



# Homeless Coalition

PALM BEACH COUNTY

**Financial Statements**  
**September 30, 2023**

*Mari Huff C.P.A., P.A.*  
Certified Public Accountants  
Stuart, Florida

**THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.**

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# *Mari Huff C.P.A., P.A.*

CERTIFIED PUBLIC ACCOUNTANTS

MEMBER:  
American Institute of Certified  
Public Accountants  
Florida Institute of Certified  
Public Accountants  
National Association of Certified  
Valuators and Analysts

## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors and Executive Director  
The Homeless Coalition of Palm Beach County, Inc.  
West Palm Beach, Florida

### **Opinion**

We have audited the accompanying financial statements of The Homeless Coalition of Palm Beach County, Inc. (the "Coalition") (a nonprofit Florida corporation), which comprise the statement of financial position as of September 30, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Homeless Coalition of Palm Beach County, Inc., as of September 30, 2023, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Homeless Coalition of Palm Beach County, Inc., and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability of The Homeless Coalition of Palm Beach County, Inc. to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 generally accepted auditing standards will always detect a material misstatement when it exists.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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 financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls of The Homeless Coalition of Palm Beach County, Inc. 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 ability of The Homeless Coalition of Palm Beach County, Inc. 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.

*MARI HUFF CPA, PA*

Mari Huff C.P.A., P.A.

March 4, 2024

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

## Statement of Financial Position

As of September 30, 2023

|   | Without donor<br>restrictions | With donor<br>restrictions | Total             |
|---|-------------------------------|----------------------------|-------------------|
| <b>ASSETS:</b>                          |                               |                            |                   |
| Cash and cash equivalents               | \$ 382,181                    | \$ -                       | \$ 382,181        |
| Cash and cash equivalents (restricted)  | -                             | 75,000                     | 75,000            |
| Investments                             | 457,311                       | -                          | 457,311           |
| Grants receivable                       | 10,064                        | -                          | 10,064            |
| Prepaid expenses                        | 24,765                        | -                          | 24,765            |
| Intangibles, net                        | 5,518                         | -                          | 5,518             |
| <b>Total assets</b>                     | <b>\$ 879,839</b>             | <b>\$ 75,000</b>           | <b>\$ 954,839</b> |
| <b>LIABILITIES AND NET ASSETS:</b>      |                               |                            |                   |
| <b>Liabilities:</b>                     |                               |                            |                   |
| Accounts payable                        | \$ 14,178                     | \$ -                       | \$ 14,178         |
| Accrued expenses                        | 14,808                        | -                          | 14,808            |
| <b>Total liabilities</b>                | <b>28,986</b>                 | <b>-</b>                   | <b>28,986</b>     |
| <b>Net assets:</b>                      |                               |                            |                   |
| Net assets without donor restrictions   | 850,853                       | -                          | 850,853           |
| Net assets with donor restrictions      | -                             | 75,000                     | 75,000            |
| <b>Total net assets</b>                 | <b>850,853</b>                | <b>75,000</b>              | <b>925,853</b>    |
| <b>Total liabilities and net assets</b> | <b>\$ 879,839</b>             | <b>\$ 75,000</b>           | <b>\$ 954,839</b> |

See independent auditor's report and notes to financial statements

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

## Statement of Activities

For the Year Ended September 30, 2023

|                                   | Without donor<br>restrictions | With donor<br>restrictions | Total             |
|-----------------------------------|-------------------------------|----------------------------|-------------------|
| <b>Support and revenues:</b>      |                               |                            |                   |
| Government grants                 | \$ 730,234                    | \$ 75,000                  | \$ 805,234        |
| Foundation and private grants     | 273,604                       | -                          | 273,604           |
| Contributions and sponsorships    | 25,000                        | -                          | 25,000            |
| Other contributions               | 317,213                       | -                          | 317,213           |
| In-kind contributions             | 982,033                       | -                          | 982,033           |
| Special events                    | 574,018                       | -                          | 574,018           |
| Interest and dividends            | 6,277                         | -                          | 6,277             |
| Realized loss on investments      | (15,843)                      | -                          | (15,843)          |
| Unrealized gain on investments    | 42,241                        | -                          | 42,241            |
| <b>Total support and revenues</b> | <b>2,934,777</b>              | <b>75,000</b>              | <b>3,009,777</b>  |
| <b>Functional expenses:</b>       |                               |                            |                   |
| Program services                  | 1,439,644                     | -                          | 1,439,644         |
| Support services                  | 406,230                       | -                          | 406,230           |
| <b>Total functional expenses</b>  | <b>1,845,874</b>              | <b>-</b>                   | <b>1,845,874</b>  |
| In-kind expenses                  | 982,033                       | -                          | 982,033           |
| <b>Total expenses</b>             | <b>2,827,907</b>              | <b>-</b>                   | <b>2,827,907</b>  |
| Change in net assets              | 106,870                       | 75,000                     | 181,870           |
| Net assets, beginning of year     | 743,983                       | -                          | 743,983           |
| <b>Net assets, end of year</b>    | <b>\$ 850,853</b>             | <b>\$ 75,000</b>           | <b>\$ 925,853</b> |

See independent auditor's report and notes to financial statements

**THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.**

*Statement of Functional Expenses*

*For the Year Ended September 30, 2023*

|                       | PROGRAM SERVICES               |                          |                          |                                       |                                   | SUPPORT SERVICES       |                        |                   |                        | TOTALS              |
|-----------------------|--------------------------------|--------------------------|--------------------------|---------------------------------------|-----------------------------------|------------------------|------------------------|-------------------|------------------------|---------------------|
|                       | Creating Housing Opportunities | Project Homeless Connect | Homeless Resource Center | Community Outreach & Public Awareness | Breaking Bread, Breaking Barriers | Total Program Services | Management and General | Fund Raising      | Total Support Services |                     |
| Personnel costs       | \$ 41,706                      | \$ 9,424                 | \$ 31,413                | \$ 102,794                            | \$ 37,695                         | \$ 223,032             | \$ 12,565              | \$ 78,532         | \$ 91,097              | \$ 314,129          |
| Professional fees     | 10,539                         | 5,134                    | 5,314                    | 5,224                                 | -                                 | 26,211                 | 62,117                 | 1,738             | 63,855                 | 90,066              |
| Conferences           | -                              | -                        | -                        | 33                                    | -                                 | 33                     | 1                      | -                 | 1                      | 34                  |
| Special events        | -                              | -                        | -                        | -                                     | -                                 | -                      | -                      | 210,784           | 210,784                | 210,784             |
| Program               | 776,036                        | 48,138                   | 74,365                   | 221,511                               | 59,594                            | 1,179,644              | 2,328                  | 21,466            | 23,794                 | 1,203,438           |
| Office                | 484                            | 558                      | 1,791                    | 6,012                                 | 650                               | 9,495                  | 10,690                 | 1,473             | 12,163                 | 21,658              |
| Insurance             | 298                            | 219                      | 297                      | 297                                   | 118                               | 1,229                  | 3,070                  | 86                | 3,156                  | 4,385               |
| Amortization          | -                              | -                        | -                        | -                                     | -                                 | -                      | 1,380                  | -                 | 1,380                  | 1,380               |
| <b>Total expenses</b> | <b>\$ 829,063</b>              | <b>\$ 63,473</b>         | <b>\$ 113,180</b>        | <b>\$ 335,871</b>                     | <b>\$ 98,057</b>                  | <b>\$ 1,439,644</b>    | <b>\$ 92,151</b>       | <b>\$ 314,079</b> | <b>\$ 406,230</b>      | <b>\$ 1,845,874</b> |

*See independent auditor's report and notes to financial statements*

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

## Statement of Cash Flows

For the Year Ended September 30, 2023

|   | Without donor<br>restrictions | With donor<br>restrictions | Total             |
|---|-------------------------------|----------------------------|-------------------|
| <b>Cash flows provided by operating activities:</b>   |                               |                            |                   |
| Cash received from:   |                               |                            |                   |
| Public support and revenues   | \$ 2,128,335                  | \$ -                       | \$ 2,128,335      |
| Interest and dividends  | 6,277                         | -                          | 6,277             |
| Realized loss on investment   | (15,843)                      | -                          | (15,843)          |
| Cash paid to employees and suppliers  | (1,912,643)                   | -                          | (1,912,643)       |
| <b>Net cash provided by operating activities</b>  | <b>206,126</b>                | <b>-</b>                   | <b>206,126</b>    |
| <b>Cash flows used in investing activities:</b>   |                               |                            |                   |
| Purchases of investments  | (91,427)                      | -                          | (91,427)          |
| <b>Net cash used in investing activities</b>  | <b>(91,427)</b>               | <b>-</b>                   | <b>(91,427)</b>   |
| Net change in cash and cash equivalents   | 114,699                       | -                          | 114,699           |
| Cash and cash equivalents, beginning of year  | 267,482                       | 75,000                     | 342,482           |
| Cash and cash equivalents, end of year  | <b>\$ 382,181</b>             | <b>\$ 75,000</b>           | <b>\$ 457,181</b> |
| <b>Reconciliation of change in net assets to net cash provided by operating activities:</b> |                               |                            |                   |
| Change in net assets  | \$ 106,870                    | \$ 75,000                  | \$ 181,870        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities  |                               |                            |                   |
| Depreciation and amortization expense   | 1,380                         | -                          | 1,380             |
| Unrealized gain on investments  | (42,241)                      | -                          | (42,241)          |
| Change in:  |                               |                            |                   |
| Grant receivable  | 208,266                       | -                          | 208,266           |
| Prepaid expenses  | (24,765)                      | -                          | (24,765)          |
| Accounts payable  | (41,321)                      | -                          | (41,321)          |
| Accrued expenses  | (2,063)                       | -                          | (2,063)           |
| Grant funds payable   | -                             | (75,000)                   | (75,000)          |
| <b>Net cash provided by operating activities</b>  | <b>\$ 206,126</b>             | <b>\$ -</b>                | <b>\$ 206,126</b> |

See independent auditor's report and notes to financial statements



# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2023

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## **NOTE 1: NATURE OF THE ORGANIZATION**

The Homeless Coalition of Palm Beach County, Inc., (the “Coalition”) was incorporated in September 1988 as a not-for-profit Florida corporation under the provisions of Chapter 617 of the Florida Statutes. The mission of the Coalition is to end homelessness in Palm Beach County, Florida. In September 2008, the Palm Beach County Board of County Commissioners adopted a comprehensive strategic plan known as the Ten-Year Plan. Along with this plan was the creation of the Homeless Advisory Board. The Coalition accomplishes its mission through activities associated with advocacy, education, community outreach, and fundraising to sustain the *Ten-Year Plan*. The Coalition concentrates on raising community awareness concerning homeless issues, increasing collaboration among service providers, and obtaining resources for programs aimed at helping Palm Beach County’s homeless population transition out of homelessness into self-sufficiency. Currently, services are provided through five main programs: Creating Housing Opportunities, Project Homeless Connect, Homeless Resource Center, Community Outreach and Public Awareness Program, and Breaking Bread Breaking Barriers. The Coalition’s vision is to ensure that no one remains homeless in Palm Beach County. Through prevention, intervention, and advocacy services, it acts as the voice of the homeless. The Coalition is an essential stakeholder in Palm Beach County’s plan to address homelessness and provides fundraising for and operations of the programs.

## **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### Basis of Accounting

The accounting and reporting policies of the Coalition conform to accounting principles generally accepted in the United States of America and are in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205 *Not-for Profit Entities Presentation of Financial Statements*. These financial statements are prepared on the accrual basis of accounting and report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Coalition considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2023

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## **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the Statement of Financial Position. Realized and unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized. Short-term investments consist of debt securities with original maturities of twelve months or less. Long-term investments consist of debt securities with original maturities greater than twelve months.

### Grants Receivable

The Coalition recognizes income from reimbursement grants as of the date on which the contracted reimbursable expenses have been incurred. Any amounts not received by that date are reported as grants receivable and recognized as grant income. An allowance of doubtful accounts may be recorded based upon the history of collections. No allowance was deemed necessary at September 30, 2023.

### Prepaid Expenses

The Coalition prepays certain expenses and recognizes the expenses as the benefits are received. These prepaid expenses are reflected as current assets and will be recognized as expenses within the following year as the benefits are received.

### Property and Equipment

The Coalition capitalizes property and equipment over \$1,000. Lesser amounts are expensed. Purchased property and equipment are capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as contributions with donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Coalition reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Coalition reclassifies donor restricted net assets to net assets without donor restrictions at that time. Property and equipment currently consist of computer equipment which is being depreciated using the straight-line method over an estimated useful life of five years.

### Intangible Assets

The Coalition purchased software which is being carried on the statement of financial position as intangible assets amortized over a period of five years from the date of purchase.

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2023

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## **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### Accrued Compensated Absences

Employees of the Organization are entitled to paid time off (PTO) based on completed years of employment. PTO is earned on a monthly basis and is credited to an employee's PTO account on the first day of the month following the month that the PTO was earned. Upon resignation, termination, or retirement, employees are paid a lump sum PTO payment in the pay period following their last day worked. No amount has been recognized or accrued for compensated absences at September 30, 2023.

### Net Assets

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board may designate, from net assets without donor restrictions, net assets that are board-designated for specific purposes.

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

### Promises to Give

Contributions are recognized when the donor makes a promise to give to the Coalition that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restriction if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions.

### Contributed Services

In order to operate various programs, the Coalition relies on the donated time and services of volunteers. The Coalition generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of services that assist the Coalition, but these services do not meet the criteria for recognition as contributed services in the financial statements. It is estimated that the Coalition received approximately 5,100 in volunteer hours not recognized as revenue for the year ended September 30, 2023. Other services that can be identified with certain amounts have been reflected in the financial statements as in-kind contributions.

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2023

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## **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### Contributions

Contributions received are recorded with donor restrictions or without donor restriction depending on the existence or nature of any donor restrictions.

### Revenue from Contracts with Customers (FASB 606)

Funds from ticket sales for special events are generally received in advance. The event is considered a single performance obligation and revenues are recognized at the point in time when the event is performed. This method is used because management considers the transfer of services to be the best available measure of progress on contracts. Ticket sales received in advance of events are recorded as deferred revenue in the Statement of Financial Position and are reported as revenue without donor restrictions as performance obligations are met.

### Performance Obligations (FASB ASC 606)

The Coalition sells special events tickets at a fixed price, with similar payment terms and conditions for all customers. The fulfillment of the service is a single performance obligation that is satisfied at a point in time when the service is completed. Payment, typically, is based on pre-determined ticket prices. Tickets are typically purchased in advance of the event and performed obligation is satisfied as the event is performed.

### Significant Judgments (FASB ASC 606)

Progress toward completion of the Coalition contracts is measured by the performance of services. Contracts typically do not include any bonuses or other considerations that depend on the Coalition's performance.

### Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel cost, which are allocated on the basis of estimated time and effort, as well as insurance and office expense which are allocated on a square footage basis. Professional fees, conferences and insurance are allocated based on management's estimated program or support usage. The costs of program and support services activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### Income Taxes

The Coalition is a not-for-profit organization that is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service (IRS) as other than a private foundation. Generally, the Coalition's Forms 990, *Return of Organization Exempt from Income Tax*, for the previous three years after they were filed are subject to examination by the IRS.

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2023

## **NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

### Uncertain Tax Positions

The Coalition continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law, and new authoritative rulings. As of the date the financial statements were available to be issued, no uncertain tax positions were identified or reported by the Coalition.

### Amortization

Amortization is computed using the straight-line method over the estimated useful lives of the assets. For financial reporting purposes, estimated lives are 5 years.

### Advertising

The Coalition expenses advertising costs as they are incurred. Advertising expense for the year ended September 30, 2023 was \$1,728. Advertising expenses were split \$1,478 and \$250 between program and special event expenses, respectively.

## **NOTE 3: INVESTMENTS**

Investments at September 30, 2023 composed of the following:

| <u>Investments (held for trading)</u> | <u>Cost</u>       | <u>Gross unrealized Losses</u> | <u>Fair value</u> |
|---------------------------------------|-------------------|--------------------------------|-------------------|
| Stock funds                           | \$ 220,693        | \$ (18,040)                    | \$ 202,653        |
| Balanced funds                        | 28,286            | (2,791)                        | 25,495            |
| Bond funds                            | 247,618           | (18,455)                       | 229,163           |
| Total investments                     | <u>\$ 496,597</u> | <u>\$ (39,286)</u>             | <u>\$ 457,311</u> |

## **NOTE 4: GRANTS RECEIVABLE**

Grants receivable consisted of amounts due from multiple grants for the services provided before the fiscal year end. All amounts are expected to be collected within the next fiscal year. Therefore, no allowance for doubtful accounts has been recorded in these financial statements. For the year ended September 30, 2023. No amount was charged against the allowance for doubtful accounts for bad debt during the year ending September 30, 2023. Grants receivable at September 30, 2023 and 2022 were as follows:

|        | <u>2023</u>      | <u>2022</u>       |
|--------|------------------|-------------------|
| BOCC   | \$ 4,348         | \$ 198,330        |
| Others | 5,716            | 20,000            |
| Total  | <u>\$ 10,064</u> | <u>\$ 238,330</u> |

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2023

## **NOTE 5: FAIR VALUE MEASUREMENTS**

FASB ASC 820 10, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework to measure fair value within GAAP, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques.

Fair value 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. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, income or cost approach, as specified by FASB ASC 820, are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

- Level 1 - inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities which the Coalition has the ability to access.
- Level 2 - 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 and rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at September 30, 2023, are as follows:

| Description       | Fair Value<br>(Level 1) | Significant<br>Observable<br>Inputs (Level 2) | Significant<br>Observable<br>Inputs (Level 2) |
|-------------------|-------------------------|---|---|
| Fixed income      | \$ 229,163              | \$ -  | \$ -  |
| Equities          | 228,148                 | -   | -   |
| Total investments | \$ 457,311              | \$ -  | \$ -  |

## **NOTE 6: PREPAIDS EXPENSES**

Prepays at September 30, 2023 composed of the following:

|              |           |
|--------------|-----------|
| Insurance    | \$ 10,845 |
| Mayor's Ball | 13,920    |
| Total        | \$ 24,765 |

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2023

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## **NOTE 7: PROPERTY AND EQUIPMENT**

Property and equipment, at September 30, 2023, consisted of the following:

|                                |                    |
|--------------------------------|--------------------|
| Furniture and equipment        | \$ 10,634          |
| Less: accumulated depreciation | (10,634)           |
| Total                          | <u><u>\$ -</u></u> |

The Coalition had no depreciation expense for the year ended September 30, 2023.

## **NOTE 8: INTANGIBLE ASSETS**

Intangible assets consisted of the following at September 30, 2023:

|                                |                        |
|--------------------------------|------------------------|
| Computer software              | \$ 18,667              |
| Less: accumulated amortization | (13,149)               |
| Total                          | <u><u>\$ 5,518</u></u> |

Amortization expense of \$1,380 was recorded for the year ended September 30, 2023.

## **NOTE 9: NET ASSETS WITH DONOR RESTRICTIONS**

Under the Emergency Solutions Grant Program agreement, the Coalition received funds in the amount of \$75,000 that were restricted for emergency shelter services.

## **NOTE 10: FINANCIAL ASSISTANCE**

### **Palm Beach County Board of County Commissioners Agreement**

In August 2011, the Coalition entered into an agreement with Palm Beach County (the “County”) through its Board of Commissioners to cooperatively manage the implementation of the *Ten-Year Plan to End Homelessness in Palm Beach County*. On July 2, 2019, the Coalition amended the plan and entered into a new ten-year agreement with Palm Beach County (the “County”) through its Board of Commissioners to receive financial assistance for the support and implementation of the Community Plan to End Homelessness in Palm Beach County (Community Plan). The agreement allows for \$1,537,500 to be collected from July 2, 2019 to September 30, 2029. Per this agreement, the Coalition received \$150,000 for the year ended September 30, 2023. The Coalition anticipates an annual allocation of \$150,000 to be received in each subsequent fiscal year contingent upon budgetary appropriations by the County.

Under the terms of this contract, the County provides the Coalition with office space in the Department of Community Services building, without charge. Within this office space, the County provides office furniture, telephones, computers, copier, faxes, utilities, and janitorial services.

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2023

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## **NOTE 11: FINANCIAL ASSISTANCE (continued)**

### Palm Beach County Board of County Commissioners Agreement (continued)

The Coalition assists in providing fundraising for the *Ten-Year Plan* and the operations of the Homeless Resource Center. Expenses paid by the County on behalf of the Coalition are included as part of in-kind revenues and expenses. With these provisions and any future amendments, it is the intention of both parties to successfully implement the *Ten-Year Plan*.

In April 2022, the Coalition entered into the following agreements with Palm Beach County (the “County”) through its Board of Commissioners:

- 1) To provide hotel/furnished rooms for clients receiving transitional for the period of February 22, 2022 through June 30, 2023 in an amount not to exceed \$328,000. Per this agreement, the Coalition received approximately \$328,000 for the year ended September 30, 2023.
- 2) To pay for mobile cell phones for clients receiving Tele-Adherence Counseling for the period March 1, 2022 through February 28, 2025. Per this agreement, the Coalition received \$25,000 for the year ended September 30, 2023. The Coalition anticipates an annual allocation of \$25,000 to be received in each subsequent fiscal year contingent upon budgetary appropriations by the County.

### Emergency Solutions Grant Program

In December 13, 2021, the Coalition entered into an agreement with Palm Beach County (the “County”) under the Emergency Solutions Grant Program – CARES Act to provide emergency shelter services to individuals and families who are homeless, at imminent risk, or at risk of homelessness due to COVID-19. Under this agreement the Coalition received funds in the amount of \$75,000 that were restricted for emergency shelter services.

As of September 30, 2023 the Coalition had \$10,064 in grant receivables from Palm Beach County Board of County Commissioners and Palm Beach County Housing Authority.

## **NOTE 12: SPECIAL EVENTS**

The Organization’s special event revenue and direct expenses consisted of the following for the year ended September 30, 2023:

|              | <u>Revenue</u>    | <u>Expense</u>    | <u>Net</u>        |
|--------------|-------------------|-------------------|-------------------|
| Mayor's Ball | \$ 378,226        | \$ 172,039        | \$ 206,187        |
| Lewis Lunch  | 195,792           | 38,745            | 157,047           |
| Total        | <u>\$ 574,018</u> | <u>\$ 210,784</u> | <u>\$ 363,234</u> |



# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

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## **NOTE 13: IN-KIND CONTRIBUTIONS AND EXPENSES**

The Coalition receives in-kind contributions in the form of donated staff, office space, storage space, donation center inventory, silent auction items for fundraisers, and services provided by professionals, local businesses, and volunteers. Revenue is recognized when the services are provided, and a corresponding expense is recognized for the services that would otherwise have to be paid by the Coalition. The Coalition recognized the following in-kind contributions and expenses for the year ended September 30, 2023:

|  |                   |
|--|-------------------|
| General inventory and volunteers                                 | \$ 931,433        |
| Administrative office space                                      | 36,200            |
| Client servicing space at the Senator<br>Phillip D. Lewis Center | 14,400            |
|  | <u>\$ 982,033</u> |

## **NOTE 14: DISAGGREGATION OF REVENUES FROM CONTRACTS WITH CUSTOMERS**

The following table disaggregates the Coalition's revenue earned from contracts with customers based on the timing of satisfaction of performance obligations for the year ended September 30, 2023:

|  |                   |
|--|-------------------|
| Performance obligations satisfied at a point in time | \$ 574,018        |
| Total revenues from contracts with customers         | <u>\$ 574,018</u> |

## **NOTE 15: SIGNIFICANT ESTIMATE**

The allocation of expenses in the Statement of Functional Expenses is a significant estimate based upon management's analysis of relevant factors such as time spent, space utilized, and natural expense. It is at least reasonably possible that the estimate will change within one year, and the effect of that change may be material.

## **NOTE 16: ECONOMIC DEPENDENCE**

The most significant portion of the Coalition's revenue is derived from state/government grant agreements, primarily with the Palm Beach County Board of County Commissioners. The total amount of government grant revenues received for the fiscal year ended September 30, 2023 was approximately \$710,000. This grant pays the Coalition on a refundable basis. Should the source of this grant significantly reduce or deny grants in the future, it would seriously affect the Coalition.

The Coalition's operations are substantially dependent on the receipt of support and revenue from other grants and donations. Loss of these funds or large decreases in this type of funding would have a material effect on the financial position and operations of the Coalition.

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2023

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## **NOTE 17: CONCENTRATION OF CREDIT RISK**

### Cash Concentration

The Coalition maintains deposits at local financial institutions located in Palm Beach County, Florida. The Federal Deposit Insurance Corporation (FDIC) insures deposits up to \$250,000 per customer, per financial institution. At September 30, 2023 the Coalition had no uninsured deposits.

### Revenue Concentration

The Coalition has one major grantor that accounted for approximately 24% of revenues for the year ended September 30, 2023, and 100% of all grant receivable as of September 30, 2023.

### Market Concentration

The Coalition's only location is located in West Palm Beach, Florida. Therefore, the Coalition is highly dependent on the status of the United States economy and interest rates within the region.

## **NOTE 18: LIQUIDITY AND AVAILABILITY**

The schedule below reflects the Coalition's financial assets as of the Statement of Financial Position date, reduced by amounts that are not available for general use due to contractual or donor-imposed restrictions within one year of the Statement of Financial Position date. Other amounts that are not available may also include Board designated amounts that could be utilized if the Board approves the use.

The balance represents financial assets that are liquid and available within one year:

|  |                   |
|--|-------------------|
| Financial assets:                                |                   |
| Cash and cash equivalents                        | \$ 457,181        |
| Investments                                      | 457,311           |
| Grants receivable                                | 10,064            |
| Less donor restricted cash                       | (75,000)          |
| Total financial assets available within one year | <u>\$ 849,556</u> |

## **NOTE 20: UNCERTAINTIES, CONTINGENCIES, AND RISKS**

The Organization may be subject to various legal proceedings and claims which arise in the ordinary course of its business. In the opinion of management, the ultimate liability with respect to those claims is adequately covered by defenses or insurance, and accordingly, will not materially affect the financial position or the results of operations of the Organization. In addition, there are no known or foreseeable legal claims that exist as of the date of this report.

## **NOTE 21: EVALUATION OF SUBSEQUENT EVENTS**

The Coalition has evaluated subsequent events through March 4, 2024, the date which the financial statements were available to be issued.