



# Homeless Coalition

PALM BEACH COUNTY

**Financial Statements**  
**September 30, 2020**

*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 AUDITORS' REPORT**

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

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

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, 2020, and the related statements of activities, cash flows, and the statement of functional expenses for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility 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; this includes 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinion

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, 2020, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*MARI HUFF CPA, PA*

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

October 20, 2021

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

*Statement of Financial Position*

*As of September 30, 2020*

	Without donor restrictions	With donor restrictions	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 712,332	\$ -	\$ 712,332
Cash and cash equivalents (restricted)	-	189,318	189,318
Grants receivable	38,631	-	38,631
Prepaid expenses	58,030	-	58,030
Property and equipment, net	3,722	-	3,722
Intangibles, net	12,356	-	12,356
<b>Total assets</b>	<b>\$ 825,071</b>	<b>\$ 189,318</b>	<b>\$ 1,014,389</b>
<b>LIABILITIES AND NET ASSETS:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 37,982	\$ -	\$ 37,982
Accrued expenses	55,889	-	55,889
Deferred revenue	-	189,318	189,318
SBA - payroll protection program funds	39,683	-	39,683
<b>Total liabilities</b>	<b>133,554</b>	<b>189,318</b>	<b>322,872</b>
<b>Net assets:</b>			
Without donor restrictions	691,517	-	691,517
<b>Total net assets</b>	<b>691,517</b>	<b>-</b>	<b>691,517</b>
<b>Total liabilities and net assets</b>	<b>\$ 825,071</b>	<b>\$ 189,318</b>	<b>\$ 1,014,389</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, 2020

	Without donor restrictions	With donor restrictions	Total
<b>Support and revenues:</b>			
Government grants	\$ 213,946	\$ -	\$ 213,946
Foundation and private grants	206,300	-	206,300
Contributions and sponsorships	45,000	-	45,000
Other contributions	400,493	-	400,493
In-kind contributions	1,192,747	-	1,192,747
Special event	60,675	112,000	172,675
Investment income	462	-	462
<b>Total support and revenues</b>	<b>2,119,623</b>	<b>112,000</b>	<b>2,231,623</b>
<b>Net assets released from restrictions:</b>			
Restrictions satisfied by events	112,000	(112,000)	-
<b>Total net assets released from restrictions</b>	<b>112,000</b>	<b>(112,000)</b>	<b>-</b>
<b>Functional expenses:</b>			
Program services	881,436	-	881,436
Support services	183,035	-	183,035
<b>Total functional expenses</b>	<b>1,064,471</b>	<b>-</b>	<b>1,064,471</b>
In-kind expenses	1,192,747	-	1,192,747
<b>Total expenses</b>	<b>2,257,218</b>	<b>-</b>	<b>2,257,218</b>
Change in net assets	(25,595)	-	(25,595)
Net assets, beginning of year	717,112	-	717,112
<b>Net assets, end of year</b>	<b>\$ 691,517</b>	<b>\$ -</b>	<b>\$ 691,517</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, 2020*

	PROGRAM SERVICES						SUPPORT SERVICES			TOTALS	
	Creating Housing Opportunities	Project Homeless Connect	Homeless Resource Center	Community Outreach & Public Awareness	Breaking Bread, Breaking Barriers	Real Change Movement	Total Program Services	Management and General	Fund Raising	Total Support Services	
Personnel costs	\$ 9,022	\$ 42,995	\$ 48,242	\$ 65,898	\$ 13,135	\$ 10,234	\$ 189,526	\$ 6,378	\$ 5,474	\$ 11,852	\$ 201,378
Professional fees	7,440	7,067	7,315	7,191	-	7,067	36,080	85,508	2,393	87,901	123,981
Special event	-	-	-	-	-	-	-	-	49,553	49,553	49,553
Program	424,271	20,566	40,603	120,943	32,538	5,157	644,078	1,271	11,720	12,991	657,069
Office	479	553	1,774	5,955	215	1,021	9,997	10,590	868	11,458	21,455
Insurance	351	351	351	351	-	351	1,755	3,319	101	3,420	5,175
Amortization	-	-	-	-	-	-	-	3,733	-	3,733	3,733
Depreciation	-	-	-	-	-	-	-	2,127	-	2,127	2,127
<b>Total expenses</b>	<b>\$ 441,563</b>	<b>\$ 71,532</b>	<b>\$ 98,285</b>	<b>\$ 200,338</b>	<b>\$ 45,888</b>	<b>\$ 23,830</b>	<b>\$ 881,436</b>	<b>\$ 112,926</b>	<b>\$ 70,109</b>	<b>\$ 183,035</b>	<b>\$ 1,064,471</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, 2020

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### Cash flows provided by operating activities:

Cash received from:

Public support and revenues \$ 1,154,356

Interest income 462

Cash paid to employees and suppliers (1,087,668)

**Net cash provided by operating activities** 67,150

### Cash flows provided by financing activities:

SBA - payroll protection program funds 39,683

**Net cash provided by financing activities** 39,683

Net change in cash and cash equivalents 106,833

Cash and cash equivalents, beginning of year 794,817

Cash and cash equivalents, end of year \$ 901,650

### Reconciliation of change in net assets to net cash provided by operating activities:

Change in net assets \$ (25,595)

Adjustments to reconcile change in net assets to net cash used in operating activities

Depreciation and amortization expense 5,860

Change in:

Accounts receivable 38,624

Prepaid expenses (7,557)

Accounts payable (44,663)

Accrued expenses 23,163

Deferred revenue 77,318

**Net cash provided by operating activities** \$ 67,150

See independent auditor's report and notes to financial statements



# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2020

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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 six main programs: Creating Housing Opportunities, Project Homeless Connect, Homeless Resource Center, Community Outreach and Public Awareness Program, Breaking Bread Breaking Barriers, and the Real Change Movement. 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.

### 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. 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.

### Contributions

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

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2020

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

### 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.

### 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.

### 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 5,500 in volunteer hours not recognized as revenue for the year ended September 30, 2020. Other services that can be identified with certain amounts have been reflected in the financial statements as in-kind contributions.

### 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.

### Functional Expenses

The Coalition allocates its expenses on a functional basis among its various programs and supporting activities. Expenses that cannot be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification.

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2020

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

### 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.

The Coalition's Forms 990, *Return of Organization Exempt from Income Tax*, are no longer subject to examination for the years ended before 2018.

### Grants Receivable

The Organization 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 account may be recorded based upon the history of collections. No allowance was deemed necessary at September 30, 2020.

### 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., where 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.

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2020

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## **NOTE 3: 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 4: CONCENTRATION OF CREDIT RISK**

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, 2020 the Coalition had approximately \$82,000 in uninsured deposits.

## **NOTE 5: GRANTS RECEIVABLE**

Grant receivable at September 30, 2020 were as follows:

Board of county commissioners	\$ 38,631
<b>Total</b>	<b>\$ 38,631</b>

## **NOTE 6: PREPAID EXPENSES**

The Organization prepays certain expenses and recognizes the expenses as time expires. Prepaid expenses as of September 30, 2020 consisted of the following:

Mayor's Ball	\$ 58,030
<b>Total</b>	<b>\$ 58,030</b>

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

Property and equipment at September 30, 2020, consisted of the following:

Furniture and equipment	\$ 10,634
Less: accumulated depreciation	(6,912)
<b>Total</b>	<b>\$ 3,722</b>

Depreciation expense for the year ended September 30, 2020 was \$2,127.

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2020

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## **NOTE 8: INTANGIBLE ASSETS**

Intangible assets consisted of the following at September 30, 2020:

Computer software	\$ 18,667
Less: accumulated amortization	<u>(6,311)</u>
<b>Total</b>	<b><u>\$ 12,356</u></b>

Amortization expense of \$3,733 was recorded for the year ended September 30, 2020.

## **NOTE 9: DEFERRED REVEUNE**

The Organization receives certain sponsorships, contributions, and ticket sales for events. Revenues are recognized as events occur. Deferred revenue as of September 30, 2020 consisted of the following:

Mayors Ball	\$ 189,318
<b>Total</b>	<b><u>\$ 189,318</u></b>

## **NOTE 10: 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 at September 30, 2020:

General inventory and volunteers	\$ 1,147,047
Administrative office space	36,200
Client servicing space at the Senator Phillip D. Lewis Center	<u>9,500</u>
	<b><u>\$ 1,192,747</u></b>

## **NOTE 11: 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*. 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, 2020

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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*.

On July 2, 2019, the Coalition entered into an agreement with Palm Beach County (the “County”) through its Board of Commissioners to receive financial assistance for its Parks to Work program for the period April 8, 2019 through September 30, 2019. The contract was extend to March 31, 2020 and the funding increased by \$71,200. During the year ended September 30, 2020, a total of \$63,947 was received from the County.

On July 2, 2019, the Coalition entered into a 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, of which \$150,000 was received for the year ended September 30, 2020 with an anticipated annual allocation of \$150,000 to be received in each subsequent fiscal year contingent upon budgetary appropriations by the County.

## **NOTE 12: ECONOMIC DEPENDENCE**

The Coalition’s operations are substantially dependent on the receipt of support and revenue from grants and county 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.

## **NOTE 13: SPECIAL EVENT**

The Organization’s special event revenue and direct expenses consisted of the following for the year ended September 30, 2020:

	Revenue	Expense	Net
Lewis Lunch	\$ 172,675	\$ 49,553	\$ 123,122
<b>Total</b>	<b>\$ 172,675</b>	<b>\$ 49,553</b>	<b>\$ 123,122</b>

# THE HOMELESS COALITION OF PALM BEACH COUNTY, INC.

Notes to Financial Statements

September 30, 2020

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## **NOTE 14: LIQUIDITY AND AVAILABILITY**

The schedule below reflects the Organization'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	\$ 901,650
Less donor restricted cash	<u>(189,318)</u>
Total financial assets available within one year	<u><u>\$ 712,332</u></u>

## **NOTE 15: UNCERTAINTIES, CONTINGENCIES, AND RISKS**

### COVID-19 Related Uncertainty

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of multiple entities. Considerable uncertainty continues to exist related to the duration of the disruption. Therefore, while the Coalition expects this matter to negatively impact its operating results, the related financial impact and duration cannot be reasonably estimated at this time.

## **NOTE 16: PAYROLL PROTECTION PLAN FUNDS**

The Organization was awarded funds in the amount of \$39,683 from the Small Business Administration (SBA) pursuant to the Payroll Protection Program (PPP) as enacted by the CARES Act of 2020. The loan origination date was May 11, 2020 and, under the possible terms of the PPP, the Organization could receive forgiveness of this loan if it spends the funds in accordance with the SBA forgiveness provisions.

Subsequently, on April 6, 2021, the Organization was granted full forgiveness of the total \$39,683 loan.

## **NOTE 17: EVALUATION OF SUBSEQUENT EVENTS**

The Coalition has evaluated subsequent events through October 20, 2021, the date which the financial statements were available to be issued.