

THE COALITION FOR THE HOMELESS, INC.

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

Years Ended June 30, 2025 and 2024

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Independent Auditors' Report

To the Board of Directors
The Coalition for the Homeless, Inc.
Louisville, Kentucky

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Coalition for the Homeless, Inc. (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 financial statements present fairly, in all material respects, the financial position of The Coalition for the Homeless, Inc. as of June 30, 2025 and 2024, 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 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 January 16, 2026, 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.

Deming, Malone, Luskay & Petroff

Louisville, Kentucky
January 16, 2026

THE COALITION FOR THE HOMELESS, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

Assets	2025	2024
Current Assets		
Cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 942,456	\$ 281,783
Restricted cash	4,676,744	169,567
	5,619,200	451,350
Accounts receivable	14,665	
Grants receivable	541,339	424,526
Prepaid expenses and other assets	24,325	46,255
Total current assets	6,199,529	922,131
Property and Equipment		
Furniture and equipments	29,943	29,943
Leasehold improvements	112,755	107,563
	142,698	137,506
Less accumulated depreciation	77,362	64,400
	65,336	73,106
Other Assets		
Investments	1,915,888	1,902,316
Operating lease right-of-use assets	993,752	324,859
Total other assets	2,909,640	2,227,175
Total assets	\$ 9,174,505	\$ 3,222,412
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 21	\$ 21
Accrued payroll	87,196	70,577
Accrued expenses	325,844	232,118
Current maturities of operating lease liabilities	243,777	103,856
Deferred revenue	24,280	31,011
Total current liabilities	681,118	437,583
Other Liabilities		
Operating lease liabilities, less current maturities	749,975	221,003
Total liabilities	1,431,093	658,586
Net Assets		
Without donor restrictions:		
Undesignated	2,986,668	2,394,259
With donor restrictions:		
Restricted by purpose or time	4,756,744	169,567
Total net assets	7,743,412	2,563,826
Total liabilities and net assets	\$ 9,174,505	\$ 3,222,412

See Notes to Financial Statements.

THE COALITION FOR THE HOMELESS, INC.

STATEMENTS OF ACTIVITIES

Years Ended June 30, 2025 and 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support						
Government grants	\$ 5,532,803	\$ 4,832,388	\$ 10,365,191	\$ 4,812,143	\$ 207,750	\$ 5,019,893
Contributions	519,638	74,882	594,520	497,241		497,241
In-kind contributions	8,831		8,831	16,107		16,107
Membership dues	75,211		75,211	85,121		85,121
Charitable gaming, net	164,560		164,560	195,969		195,969
Special events, net of direct donor benefits of \$22,969 for 2025 and \$2,340 for 2024	127,740		127,740	188,310		188,310
Net investment return	232,212		232,212	141,301		141,301
TARC fees	70,555		70,555	61,432		61,432
Miscellaneous income	7,099		7,099			
Total operating revenue	6,738,649	4,907,270	11,645,919	5,997,624	207,750	6,205,374
Net assets released from restrictions	320,093	(320,093)		106,018	(106,018)	
Total revenues, gains and other support	7,058,742	4,587,177	11,645,919	6,103,642	101,732	6,205,374
Expenses						
Program services	5,289,622		5,289,622	5,446,652		5,446,652
General and administrative	420,487		420,487	326,278		326,278
Fundraising	756,224		756,224	242,459		242,459
Total expenses	6,466,333		6,466,333	6,015,389		6,015,389
Net change in total net assets	592,409	4,587,177	5,179,586	88,253	101,732	189,985
Net assets, beginning of year	2,394,259	169,567	2,563,826	2,306,006	67,835	2,373,841
Net assets, end of year	<u>\$ 2,986,668</u>	<u>\$ 4,756,744</u>	<u>\$ 7,743,412</u>	<u>\$ 2,394,259</u>	<u>\$ 169,567</u>	<u>\$ 2,563,826</u>

See Notes to Financial Statements.

THE COALITION FOR THE HOMELESS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fund- raising</u>	<u>Total</u>
Federal awards - subrecipients	\$ 3,583,024			\$ 3,583,024
Salaries and wages	842,043	\$ 206,539	\$ 540,178	1,588,760
Employee benefits	166,544	40,851	106,840	314,235
Rent	157,537	31,119	5,835	194,491
Payroll taxes	67,520	16,561	43,315	127,396
Travel and conferences	81,663	26,238	416	108,317
Shelter assistance	99,321			99,321
Professional fees	47,761	49,143		96,904
HMIS equipment and licensing	80,674			80,674
Special events			49,483	49,483
Special project expenses	67,931			67,931
Other assistance	43,705			43,705
Supplies	24,138	4,433	2,762	31,333
Repairs and maintenance		28,292		28,292
Printing	6,662	2,115	7,395	16,172
Depreciation		12,962		12,962
Telephone and internet	9,395			9,395
Dues and subscriptions	5,914			5,914
Stand down program	3,290			3,290
Marketing	2,500			2,500
Miscellaneous		2,234		2,234
	<u>\$ 5,289,622</u>	<u>\$ 420,487</u>	<u>\$ 756,224</u>	<u>\$ 6,466,333</u>

See Notes to Financial Statements.

THE COALITION FOR THE HOMELESS, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	Program Services	General and Administrative	Fund- raising	Total
Federal awards - subrecipients	\$ 3,535,937			\$ 3,535,937
Salaries and wages	1,016,199	\$ 141,496	\$ 128,633	1,286,328
Employee benefits	207,741	28,926	26,296	262,963
Rent	117,116	23,423	5,856	146,395
Payroll taxes	78,872	10,982	9,984	99,838
Travel and conferences	86,403	11,715	621	98,739
Shelter assistance	87,240			87,240
Professional fees	35,737	48,628	2,300	86,665
HMIS equipment and licensing	67,588			67,588
Special events			67,705	67,705
Special project expenses	103,532			103,532
Other assistance	57,123			57,123
Supplies	25,884	2,488	779	29,151
Repairs and maintenance		35,125		35,125
Printing	9,984	1,142	285	11,411
Depreciation		11,749		11,749
Telephone and internet	9,554			9,554
Dues and subscriptions	5,964			5,964
Stand down program	1,778			1,778
Marketing		8,949		8,949
Miscellaneous		1,655		1,655
	<u>\$ 5,446,652</u>	<u>\$ 326,278</u>	<u>\$ 242,459</u>	<u>\$ 6,015,389</u>

See Notes to Financial Statements.

THE COALITION FOR THE HOMELESS, INC.

STATEMENTS OF CASH FLOWS

Years Ended June 30, 2025 and 2024

	2025	2024
Cash Flows from Operating Activities		
Net change in total net assets	\$ 5,179,586	\$ 189,985
Adjustments to reconcile net change in total net assets to net cash provided by (used in) operating activities:		
Depreciation	12,962	11,749
Unrealized gain on investments	(87,517)	(45,090)
Realized loss (gain) on investments	3,179	(63,386)
Stock donations received	(61,219)	(57,524)
Reinvested interest and dividends	(48,015)	(46,480)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(14,665)	35,607
Grants receivable	(116,813)	(111,693)
Prepaid expenses	21,930	3,015
Increase (decrease) in:		
Accounts payable		(28,201)
Accrued payroll	16,619	17,408
Accrued expenses	93,726	15,963
Deferred revenue	(6,731)	8,378
Net cash provided by (used in) operating activities	4,993,042	(70,269)
Cash Flows from Investing Activities		
Expenditures for property and equipment	(5,192)	(17,700)
Purchase of investments	(537,224)	(564,769)
Proceeds from sale of investments	717,224	579,571
Net cash provided by (used in) investing activities	174,808	(2,898)
Net change in cash, cash equivalents, and restricted cash	5,167,850	(73,167)
Cash, cash equivalents and restricted cash, beginning of year	451,350	524,517
Cash, cash equivalents and restricted cash, end of year	\$ 5,619,200	\$ 451,350

See Notes to Financial Statements.

THE COALITION FOR THE HOMELESS, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Nature of Activities and Summary of Significant Accounting Policies

Nature of activities:

The Coalition for the Homeless, Inc. (Coalition) is a not-for-profit corporation in Louisville, Kentucky that advocates for people who are homeless and for the prevention and elimination of homelessness.

Summary of significant accounting policies:

This summary of significant accounting policies of The Coalition for the Homeless, Inc. is presented to assist in understanding the Coalition's financial statements. The financial statements are representations of the Coalition's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of presentation:

The accompanying financial statements of the Coalition have been prepared on the accrual basis of accounting. The Coalition records resources for accounting and reporting purposes based on the existence or absence of donor-imposed restrictions. Accordingly, net assets 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 restrictions. The governing board can designate, from net assets without donor restrictions, net assets for specific operational purposes.

Net assets with donor restrictions – Net assets subject to donor 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.

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 assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

Cash, cash equivalents, and restricted cash:

For purposes of the statements of cash flows, the Coalition considers cash, restricted cash, and investments with original maturities of three months or less to be cash and cash equivalents, excluding those amounts held as part of the investment portfolio.

Accounts receivable:

Accounts receivable consists primarily of Bingo proceeds that have not been collected. Accounts are expensed once they are deemed uncollectible and there is no allowance available.

Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Coalition uses the specific identification method in order to determine the amount of allowance for credit losses necessary. In determining the amount of allowances as of June 30, 2025 and 2024, the Coalition reviewed the receivable balances on an individual basis to assess collectability. This assessment is based on management's historical collection experience, adjusted for management's expectation about current and future economic conditions. As of June 30, 2025 and 2024, the Coalition's management considers accounts receivable to be fully collectable; accordingly, no allowance for credit losses is considered necessary.

Grants receivable:

Grants receivable consists primarily of government cost reimbursement grants that have been billed but not yet received. The valuation of grants is based upon a detailed analysis of past due accounts and the history of uncollectible accounts. The Coalition considers all grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Property and equipment:

The Coalition's policy is to capitalize asset purchases in excess of \$5,000 with a useful life of five years or more. Property and equipment are recorded at cost if purchased, or at fair value as of the date of donation, if donated, and are being depreciated on the straight-line method over their estimated useful lives. Upon retirement, sale or other disposition of property and equipment, the cost and accumulated depreciation are eliminated from the accounts and any gain or loss is included in operations.

Investments:

Investments are recorded at fair value. Donated investments are recorded at their fair value as of the date received. Net investment return is reported on the statements of activities and consists of interest and dividends, realized and unrealized capital gains and losses, less investment expenses. See Note 3 for discussion of fair value measurements.

NOTES TO FINANCIAL STATEMENTS

Donated services and in-kind contributions:

The Coalition records donated services that require specific expertise and would normally have been purchased, and donated services that create or enhance non-financial assets, at fair value as of the date of donation. Those donated services that do not meet these specific criteria are not reflected in the financial statements. Donations other than cash are recorded at their fair value as of the date of donation. Donations of long-lived assets with explicit restrictions that specify how the assets are to be used and donations of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Coalition reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Coalition's policy is to utilize and not monetize in-kind contributions. There were no donor-imposed restrictions on the usage of the in-kind donations. In-kind contributions included in the statements of activities for the years ended June 30, 2025 and 2024 consisted of the following:

	<u>Amount</u>	<u>Usage</u>	<u>Valuation Method</u>
2025:			
Auction items	\$ 8,831	Fundraising	Estimated fair value
2024:			
Auction items	\$16,107	Fundraising	Estimated fair value

Revenue recognition:

Contributions and grants:

Revenue for grants and contributions is recognized when cash, securities or other assets are received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met. Contributions received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contract revenue:

Contract revenue, as defined under ASC 606, is derived from membership dues, Homeless Management Information System (HMIS) fees, sales of TARC passes, charitable gaming and special events.

NOTES TO FINANCIAL STATEMENTS

Revenue from membership dues consist of dues collected from member agencies in exchange for access to database licenses, reduced priced Transit Authority of River City (TARC) passes and other benefits. Revenue from dues is recognized ratably over the period 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. The opening balance for deferred revenue for the years ended June 30, 2025 and 2024 was \$31,011 and \$22,633, respectfully.

TARC fee income consists of revenue from the sale of TARC passes. The Coalition receives a transaction fee for acting as an agent for TARC by purchasing passes each month at a discount and reselling the passes to other agencies at a reduced rate. Revenue from the sale of TARC passes is recognized at the time of sale.

Revenue from special events and charitable gaming are recognized at a point in time when the event occurs. Payment for the ticketed events is due at the time of purchase.

Approximately 4% and 9% of the Coalition’s revenues are derived under contracts, as defined under ASC 606 for each of the years ended June 30, 2025 and 2024, respectively. The following table disaggregates the Coalition’s contract revenue based on the timing of satisfaction of performance obligations for the years ended June 30, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
Performance obligations satisfied over time	16%	16%
Performance obligations satisfied at a point in time	84%	84%

The Coalition has determined that the nature, amount, timing and uncertainty of contract revenue and cash flows are affected by the economy and general public support.

Functional expenses:

The statements of functional expenses reports certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Certain expenses are charged directly to program or general and administrative categories based on specific identification, while other expenses are allocated on the basis of estimates of time and effort.

NOTES TO FINANCIAL STATEMENTS

Income taxes:

The Coalition is exempt from federal, Kentucky and local income taxes as a not-for-profit corporation as described under Internal Revenue Code Section 501(c)(3). The Coalition files an informational tax return in the U.S. federal jurisdiction and with the Kentucky Office of the Attorney General. However, income from certain activities not directly related to the Coalition's tax-exempt purpose may be subject to taxation as unrelated business income. Management does not believe that the Coalition has unrelated business income for the years ended June 30, 2025 and 2024.

As of June 30, 2025 and 2024, the Coalition did not have any accrued interest or penalties related to income tax liabilities, and no interest or penalties have been charged to operations for the years then ended.

Leases:

The Coalition evaluates contracts at inception and when terms of an existing contract are changed to determine if an arrangement is or contains a lease. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities on the statements of financial position. The Coalition has no finance leases. Lease cost for lease payments is recognized on a straight-line basis over the lease term.

ROU assets represent the right to use an underlying asset for the lease term. The ROU asset also includes initial direct costs and prepaid lease payments made, if any, less lease incentives, if any. Lease liabilities represent the obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the commencement date based on the present value of the future lease payments over the lease term.

The Coalition's leases do not provide an implicit rate, so the Coalition utilizes the risk free rate based on the information available at the commencement date for each lease in determining the present value of lease payments. The risk free rate is reevaluated upon lease modification.

The Coalition's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Coalition will exercise the option.

Short-term leases (leases with an initial term of twelve months or less that do not contain a purchase option that is likely to be exercised) are not recorded on the statements of financial position.

Leasehold improvements are amortized over the lesser of the economic useful life of the improvement or the term of the lease. Lease and non-lease components are treated as a single lease component.

NOTES TO FINANCIAL STATEMENTS

Subsequent events:

Subsequent events have been evaluated through January 16, 2026, which is the date the financial statements were available to be issued.

Note 2. Liquidity and Availability

Financial assets available for general expenditure, that is without donor or other restrictions limiting their use, within one year of the June 30, 2025 and 2024 statements of financial position date, consist of the following at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 5,619,200	\$ 451,350
Accounts and grants receivable	556,004	424,526
Investments	<u>1,915,888</u>	<u>1,902,316</u>
	8,091,092	2,778,192
Net assets with donor restrictions	<u>(4,756,744)</u>	<u>(169,567)</u>
	<u>\$ 3,334,348</u>	<u>\$2,608,625</u>

As part of the Coalition's liquidity management plan, management invests cash in excess of daily requirements in exchange traded funds, and money market funds.

The Coalition manages its liquidity and reserves following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs.

Note 3. Investments and Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

NOTES TO FINANCIAL STATEMENTS

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Coalition has the ability to access.
- Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active or inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs.

All assets have been valued using a market approach. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2025 and 2024.

Cash equivalent funds – valued at the face value of the account at year end.

Exchange traded funds – valued at the closing price reported in the active market in which the security is traded.

Brokered certificates of deposit – valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates and market-rate assumptions.

The preceding methods described 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 method is 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.

Fair value of investments as of June 30, 2025 and 2024 is as follows:

	2025		
	Level 1	Level 2	Total
Exchange traded funds:			
Equity funds	\$ 943,773		\$ 943,773
Fixed income funds	614,846		614,846
Money market funds	17,093		17,093
Brokered certificates of deposit	_____	\$ 340,176	340,176
	\$1,575,712	\$ 340,176	\$1,915,888

NOTES TO FINANCIAL STATEMENTS

	2024		
	Level 1	Level 2	Total
Exchange traded funds:			
Equity funds	\$ 900,690		\$ 900,690
Fixed income funds	653,792		653,792
Money market funds	48,148		48,148
Brokered certificates of deposit	_____	\$ 299,686	299,686
	\$1,602,630	\$ 299,686	\$1,902,316

Note 4. Lease Commitments

The Coalition leases space and office equipment under operating leases with 1-5 year initial lease terms. Certain leases include renewal options which can extend the lease term. The exercise of any renewal options is at the sole discretion of the Coalition, and only lease options that the Coalition believes are reasonably certain to be exercised are included in the measurement of the lease assets and liabilities. The lease agreements do not include any variable lease payments, material residual value guarantees, or restrictive covenants.

The following summarizes lease costs for the years ended June 30, 2025 and 2024:

	2025	2024
Lease costs:		
Operating lease cost	\$258,329	\$214,422
Other information:		
Weighted-average remaining lease term - operating leases	4.0 years	3.6 years
Weighted-average discount rate - operating leases	3.38%	2.87%
Supplemental cash flow information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$242,081	\$214,422
Right of use assets obtained in exchange for new operating lease liabilities	\$879,256	

The maturities of operating lease liabilities as of June 30, 2025, were as follows:

2026	\$ 272,835
2027	272,395
2028	271,781
2029	194,981
2030	48,911
	1,060,903
Less present value discount	(67,151)
	\$ 993,752

NOTES TO FINANCIAL STATEMENTS

Facility lease cost for office space is included in rent expense on the statements of functional expenses. Facility lease cost for Bingo hall rental is included in net charitable gaming revenue on the statements of activities. Lease cost for the office equipment is included in printing on the statements of functional expenses.

Note 5. Line of Credit

In March 2025, the Coalition obtained a revolving line of credit for \$1,000,000 which expires on March 28, 2027. The line of credit bears interest at SOFR plus 1.6% (6.05% at June 30, 2025) and is secured by the Coalition's money market account. There were no outstanding borrowings on the line of credit at June 30, 2025.

Note 6. Net Assets with Donor Restrictions

Net assets with donor restrictions as of June 30, 2025 and 2024, consisted of the following:

	<u>Balance</u> <u>6/30/25</u>	<u>Balance</u> <u>6/30/24</u>
Restricted by purpose or time:		
Program Income from tenants	\$ 102,236	\$ 46,342
CFL – advocacy staff and programming		45,000
CFL – prevention/diversion		22,500
Molina – housing		10,000
ACLU – Restitutions	74,508	
Bezos grants to other nonprofits	4,500,000	
Jewish Heritage Fund – time	80,000	
Susan Means – advocacy staff and programming		40,000
Aetna – housing		<u>5,725</u>
Total net assets with donor restrictions	<u>\$4,756,744</u>	<u>\$169,567</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by the occurrence of events specified by the donors as follows for the years ended June 30, 2025 and 2024:

	<u>6/30/25</u>	<u>6/30/24</u>
Training - Amerifunds		\$ 25,000
CFL – advocacy staff and programming	\$ 45,000	
CFL – prevention/diversion	22,500	
Molina – housing	10,000	
ACLU – Restitutions	374	
Jewish Heritage Fund – time	53,000	
Susan Means – advocacy staff and programming	40,000	
Aetna – housing program	5,725	
Program Income from tenants	<u>143,494</u>	<u>81,018</u>
	<u>\$320,093</u>	<u>\$106,018</u>

NOTES TO FINANCIAL STATEMENTS

Note 7. Concentration of Revenues

The Coalition is dependent on cost reimbursement grants with the U.S. Department of Housing and Urban Development (HUD) to carry out its program activities. The majority of these grants have been renewed through third-party payers' fiscal years ending during 2025 and 2024. Changes in the future allocation of grant funding by these agencies could have a significant impact on the Coalition's operations. Approximately 42% and 66% of revenues for the years ended June 30, 2025 and 2024, respectfully, were from HUD.

The Coalition also receives contributions and grants from individuals and foundations. One donor accounted for 43% of total revenue for the year ended June 30, 2025.

Note 8. Retirement Plan

The Coalition has a simplified employee pension plan which covers all eligible employees. Eligible employees are those employees who have attained 21 years of age and earn in excess of \$500. The Coalition contributes 7% of each eligible employee's salary. Employer contributions for the years ended June 30, 2025 and 2024 were approximately \$102,000 and \$98,900, respectively.

Note 9. Concentration of Credit Risk

The Coalition maintains its cash accounts at various financial institutions in Louisville, Kentucky. Accounts at these institutions are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. In addition to this base coverage, the account at one institution sweeps out to other banks each night to provide full FDIC coverage. At June 30, 2025, uninsured cash balances were approximately \$148,000.

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. It is reasonably possible that changes in the values of investments could occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position. 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.

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 transaction fee for this service which is included in the statements of activities for the years ended June 30, 2025 and 2024.

NOTES TO FINANCIAL STATEMENTS

Note 11. Charitable Gaming

The Coalition regularly participates in charitable gaming consisting of Bingo to raise funds. Following are the results of these activities for the years ended June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Gross revenue	\$ 428,753	\$ 431,213
Less: expenses	<u>(264,193)</u>	<u>(235,244)</u>
Net revenues from charitable gaming	<u>\$ 164,560</u>	<u>\$ 195,969</u>

Note 12. Vulnerability Due to Certain Concentrations

The Coalition receives a significant portion of its revenue from federal government sources. This concentration in federal funding represents a potential risk to the Coalition, as any significant reduction or delay in federal appropriations or changes in federal policy could adversely affect the Coalition's operations and financial condition.

Note 13. Reclassification

Certain amounts in prior year financial statements have been reclassified to conform to the current year presentation. The reclassification had no effect on the previously reported net change in total net assets.

THE COALITION FOR THE HOMELESS, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing & Urban Development</u>				
Continuum of Care Program	14.267		\$1,553,370	\$4,648,677
Pass through from Louisville/Jefferson County Metro Government - Community Development Block Grant	14.218		<u>50,000</u>	<u>130,000</u>
			<u>\$1,603,370</u>	<u>\$4,778,677</u>

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, 2025. 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. 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Coalition for the Homeless, Inc. has elected not to use the 10 up to 15 percent de minimis indirect cost rate as allowed under Uniform Guidance. Pass-through entity identifying numbers are presented where available.



**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
The Coalition for the Homeless, Inc.
Louisville, Kentucky

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 The Coalition for the Homeless, Inc. (a not-for-profit organization), which comprise the statement of financial position as of June 30, 2025, and the related statement 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 16, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Coalition for the Homeless, Inc.'s internal control over financial reporting (internal control) to determine the 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 The 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 the 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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The 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.

Deming, Malone, Linsay & Ostroff

Louisville, Kentucky
January 16, 2026



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

To the Board of Directors
The Coalition for the Homeless, Inc.
Louisville, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The 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 The Coalition for the Homeless, Inc.'s major federal programs for the year ended June 30, 2025. The Coalition for the Homeless, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, The 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 its major federal program for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of The 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Coalition for the Homeless, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for the compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to The 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 The 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 a material noncompliance when it exists. The risk of not detecting a material noncompliance 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. 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 judgement made by a reasonable user based on the report on compliance about The 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 judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud, error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The 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 The 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 The 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, 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 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 controls 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.

Deming, Malone, Lussary & Petroff

Louisville, Kentucky
January 16, 2026

THE COALITION FOR THE HOMELESS, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

Section I – Summary of Auditors’ Results

1. The auditors’ report expresses an unmodified opinion on whether the financial statements of The Coalition for the Homeless, Inc. were prepared in accordance with GAAP.
2. Internal control over financial reporting:
 - Material weakness identified? ___ Yes X No
 - Significant deficiency identified? ___ Yes X None reported
3. No instances of noncompliance material to the financial statements of The Coalition for the Homeless, Inc. which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. Internal control over major programs:
 - Material weakness identified? ___ Yes X No
 - Significant deficiency identified? ___ Yes X None reported
5. The auditors’ report on compliance for the major federal award programs of The Coalition for the Homeless, Inc. expresses an unmodified opinion on the major federal program.
6. The audit did not disclose any audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs audited as major programs were:

<u>Assistance Listing Number</u>	<u>Name of Major Federal Program</u>
14.267	U.S. Department of Housing and Urban Development: Continuum of Care Program
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The auditee did qualify as a low-risk auditee.

THE COALITION FOR THE HOMELESS, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

Section II – Financial Statement Findings

There are no findings related to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs (Under Section 2 CFR 200.516(a))

There are no findings or questioned costs required to be reported.