<u>34,588,214</u>	<u>38,159,261</u>	<u>278,373</u>	<u>38,437,634</u>
Expenses						
Program services	29,589,477	-	29,589,477	30,819,098	-	30,819,098
Management and general	3,156,624	-	3,156,624	3,772,629	-	3,772,629
Fundraising	333,496	-	333,496	243,170	-	243,170
Total expenses	<u>33,079,597</u>	<u>-</u>	<u>33,079,597</u>	<u>34,834,897</u>	<u>-</u>	<u>34,834,897</u>
Change in net assets	1,666,749	(158,132)	1,508,617	3,324,364	278,373	3,602,737
Contribution from limited partner	2,247,945	-	2,247,945	190,846	-	190,846
Net assets						
Beginning of year	<u>33,864,824</u>	<u>278,373</u>	<u>34,143,197</u>	<u>30,349,614</u>	<u>-</u>	<u>30,349,614</u>
End of year	<u>\$ 37,779,518</u>	<u>\$ 120,241</u>	<u>\$ 37,899,759</u>	<u>\$ 33,864,824</u>	<u>\$ 278,373</u>	<u>\$ 34,143,197</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Operating activities		
Change in net assets	\$ 1,508,617	\$ 3,602,737
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	2,329,344	2,230,926
Bad debt expense	266,195	35,275
(Gain) loss on sale of assets	29,418	(50,000)
Forgiveness of debt	-	(1,564,337)
Changes in operating assets and liabilities		
Accounts receivable	(712,845)	285,154
Grants and contracts receivable	(1,328,292)	(465,298)
Prepaid expenses	141,794	(62,967)
Other current assets	15,569	(17,054)
Other receivables	(1,069)	11,017
Other assets	(19,620)	-
Accounts payable and accrued expenses	(749,832)	427,163
Accrued mortgage interest payable	73,283	(41,846)
Deferred revenue	20,491	(227,064)
Other current liabilities	(118,384)	(65,178)
Net cash provided by operating activities	<u>1,454,669</u>	<u>4,098,528</u>
Investing activities		
Purchase of property and equipment	(4,869,128)	(2,326,146)
Proceeds from disposal of property and equipment	<u>3,761</u>	<u>50,000</u>
Net cash used in investing activities	<u>(4,865,367)</u>	<u>(2,276,146)</u>
Financing activities		
Proceeds from long-term debt	1,741,222	352,424
Payments on long-term debt	(92,204)	(388,861)
Contribution from limited partner	<u>2,247,945</u>	<u>190,846</u>
Net cash provided by financing activities	<u>3,896,963</u>	<u>154,409</u>
Net change in cash, cash equivalents and restricted cash	486,265	1,976,791
Cash, cash equivalents and restricted cash		
Beginning of year	<u>16,602,981</u>	<u>14,626,190</u>
End of year	<u>\$ 17,089,246</u>	<u>\$ 16,602,981</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Cash Flows
Years Ended June 30, 2022 and 2021

Supplemental disclosure of cash flow information

Interest paid	<u>\$ 105,711</u>	<u>\$ 200,480</u>
---------------	-------------------	-------------------

Supplemental disclosure of non-cash activity

Property and equipment purchases payable at year-end	<u>\$ 4,396,173</u>	<u>\$ -</u>
--	---------------------	-------------

**Reconciliation of cash, cash equivalents and
restricted cash to the consolidated statements of financial position**

Consolidated statement of financial position presentation

Cash and cash equivalents	\$ 15,305,935	\$ 14,724,180
---------------------------	---------------	---------------

Restricted deposits and funded reserves	<u>1,783,311</u>	<u>1,878,801</u>
---	------------------	------------------

Total cash, cash equivalents and restricted cash per consolidated statements of cash flows	<u>\$ 17,089,246</u>	<u>\$ 16,602,981</u>
---	----------------------	----------------------

The Notes to Consolidated Financial Statements are an integral part of these statements.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statement of Functional Expenses
Year Ended June 30, 2022

	Program Services					Support Services			Total
	Early Childhood Services	Mental Health and Medical Services	Human Services	Community Economic Development	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and wages	\$ 2,555,674	\$ 1,267,216	\$ 5,596,212	\$ 824,592	\$ 10,243,694	\$ 1,613,628	\$ 65,230	\$ 1,678,858	\$ 11,922,552
Fringe benefits and payroll taxes	766,702	432,748	1,864,397	247,378	3,311,225	486,934	19,568	506,502	3,817,727
Contractual services and program consultants	713,403	1,531,789	4,699,704	112,790	7,057,686	141,845	204,789	346,634	7,404,320
Supplies	314,895	30,123	56,997	53,334	455,349	12,345	21,061	33,406	488,755
Communications	80,781	186,703	265,197	61,675	594,356	51,917	11,253	63,170	657,526
Occupancy	235,206	270,084	620,222	479,485	1,604,997	60,496	3,226	63,722	1,668,719
Rent subsidies and security deposits	-	-	-	1,055,704	1,055,704	-	-	-	1,055,704
Insurance	22,240	68,664	949,091	507,643	1,547,638	1,703	611	2,314	1,549,952
Non-capitalized purchases	197,873	34,515	321,320	9,016	562,724	33,318	-	33,318	596,042
Repairs and maintenance	56,599	42,577	51,712	282,033	432,921	8,142	540	8,682	441,603
Equipment rental	20,417	19,203	42,383	14,285	96,288	7,012	-	7,012	103,300
Conferences, conventions and meetings	43,125	1,040	12,683	3,909	60,757	38,441	-	38,441	99,198
Travel	2,969	2,740	79,220	12,395	97,324	102,257	8	102,265	199,589
Finance charges and interest	-	3,416	1,234	135,530	140,180	38,779	35	38,814	178,994
Special funds	-	-	16,910	-	16,910	-	-	-	16,910
Depreciation	-	-	131,714	1,741,019	1,872,733	456,611	-	456,611	2,329,344
Bad debt expense	-	-	86,545	116,458	203,003	63,192	-	63,192	266,195
Other expenses	14,068	68,535	75,050	78,335	235,988	40,004	7,175	47,179	283,167
	<u>\$ 5,023,952</u>	<u>\$ 3,959,353</u>	<u>\$ 14,870,591</u>	<u>\$ 5,735,581</u>	<u>\$ 29,589,477</u>	<u>\$ 3,156,624</u>	<u>\$ 333,496</u>	<u>\$ 3,490,120</u>	<u>\$ 33,079,597</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statement of Functional Expenses
Year Ended June 30, 2021

	Program Services					Support Services			Total
	Early Childhood Services	Mental Health and Medical Services	Human Services	Community Economic Development	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and wages	\$ 2,301,134	\$ 1,442,226	\$ 6,062,312	\$ 734,779	\$ 10,540,451	\$ 2,206,346	\$ 67,398	\$ 2,273,744	\$ 12,814,195
Fringe benefits and payroll taxes	688,544	456,969	1,824,395	224,618	3,194,526	602,282	24,457	626,739	3,821,265
Contractual services and program consultants	1,151,061	1,759,788	5,669,016	186,240	8,766,105	189,742	108,027	297,769	9,063,874
Supplies	754,746	24,430	15,071	35,455	829,702	75,739	19,457	95,196	924,898
Communications	57,868	92,008	166,883	42,498	359,257	62,530	8,469	70,999	430,256
Occupancy	396,669	63,971	533,706	340,368	1,334,714	69,005	4,486	73,491	1,408,205
Rent subsidies and security deposits	-	816,031	-	224,925	1,040,956	-	-	-	1,040,956
Insurance	20,389	110,414	1,042,710	243,408	1,416,921	7,643	1,000	8,643	1,425,564
Non-capitalized purchases	63,464	13,113	75,683	6,404	158,664	28,807	-	28,807	187,471
Repairs and maintenance	81,585	13,291	136,979	232,519	464,374	5,166	-	5,166	469,540
Equipment rental	26,622	24,074	53,286	10,648	114,630	4,261	-	4,261	118,891
Conferences, conventions and meetings	78,320	2,630	7,429	2,393	90,772	16,335	-	16,335	107,107
Travel	56	5,480	34,877	9,049	49,462	52,835	-	52,835	102,297
Finance charges and interest	-	12	2,851	140,505	143,368	15,611	-	15,611	158,979
Special funds	-	-	13,572	-	13,572	-	-	-	13,572
Depreciation	-	-	141,545	1,749,497	1,891,042	339,884	-	339,884	2,230,926
Bad debt expense	-	-	-	23,787	23,787	11,488	-	11,488	35,275
Other expenses	15,838	144,734	121,956	104,267	386,795	84,955	9,876	94,831	481,626
	<u>\$ 5,636,296</u>	<u>\$ 4,969,171</u>	<u>\$ 15,902,271</u>	<u>\$ 4,311,360</u>	<u>\$ 30,819,098</u>	<u>\$ 3,772,629</u>	<u>\$ 243,170</u>	<u>\$ 4,015,799</u>	<u>\$ 34,834,897</u>

The Notes to Consolidated Financial Statements are an integral part of this statement.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates

Notes to Consolidated Financial Statements

June 30, 2022 and 2021

1. ORGANIZATION'S PURPOSE AND PRINCIPLES OF CONSOLIDATION

Asociación Puertorriqueños en Marcha, Inc. ("APM" or "APM, Inc.") is a not-for-profit organization incorporated in 1971 under the laws of the Commonwealth of Pennsylvania. The primary mission of APM is to promote the welfare of Puerto Rican/Latino residents of the Greater Philadelphia area through its health, human services and community development programs. APM receives a significant amount of its fees and grants from government agencies for services provided under various contracts with the City of Philadelphia. The major program services divisions include the following:

- **Early Childhood Services**
APM's Early Childhood programs promote the cultural, cognitive, social, emotional and physical development of young children. APM provides Head Start, Pre-K Counts, and Day Care services for children three to five years of age who live within the Philadelphia area.
- **Mental Health and Medical Services**
APM's Mental Health and Medical Services Division is primarily focused on two areas:
 - a) **Mental Health:** APM maintains three behavioral health clinics that deliver a spectrum of bilingual and culturally sensitive treatment and prevention services to more than 3,000 Philadelphia residents without geographic restriction. APM offers bilingual diagnoses and treatment for the community's mental health issues.
 - b) **Support Services:** APM's supportive housing programs provide long-term help to the Hispanic homeless population by offering housing assistance and appropriate supportive services that help clients master the tools necessary for successful independent living.
- **Human Services**
The Human Services Division provides a full range of culturally sensitive services to families, youth and children, including social work counseling, supervised foster care, after-care, adoptions and parenting skills training in different locations throughout North Philadelphia.
- **Community Economic Development**
APM's Community Economic Development Division helps to develop and rebuild neighborhoods. As a leader in community development, APM is a driver of the sweeping changes taking place in Eastern North Philadelphia. "Ground-up" construction, new businesses, housing developments and greening projects have successfully transformed this urban locale into a bustling community, generating renewed interest in the area. Using a holistic approach to revitalization, APM is working to meet the social, economic and ecological needs in the neighborhoods bordered by Temple University and the American Street Empowerment Zone. APM has a unique strategy to address the challenges of a community composed of both homeowners and renters. APM has used housing counseling and the economic mobility center as a vehicle to drive the housing and economic development efforts.

APM Properties, Inc. ("Properties") is a not-for-profit organization incorporated in 1992 under the laws of the Commonwealth of Pennsylvania. The primary purpose of APM Properties, Inc. is to be a title holding company for APM which is required to turn over the excess of its revenues over expenses to APM annually. APM Properties, Inc. will hold the transfer of the tax credit developments that have met their compliance period.

Pradera Corporation ("Pradera") is a not-for-profit organization incorporated in 2000 under the laws of the Commonwealth of Pennsylvania. Its primary purposes are to:

- Raise funds to develop, construct and sell housing to eligible low-income homebuyers.
- Operate a Resource Homes program that places children with families that are able to nurture children's physical and emotional needs, with the goal of reunification, under Pennsylvania and Philadelphia Departments of Human Services regulations.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Borinquen Plaza Associates, L.P. (“BP” or “Borinquen Plaza”) is a limited partnership incorporated in 1997 under the laws of the Commonwealth of Pennsylvania. The primary purpose of Borinquen Plaza Associates is the operation of the Borinquen Gateway Plaza retail center. APM owns 100% of Borinquen Plaza L.L.C., which owns 1% of Borinquen Plaza Associates, L.P. This corporation serves as the general partner of an economic development partnership. APM is also a 99% limited partner in this partnership.

Paseo Verde Community Manager, L.P. (“Paseo Verde”) is a limited partnership incorporated in 2010 under the laws of the State of Delaware. The primary purpose of Paseo Verde is to serve as a general partner in Transit Village Partnership.

Refugio De Amor, L.P. (“Refugio”) was organized as a Pennsylvania limited partnership on February 15, 1996, for the purpose of constructing and operating a rental housing project called Hogar de Esperanza. The project consists of one residential building containing twenty residential units for general occupancy in Philadelphia, Pennsylvania, under Section 221 of the National Housing Act. Occupancy was approximately 100% and 93% for the years ended June 30, 2022 and 2021, respectively. The property was placed in service on July 3, 1998.

Escalera Associates, L.P. (“Escalera”) was organized as a Pennsylvania limited partnership on April 4, 1994, for the purpose of developing and operating twenty-four single room residential units for general occupancy in Philadelphia, Pennsylvania, under Section 221 of the National Housing Act. Occupancy was 85% and 83% for the years ended June 30, 2022 and 2021, respectively. The property was placed in service on June 30, 1995.

Borinquen Associates, L.P. (“Borinquen I”) was organized as a Pennsylvania limited partnership on July 16, 1993, for the purpose of developing and operating four two- and three-story buildings and a one-story community building consisting of 45 units for general occupancy in Philadelphia, Pennsylvania, under Section 221 of the National Housing Act. The property was placed in service on October 15, 1994. On June 29, 2017, all of the property and related debt were sold and transferred to a related entity, Camino Verde, LP. The entity remains the holder of the mortgage from Camino Verde received as part of the sales transaction.

Borinquen Associates II, L.P. (“Borinquen II”) was organized as a Pennsylvania limited partnership on March 23, 1995, for the purpose of developing and operating forty-five townhouse units for general occupancy in Philadelphia, Pennsylvania, under Section 221 of the National Housing Act. Occupancy was approximately 92% and 95% for the years ended June 30, 2022 and 2021, respectively. The property was placed in service on August 16, 1996.

Taino Gardens, L.P. (“Taino”) was organized as a Pennsylvania limited partnership on April 28, 1998, for the purpose of developing and operating twenty-two residential buildings containing forty-two residential units for general occupancy in Philadelphia, Pennsylvania, under Section 221 of the National Housing Act. Occupancy was approximately 87% and 97% for the years ended June 30, 2022 and 2021, respectively. The property was placed in service on February 24, 2000.

Camino Verde, L.P. (“Camino”) was organized as a Pennsylvania limited partnership on October 3, 2016, for the purpose of rehabilitating three tax credit projects containing eleven residential buildings in Philadelphia, Pennsylvania, under Section 221 of the National Housing Act. The property rehabilitation was completed during the year ended June 30, 2019. Occupancy was approximately 94% and 99% for the years ended June 30, 2022 and 2021, respectively.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Berks Senior Living, L.P. (“Berks Sr. Living”) was organized as a Pennsylvania limited partnership on October 15, 2020, for the purpose of constructing of a three-story building comprised of 44 units of affordable housing for seniors (62 and older) in Philadelphia, Pennsylvania, under Section 202 of the National Housing Act. The property remains under construction at June 30, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The basic consolidated financial statements present the consolidated statements of Asociación Puertorriqueños en Marcha, Inc. and Affiliates (collectively, the “Organization”). The affiliates comprise Camino Verde, L.P., APM Properties, Inc., Pradera Corporation, Borinquen Plaza Associates, L.P., Refugio De Amor, L.P., Escalera Associates, L.P., Borinquen Associates, L.P., Borinquen Associates, II L.P., Taino Gardens, L.P. Berks Senior Living, L.P. and Paseo Verde Community Manager, L.P. (“Affiliates”).

Principles of Consolidation

All significant intercompany accounts and transactions have been eliminated in the basic consolidated financial statements. These companies are affiliated by means of overlapping Boards of Directors, management and financial interdependence.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management and the Board of Directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the consolidated statements of activities and changes in net assets.

Revenue and Support Recognition

Contributions are recognized as revenue when they are received or unconditionally promised to give and recorded as support with or without donor restrictions according to donor stipulations that limit the use of the assets due to time or purpose restrictions. Restrictions met in the same year of receipt are reported within net assets without donor restrictions. The Organization’s ability to collect revenue is affected by a variety of factors, including general economic conditions and each contributor’s financial capacity. At June 30, 2022, the Organization had contributions of approximately \$471,000 for which the conditions have not yet been met to recognize.

The Organization accounts for fees and grants from governmental agencies and other income as either contribution transactions or exchange transactions in the consolidated statements of activities and changes in net assets. Revenue is recognized as an exchange transaction under fee for service contracts based on the level of service provided (the performance obligation) multiplied by the contracted reimbursement rate for a unit of service and is recognized over time as services are provided. Reimbursement of other expenses under cost-reimbursement contracts is recognized as a contribution transaction.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Revenue is recognized to the extent that expenses have been incurred for the purpose specified by the grantor during the period. In applying this concept, the legal and contractual requirements of each program are used as guidance.

Unexpended contract funds are recorded as grants or contract payables in the consolidated statements of financial position. Funds received in advance of their use are accounted for as deferred revenue in the consolidated statements of financial position.

In May 2020, the Organization received a loan from a financial institution authorized through the Paycheck Protection Program ("PPP") authorized by the Coronavirus Aid, Relief and Economic Act ("CARES Act") in the amount of \$2,065,643. In accordance with guidance from the American Institute of Certified Public Accountants, the Organization has elected to account for the forgiveness as a government grant. Further, the Organization determined the funding was conditional upon qualified expenses in line with the PPP requirements. The Organization recognized \$1,564,337 for the year ended June 30, 2021, respectively, in other income as revenue for costs incurred for the PPP awards. The remaining income was recognized in previous fiscal years. There was no revenue recognized during the year ended June 30, 2022. On September 26, 2021, the Organization received notice of the formal forgiveness of the loan.

Rental income is recognized for apartment rentals as it accrues. All leases between the real estate partnerships and tenants of the property are operating leases. The Organization rents residential apartments on yearly leases. Commercial leases are leased under terms exceeding one year.

Program service fees and grants are recognized under fee for service contracts based on the level of service provided (the performance obligation) multiplied by the contracted reimbursement rate for a unit of service. Program service fees and grants relate to medical services provided directly to patients and to the management and development of properties. Medical services are billed on a biweekly basis based on what services were rendered over the course of the prior two weeks. Management and development services are billed monthly. These revenues are recognized over time as services as provided.

Other without donor restrictions revenues are obtained from other income, interest income and asset sales. These revenues are not restricted in their use and are used to offset program, management and general and fundraising expenses which are not funded by contract budgets. Revenue from these sources is recognized when earned.

In-Kind Contributions

In-kind services and other costs are reflected upon receipt or use and are recorded at cost or estimated cost, where practicable, as expenses for program services.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash and cash equivalents.

Accounts/Grants and Contracts Receivable

The Organization provides an allowance for bad debts using the allowance method, which is based on management's judgment considering historical information. Accounts and grants and contracts receivable are unsecured. Accounts past due are individually analyzed for collectability. In addition, an allowance is provided for other accounts when a significant pattern of collectability has occurred. When all collection efforts have been exhausted, the accounts are written off. At June 30, 2022 and 2021, the allowance was \$528,951 and \$295,425, respectively. Accounts receivable, net and grants and contracts receivable were \$1,286,118 and \$3,540,096 at July 1, 2020.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Deferred Revenue

Deferred revenue consists of funds from two sources. The first source is funds received in advance of their use or for cases not served with program service fees. The second source is rental income received in advance from tenants. Deferred revenue was \$239,434 at July 1, 2020.

Restricted Deposits and Funded Reserves

Mortgage escrow deposit accounts are maintained to pay real estate taxes and insurance. The reserves for replacements represent funds required to be set aside for the repair and improvement of the project facilities. Monthly required deposits were made in accordance with the Pennsylvania Housing Finance Agency ("PHFA") Regulatory Agreement.

Property, Equipment and Depreciation

Property is recorded at cost, except for donated items that are recorded at fair value on the date of donation. If donors stipulate how long the assets must be used, the contributions are recorded as donor restricted support. In the absence of such restrictions, contributions of property and equipment are recorded as net assets without donor restricted support when the assets are placed in service. When an asset is sold or retired, the cost and accumulated depreciation are removed from the respective accounts. Maintenance, repairs and minor renovations are charged to operations as incurred.

Certain assets were purchased with funding from federal or state sources. APM has a contingent liability if it were to sell or stop using this property for its intended purposes to return its funding to source.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The principal rates for computing depreciation by major asset categories are stated below.

<u>Description</u>	<u>Estimated Life (Years)</u>
Buildings	15-40
Building improvements and renovations	15-30
Office equipment and furniture	5-10
Vehicles	3-5

Valuation of Long-Lived Assets

In accordance with the provisions of accounting standards related to *Accounting for the Impairment or Disposal of Long-Lived Assets*, the Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Management has determined that no assessment was required for the periods presented in these consolidated financial statements.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Functional Allocation of Expenses

The cost of providing the program services has been summarized on a functional basis within the consolidated statements of activities and changes in net assets. The Organization internally tracks costs by individual program cost centers in the financial system. The Organization considers the costs of directly running these programs as programmatic expenses. Expenses that do not directly relate to running program operations are treated as supporting expenses. For salaries, payroll taxes and fringe benefits, allocations by department are decided on an individual basis, based on the functions of each position and the time spent performing functions under the umbrella of a particular department. These allocations may be updated on a periodic basis based on the evolving responsibilities of a position, and by nature some positions will be split across multiple departments while others will be more compartmentalized. Contractual services and program consultants are allocated to programs based on the ratio of each program's direct expenses to the total of the selected program direct expenses unless directly charged. Occupancy costs are allocated based upon usable square footage. The Organization prepares a schedule at the beginning of each year for each building which identifies the square footage being used by each individual. The resulting square footage distributions are divided by total square footage to arrive at percentage distributions for each individual. Based upon the allocation of an individual's salary, occupancy costs are allocated. Communications are allocated on the same basis as occupancy.

3. NEW ACCOUNTING PRONOUNCEMENTS ISSUED NOT YET EFFECTIVE

In February 2016, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, *Leases* (Topic 842), which requires the recognition of a "right to use" asset and a lease liability, initially measured at the present value of the lease payments on the consolidated statement of financial position for all of the Organization's lease obligations. The effective date upon issuance for the Organization would be the fiscal year beginning July 1, 2022.

The Organization is currently evaluating the effect that this pronouncement will have on its consolidated financial statements and related disclosures.

4. NEW ACCOUNTING PRONOUNCEMENT ADOPTED IN CURRENT YEAR

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The standard is intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The new guidance requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the consolidated statements of activities and net assets, apart from contributions of cash or other financial assets, along with expanded disclosure requirements. The Organization adopted the requirement of the new guidance on a full retrospective method of transition. The Organization concluded that the effects of applying the new guidance to the prior year financial statements were immaterial, and as such, no adjustments were made to the 2021 consolidated financial statements.

5. IN-KIND CONTRIBUTIONS

In-kind services and other costs are reflected upon receipt or use and are recorded at cost or estimated cost, where practicable, as expenses for program services. For the years ended June 30, 2022 and 2021, in-kind contributions were \$585,345 and \$1,039,435, respectively, and consisted solely of volunteers and special instruction for the Head Start program. These costs are including within the contractual services and program consultants for the early child services program in the statements of functional expenses.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

The Organization records donated volunteer and special instruction services when these services typically would be purchased if not provided as an in-kind contribution. These services are recognized as an in-kind contribution at fair value when the services are provided. Fair value of donated volunteer and special instruction services was determined by the number of volunteer hours provided multiplied by the in-kind volunteer rate provided by the School District of Philadelphia and the Organization's fringe rate.

6. FINANCIAL ASSETS AND LIQUIDITY

The Organization manages liquidity needed for operations primarily through its policy to budget monthly cash inflows and outflows. Cash inflows can be easily predicted since they are comprised of revenue streams that are typically billed on a monthly basis. These include program service revenues, grants and contracts, and rental income. Cash outflows are planned accordingly so as not to exceed those expected inflows. Management's intention is generally to maintain financial assets to meet 90 days of operating expenses.

As of June 30, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, were as follows:

	<u>2022</u>	<u>2021</u>
Financial assets		
Cash and cash equivalents	\$ 15,305,935	\$ 14,724,180
Accounts receivable, net	1,412,339	965,689
Grants and contracts receivable	<u>5,333,686</u>	<u>4,005,394</u>
	22,051,960	19,695,263
Less: Amounts with specific purpose restrictions for use		
Net assets with donor restrictions	<u>120,241</u>	<u>278,373</u>
Financial assets available within one year	<u>\$ 21,931,719</u>	<u>\$ 19,416,890</u>

In addition to the assets reported, the Organization maintains a line of credit (see Note 7) with available demand credit of \$3,250,000 to support operations.

7. LINE OF CREDIT

The Organization maintains a revolving line of credit available from a financial institution to meet the cash flow and liquidity needs of the Organization. The agreement provides for demand borrowing of up to \$3,250,000. The revolving line of credit does not have stated expiration date but is at minimum subject to annual review by the financial institution. The line of credit accrues interest at the prime rate as determined each business date in the "Money Rates" column of *The Wall Street Journal* plus an additional 0.75%. The interest rate was 4.75% and 4.00% at June 30, 2022 and 2021, respectively. There were no amounts outstanding as of June 30, 2022 and 2021 on the line of credit.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

8. INCOME TAXES

APM and Pradera Corporation qualify as tax-exempt organizations under existing provisions of the Internal Revenue Code Section 501(c)(3), and their income is not subject to federal or state income taxes. APM Properties, Inc. qualifies as a tax-exempt organization under existing provisions of the Internal Revenue Code Section 501(c)(2), and its income is not subject to federal or state income taxes. Borinquen Plaza Associates, Camino Verde, L.P., Refugio De Amor, L.P., Escalera Associates, L.P., Borinquen Associates, L.P., Borinquen Associates II, L.P., Taino Gardens, L.P., and Berks Senior Living, L.P. are limited partnerships; income and losses pass through to and are reportable by the partners individually.

Management has determined that there are no uncertain tax positions at the Organization as of the date of adoption or at June 30, 2022 and 2021. In addition, there are no income tax related penalties or interest for the periods reported in these consolidated financial statements.

9. INVESTMENTS IN REAL ESTATE ENTITIES/ACQUISITION OF LIMITED PARTNERSHIPS

APM is the sole shareholder of Jardines de Borinquen Inc., Jardines de Borinquen II Inc., Escolando Inc., Casa Esperanza, Inc., Jardine de Flores Development Corporation, Taino Gardens, Inc., and APM Berks GP Inc. All these corporations (limited liability companies) were set up solely as holding companies for their share of partnerships. These corporations own between .01% and 1% of low-income housing partnerships and serve as their general partner. These partnerships construct and rent low-income housing.

10. PROPERTY AND EQUIPMENT

Property and equipment, shown net of accumulated depreciation at June 30, consist of the following:

	<u>2022</u>	<u>2021</u>
Land, building and improvements	\$ 51,692,805	\$ 51,060,082
Office equipment and furniture	2,533,872	1,710,270
Vehicles	628,930	924,015
Construction in progress	<u>8,464,815</u>	<u>605,838</u>
	63,320,422	54,300,205
Less: Accumulated depreciation	<u>25,291,040</u>	<u>23,173,601</u>
	<u>\$ 38,029,382</u>	<u>\$ 31,126,604</u>

Depreciation expense for the years ended June 30, 2022 and 2021 amounted to \$2,329,344 and \$2,230,926, respectively.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

11. LONG-TERM DEBT

A summary of long-term debt obligations at June 30 is as follows:

	<u>2022</u>	<u>2021</u>
A \$364,000 first mortgage note, which originated on May 19, 1997, of which \$363,351 was released as of December 31, 2000, is held by the Philadelphia Redevelopment Authority (formerly "Redevelopment Authority of the City of Philadelphia") in the original amount of \$363,351. The note bears no interest. Beginning on the first of the month of the twenty-sixth anniversary of the completion of construction (completion date July 3, 1998) monthly payments become due in such amounts as will fully amortize the loan by the 14th anniversary of the CDBG closing.	\$ 363,351	\$ 363,351
A \$565,645 second mortgage note, which originated on August 29, 2019, of which \$563,813 was released as of June 30, 2021, is held by the Philadelphia Redevelopment Authority. The Organization has no intent on drawing any additional funds on this note. The note bears no interest. The entire principal balance and any accrued interest (if not in compliance with loan requirements) are due and payable on the 30th anniversary of the date of the mortgage, August 29, 2049.	563,813	563,813
An \$801,045 third mortgage note, which originated on January 22, 2021, of which \$312,324 was released during the year ended June 30, 2021. The remaining \$488,721 was released during the year ended June 30, 2022. The mortgage note is held by the Philadelphia Redevelopment Authority. The note bears no interest. The entire principal balance and any accrued interest (if not in compliance with loan requirements) are due and payable on the 30th anniversary of the date of the mortgage, January 13, 2051.	<u>801,045</u>	<u>312,324</u>
Total by Affiliate - Refugio De Amor, L.P.	<u>1,728,209</u>	<u>1,239,488</u>
A \$660,000 first mortgage note, which originated on November 23, 1994, is held by the Philadelphia Redevelopment Authority in the original amount of \$660,000. The note bears no interest. Beginning on the first month of the twenty-sixth anniversary of the date of the loan closing, monthly payments become due in such amounts as will fully amortize the loan by the 14th anniversary of the closing date.	<u>660,000</u>	<u>660,000</u>
Total by Affiliate - Escalera Associates, L.P.	<u>660,000</u>	<u>660,000</u>
A \$1,164,095 third mortgage to the Philadelphia Redevelopment Authority in the original amount of \$1,164,095. Interest accrues at 1% simple interest rate per year on the unpaid balance until August 2022. Monthly installments of the principal, accrued interest, and current interest are payable by the Organization in 168 equal monthly installments beginning September 1, 2022 and continuing through August 2036 in such amounts as will amortize the note by the 40th anniversary of the amortization date. Accrued interest at June 30, 2022 and 2021 was \$269,723 and \$262,165, respectively.	<u>1,057,453</u>	<u>1,057,453</u>
Total by Affiliate - Borinquen Associates II, L.P.	<u>1,057,453</u>	<u>1,057,453</u>
Original first 6.00% mortgage of \$292,441, which originated on March 31, 1999, is payable to the Reinvestment Fund in monthly installments of \$1,884, including principal and interest, commencing August 1, 2000 and continuing for 25 years thereafter, secured by a first mortgage on the property. Maturity date is July 1, 2025.	59,546	79,102

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
<p>A second mortgage note, which originated on April 7, 1999, is payable to PHFA in the original amount of \$459,753 and is subordinated to the first mortgage. The note was restructured on November 23, 2004 to include a 50-50 split of the excess revenue to repay PHFA's loan and 50% disbursed to the owner as return on equity. Approved amount of owners' return on equity is determined by PHFA. This note is secured by a second mortgage on the property. The note matures April 7, 2029 and does not bear interest.</p>	\$ 282,603	\$ 282,603
<p>A \$420,000 third mortgage note originated on March 31, 1999 and is held by the Philadelphia Redevelopment Authority. Interest accrues at the Applicable Federal Rate in effect on the date of the loan (5.3%). Annual interest and principal payments will begin on the 31st anniversary of the closing of the loan in such amounts as will fully amortize the loan and accrued interest by the 14th anniversary of the home loan closing. The note is secured by a third mortgage on the property. Accrued interest at June 30, 2022 and 2021 is \$507,021 and \$484,761, respectively.</p>	420,000	420,000
<p>A fourth mortgage of \$1,080,000 is split into two notes in the amount of \$760,669 and \$319,331. The notes are held by the Philadelphia Redevelopment Authority and originated on March 31, 1999. The notes bear no interest and are secured by a fourth mortgage on the property. Annual payments will become due on the 31st anniversary of the closing of the loan in such amounts as will fully amortize the loan by the 14th anniversary of the CDBG closing. The notes mature on March 31, 2039.</p>	760,669	760,669
<p>Funds from the fourth mortgage note in the amount of \$319,331 were to be used for demolition and site remediation. For the year ended June 30, 2022, the total drawn on this note was \$50,645. Furthermore, the Organization has no intention of drawing any additional funds on this note.</p>	<u>50,645</u>	<u>50,645</u>
<p style="padding-left: 40px;">Total by Affiliate - Taino Gardens, L.P.</p>	<u>1,573,463</u>	<u>1,593,019</u>
<p>A first mortgage note originated on June 29, 2017 and is held by a financial institution. APM Properties also entered into an interest rate swap contract for the entire amount of the initial mortgage note. The terms of the contract include a calculation of interest on the outstanding mortgage balance, on a monthly basis, using the 1-Month USD-LIBOR-BBA rate plus a fixed rate of 2.47% and comparing the resulting calculated interest rate to the agreed-upon fixed rate of 5.00%. At June 30, 2022 and 2021, the value of the interest rate swap contract was \$19,620 and (\$107,986). The gain on the contract for the years ended June 30, 2022 and 2021 was \$127,606 and \$69,926, respectively. Monthly payments of interest and principal are due on the loan beginning August 1, 2017 until maturity date of July 1, 2027. The note is secured by a first mortgage on the property.</p>	825,176	897,824
<p>Funds received from a loan from a financial institution authorized through the Economic Injury Disaster Loan authorized by the Small Business Administration in the amount of \$20,100 on July 11, 2020. The loan proceeds are required to act as working capital to alleviate economic injury caused by the COVID-19 pandemic. Interest accrues at 2.75% simple interest per year on the unpaid balance. Monthly payments of interest and principal are due on the loan beginning July 11, 2022 after initial deferral based on Small Business Administration deferral until the maturity date of September 11, 2052. The loan is unsecured.</p>	<u>20,100</u>	<u>20,100</u>
<p style="padding-left: 40px;">Total by Affiliate - APM Properties, Inc.</p>	<u>845,276</u>	<u>917,924</u>

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Funds received from a loan from a financial institution authorized through the Economic Injury Disaster Loan authorized by the Small Business Administration in the amount of \$20,000 on July 11, 2020. The loan proceeds are required to act as working capital to alleviate economic injury caused by the COVID-19 pandemic. Interest accrues at 3.75% simple interest per year on the unpaid balance. Monthly payments of interest and principal are due on the loan beginning July 11, 2022 after initial deferral based on Small Business Administration deferral until the maturity date of May 11, 2053. The loan is unsecured.	\$ 20,000	\$ 20,000
Total by Affiliate - Borinquen Plaza Associates, L.P.	<u>20,000</u>	<u>20,000</u>
Original first mortgage of \$1,838,000, which originated on June 29, 2017, is payable to the PHFA. The total loan of \$1,838,000 consists of PHARE funds in the amount of \$500,000 and PennHomes funds for the balance of \$1,338,000. The note bears no interest and is secured by a first mortgage on the property. Repayment of principal shall be made from the surplus of revenue over expenses and is collateralized by land and building. Any unpaid balance of principal remaining is due upon termination of project or 30 years from the date construction is completed. Construction was completed during the fiscal year ended June 30, 2019.	1,838,000	1,838,000
Second mortgage for total approved amount of \$4,336,083, originated on June 29, 2017 and is payable to the Philadelphia Redevelopment Authority. Interest accrues at 1% simple interest rate per year on the unpaid balance. The entire principal balance together with any accrued interest shall be due and payable 30 years from the substantial completion of the rehabilitation of the project, but in no event no later than 32 years from the closing of the Philadelphia Redevelopment Authority loan. Maturity date will be no later than July 29, 2049. Accrued interest on this loan was \$214,332 and \$171,128 as of June 30, 2022 and 2021, respectively.	<u>4,336,083</u>	<u>4,336,083</u>
Total by Affiliate - Camino Verde, L.P.	<u>6,174,083</u>	<u>6,174,083</u>
Third mortgage for total approved amount of \$2,854,856, originated on October 29, 2021 and effective November 4, 2021 and is payable to the Philadelphia Housing Development Corporation. The note is secured by a third mortgage on the property. Interest accrues at 1.65% simple interest rate per year on the unpaid balance. Funds disbursed on a voucher reimbursement basis for construction-related labor and materials and are subject to approval by the lender. The entire principal balance together with any accrued interest shall be due and payable 42 years from the date of the loan, November 4, 2063.	<u>1,252,501</u>	<u>-</u>
Total by Affiliate - Berks Senior Living, L.P.	<u>1,252,501</u>	<u>-</u>
	13,310,985	11,661,967
Less: Current portion of long-term debt	<u>149,497</u>	<u>134,909</u>
	<u>\$ 13,161,488</u>	<u>\$ 11,527,058</u>

Total interest expense on all debt amounted to \$132,258 and \$140,195 for the years ended June 30, 2022 and 2021, respectively.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Berks Senior Living, L.P has additional commitments to fund the construction and operating reserves and capital for the Project. Berks Senior Living, L.P. has a commitment for a \$8,200,000 construction loan from a financial institution that will be secured by the first mortgage on the property. Funds from the construction loan must be utilized for construction costs. Berks Senior Living, L.P. will be required to make monthly payments of interest for borrowings on the construction loan. Principal on the loan will be due twenty-four months from the settlement date of November 4, 2021. In addition, Berks Senior Living, L.P. has a commitment for a \$914,800 loan from the Pennsylvania Housing Finance Agency that will be secured by the second mortgage on the project to support construction costs. This loan will be permanent financing.

Maturities of the mortgage note for each of the next five years are as follows:

2023	\$ 149,497
2024	154,634
2025	181,632
2026	166,634
2027	171,202
Thereafter	<u>12,487,386</u>
	<u>\$ 13,310,985</u>

12. OPERATING LEASES

APM entered into non-cancelable operating leases for office, education, and medical facilities with varying terms through June 2027 that amounted to rent expense of \$940,460 and \$830,768 for the years ended June 30, 2022 and 2021, respectively. Future minimum payments for the remaining lease term are as follows:

2023	\$ 586,383
2024	97,241
2025	102,102
2026	102,102
2027	<u>107,208</u>
	<u>\$ 995,036</u>

APM entered into a non-cancelable operating lease for copiers on October 19, 2017 expiring November 30, 2020 before converting to month to month. In June 2021, APM entered into non-cancellable operating leases for copier expiring September 30, 2024. Under the June 2021 lease, there is a standard monthly charge as well as potential additional charges based on usage. Equipment rental expense was \$103,301 and \$80,557 for the years ended June 30, 2022 and 2021, respectively. Future minimum payments for the remaining lease term are as follows:

2023	\$ 83,756
2024	83,756
2025	<u>20,939</u>
	<u>\$ 188,451</u>

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

13. RETIREMENT PLANS

APM sponsors a 403(b) tax-deferred annuity plan (the “403(b) Plan”) for all eligible employees. Contributions made to the 403(b) Plan are determined annually by the board of directors. Contributions for the years ended June 30, 2022 and 2021 were \$558,598 and \$636,827, respectively. It is APM’s intention to fund the 403(b) Plan currently.

In addition, APM has established a non-qualified deferred compensation plan under Section 457(b) of the Internal Revenue Code. The deferred compensation plan was established on July 1, 2006 for the benefit of certain executives. Contributions to the plan for the years ended June 30, 2022 and 2021 were approximately \$132,000 and \$153,000, respectively. It is APM’s intention to fund the 457(b) plan currently.

14. COMMITMENTS AND CONTINGENCIES

Financial awards from federal, state and local governmental entities in the form of grants may be subject to additional audits. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

APM, Inc. through its ownership of the general partner, APM Berks GP Inc., guarantees the full and timely performance of all obligations of the developer of Berks Senior Living, L.P. in accordance with development agreement and partnership agreement. APM, Inc.’s responsibility for development is shared 50%/50% with another 3rd party.

15. CONCENTRATION OF CREDIT RISK

Financial investments which potentially subject the Organization to concentrations of credit risk consist of cash in interest-bearing accounts, grants and contracts receivable, and accounts receivable. In an attempt to limit credit risk, the Organization places all funds with high quality financial institutions. At various times throughout the year, the Organization had cash balances in excess of Federal Deposit Insurance Corporation insurance coverage. However, APM believes it is not exposed to any significant credit risk on cash. Concentration of credit risk with respect to accounts receivable and grants and contracts receivable is limited due to the relatively large number of grants and funding sources comprising the Organization’s receivables.

Camino Verde, L.P., Refugio De Amor, L.P., Escalera Associates, L.P., Borinquen Associates II, L.P., and Taino Gardens, L.P. rent commercial and residential real estate on yearly leases.

Borinquen Plaza Associates leases commercial real estate to tenants under operating leases with varying terms of up to five-year terms with additional extension periods available.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

Future minimal rental payments for existing non-cancelable operating leases at June 30, 2022, with expected renewals, were as follows:

2023	\$ 2,441,182
2024	379,159
2025	340,000
2026	340,000
2027	<u>226,667</u>
	<u>\$ 3,727,008</u>

The cost of the leased property at June 30, 2022 and 2021 was \$42,547,163 and \$42,095,841, respectively. The net book value of the leased property at June 30, 2021 and 2020 was \$22,983,835 and \$24,047,622, respectively.

16. NET ASSETS

APM has a non-controlling interest in Camino Verde, L.P. of 0.009% which is included in undesignated net assets without donor restrictions and amounted to \$(247) and \$(177) at June 30, 2022 and 2021, respectively. The non-controlling interest in limited partnerships relates to the remaining balance in Camino Verde, L.P.

During the year ended June 30, 2022, APM acquired a non-controlling interest in Berks Senior Living, L.P. of 0.01% through ownership of the general partner. APM's equity in Berks Senior Living, L.P. is included in undesignated net assets without donor restrictions and amounted to \$1,200 at June 30, 2022. The non-controlling interest in limited partnerships relates to the remaining balance in Berks Senior, Living, L.P.

For the years ended June 30, 2022 and 2021, the Organization had \$120,241 and \$278,373 of donor restricted net assets. All donor restricted net assets related to purpose restrictions.

Net assets released in the current year based on the satisfaction of donor purpose restrictions totaled \$229,561. There were no releases from net assets without donor restrictions for the year ended June 30, 2021.

17. SELF-INSURANCE

The Organization is self-insured for medical claims. Self-insurance claims filed and claims incurred but not reported are accrued based on management's estimates of the ultimate cost for self-insurance claims based upon information provided by the insurance company and historical data available. The accrual for self-insurance for medical claims is included in the accounts payable and accrued expenses line within the consolidated statements of financial position. The accrual for medical claims amounted to approximately \$697,000 as of June 30, 2022 and 2021. Although management believes it has the ability to reasonably estimate losses related to claims, it is possible that actual results could differ from recorded self-insurance liabilities.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

18. AFFILIATIONS AND RELATED PARTY TRANSACTIONS

At June 30, 2022 and 2021, certain amounts were due from affiliates and eliminated upon consolidation. The eliminations amount to \$10,628,380 and \$8,304,546, respectively, and the components were as follows:

	2022		2021	
	Receivable	Payable	Receivable	Payable
APM, Inc.	\$ 8,320,203	\$ -	\$ 6,146,108	\$ -
Camino Verde, L.P.	-	2,958,293	-	2,773,043
Borinquen Plaza Associates, L.P.	-	1,234,982	-	1,041,882
APM Properties, Inc.	72,001	3,672,757	72,001	2,931,008
Pradera Corporation	-	1,876,364	-	658,674
Refugio De Amor, L.P.	-	686,334	-	759,605
Escalera Associates, L.P.	-	21,801	1,864	-
Borinquen Associates, L.P.	2,201,729	-	2,084,573	-
Borinquen Associates II, L.P.	-	30,732	-	24,447
Taino Gardens, L.P.	-	147,117	-	115,887
Berks Senior Living, L.P.	34,447	-	-	-
	<u>\$ 10,628,380</u>	<u>\$ 10,628,380</u>	<u>\$ 8,304,546</u>	<u>\$ 8,304,546</u>

APM charges a management fee to affiliates for bookkeeping services, as well as salaries and fringe benefits for employees who work for these affiliates but are paid through APM. These expenditures amounted to \$1,738,275 and \$1,331,263 for the years ended June 30, 2022 and 2021, respectively and were as follows:

	2022			
	Management Fee		Rent	
	Revenue	Expense	Revenue	Expense
APM, Inc.	\$ 1,738,275	\$ -	\$ -	\$ 688,301
Borinquen Plaza Associates, L.P.	-	272,565	-	-
APM Properties, Inc.	-	758,005	928,301	-
Pradera Corporation	-	583,309	-	240,000
Refugio De Amor, L.P.	-	10,417	-	-
Escalera Associates, L.P.	-	4,650	-	-
Borinquen Associates II, L.P.	-	29,147	-	-
Taino Gardens, L.P.	-	42,269	-	-
Camino Verde, L.P.	-	37,913	-	-
	<u>\$ 1,738,275</u>	<u>\$ 1,738,275</u>	<u>\$ 928,301</u>	<u>\$ 928,301</u>

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Consolidated Financial Statements
June 30, 2022 and 2021

	2021			
	Management Fee		Rent	
	Revenue	Expense	Revenue	Expense
APM, Inc.	\$ 1,331,263	\$ -	\$ -	\$ 670,950
Borinquen Plaza Associates, L.P.	-	120,000	-	-
APM Properties, Inc.	-	656,332	910,950	-
Pradera Corporation	-	422,547	-	240,000
Refugio De Amor, L.P.	-	9,047	-	-
Escalera Associates, L.P.	-	1,254	-	-
Borinquen Associates II, L.P.	-	38,079	-	-
Taino Gardens, L.P.	-	45,576	-	-
Camino Verde, L.P.	-	38,428	-	-
	<u>\$ 1,331,263</u>	<u>\$ 1,331,263</u>	<u>\$ 910,950</u>	<u>\$ 910,950</u>

APM, Inc. paid rent to APM Properties, Inc. that amounts to \$688,301 and \$670,950 for the years ended June 30, 2022 and 2021, respectively. Pradera Corporation paid rent to APM Properties, Inc. that amounted to \$240,000 for each of the years ended June 30, 2022 and 2021. These have been eliminated upon consolidation.

19. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events occurring after the consolidated statement of financial position date through February 1, 2023, which is the date the consolidated financial statements were available to be issued. Based on this evaluation, the Organization has determined the following subsequent events have occurred which require disclosure in the consolidated financial statements.

Subsequent to year-end, APM approved the Jardines Preservation Project Resolution and the Incumbency Certificate and Certification. APM will serve as the guarantor of the project. The project will be completed by a newly formed partnership, Jardines Preservation LP. APM will serve as the general partner in Jardines Preservation LP through its ownership interest of the general partner, Jardines GP Inc.

On October 7th, 2022, the assets of Borinquen Associates II, L.P. were sold, and the liabilities extinguished or transferred to a newly formed partnership, Jardines Preservation LP.

In accordance with this settlement, Jardines Preservation LP received commitments for additional funding for purposes of the rehabilitation of the buildings previously owned by Borinquen Associates II, L.P. These commitments include construction loan financing of \$8,900,000 from a financial institution and \$950,000 permanent financing from the Pennsylvania Housing Finance Agency.



SUPPLEMENTARY INFORMATION

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Financial Position by Entity
(With Summarized Affiliate Totals)
June 30, 2022

	<u>APM, Inc.</u>	<u>Affiliates</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 8,534,918	\$ 6,771,017	\$ 15,305,935	\$ -	\$ 15,305,935
Accounts receivable, net	16,322	1,396,017	1,412,339	-	1,412,339
Grants and contracts receivable	5,333,686	-	5,333,686	-	5,333,686
Prepaid expenses	57,899	111,941	169,840	-	169,840
Related party receivables	7,183,961	1,654	7,185,615	(7,185,615)	-
Other current assets	<u>123,778</u>	<u>11,485</u>	<u>135,263</u>	<u>-</u>	<u>135,263</u>
Total current assets	<u>21,250,564</u>	<u>8,292,114</u>	<u>29,542,678</u>	<u>(7,185,615)</u>	<u>22,357,063</u>
Property and equipment					
Land, building and improvements	4,213,684	47,479,121	51,692,805	-	51,692,805
Construction in progress	1,397,010	7,067,805	8,464,815	-	8,464,815
Office equipment and furniture	1,596,313	937,559	2,533,872	-	2,533,872
Vehicles	<u>455,505</u>	<u>173,425</u>	<u>628,930</u>	<u>-</u>	<u>628,930</u>
Total property and equipment	7,662,512	55,657,910	63,320,422	-	63,320,422
Less: Accumulated depreciation	<u>3,140,012</u>	<u>22,151,028</u>	<u>25,291,040</u>	<u>-</u>	<u>25,291,040</u>
Net property and equipment	<u>4,522,500</u>	<u>33,506,882</u>	<u>38,029,382</u>	<u>-</u>	<u>38,029,382</u>
Other assets					
Other assets	7,973	19,620	27,593	-	27,593
Restricted deposits and funded reserves	-	1,783,311	1,783,311	-	1,783,311
Investments in real estate	3,654,004	-	3,654,004	(3,654,004)	-
Other receivables	309,949	-	309,949	-	309,949
Related party loans receivable	<u>1,136,242</u>	<u>2,308,177</u>	<u>3,444,419</u>	<u>(3,444,419)</u>	<u>-</u>
Total other assets	<u>5,108,168</u>	<u>4,111,108</u>	<u>9,219,276</u>	<u>(7,098,423)</u>	<u>2,120,853</u>
Total assets	<u>\$ 30,881,232</u>	<u>\$ 45,910,104</u>	<u>\$ 76,791,336</u>	<u>\$ (14,284,038)</u>	<u>\$ 62,507,298</u>
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	\$ -	\$ 149,497	\$ 149,497	\$ -	\$ 149,497
Accounts payable and accrued expenses	5,149,827	5,050,141	10,199,968	-	10,199,968
Accrued mortgage interest payable	-	1,389,359	1,389,359	(398,021)	991,338
Related party payables	-	7,805,842	7,805,842	(7,805,842)	-
Deferred revenue	20,930	7,952	28,882	-	28,882
Other current liabilities	<u>-</u>	<u>76,366</u>	<u>76,366</u>	<u>-</u>	<u>76,366</u>
Total current liabilities	5,170,757	14,479,157	19,649,914	(8,203,863)	11,446,051
Long-term debt, net of current portion	<u>-</u>	<u>15,587,659</u>	<u>15,587,659</u>	<u>(2,426,171)</u>	<u>13,161,488</u>
Total liabilities	<u>5,170,757</u>	<u>30,066,816</u>	<u>35,237,573</u>	<u>(10,630,034)</u>	<u>24,607,539</u>
Net assets					
Without donor restrictions					
Undesignated	25,590,234	5,294,037	30,884,271	(3,654,004)	27,230,267
Non-controlling interest in limited partnerships	<u>-</u>	<u>10,549,251</u>	<u>10,549,251</u>	<u>-</u>	<u>10,549,251</u>
Total without donor restrictions net assets	25,590,234	15,843,288	41,433,522	(3,654,004)	37,779,518
With donor restrictions	<u>120,241</u>	<u>-</u>	<u>120,241</u>	<u>-</u>	<u>120,241</u>
Total net assets	<u>25,710,475</u>	<u>15,843,288</u>	<u>41,553,763</u>	<u>(3,654,004)</u>	<u>37,899,759</u>
Total liabilities and net assets	<u>\$ 30,881,232</u>	<u>\$ 45,910,104</u>	<u>\$ 76,791,336</u>	<u>\$ (14,284,038)</u>	<u>\$ 62,507,298</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Financial Position by Entity
(With Summarized Affiliate Totals)
June 30, 2021

	<u>APM, Inc.</u>	<u>Affiliates</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 9,460,604	\$ 5,263,576	\$ 14,724,180	\$ -	\$ 14,724,180
Accounts receivable, net	33,186	958,602	991,788	(26,099)	965,689
Grants and contracts receivable	4,005,394	-	4,005,394	-	4,005,394
Prepaid expenses	166,466	145,168	311,634	-	311,634
Related party receivables	5,000,123	1,864	5,001,987	(5,001,987)	-
Other current assets	123,778	27,054	150,832	-	150,832
Total current assets	<u>18,789,551</u>	<u>6,396,264</u>	<u>25,185,815</u>	<u>(5,028,086)</u>	<u>20,157,729</u>
Property and equipment					
Land, building and improvements	4,084,184	46,975,898	51,060,082	-	51,060,082
Construction in progress	500,791	105,047	605,838	-	605,838
Office equipment and furniture	793,533	916,737	1,710,270	-	1,710,270
Vehicles	640,385	283,630	924,015	-	924,015
Total property and equipment	6,018,893	48,281,312	54,300,205	-	54,300,205
Less: Accumulated depreciation	2,868,281	20,305,320	23,173,601	-	23,173,601
Net property and equipment	<u>3,150,612</u>	<u>27,975,992</u>	<u>31,126,604</u>	<u>-</u>	<u>31,126,604</u>
Other assets					
Other assets	7,973	-	7,973	-	7,973
Restricted deposits and funded reserves	-	1,878,801	1,878,801	-	1,878,801
Investments in real estate	3,875,817	-	3,875,817	(3,875,817)	-
Other receivables	308,880	-	308,880	-	308,880
Related party loans receivable	1,119,886	2,156,574	3,276,460	(3,276,460)	-
Total other assets	<u>5,312,556</u>	<u>4,035,375</u>	<u>9,347,931</u>	<u>(7,152,277)</u>	<u>2,195,654</u>
Total assets	<u>\$ 27,252,719</u>	<u>\$ 38,407,631</u>	<u>\$ 65,660,350</u>	<u>\$ (12,180,363)</u>	<u>\$ 53,479,987</u>
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	\$ -	\$ 134,909	\$ 134,909	\$ -	\$ 134,909
Accounts payable and accrued expenses	4,831,765	1,721,862	6,553,627	-	6,553,627
Accrued mortgage interest payable	-	1,299,718	1,299,718	(381,663)	918,055
Related party payables	-	5,496,712	5,496,712	(5,496,712)	-
Deferred revenue	-	8,391	8,391	-	8,391
Other current liabilities	-	194,750	194,750	-	194,750
Total current liabilities	4,831,765	8,856,342	13,688,107	(5,878,375)	7,809,732
Long-term debt, net of current portion	-	13,953,229	13,953,229	(2,426,171)	11,527,058
Total liabilities	<u>4,831,765</u>	<u>22,809,571</u>	<u>27,641,336</u>	<u>(8,304,546)</u>	<u>19,336,790</u>
Net assets					
Without donor restrictions					
Undesignated	22,142,581	6,570,040	28,712,621	(3,875,817)	24,836,804
Non-controlling interest in limited partnerships	-	9,028,020	9,028,020	-	9,028,020
Total without donor restrictions net assets	22,142,581	15,598,060	37,740,641	(3,875,817)	33,864,824
With donor restrictions	278,373	-	278,373	-	278,373
Total net assets	<u>22,420,954</u>	<u>15,598,060</u>	<u>38,019,014</u>	<u>(3,875,817)</u>	<u>34,143,197</u>
Total liabilities and net assets	<u>\$ 27,252,719</u>	<u>\$ 38,407,631</u>	<u>\$ 65,660,350</u>	<u>\$ (12,180,363)</u>	<u>\$ 53,479,987</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Financial Position by Entity
June 30, 2022

	APM, Inc.	APM Prop. Inc.	Borinquen Plaza	Pradera Corp	Camino Verde	Berks Sr. Living	Pradera II	Pradera III	Refugio De Amor
Assets									
Current assets									
Cash and cash equivalents	\$ 8,534,918	\$ 1,243,134	\$ 1,612,332	\$ 2,602,632	\$ 335,441	\$ 9,371	\$ 148,058	\$ -	\$ 394,363
Accounts receivable, net	16,322	-	30,791	1,221,232	71,635	-	-	-	4,548
Grants and contracts receivable	5,333,686	-	-	-	-	-	-	-	-
Prepaid expenses	57,899	-	13,133	21,596	52,941	-	-	-	3,854
Related party receivables	7,183,961	-	-	-	-	-	-	-	1,654
Other current assets	123,778	11,485	-	-	-	-	-	-	-
Total current assets	<u>21,250,564</u>	<u>1,254,619</u>	<u>1,656,256</u>	<u>3,845,460</u>	<u>460,017</u>	<u>9,371</u>	<u>148,058</u>	<u>-</u>	<u>404,419</u>
Property and equipment									
Land, building and improvements	4,213,684	4,554,947	5,632,683	327,010	18,692,979	-	-	-	3,276,249
Construction in progress	1,397,010	174,946	-	-	-	6,892,859	-	-	-
Office equipment and furniture	1,596,313	-	-	438,929	236,024	-	-	-	38,161
Vehicles	455,505	-	-	130,769	15,120	-	-	-	2,365
Total property and equipment	7,662,512	4,729,893	5,632,683	896,708	18,944,123	6,892,859	-	-	3,316,775
Less: Accumulated depreciation	3,140,012	1,543,581	3,018,045	541,752	2,834,153	-	-	-	1,621,543
Net property and equipment	<u>4,522,500</u>	<u>3,186,312</u>	<u>2,614,638</u>	<u>354,956</u>	<u>16,109,970</u>	<u>6,892,859</u>	<u>-</u>	<u>-</u>	<u>1,695,232</u>
Other assets									
Other assets	7,973	19,620	-	-	-	-	-	-	-
Restricted deposits and funded reserves	-	-	10,064	-	1,080,800	-	-	-	-
Investments in real estate	3,654,004	-	-	-	-	-	-	-	-
Other receivables	309,949	-	-	-	-	-	-	-	-
Related party loans receivable	1,136,242	72,001	-	-	-	34,447	-	-	-
Total other assets	<u>5,108,168</u>	<u>91,621</u>	<u>10,064</u>	<u>-</u>	<u>1,080,800</u>	<u>34,447</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 30,881,232</u>	<u>\$ 4,532,552</u>	<u>\$ 4,280,958</u>	<u>\$ 4,200,416</u>	<u>\$ 17,650,787</u>	<u>\$ 6,936,677</u>	<u>\$ 148,058</u>	<u>\$ -</u>	<u>\$ 2,099,651</u>
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	\$ -	\$ 76,820	\$ 377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	5,149,827	14,519	38,173	1,538,466	62,759	3,375,031	1,656	-	1,158
Accrued mortgage interest payable	-	-	-	-	214,594	-	-	-	398,020
Related party payables	-	3,672,757	1,234,982	1,386,065	822,090	-	474,357	10,473	-
Deferred revenue	20,930	-	-	-	-	-	-	-	-
Other current liabilities	-	-	-	-	-	-	-	-	15,241
Total current liabilities	<u>5,170,757</u>	<u>3,764,096</u>	<u>1,273,532</u>	<u>2,924,531</u>	<u>1,099,443</u>	<u>3,375,031</u>	<u>476,013</u>	<u>10,473</u>	<u>414,419</u>
Long-term debt, net of current portion	-	768,456	19,623	-	8,310,286	1,252,501	-	-	2,018,177
Total liabilities	<u>5,170,757</u>	<u>4,532,552</u>	<u>1,293,155</u>	<u>2,924,531</u>	<u>9,409,729</u>	<u>4,627,532</u>	<u>476,013</u>	<u>10,473</u>	<u>2,432,596</u>
Net assets									
Without donor restrictions									
Undesignated	25,590,234	-	2,987,803	1,275,885	(248)	1,200	(327,955)	(10,473)	(332,945)
Non-controlling interest in limited partnerships	-	-	-	-	8,241,306	2,307,945	-	-	-
Total without donor restrictions net assets	<u>25,590,234</u>	<u>-</u>	<u>2,987,803</u>	<u>1,275,885</u>	<u>8,241,058</u>	<u>2,309,145</u>	<u>(327,955)</u>	<u>(10,473)</u>	<u>(332,945)</u>
With donor restrictions	120,241	-	-	-	-	-	-	-	-
Total net assets	<u>25,710,475</u>	<u>-</u>	<u>2,987,803</u>	<u>1,275,885</u>	<u>8,241,058</u>	<u>2,309,145</u>	<u>(327,955)</u>	<u>(10,473)</u>	<u>(332,945)</u>
Total liabilities and net assets	<u>\$ 30,881,232</u>	<u>\$ 4,532,552</u>	<u>\$ 4,280,958</u>	<u>\$ 4,200,416</u>	<u>\$ 17,650,787</u>	<u>\$ 6,936,677</u>	<u>\$ 148,058</u>	<u>\$ -</u>	<u>\$ 2,099,651</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Financial Position by Entity
June 30, 2022

	<u>Escalera</u>	<u>Paseo Verde</u>	<u>Borinquen Associates</u>	<u>Borinquen Associates II</u>	<u>Taino Gardens</u>	<u>Affiliates</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
Assets									
Current assets									
Cash and cash equivalents	\$ 65,472	\$ -	\$ -	\$ 282,965	\$ 77,249	\$ 6,771,017	\$ 15,305,935	\$ -	\$ 15,305,935
Accounts receivable, net	5,657	-	-	41,914	20,240	1,396,017	1,412,339	-	1,412,339
Grants and contracts receivable	-	-	-	-	-	-	5,333,686	-	5,333,686
Prepaid expenses	3,527	-	-	9,953	6,937	111,941	169,840	-	169,840
Related party receivables	-	-	-	-	-	1,654	7,185,615	(7,185,615)	-
Other current assets	-	-	-	-	-	11,485	135,263	-	135,263
Total current assets	<u>74,656</u>	<u>-</u>	<u>-</u>	<u>334,832</u>	<u>104,426</u>	<u>8,292,114</u>	<u>29,542,678</u>	<u>(7,185,615)</u>	<u>22,357,063</u>
Property and equipment									
Land, building and improvements	1,619,259	-	-	7,294,478	6,081,516	47,479,121	51,692,805	-	51,692,805
Construction in progress	-	-	-	-	-	7,067,805	8,464,815	-	8,464,815
Office equipment and furniture	29,808	-	-	138,145	56,492	937,559	2,533,872	-	2,533,872
Vehicles	2,027	-	-	11,572	11,572	173,425	628,930	-	628,930
Total property and equipment	1,651,094	-	-	7,444,195	6,149,580	55,657,910	63,320,422	-	63,320,422
Less: Accumulated depreciation	1,520,210	-	-	6,100,464	4,971,280	22,151,028	25,291,040	-	25,291,040
Net property and equipment	<u>130,884</u>	<u>-</u>	<u>-</u>	<u>1,343,731</u>	<u>1,178,300</u>	<u>33,506,882</u>	<u>38,029,382</u>	<u>-</u>	<u>38,029,382</u>
Other assets									
Other assets	-	-	-	-	-	19,620	27,593	-	27,593
Restricted deposits and funded reserves	149,125	-	-	62,538	480,784	1,783,311	1,783,311	-	1,783,311
Investments in real estate	-	-	-	-	-	-	3,654,004	(3,654,004)	-
Other receivables	-	-	-	-	-	-	309,949	-	309,949
Related party loans receivable	-	-	2,201,729	-	-	2,308,177	3,444,419	(3,444,419)	-
Total other assets	<u>149,125</u>	<u>-</u>	<u>2,201,729</u>	<u>62,538</u>	<u>480,784</u>	<u>4,111,108</u>	<u>9,219,276</u>	<u>(7,098,423)</u>	<u>2,120,853</u>
Total assets	<u>\$ 354,665</u>	<u>\$ -</u>	<u>\$ 2,201,729</u>	<u>\$ 1,741,101</u>	<u>\$ 1,763,510</u>	<u>\$ 45,910,104</u>	<u>\$ 76,791,336</u>	<u>\$ (14,284,038)</u>	<u>\$ 62,507,298</u>
Liabilities and Net Assets									
Current liabilities									
Current portion of long-term debt	\$ 52,800	\$ -	\$ -	\$ -	\$ 19,500	\$ 149,497	\$ 149,497	\$ -	\$ 149,497
Accounts payable and accrued expenses	1,382	-	-	4,013	12,984	5,050,141	10,199,968	-	10,199,968
Accrued mortgage interest payable	-	-	-	269,723	507,022	1,389,359	1,389,359	(398,021)	991,338
Related party payables	21,801	5,468	-	30,732	147,117	7,805,842	7,805,842	(7,805,842)	-
Deferred revenue	-	-	-	2,063	5,889	7,952	28,882	-	28,882
Other current liabilities	8,505	-	-	27,563	25,057	76,366	76,366	-	76,366
Total current liabilities	<u>84,488</u>	<u>5,468</u>	<u>-</u>	<u>334,094</u>	<u>717,569</u>	<u>14,479,157</u>	<u>19,649,914</u>	<u>(8,203,863)</u>	<u>11,446,051</u>
Long-term debt, net of current portion	607,200	-	-	1,057,453	1,553,963	15,587,659	15,587,659	(2,426,171)	13,161,488
Total liabilities	<u>691,688</u>	<u>5,468</u>	<u>-</u>	<u>1,391,547</u>	<u>2,271,532</u>	<u>30,066,816</u>	<u>35,237,573</u>	<u>(10,630,034)</u>	<u>24,607,539</u>
Net assets									
Without donor restrictions									
Undesignated	(337,023)	(5,468)	2,201,729	349,554	(508,022)	5,294,037	30,884,271	(3,654,004)	27,230,267
Non-controlling interest in limited partnerships	-	-	-	-	-	10,549,251	10,549,251	-	10,549,251
Total without donor restrictions net assets	<u>(337,023)</u>	<u>(5,468)</u>	<u>2,201,729</u>	<u>349,554</u>	<u>(508,022)</u>	<u>15,843,288</u>	<u>41,433,522</u>	<u>(3,654,004)</u>	<u>37,779,518</u>
With donor restrictions	-	-	-	-	-	-	120,241	-	120,241
Total net assets	<u>(337,023)</u>	<u>(5,468)</u>	<u>2,201,729</u>	<u>349,554</u>	<u>(508,022)</u>	<u>15,843,288</u>	<u>41,553,763</u>	<u>(3,654,004)</u>	<u>37,899,759</u>
Total liabilities and net assets	<u>\$ 354,665</u>	<u>\$ -</u>	<u>\$ 2,201,729</u>	<u>\$ 1,741,101</u>	<u>\$ 1,763,510</u>	<u>\$ 45,910,104</u>	<u>\$ 76,791,336</u>	<u>\$ (14,284,038)</u>	<u>\$ 62,507,298</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Financial Position by Entity
June 30, 2021

	APM, Inc.	APM Prop, Inc.	Borinquen Plaza	Pradera Corp	Camino Verde
Assets					
Current assets					
Cash and cash equivalents	\$ 9,460,604	\$ 603,710	\$ 1,464,528	\$ 2,135,551	\$ 203,623
Accounts receivable, net	33,186	-	27,021	739,296	70,442
Grants and contracts receivable	4,005,394	-	-	-	-
Prepaid expense	166,466	-	25,996	38,307	52,935
Related party receivables	5,000,123	-	-	-	-
Other current assets	<u>123,778</u>	<u>27,054</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current assets	<u>18,789,551</u>	<u>630,764</u>	<u>1,517,545</u>	<u>2,913,154</u>	<u>327,000</u>
Property and equipment					
Land, building and improvements	4,084,184	4,553,047	5,582,683	327,010	18,692,979
Construction in progress	500,791	105,047	-	-	-
Office equipment and furniture	793,533	-	-	418,398	236,024
Vehicles	<u>640,385</u>	<u>-</u>	<u>110,205</u>	<u>130,769</u>	<u>15,120</u>
Total property and equipment	6,018,893	4,658,094	5,692,888	876,177	18,944,123
Less: accumulated depreciation	<u>2,868,281</u>	<u>1,397,132</u>	<u>2,880,040</u>	<u>410,038</u>	<u>2,139,631</u>
Net property, plant and equipment	<u>3,150,612</u>	<u>3,260,962</u>	<u>2,812,848</u>	<u>466,139</u>	<u>16,804,492</u>
Other assets					
Other assets	7,973	-	-	-	-
Restricted deposits and funded reserves	-	-	10,064	-	1,085,361
Investments in real estate	3,875,817	-	-	-	-
Other receivables	308,880	-	-	-	-
Related party loans receivable	<u>1,119,886</u>	<u>72,001</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other assets	<u>5,312,556</u>	<u>72,001</u>	<u>10,064</u>	<u>-</u>	<u>1,085,361</u>
Total assets	<u>\$ 27,252,719</u>	<u>\$ 3,963,727</u>	<u>\$ 4,340,457</u>	<u>\$ 3,379,293</u>	<u>\$ 18,216,853</u>
Liabilities and Net Assets					
Current liabilities					
Current portion of long-term debt	\$ -	\$ 69,394	\$ -	\$ -	\$ -
Accounts payable and accrued expenses	4,831,765	6,809	53,973	1,549,658	70,755
Accrued mortgage interest payable	-	-	-	-	171,128
Related party payables	-	2,931,008	1,041,882	168,815	636,841
Deferred revenue	-	-	-	-	-
Other current liabilities	<u>-</u>	<u>107,986</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current liabilities	4,831,765	3,115,197	1,095,855	1,718,473	878,724
Long-term debt, net of current portion	<u>-</u>	<u>848,530</u>	<u>20,000.00</u>	<u>-</u>	<u>8,310,286</u>
Total liabilities	<u>4,831,765</u>	<u>3,963,727</u>	<u>1,115,855</u>	<u>1,718,473</u>	<u>9,189,010</u>
Net assets					
Without donor restrictions					
Undesignated	22,142,581	-	3,224,602	1,660,820	(177)
Non-controlling interest in limited partnerships	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,028,020</u>
Total unrestricted net assets	22,142,581	-	3,224,602	1,660,820	9,027,843
Temporarily restricted	278,373	-	-	-	-
Total net assets	<u>22,420,954</u>	<u>-</u>	<u>3,224,602</u>	<u>1,660,820</u>	<u>9,027,843</u>
Total liabilities and net assets	<u>\$ 27,252,719</u>	<u>\$ 3,963,727</u>	<u>\$ 4,340,457</u>	<u>\$ 3,379,293</u>	<u>\$ 18,216,853</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Financial Position by Entity
June 30, 2021

	<u>Pradera II</u>	<u>Pradera III</u>	<u>Refugio De Amor</u>	<u>Escalera</u>	<u>Paseo Verde</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 148,213	\$ -	\$ 357,872	\$ 69,355	\$ -
Accounts receivable	-	-	24,074	12,524	-
Grants receivable	-	-	-	-	-
Prepaid expense	-	-	4,963	4,726	-
Related party receivables	-	-	-	1,864	-
Other current assets	-	-	-	-	-
Total current assets	<u>148,213</u>	<u>-</u>	<u>386,909</u>	<u>88,469</u>	<u>-</u>
Property, plant and equipment					
Land, building and improvements	-	-	2,824,926	1,619,259	-
Construction in progress	-	-	-	-	-
Office equipment and furniture	-	-	38,161	29,808	-
Vehicles	-	-	2,365	2,027	-
Total property, plant and equipment	-	-	2,865,452	1,651,094	-
Less: accumulated depreciation	-	-	1,508,257	1,461,178	-
Net property, plant and equipment	<u>-</u>	<u>-</u>	<u>1,357,195</u>	<u>189,916</u>	<u>-</u>
Other assets					
Other assets	-	-	-	-	-
Restricted deposits and funded reserves	-	-	-	149,262	-
Investments in real estate	-	-	-	-	-
Other receivables	-	-	-	-	-
Related party loans receivable	-	-	-	-	-
Total other assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,262</u>	<u>-</u>
Total assets	<u>\$ 148,213</u>	<u>\$ -</u>	<u>\$ 1,744,104</u>	<u>\$ 427,647</u>	<u>\$ -</u>
Liabilities and Net Assets					
Current liabilities					
Current portion of long term debt	\$ -	\$ -	\$ -	\$ 47,148	\$ -
Accounts payable and accrued expenses	-	-	4,413	3,750	-
Accrued mortgage interest payable	-	-	381,664	-	-
Related party payables	473,918	10,473	87,973	-	5,468
Deferred revenue	-	-	203	-	-
Other current liabilities	-	-	14,281	11,274	-
Total current liabilities	<u>473,918</u>	<u>10,473</u>	<u>488,534</u>	<u>62,172</u>	<u>5,468</u>
Long-term debt, net of current portion and deferred financing fees	-	-	1,529,456	612,852	-
Total liabilities	<u>473,918</u>	<u>10,473</u>	<u>2,017,990</u>	<u>675,024</u>	<u>5,468</u>
Net assets					
Without donor restrictions					
Undesignated	(325,705)	(10,473)	(273,886)	(247,377)	(5,468)
Non-controlling interest in limited partnerships	-	-	-	-	-
Total unrestricted net assets	<u>(325,705)</u>	<u>(10,473)</u>	<u>(273,886)</u>	<u>(247,377)</u>	<u>(5,468)</u>
Temporarily restricted	-	-	-	-	-
Total net assets	<u>(325,705)</u>	<u>(10,473)</u>	<u>(273,886)</u>	<u>(247,377)</u>	<u>(5,468)</u>
Total liabilities and net assets	<u>\$ 148,213</u>	<u>\$ -</u>	<u>\$ 1,744,104</u>	<u>\$ 427,647</u>	<u>\$ -</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Financial Position by Entity
June 30, 2021

	<u>Borinquen Associates</u>	<u>Borinquen Associates II</u>	<u>Taino Gardens</u>	<u>Affiliates</u>	<u>Total</u>	<u>Eliminations</u>	<u>Total</u>
Assets							
Current assets							
Cash and cash equivalents	\$ -	\$ 187,320	\$ 93,404	\$ 5,263,576	\$ 14,724,180	\$ -	\$ 14,724,180
Accounts receivable	-	49,896	35,349	958,602	991,788	(26,099)	965,689
Grants receivable	-	-	-	-	4,005,394	-	4,005,394
Prepaid expense	-	7,433	10,808	145,168	311,634	-	311,634
Related party receivables	-	-	-	1,864	5,001,987	(5,001,987)	-
Other current assets	-	-	-	27,054	150,832	-	150,832
Total current assets	-	244,649	139,561	6,396,264	25,185,815	(5,028,086)	20,157,729
Property, plant and equipment							
Land, building and improvements	-	7,294,478	6,081,516	46,975,898	51,060,082	-	51,060,082
Construction in progress	-	-	-	105,047	605,838	-	605,838
Office equipment and furniture	-	138,145	56,201	916,737	1,710,270	-	1,710,270
Vehicles	-	11,572	11,572	283,630	924,015	-	924,015
Total property, plant and equipment	-	7,444,195	6,149,289	48,281,312	54,300,205	-	54,300,205
Less: accumulated depreciation	-	5,764,560	4,744,484	20,305,320	23,173,601	-	23,173,601
Net property, plant and equipment	-	1,679,635	1,404,805	27,975,992	31,126,604	-	31,126,604
Other assets							
Other assets	-	-	-	-	7,973	-	7,973
Restricted deposits and funded reserves	-	70,238	563,876	1,878,801	1,878,801	-	1,878,801
Investments in real estate	-	-	-	-	3,875,817	(3,875,817)	-
Other receivables	-	-	-	-	308,880	-	308,880
Related party loans receivable	2,084,573	-	-	2,156,574	3,276,460	(3,276,460)	-
Total other assets	2,084,573	70,238	563,876	4,035,375	9,347,931	(7,152,277)	2,195,654
Total assets	\$ 2,084,573	\$ 1,994,522	\$ 2,108,242	\$ 38,407,631	\$ 65,660,350	\$ (12,180,363)	\$ 53,479,987
Liabilities and Net Assets							
Current liabilities							
Current portion of long term debt	\$ -	\$ -	\$ 18,367	\$ 134,909	\$ 134,909	\$ -	\$ 134,909
Accounts payable and accrued expenses	-	18,910	13,594	1,721,862	6,553,627	-	6,553,627
Accrued mortgage interest payable	-	262,165	484,761	1,299,718	1,299,718	(381,663)	918,055
Related party payables	-	24,447	115,887	5,496,712	5,496,712	(5,496,712)	-
Deferred revenue	-	3,809	4,379	8,391	8,391	-	8,391
Other current liabilities	-	30,559	30,650	194,750	194,750	-	194,750
Total current liabilities	-	339,890	667,638	8,856,342	13,688,107	(5,878,375)	7,809,732
Long-term debt, net of current portion and deferred financing fees	-	1,057,453	1,574,652	13,953,229	13,953,229	(2,426,171)	11,527,058
Total liabilities	-	1,397,343	2,242,290	22,809,571	27,641,336	(8,304,546)	19,336,790
Net assets							
Without donor restrictions							
Undesignated	2,084,573	597,179	(134,048)	6,570,040	28,712,621	(3,875,817)	24,836,804
Non-controlling interest in limited partnerships	-	-	-	9,028,020	9,028,020	-	9,028,020
Total unrestricted net assets	2,084,573	597,179	(134,048)	15,598,060	37,740,641	(3,875,817)	33,864,824
Temporarily restricted	-	-	-	-	278,373	-	278,373
Total net assets	2,084,573	597,179	(134,048)	15,598,060	38,019,014	(3,875,817)	34,143,197
Total liabilities and net assets	\$ 2,084,573	\$ 1,994,522	\$ 2,108,242	\$ 38,407,631	\$ 65,660,350	\$ (12,180,363)	\$ 53,479,987

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Activities and Changes in Net Assets
Year Ended June 30, 2022 (With Summarized Comparative Information for Year Ended June 30, 2021)

	2022							2021 Total	
	APM, Inc.			Affiliates	Eliminations	Total			
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	Without Donor Restriction	Without Donor Restriction	With Donor Restriction		Total
Public support and revenue									
Public support									
Contributions	\$ 493,021	\$ 71,429	\$ 564,450	\$ -	\$ -	\$ 493,021	\$ 71,429	\$ 564,450	\$ 1,114,972
In-kind contributions	585,345	-	585,345	-	-	585,345	-	585,345	1,039,435
Total public support	1,078,366	71,429	1,149,795	-	-	1,078,366	71,429	1,149,795	2,154,407
Revenue									
Fees and grants from governmental agencies	16,612,836	-	16,612,836	7,408,093	-	24,020,929	-	24,020,929	25,368,327
Program service fees and grants	10,801,395	-	10,801,395	-	(4,304,191)	6,497,204	-	6,497,204	6,143,870
Interest income	54,138	-	54,138	117,181	(171,230)	89	-	89	19,275
Rental income	-	-	-	3,230,528	(928,301)	2,302,227	-	2,302,227	2,333,816
Other income	244,281	-	244,281	180,094	223,013	647,388	-	647,388	2,367,939
Gain on sale of assets/investments	3,761	-	3,761	(33,179)	-	(29,418)	-	(29,418)	50,000
Net assets released from donor restrictions	229,561	(229,561)	-	-	-	229,561	(229,561)	-	-
Total revenue	27,945,972	(229,561)	27,716,411	10,902,717	(5,180,709)	33,667,980	(229,561)	33,438,419	36,283,227
 Total public support and revenue	29,024,338	(158,132)	28,866,206	10,902,717	(5,180,709)	34,746,346	(158,132)	34,588,214	38,437,634
Expenses									
Program services	22,166,786	-	22,166,786	12,085,191	(4,662,500)	29,589,477	-	29,589,477	30,819,098
Management and general	3,076,403	-	3,076,403	821,443	(741,222)	3,156,624	-	3,156,624	3,772,629
Fundraising	333,496	-	333,496	-	-	333,496	-	333,496	243,170
Total expenses	25,576,685	-	25,576,685	12,906,634	(5,403,722)	33,079,597	-	33,079,597	34,834,897
Change in net assets	3,447,653	(158,132)	3,289,521	(2,003,917)	223,013	1,666,749	(158,132)	1,508,617	3,602,737
Contribution from limited partner	-	-	-	2,249,145	(1,200)	2,247,945	-	2,247,945	190,846
Net assets									
Beginning of year	22,142,581	278,373	22,420,954	15,598,060	(3,875,817)	33,864,824	278,373	34,143,197	30,349,614
End of year	\$ 25,590,234	\$ 120,241	\$ 25,710,475	\$ 15,843,288	\$ (3,654,004)	\$ 37,779,518	\$ 120,241	\$ 37,899,759	\$ 34,143,197

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Activities and Changes in Net Assets by Entity
Year Ended June 30, 2022

	APM, Inc.			APM	Borinquen Plaza	Pradera II	Pradera III	Refugio De Amor	Escalera	Paseo Verde
	Without Donor	With Donor	Total	Properties, Inc.	Without Donor	Without Donor	Without Donor	Without Donor	Without Donor	Without Donor
	Restrictions	Restrictions		Without Donor	Without Donor	Without Donor	Without Donor	Without Donor	Without Donor	Without Donor
Public support and revenue										
Public support										
Contributions	\$ 493,021	71,429	564,450	-	-	-	-	-	-	-
In-kind contributions	585,345	-	585,345	-	-	-	-	-	-	-
Total public support	1,078,366	71,429	1,149,795	-	-	-	-	-	-	-
Revenue										
Fees and grants from governmental agencies	16,612,836	-	16,612,836	-	-	-	-	-	-	-
Program service fees and grants	10,801,395	-	10,801,395	-	-	-	-	-	-	-
Interest income	54,138	-	54,138	-	15	-	-	-	6	-
Rental income	-	-	-	928,301	455,116	-	-	201,178	125,893	-
Other income	244,281	-	244,281	147,187	3,222	-	-	236	1,220	-
Gain (loss) on sale of assets	3,761	-	3,761	-	(33,179)	-	-	-	-	-
Net assets released from donor restrictions	229,561	(229,561)	-	-	-	-	-	-	-	-
Total revenue	27,945,972	(229,561)	27,716,411	1,075,488	425,174	-	-	201,414	127,119	-
Total public support and revenue	29,024,338	(158,132)	28,866,206	1,075,488	425,174	-	-	201,414	127,119	-
Expenses										
Program services	22,166,786	-	22,166,786	1,075,488	481,973	2,250	-	260,473	216,765	-
Management and general	3,076,403	-	3,076,403	-	120,000	-	-	-	-	-
Fundraising	333,496	-	333,496	-	-	-	-	-	-	-
Total expenses	25,576,685	-	25,576,685	1,075,488	601,973	2,250	-	260,473	216,765	-
Change in net assets	3,447,653	(158,132)	3,289,521	-	(176,799)	(2,250)	-	(59,059)	(89,646)	-
Contribution from (distribution to) limited partner	-	-	-	-	(60,000)	-	-	-	-	-
Net assets										
Beginning of year	22,142,581	278,373	22,420,954	-	3,224,602	(325,705)	(10,473)	(273,886)	(247,377)	(5,468)
End of year	\$ 25,590,234	\$ 120,241	\$ 25,710,475	\$ -	\$ 2,987,803	\$ (327,955)	\$ (10,473)	\$ (332,945)	\$ (337,023)	\$ (5,468)

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Activities and Changes in Net Assets by Entity
Year Ended June 30, 2022

	<u>Borinquen Associates I</u>	<u>Borinquen Associates II</u>	<u>Taino Gardens</u>	<u>Pradera Corp</u>	<u>Camino Verde</u>	<u>Berks Senior Living</u>	<u>Affiliates</u>	<u>Eliminations</u>	<u>Consolidated</u>		
	<u>Without Donor</u>	<u>Without Donor</u>	<u>Without Donor</u>	<u>Without Donor</u>	<u>Without Donor</u>	<u>Without Donor</u>	<u>Without Donor</u>	<u>Without Donor</u>	<u>Without Donor</u>	<u>With Donor</u>	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>
Public support and revenue											
Public support											
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 493,021	\$ 71,429	\$ 564,450
In-kind contributions	-	-	-	-	-	-	-	-	585,345	-	585,345
Total public support	-	-	-	-	-	-	-	-	1,078,366	71,429	1,149,795
Revenue											
Fees and grants from governmental agencies	-	-	-	7,408,093	-	-	7,408,093	-	24,020,929	-	24,020,929
Program service fees and grants	-	-	-	-	-	-	-	(4,304,191)	6,497,204	-	6,497,204
Interest income	117,156	-	-	-	4	-	117,181	(171,230)	89	-	89
Rental income	-	483,998	371,459	-	664,583	-	3,230,528	(928,301)	2,302,227	-	2,302,227
Other (loss) income	-	2,620	4,169	-	21,440	-	180,094	223,013	647,388	-	647,388
Gain (loss) on sale of assets	-	-	-	-	-	-	(33,179)	-	(29,418)	-	(29,418)
Net assets released from donor restrictions	-	-	-	-	-	-	-	-	229,561	(229,561)	-
Total revenue	117,156	486,618	375,628	7,408,093	686,027	-	10,902,717	(5,180,709)	33,667,980	(229,561)	33,438,419
Total public support and revenue	117,156	486,618	375,628	7,408,093	686,027	-	10,902,717	(5,180,709)	34,746,346	(158,132)	34,588,214
Expenses											
Program services	-	734,243	749,602	7,209,719	1,354,678	-	12,085,191	(4,662,500)	29,589,477	-	29,589,477
Management and general	-	-	-	583,309	118,134	-	821,443	(741,222)	3,156,624	-	3,156,624
Fundraising	-	-	-	-	-	-	-	-	333,496	-	333,496
Total expenses	-	734,243	749,602	7,793,028	1,472,812	-	12,906,634	(5,403,722)	33,079,597	-	33,079,597
Change in net assets	117,156	(247,625)	(373,974)	(384,935)	(786,785)	-	(2,003,917)	223,013	1,666,749	(158,132)	1,508,617
Contribution from (distribution to) limited partner	-	-	-	-	-	2,309,145	2,249,145	(1,200)	2,247,945	-	2,247,945
Net assets without donor restrictions											
Beginning of year	2,084,573	597,179	(134,048)	1,660,820	9,027,843	-	15,598,060	(3,875,817)	33,864,824	278,373	34,143,197
End of year	\$ 2,201,729	\$ 349,554	\$ (508,022)	\$ 1,275,885	\$ 8,241,058	\$ 2,309,145	\$ 15,843,288	\$ (3,654,004)	\$ 37,779,518	\$ 120,241	\$ 37,899,759

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Activities and Changes in Net Assets by Entity
Year Ended June 30, 2021

	APM, Inc.			APM	Borinquen Plaza	Pradera II	Pradera III	Refugio De Amor	Escalera	Paseo Verde
	Without Donor	With Donor	Total	Without Donor	Without Donor	Without Donor	Without Donor	Without Donor	Without Donor	Without Donor
	Restrictions	Restrictions		Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions
Public support and revenue										
Public support										
Contributions	\$ 836,599	\$ 278,373	\$ 1,114,972	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
In-kind contributions	1,039,435	-	1,039,435	-	-	-	-	-	-	-
Total public support	1,876,034	278,373	2,154,407	-	-	-	-	-	-	-
Revenue										
Fees and grants from governmental agencies	16,842,102	-	16,842,102	-	-	-	-	-	-	-
Program service fees and grants	9,981,537	-	9,981,537	-	-	-	-	-	-	-
Interest income	61,969	-	61,969	-	30	-	-	-	12	-
Rental income	3,350	-	3,350	910,950	447,671	-	-	181,989	119,561	-
Other income	1,510,091	-	1,510,091	69,926	1,019	1,730	-	1,708	5,705	-
Gain on sale of assets	50,000	-	50,000	-	-	-	-	-	-	-
Total revenue	28,449,049	-	28,449,049	980,876	448,720	1,730	-	183,697	125,278	-
Total public support and revenue	30,325,083	278,373	30,603,456	980,876	448,720	1,730	-	183,697	125,278	-
Expenses										
Program services	22,981,378	-	22,981,378	980,876	246,997	2,272	-	222,237	159,823	-
Management and general	3,725,622	-	3,725,622	-	120,000	-	-	-	-	-
Fundraising	243,170	-	243,170	-	-	-	-	-	-	-
Total expenses	26,950,170	-	26,950,170	980,876	366,997	2,272	-	222,237	159,823	-
Change in net assets	3,374,913	278,373	3,653,286	-	81,723	(542)	-	(38,540)	(34,545)	-
Contribution from (distribution to) limited partner	-	-	-	-	(60,000)	-	-	-	-	-
Net assets without donor restrictions										
Beginning of year	18,767,668	-	18,767,668	-	3,202,879	(325,163)	(10,473)	(235,346)	(212,832)	(5,468)
End of year	\$ 22,142,581	\$ 278,373	\$ 22,420,954	\$ -	\$ 3,224,602	\$ (325,705)	\$ (10,473)	\$ (273,886)	\$ (247,377)	\$ (5,468)

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Consolidated Statements of Activities and Changes in Net Assets by Entity
Year Ended June 30, 2021

	Borinquen Associates I	Borinquen Associates II	Taino Gardens	Pradera	Camino Verde	Affiliates	Eliminations	Consolidated		Total
	Without Donor	Without Donor	Without Donor	Without Donor	Without Donor	Without Donor	Without Donor	Without Donor	Without	
	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Restrictions	Donor	
Public support and revenue										
Public support										
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 836,599	\$ 278,373	\$ 1,114,972
In-kind contributions	-	-	-	-	-	-	-	1,039,435	-	1,039,435
Total public support	-	-	-	-	-	-	-	1,876,034	278,373	2,154,407
Revenue										
Fees and grants from governmental agencies	-	-	-	8,526,225	-	8,526,225	-	25,368,327	-	25,368,327
Program service fees and grants	-	-	11,305	-	-	11,305	(3,848,972)	6,143,870	-	6,143,870
Interest income	117,156	-	6,978	-	4,361	128,537	(171,231)	19,275	-	19,275
Rental income	-	501,301	405,760	-	674,184	3,241,416	(910,950)	2,333,816	-	2,333,816
Other income	-	17,192	18,107	504,843	8,030	628,260	229,588	2,367,939	-	2,367,939
Gain on sale of assets	-	-	-	-	-	-	-	50,000	-	50,000
Total revenue	117,156	518,493	442,150	9,031,068	686,575	12,535,743	(4,701,565)	36,283,227	-	36,283,227
Total public support and revenue	117,156	518,493	442,150	9,031,068	686,575	12,535,743	(4,701,565)	38,159,261	278,373	38,437,634
Expenses										
Program services	-	618,901	535,629	8,128,833	1,292,330	12,187,898	(4,350,178)	30,819,098	-	30,819,098
Management and general	-	-	-	422,547	85,435	627,982	(580,975)	3,772,629	-	3,772,629
Fundraising	-	-	-	-	-	-	-	243,170	-	243,170
Total expenses	-	618,901	535,629	8,551,380	1,377,765	12,815,880	(4,931,153)	34,834,897	-	34,834,897
Change in net assets	117,156	(100,408)	(93,479)	479,688	(691,190)	(280,137)	229,588	3,324,364	278,373	3,602,737
Contribution from (distribution to) limited partner	-	-	-	-	250,846	190,846	-	190,846	-	190,846
Net assets without donor restrictions										
Beginning of year	1,967,417	697,587	(40,569)	1,181,132	9,468,187	15,687,351	(4,105,405)	30,349,614	-	30,349,614
End of year	\$ 2,084,573	\$ 597,179	\$ (134,048)	\$ 1,660,820	\$ 9,027,843	\$ 15,598,060	\$ (3,875,817)	\$ 33,864,824	\$ 278,373	\$ 34,143,197

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Schedule of Expenditures of Federal, State and City Awards
Year Ended June 30, 2022

<u>Federal Grantor/Pass-through Grantor/Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Amounts Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>Federal Awards:</u>				
<u>U.S. Department of Health and Human Services</u>				
Pass-through Pennsylvania Department of Public Welfare/Philadelphia Department of Human Services: Improving Outcomes for Children	93.658	22-20019	\$ -	\$ 2,422,684
Pass-through Pennsylvania Department of Public Welfare/Philadelphia Department of Human Services: Improving Outcomes for Children	93.645	22-20019	-	413,769
Pass-through Early Learning Resource Center American Rescue Plan Act Child Care Stabilization Grants	93.575	100311424-0039	-	596,420
American Rescue Plan Act Child Care Stabilization Grants	93.575	100311424-0001	-	189,642
Total Child Care and Development Fund Cluster			-	786,062
Pass-through the School District of Philadelphia: Head Start Cluster	93.600	2405/3836/F22	-	2,596,125
Total U.S. Department of Health and Human Services			-	6,218,640
<u>U.S. Department of Housing and Urban Development</u>				
Direct Programs:				
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	PA-H20-0025	-	326,034
COVID-19 Housing Opportunities for Persons with AIDS (HOPWA)	14.241	PA-H20-01W012	-	26,947
Total Housing Opportunities for Persons with AIDS			-	352,981
Abriendo Caminos	14.267	PA0009L3T002013	\$ -	\$ 63,068
Abriendo Caminos	14.267	PA0009L3T002114	-	6,532
Shelter Plus - Hogar de Esperanza	14.267	PA0466L3T002011	-	99,541
Shelter Plus - Hogar de Esperanza	14.267	PA0466L3T002112	-	19,256
Support Empowerment Rental Enrichment Program (SERA)	14.267	PA0435L3T002009	-	219,950

See Independent Auditor's Report.
See accompanying Notes to Schedule of Expenditures of Federal, State and City Awards.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Schedule of Expenditures of Federal, State and City Awards
Year Ended June 30, 2022

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Amounts Provided to Subrecipients	Total Federal Expenditures
Pass-through Philadelphia Office of Homeless Services:				
Shelter Plus - Proyecto Hogareno	14.267	21-20805	-	268,059
Shelter Plus - Proyecto Hogareno	14.267	22-20861	-	84,858
Total Continuum of Care Program			-	761,264
Pass-through Philadelphia Division of Housing and Community Development:				
Housing Counseling	14.218	21-20272	-	24,225
Housing Counseling	14.218	22-20265	-	55,292
Housing and Economic Development	14.218	21-20377	-	2,250
Housing and Economic Development	14.218	22-20427	-	30,746
Total CDBG/Entitlement Grants - Cluster			-	112,513
Pass-through Local Initiative Support Corporation:				
Section 4 Funds	14.252	40570-0117	-	11,797
Total U.S. Department of Housing and Urban Development			-	1,238,555
<u>U.S. Department of Agriculture</u>				
Pass-through Pennsylvania Department of Education:				
Child Care Subsidies	10.558	300-51-105-0	-	65,202
<u>U.S. Department of Treasury</u>				
Pass-through Philadelphia Division of Housing and Community Development:				
COVID Housing and Economic Development	21.019	21-20377	-	6,370
COVID Housing and Economic Development	21.019	22-20427	-	19,206
Total AL Number 21.019			-	25,576
<u>U.S. Social Security Administration</u>				
Pass-through Commonwealth of Pennsylvania				
Disability Insurance/SSI Cluster	96.001	7002900000	-	2,497
Total Expenditures of Federal Awards			\$ -	\$ 7,550,470

See Independent Auditor's Report.
See accompanying Notes to Schedule of Expenditures of Federal, State and City Awards.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Schedule of Expenditures of Federal, State and City Awards
Year Ended June 30, 2022

<u>State Grantor/Pass-through Grantor/Program</u>	<u>Pass-Through Grantor's Number</u>	<u>Contract Number</u>	<u>Award/Contract Period</u>	<u>Award/Contract Amount</u>	<u>Amounts Provided to Subrecipients</u>	<u>Grant Expenditures</u>
<u>Commonwealth of Pennsylvania - State Awards:</u>						
<u>Pennsylvania Department of Public Welfare</u>						
Pass-through Philadelphia Department of Behavioral Health and Intellectual Disabilities:						
MH Community Services	21-200005-01	21-200005-01	07/01/21 - 06/30/22	\$ 177,918	\$ -	\$ 14,987
AM-Homeless	21-200005-01	21-200005-01	07/01/21 - 06/30/22	177,918	-	118,775
Pass-through Philadelphia Department of Human Services:						
Improving Outcomes for Children	Act 148	22-20019	07/01/21 - 06/30/22	5,986,860		137,923
Improving Outcomes for Children	Title IV-B State Match	22-20019	07/01/21 - 06/30/22	196,409	-	4,204,108
Total PA Department of Public Welfare					-	4,475,793
<u>Pennsylvania Department of Education</u>						
Direct Programs:						
Pre-K Counts	130-20-0201	130-20-0201	07/01/21 - 06/30/22	525,000	-	525,000
Pass-through The School District of Philadelphia:						
Head Start/Pre-K Counts	3836/F22	2405	07/01/21 - 06/30/22	1,718,100	-	1,718,099
Total PA Department of Education					-	2,243,099
<u>Pennsylvania Department of Human Services</u>						
Pass-through Diakon-Swan LLC:						
Statewide Adoption and Permanency Network	4100070725	41	10/01/20 - 06/30/22	N/A	-	260,750
Total Expenditures of State Awards					\$ -	\$ 6,979,642

See Independent Auditor's Report.
See accompanying Notes to Schedule of Expenditures of Federal, State and City Awards.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Schedule of Expenditures of Federal, State and City Awards
Year Ended June 30, 2022

City Grantor/Pass-through Grantor/Program	Pass-Through Grantor's Number	Grantor's Number	Award Period	Award/Contract Amount	Amounts Provided to Subrecipients	Grant Expenditures
City of Philadelphia Awards:						
<u>Department of Behavioral Health and Intellectual Disabilities</u>						
MH Community Services	21-200005-01	21-200005-01	07/01/21 - 06/30/22	\$ 177,918	\$ -	\$ 1,665
AM-Homeless	21-200005-01	21-200005-01	07/01/21 - 06/30/22	177,918	-	13,197
Total Philadelphia Department of Public Health					-	14,862
<u>Department of Human Services</u>						
Improving Outcomes for Children	Children and Youth	22-20019	07/01/21 - 06/30/22	1,843,406	-	1,294,482
Total Philadelphia Department of Human Services					-	1,294,482
<u>School District of Philadelphia</u>						
Head Start/Pre-K Counts	3836/F22	2405	07/01/21 - 06/30/22	159,900	-	159,101
Total School District of Philadelphia					-	159,101
Total Expenditures of City Awards					-	1,468,445
Total Expenditures of Awards					\$ -	\$ 15,998,557

See Independent Auditor's Report.
See accompanying Notes to Schedule of Expenditures of Federal, State and City Awards.

Asociación Puertorriqueños en Marcha, Inc. and Affiliates
Notes to Schedule of Expenditures of Federal, State and City Awards
June 30, 2022

1. GENERAL INFORMATION

The accompanying schedule of expenditures of federal, state, and city awards (the "Schedule") presents the activities in all of the federal, state, and city financial assistance programs of Asociación Puertorriqueños en Marcha, Inc. ("APM"). All financial assistance received directly from federal agencies, as well as financial assistance passed through other governmental agencies or non-profit organizations are included on the Schedule. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the City of Philadelphia Subrecipient Audit Guide. Because the Schedule presents only a selected portion of the operations of APM, it is not intended to and does not present the financial position, changes in net assets, or cash flows of APM.

2. BASIS OF ACCOUNTING

The accompanying Schedule is presented using the accrual basis of accounting. The amounts reported in this Schedule as expenditures may differ from certain financial reports submitted to federal, state, or city funding agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

3. RELATIONSHIP TO BASIC CONSOLIDATED FINANCIAL STATEMENTS

Federal, state, and city award expenditures are reported on the consolidated statements of functional expenses as program services and management and general. In certain programs, the expenditures reported in the basic consolidated financial statements may differ from the expenditures reported in the schedule of expenditures of federal, state, and city awards due to program expenditures exceeding grant or contract budget limitations which are not included as federal, state, and city awards and differences between generally accepted accounting principles and applicable government regulations regarding eligible program expenditures. The basic consolidated financial statements present the consolidated expenditures of Asociación Puertorriqueños en Marcha, Inc., Camino Verde, L.P., APM Properties, Inc., Pradera Corporation, Borinquen Plaza Associates, L.P., Refugio De Amor, L.P., Escalera Associates, L.P., Borinquen Associates, L.P., Borinquen Associates II, L.P., Taino Gardens, L.P. and Berks Senior Living, L.P., and the Schedule presents the expenditures of APM only, without eliminating transactions between these entities.

4. INDIRECT COST RATE

APM has made an election pursuant to Uniform Guidance to receive the 10% de minimis indirect cost rate.

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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Asociación Puertorriqueños en Marcha, Inc.:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Asociación Puertorriqueños en Marcha, Inc. and Affiliates (the "Organization"), which comprise the consolidated statements of financial position as of June 30, 2022, and the related consolidated statements of activities and changes in net assets, cash flows and functional expenses for the years then ended and the related notes to the financial statements, and have issued our report thereon dated February 1, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Withum Smith + Brown, PC

February 1, 2023

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL, STATE AND CITY PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
UNIFORM GUIDANCE AND THE CITY OF PHILADELPHIA SUBRECIPIENT AUDIT GUIDE**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Asociación Puertorriqueños en Marcha, Inc.:

Report on Compliance for Each Major Federal, State and City Program

Opinion on Each Major Federal, State and City Program

We have audited Asociación Puertorriqueños en Marcha, Inc.'s (the "Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *City of Philadelphia Subrecipient Audit Guide* that could have a direct and material effect on each of its major federal, state and city programs for the year ended June 30, 2022. The Organization's major federal, state and city programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal, state and city programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal, State and City Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the *City of Philadelphia Subrecipient Audit Guide*. Our responsibilities under those standards, the Uniform Guidance, and the *City of Philadelphia Subrecipient Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our ethical responsibilities, in accordance with 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 opinion on compliance for each of its major federal, state and city program. Our audit does not provide a legal determination of the Organization's compliance with compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Organization's federal, state and city programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, the *City of Philadelphia Subrecipient Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *City of Philadelphia Subrecipient Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as described below. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Withum Smith + Brown, PC

February 1, 2023

**Asociación Puertorriqueños en Marcha, Inc.
 Schedule of Findings and Questioned Costs
 Year Ended June 30, 2022**

Section 1 - Summary of Auditor's Results

Financial Statements

Type of the auditor issue on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weaknesses identified? No

Significant deficiencies identified? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.15(a)? No

The following Federal programs were designated as major programs:

Assistance Number(s)	Listing	Name of Federal Program or Cluster
93.600		Head Start Cluster
93.575		Child Care and Development Fund Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section 2 – Financial Statement Findings

None reported.

Section 3 – Federal, State and City Award Findings and Questioned Costs

None reported.

Section 4 – Follow-Up of Prior Year Audit Findings

None reported.



CITY OF PHILADELPHIA DEPARTMENT OF HUMAN SERVICES (DHS)

REPORT ON COMPLIANCE WITH SPECIFIED INDIRECT COST ALLOCATION REQUIREMENTS

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of
Asociación Puertorriqueños en Marcha, Inc.:

We have examined Asociación Puertorriqueños en Marcha, Inc.'s compliance with allocating indirect costs reflected in the City of Philadelphia, Department of Human Services' Report of Functional Expenditures as required by the Commonwealth of Pennsylvania, Department of Public Welfare, Section 3170.60 of the Chapter 3170 Regulations; and the "Indirect Cost Allocations" Section of the *City of Philadelphia Subrecipient Audit Guide – Instructions For Completing The Report of Functional Expenditures* (Section 2000, Exhibit B) during the year ended June 30, 2022. Management is responsible for Asociación Puertorriqueños en Marcha, Inc.'s compliance with those requirements. Our responsibility is to express an opinion on Asociación Puertorriqueños en Marcha, Inc.'s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Asociación Puertorriqueños en Marcha, Inc. complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Asociación Puertorriqueños en Marcha, Inc. complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on Asociación Puertorriqueños en Marcha, Inc.'s compliance with specified requirements.

In our opinion, Asociación Puertorriqueños en Marcha, Inc. complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2022.

The purpose of this report is solely to report upon Asociación Puertorriqueños en Marcha, Inc.'s compliance with the requirements described in the first paragraph. This report is not suitable for any other purpose. This report is solely for the information and use of the Board of Directors, management, and the City of Philadelphia Department of Human Services and is not intended to be and should not be used by anyone other than those specified parties.

WithumSmith+Brown, PC

February 1, 2023

Asociación Puertorriqueños en Marcha, Inc.
DHS Report of Revenue by Functional Programs
Year Ended June 30, 2022

REPORT OF REVENUE BY FUNCTIONAL PROGRAMS		Agency Name: Asociación Puertorriqueños en Marcha, Inc.		City of Philadelphia				
Year Ended: June 30, 2022		Address: 1900 N. 9th Street, Suite 102 Philadelphia, PA 19122		Department of Human Services				
Sources of Revenue		(A) Total All Functions	Improving Outcomes for Children (IOC)					All Other
60	Federal Government	-	-	-	-	-	-	-
61	Title I	-	-	-	-	-	-	-
62	Title II	-	-	-	-	-	-	-
63	Title XIX	-	-	-	-	-	-	-
64	Title XX	-	-	-	-	-	-	-
65	Other Federal	-	-	-	-	-	-	-
	US Dept of Tresuary	25,576	-	-	-	-	-	25,576
	US Social Security Administration	2,497	-	-	-	-	-	2,497
66	HUD	775,695	-	-	-	-	-	775,695
67	HHS	3,382,187	-	-	-	-	-	3,382,187
68	NCLR	-	-	-	-	-	-	-
69		-	-	-	-	-	-	-
70	US Dept of Commerce	-	-	-	-	-	-	-
71	Commonwealth of PA- DCED	-	-	-	-	-	-	-
72	Commonwealth of PA - CACFP	65,202	-	-	-	-	-	65,202
73	SWN	260,750	-	-	-	-	-	260,750
74	Phila. DHS	12,702,084	8,473,354	-	-	-	-	4,228,730
75	Phila. DHS Comm. Block Grants	-	-	-	-	-	-	-
76	Philadelphia OHS	352,917	-	-	-	-	-	352,917
77	Phila. DHCD	112,861	-	-	-	-	-	112,861
78	CBH	6,155,023	-	-	-	-	-	6,155,023
79	Phila. - PHMC	10,000	-	-	-	-	-	10,000
80		-	-	-	-	-	-	-
81	Phila. Dept. of Health	-	-	-	-	-	-	-
82	OBH/MR	148,624	-	-	-	-	-	148,624
83	Other City	571,141	-	-	-	-	-	571,141
84	Other State	2,243,099	-	-	-	-	-	2,243,099
85	Fundraising	-	-	-	-	-	-	-
86	Investment Income	89	-	-	-	-	-	89
87	TPAC	-	-	-	-	-	-	-
88	Rental Income	2,302,227	-	-	-	-	-	2,302,227
89	Private Fundraising	-	-	-	-	-	-	-
90	Foundations	144,522	-	-	-	-	-	144,522
91	United Way	-	-	-	-	-	-	-
92	Program Income	3,174,063	-	-	-	-	-	3,174,063
93	Client Fees	118,490	-	-	-	-	-	118,490
94	Other	2,041,167	-	-	-	-	-	2,041,167
95	Grand Total	34,588,214	8,473,354	-	-	-	-	26,114,860

Accounting Method Used: Accrual
 (A) "Total All Functions" is the total of all revenues/expense of all affiliates with eliminations for consolidation.

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
DHS Report of Functional Expenditures
Year Ended June 30, 2022

REPORT OF FUNCTIONAL EXPENDITURES		Agency Name: Asociación Puertorriqueños en Marcha, Inc.						
Year Ended: June 30, 2022		Address: 1900 N. 9th Street, Suite 102 Philadelphia, PA 19122						
Object of Expense	(A) Total All Functions	Improving Outcomes for Children (IOC)						All Other
Salaries & Wages								
1 Administration	948,095	608,730	-	-	-	-	-	339,365
2 Professional	9,890,250	3,862,220	-	-	-	-	-	6,028,030
3 Clerical	639,278	38,299	-	-	-	-	-	600,979
4 Maintenance & Services	444,899	79,368	-	-	-	-	-	365,531
5 Child Care & Activities	-	-	-	-	-	-	-	-
6 F.I.C.A. (Employer's Share)	912,801	328,268	-	-	-	-	-	584,533
7 Unemployment Compensation	119,317	42,907	-	-	-	-	-	76,410
8 Worker's Compensation	59,659	21,454	-	-	-	-	-	38,205
9 Employee Benefits	2,725,980	894,697	-	-	-	-	-	1,831,283
10 Other (Specify)	-	-	-	-	-	-	-	-
11 Total Social Service & Child Care	15,740,279	5,875,943	-	-	-	-	-	9,864,336
12 MH/MR Salaries	-	-	-	-	-	-	-	-
13 MH/MR F.I.C.A. (Employer's Share)	-	-	-	-	-	-	-	-
14 MH/MR Unemployment Comp	-	-	-	-	-	-	-	-
15 MH/MR Worker's Compensation	-	-	-	-	-	-	-	-
16 MH/MR Employee Benefits	-	-	-	-	-	-	-	-
17 Total MH/MR	-	-	-	-	-	-	-	-
18 Educational Salaries	-	-	-	-	-	-	-	-
19 Educational F.I.C.A. (Employer's Share)	-	-	-	-	-	-	-	-
20 Educational Unemployment Compensation	-	-	-	-	-	-	-	-
21 Educational Worker's Compensation	-	-	-	-	-	-	-	-
22 Educational Employee Benefit's	-	-	-	-	-	-	-	-
23 Total Educational	-	-	-	-	-	-	-	-
24 Medical Salaries	-	-	-	-	-	-	-	-
25 Medical F.I.C.A. (Employer's Share)	-	-	-	-	-	-	-	-
26 Medical Unemployment Compensation	-	-	-	-	-	-	-	-
27 Medical Worker's Compensation	-	-	-	-	-	-	-	-
28 Medical Employee Benefit's	-	-	-	-	-	-	-	-
29 Total Medical	-	-	-	-	-	-	-	-
30 TOTAL SALARIES & WAGES	15,740,279	5,875,943	-	-	-	-	-	9,864,336

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
DHS Report of Functional Expenditures
Year Ended June 30, 2022

REPORT OF FUNCTIONAL EXPENDITURES		Agency Name: Asociación Puertorriqueños en Marcha, Inc.							
Year Ended: June 30, 2022		Address: 1900 N. 9th Street, Suite 102 Philadelphia, PA 19122							
Object of Expense	(A) Total All Functions	Improving Outcomes for Children (IOC)							All Other
OPERATING EXPENSE & ADMIN									
31	Professional Fees and Contract Pmts	3,184,836	206,084	-	-	-	-	-	2,978,752
32	Supplies	488,755	44,086	-	-	-	-	-	444,669
33	Telephone	626,815	173,605	-	-	-	-	-	453,210
34	Postage & Shipping	8,913	3,674	-	-	-	-	-	5,239
35	Local Transportation	199,589	95,072	-	-	-	-	-	104,517
36	Outside Printing, Artwork, Etc.	7,216	1,567	-	-	-	-	-	5,649
37	Conferences, Conventions, & Mtgs.	99,198	18,593	-	-	-	-	-	80,605
38	Subscriptions, Publications	14,582	1,936	-	-	-	-	-	12,646
39	Interest expense	178,994	16,399	-	-	-	-	-	162,595
40	Awards & Grants	-	-	-	-	-	-	-	-
41	Equipment Furn & Mtr Vehicles Rental	103,300	20,779	-	-	-	-	-	82,521
42	Equipment Furn & Mtr Vehicles Use Allowance	2,329,344	177,655	-	-	-	-	-	2,151,689
43	Fundraising	-	-	-	-	-	-	-	-
44	Other (Specify) - Liability insurance	1,475,074	878,147	-	-	-	-	-	596,927
	- Bad debt expense	266,195	-	-	-	-	-	-	266,195
	- Misc Expenses	226,872	49,145	-	-	-	-	-	177,727
	- Equipment purchases (B)	2,412,826	566,305	-	-	-	-	-	1,846,521
45	Total Social Service & Child Care	11,622,509	2,253,047	-	-	-	-	-	9,369,462
46	Operating Expense - MH/MR	-	-	-	-	-	-	-	-
47	Operating Expense - Educational	-	-	-	-	-	-	-	-
48	Operating Expense - Medical	-	-	-	-	-	-	-	-
49	TOTAL OPERATING EXPENSE & ADMIN	11,622,509	2,253,047	-	-	-	-	-	9,369,462
OCCUPANCY									
50	Office Rent	1,136,955	525,421	-	-	-	-	-	611,534
51	Bldg. & Bldg. Equip. Ins.	74,878	44,577	-	-	-	-	-	30,301
52	Bldg. Grounds Maint & Repair	441,603	110,542	-	-	-	-	-	331,061
53	Utilities	531,764	41,958	-	-	-	-	-	489,806
54	Misc Items - Special Funds	16,910	12,385	-	-	-	-	-	4,525
55		-	-	-	-	-	-	-	-
56		-	-	-	-	-	-	-	-
57	Other (Specify) Rent subsidy	1,055,704	-	-	-	-	-	-	1,055,704
58	Total Social Service & Child Care	3,257,814	734,883	-	-	-	-	-	2,522,931
59	Occupancy Expense - MH/MR	-	-	-	-	-	-	-	-
60	Occupancy Expense - Educational	-	-	-	-	-	-	-	-
61	Occupancy Expense - Medical	-	-	-	-	-	-	-	-
62	TOTAL OCCUPANCY EXPENSE	3,257,814	734,883	-	-	-	-	-	2,522,931

(A) "Total All Functions" is the total of all revenues/expense of all affiliates with eliminations for consolidation.

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
DHS Report of Functional Expenditures
Year Ended June 30, 2022

(B) GAAP reclassification contra-account has been excluded for purposes of contract reporting. This was included as part of the Statement of Functional Expenses for GAAP reporting.

REPORT OF FUNCTIONAL EXPENDITURES		Agency Name: Asociación Puertorriqueños en Marcha, Inc.							
Year Ended: June 30, 2022		Address: 1900 N. 9th Street, Suite 102 Philadelphia, PA 19122							
Object of Expense		(A) Total All Functions	Improving Outcomes for Children (IOC)						All Other
	CHILDREN'S DIRECT EXPENSE								
63	Food or Board Payments	56,295	138	-	-	-	-	-	56,157
64	Subsidy Payments to Foster Parents	4,219,484	270,995	-	-	-	-	-	3,948,489
65	Clothing, Cleaning, & Repairing	-	-	-	-	-	-	-	-
66	Activities, Recreation, Camp	-	-	-	-	-	-	-	-
67	Personal Expenses	-	-	-	-	-	-	-	-
68	Transportation	-	-	-	-	-	-	-	-
69	Medical & Dental Fees & Supplies	-	-	-	-	-	-	-	-
70	Other (Specify)	-	-	-	-	-	-	-	-
71	Total Social Service & Child Care	4,275,779	271,133	-	-	-	-	-	4,004,646
72	Children's Direct Exp. - MH/MR	-	-	-	-	-	-	-	-
73	Children's Direct Exp. - Educational	-	-	-	-	-	-	-	-
74	Children's Direct Exp. - Medical	-	-	-	-	-	-	-	-
75	TOTAL CHILDREN'S DIRECT EXPENSE	4,275,779	271,133	-	-	-	-	-	4,004,646
	GRAND TOTAL EXPENSES	34,896,381	9,135,006	-	-	-	-	-	25,761,375
76	Child Care & Social Services	-	-	-	-	-	-	-	-
77	MH/MR	-	-	-	-	-	-	-	-
78	Educational	-	-	-	-	-	-	-	-
79	Medical	-	-	-	-	-	-	-	-
80	Non-Allowable Expenses	-	-	-	-	-	-	-	-
81	GRAND TOTAL ALL EXPENSES	34,896,381	9,135,006	-	-	-	-	-	25,761,375
	TOTAL DAYS OF CARE ALL CHILDREN	-	-	-	-	-	-	-	-
	TOTAL DAYS OF CARE DHS CHILDREN	-	-	-	-	-	-	-	-
	CAPACITY OF ALL FACILITIES	-	-	-	-	-	-	-	-

See Independent Auditor's Report.

**Asociación Puertorriqueños en Marcha, Inc.
DHS Report of Excess Revenue (Deficit)
Year Ended June 30, 2022**

	<u>Total DHS Services</u>	<u>Improving Outcomes for Children (IOC)</u>
Total DHS revenue	\$ 8,473,354	\$ 8,473,354
Deduct: Expenditures for Philadelphia DHS services		
Salaries and wages	5,875,943	5,875,943
Operating and administration	2,253,047	2,253,047
Occupancy	734,883	734,883
Children's direct expenses	<u>271,133</u>	<u>271,133</u>
Total DHS expenses	<u>9,135,006</u>	<u>9,135,006</u>
Excess revenue (deficit)	<u>\$ (661,652)</u>	<u>\$ (661,652)</u>

See Independent Auditor's Report.



**CITY OF PHILADELPHIA DEPARTMENT OF BEHAVIORAL HEALTH AND
INTELLECTUAL DISABILITIES (DBHIDS)**

REPORT ON COMPLIANCE WITH SPECIFIED INDIRECT COST ALLOCATION REQUIREMENTS

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of
Asociación Puertorriqueños en Marcha, Inc.:

We have examined Asociación Puertorriqueños en Marcha, Inc.'s compliance with allocating indirect costs reflected in the City of Philadelphia, Department of Behavioral Health and Intellectual Disabilities program activity summary as required by the Commonwealth of Pennsylvania, Department of Public Welfare, Section 4300.94 of the Title 4300 Regulations during the year ended June 30, 2022. Management is responsible for Asociación Puertorriqueños en Marcha, Inc.'s compliance with those requirements. Our responsibility is to express an opinion on Asociación Puertorriqueños en Marcha, Inc.'s compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether Asociación Puertorriqueños en Marcha, Inc. complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether Asociación Puertorriqueños en Marcha, Inc. complied with the specified requirements. The nature, timing, and extent of procedures selected depend on our judgment, including an assessment of the risks of material non-compliance, whether due to fraud or error. We believe the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. Our examination does not provide a legal determination on Asociación Puertorriqueños en Marcha, Inc.'s compliance with specified requirements.

In our opinion, Asociación Puertorriqueños en Marcha, Inc. complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2022.

The purpose of this report is solely to report upon on Asociación Puertorriqueños en Marcha, Inc.'s. compliance with the requirements described in the first paragraph. This report is not suitable for any other purpose. This report is solely for the information and use of the Board of Directors, management, and the City of Philadelphia Department of Behavioral Health and Intellectual Disabilities and is not intended to be and should not be used by anyone other than those specified parties.

WithumSmith+Brown, PC

February 1, 2023

REPORT ON APPLYING AGREED-UPON PROCEDURES ON COST ALLOCATION PLAN (FOR UPCOMING BUDGET YEAR)

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of
Asociación Puertorriqueños en Marcha, Inc.:

We have performed the procedures enumerated below with respect to the administrative costs distribution included in the line item budget for the year ended June 30, 2022 submitted by Asociación Puertorriqueños en Marcha, Inc. to the City of Philadelphia, Department of Behavioral Health and Intellectual Disabilities to assist you in your filing requirements with the City of Philadelphia, Department of Behavioral Health and Intellectual Disabilities. Management of Asociación Puertorriqueños en Marcha, Inc. is responsible for the distribution of administrative costs included in the line item budget.

Management of Asociación Puertorriqueños en Marcha, Inc. has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the City of Philadelphia Department of Behavioral Health and Intellectual Disabilities. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed are summarized as follows:

- a. We obtained a schedule contained within the 2022 line item budget which reflected the allocation factors utilized in distributing administrative costs.
- b. We confirmed our understanding of the method of allocating administrative costs through examination of supporting work papers and by discussions with management responsible for allocation factors.
- c. We compared Asociación Puertorriqueños en Marcha, Inc.'s method of allocating costs to those requirements as specified in Section 4300.94 of the Title 4300 Regulations Related Methods for Allocating Indirect Costs in order to confirm whether the cost allocation is in compliance with those regulations.
- d. We compared the allocation methods used between the current fiscal year and prior fiscal year to determine consistency between years. The cost allocation method is the simplified allocation method.

The Commonwealth of Pennsylvania, Department of Public Welfare, Section 4300.94 of Title 4300 Regulations state, "The overall objective of the allocation process is to distribute the indirect costs of the agency to its various services or cost categories in reasonable proportion with the benefits provided to these services or cost categories." The regulations require that the method used results in a fair and equitable distribution of costs which shall be in direct relation to actual benefits accruing to the services to which costs are charged.

We were engaged by Asociación Puertorriqueños en Marcha, Inc. to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the administrative costs distribution included in the Line Item Budget for the year ended June 30, 2022 submitted by Asociación Puertorriqueños en Marcha, Inc. to the City of Philadelphia, Department of Behavioral Health and Intellectual Disabilities to assist you in your filing requirements with the City of Philadelphia. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Asociación Puertorriqueños en Marcha, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended for the information of management, the Board of Directors, and the City of Philadelphia Department of Behavioral Health and Intellectual Disabilities and is not intended to be and should not be used by anyone other than those specified parties. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

A handwritten signature in blue ink that reads "Withum Smith + Brown, PC".

Philadelphia, PA,
February 1, 2023

**Asociación Puertorriqueños en Marcha, Inc.
 Program Activity Invoice Summary
 Year Ended June 30, 2022**

AGENCY NAME: Asociacion De Puertorriquenos En Marcha, Inc.				PERIOD COVERED 4/1/2022 TIL 6/30/2022						
PROGRAM ACTIVITY SUMMARY		DEPARTMENT OF BEHAVIORAL HEALTH		APPROVED EXECUTIVE DIRECTOR:			FISCAL YEAR: 2022			
() BH				BOARD CHAIRPERSON:			DATE SUBMITTED:			
PROGRAM ACTIVITY	PAC CODE	PROGRAM NAME	CONTRACT NUMBER	ELIGIBLE EXPENDITURES				REVENUE	NET ELIGIBLE TO BE FUNDED	INELIGIBLE COST
				PERSONNEL	OPERATING	ADMIN.	TOTAL			
CC Special Coord	0100-0293			15,088	50	1,514	16,652		16,652	
Calle Cuatro	0100-2254			106,640	9,158	16,174	131,972		131,972	
TOTAL				121,728	9,208	17,688	148,624			

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Department of Behavioral Health and Intellectual Disabilities
Schedules of Adjustments on Program Activity Invoice Summary
Year Ended June 30, 2022

Contract Number: 21-200005-01
PAC Code (Community Services): #0100-0293

There were no adjustments to the Program Activity Invoice Summary.

Asociación Puertorriqueños en Marcha, Inc.
Department of Behavioral Health and Intellectual Disabilities
Schedules of Adjustments on Program Activity Invoice Summary
Year Ended June 30, 2022

Contract Number: 21-200005-01
PAC Code (HS-Apartments): #0100-2254

There were no adjustments to the Program Activity Invoice Summary.



**CITY OF PHILADELPHIA DIVISION OF HOUSING AND COMMUNITY
DEVELOPMENT (DHCD)**

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Statement of Source and Status of Funds – Contract Number 21-20272
Year Ended June 30, 2022

	<u>CDBG Funds</u>	<u>Program Income</u>	<u>CDBG COVID</u>	<u>Non-City Funds</u>	<u>Total</u>
Total contract (Final authorized budget)	\$ 75,000	\$ -	\$ 70,000	\$ -	\$ 145,000
Less:					
Funds drawn down - prior fiscal years	19,724	-	4,227	-	23,951
Funds drawn down - current year	<u>35,552</u>	<u>-</u>	<u>13,439</u>	<u>-</u>	<u>48,991</u>
Total funds drawn down	<u>55,276</u>	<u>-</u>	<u>17,666</u>	<u>-</u>	<u>72,942</u>
Funds still available for draw down	19,724	-	52,334	-	72,058
Total funds drawn down	55,276	-	17,666	-	72,942
Add: Program income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds received	55,276	-	17,666	-	72,942
Less:					
Program income expended					
Funds applied - prior fiscal years	43,477	-	5,240	-	48,717
Funds applied - current fiscal year	<u>11,799</u>	<u>-</u>	<u>12,426</u>	<u>-</u>	<u>24,225</u>
Total funds applied	<u>55,276</u>	<u>-</u>	<u>17,666</u>	<u>-</u>	<u>72,942</u>
Total funds due from funding source	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available for disposition	<u>\$ 19,724</u>	<u>\$ -</u>	<u>\$ 52,334</u>	<u>\$ -</u>	<u>\$ 72,058</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Statement of Program Expenditures – Contract Number 21-20272
Year Ended June 30, 2022

Contract Categories	Project Budget				Accrued Expenditures 7/1/2021				Accrued Expenditures 07/01/21-06/30/22				Accrued Expenditures Cumulative to 6/30/22				Questioned Costs
	CDBG Funds	CDBG COVID Funds	Other Non-City Funds	Total Funds	CDBG Funds	CDBG COVID Funds	Other Non-City Funds	Total Funds	CDBG Funds	CDBG COVID Funds	Other Non-City Funds	Total Funds	CDBG Funds	CDBG COVID Funds	Other Non-City Funds	Total Funds	
	Direct personnel	\$ 49,450	\$ 47,200	\$ -	\$ 96,650	\$ 30,645	\$ 4,230	\$ -	\$ 34,875	\$ 9,071	\$ 8,268	\$ -	\$ 17,339	\$ 39,716	\$ 12,498	\$ -	
Direct fringe benefits	14,835	12,853	-	27,688	7,686	1,010	-	8,696	2,234	2,713	-	4,947	9,920	3,723	-	13,643	-
Travel	275	275	-	550	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	3,260	3,200	-	6,460	3,060	-	-	3,060	200	1,126	-	1,326	3,260	1,126	-	4,386	-
Consumable supplies	1,600	902	-	2,502	783	-	-	783	167	-	-	167	950	-	-	950	-
Professional fees	3,750	3,900	-	7,650	351	-	-	351	-	-	-	-	351	-	-	351	-
Equipment	700	950	-	1,650	776	-	-	776	-	319	-	319	776	319	-	1,095	-
Program cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	1,130	720	-	1,850	176	-	-	176	127	-	-	127	303	-	-	303	-
Operating subtotal	75,000	70,000	-	145,000	43,477	5,240	-	48,717	11,799	12,426	-	24,225	55,276	17,666	-	72,942	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	\$ 75,000	\$ 70,000	\$ -	\$ 145,000	\$ 43,477	\$ 5,240	\$ -	\$ 48,717	\$ 11,799	\$ 12,426	\$ -	\$ 24,225	\$ 55,276	\$ 17,666	\$ -	\$ 72,942	\$ -

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Schedule of Program Income – Contract Number 21-20272
Year Ended June 30, 2022

There was no program income reported for the year ended June 30, 2022.

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Reconciliation Schedule – Contract Number 21-20272
Year Ended June 30, 2022

<u>Category</u>	<u>Amount Per Books and Records</u>	<u>Amount Per 6/30/22 Subrecipient Invoices</u>	<u>Difference</u>
Contract amount	\$ 145,000	\$ 145,000	\$ -
Program costs			
Current year	24,225	24,225	-
Cumulative	72,942	72,942	-
Funds drawn down			
Current year	35,552	35,552	-
Cumulative	<u>72,942</u>	<u>72,942</u>	<u>-</u>
Balance of advance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Statement of Source and Status of Funds - Contract Number 22-20265
Year Ended June 30, 2022

	<u>CDBG Funds</u>	<u>Program Income</u>	<u>CDBG COVID</u>	<u>Non-City Funds</u>	<u>Total</u>
Total contract (Final Authorized Budget)	\$ 75,000	\$ -	\$ 70,000	\$ -	\$ 145,000
Less:					
Funds drawn down - prior fiscal years	21,151	-	18,757	-	39,908
Funds drawn down - current year	-	-	-	-	-
Total funds drawn down	<u>21,151</u>	<u>-</u>	<u>18,757</u>	<u>-</u>	<u>39,908</u>
Funds still available for draw down	53,849	-	51,243	-	105,092
Total funds drawn down	21,151	-	18,757	-	39,908
Add: Program income	-	-	-	-	-
Total funds received	<u>21,151</u>	<u>-</u>	<u>18,757</u>	<u>-</u>	<u>39,908</u>
Less:					
Program income expended					
Funds applied - prior fiscal years	-	-	-	-	-
Funds applied - current fiscal year	<u>28,888</u>	<u>-</u>	<u>26,404</u>	<u>-</u>	<u>55,292</u>
Total funds applied	<u>28,888</u>	<u>-</u>	<u>26,404</u>	<u>-</u>	<u>55,292</u>
Total funds due from funding source	<u>7,737</u>	<u>-</u>	<u>7,647</u>	<u>-</u>	<u>15,384</u>
Total funds available for disposition	<u>\$ 46,112</u>	<u>\$ -</u>	<u>\$ 43,596</u>	<u>\$ -</u>	<u>\$ 89,708</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Statement of Program Expenditures – Contract Number 22-20265
Year Ended June 30, 2022

Contract Categories	Project Budget				Accrued Expenditures 7/1/2021				Accrued Expenditures 07/01/21-06/30/22				Accrued Expenditures Cumulative to 6/30/22				Questioned Costs
	CDBG Funds	CDBG COVID	Other Non-City Funds	Total Funds	CDBG Funds	CDBG COVID	Other Non-City Funds	Total Funds	CDBG Funds	CDBG COVID	Other Non-City Funds	Total Funds	CDBG Funds	CDBG COVID	Other Non-City Funds	Total Funds	
Direct personnel	\$ 52,145	\$ 49,623	\$ -	\$ 101,768	\$ -	\$ -	\$ -	\$ -	\$ 20,811	\$ 20,171	\$ -	\$ 40,982	\$ 20,811	\$ 20,171	\$ -	\$ 40,982	\$ -
Direct fringe benefits	15,644	14,886	-	30,530	-	-	-	-	5,154	5,093	-	10,247	5,154	5,093	-	10,247	-
Travel	500	275	-	775	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	2,324	2,306	-	4,630	-	-	-	-	2,324	980	-	3,304	2,324	980	-	3,304	-
Consumable supplies	260	160	-	420	-	-	-	-	260	160	-	420	260	160	-	420	-
Professional fees	3,377	500	-	3,877	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	750	2,250	-	3,000	-	-	-	-	339	-	-	339	339	-	-	339	-
Program cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating subtotal	75,000	70,000	-	145,000	-	-	-	-	28,888	26,404	-	55,292	28,888	26,404	-	55,292	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	<u>\$ 75,000</u>	<u>\$ 70,000</u>	<u>\$ -</u>	<u>\$ 145,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,888</u>	<u>\$ 26,404</u>	<u>\$ -</u>	<u>\$ 55,292</u>	<u>\$ 28,888</u>	<u>\$ 26,404</u>	<u>\$ -</u>	<u>\$ 55,292</u>	<u>\$ -</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Schedule of Program Income – Contract Number 22-20265
Year Ended June 30, 2022

There was no program income reported for the year ended June 30, 2022.

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Reconciliation Schedule – Contract Number 22-20265
Year Ended June 30, 2022

<u>Category</u>	<u>Amount Per Books and Records</u>	<u>Amount Per 6/30/22 Subrecipient Invoices</u>	<u>Difference</u>
Contract amount	\$ 75,000	\$ 75,000	\$ -
Program costs			
Current year	55,292	55,292	-
Cumulative	55,292	55,292	-
Funds drawn down			
Current year	-	-	-
Cumulative	<u>39,908</u>	<u>39,908</u>	<u>-</u>
Balance of advance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Statement of Source and Status of Funds - Contract Number 21-20377
Year Ended June 30, 2022

	<u>CDBG Funds</u>	<u>Program Income</u>	<u>CDBG-CV CARES Funds</u>	<u>Non-City Funds</u>	<u>Total</u>
Total contract (Final authorized budget)	\$ 65,000	\$ -	\$ 35,000	\$ -	\$ 100,000
Less:					
Funds drawn down - prior fiscal years	17,533	-	-	-	17,533
Funds drawn down - current year	<u>15,466</u>	<u>-</u>	<u>9,214</u>	<u>-</u>	<u>24,680</u>
Total funds drawn down	<u>32,999</u>	<u>-</u>	<u>9,214</u>	<u>-</u>	<u>42,213</u>
Funds still available for draw down	32,001	-	25,786	-	57,787
Total funds drawn down	32,999	-	9,214	-	42,213
Add: Program income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds received	32,999	-	9,214	-	42,213
Less:					
Program income expended					
Funds applied - prior fiscal years	31,442	-	2,844	-	34,286
Funds applied - current fiscal year	<u>1,557</u>	<u>-</u>	<u>6,370</u>	<u>-</u>	<u>7,927</u>
Total funds applied	<u>32,999</u>	<u>-</u>	<u>9,214</u>	<u>-</u>	<u>42,213</u>
Total funds due from funding source	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds available for disposition	<u>\$ 32,001</u>	<u>\$ -</u>	<u>\$ 25,786</u>	<u>\$ -</u>	<u>\$ 57,787</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Statement of Program Expenditures – Contract Number 21-20377
Year Ended June 30, 2022

Contract Categories	Project Budget				Accrued Expenditures 7/1/2021				Accrued Expenditures 07/01/21-06/30/22				Accrued Expenditures Cumulative to 6/30/22				Questioned Costs
	CDBG Funds	CDBG-CV CARES Funds	Other Non-City Funds	Total Funds	CDBG Funds	CDBG-CV CARES Funds	Other Non-City Funds	Total Funds	CDBG Funds	CDBG-CV CARES Funds	Other Non-City Funds	Total Funds	CDBG Funds	CDBG-CV CARES Funds	Other Non-City Funds	Total Funds	
Direct personnel	\$ 40,200	\$ 12,240	\$ -	\$ 52,440	\$ 21,447	\$ 2,642	\$ -	\$ 24,089	\$ -	\$ 5,640	\$ -	\$ 5,640	\$ 21,447	\$ 8,282	\$ -	\$ 29,729	\$ -
Direct fringe benefits	10,050	1,859	-	11,909	5,020	202	-	5,222	150	432	-	582	5,170	634	-	5,804	-
Travel	1,299	-	-	1,299	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	4,780	-	-	4,780	3,378	-	-	3,378	872	-	-	872	4,250	-	-	4,250	-
Consumable supplies	5,671	18,717	-	24,388	523	-	-	523	160	298	-	458	683	298	-	981	-
Professional fees	5,000	-	-	5,000	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	1,500	2,184	-	3,684	871	-	-	871	216	-	-	216	1,087	-	-	1,087	-
Insurance	1,500	-	-	1,500	203	-	-	203	159	-	-	159	362	-	-	362	-
Operating subtotal	70,000	35,000	-	105,000	31,442	2,844	-	34,286	1,557	6,370	-	7,927	32,999	9,214	-	42,213	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	\$ 70,000	\$ 35,000	\$ -	\$ 105,000	\$ 31,442	\$ 2,844	\$ -	\$ 34,286	\$ 1,557	\$ 6,370	\$ -	\$ 7,927	\$ 32,999	\$ 9,214	\$ -	\$ 42,213	\$ -

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Schedule of Program Income – Contract Number 21-20377
Year Ended June 30, 2022

There was no program income reported for the year ended June 30, 2022.

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Reconciliation Schedule – Contract Number 21-20377
Year Ended June 30, 2022

<u>Category</u>	<u>Amount Per Books and Records</u>	<u>Amount Per 6/30/22 Subrecipient Invoices</u>	<u>Difference</u>
Contract amount	\$ 105,000	\$ 105,000	\$ -
Program costs			
Current year	7,927	7,927	-
Cumulative	42,213	42,213	-
Funds drawn down			
Current year	24,680	24,680	-
Cumulative	<u>42,213</u>	<u>42,213</u>	<u>-</u>
Balance of advance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Statement of Source and Status of Funds - Contract Number 22-20427
Year Ended June 30, 2022

	<u>CDBG Funds</u>	<u>Program Income</u>	<u>CDBG Funds</u>	<u>Non-City Funds</u>	<u>Total</u>
Total contract (Final Authorized Budget)	\$ 70,000	\$ -	\$ 35,000	\$ -	\$ 105,000
Less:					
Funds drawn down - prior fiscal years	-	-	-	-	-
Funds drawn down - current year	<u>7,816</u>	<u>-</u>	<u>4,882</u>	<u>-</u>	<u>12,698</u>
Total funds drawn down	<u>7,816</u>	<u>-</u>	<u>4,882</u>	<u>-</u>	<u>12,698</u>
Funds still available for draw down	62,184	-	30,118	-	92,302
Total funds drawn down	7,816	-	4,882	-	12,698
Add: Program income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds received	7,816	-	4,882	-	12,698
Less:					
Program income expended					
Funds applied - prior fiscal years	-	-	-	-	-
Funds applied - current fiscal year	<u>30,746</u>	<u>-</u>	<u>19,206</u>	<u>-</u>	<u>49,952</u>
Total funds applied	<u>30,746</u>	<u>-</u>	<u>19,206</u>	<u>-</u>	<u>49,952</u>
Total funds due from funding source	<u>22,930</u>	<u>-</u>	<u>14,324</u>	<u>-</u>	<u>37,254</u>
Total funds available for disposition	<u>\$ 39,254</u>	<u>\$ -</u>	<u>\$ 15,794</u>	<u>\$ -</u>	<u>\$ 55,048</u>

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Statement of Program Expenditures – Contract Number 22-20427
Year Ended June 30, 2022

Contract Categories	Project Budget				Accrued Expenditures 7/1/2021				Accrued Expenditures 07/01/21-06/30/22				Accrued Expenditures Cumulative to 6/30/22				Questioned Costs
	CDBG Funds	CDBG Cares	Other Non-City Funds	Total Funds	CDBG Funds	CDBG Cares	Other Non-City Funds	Total Funds	CDBG Funds	CDBG Cares	Other Non-City Funds	Total Funds	CDBG Funds	CDBG Cares	Other Non-City Funds	Total Funds	
Direct personnel	\$ 41,878	\$ 27,300	\$ -	\$ 69,178	\$ -	\$ -	\$ -	\$ -	\$ 24,060	\$ 17,561	\$ -	\$ 41,621	\$ 24,060	\$ 17,561	\$ -	\$ 41,621	\$ -
Direct fringe benefits	10,470	6,825	-	17,295	-	-	-	-	2,288	1,339	-	3,627	2,288	1,339	-	3,627	-
Travel	150	-	-	150	-	-	-	-	-	-	-	-	-	-	-	-	-
Occupancy	5,580	-	-	5,580	-	-	-	-	2,688	-	-	2,688	2,688	-	-	2,688	-
Consumable supplies	4,225	875	-	5,100	-	-	-	-	755	306	-	1,061	755	306	-	1,061	-
Professional fees	5,297	-	-	5,297	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	1,500	-	-	1,500	-	-	-	-	319	-	-	319	319	-	-	319	-
Insurance	900	-	-	900	-	-	-	-	636	-	-	636	636	-	-	636	-
Operating subtotal	70,000	35,000	-	105,000	-	-	-	-	30,746	19,206	-	49,952	30,746	19,206	-	49,952	-
Audit costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contract total	\$ 70,000	\$ 35,000	\$ -	\$ 105,000	\$ -	\$ -	\$ -	\$ -	\$ 30,746	\$ 19,206	\$ -	\$ 49,952	\$ 30,746	\$ 19,206	\$ -	\$ 49,952	\$ -

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Schedule of Program Income – Contract Number 22-20427
Year Ended June 30, 2022

There was no program income reported for the year ended June 30, 2022.

Asociación Puertorriqueños en Marcha, Inc.
Division of Housing and Community Development (DHCD)
Reconciliation Schedule – Contract Number 22-20427
Year Ended June 30, 2020

<u>Category</u>	<u>Amount Per Books and Records</u>	<u>Amount Per 6/30/22 Subrecipient Invoices</u>	<u>Difference</u>
Contract amount	\$ 105,000	\$ 105,000	\$ -
Program costs			
Current year	49,952	49,952	-
Cumulative	49,952	49,952	-
Funds drawn down			
Current year	12,698	12,698	-
Cumulative	<u>12,698</u>	<u>12,698</u>	<u>-</u>
Balance of advance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See Independent Auditor's Report.



CITY OF PHILADELPHIA OFFICE OF HOMELESS SERVICES (OHS)

Asociación Puertorriqueños en Marcha, Inc.
Office of Homeless Services (OHS)
Reconciliations of Agency Reported Expenditures/Revenues to
Audited Expenditures/Revenues – Contract Number 21-20805
Year Ended June 30, 2022

Budget Categories	Agency Total Contract Expenditures	Adjustments	(A) Amount per Audit
Personnel services			
Salaries	\$ -	\$ -	\$ -
Fringe benefits	-	-	-
Staff travel	-	-	-
Training/conferences	-	-	-
Subtotal - personnel services	-	-	-
Operating expenses			
Rent/occupancy	241,906	-	241,906
Utilities	-	-	-
Communications/telephone	-	-	-
Insurance	-	-	-
Audit services	-	-	-
Legal fees	-	-	-
Supplies (office/program)	-	-	-
Equipment leasing	-	-	-
Professional fees	-	-	-
Building maintenance costs	-	-	-
Taxes	-	-	-
Security deposits	6,966	-	6,966
Subtotal - operating expenses	248,872	-	248,872
Fixed assets			
Furnishings	-	-	-
Repairs/replacements	-	-	-
Subtotal - fixed assets	-	-	-
Administrative costs			
Salaries	-	-	-
Fringe benefits	-	-	-
Training/conferences/other	19,187	-	19,187
Subtotal - administrative costs	19,187	-	19,187
Participants			
Food	-	-	-
Food service products	-	-	-
Personal hygiene	-	-	-
Bedding/linen	-	-	-
Transportation	-	-	-
Medical supplies	-	-	-
Bright spaces costs	-	-	-
Subtotal - participants	-	-	-
OHS contract expenditures	268,059	-	268,059
Client fees	-	-	-
City of Philadelphia, OHS	268,059	-	268,059
Total funding	268,059	-	268,059
Excess of expenditures over funding sources	\$ -	\$ -	\$ -

(A) Amount funded under contract in accordance with OHS guidelines.

Expenditure adjustments

There were no expenditure adjustments.

Funding source adjustments

There were no funding source adjustments.

See Independent Auditor's Report.

Asociación Puertorriqueños en Marcha, Inc.
Office of Homeless Services (OHS)
Reconciliations of Agency Reported Expenditures/Revenues to
Audited Expenditures/Revenues – Contract Number 22-20861
Year Ended June 30, 2022

<u>Budget Categories</u>	<u>Agency Total Contract Expenditures</u>	<u>Adjustments</u>	<u>(A) Amount per Audit</u>
Personnel services			
Salaries	\$ -	\$ -	\$ -
Fringe benefits	-	-	-
Staff travel	-	-	-
Training/conferences	-	-	-
Subtotal - personnel services	-	-	-
Operating expenses			
Rent/occupancy	78,204	-	78,204
Utilities	-	-	-
Communications/telephone	-	-	-
Insurance	-	-	-
Audit services	-	-	-
Legal fees	-	-	-
Supplies (office/program)	-	-	-
Equipment leasing	-	-	-
Professional fees	-	-	-
Building maintenance costs	-	-	-
Taxes	-	-	-
Security deposits	-	-	-
Subtotal - operating expenses	78,204	-	78,204
Fixed assets			
Furnishings	-	-	-
Repairs/replacements	-	-	-
Subtotal - fixed assets	-	-	-
Administrative costs			
Salaries	-	-	-
Fringe benefits	-	-	-
Training/conferences/other	6,654	-	6,654
Subtotal - administrative costs	6,654	-	6,654
Participants			
Food	-	-	-
Food service products	-	-	-
Personal hygiene	-	-	-
Bedding/linen	-	-	-
Transportation	-	-	-
Medical supplies	-	-	-
Bright spaces costs	-	-	-
Subtotal - participants	-	-	-
OHS contract expenditures	84,858	-	84,858
Client fees	-	-	-
City of Philadelphia, OHS	84,858	-	84,858
Total funding	84,858	-	84,858
Excess of expenditures over funding sources	\$ -	\$ -	\$ -

(A) Amount funded under contract in accordance with OHS guidelines.

Expenditure adjustments

There were no expenditure adjustments.

Funding source adjustments

There were no funding source adjustments.

See Independent Auditor's Report.