DOWNTOWN WOMEN'S CENTER

Every woman housed

Consolidated Financial Statements

December 31, 2022

With Summary Comparative Information for 2021

and

With Supplementary Information

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Downtown Women's Center:

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Downtown Women's Center (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 Downtown Women's Center (the Organization) as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' 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 responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 2, beginning January 1, 2022, the Organization adopted Accounting Standards Update No. 2016-02, *Leases* (Topic 842) and its related amendments using the modified-retrospective transition method. Our opinion is not modified with respect to this matter.

Management's Responsibilities for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 within one year after the date that the consolidated financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 generally accepted auditing standards 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 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2021 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated September 20, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*, and supplementary schedules, which include the consolidating statements and single asset reports (collectively, the Supplementary Information), are presented for 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 audit 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 Supplementary Information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards and the requirements of the *Audited Financial Statement Handbook for Multifamily Housing of the California Department of Housing and Community Development and the California Housing Finance Agency*, we have also issued a report dated August 22, 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, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. The report is an integral report of an audit performed in accordance with *Government Auditing Standards* and the requirements of the *Audited Financial Statement Handbook for Multifamily Rental Housing of the California Department of Housing and Community Development and the California Housing Finance Agency*, in considering the Organization's internal control over financial reporting and compliance.

Windes, Inc.

Long Beach, California
August 22, 2023

DOWNTOWN WOMEN'S CENTER

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
ASSETS				
Cash and cash equivalents	$ 2,232,900	$ -	$ 2,232,900	$ 2,537,807
Investments	283,247	3,444,665	3,727,912	4,543,697
Accounts receivable	5,475,431	-	5,475,431	3,570,451
Promises to give, net	-	1,506,662	1,506,662	1,543,835
Prepaids and other assets	439,304	-	439,304	168,659
Operating lease right-of-use assets	227,235	-	227,235	-
Restricted cash	1,903,634	-	1,903,634	1,842,040
Property and equipment, net	22,121,506	5,480,000	27,601,506	28,354,439
TOTAL ASSETS	$ 32,683,257	$ 10,431,327	$ 43,114,584	$ 42,560,928

LIABILITIES AND NET ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
LIABILITIES				
Accounts payable and accrued expenses	$ 2,513,305	$ -	$ 2,513,305	$ 1,566,623
Operating lease liabilities	227,235	-	227,235	-
Loans payable	18,418,338	-	18,418,338	18,590,838
Total Liabilities	21,158,878	-	21,158,878	20,157,461
NET ASSETS	11,524,379	10,431,327	21,955,706	22,403,467
TOTAL LIABILITIES AND NET ASSETS	$ 32,683,257	$ 10,431,327	$ 43,114,584	$ 42,560,928

See Independent Auditors' Report

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

DOWNTOWN WOMEN'S CENTER

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
SUPPORT AND REVENUE:				
Support:				
Grant income	$ 14,339,983	$ 3,803,833	$ 18,143,816	$ 11,477,073
Contributions	2,931,731	-	2,931,731	5,755,464
Special event income (net of direct expense of $97,032 and $6,767)	780,672	-	780,672	371,173
In-kind support	626,413	-	626,413	512,771
Debt forgiveness	172,500	-	172,500	172,500
Total Support	18,851,299	3,803,833	22,655,132	18,288,981
Other Revenue:				
Net investment (loss)/gain	(653,585)	-	(653,585)	570,057
Rental income	1,000,667	-	1,000,667	903,948
Social enterprise income	296,553	-	296,553	269,790
Payroll Protection Program loan forgiven	-	-	-	928,781
Other revenue	53,563	-	53,563	1,228
Net assets released from restrictions	2,612,994	(2,612,994)	-	-
Total Other Revenue	3,310,192	(2,612,994)	697,198	2,673,804
Total Support and Other Revenue	22,161,491	1,190,839	23,352,330	20,962,785
EXPENSES				
Program services	21,279,001	-	21,279,001	14,966,124
Fundraising	1,148,701	-	1,148,701	897,010
Management and general	1,372,389	-	1,372,389	1,107,339
Total Expenses	23,800,091	-	23,800,091	16,970,473
CHANGE IN NET ASSETS	(1,638,600)	1,190,839	(447,761)	3,992,312
NET ASSETS, BEGINNING OF YEAR	13,162,979	9,240,488	22,403,467	18,411,155
NET ASSETS, END OF YEAR	$ 11,524,379	$ 10,431,327	$ 21,955,706	$ 22,403,467

See Independent Auditors' Report

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

DOWNTOWN WOMEN'S CENTER

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR 2021)

	Program Services						Total	
	Health and Wellness	Housing	Other	Total	Fundraising	Management and General	2022	2021
Salaries	$ 2,781,240	$ 4,778,781	$ 1,353,081	$ 8,913,102	$ 695,968	$ 349,675	$ 9,958,745	$ 8,032,849
Benefits and payroll taxes	547,434	1,070,535	254,499	1,872,468	111,611	123,436	2,107,515	1,860,352
In-kind - program supplies	588,733	-	-	588,733	37,680	-	626,413	512,771
Housing	1,354,680	4,274,767	7,963	5,637,410	10,835	-	5,648,245	2,027,772
Facilities and maintenance	503,233	583,149	250,887	1,337,269	28,260	78,803	1,444,332	1,260,406
Health and wellness	341,199	85,242	58,440	484,881	7,179	16,697	508,757	401,931
Consulting	274,794	252,754	227,854	755,402	152,821	52,685	960,908	614,087
Social enterprise store expenses	579	6,156	229,097	235,832	66	99	235,997	261,078
Travel and transportation	11,088	62,832	16,223	90,143	1,247	934	92,324	45,250
Insurance	44,006	70,471	16,801	131,278	9,168	26,348	166,794	122,288
Printing and postage	16,967	26,611	7,441	51,019	34,188	9,619	94,826	75,601
Miscellaneous	17,434	21,280	65,034	103,748	13,911	6,274	123,933	118,230
Office supplies	13,888	19,478	6,962	40,328	3,410	3,506	47,244	35,725
Conferences and training	33,913	105,918	37,635	177,466	20,830	19,110	217,406	147,046
Meals and entertainment	2,767	3,493	9,375	15,635	6,494	762	22,891	4,936
Workforce development	204	7,238	23,118	30,560	-	-	30,560	20,535
Taxes, licenses, and permits	-	-	2,593	2,593	-	438	3,031	6,622
Technology	-	-	-	-	10,194	242,080	252,274	188,851
Accounting and legal	-	325	-	325	-	295,487	295,812	289,589
Interest expense	-	-	-	-	-	33,538	33,538	53,036
Bank fees	-	-	-	-	64	99,614	99,678	70,304
Total expenses before depreciation	6,532,159	11,369,030	2,567,003	20,468,192	1,143,926	1,359,105	22,971,223	16,149,259
Depreciation and amortization	85,926	684,285	40,598	810,809	4,775	13,284	828,868	821,214
Total expenses	$ 6,618,085	$ 12,053,315	$ 2,607,601	$ 21,279,001	$ 1,148,701	$ 1,372,389	$ 23,800,091	$ 16,970,473
2022 Percentage of total expenses	27.8%	50.6%	11.0%	89.4%	4.8%	5.8%	100.0%	
2021 Percentage of total expenses	25.1%	49.3%	13.8%	88.2%	5.3%	6.5%		100.0%

See Independent Auditors' Report

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

DOWNTOWN WOMEN'S CENTER

CONSOLIDATED STATEMENT OF CASH FLOWS

	For the Year Ended December 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (447,761)	$ 3,992,312
Adjustments to reconcile change in net assets to net cash from operating activities:		
Stock donations received	(109,309)	(136,098)
Unrealized loss/(gain) on investments	793,244	(445,267)
Forgiveness of loan	(172,500)	(172,500)
Forgiveness on Paycheck Protection Program loan	-	(928,781)
Depreciation and amortization	828,868	821,214
Changes in:		
Accounts receivable	(1,904,980)	(1,562,450)
Promises to give, net	37,173	(1,080,107)
Prepaids and other assets	(270,645)	(137,088)
Accounts payable and accrued expenses	946,682	471,665
Net Cash Provided By (Used In) Operating Activities	(299,228)	822,900
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	1,051,916	2,484,356
Purchases of investments	(920,066)	(2,460,897)
Purchase of property and equipment	(75,935)	(166,994)
Net Cash Provided By (Used In) Investing Activities	55,915	(143,535)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net change in line of credit	-	(1,245,000)
Net Cash Used In Financing Activities	-	(1,245,000)
NET CHANGE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	(243,313)	(565,635)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT BEGINNING OF YEAR	4,379,847	4,945,482
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AT END OF YEAR	$ 4,136,534	$ 4,379,847
CASH AND RESTRICTED CASH SUMMARY		
Cash	$ 2,232,900	$ 2,537,807
Restricted cash	1,903,634	1,842,040
	$ 4,136,534	$ 4,379,847
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for:		
Interest	$ 33,538	$ 53,036
Income taxes	$ -	$ -

See Independent Auditors' Report

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

NOTE 1 – Organization and Purpose

The Downtown Women's Center ("DWC" or "the Organization") is the only organization in Los Angeles focused exclusively on serving and empowering women experiencing homelessness and formerly homeless women. DWC envisions a Los Angeles with every woman housed and on a path to personal stability. DWC's mission is to end homelessness for women in greater Los Angeles through housing, wellness, employment, and advocacy.

Founded in 1978, DWC was the first permanent supportive housing provider for women in the U.S. It has become a nationally recognized model because its wraparound services fulfill immediate and critical needs, while providing more intensive and long-term solutions to ending homelessness for women. The Organization now reaches over 5,740 women annually and provides a wide array of resources all in one place to remove barriers to accessing support, including:

- **Basic Needs and Resources**: For women who are homeless or in night-to-night shelters, DWC's Day Center provides warm meals and other essential services such as access to phones, mail, laundry, and showers.

- **On-Site Housing and Supportive Services**: With 119 units of permanent supportive housing in two residences, DWC is one of the largest housing centers for women in the nation and continues to create innovative and successful housing models focused on ending women's homelessness.

- **Community-Based Housing Services**: Through partnerships with the Los Angeles County Department of Health Services and grants from corporations and private foundations, Los Angeles Homeless Services Agency, the Governor's Office of Emergency Services, and private foundations, DWC provides housing and supportive services to female veterans and their families, women with severe physical and mental health concerns, and survivors of domestic violence. DWC's case managers work individually with women to connect them with housing and resources throughout Los Angeles County.

- **Health and Wellness**: DWC offers individual and group counseling, medical care, mental health services, preventive screenings, trauma recovery services, and enrichment activities focused on overall health and social connectedness.

- **Job Readiness and MADE by DWC**: DWC offers education, job readiness, and employment placement resources aimed at breaking the cycles of unemployment and homelessness, along with two innovative social enterprise boutiques through which job training opportunities are provided.

NOTE 1 – Organization and Purpose (Continued)

- **Advocates Program**: This training program empowers formerly homeless women to become successful advocates for themselves and for other women experiencing homelessness. DWC Advocates participate in press interviews, public policy meetings, lobby visits with legislators, fundraising events, and press conferences. DWC's Domestic Violence Homeless Services Coalition also continues to convene, organize, and advocate, to meet the underlying goal of effecting system's change to better serve the need of DV (Domestic Violence) survivors experiencing homelessness.

- **Public Education and Volunteer Program**: DWC conducts outreach and public education efforts on the root causes of and solutions to women's homelessness along with engaging over 6,400 individuals annually to volunteer their time to support DWC's direct service, fundraising, and advocacy efforts.

- **Measuring Impact**: DWC is measuring how it moves the needle on ending the cycle of homelessness, so that the organization can continue to offer unique and successful programs and share their practices with the community.

DWC serves women who are homeless, formerly homeless, and extremely low-income. They participate in program offerings at the DWC Day Center or are served by DWC's housing programs. The women reflect the multi-ethnic diversity of Los Angeles and come from a variety of backgrounds. Many are dealing with the effects of extreme stress and difficulty of life on the streets. Almost one hundred percent of them live significantly below the poverty line with little or no income, and the majority are overcoming histories of domestic violence and sexual assault, physical and mental illness, major depression, trauma, and/or long-term homelessness.

In 2022, DWC achieved the following milestones:

- Served 5,742 women throughout all DWC programs.
- DWC's Day Center creates a safe space for women to receive an array of services including meals, showers, phone/computer/mail services, case management, permanent housing, healthcare, and employment placements. In 2022, the Day Center:
  - Served 2,954 women overall
  - Provided 209,000 nutritious meals
  - Provided 1,309 case management sessions to ensure that each woman has an individualized service plan tailored to her needs
  - Provided mental health assessments to 684 women
  - Clinical programs permanently housed 90 women

NOTE 1 – Organization and Purpose (Continued)

  - Domestic Violence Housing Program permanently housed 90 women
  - Served 516 women through workforce development programs and helped 112 women secure employment
  - Offered primary medical care, women's health services, STD screenings, and physical health assessments

- MADE by DWC supported 39 women with transitional jobs, provided more than 11,700 hours (about one and a half years) of job training, and hired ten women.
- As a means to create employment pathways to health professions and improve access to COVID-19 vaccinations, DWC introduced the Vaccine Ambassador Program in 2021. In 2022, DWC transitioned the vaccine ambassadors to community health workers, hiring eight of these workers. Community health workers offered 385 health-focused events including workshops and screenings.
- DWC's owned and operated permanent supportive housing served 116 women with a retention rate of 99%. The high retention rate is due to wraparound services including a full-time registered nurse and increased occupational therapy services. DWC also introduced Cal AIM (Medi-Cal program) and served 17 participants.
- DWC's community housing programs, including Housing Justice, Recovery Re-housing, Domestic Violence Housing, Veteran's Rapid Re-housing, CES (Coordinated Entry System) Rapid Re-housing, and Housing for Health, served 430 women and housed 78 women.
- As part of the Every Woman Housed Initiative, DWC introduced its first ever street outreach team and launched an interim housing program. The mobile outreach team reached 158 women. In 2022, the interim housing program provided individual rooms and bathrooms, onsite supportive services, and three meals per day for 88 women. The Every Woman Housed Initiative housed 77 women in 2022.
- With support from the Los Angeles County Board of Supervisors, DWC embarked on the first Los Angeles county-wide Women's Needs Assessment. DWC organized 586 surveys across 25 different cities and hosted nine listening sessions with 92 women.
- DWC continues to partner with Daylight Community Development and GTM Holdings, LLC to develop 98 units of permanent supportive housing (PSH) on the parking lot adjacent to their San Pedro building.
- DWC and Daylight Community Development held groundbreakings for two additional PSH projects in Van Nuys and North Hollywood. Both projects are expected to open in late 2023.

NOTE 1 – Organization and Purpose (Continued)

- DWC co-sponsored SB (Senate Bill) 914 in collaboration with the office of California State Senator Susan Rubio, Rainbow Services, and the California Partnership to End Domestic Violence. The bill was signed into law in September 2022.
- Over 6,000 individual and group volunteers provided support to on-site and community housing programs, the Day Center, the kitchen, human resources, workforce development, and MADE by DWC.

NOTE 2 – Summary of Significant Accounting Policies

Principles of Consolidation

The Downtown Women's Center Housing, LLC (LLC), a wholly owned subsidiary of DWC, is a sole member California limited liability corporation formed to hold title to real estate and similar property purchased by DWC.

DWC SP2 LLC (SP2), a wholly owned subsidiary of DWC, is a single-member California limited liability corporation formed to develop and hold title to real estate. During 2022, 2021, and 2020, SP2 made payments totaling $30,000, $398,070, and $71,930, respectively, for a future development project, which is expected to be completed in 2027. SP2 will hold a minority interest in the limited partnership that is developing the property. SP2 has agreed to lend $500,000 to the project, which is expected to be repaid in full. The $500,000 is considered an advance on the $500,000 loan and is included in accounts receivable in the accompanying consolidated statement of financial position.

The accompanying consolidated financial statements include DWC, the LLC, and SP2 (collectively, the Center). All material intercompany accounts and transactions have been eliminated upon consolidation.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Financial Statement Presentation

The Center reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions. Net assets and revenue are classified based upon the existence or absence of donor-imposed restrictions.

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions – Net assets subject to donor-imposed restrictions that are temporary in nature that will be met by actions of the Center or the passage of time. Other donor stipulations are perpetual in nature, where the donor stipulates that the corpus be maintained intact in perpetuity.

As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying consolidated statement of activities as net assets released from restrictions.

Comparative Totals

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Center's consolidated financial statements for the year ended December 31, 2021, from which the summarized information was derived.

Reclassifications

Certain amounts in the prior year's financial statements have been reclassified to conform to the current year's presentation.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Use of Estimates

Management uses estimates and assumptions in preparing consolidated financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates that were assumed in preparing the consolidated financial statements. Significant items subject to such estimates and assumptions include useful lives of property and equipment, the valuation of long-lived assets, accounts receivable, and promises to give.

Cash and Cash Equivalents

For the purpose of the consolidated statement of cash flows, the Center considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the consolidated statement of financial position. Realized gains and losses are computed as the difference between the beginning-of-year fair value, or cost for current year acquisitions, and sales proceeds. Unrealized gains and losses are the current year appreciation and depreciation in investments held at year-end. Unrealized gains and losses are included in the change in net assets in the consolidated statement of activities.

The Center's investments are exposed to various risks, such as market and credit risks. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term could materially affect investment balances and the amounts reported in the consolidated financial statements.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable are stated at the amount the Center expects to collect from balances outstanding at year-end. The Center records a provision for bad debts at such time as collectability cannot be reasonably assured. At December 31, 2022, accounts receivable were considered fully collectible.

Property and Equipment

Purchased property and equipment is recorded at cost. Donated property and equipment is recorded at the estimated fair value at the date of donation. Depreciation of buildings and equipment is provided on a straight-line basis over the estimated useful lives of the respective assets. Major improvements and replacements of property are capitalized. Maintenance, repairs, and minor improvements and replacements are expensed. Larger property donations for which there is a reasonable basis to measure value, and purchases over $5,000, are capitalized and depreciated.

Contributions

All contributions are considered to be available without donor restrictions unless specifically restricted by the donor. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions that increases those net asset classes. When a donor's stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the consolidated statement of activities as net assets released from restrictions.

Contributions, including endowment gifts and pledges, are recognized as support in the period received or pledged. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. Discounts are computed using risk-free interest rates applicable to the years in which the pledges are expected to be received. Amortization of the discounts is included in contribution revenue. The Center uses an interest rate of 2% to compute the discount on multi-year pledges. Conditional promises to give are not included as support until the conditions are substantially met.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Legacies and Bequests

The Center has been named a beneficiary in a number of bequests. Bequests are not recognized as support until all of the following conditions are met: the demise of the testator; the amount of the bequest is known; and the Center is certain that, based on the estate's net assets, the amount bequeathed is realizable and the probate court has declared the will valid.

Contributions In-Kind

Contributions of donated noncash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received.

The Center recorded in-kind support totaling $626,413 for donated food, clothing, household items, furnishings, equipment, holiday items, and professional services during the year ended December 31, 2022 (see Note 16). Donated volunteer services other than professional services are not reflected in the accompanying consolidated financial statements; however, in 2022, more than 241 volunteers donated approximately 3,560 hours valued at an estimated $106,622. The value of volunteer time is calculated by The Independent Sector based on the average hourly earnings of all production and non-supervisory workers on private non-farm payrolls - as determined by the Bureau of Labor Statistics.

Social Enterprise Income

Social enterprise income is recognized at a point in time when products are sold at the Center's boutiques. Revenue is measured as the amount of total consideration received in exchange for providing the product.

A performance obligation is a promise to transfer a distinct good to the customer. For social enterprise transactions, the Center provides products at specified rates, such as for food, drinks, or handmade products.

The Center did not have any receivables, contract assets, or contract liabilities arising from transactions with social enterprise customers.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and consolidated statement of functional expenses. Accordingly, certain costs have been allocated among the programs and other activities based upon the relative benefit received. Expenses are allocated on a square footage basis or on the basis of estimates of time and effort.

Tax Status

DWC is a nonprofit organization and, therefore, is not subject to federal or state income taxes under Internal Revenue Code Section 501(c)(3) and Section 23701(d) of the California Revenue and Taxation Code. This exemption is for all income taxes except for those assessed on unrelated business income, of which there is none.

The LLC and SP2 are limited liability corporations and have elected to be treated as partnerships for federal income tax purposes and, accordingly, the income or loss of the LLC will be recorded on the return of its member(s). The LLC and SP2 are exempt from California franchise tax under California Revenue and Taxation Code Section 23701(d). As a result, no provision for income tax has been recorded on these consolidated financial statements.

The Center recognizes the financial statement benefit of tax positions, such as its filing status as tax-exempt, only after determining that the relevant tax authority would more likely than not sustain the position following an audit. The Center is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal purposes is three years and for California purposes is four years, respectively.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Recently Announced Accounting Pronouncement

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses* (Topic 326)*: Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). ASU 2016-13 requires the measurement of all expected credit losses for financial assets, including trade receivables, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Adoption of ASU 2016-13 will require the Center to use forward-looking information to better formulate its credit loss estimates. ASU 2016-13 is effective for annual reporting periods beginning after December 15, 2022, and early adoption is permitted. The adoption of this standard is not expected to have a significant impact on the financial statements.

Recently Adopted Accounting Pronouncements

In February 2016, (FASB) issued new lease accounting guidance in (ASU) 2016-02 *Leases* (Topic 842) (ASU 2016-02), which modifies lease accounting for lessees to increase transparency and comparability by requiring the Center to recognize a lease liability and related right-of-use assets for all leases (with the exception of short-term leases) at the commencement date of the lease and to disclose key information about leasing arrangements.

Effective January 1, 2022, the Center adopted ASU 2016-02. The Center determines if an arrangement contains a lease at inception based on whether the Center has the right to control the asset during the contract period and other facts and circumstances. The Center elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

The Center's policy for determining its lease discount rate used for measuring lease liabilities is to use the rate implicit in the lease whenever that rate is readily determinable. If the rate implicit in the lease is not readily determinable, then the Center has elected to use the risk-free discount rate, as permitted by U.S. GAAP, determined using a period comparable with that of the lease term.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncements (Continued)

The Center has elected a policy to account for short-term leases, defined as any lease with a term less than 12 months, by recognizing all components of the lease payment in the consolidated statement of activities in the period in which the obligation for the payments is incurred.

The Center adopted ASU 2016-02 utilizing the modified-retrospective transition method through a cumulative-effect adjustment. The adoption of ASU 2016-02 resulted in the recognition of right-of-use assets and operating lease liabilities of $87,698 as of January 1, 2022. Results for periods beginning prior to January 1, 2022 continue to be reported in accordance with our historical accounting treatment. The adoption of ASU 2016-02 did not have a material impact on the Center's results of operations, cash flows, or debt covenants.

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities* (Topic 958)*: Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the consolidated statement of activities, disaggregate the amount of contributed nonfinancial assets by category that depicts the type of nonfinancial assets, and provide additional information related to the monetization, utilization, and valuation of the contributed nonfinancial assets. The Center adopted the standard during the year ended December 31, 2022 and included necessary presentation changes and disclosures herein.

Subsequent Events

The Center has evaluated subsequent events through August 22, 2023, the date the consolidated financial statements were available to be issued for the year ended December 31, 2022.

NOTE 3 – Financial Assets and Liquidity Resources

The total financial assets held by the Center at December 31, 2022 and the amounts of those financial assets that could be made available for general expenditures, that is, without donor, lender, or other restrictions limiting their use, within one year of the date of the consolidated statement of financial position, are summarized in the following table:

Financial assets at December 31, 2022	
Cash and cash equivalents	$ 2,232,900
Restricted cash	1,903,634
Investments	3,727,912
Accounts receivable	5,475,431
Promises to give	1,506,662
TOTAL FINANCIAL ASSETS AT DECEMBER 31, 2022	14,846,539
Less amounts not available to be used within one year,	
Due to:	
Lender Requirements:	
Restricted cash reserves	(1,903,634)
Donor-Imposed Restrictions:	
Promises to give with purpose or time restrictions	(545,116)
Funds held with purpose restrictions	(3,444,665)
FINANCIAL ASSETS AVAILABLE TO MEET GENERAL EXPENDITURES WITHIN ONE YEAR	$ 8,953,124

The Center regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

To help manage unanticipated liquidity needs, the Organization has a line of credit of $2,500,000, of which the entire amount was unused and available at December 31, 2022.

NOTE 4 – Restricted Cash

The Center is required under terms of various notes payable agreements to maintain reserves for property maintenance, operating expense shortfalls, or any discontinuance of rent subsidies received by the Center. The funds are required to be held in an interest-bearing account, earnings retained, and are not available for current use.

Restricted cash balances as of December 31, 2022 consists of the following:

Lender	Reserve Requirements	Reserve Purpose	Amount
MHP	$850 per unit at the San Pedro Street Home	Replacement	$ 677,070
Housing Authority	$607 per unit at the Los Angeles Street Home or amounts required by senior financing	Replacement	28,839
MHP	$150,237 initial funding, plus annual operating surpluses	Operating	169,825
MHP	$504,806, plus annual funding of $80,000 until the reserve reaches $1,027,900	Transition	1,027,900
Total restricted cash for lender reserves			$ 1,903,634

The Home Funds and CRA notes payable agreements (as described in Note 11) also contain provisions for replacement, operating, and transition reserves. The agreements require minimum funding equal to or less than the MHP required reserves and additional funding only in periods of cash flow in excess of operating expenses.

NOTE 5 – Investments

Investments at December 31, 2022 consist of the following:

	Cost	Fair Value
Fixed income	$ 1,580,983	$ 1,396,131
Equities	1,935,507	2,331,781
	$ 3,516,490	$ 3,727,912

NOTE 6 – Fair Value Hierarchy

The Center uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine the fair value disclosures. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including discount rates, and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. The Center groups its assets and liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Center has the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3 inputs are unobservable inputs for the asset or liability.

NOTE 6 – Fair Value Hierarchy (Continued)

The following table presents assets at December 31, 2022 that are measured at fair value on a recurring basis:

	Fair Value Measurements at Reporting Date			
	Level 1	Level 2	Level 3	Total
Investments				
Fixed income	$ 1,396,131	$ -	$ -	$ 1,396,131
Equities	2,331,781	-	-	2,331,781
Total	$ 3,727,912	$ -	$ -	$ 3,727,912

NOTE 7 – Promises to Give

The Center anticipates collection of outstanding pledges receivable at December 31, 2022 as follows:

Receivable in one year	$ 545,116
Receivable in two to five years	1,000,000
	1,545,116
Less discount to present value	(38,454)
Net unconditional promises to give	$ 1,506,662

NOTE 8 – Property and Equipment

Property and equipment at December 31, 2022 consists of the following:

		Estimated Useful Lives
Land	$ 6,070,500	
Building and improvements	29,855,628	39.5 years
Furniture and equipment	1,000,189	5-20 years
Software and website	68,500	3 years
	36,994,817	
Less accumulated depreciation and amortization	(9,393,311)	
	$ 27,601,506	

NOTE 8 – Property and Equipment (Continued)

San Pedro Street Home

In February 2009, the city of Los Angeles donated land and a building (the San Pedro Street Home) to be used by the Center to expand program services. The six-story San Pedro Street Home is located at 434, 438, and 442 South San Pedro Street, Los Angeles, California. The Center completed the renovation of this building in December 2010, which provides 71 units of permanent, supportive, affordable housing, a drop-in Day Center, a social enterprise/job-training program, and the only medical and mental health clinic specializing in women's health on Skid Row. The completed rehabilitation created a new home for the Center and has resulted in a significant increase in both the housing offered and the number of women served by the Center.

In conjunction with the development of the San Pedro Street Home, an agreement containing covenants affecting real property was recorded by the city of Los Angeles restricting occupancy of the residential units for a period of at least 55 years to women who are homeless or at risk of homelessness and the total monthly rental charges affordable to persons at the very low income level or below. The Center reports the land value for the San Pedro Street Home as with donor restricted assets due to the nature of this restriction on use imposed at the time of donation.

Los Angeles Street Home

Also included in buildings and improvements are costs relating to the Center's renovation of its Los Angeles Street Home located at 325 and 333 Los Angeles Street, Los Angeles, California, which was completed in November 2012. The renovation of the facility includes an additional 48 residential units and serves chronically homeless women, providing a pathway out of homelessness and into personal stability. As part of the renovation project, the Center also opened the MADE by DWC Resale Boutique, which provides quality products for sale to the Los Angeles community while providing on-the-job vocational education and training to the women that it serves.

NOTE 9 – Line of Credit

The Center has a line of credit agreement with a bank whereby it may borrow up to $2,500,000 at the greater of 2.5% per year, or the prime rate as it exists (7.50% at December 31, 2022) minus 0.5%. The line of credit commitment expires June 29, 2023. The Center is currently in discussions with the bank for a line of credit renewal. At December 31, 2022, there was no balance outstanding on the line of credit.

NOTE 10 – Lease Arrangements

The Center leases its office equipment under financing leases with 5-year initial terms. Most leases include renewal options which can extend the lease term up to five years. The exercise of these renewal options is at the sole discretion of the Center, and only lease options that the Center believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities. Rent expense for operating leases for the year ended December 31, 2022, totaled $100,281.

The following summarizes the line items in the consolidated statement of financial position which include amounts for operating leases as of December 31, 2022:

Operating lease right-of-use assets	$	227,235
Current portion of operating lease liabilities	$	65,895
Long-term portion of operating lease liabilities		161,340
	$	227,235

The following table summarizes the supplemental cash flow information for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$	95,804
Noncash investing and financing activity:		
Cash paid for amounts included in the measurement of lease liabilities:		
Right-of-use assets obtained in exchange for operating lease liabilities in adopting ASC 842:	$	87,698
Right-of-use assets obtained in exchange for new operating lease liabilities:	$	235,341

The weighted-average lease term and discount rate as of December 31, 2022 were as follows:

Weighted-average remaining lease term - operating leases	3.89 years
Weighted-average discount rate - operating leases	2.35%

NOTE 10 – Lease Arrangements (Continued)

The maturities of financing and operating lease liabilities as of December 31, 2022 are as follows:

Year Ending December 31,	Operating Leases
2023	$ 70,510
2024	55,066
2025	50,076
2026	50,076
2027	12,519
Total minimum lease payments	238,247
Less amount representing interest	(11,012)
Present value of minimum lease payments	227,235
Less current portion	(65,895)
	$ 161,340

NOTE 11 – Loans Payable

Loans payable at December 31, 2022 consists of the following:

CRA Permanent Loan	$ 1,380,000
Housing Authority Loan – San Pedro Street Home	2,000,000
Housing Authority Loan – Los Angeles Street Home	1,395,282
Home Fund Loan	4,847,914
AHP Loan – San Pedro Street Home	420,000
AHP Loan – Los Angeles Street Home	390,000
MHP Loan	7,985,142
	$ 18,418,338

NOTE 11 – Loans Payable (Continued)

The Center has entered into construction and permanent loan agreements with various lending and government entities. The City of Los Angeles Community Redevelopment Agency (CRA) loaned the Center $950,000 (CRA Preconstruction Loan) for predevelopment costs associated with the development of a new site in 2010. Subsequent to the acquisition of the property, the CRA agreed to provide additional construction and permanent financing up to $3,450,000 (CRA Permanent Loan) inclusive of the CRA Preconstruction Loan. The loan is secured by a second lien deed of trust, subordinate to the MHP loan on the San Pedro Street Home property and rights to plans with interest at 3%. Interest and principal payments are to be repaid in annual installments in the form of service credits, as defined by the agreement, for a period of 20 years. DWC has recognized a service credit as debt forgiveness in the accompanying consolidated statement of activities in the amount of $172,500 for the year ended December 31, 2022. While the Los Angeles Housing and Community Investment Department, which is managing all CRA loans, has not formally approved the payment, management believes they have fulfilled the requisite duties outlined in the agreement to earn the service credit for the year ended December 31, 2022. At December 31, 2022, the CRA Permanent Loan balance was $1,380,000.

In June 2009, the Center obtained financing from the Housing Authority of the County of Los Angeles (Housing Authority). The Housing Authority agreement provides for advances up to $2,000,000 (Housing Authority Loan - San Pedro Street Home), secured by a fourth-lien position deed of trust on the San Pedro Street Home property, subject to interest at 3%.

Interest and principal repayments are due to the Housing Authority at 6.74% of residual receipts as defined by the agreement, of the leasing activities for the property payable through March 2065. It is not anticipated that the Center will have any residual receipts on the operation of the San Pedro Street Home that will activate the requirement to make cash repayments on the Housing Authority San Pedro Street Home Loan. At December 31, 2022, the Housing Authority San Pedro Street Home Loan balance was $2,000,000.

In March 2012, the Center obtained financing from the Housing Authority. The Housing Authority agreement provides for advances up to $1,395,282 (Housing Authority Loan - Los Angeles Street Home), secured by a deed of trust on the Los Angeles Street Home property, subject to interest at 3%. Principal repayments are to be made in annual installments of 50% of residual receipts, as defined by the agreement, for the operating year that is two years prior through June 1, 2066. It is not anticipated that the Center will have any residual receipts on the operation of the Los Angeles Street Home that will activate the requirement to make cash repayments on the Housing Authority Los Angeles Street Home Loan. At December 31, 2022, the outstanding balance was $1,395,282.

NOTE 11 – Loans Payable (Continued)

The Center has a note payable to the City of Los Angeles Home Fund (Home Fund Loan). The Home Fund Loan is secured by a third-lien position deed of trust on the San Pedro Street Home property, subject to interest at 5%. Interest and principal repayments are due to the city of Los Angeles at 26.92% of the residual receipts of the project as defined by the agreement, payable through June 2066. It is not anticipated that the Center will have any residual receipts on the operation of the San Pedro Street Home that will activate the requirement to make cash payments on the Home Fund Loan. At December 31, 2022, the Home Fund Loan balance was $4,847,914.

The Center has obtained financing from the Federal Home Loan Affordable Housing program (AHP Loan – San Pedro Street Home) to finance construction on the San Pedro Street Home. The loan is secured by a deed of trust with assignment of rents, security agreement and fixture filing and is subordinate to the MHP, CRA Preconstruction and Permanent Loans, Housing Authority Loan, and Home Fund Loan. The loan will be forgiven in November 2026 upon the Center fulfilling the restricted use requirements as defined in the agreement. At December 31, 2022, the AHP Loan – San Pedro Street Home balance was $420,000.

In October 2013, the Center obtained financing from the Federal Home Loan Affordable Housing Program (AHP Loan – Los Angeles Street Home) for renovations at its Los Angeles Street Home. The loan is secured by a deed of trust with assignment of rents, security agreements, fixture filing, and is subordinate to the Housing Authority Los Angeles Street Home Loan. The loan will be forgiven in November 2027 upon the Center fulfilling the restricted use requirements as defined in the agreement. At December 31, 2022, the loan balance was $390,000.

In March 2012, the Center received proceeds in the amount of $7,985,142 from the California Department of Housing and Community Development's Multifamily Housing Program (MHP), of which $6,716,686 was used to fund repayment of a bank construction loan balance and related accrued interest. The MHP loan is secured by a first-lien position deed of trust and assignment of rents on the San Pedro Street Home. The loan is subject to interest at 3% per annum and matures March 2067. The Center is required to make payments in an amount equal to the lesser of the full amount of interest accruing on the unpaid principal amount advanced for the preceding 12-month period, or the amount determined by MHP, to be necessary to cover the costs of continued monitoring of the compliance of the Center's MHP. These payments are required should the Center have net cash flow as described in the agreement. It is not anticipated that the Center will have net cash flow from operations. In addition, the Center must make annual payments recorded as reductions in contingent interest equal to .42% of the principal balance. Annual payments made during the year ended December 31, 2022 were $33,538. At December 31, 2022, the loan balance was $7,985,142.

NOTE 11 – Loans Payable (Continued)

Certain loans payable contain provisions for interest accrual and payment should the Center generate residual receipts or net cash flow from operations. The Center does not anticipate generating income from operations requiring repayment of the accrued interest, but future repayment is reasonably possible.

Contingent interest payable associated with the forgivable debt as of December 31, 2022 is summarized below:

Housing Authority-San Pedro Street Home Loan	$ 774,943
Housing Authority-Los Angeles Street Home Loan	428,635
Home Fund Loan	3,069,147
MHP Loan	2,250,118
Total contingent interest payable	$ 6,522,843

NOTE 12 – Paycheck Protection Program Loan Advance

On March 11, 2020, the World Health Organization (WHO) declared the outbreak of the coronavirus COVID-19 as an international pandemic. Because of the severity and global nature of the COVID-19 pandemic, it is reasonably possible that the estimates in the consolidated financial statements will change in the near term and the effect of such change could be material. The impact on the Center's business could be significant and have a material impact on its consolidated financial position and operating results. There is significant uncertainty and management is in the process of evaluating the potential future impact on the Center and the consolidated financial statements.

On April 15, 2020, the Center received a Paycheck Protection Program (PPP) loan totaling $928,781 under the Coronavirus Aid Relief and Economic Security (CARES) Act. Under the terms of the PPP, the loan is unsecured, has a two-year term, and accrues interest at 1%. The loan is structured to be forgiven if the proceeds are used for their intended purpose, which includes employee wages, benefits, payroll taxes and rent, utilities, and mortgage interest for the covered period. In June 2021, the Center received notification from the Small Business Administration that the loan was forgiven in full. The Center recognized the forgiveness as income on the consolidated statement of activities for the year ended December 31, 2021.

NOTE 13 – Rental Subsidy

The Center entered into an agreement with the Housing Authority that provides a rental subsidy to the Center for select units in its San Pedro Street Home through December 2025. The Housing Authority distributes funding provided by federal Housing and Urban Development (HUD). The Housing Authority provides housing assistance payments (HAP) for units designated for families receiving supportive services. There are currently 66 units that are designated for use by HAP recipients. During the year ended December 31, 2022, the Center received $787,689 in HAP payments which is included on the consolidated statement of activities in rental income.

NOTE 14 – Retirement Plan

The Center has a defined contribution retirement plan covering all eligible employees with one year of service. The Center may make discretionary contributions to the plan. The Center's contributions to the plan totaled $44,711 during the year ended December 31, 2022.

NOTE 15 – Net Assets With Donor Restrictions

The activity of net assets with donor restrictions for the year ended December 31, 2022 is as follows:

December 31, 2022	Balance at December 31, 2021		Contributions	Balance at Releases
Net assets restricted for time or purpose:				
Advocacy	$ -	$ 550,000	$ (131,261)	$ 418,739
Capital Campaign	771,852	1,000,000	-	1,771,852
Employment	-	100,000	(60,872)	39,128
Permanent supportive housing and domestic violence	1,437,183	984,803	(563,978)	1,858,008
Housing	220,199	50,000	(230,737)	39,462
Veterans program	58,815	44,887	(86,177)	17,525
Social enterprise programs	23,798	70,000	(45,365)	48,433
Health and wellness	625,640	249,000	(331,994)	542,646
Other	103,001	755,143	(642,610)	215,534
Time restrictions	520,000	-	(520,000)	-
	3,760,488	3,803,833	(2,612,994)	4,951,327
Donated land, restricted	5,480,000	-	-	5,480,000
	$ 9,240,488	$ 3,803,833	$ (2,612,994)	$ 10,431,327

NOTE 16 – Contributions - In-Kind

The Center receives various goods, such as food, clothing, and household items. Additionally, items are donated to support fundraising events. Management estimates that the value of these services at December 31, 2022, was $626,413. During the year ended December 31, 2022, contributions – in-kind included in the accompanying consolidated statement of activities and consolidated statement of functional expenses consisted of the following:

	Revenue Recognized 2022	Valuation Techniques and Inputs
Clothing, food, household items, and other	$ 626,413	Value is estimated at the fair market value of similar products and goods.

All donated goods were utilized to support the Center's Health and Wellness program services and fundraising activities. There were no donor-imposed restrictions associated with the donated services or goods.

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

To the Board of Directors of
Downtown Women's Center:

We have audited, in accordance with the 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 consolidated financial statements of Downtown Women's Center (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated August 22, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Downtown Women's Center's consolidated 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 consolidated 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 Downtown Women's Center'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 Downtown Women's Center's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Windes, Inc.

Long Beach, California
August 22, 2023

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Downtown Women's Center:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Downtown Women's Center's (the Center) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Center's major federal programs for the year ended December 31, 2022. The Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Center complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Center and to meet our other 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 major federal program. Our audit does not provide a legal determination of the Center's compliance with the 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 Center's federal programs.

Auditors' 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 Center'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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance 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 Center's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, 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 Center'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 Center'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 Center'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 a 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 program 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 Auditors' 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 defined above. 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Windes, Inc.

Long Beach, California
August 22, 2023

DOWNTOWN WOMEN'S CENTER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Federal Expenditures
U. S. Department of Housing and Urban Development		
Continuum of Care Program		
Pass Through:		
Los Angeles Homeless Services Authority	14.267	$ 478,914
Los Angeles Homeless Services Authority	14.267	3,357,180
		3,836,094
Emergency Solutions Grant		
Pass Through:		
Los Angeles Homeless Services Authority	14.231	452,443
Los Angeles Homeless Services Authority	14.231	1,950,850
Los Angeles Homeless Services Authority	14.231	168,403
Los Angeles Homeless Services Authority	14.231	48,016
Los Angeles Homeless Services Authority	14.231	34,294
Los Angeles Homeless Services Authority	14.231	117,044
		2,771,050
U.S. Department of Homeland Security		
Emergency Food and Shelter National Board		
Pass Through:		
United Way	97.024	36,353
U.S. Department of Justice		
Crime Victim Assistance		
Pass Through:		
California Governor's Office of Emergency Services	16.575	261,014
TOTAL EXPENDITURES OF FEDERAL AWARDS		$ 6,904,511

DOWNTOWN WOMEN'S CENTER

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Downtown Women's Center, under programs of the federal government for the year ended December 31, 2022. The information in the 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). Because the Schedule presents only a selected portion of the operations of Downtown Women's Center, it is not intended to and does not present the net position, changes in revenue, expenses and net position, or cash flows of Downtown Women's Center.

NOTE 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts reflected in the Schedule represent adjustments or credits resulting from the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 – Indirect Cost Rate

Downtown Women's Center has elected not to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

DOWNTOWN WOMEN'S CENTER

SUMMARY OF AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

The auditors express an unmodified opinion on whether the consolidated financial statements of Downtown Women's Center were prepared in accordance with generally accepted accounting principles.

Internal control over financial reporting

1. Material weakness(es) identified? – No

2. Significant deficiencies identified? – None reported

3. Noncompliance material to financial statements noted? – No

Federal Awards

Internal control over major programs

1. Material weakness(es) identified? – No

2. Significant deficiencies identified? – None reported

3. Type of auditors' report issued on compliance for major programs – Unmodified

4. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? – No

5. Identification of major programs: Continuum of Care Program (CFDA 14.267); Enhanced Bridge Housing for Women (CFDA 14.231)

6. Dollar threshold used to distinguish between type A and type B programs was $750,000.

7. Auditee qualified as low-risk auditee? – Yes

SECTION II – FINDINGS – FINANCIAL STATEMENTS AUDIT

None

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

DOWNTOWN WOMEN'S CENTER

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

	DWC	LLC	DWC SP2 LLC	Eliminations	Consolidated
ASSETS					
Cash and cash equivalents	$ 2,120,042	$ 112,858	$ -	$ -	$ 2,232,900
Investments	3,727,912	-	-	-	3,727,912
Accounts receivable	4,934,933	40,498	500,000	-	5,475,431
Promises to give, net	1,506,662	-	-	-	1,506,662
Loan receivable	500,000	-	-	(500,000)	-
Prepaids and other assets	528,960	-	-	(89,656)	439,304
Operating lease right-of-use assets	227,235	-	-	-	227,235
Restricted cash	705,909	1,197,725	-	-	1,903,634
Property and equipment, net	5,470,603	22,130,903	-	-	27,601,506
Investment in LLC	6,756,422	-	-	(6,756,422)	-
TOTAL ASSETS	$ 26,478,678	$ 23,481,984	$ 500,000	$ (7,346,078)	$ 43,114,584
LIABILITIES					
Accounts payable and accrued expenses	$ 2,510,455	$ 92,506	$ -	$ (89,656)	$ 2,513,305
Operating lease liabilities	227,235	-	-	-	227,235
Loans payable	1,785,282	16,633,056	500,000	(500,000)	18,418,338
Total Liabilities	4,522,972	16,725,562	500,000	(589,656)	21,158,878
NET ASSETS	21,955,706	6,756,422	-	(6,756,422)	21,955,706
TOTAL LIABILITIES AND NET ASSETS	$ 26,478,678	$ 23,481,984	$ 500,000	$ (7,346,078)	$ 43,114,584

DOWNTOWN WOMEN'S CENTER

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	DWC	LLC	Eliminations	Consolidated
SUPPORT AND REVENUE:				
Support:				
Grant income	$ 18,143,816	$ -	$ -	$ 18,143,816
Contributions	2,931,731	-	-	2,931,731
Special event income (net of direct expenses of $97,032)	780,672	-	-	780,672
In-kind support	626,413	-	-	626,413
Debt forgiveness	-	172,500	-	172,500
Total Support	22,482,632	172,500	-	22,655,132
Other Revenue:				
Net investment (loss)/gain	(653,585)		-	(653,585)
Rental income	1,000,667	936,386	(936,386)	1,000,667
Social enterprise income	296,553	-	-	296,553
Other revenue	53,002	561	-	53,563
Total Other Revenue	696,637	936,947	(936,386)	697,198
Total Support and Other Revenue	23,179,269	1,109,447	(936,386)	23,352,330
EXPENSES				
Program services	20,649,718	1,565,669	(936,386)	21,279,001
Fundraising	1,148,701	-	-	1,148,701
Management and general	1,372,389	-	-	1,372,389
Total Expenses	23,170,808	1,565,669	(936,386)	23,800,091
CHANGE IN NET ASSETS AND MEMBER'S EQUITY	8,461	(456,222)	-	(447,761)
EQUITY ADJUSTMENT TO LLC INVESTMENT	(457,883)	-	457,883	-
NET ASSETS AND MEMBER'S EQUITY, BEGINNING OF YEAR	22,405,128	7,212,644	(7,214,305)	22,403,467
NET ASSETS, END OF YEAR	$ 21,955,706	$ 6,756,422	$ (6,756,422)	$ 21,955,706

DOWNTOWN WOMEN'S CENTER

SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

	DWC	LLC	DWC SP2 LLC	Consolidated
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets	$ 8,461	$ (456,222)	$ -	$ (447,761)
Adjustments to reconcile change in net assets to net cash from operating activities:				
Stock donations received	(109,309)	-	-	(109,309)
Unrealized loss on investments	793,244	-	-	793,244
Forgiveness of loan	-	(172,500)	-	(172,500)
Transfer of San Pedro rental revenue	(936,386)	936,386	-	-
Depreciation	197,924	630,944	-	828,868
Changes in:				
Accounts receivable	(1,867,053)	(7,927)	(30,000)	(1,904,980)
Promises to give, net	37,173	-	-	37,173
Prepaids and other assets	(270,645)	-	-	(270,645)
Accounts payable and accrued expenses	946,482	200	-	946,682
Net Cash Provided By (Used In) Operating Activities	(1,200,109)	930,881	(30,000)	(299,228)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of investments	1,051,916	-	-	1,051,916
Purchases of investments	(920,066)	-	-	(920,066)
Purchase of property and equipment	(75,935)	-	-	(75,935)
Net Cash Provided By Investing Activities	55,915	-	-	55,915
NET CHANGE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(1,144,194)	930,881	(30,000)	(243,313)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR	3,970,145	379,702	30,000	4,379,847
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	$ 2,825,951	$ 1,310,583	$ -	$ 4,136,534

DOWNTOWN WOMEN'S CENTER

SINGLE ASSET REPORT - SCHEDULES OF OPERATING REVENUE
SAN PEDRO STREET HOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

		2022	2021
	Schedule of Operating Revenues		
	Rent Revenue		
5120	Rent Revenue - Gross Potential	$ 250,450	$ 365,316
5121	Tenant Assistance Payments	936,386	646,332
5140	Rent Revenue - Stores & Commercial	-	-
5170	Rent Revenue - Garage & Parking	-	-
5180	Flexible Subsidy Revenue	-	-
5190	Miscellaneous Rent Revenue	-	-
	Miscellaneous - Rent receivable deemed uncollectible	-	-
5100T	Total Rent Revenue	1,186,836	1,011,648
	Vacancies		
5220	Apartments	-	-
5240	Stores & Commercial	-	-
5250	Rental Concessions	250,450	189,384
5270	Garage & Parking Spaces	-	-
5290	Miscellaneous - Rent receivable deemed uncollectible	-	-
5200T	Total Vacancies	250,450	189,384
5152N	Net Rental Revenue (Rent Revenue Less Vacancies)	936,386	822,264
	Financial Revenue		
5410	Financial Revenue-Projects Operations	-	-
5430	Revenue from Investments-Residual Receipts	-	-
5440	Revenue from Investments-Replacement Reserves	-	-
5490	Revenue from Investments-Miscellaneous	-	-
5400T	Total Financial Revenue	-	-
	Other Revenue		
5910	Laundry & Vending Revenue	-	-
5920	Tenant Charges	-	-
5990	Miscellaneous Revenue	-	-
5900T	Total Other Revenue	-	-
5000T	Total Revenue	$ 936,386	$ 822,264

See Independent Auditors' Report

DOWNTOWN WOMEN'S CENTER

SINGLE ASSET REPORT - SCHEDULES OF OPERATING EXPENSES
SAN PEDRO STREET HOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Continued)

		2022	2021
	Schedule of Operating Expenses		
	Administrative Expenses		
6203	Conventions and Meetings	$ -	$ -
6204	Management Consultants	-	-
6210	Advertising and Marketing	-	-
6250	Other Renting Expenses	-	-
6310	Office Salaries	79,649	124,077
6311	Office Expense	5,413	7,264
6312	Office or Model Apartment Rent	-	-
6320	Management Fee	-	-
6330	Manager or Superintendent Salaries	374,742	464,743
6331	Administrative Rent Free Unit	-	-
6340	Legal Expense - Project	-	-
6350	Audit Expense	-	-
6351	Bookkeeping Fees/Accounting Services	-	-
6370	Bad Debts	-	-
6390	Miscellaneous Administrative Expenses	-	-
	6390-10 Description: Technology	15,291	18,679
	6390-20 Description: Consulting	342	1,854
	6390-30 Description: Staff Travel and Meals	391	193
	6390-40 Description: Cable Service	778	1,284
	6390-50 Description: Mileage and Parking	630	-
	6390-60 Description: Staff Development	3,586	1,396
	6390-70 Description: Dues and Subscriptions	2,946	2,545
6263T	Total Administrative Expenses	483,768	622,035
	Utilities Expenses		
6450	Electricity	167,763	113,733
6451	Water	-	-
6452	Gas	5,772	2,375
6453	Sewer	-	-
6400T	Total Utilities Expenses	173,535	116,108

DOWNTOWN WOMEN'S CENTER

SINGLE ASSET REPORT - SCHEDULES OF OPERATING EXPENSES
SAN PEDRO STREET HOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Continued)

		2022	2021
	Schedule of Operating Expenses		
	Operating And Maintenance Expenses		
6510	Payroll	109,975	23,354
6515	Supplies	27,208	23,776
6520	Contracts	-	-
6521	Operating and Maintenance Rent Free Unit	-	-
6525	Garbage and Trash Removal	9,188	3,924
6530	Security Payroll/Contracts	31,195	32,184
6531	Security Rent Free Unit	-	-
	Operating And Maintenance Expenses (Continued)		
6546	Heating/Cooling Repairs and Maintenance	-	-
6548	Snow Removal	-	-
6570	Vehicle and Maintenance Equipment Operation and Repairs	-	-
6580	Lease Expense	-	-
6590	Miscellaneous Operations and Maintenance Expenses	42,671	39,395
6500T	Total Operating & Maintenance Expenses	220,237	122,633
	Taxes & Insurance		
6710	Real Estate Taxes	-	-
6711	Payroll Taxes	41,210	43,553
6720	Property and Liability Insurance	5,716	10,297
6721	Fidelity Bond Insurance	-	-
6722	Workmen's Compensation	12,334	10,408
6723	Health Insurance and Other Benefits	58,125	52,997
6790	Miscellaneous. Taxes, Licenses, Permits and Insurance	19	(226)
6700T	Total Taxes and Insurance Expenses	117,404	117,029
	Financial Expenses		
6820	Interest on Mortgage Payable	33,538	33,538
6825	Interest on Other Mortgages	-	-
6890	Miscellaneous Financial Expenses:	-	-
6891	Replacement Reserve Deposit	61,200	61,200
6892	Transition Reserve Deposit	-	-
6800T	Total Financial Expenses	94,738	94,738

DOWNTOWN WOMEN'S CENTER

SINGLE ASSET REPORT - SCHEDULES OF OPERATING EXPENSES
SAN PEDRO STREET HOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Continued)

		2022	2021
	Schedule of Operating Expenses		
	Nursing Homes/Assisted Living/Board and Care/ Other Elderly Expenses 6930-6990	-	-
6900T	Total Nursing Home/Assisted Living/Board and Care/other Elderly Expenses	-	-
6000	**Total Cost of Operations before Depreciation**	1,089,682	1,072,543
		-	-
5060T	**Operating Loss before Depreciation**	(153,296)	(250,278)
	Depreciation and Amortization Expenses		
6600	Depreciation Expense	630,944	630,944
6610	Amortization Expense	-	-
5060N	**Operating Loss**	(784,240)	(881,222)
	Net Entity Expenses		
7142	Interest on Mortgage Payable	-	-
7190	Other Expenses	-	-
	7190-010 Description: Asset Management Fee	-	-
	7190-020 Amount:	-	-
	7190-010 Description: Partnership Management Fee	-	-
	7190-020 Amount:	-	-
7100T	Total Net Entity Expenses	-	-
3250	**Change in Total Net Assets from Operations (Net Loss)**	$ (784,240)	$ (881,222)

DOWNTOWN WOMEN'S CENTER

SINGLE ASSET REPORT - RESERVES FOR REPLACEMENTS AND OPERATING EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2022

	San Pedro Street Home Operating Reserve	Replacement Reserve Account: San Pedro Street Home	Replacement Reserve Account: Los Angeles Street Home	San Pedro Street Home Transition Reserve Account	Other Reserve	Tenant Security Deposits: San Pedro Street Home	Tenant Security Deposits: Los Angeles Street Home
	LLC 1040	INC 1095	INC 1037	LLC 1030		LLC 2060	INC 2060
Annual Required Deposits	$ -	$ 61,200	$ -	$ -	$ -	$ -	$ -
Beginning Balance - January 1, 2022	$ 169,742	$ 615,566	$ 28,832	$ 1,027,900	$ -	$ 2,650	3,849
Actual Deposits	-	61,200	-	-	-	-	-
Security Deposits Received	-	-	-	-	-	2,400	1,351
Interest Earned	83	304	7	-	-	-	-
	169,825	677,070	28,839	1,027,900	-	5,050	5,200
Withdrawals	-	-	-	-	-	-	-
Bank Charges	-	-	-	-	-	-	-
Other Debits/ Reductions	-	-	-	-	-	-	-
Security Deposits Returned	-	-	-	-	-	(2,200)	(3,350)
Security Deposits Deducted	-	-	-	-	-	-	-
Interest Paid Upon Move-Out	-	-	-	-	-	-	-
	-	-	-	-	-	(2,200)	(3,350)
Ending Balance - December 31, 2022	$ 169,825	$ 677,070	$ 28,839	$ 1,027,900	$ -	$ 2,850	$ 1,850

See Independent Auditors' Report

DOWNTOWN WOMEN'S CENTER

SINGLE ASSET REPORT - COMPUTATION OF OPERATING CASH FLOW/ SURPLUS CASH
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

Operating Cash Flow/Surplus Cash Computations - per HCD/CalHFA Regulatory Agreements

Operating Cash Flow/ Surplus Cash will be distributed according to the HCD Method

	2022	2021
Operating income		
Total income	$ 936,386	$ 822,264
Interest earned on restricted reserve accounts	(1,016)	(255)
Adjusted operating income	935,370	822,009
Operating expenses	(1,184,420)	(1,167,280)
Adjusted net income	(249,050)	(345,271)
Other activity		
Interest on mortgage payable	(33,538)	(33,538)
Replacement reserve deposit	(61,200)	(61,200)
Transition reserve deposit	-	-
Total other activity	(94,738)	(94,738)
Operating cash flow/surplus cash	(343,788)	(440,009)
Distributions and loan payments:		
50% to HCD MHP loan	-	-
50% split and paid as follows per Regulatory Agreement:		
54% to HCD MHP loan	-	-
32% to City of Los Angeles Housing Department	-	-
14% to Community Development Commission of the County of LA	-	-
	-	-
Total distributions to owner and lenders	$ -	$ -