



The Coalition for the Homeless, Inc.

Independent Auditors' Report

And Financial Statements

For the Years Ended

June 30, 2021, and 2020

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Independent Auditors' Report

Board of Directors
The Coalition for the Homeless, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Coalition for the Homeless, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2021, and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Coalition for the Homeless, Inc. as of June 30, 2021, and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Coalition for the Homeless, 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Coalition for the Homeless, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the 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 the Coalition for the Homeless, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Coalition for the Homeless, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our 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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 December 13, 2021 on our consideration of the Coalition for the Homeless, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Coalition for the Homeless, Inc.'s 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 the Coalition for the Homeless, Inc.'s internal control over financial reporting and compliance.

Baldwin CPAs, PLLC

Louisville, Kentucky
December 13, 2021

The Coalition for the Homeless, Inc.
 Statements of Financial Position
 June 30, 2021, and 2020

	2021	2020
Assets		
Cash	\$ 612,538	\$ 1,098,573
Grants receivable	527,221	282,578
Promises to give	8,610	3,725
Inventory	-	57
Prepaid expenses	51,119	23,572
Investments	1,005,596	772,493
Property and equipment, net	89,864	79,772
Total Assets	\$ 2,294,948	\$ 2,260,770
Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 207,669	\$ 360,032
Accrued expenses and withholdings	72,763	61,387
Loan payable	-	65,000
Total Liabilities	280,432	486,419
Net assets		
Without donor restrictions	1,617,170	1,219,957
With donor restrictions	397,346	554,394
Total Net Assets	2,014,516	1,774,351
Total Liabilities and Net Assets	\$ 2,294,948	\$ 2,260,770

The Coalition for the Homeless, Inc.
Statements of Activities
June 30, 2021, and 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support						
Grants and contributions	\$ 4,636,091	\$ 397,346	\$ 5,033,437	\$ 4,175,076	\$ 627,582	\$ 4,802,658
Charitable gaming revenue, net	246,805	-	246,805	158,095	-	158,095
Membership dues	58,214	-	58,214	80,079	-	80,079
Special event revenue, net	18,475	-	18,475	30,389	-	30,389
Investment income, net	202,079	-	202,079	43,694	-	43,694
Gain on extinguishment of debt	65,000	-	65,000	-	-	-
Other income	43,792	-	43,792	68,248	-	68,248
	<u>5,270,456</u>	<u>397,346</u>	<u>5,667,802</u>	<u>4,555,581</u>	<u>627,582</u>	<u>5,183,163</u>
Net Assets Released from Restrictions						
Restrictions satisfied by payments	554,394	(554,394)	-	231,463	(231,463)	-
	<u>5,824,850</u>	<u>(157,048)</u>	<u>5,667,802</u>	<u>4,787,044</u>	<u>396,119</u>	<u>5,183,163</u>
Total Revenue and Support						
Expenses						
Program services	5,033,435	-	5,033,435	4,222,792	-	4,222,792
Management and general	163,178	-	163,178	199,820	-	199,820
Fundraising	231,024	-	231,024	173,339	-	173,339
	<u>5,427,637</u>	<u>-</u>	<u>5,427,637</u>	<u>4,595,951</u>	<u>-</u>	<u>4,595,951</u>
Total Expenses						
Change in Net Assets	397,213	(157,048)	240,165	191,093	396,119	587,212
Net Assets at Beginning of Year	1,219,957	554,394	1,774,351	1,028,864	158,275	1,187,139
	<u>\$ 1,617,170</u>	<u>\$ 397,346</u>	<u>\$ 2,014,516</u>	<u>\$ 1,219,957</u>	<u>\$ 554,394</u>	<u>\$ 1,774,351</u>
Net Assets at End of Year						

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

The Coalition for the Homeless, Inc.
Statements of Functional Expenses
June 30, 2021, and 2020

	2021				2020			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and payroll taxes	\$ 1,014,696	\$ 77,806	\$ 180,850	\$ 1,273,352	\$ 703,200	\$ 108,958	\$ 127,324	\$ 939,482
Employee benefits	141,470	10,847	25,208	177,525	123,556	19,148	22,367	165,071
Federal awards - subrecipients	2,996,059	-	-	2,996,059	2,829,036	-	-	2,829,036
Stand down program	4,322	-	-	4,322	6,201	-	-	6,201
Shelter assistance	116,788	-	-	116,788	65,314	-	-	65,314
Special project expenses	60,462	-	-	60,462	107,048	-	-	107,048
Other assistance	418,669	-	-	418,669	151,401	-	-	151,401
Supplies	6,642	509	1,184	8,335	13,380	2,074	2,422	17,876
Printing and postage	8,336	639	1,485	10,460	7,882	1,222	1,427	10,531
Rent	109,671	8,409	19,542	137,622	96,511	14,957	17,471	128,939
Repairs and maintenance	-	19,147	-	19,147	-	18,664	-	18,664
Telephone and internet	6,811	522	1,214	8,547	9,412	1,459	1,704	12,575
Travel and conferences	35,859	1,888	-	37,747	35,081	1,847	-	36,928
Dues and subscriptions	-	3,639	-	3,639	-	2,729	-	2,729
Depreciation	8,649	663	1,541	10,853	3,448	534	624	4,606
Professional fees	105,001	20,883	-	125,884	71,322	21,439	-	92,761
Miscellaneous	-	18,226	-	18,226	-	6,789	-	6,789
Direct special event expenses	-	-	82,120	82,120	-	-	8,837	8,837
Total expenses	5,033,435	163,178	313,144	5,509,757	4,222,792	199,820	182,176	4,604,788
Less: Direct special event expenses	-	-	(82,120)	(82,120)	-	-	(8,837)	(8,837)
Total expenses on statement of activities	<u>\$ 5,033,435</u>	<u>\$ 163,178</u>	<u>\$ 231,024</u>	<u>\$ 5,427,637</u>	<u>\$ 4,222,792</u>	<u>\$ 199,820</u>	<u>\$ 173,339</u>	<u>\$ 4,595,951</u>

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

The Coalition for the Homeless, Inc.
 Statements of Cash Flows
 For the Years Ended June 30, 2021, and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 240,165	\$ 587,212
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	10,853	4,606
Gain on extinguishment of debt	(65,000)	-
Realized and unrealized gain on investments	(185,487)	(36,997)
(Increase) decrease in operating assets:		
Grants receivable	(244,643)	124,238
Promises to give	(4,885)	10,658
Inventory	57	(57)
Prepaid expenses	(27,547)	(13,958)
Increase (decrease) in operating liabilities:		
Accounts payable	(152,363)	114,903
Accrued expenses and withholdings	11,376	18,447
	(417,474)	809,052
Cash Flows from Investing Activities		
Purchase of investments	(47,617)	(252,378)
Purchase of property and equipment	(20,944)	(80,586)
	(68,561)	(332,964)
Cash Flows from Financing Activities		
Proceeds from loan payable	-	65,000
	-	65,000
Net (Decrease) Increase in Cash	(486,035)	541,088
Cash, Beginning of Year	1,098,573	557,485
Cash, End of Year	\$ 612,538	\$ 1,098,573

The Coalition for the Homeless, Inc.
Notes to Financial Statements
June 30, 2021, and 2020

Note 1 - Significant Accounting Policies

Nature of Operations

The Coalition for the Homeless, Inc. (the "Coalition") is a not-for-profit corporation in Louisville, Kentucky, formed to advocate for people who are homeless and for the prevention and elimination of homelessness. The Coalition derives a significant portion of its revenues from contributions and grants from third party donors and government entities.

Basis of Accounting

The Coalition prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) with regards to financial statements of Not-for-Profit Organizations. Under this guidance, the Coalition is required to report information regarding its consolidated financial position and activities according to two classes of net assets. A description of the net assets categories follows:

Net assets without donor restrictions: expendable funds that are not subject to donor-imposed stipulations or invested in land, building and equipment.

Net assets with donor restrictions: stipulated by donors for specific operating purposes or are restricted by time. These include donor restrictions requiring that the corpus to be invested in perpetuity and only the income be made available for operations in accordance with donor restrictions.

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 the reported amounts of revenue and expenses during the reporting periods. Accordingly, actual results could differ from those estimates.

Cash

Cash consists of cash on deposit. Cash held temporarily by a custodian for investment purposes is included in investments and is not considered to be cash for the statements of cash flows.

Grants Receivable

Grants receivables consist primarily of government cost reimbursement contracts billed but not received. All are considered collectible, so no allowance for doubtful accounts is necessary.

The Coalition for the Homeless, Inc.
Notes to Financial Statements – Continued
June 30, 2021, and 2020

Note 1 - Significant Accounting Policies - Continued

Promises to Give

Promises to give are recognized when the donor makes a promise to give to the Coalition that is, in substance, unconditional. Promises to give becoming due in the next year are recorded at net realizable value. Promises to give in subsequent years are reported at the present value of their net realizable value, using risk free interest rates applicable to the years in which the promises are recognized. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Inventory

Inventory consist of bus tickets on hand, at cost.

Investments

Investments consist of money market accounts and mutual funds and are reported at fair value. 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. See Note 4 for further discussion of fair value measurements. Receipts of donated investments are recorded at the quoted market value of the investments at the time of receipt.

The ASC establishes a framework for measuring fair value based upon a hierarchy that prioritizes observable and unobservable inputs used to measure fair value as follows:

Level 1 – Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices for identical or similar assets or liabilities in inactive markets; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities. Level 3 includes values determined using pricing models, discounted cash flow methodologies, or similar techniques reflecting the Coalition's own assumptions.

Property and Equipment

Property and equipment are stated at cost or appraised value at the date of gift for donated assets. The Coalition has a policy to capitalize expenditures for property and equipment greater than \$1,000, Depreciation is provided on the straight-line method over the estimated useful lives of the assets.

Public Support

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or grants, is received and are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Special event and charitable gaming revenue are recognized when the events take place.

The Coalition for the Homeless, Inc.
Notes to Financial Statements – Continued
June 30, 2021, and 2020

Note 1 - Significant Accounting Policies - Continued

Revenue Recognition

Membership dues consist of dues collected from member agencies in exchange for access to database licenses, reduce priced Transit Authority of River City (“TARC”) passes and other benefits. Revenue from dues is recognized ratably over the period for which it covers. Additionally, the Coalition collects Homeless Management Information System (“HMIS”) fees from other organizations receiving federal funds related to homelessness. The Coalition purchases HMIS licenses from the state and sells them to other agencies at cost. Revenue from HMIS fees is recognized at the time of sale.

Other income consists primarily of revenue from the sale of TARC passes. The Coalition purchases TARC passes each month at a discount and resells the passes to other agencies at a reduced rate. Revenue from the sale of TARC passes is recognized when the sale takes place.

Donated Goods and Services

Contributions of tangible assets are recognized at their fair market value at date of donation. The amounts are reflected in the accompanying financial statements as unrestricted support and are offset by like amounts included in expenses. In-kind donations for the years ended June 30, 2021, and 2020 were \$0 and \$22,113, respectively and were for special events. A large number of volunteers have given significant amounts of their time to the Coalition’s operating activities. No amounts have been reflected in these statements for such services since the services do not require specialized skills.

Expense Allocation

The costs of providing the various programs and supporting activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, costs have been allocated among the program and supporting services benefited. Directly identifiable expenses are charged to program and supporting services. The expenses that are allocated are compensation and benefits, occupancy, supplies, printing, postage, telephone, and depreciation, which are allocated on the basis of estimates of time and effort.

Income Tax Status

The Coalition for the Homeless, Inc., qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for federal and state income taxes have been made in these statements.

The Coalition’s accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits. Management believes the Coalition has no uncertain tax positions resulting in an accrual of tax expense or benefit.

The Coalition for the Homeless, Inc.
Notes to Financial Statements – Continued
June 30, 2021, and 2020

Note 2 - Concentrations of Credit Risk

Cash - The Coalition maintains its cash balances in several financial institutions in Louisville, Kentucky. The cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The risk is managed by maintaining all deposits in high quality financial institutions. The amounts in excess of the insured limit as of June 30, 2021, and 2020 was approximately \$198,000 and \$678,000, respectively.

Investments - Investment securities are exposed to various risks, such as interest rate, market and credit. Due to the level of risk associated with certain investment securities, and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would result in material changes in the fair value of investments and net assets of the Coalition. To address the risk, the Coalition maintains a formal investment policy that sets out investment guidelines, asset allocation guidelines and requires review of the investment manager's performance. The finance committee oversees the entire process.

Concentration of Revenue - The Coalition is dependent on cost reimbursement contracts with the Department of Housing and Urban Development to carry out its program activities. The majority of these contracts have been currently renewed through third-party payers' fiscal years ending during 2021. However, any significant future changes in the level of government funding of these programs could have a favorable or unfavorable impact on the operating results of the Coalition. During the years ended June 30, 2021, and 2020, 71% of total revenue and support was derived from federal, state, and local government grants.

Note 3 - Promises to Give

Promises to give are receivable in less than one year. The promises to give balance consists of the following as of June 30, 2021, and 2020:

	2021	2020
Metro United Way	\$ 8,610	\$ 3,725

No allowance for doubtful accounts is considered necessary, as management believes that all amounts are collectible.

Conditional promises to give consist of the following:

	2021	2020
Metro United Way	\$ 5,656	\$ 7,250

The Coalition for the Homeless, Inc.
Notes to Financial Statements – Continued
June 30, 2021, and 2020

Note 4 - Investments

Investments consist of cash, stocks, and mutual funds that are stated at fair value based on quoted prices in active markets and are summarized as follows:

	Level 1	Level 2	Level 3	Total Fair Value
<u>June 30, 2021</u>				
Money market	\$ 20,582	\$ -	\$ -	\$ 20,582
US equity ETFs	473,049	-	-	473,049
Fixed income ETFs	394,323	-	-	394,323
International Equity ETFs	117,642	-	-	117,642
	<u>\$ 1,005,596</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,005,596</u>
<u>June 30, 2020</u>				
Money market	\$ 16,288	\$ -	\$ -	\$ 16,288
US equity ETFs	388,977	-	-	388,977
Fixed income ETFs	279,209	-	-	279,209
International Equity ETFs	88,019	-	-	88,019
	<u>\$ 772,493</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 772,493</u>

Following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodologies used to determine fair value at June 30, 2021, and 2020.

The carrying amount of money market accounts approximate fair value due to the short-term nature of these instruments.

Mutual funds are valued at fair value based on quoted market prices for identical securities in active markets that the Coalition has the ability to access at the measurement date.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Coalition believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Investment income consists of the following for the years ended June 30, 2021, and 2020:

	2021	2020
Interest and dividend income	\$ 16,592	\$ 11,915
Realized gains	-	24,756
Unrealized gains	194,263	12,241
Investment fees	(8,776)	(5,218)
	<u>\$ 202,079</u>	<u>\$ 43,694</u>

The Coalition for the Homeless, Inc.
Notes to Financial Statements – Continued
June 30, 2021, and 2020

Note 5 - Property and Equipment

Property and equipment and total accumulated depreciation are as follows:

	<u>2021</u>	<u>2020</u>
Property and equipment	\$ 119,806	\$ 98,862
Less accumulated depreciation	<u>(29,942)</u>	<u>(19,090)</u>
Property and equipment, net	<u>\$ 89,864</u>	<u>\$ 79,772</u>

Note 6 - Loan Payable

On April 15, 2020, The Coalition qualified for and received a loan pursuant to the Paycheck Protection Program, a program implemented by the U.S. Small Business Administration under the Coronavirus Aid, Relief, and Economic Security Act, from a qualified lender (the “PPP Lender”), for an aggregate principal amount of \$65,000 (the “PPP Loan”). The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. The principal amount of the PPP Loan is subject to forgiveness under the Paycheck Protection Program upon the Coalition’s request to the extent that the PPP Loan proceeds are used to pay expenses permitted by the Paycheck Protection Program, including payroll costs, covered rent and mortgage obligations, and covered utility payments incurred by the Coalition. Coalition elected to present the loan as debt on the statement of financial position

The Coalition applied for forgiveness of the loan and was approved for forgiveness on May 18, 2021. The proceeds from the forgiveness of the loan are recognized as gain on extinguishment of debt on the statement of activities.

Note 7 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted to certain programs or by the passage of time and consist of the following:

	<u>2021</u>	<u>2020</u>
Continuum of Care Program, Metro United Way	\$ 8,610	\$ 3,725
Community Foundation	-	-
Event sponsors	26,162	-
Prevention and advocacy	180,949	451,132
Expanded services grant	28,567	-
Rx: Housing Grant	62,542	10,494
Program Income from Tenants	<u>90,516</u>	<u>89,043</u>
	<u>\$ 397,346</u>	<u>\$ 554,394</u>

The Coalition for the Homeless, Inc.
Notes to Financial Statements – Continued
June 30, 2021, and 2020

Note 8 - Pension Plan

The Coalition maintains a simplified employee pension plan covering all employees who have attained 21 years of age and earn in excess of \$500. The Coalition contributes 7.0% of each eligible employee's salary. Employer contributions for the years ended June 30, 2021, and 2020 were \$86,993 and \$63,431, respectively.

Note 9 - Operating Leases

The Coalition leases office space under operating leases expiring in various years through 2025. Several of these leases have renewal options that are renewed in the normal course of business. Future minimum lease payments under non-cancelable operating leases at June 30, 2021, are as follows:

Due Fiscal Year Ending June 30,	Amount
2022	\$ 137,622
2023	137,622
2024	68,811
2025	34,406
	\$ 378,461

Rent expense for the years ended June 30, 2021, and 2020 was \$137,622 and \$196,039, respectively.

Note 10 - Fiscal Agent

The Coalition and TARC have entered into an agreement allowing the Coalition to act as TARC's fiscal agent and sell discounted TARC tickets to homeless shelters for their clients' use. The Coalition receives a small transaction fee for this service. The net ticket income is included in other income in the statements of activities and is presented as follows for the years ending June 30, 2021, and 2020:

	2021	2020
Ticket revenue	\$ 422,485	\$ 636,656
Ticket expense	(405,701)	(582,724)
Net ticket income	\$ 16,784	\$ 53,932

Note 11 - Federal Awards

During the years ended June 30, 2021, and 2020, the Coalition received federal awards under programs administered by the U.S Department of Housing and Urban Development. As required under the programs the Coalition passed through awards during the years ended June 30, 2021, and 2020 totaling \$3,302,329 and \$2,861,136, respectively, to sub-recipients who provide programs that assist the homeless.

The Coalition for the Homeless, Inc.
Notes to Financial Statements – Continued
June 30, 2021, and 2020

Note 12 - Liquidity and Availability

The following table reflects the Coalition’s financial assets as of June 30, 2021, and 2020, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid, not convertible to cash within one year, or funds donors set aside for a specific purpose.

	2021	2020
Financial assets		
Cash	\$ 612,538	\$ 1,098,573
Grants receivable	527,221	282,578
Promises to give	8,610	3,725
Investments	1,005,596	772,493
 Total financial assets	 2,153,965	 2,157,369
 Less those unavailable for general expenditure within one year:		
Restricted for specified programs	(397,346)	(554,394)
 Total financial assets available for general expenditure within one year	 \$ 1,756,619	 \$ 1,602,975

In addition to financial assets available to meet general expenditures over the year, the Coalition operates with a balanced budget and anticipates covering its general expenditures by collecting sufficient program and other revenues, utilizing resources from current and prior year’s gifts, and appropriating the return on its investments, as needed.

Note 13 - Recently Issued Accounting Standards

Accounting Standards Update 2016-02, Leases

In February 2016, the FASB issued Accounting Standard Update (ASU) 2016-02, *Leases (Topic 842)* (“ASU 2016-02”), requiring all leases to be recognized on the Coalition’s balance sheet as a right-of-use asset and a lease liability, unless the lease is a short-term lease (generally a lease with a term of twelve months or less). At the commencement date of the lease, the Coalition will recognize: 1) a lease liability for the Coalition’s obligation to make payments under the lease agreement, measured on a discounted basis; and 2) a right-of-use asset that represents the Coalition’s right to use, or control the use of, the specified asset for the lease term. Under ASU 2016-02, the Coalition will be required to recognize and measure its leases at the beginning of the earliest period presented using a modified retrospective approach. In July 2018 the FASB issued ASU 2018-11 which provides an additional, optional transition method which allows an entity to initially apply the standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets in the period of adoption. ASU 2016-02 will be effective for the Coalition for the year ending June 30, 2023, with early adoption permitted. The Coalition is currently evaluating the effect that the new standard will have on its financial statements.

The Coalition for the Homeless, Inc.
Notes to Financial Statements – Continued
June 30, 2021, and 2020

Note 13 - Recently Issued Accounting Standards - Continued

Accounting Standards Update 2020-07, Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (“ASU 2020-07”), requiring an entity to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. ASU 2020-07 includes additional disclosure requirements about contributed nonfinancial assets for not-for-profit entities, including additional disclosure requirements for recognized contributed services. The standard will be applied on a retrospective basis and will be effective for the year ending June 30, 2022. The Coalition does not expect the new standard will impact its financial statements other than a reclassification on the statement of activities and additional disclosures.

Note 14 - Commitment & Contingencies

The novel coronavirus (COVID-19) was first identified in people in late 2019. COVID-19 spread rapidly throughout the world and, in March 2020, the World Health Organization characterized COVID-19 as a pandemic. It has significantly disrupted supply chains and businesses around the world. The United States and global markets experienced significant volatility in value resulting from uncertainty caused by the pandemic. The Coalition is closely monitoring its investment portfolio and its liquidity but has no immediate plans to change its investment portfolio. The extent of the impact of COVID-19 on the Coalition’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak and its impacts on the Coalition’s members, employees, and vendors, all of which at present, cannot be determined. Accordingly, the extent to which COVID-19 may impact the Coalition’s future financial condition, results of operations and cash flows is uncertain.

Note 15 - Subsequent Events

Management has evaluated subsequent events for recognition or disclosure in the financial statements through December 13, 2021, which was the date at which the financial statements were available to be issued.

Additional Information

The Coalition for the Homeless, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Payments to sub-recipients</u>	<u>Total Federal Expenditures by Assistance Listing Number</u>
U.S. Department of Housing and Urban Development CDBG - Entitlement Grants Cluster			
Community Development Block Grant	14.218	\$ -	\$ 107,095
Total CDBG - Entitlement Grants Cluster		-	107,095
COVID-19: Emergency Solutions Grant	14.231	168,080	168,080
Continuum of Care Program	14.267	<u>2,996,060</u>	<u>3,836,778</u>
Total U.S. Department of Housing and Urban Development		3,164,140	4,111,953
Department of Treasury			
COVID-19: Coronavirus Relief Fund	21.019	75,000	75,000
COVID-19: Emergency Rental Assistance Program	21.023	<u>63,189</u>	<u>63,189</u>
Total U.S. Department of Treasury		<u>138,189</u>	<u>138,189</u>
Total Expenditures of Federal Awards		<u>\$ 3,302,329</u>	<u>\$ 4,250,142</u>

The Coalition for the Homeless, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of The Coalition for the Homeless, Inc. under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of The Coalition for the Homeless, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Coalition for the Homeless, Inc.

Note 2 - Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed in Accordance
With Government Auditing Standards**

Independent Auditors Report

Board of Directors
The Coalition for the Homeless, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Coalition for the Homeless, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 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 December 13, 2021.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Coalition for the Homeless, 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 Coalition for the Homeless, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Coalition for the Homeless, 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Coalition for the Homeless, 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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baldwin CPAs, PLLC

Louisville, Kentucky
December 13, 2021

**Report on Compliance for Each Major Program and on Internal
Control Over Compliance Required by the Uniform Guidance**

Independent Auditors Report

Board of Directors
The Coalition for the Homeless, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

In our opinion, Coalition for the Homeless, 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 June 30, 2021.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Coalition for the Homeless, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Coalition for the Homeless, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Coalition for the Homeless, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Coalition for the Homeless, Inc.'s compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Coalition for the Homeless, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Coalition for the Homeless, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Coalition for the Homeless, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

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

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

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

Baldwin CPAs, PLLC

Louisville, Kentucky
December 13, 2021

The Coalition for the Homeless, Inc.
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2021

Section I – Summary of Auditors’ Results

Financial Statements

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

Type of auditors’ 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

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.267	Development of Housing and Urban Development Continuum of Care Program

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

Auditee qualified as low-risk auditee? X yes no

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None