

BIG BEND HOMELESS COALITION, INC.

FINANCIAL STATEMENTS

**SEPTEMBER 30, 2021 WITH SUMMARIZED
INFORMATION AS OF SEPTEMBER 30, 2020**

BIG BEND HOMELESS COALITION, INC.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors,
Big Bend Homeless Coalition, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Big Bend Homeless Coalition, Inc. which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Big Bend Homeless Coalition, Inc. as of September 30, 2021, 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.

Report on Summarized Comparative Information

We have previously audited Big Bend Homeless Coalition, Inc.'s September 30, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 21, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

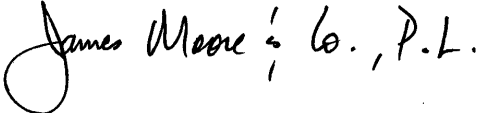
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2023 on our consideration of Big Bend Homeless Coalition, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Big Bend Homeless Coalition, Inc.'s internal control over financial reporting and compliance.

James Moore & Co., P.L.

Tallahassee, Florida
January 26, 2023

BIG BEND HOMELESS COALITION, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2021 WITH SUMMARIZED
INFORMATION AS OF SEPTEMBER 30, 2020

	2021	2020
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 16,870	\$ 24,004
Certificate of deposit	7,662	7,662
Tenant security deposits	19,032	23,408
Investments	20,573	17,713
Beneficial interest in endowment	4,421	3,749
Grants and contracts receivable	472,088	472,338
Prepaid expenses	53,023	36,933
Total current assets	593,669	585,807
Property and equipment, net	6,063,974	6,050,100
Total Assets	\$ 6,657,643	\$ 6,635,907
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities		
Accounts payable and accrued expenses	\$ 182,029	\$ 184,301
Bank overdraft	6,733	-
Accrued leave	66,421	51,317
Deferred revenue	71,426	185
Refundable advance - Paycheck Protection Program	-	129,686
Tenant security deposits	19,032	23,408
Current portion of note payable	16,786	37,441
Line of credit	50,000	-
Total current liabilities	412,427	426,338
Total Liabilities	412,427	426,338
Net assets		
Without donor restrictions:		
Undesignated	130,739	136,504
Net investment in property and equipment	6,063,974	6,050,100
Total net assets without donor restrictions	6,194,713	6,186,604
With donor restrictions:		
Purpose restrictions	50,503	22,965
Total net assets	6,245,216	6,209,569
Total Liabilities and Net Assets	\$ 6,657,643	\$ 6,635,907

The accompanying notes to financial statements
are an integral part of this statement.

BIG BEND HOMELESS COALITION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021 WITH SUMMARIZED
INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2020

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	Total
Support and revenues				
Grants and contracts	\$ 5,009,253	\$ -	\$ 5,009,253	\$ 3,526,698
Rental income	403,767	-	403,767	382,219
Contributions and support	111,895	30,542	142,437	96,990
Investment earnings	3,679	-	3,679	644
Other income	76,466	-	76,466	52,762
In-kind revenue	63,506	-	63,506	45,845
Loan forgiveness - Paycheck Protection Program	129,686	-	129,686	163,350
Net assets released from restrictions	3,004	(3,004)	-	-
Total support and revenues	<u>5,801,256</u>	<u>27,538</u>	<u>5,828,794</u>	<u>4,268,508</u>
Expenses				
Program services				
Advocates for Veteran Housing	1,497,512	-	1,497,512	1,118,572
Emergency and Temporary Housing	1,199,901	-	1,199,901	1,252,931
Permanent Housing	2,762,250	-	2,762,250	1,704,638
Continuum of Care	-	-	-	41,965
Total program services	<u>5,459,663</u>	<u>-</u>	<u>5,459,663</u>	<u>4,118,106</u>
General and administrative	329,284	-	329,284	249,651
Fundraising	4,200	-	4,200	39,902
Total expenses	<u>5,793,147</u>	<u>-</u>	<u>5,793,147</u>	<u>4,407,659</u>
Increase (decrease) in net assets	<u>8,109</u>	<u>27,538</u>	<u>35,647</u>	<u>(139,151)</u>
Net assets, beginning of year	6,186,604	22,965	6,209,569	6,348,720
Net assets, end of year	<u>\$ 6,194,713</u>	<u>\$ 50,503</u>	<u>\$ 6,245,216</u>	<u>\$ 6,209,569</u>

The accompanying notes to financial statements
are an integral part of this statement.

BIG BEND HOMELESS COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021 WITH SUMMARIZED
INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2020

	2021					2020	
	Program Services						
	Supportive Services for Veterans Housing	Emergency and Temporary Housing	Permanent Housing	General and Administrative	Fundraising	Total	
						Total	
Building rent	\$ 42,799	\$ 895	\$ 15,944	\$ 1,536	\$ -	\$ 61,174	\$ 52,350
Client assistance	52	4,485	1,224	-	-	5,761	12,905
Communications	30,393	12,835	13,904	1,348	-	58,480	38,039
Depreciation	-	130,432	82,374	5,902	-	218,708	201,129
Direct support	703,936	46,692	1,364,991	-	-	2,115,619	1,220,897
Equipment rental	25,395	8,029	20,979	4,272	-	58,675	52,605
Food	-	52,851	45	-	-	52,896	57,293
Grants to subrecipients	-	-	352,083	-	-	352,083	448,460
In-kind	-	38,889	7,886	16,731	-	63,506	45,845
Insurance	23,130	15,482	15,304	-	-	53,916	87,617
Interest	35	1,201	309	2,458	-	4,003	1,019
Miscellaneous	8,000	325	1,450	5,157	-	14,932	13,288
Occupancy	-	2,800	2,800	-	-	5,600	8,990
Operating supplies	28,054	13,340	17,061	1,802	17	60,274	37,224
Professional fees	36,161	16,163	146,196	9,376	-	207,896	96,017
Public relations	230	-	338	36	4,183	4,787	13,341
Repairs and maintenance	2,161	85,222	101,436	-	-	188,819	161,444
Salaries and benefits	592,549	683,324	580,492	271,970	-	2,128,335	1,703,623
Taxes	-	-	2	56	-	58	99
Training and conferences	2,737	2,618	184	527	-	6,066	9,770
Travel and mileage	1,197	10,548	4,916	964	-	17,625	5,358
Utilities	683	73,770	32,332	7,149	-	113,934	140,346
Total expenses	<u>\$ 1,497,512</u>	<u>\$ 1,199,901</u>	<u>\$ 2,762,250</u>	<u>\$ 329,284</u>	<u>\$ 4,200</u>	<u>\$ 5,793,147</u>	<u>\$ 4,407,659</u>

The accompanying notes to financial statements
are an integral part of this statement.

BIG BEND HOMELESS COALITION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2021 WITH SUMMARIZED
INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Cash received from grantors, contributors and clients	\$ 5,626,948	\$ 3,827,103
Cash paid to suppliers and employees	(5,510,188)	(4,113,794)
Interest paid	(4,003)	(1,019)
Interest income received	147	282
Other income received	76,466	52,762
Net cash provided by (used in) operating activities	<u>189,370</u>	<u>(234,666)</u>
Cash flows from investing activities		
Purchases of property and equipment	<u>(232,583)</u>	<u>(24,610)</u>
Cash flows from financing activities		
Proceeds from notes payable	16,786	49,922
Proceeds from bank overdraft	6,733	-
Proceeds from line of credit	50,000	-
Payments on bank overdraft	-	(47,643)
Proceeds from refundable advance - Paycheck Protection Program	-	293,036
Payments on notes payable	(37,441)	(28,511)
Net cash provided by financing activities	<u>36,078</u>	<u>266,804</u>
Net increase (decrease) in cash and cash equivalents	<u>(7,135)</u>	<u>7,528</u>
Cash and cash equivalents, beginning of year	24,004	16,476
Cash and cash equivalents, end of year	<u>\$ 16,870</u>	<u>\$ 24,004</u>
Reconciliation of increase (decrease) in net assets to net cash provided by (used in) operating activities		
Increase (decrease) in net assets	\$ 35,647	\$ (139,151)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	218,708	201,129
Unrealized gain on investments	(2,860)	(312)
Unrealized gain from beneficial interest in endowment	(672)	(50)
Loan forgiveness - Paycheck Protection Program	(129,686)	(163,350)
(Increase) decrease in grant and contract receivables	250	(178,994)
(Increase) decrease in prepaid expenses	(16,090)	4,967
Increase in deferred revenue	71,241	-
Increase in accounts payable	12,832	41,095
Total adjustments	<u>153,723</u>	<u>(95,515)</u>
Net cash provided by (used in) operating activities	<u>\$ 189,370</u>	<u>\$ (234,666)</u>
Supplemental disclosure of non-cash investing and financing activities:		
Forgiveness of Paycheck Protection Program payable	\$ 129,686	\$ 163,350
Prepaid insurance financed with note payable	\$ 26,553	\$ 36,933

The accompanying notes to financial statements
are an integral part of this statement.

BIG BEND HOMELESS COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:**

The following is a summary of the more significant accounting policies and practices of Big Bend Homeless Coalition, Inc. (the “Coalition”) which affect significant elements of the accompanying financial statements:

(a) **General**—The Coalition was incorporated as a Florida non-profit corporation in 1987. The Coalition operates nine direct service programs:

HOPE Community: Emergency shelter/temporary housing, case management, and support services for families with minors experiencing homelessness.

Rapid Rehousing: Utility deposits, initial rent payments, and case management for families who are self-sufficient but lack funds to move into an apartment.

Homeless Prevention: Financial assistance to pay past-due rent and/or utilities to prevent households from being evicted and becoming homeless.

Supportive Services for Veterans Housing: Rapid rehousing, prevention, and case management for Veterans.

Home Plate: Permanent supportive housing and leasing assistance for individuals with disabilities who have extensive histories of homelessness.

Home Place at Balkin: Affordable accessible apartments as well as supportive services for individuals with chronically homeless histories and disability.

Home Front: Affordable apartments dedicated to formerly homeless Veterans.

Patrick Avenue Apartments: Eight-unit housing complex offering affordable housing for families. Rents are set based on family income.

Refire Culinary: Culinary training program operated out of HOPE Café, for people with felony convictions.

In its direct service capacity, the Coalition is also responsible for A Place Called Home. A Place Called Home is a Permanent Supportive Housing program (similar to Home Plate) that is operated by a sub-recipient.

Primary funding is received from various grant and/or contract for services agreements.

(b) **Property and Equipment**—Property and equipment acquired by the Coalition are considered to be owned by the Coalition. However, funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal Government has a reversionary interest in those assets purchased with its funds which have a cost of \$5,000 or more and an estimated useful life of at least one year. The State of Florida has a reversionary interest in those assets purchased with its funds which have a cost of \$1,000 or more and an estimated useful life of at least one year.

BIG BEND HOMELESS COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(b) **Property and Equipment** (Continued) —Property and equipment with a value greater than \$2,500 and an estimated useful life of at least one year are recorded at cost when purchased or at estimated fair value when contributed. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from five to thirty-nine years.

(c) **Income Taxes**—The Coalition is generally exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been made in the accompanying financial statements.

The Coalition files income tax returns in the U.S. Federal jurisdiction. The Coalition's income tax returns for the past three years are subject to examination by tax authorities and may change upon examination.

The Coalition has reviewed and evaluated the relevant technical merits of each of their tax positions in accordance with accounting principles generally accepted in the United States of America for accounting for uncertainty in income taxes, and determined that there are no uncertain tax positions that would have a material impact on the financial statements.

(d) **Cash and Cash Equivalents**—For the purpose of reporting cash flows, cash and cash equivalents include cash on hand, demand deposits due from banks, and short-term investments with an original maturity of 90 days or less.

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

(f) **Basis of accounting**—The financial statements have been prepared on the accrual basis of accounting, and accordingly, reflect significant receivables, payables and other liabilities.

Net assets of the Coalition and changes therein 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.

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 be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

(g) **Functional Allocation of Expenses**—The costs of providing the various services and other 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.

BIG BEND HOMELESS COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(1) **Summary of Significant Accounting Policies:** (Continued)

(h) **Contributions**—All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Coalition reports the support as net assets without donor restrictions.

Unconditional promises to give that are expected to be collected within one year are recorded at 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. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets 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 restricted contributions. 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 as instructed by the donor. The Coalition reclassifies net assets with donor restrictions to net assets without donor restrictions at that time.

(i) **Revenue Recognition**—The Coalition recognizes contract revenue (up to the contract ceiling) from its contracts over a period which represents the service period for certain contracts, or to the extent of expenses. Revenue recognition depends on the contract.

(j) **Deferred Revenue**— The Coalition records grant/contract receipts as deferred revenue until they are expended for the purpose of the grant/contract, at which time they are recognized as revenue. The balance in deferred revenue represents amounts received under cost reimbursable and unit rate contracts that will be expended in the next fiscal year in accordance with the grant/contract period.

(k) **Compensated Absences**—It is the Coalition's policy to permit employees to accumulate earned but unused personnel benefits. Personnel benefits are accrued when incurred and reported as a liability to the Coalition.

(l) **Grant and Contract Receivables**—Grant and contract receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with grantors and contractors having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial.

BIG BEND HOMELESS COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(2) **Significant Funding Sources:**

The Coalition receives a substantial amount of its funding from the U.S. Department of Housing and Urban Development and the U.S. Department of Veterans Affairs. A significant reduction in the level of this funding, if this were to occur, could have an adverse effect on the Coalition's programs and activities.

(3) **2020 Presentation:**

The accompanying financial statements include certain prior year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Coalition's financial statements for the year ended September 30, 2020 from which the summarized information was derived.

(4) **Concentrations of Credit Risk:**

The more significant concentrations of credit risk are as follows:

(a) **Demand and Time Deposits**—The Coalition maintains demand and time deposits with several financial institutions. The Coalition has no policy requiring collateral to support its demand and time deposits, although accounts at each bank are insured by the Federal Deposit Insurance Corporation up to FDIC limits.

(b) **Grant and Contract Receivables**—The Coalition's receivables are for amounts due under contracts with Federal, State and local agencies. The Coalition has no policy requiring collateral or other security to support its receivables.

(c) **Financial Instruments**—Financial instruments are exposed to various risks such as significant world events, interest rate, credit, and overall market volatility risks. Credit risk is a consequence of carrying investment positions. To manage credit risk, the Coalition holds investments with a broker that is covered by SIPC (Securities Investor Protection Corporation); however, this does not protect against loss due to market fluctuation. Due to the level of risk associated with certain financial instruments, it is reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Financial Position.

(5) **Matching Requirements:**

The Coalition receives a portion of its support through grants and contracts. Certain grants and contracts require the Coalition to provide specified amounts of matching revenue. Each grant/contract, where applicable, has met all matching requirements. Also, for each contract that ended on or before September 30, 2021, no obligation remains outstanding to the funding source.

BIG BEND HOMELESS COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(6) Defined Contribution Plan:

The Coalition has a 401(k) Retirement Plan that is available to all employees age 21 and older with at least one year of service. The plan has no vesting period for participants. Coalition matching and profit-sharing contributions are voluntary. The Coalition made no contributions to the plan during the year ended September 30, 2021.

(7) Property and Equipment:

The following is a summary of property and equipment at September 30, 2021:

Land	\$ 1,380,404
Building and improvements	6,722,399
Equipment	253,526
Vehicles	37,296
Furniture	61,486
	8,455,111
Less: accumulated depreciation	2,391,137
Total	\$ 6,063,974

(8) Beneficial Interest in Endowment:

During the year ended September 30, 2021, the Coalition had a beneficial interest in an endowment held by The Community Foundation of North Florida, Inc. (“the Foundation”) for the purpose of helping to further and carry out the purpose of the Coalition. As of September 30, 2021, the fair value of the Coalition’s endowment fund excluding third party contributions was \$4,421.

Contractually, the Foundation retains legal ownership of principal amounts contributed. However, because the Coalition names itself as the beneficiary of such contributions, even though the variance power is explicitly stated in the gift instrument to the Foundation, the principal balances and any earnings or losses there on are reported as Beneficial Interest in Endowment on the Statement of Financial Position.

The Fund is subject to the variance power described in Treasury Reg. Sec.1.170A-9(e)(11)(v)(B)(1) of the Internal Revenue Code of 1986, as amended from time to time.

The Foundation has the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes or to specified Coalitions, if in the sole judgment of the Foundation’s Board of Directors (without the necessity of the approval of any trustee, custodian or agent), such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment, or inconsistent with the charitable needs of the north Florida community and other areas served by the corporation.

BIG BEND HOMELESS COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(9) Contingent Liabilities:

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally Federal and state governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by grantors cannot be determined at this time although the Coalition expects such amounts, if any, to be immaterial.

(10) Fair Value Measurements:

The Fair Value Measurements and Disclosures Topic of the FASB Codification defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Codification requires the use of valuation techniques that are consistent with the market approach, the income approach, and/or the cost approach. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources or unobservable, meaning those that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. In that regard, the Codification establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

A description of the valuation methodologies used for assets measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

Beneficial interest in assets held by Community Foundation of North Florida, Inc. - Assets held by the Foundation are invested in equities and mutual funds that have quoted prices in active markets. The Coalition adjusts its interest in the assets held by the Foundation similar to the equity method of accounting, which results in the asset being carried at fair value. The interest in the assets held by the Foundation is measured using level 3 inputs within the fair value hierarchy. These assets totaled \$4,421 as of September 30, 2021.

BIG BEND HOMELESS COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(10) **Fair Value Measurements:** (Continued)

The following is a schedule of the current year activity of these level 3 assets at September 30, 2021:

	Endowment Fund
Balance , September 30, 2020	\$ 3,749
Unrealized gain relating to instruments still held at reporting date	672
Balance , September 30, 2021	\$ 4,421

The Coalition maintained investments consisting of marketable securities recorded at fair value. Their fair value as of September 30, 2021 is summarized below:

	Cost	Fair Value	Unrealized Gain (Loss)
Mutual funds	\$ 8,993	\$ 20,573	\$ 11,580

The mutual funds are valued at quoted market prices and deemed level 1 investments.

Investments in marketable securities with readily determinable fair values are reported at fair values in the Statement of Financial Position. Unrealized gains and losses are included in net assets.

The following schedule summarizes the investment earnings in the Statement of Activities for the year ended September 30, 2021:

Interest and dividend income	\$ 3,532
Net realized and unrealized gains	147
Total	\$ 3,679

(11) **Note Payable:**

Note payable consisted of the following as of September 30, 2021:

0.00% note payable to corporation, \$5,595 payable monthly, uncollateralized, through December 2021.	\$ 16,786
Less: current portion	16,786
Total long-term debt, less current portion	\$ -

(12) **Line of Credit:**

The Coalition has a variable rate unsecured line of credit with a bank in the amount of \$50,000 that matures in June 2022. As of September 30, 2021 the balance on the line of credit was \$50,000.

BIG BEND HOMELESS COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(13) **In-Kind Support:**

The Coalition receives donations of supplies to help serve clients. The value of this in-kind support is based upon the fair value of the donated items. In-kind revenue from donations of supplies totaled \$63,506 for the year ended September 30, 2021 and is recognized in the Statement of Activities.

(14) **Operating Lease:**

The Coalition leases office space under an operating lease expiring in December 2023.

The Coalition also leases multiple vehicles under operating leases expiring in September 2022 through December 2024.

Minimum future rental payments under the operating leases with a term in excess of one year as of September 30, 2021, for each of the next five years and in the aggregate are:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	88,086
2023	89,666
2024	23,255
2025	939
Total	<u>\$ 201,946</u>

Rental expense related to the building operating leases incurred during the year ended September 30, 2021 was \$61,174. Rental expense related to the vehicle operating leases incurred during the year ending September 30, 2021 was \$11,832.

(15) **Liquidity and Availability:**

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 16,870
Certificate of deposit	7,662
Investments	20,573
Grants, contracts and other receivables	472,088
Less amounts not available to use within one year:	
Purposes restrictions	(50,503)
Financial assets available to meet cash needs for general expenditures	<u>\$ 466,690</u>

As part of our liquidity management plan, in the event of an unanticipated liquidity need, the Coalition has \$50,000 available from line of credit which has been fully drawn as September 30, 2021.

BIG BEND HOMELESS COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(16) **Net Assets with donor restrictions:**

Net assets with donor restrictions consist of the following at September 30, 2021:

Funding for direct assistance for children at HOPE or Infrastructure for children at HOPE	\$ 39,122
Funding for direct supplies for participants	2,814
Funding for recreational infrastructure for children at HOPE	8,317
Funding for goods and materials for Zonta Womens Fund eligible female heads of households	250
Total	<u>\$ 50,503</u>

(17) **Risks and Uncertainties:**

During the year ended September 30, 2021, local, U.S., and world governments have encouraged self-isolation to curtail the spread of the global pandemic, coronavirus disease (COVID-19), by mandating temporary work stoppage in many sectors and imposing limitations on travel and size and duration of group meetings. Most industries are experiencing disruption to business operations and the impact of reduced consumer spending. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. Accordingly, while management cannot quantify the financial and other impact to the Coalition as of January 26, 2023, management believes that a material impact on the Coalition's financial position and results of future operations is reasonably possible.

(18) **Refundable Advance– Paycheck Protection Program:**

On May 22, 2020, the Coalition received proceeds in the amount of \$293,036 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides funding to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The proceeds are forgivable after twenty-four weeks as long as the borrower uses the proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels. The proceeds received under the program were forgiven on April 7, 2021.

The Coalition has recorded \$129,686 PPP proceeds as loan forgiveness revenue in the Statement of Activities (the amount expended as of September 30, 2021). \$163,350 (the amount expended as of September 30, 2020) was recorded as loan forgiveness revenue in the 2020 Statement of Activities in accordance with generally accepted accounting principles.

(19) **Subsequent Events:**

The Coalition has evaluated events and transactions for potential recognition or disclosure in the financial statements through January 26, 2023 the date which the financial statements were available to be issued.

BIG BEND HOMELESS COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2021

(20) **Recently Issued Accounting Pronouncements:**

The Financial Accounting Standards Board (FASB) issued new or modifications to, or interpretations of, existing accounting guidance. The Coalition has considered the new pronouncements that altered accounting principles generally accepted in the United States of America, and other than as disclosed in the notes to the financial statements below, does not believe that any other new or modified principles will have a material impact on the Coalition's reported financial position or operations in the near term.

In February 2016, the FASB issued Accounting Standards Update 2016-02: Leases (Topic 842), to increase transparency and comparability among Coalition's by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. The new standard is effective for fiscal years beginning after December 15, 2021 and may be adopted early. The Coalition is currently evaluating the effect that implementation of the new standard will have on its financial position, results of operations, and cash flows.

BIG BEND HOMELESS COALITION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

<u>Federal Grantor / Pass Through Grantor/ Program Title</u>	<u>Assistance Listing Number</u>	<u>Contract Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Expenditures</u>
FEDERAL AWARDS				
U.S. Department of Housing and Urban Development				
Continuum of Care Program	14.267	FL0077L4H062013	\$ 231,736	\$ 239,086
Continuum of Care Program	14.267	FL0077L4H061912	120,347	122,966
Continuum of Care Program	14.267	FL0302L4H062012	-	122,702
Continuum of Care Program	14.267	FL0302L4H061911	-	506,836
Continuum of Care Program	14.267	FL0726L4H061901	-	47,720
			<u>352,083</u>	<u>1,039,310</u>
Passed through the City of Tallahassee:				
Community Development Block Grants / Entitlement Grants	14.218	4743	-	11,300
Community Development Block Grants / Entitlement Grants	14.218	4680	-	525,000
		Total Entitlement Grants Cluster	<u>-</u>	<u>536,300</u>
Passed through Big Bend Continuum of Care				
Emergency Solutions Grant Program	14.231	BPZ12	-	375,950
Passed through the City of Tallahassee				
Emergency Solutions Grant Program	14.231	4823	-	817,206
			<u>-</u>	<u>1,193,156</u>
U.S. Department of Veterans Affairs				
VA Supportive Services for Veteran Families Program	64.033	14-FL-179	-	1,543,751
U.S. Department of Health and Human Services				
Passed through Big Bend Continuum of Care				
Temporary Assistance for Needy Families	93.558	BPZ12	-	55,963
U.S. Department of Treasury				
Passed through the City of Tallahassee:				
Coronavirus Relief Fund	21.019	-----	-	247,497
U.S. Department of Homeland Security				
Passed through United Way:				
Emergency Food and Shelter National Board Program	97.024	165600-016	-	20,004
Total Federal Awards			<u>\$ 352,083</u>	<u>\$ 4,635,981</u>

The accompanying notes to the Schedule of Federal Awards
are an integral part of this schedule.

BIG BEND HOMELESS COALITION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

(1) **Basis of Presentation:**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal Award activity of the Big Bend Homeless Coalition, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of The Uniform Guidance *Audits of States, Local Governments, and Non-Profit Coalitions*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, the preparation of, the financial statements.

(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 allowed or are limited as to reimbursement.

(3) **De Minimis Indirect Cost Rate Election:**

Big Bend Homeless Coalition, Inc. has elected not to use the 10 percent de minimis indirect cost rate as allowed under Uniform Guidance.

(4) **Subrecipients:**

For the year ended September 30, 2021, the Organization passed \$352,083 through to subrecipients.

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,
Big Bend Homeless Coalition, Inc.:

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Big Bend Homeless Coalition, Inc., which comprise the statement of financial position as of September 30, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 26, 2023.

Internal Control over Financial Reporting

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

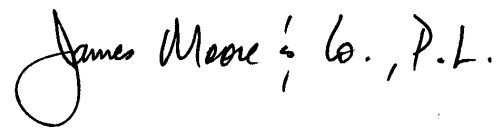
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not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

Compliance and Other Matters

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

Purpose of This Report

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

A handwritten signature in black ink that reads "James Moore & Co., P.L.". The signature is written in a cursive style with a large, looped initial "J".

Tallahassee, Florida
January 26, 2023

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH THE UNIFORM GUIDANCE**

To the Board of Directors,
Big Bend Homeless Coalition, Inc.:

Report on Compliance for Each Major Federal Program

We have audited Big Bend Homeless Coalition, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Big Bend Homeless Coalition, Inc.'s major federal programs for the year ended September 30, 2021. Big Bend Homeless Coalition, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Big Bend Homeless Coalition, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Big Bend Homeless Coalition, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Big Bend Homeless Coalition, Inc.'s compliance.

Opinion on Major Federal Programs

In our opinion, Big Bend Homeless Coalition, Inc. 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 September 30, 2021.

Report on Internal Control over Compliance

Management of Big Bend Homeless Coalition, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Big Bend Homeless Coalition, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Big Bend Homeless Coalition, Inc.'s internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

James Moore & Co., P.L.C.

Tallahassee, Florida
January 26, 2023

**BIG BEND HOMELESS COALITION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

I. Summary of Auditors' Results:

Financial Statements

A. Type of audit report issued on the financial statements: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major Federal programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified? _____ yes X none reported

Types of auditor's report issued on compliance for major Federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

B. Identification of major programs:

Federal Programs	Assistance Listing Number
VA Supportive Services for Veteran Families Program	64.033
Emergency Solutions Grant Program	14.231
Dollar threshold used to distinguish between type A and type B program:	\$750,000
Auditee qualified as low-risk auditee?	_____ yes <u> X </u> no

II. **Financial Statement Findings:** None.

III. **Federal Award Findings and Questioned Costs:** None.

IV. **Summary Schedule of Prior Audit Findings:** None.