

**CHAPMAN PARTNERSHIP, INC.**

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FINANCIAL STATEMENTS

SEPTEMBER 30, 2012 AND 2011



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CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

**CHAPMAN PARTNERSHIP, INC.**

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## **REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

To the Board of Directors of  
Chapman Partnership, Inc.

We have audited the accompanying statements of financial position of Chapman Partnership, Inc. (the "Organization") as of September 30, 2012 and 2011 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chapman Partnership, Inc., as of September 30, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2013, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplemental schedules (pages 23-24) are presented for purposes of additional analysis and are 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, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Morrison, Brown, Argiz & Farra*

Miami, Florida  
January 22, 2013

An Independent Member of Baker Tilly International

**CHAPMAN PARTNERSHIP, INC.**

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STATEMENTS OF FINANCIAL POSITION  
SEPTEMBER 30,

<b>ASSETS</b>	<b>2012</b>	<b>2011</b>
Cash and cash equivalents (including temporarily restricted cash of \$2,277,558 and \$4,032,655 for the years ended September 30, 2012 and 2011, respectively)	\$ 4,431,497	\$ 5,015,937
Other receivables	159,576	298,659
Prepaid expenses and other assets	405,904	319,376
Pledges receivable, net	1,874,580	2,159,980
Restricted cash equivalents	425,017	848,618
Investments	32,638,660	27,603,075
Other investment	632,000	600,000
Property, plant and equipment, net	<u>12,428,956</u>	<u>12,419,643</u>
TOTAL ASSETS	<b><u>\$ 52,996,190</u></b>	<b><u>\$ 49,265,288</u></b>
<b>LIABILITIES AND NET ASSETS</b>		
<hr/>		
LIABILITIES		
Accounts payable, accrued expenses and other liabilities	\$ 493,126	\$ 474,284
Deferred revenues	<u>3,020,075</u>	<u>4,621,480</u>
TOTAL LIABILITIES	<u>3,513,201</u>	<u>5,095,764</u>
NET ASSETS		
Unrestricted	16,049,887	14,912,652
Temporarily restricted	15,150,970	11,189,509
Permanently restricted	<u>18,282,132</u>	<u>18,067,363</u>
TOTAL NET ASSETS	<u>49,482,989</u>	<u>44,169,524</u>
TOTAL LIABILITIES AND NET ASSETS	<b><u>\$ 52,996,190</u></b>	<b><u>\$ 49,265,288</u></b>

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

**CHAPMAN PARTNERSHIP, INC.**

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STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>PUBLIC SUPPORT</b>				
Miami-Dade County Homeless Trust	\$ 8,158,400	\$ 353,872	\$ -	\$ 8,512,272
Miami-Dade County Public Schools	137,593	-	-	137,593
State of Florida	<u>197,774</u>	<u>-</u>	<u>-</u>	<u>197,774</u>
TOTAL PUBLIC SUPPORT	<u>8,493,767</u>	<u>353,872</u>	<u>-</u>	<u>8,847,639</u>
<b>REVENUES</b>				
Revenues from private sources	5,563,799	75,000	214,769	5,853,568
Investment income, net	146,436	4,105,514	-	4,251,950
Other	2,874	-	-	2,874
In-kind revenues	<u>911,904</u>	<u>-</u>	<u>-</u>	<u>911,904</u>
TOTAL REVENUES	<u>6,625,013</u>	<u>4,180,514</u>	<u>214,769</u>	<u>11,020,296</u>
Net assets released from restrictions	<u>572,925</u>	<u>(572,925)</u>	<u>-</u>	<u>-</u>
TOTAL PUBLIC SUPPORT AND REVENUES	<u>15,691,705</u>	<u>3,961,461</u>	<u>214,769</u>	<u>19,867,935</u>
<b>EXPENSES</b>				
Program	11,604,273	-	-	11,604,273
Management and general	1,908,945	-	-	1,908,945
Fundraising	<u>1,041,252</u>	<u>-</u>	<u>-</u>	<u>1,041,252</u>
TOTAL EXPENSES	<u>14,554,470</u>	<u>-</u>	<u>-</u>	<u>14,554,470</u>
INCREASE IN NET ASSETS	1,137,235	3,961,461	214,769	5,313,465
NET ASSETS, BEGINNING OF YEAR	<u>14,912,652</u>	<u>11,189,509</u>	<u>18,067,363</u>	<u>44,169,524</u>
NET ASSETS, END OF YEAR	<u><b>\$ 16,049,887</b></u>	<u><b>\$ 15,150,970</b></u>	<u><b>\$ 18,282,132</b></u>	<u><b>\$ 49,482,989</b></u>

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

**CHAPMAN PARTNERSHIP, INC.**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>PUBLIC SUPPORT</b>				
Miami-Dade County Homeless Trust	\$ 7,894,613	\$ 128,799	\$ -	\$ 8,023,412
Miami-Dade County Public Schools	185,441	-	-	185,441
State of Florida	<u>215,752</u>	<u>-</u>	<u>-</u>	<u>215,752</u>
<b>TOTAL PUBLIC SUPPORT</b>	<u>8,295,806</u>	<u>128,799</u>	<u>-</u>	<u>8,424,605</u>
<b>REVENUES</b>				
Revenues from private sources	4,084,475	141,530	30,232	4,256,237
Investment income, net	149,296	286,295	-	435,591
Other	17,375	-	-	17,375
In-kind revenues	<u>793,198</u>	<u>-</u>	<u>-</u>	<u>793,198</u>
<b>TOTAL REVENUES</b>	<u>5,044,344</u>	<u>427,825</u>	<u>30,232</u>	<u>5,502,401</u>
Net assets released from restrictions	<u>1,101,841</u>	<u>(1,101,841)</u>	<u>-</u>	<u>-</u>
<b>TOTAL PUBLIC SUPPORT AND REVENUES</b>	<u>14,441,991</u>	<u>(545,217)</u>	<u>30,232</u>	<u>13,927,006</u>
<b>EXPENSES</b>				
Program	11,300,452	-	-	11,300,452
Management and general	1,803,936	-	-	1,803,936
Fundraising	<u>637,138</u>	<u>-</u>	<u>-</u>	<u>637,138</u>
<b>TOTAL EXPENSES</b>	<u>13,741,526</u>	<u>-</u>	<u>-</u>	<u>13,741,526</u>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	700,465	(545,217)	30,232	185,480
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>14,212,187</u>	<u>11,734,726</u>	<u>18,037,131</u>	<u>43,984,044</u>
<b>NET ASSETS, END OF YEAR</b>	<u><b>\$ 14,912,652</b></u>	<u><b>\$ 11,189,509</b></u>	<u><b>\$ 18,067,363</b></u>	<u><b>\$ 44,169,524</b></u>

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

**CHAPMAN PARTNERSHIP, INC.**

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STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED SEPTEMBER 30,

	<b>2012</b>	<b>2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 5,313,465	\$ 185,480
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	599,570	588,625
Net realized and unrealized investment (gains) losses	(3,647,736)	88,347
Bad debt expense, net of allowance for uncollectible pledges	20,434	20,000
Amortization of discount on pledges receivable	15,483	45,251
Changes in operating assets and liabilities:		
Decrease (increase) in pledges receivables	249,483	(313,456)
Decrease (increase) in other receivables	139,083	(22,253)
Increase in prepaid expenses and other assets	(86,528)	(220,768)
Increase in accounts payable, accrued expenses and other liabilities	18,842	123,890
(Decrease) increase in deferred revenues	<u>(1,601,405)</u>	<u>1,196,770</u>
TOTAL ADJUSTMENTS	<u>(4,292,774)</u>	<u>1,506,406</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>1,020,691</u>	<u>1,691,886</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant, and equipment	(608,883)	(277,443)
Purchase of investments, net of proceeds	(1,387,849)	(5,304,761)
Purchase of other investment	<u>(32,000)</u>	<u>-</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(2,028,732)</u>	<u>(5,582,204)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Decrease (increase) in restricted cash equivalents	<u>423,601</u>	<u>(291,279)</u>
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	<u>423,601</u>	<u>(291,279)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(584,440)	(4,181,597)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>5,015,937</u>	<u>9,197,534</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><b>\$ 4,431,497</b></u>	<u><b>\$ 5,015,937</b></u>
<b>SUPPLEMENTAL DISCLOSURES:</b>		
<b>NON-CASH OPERATING TRANSACTIONS</b>		
In-kind services and donations	<u><b>\$ 911,904</b></u>	<u><b>\$ 793,198</b></u>

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

# CHAPMAN PARTNERSHIP, INC.

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## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2012 AND 2011

### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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#### Organization

Chapman Partnership, Inc. (the "Organization") incorporated in Florida on July 23, 1993, is a not-for-profit organization that was organized to build up to three Homeless Assistance Centers for homeless, to organize the efforts of local organizations to create and implement a comprehensive plan to assist homeless individuals, and to educate residents on homeless issues, all in Miami-Dade County. The first center opened in October 1995. The second center opened in 1998. The Organization receives its support from the Miami-Dade County Homeless Trust, Miami-Dade County Public Schools, and other public and private organizations and individuals. Presently, there are no plans to build a third center.

#### Financial Statement Presentation

The financial statements are prepared using the accrual basis of accounting. Net assets, revenue, gains and losses are classified into three classes of net assets based on the existence or absence of donor-imposed restrictions. In addition, the Organization is required to present a statement of cash flows. The three net asset categories are reflected in the accompanying financial statements as follows:

Unrestricted - Net assets which are free of donor-imposed restrictions. Includes all revenues, gains, and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations.

Permanently Restricted - Net assets whose use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization.

#### Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Cash and Cash Equivalents

Cash and cash equivalents include investments with original maturities of three months or less.

#### Restricted Cash Equivalents

Restricted cash equivalents represents cash restricted by donors for the Organization's endowment. Restricted cash is for long-term purposes.

#### Investments

The Organization reports its investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value in the Statements of Financial Position.

Investment gains and losses (including realized and unrealized gains and losses on investments, interest and dividends) are included in the accompanying Statements of Activities as increases or decreases in unrestricted net assets unless income or loss is restricted by donor or law.

## CHAPMAN PARTNERSHIP, INC.

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### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2012 AND 2011

#### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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##### **Concentration of Credit and Market Risk**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash deposits in excess of the Federal Deposit Insurance Corporation ("FDIC") insured limits. The Organization limits its exposure by placing its deposits with quality financial institutions. At times, such balances may be in excess of the insurance limits of the FDIC. The Organization has not experienced losses in such accounts.

Investments are subject to both credit and market risks. Credit risk is the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Market risk is the possibility that fluctuations in the investment market will impact the value of the portfolio. The Organization's investments in equity and fixed income securities are considered a concentration of market risk as they are approximately 49% and 43%, respectively, of total investments at September 30, 2012 and approximately 45% and 51%, respectively, at September 30, 2011. The Organization has an investment policy and utilizes management oversight, and regularly reviews its investment portfolio to monitor these risks.

##### **Fair Value of Financial Instruments**

The fair value of financial instruments is determined by reference to various market data and other valuation techniques, as appropriate. Unless otherwise disclosed, the fair value of financial instruments approximates their recorded values due primarily to the short-term nature of their maturities.

##### **Pledges Receivable and Contributions**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor-imposed restrictions. Contributions with donor-imposed restrictions are reported as restricted support. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted. Conditional promises to give are recognized when the conditions are substantially met.

Unconditional pledges to give cash and other assets are reported at fair value at the date the pledge is received to the extent estimated to be collectible by the Organization. Pledges received with donor restrictions that limit the use of the donated assets are reported as temporarily or permanently restricted support.

When a donor restriction expires, that is when a stipulated time restriction ends or purpose restriction is accomplished, or when cash is collected on unconditional pledges in excess of current year pledge revenue, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Pledges receivable due in excess of one year are discounted at the present value of their estimated future cash flows. Unconditional promises and other receivables are recorded in the Statements of Financial Position at fair value estimated by discounted cash flow analyses, using an average discount rate of 5% for the years ended September 30, 2012 and 2011. Management reviews outstanding pledges on an ongoing basis. Management provides for probable uncollectible pledges through a provision for bad debt expense and an adjustment to the allowance based on its assessment of the current status of individual pledges receivable. Pledges receivable are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote.

**CHAPMAN PARTNERSHIP, INC.**

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012 AND 2011

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property, Plant and Equipment, Net**

Property, plant and equipment are stated at cost of acquisition or fair value at the date of donation in the case of gifts. The Organization leases the land on which the first Homeless Assistance Center is located from the Miami-Dade County School Board over a period of 40 years at a cost of \$1 per year. The appraised value of this leasehold was \$425,000 and has been recorded by the Organization as in-kind revenue in a prior year. The leasehold is being amortized over a period of 40 years. Leasehold improvements are capitalized on the basis of cost and equipment acquired or donated is capitalized at cost or fair value at the date of acquisition or donation. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. In the absence of donor-imposed restrictions on the use of an asset, gifts of long-lived assets are reported as unrestricted support.

Estimated useful lives of property, plant and equipment are as follows:

	<u>Years</u>
Leasehold, buildings and leasehold improvements	40
Furniture and fixtures	10
Computer equipment	3
Automobiles	3

**Deferred Revenues**

The Organization records deferred revenues for monies received in advance for special events and other programs that have not taken place as of year end.

**In-Kind Donations**

The Organization has received office equipment, personal services, and other items as in-kind donations. These donations are recorded at management's estimate of fair market value at the date of donation.

**Functional Allocation of Expenses**

The cost of providing various programs and other activities has been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**Income Taxes**

The Organization is a not-for-profit corporation whose revenue is derived from contributions and other fund-raising activities and is not subject to federal or state income taxes. The Organization is exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code.

The Organization recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction and the State of Florida jurisdiction are the major tax jurisdictions where the Organization files income tax returns. The Organization is generally no longer subject to U.S. Federal or State examinations by tax authorities for years before 2009.

# CHAPMAN PARTNERSHIP, INC.

## NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2012 AND 2011

### 1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Adoption of Accounting Pronouncement

##### Fair Value Measurements

In January 2010, the Financial Accounting Standards Board ("FASB") issued an accounting standard update on fair value measurements and disclosures. The update requires more robust disclosures about (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2, and 3. The new disclosures and clarifications of existing disclosures are effective for interim and annual reporting periods beginning after December 15, 2009, except for the disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements. Those disclosures are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The update did not have an effect on the Organization's financial statements.

#### Subsequent Events

The Organization has evaluated subsequent events through January 22, 2013 which is the date the financial statements were available to be issued.

#### Reclassification

Certain amounts in the 2011 financial statements have been reclassified to conform to the 2012 presentation.

### 2. PLEDGES RECEIVABLE, NET

The following are schedules of payments due relating to outstanding pledges receivable from various corporations, organizations and individuals. These payments have been discounted using an average discount rate of 5% for 2012 and 2011. Pledges receivable, net is as follows at September 30:

	<u>2012</u>	<u>2011</u>
Pledges due in:		
Less than one year	\$ 1,794,251	\$ 1,889,700
One to five years	260,000	395,000
More than five years	<u>125,000</u>	<u>175,000</u>
Total	2,179,251	2,459,700
Less: Discount on long-term pledges	(69,237)	(84,720)
Less: Allowance for uncollectible pledges	<u>(235,434)</u>	<u>(215,000)</u>
Total discount and allowance	<u>(306,671)</u>	<u>(299,720)</u>
Pledges receivable, net	<u><b>\$ 1,874,580</b></u>	<u><b>\$ 2,159,980</b></u>

For the years ended September 30, 2012 and 2011, bad debt expense totaled \$20,434 and \$20,000, respectively.

## CHAPMAN PARTNERSHIP, INC.

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2012 AND 2011

#### 3. INVESTMENTS

Investments are presented in the financial statements at their fair market values and consist of the following at September 30:

	<u>2012</u>	<u>2011</u>
Domestic Equity	\$ 11,996,820	\$ 9,656,421
International Equity	3,844,071	2,739,746
Global Fixed Income:		
Corporate	1,244,556	969,899
Government	167,959	279,821
Domestic Fixed Income:		
Corporate	5,679,221	5,429,060
Government	8,192,351	8,528,128
Commodity Futures	<u>1,513,682</u>	<u>-</u>
Total	<u>\$ 32,638,660</u>	<u>\$ 27,603,075</u>

The following schedules summarize the investment return and its classification in the Statements of Activities for the years ended September 30, 2012 and 2011:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
<b>2012</b>		
Interest and dividend income	\$ 319,760	\$ 284,454
Net realized and unrealized (losses) gains on investments	<u>(173,324)</u>	<u>3,821,060</u>
	<u>\$ 146,436</u>	<u>\$ 4,105,514</u>
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>
<b>2011</b>		
Interest and dividend income	\$ 230,596	\$ 293,342
Net realized and unrealized losses on investments	<u>(81,300)</u>	<u>(7,047)</u>
	<u>\$ 149,296</u>	<u>\$ 286,295</u>

#### 4. OTHER INVESTMENT

During the year ended September 30, 2010, the Organization was a 60% beneficiary of assets disbursed from a charitable remainder annuity trust ("Charitable Trust"). The Charitable Trust assets consisted of cash and real property located in Miami, Florida. The Organization recorded as an unrestricted contribution and other investment 60% of the fair market value of the Charitable Trust assets, which amounted to \$600,000 during the year ended September 30, 2010. A new appraisal was done on September 1, 2011 showing no change in the fair market value of the Charitable Trust assets.

Brickell Trust 8th Street Property, LLC ("LLC"), a Florida limited liability company, was incorporated on June 3, 2010. The LLC was organized as a joint venture between the Organization and the other six beneficiaries of the Charitable Trust assets to acquire, own, develop, finance, sell, lease or otherwise dispose of the real property and interests in real property, and to do any and all things necessary, convenient or incidental to that purpose and to engage in such other lawful activities as are reasonably necessary or useful to the furtherance of the foregoing purpose, upon and subject to the terms and conditions of the LLC Agreement.

During the year ended September 30, 2012, the Organization acquired the interests of two beneficiaries which had 5% interests in the LLC. As a result, the Organization owns 70% of the LLC at September 30, 2012.

## CHAPMAN PARTNERSHIP, INC.

### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2012 AND 2011

#### 5. PROPERTY, PLANT AND EQUIPMENT, NET

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Property, plant and equipment, net, consists of the following at September 30:

	<u>2012</u>	<u>2011</u>
Land	\$ 265,000	\$ 265,000
Buildings	146,960	146,960
Leasehold	511,618	511,618
Leasehold improvements	17,817,303	17,369,561
Furniture and fixtures	2,075,044	1,952,049
Computer equipment	1,504,954	1,466,808
Automobiles	<u>747,468</u>	<u>747,468</u>
	23,068,347	22,459,464
Less: accumulated depreciation	<u>(10,639,391)</u>	<u>(10,039,821)</u>
Total	<u><b>\$ 12,428,956</b></u>	<u><b>\$ 12,419,643</b></u>

Depreciation expense was \$599,570 and \$588,625 for the years ended September 30, 2012 and 2011, respectively.

#### 6. TEMPORARILY RESTRICTED NET ASSETS

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The Organization's temporarily restricted net assets consist of assets which have been restricted by the donor either as to the purpose or the passage of time. The time restrictions will be met in future periods and the purpose restrictions will be met when net assets are used for the specific purpose.

Contributions received for the acquisition of property, plant and equipment are reported as temporarily restricted assets as long as those assets continue to be in service. The Organization reclassifies temporarily restricted net assets to unrestricted net assets each year for the amount of depreciation expense relating to the donated property, plant and equipment.

The permanently restricted net assets consist of endowment donations to the Organization. The donors have instructed the Organization that the principal cannot be expended; however, the earnings generated by the original donated principal are available to be expended. Any earnings are included in temporarily restricted or unrestricted net assets as earnings are expended. Permanently restricted net assets were \$18,282,132 and \$18,067,363 as of September 30, 2012 and 2011, respectively.

#### 7. PERMANENTLY RESTRICTED NET ASSETS

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The permanently restricted net assets consist of endowment donations to the Organization. The donors have instructed the Organization that the principal cannot be expended; however, the earnings generated by the original donated principal are available to be expended. Any earnings are included in temporarily restricted or unrestricted net assets as earnings are expended. Permanently restricted net assets were \$18,282,132 and \$18,067,363 as of September 30, 2012 and 2011, respectively.

#### 8. FAIR VALUE MEASUREMENTS

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The FASB Accounting Standards Codification ("ASC") 820 Fair Value Measurements and Disclosures, establishes a framework for measuring fair value. That framework 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 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this FASB guidance are described as follows:

## CHAPMAN PARTNERSHIP, INC.

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### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2012 AND 2011

#### 8. FAIR VALUE MEASUREMENTS (CONTINUED)

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The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in 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's 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 used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2012 and 2011.

Domestic and international equity is valued at the closing price reported on the active market in which the individual securities are traded.

Global and domestic government fixed income investments are valued at the closing price reported in the active market in which the individual securities are traded.

Commodities are valued at net asset value ("NAV"), which is determined daily by the individual fund. These investments are redeemable at their net asset value per share on a daily basis. Additionally, there are no unfunded commitments or redemption notice or lock up periods. In determining the fair value level, the Organization considers the length of time until the investment is redeemable, including notice and lock up periods or any other restriction on the disposition of the investment.

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 Organization 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. The values assigned to certain investments are based upon currently available information and do not necessarily represent amounts that may ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be material.

**CHAPMAN PARTNERSHIP, INC.**

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012 AND 2011

**8. FAIR VALUE MEASUREMENTS (CONTINUED)**

**Items Measured at Fair Value on a Recurring Basis**

The following tables represent the Organization's financial instruments measured at fair value on a recurring basis at September 30, 2012 and 2011 for each of the fair value hierarchy levels:

<u>Description</u>	<u>9/30/2012</u>	<u>Fair Value Measurements at September 30, 2012</u>		
		<u>Quoted Prices</u>	<u>Significant Other</u>	<u>Significant Other</u>
		<u>In Active Markets for Identical Assets (Level 1)</u>	<u>Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Assets:				
Domestic Equity	\$ 11,996,820	\$ 11,996,820	\$ -	\$ -
International Equity	3,844,071	3,844,071	-	-
Global Fixed Income:				
Corporate	1,244,556	1,244,556	-	-
Government	167,959	167,959	-	-
Domestic Fixed Income:				
Corporate	5,679,221	5,679,221	-	-
Government	8,192,351	8,192,351	-	-
Commodity Futures	1,513,682	1,513,682	-	-
	<b>\$ 32,638,660</b>	<b>\$ 32,638,660</b>	<b>\$ -</b>	<b>\$ -</b>

<u>Description</u>	<u>9/30/2011</u>	<u>Fair Value Measurements at September 30, 2011</u>		
		<u>Quoted Prices</u>	<u>Significant Other</u>	<u>Significant Other</u>
		<u>In Active Markets for Identical Assets (Level 1)</u>	<u>Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Assets:				
Domestic Equity	\$ 9,656,421	\$ 9,656,421	\$ -	\$ -
International Equity	2,739,746	2,739,746	-	-
Global Fixed Income:				
Corporate	969,899	969,899	-	-
Government	279,821	279,821	-	-
Domestic Fixed Income:				
Corporate	5,429,060	5,429,060	-	-
Government	8,528,128	8,528,128	-	-
	<b>\$ 27,603,075</b>	<b>\$ 27,603,075</b>	<b>\$ -</b>	<b>\$ -</b>

**Items Measured at Fair Value on a Nonrecurring Basis**

The following table represents the Organization's assets measured at fair value on a nonrecurring basis at September 30, 2012 for each of the fair value hierarchy levels:

<u>Description</u>	<u>9/30/2012</u>	<u>Fair Value Measurements at September 30, 2012</u>		
		<u>Quoted Prices</u>	<u>Significant Other</u>	<u>Significant Other</u>
		<u>In Active Markets for Identical Assets (Level 1)</u>	<u>Observable Inputs (Level 2)</u>	<u>Unobservable Inputs (Level 3)</u>
Asset:				
Other investment	\$ 32,000	\$ -	\$ -	\$ 32,000

## CHAPMAN PARTNERSHIP, INC.

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012 AND 2011

### 8. FAIR VALUE MEASUREMENTS (CONTINUED)

#### Items Measured at Fair Value on a Nonrecurring Basis (continued)

There were no financial assets measured at fair value on a nonrecurring basis at September 30, 2011.

### 9. ENDOWMENT

The Organization's endowment consists of individual funds established for a variety of purposes. Its endowment is comprised of donor-restricted endowment funds. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

#### Interpretation of Relevant Law

In June 2011, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Organization has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by FUPMIFA.

In accordance with the FUPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund;
- (2) The purposes of the Organization and the donor-restricted endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation and deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the Organization;
- (7) The investment policies of the Organization.

For the years ended September 30, 2012 and 2011, the Organization has elected not to add appreciation for cost of living or other spending policies to its permanently restricted endowment for inflation and other economic conditions.

#### Summary of Endowment Assets:

Endowment assets as of September 30 are invested as follows:

	<u>2012</u>	<u>2011</u>
Restricted cash equivalents	\$ 425,017	\$ 848,618
Pledges receivable, net	606,240	691,471
Investments	25,341,918	20,515,517
Deferred revenue	<u>(200,000)</u>	<u>(200,000)</u>
	<b><u>\$ 26,173,175</u></b>	<b><u>\$ 21,855,606</u></b>

**CHAPMAN PARTNERSHIP, INC.**

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NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2012 AND 2011

**9. ENDOWMENT (CONTINUED)**

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**Summary of Endowment Assets September 30, 2012:**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 7,891,043	\$ 18,282,132	\$ 26,173,175

**Summary of Endowment Assets September 30, 2011:**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ -	\$ 3,788,243	\$ 18,067,363	\$ 21,855,606

**Changes in endowment net assets as of September 30, 2012:**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning	\$ -	\$ 3,788,243	\$ 18,067,363	\$ 21,855,606
Interest and dividends	-	281,740	-	281,740
Net investment appreciation	-	3,821,060	-	3,821,060
Contributions	-	-	214,769	214,769
Endowment net assets, ending	\$ -	\$ 7,891,043	\$ 18,282,132	\$ 26,173,175

**Changes in endowment net assets as of September 30, 2011:**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment net assets, beginning	\$ -	\$ 3,506,533	\$ 18,037,131	\$ 21,543,664
Interest and dividends	-	288,757	-	288,757
Net investment depreciation	-	(7,047)	-	(7,047)
Contributions	-	-	30,232	30,232
Endowment net assets, ending	\$ -	\$ 3,788,243	\$ 18,067,363	\$ 21,855,606

**Funds with Deficiencies**

From time to time the fair value of assets associated with donor-restricted endowment funds may fall below the level that the donor or FUPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported in unrestricted net assets. There were no such deficiencies as of September 30, 2012 and 2011.

**Return Objectives and Risk Parameters**

The Organization has adopted an investment and spending policy for endowment assets that attempts to preserve the real (inflation adjusted) value of endowment assets, increase the real value of the portfolio and facilitate a potential distribution to support some level of future operations. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period(s).

## CHAPMAN PARTNERSHIP, INC.

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### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2012 AND 2011

#### 9. ENDOWMENT (CONTINUED)

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##### Strategies Employed for Achieving Objectives

As approved by the Board of Directors, the endowment assets are invested in a manner that is intended to produce results that are commensurate with an intermediate-long term investment time horizon. This is expected to be achieved by assuming a moderate level of risk. The Organization expects its endowment funds, over time, to provide a rate of return in excess of the original permanently restricted principal. Actual returns in any given year may vary.

The Endowment Funds are managed with the following objectives:

- a) Maintain the safety of the principal
- b) Maintain the necessary liquidity to ensure funds are available to support operational needs
- c) Obtain a reasonable return for a prudent level of risk.

##### Spending Policy and How the Investment Objectives Related to Spending Policy

Management has adopted an endowment investment policy that establishes the maximum percentage of endowment earnings that can be used to fund operations. The spending rate for the Organization will range from 3% to 6%. Funds will be withdrawn as approved by the Board of Directors to offset the operational expenses and to fund new programs/projects. Historically, the Organization has not used any of its endowment earnings to fund operations.

#### 10. RELATED PARTY TRANSACTIONS

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Certain members of the Board of Directors made contributions of approximately \$267,000 and \$214,000 during the years ended September 30, 2012 and 2011, respectively. The amounts outstanding in pledges receivable from members of the Board of Directors at September 30, 2012 and 2011 was approximately \$188,000 and \$383,000, respectively.

#### 11. COUNTY AGREEMENT AND AGREEMENTS WITH MIAMI-DADE COUNTY PUBLIC SCHOOLS

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The Board of County Commissioners of Miami-Dade County (the "County Board") imposes a 1% food and beverage sales tax on any business that has liquor licenses that gross in excess of \$400,000 of revenue and dedicates a portion of such proceeds to benefit persons who are or are about to become homeless. The County Board adopted a plan for the expenditure of the tax proceeds and created the Miami-Dade County Homeless Trust (the "Trust").

The Organization entered into a five-year service agreement on December 14, 1993 with Miami-Dade County through the Trust that was renewable for five consecutive five-year terms at the discretion of the Trust. The first of these five-year renewals was entered into in 1998 and covered a period ending December 31, 2003. On December 2, 2003, the Organization signed a second renewal and an amendment agreement covering the second and third renewal periods from December 15, 2003 through December 16, 2013.

In connection with the service agreement entered into with the Trust in 1993, the Organization raised the required \$8.5 million within the specified time frame to site, design, construct, and operate up to three Homeless Assistance Centers for the homeless population of Miami-Dade County. Upon termination of the service agreement, assets acquired with tax proceeds and/or the \$8.5 million are required to be returned to the Trust. Cash, in-kind contributions, and property raised by the Organization in excess of this \$8.5 million are outside the scope of the service agreement.

Amounts received from the Trust for the operation of the homeless assistance centers and capital expenditures were \$8,512,272 and \$8,023,412, for the years ended September 30, 2012 and 2011, respectively.

## CHAPMAN PARTNERSHIP, INC.

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### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2012 AND 2011

#### **11. COUNTY AGREEMENT AND AGREEMENTS WITH MIAMI-DADE COUNTY PUBLIC SCHOOLS (CONTINUED)**

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On May 5, 1994, the Miami-Dade County School Board (the "School Board") leased the land where the first Homeless Assistance Center was constructed to the Organization. The lease has a 40-year term, for which the Organization pays \$1 per year rent. The Organization also entered into an agreement on November 22, 1994 with the School Board wherein the Organization agreed to construct approximately 7,000 square feet of space within the first Homeless Assistance Center pursuant to the School Board's educational specifications and needs. It also agreed that this space would be reserved for use by the School Board for an education component for a term of 40 years. In exchange, the School Board agreed to pay the Organization for its proportionate share of construction and equipment costs, which amounted to approximately \$769,000 and was received by the Organization during 1995.

On September 20, 1995, the Organization and the School Board entered into a third agreement whereby the School Board agreed to reimburse the Organization for its share of operational costs related to its educational facilities. An amendment to the educational facilities operation agreement for the homeless facility in Homestead was signed on July 15, 2004. Both parties agreed upon a fixed amount of reimbursement to the Organization for its share of operational costs related to its educational facilities. Total reimbursements to the Organization during the years ended September 30, 2012 and 2011, amounted to approximately \$138,000 and \$185,000, respectively.

The Organization pays \$1 per year rent to Miami-Dade County for the Homestead facility.

#### **12. CONCENTRATIONS OF PLEDGES RECEIVABLES, SUPPORT AND REVENUES**

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Concentrations of risk exist with respect to contributions and pledges made to the Organization during the year. Revenues from private sources totaling approximately \$2,500,000 and \$2,250,000 from one and two donors were made during the years ended September 30, 2012 and 2011, respectively. The Organization received approximately 44% and 59% of its total public support and revenues from Miami-Dade County during the years ended September 30, 2012 and 2011, respectively.

#### **13. RETIREMENT PLANS**

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On January 1, 1997, the Organization initiated a 401(k) tax-deferred savings plan, administered by an independent trustee, covering substantially all employees meeting a 90-day minimum service requirement. Contributions made by the Organization to the 401(k) plan are based on a specified percentage of employee contributions. The Organization's contribution to the plan for the years ended September 30, 2012 and 2011, totaled \$164,697 and \$161,966, respectively.

On September 12, 2011, the Organization adopted a 457(f) non-qualified deferred compensation plan for the Executive Director. The Organization's initial contribution of \$95,000 was contributed on September 26, 2011. Thereafter, effective October 1, 2011, bi-weekly contributions of 7.5% of the Executive Director's base salary will be deposited by wire into a newly opened retirement account at a financial institution for the benefit of the Executive Director. The agreement calls for the Executive Director to remain with the Organization at least through September 2017. The assets set aside to fund the plan are owned by the Organization. Upon separation from service, retirement, disability or death, the plan assets would be transferred to the Executive Director or his beneficiary. The Organization's contribution to the plan for the year ended September 30, 2012 was \$13,651.

## CHAPMAN PARTNERSHIP, INC.

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### NOTES TO FINANCIAL STATEMENTS SEPTEMBER 30, 2012 AND 2011

#### **14. COMMITMENTS AND CONTINGENCIES**

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The Organization has contracts and grants with various grantors. These grants are subject to review and audit. However, management is of the opinion that any disallowance of costs by the grantors would not have a material adverse effect on the Organization's financial position.

#### **15. SUBSEQUENT EVENTS**

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Subsequent to September 30, 2012, the Organization entered into a purchase agreement in the amount of \$1,230,000 for the purchase of a property adjacent to the Organization's Miami, Florida homeless assistance center. The purchase closed on December 20, 2012 and was funded by unrestricted investments held by the Organization.

As a result of the purchase, the Organization established a wholly owned non-profit organization named CP 1551, Inc., a Florida Corporation.



**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS  
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***

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To the Board of Directors  
Chapman Partnership, Inc.

We have audited the financial statements of Chapman Partnership, Inc. (the "Organization") as of and for the year ended September 30, 2012, and have issued our report thereon dated January 22, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

Management of the Organization is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Organization's internal control over financial reporting as a basis for designing our auditing procedures 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 Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

*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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free of 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 determination of financial statement amounts. 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*.

To the Board of Directors  
Chapman Partnership, Inc.  
Page 2

This report is intended solely for the information and use of management, others within the Organization, the Board of Directors, and awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Monison, Brown, Ariz & Fama*

Miami, Florida  
January 22, 2013



**EXAMINATION REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS ON  
AN ASSERTION ABOUT COMPLIANCE WITH SPECIFIED REQUIREMENTS**

To the Board of Directors of  
Chapman Partnership, Inc.

We have examined management's assertion, included in the accompanying "Management's Assertion Report," that Chapman Partnership, Inc. (the "Organization") has complied with the requirements for allowable costs and activities, matching, and financial reporting established in grant agreements applicable to Miami-Dade County Homeless Trust identified on the supplemental Schedule of County Financial Awards during the period October 1, 2011 through September 30, 2012. Management is responsible for the Organization's compliance with those requirements. Our responsibility is to express an opinion on the Organization's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Organization's compliance with specified requirements.

In our opinion, management's assertion that the Organization complied with the aforementioned requirements during the period October 1, 2011 through September 30, 2012, is fairly stated, in all material respects.

This report is intended solely for the information and use of management, the Board of Directors, and Miami-Dade County Homeless Trust and is not intended to be and should not be used by anyone other than these specified parties.

*Morrison, Brown, Argiz & Farra*

Miami, Florida  
January 22, 2013

## MANAGEMENT'S ASSERTION REPORT

I, H. Daniel Vincent, hereby assert that, Chapman Partnership, Inc. (the "Organization") complied with allowable costs and activities, matching, and financial reporting requirements of the grants identified on the attached Schedule of County Financial Awards for the year ended September 30, 2012.

A handwritten signature in black ink that reads "H. Daniel Vincent". The signature is written in a cursive style with a large initial "H" and a long horizontal stroke at the end.

H. Daniel Vincent  
Executive Director

**CHAPMAN PARTNERSHIP, INC.**

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SCHEDULE OF COUNTY FINANCIAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

<b>Grantor/ Program Title</b>	<b>Amount</b>
County Financial Awards:	
Miami-Dade County Homeless Trust Share	\$ 7,806,300
Miami-Dade County Homeless Trust Share- Revenue Maximization Grant	352,100
Miami-Dade County Homeless Trust Share- Capital	353,872
Miami-Dade County Public School Board Share	<u>137,593</u>
<b>Total County Financial Awards</b>	<b><u>\$ 8,649,865</u></b>

**CHAPMAN PARTNERSHIP, INC.**

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SCHEDULE OF EXPENSES UNDER PROVISIONS OF THE  
CONTRACT WITH MIAMI-DADE COUNTY HOMELESS TRUST  
FOR THE YEAR ENDED SEPTEMBER 30, 2012

**Description**

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Salaries	\$ 5,101,956
Payroll taxes	428,731
Health and retirement benefits	<u>1,153,319</u>
Total salaries, taxes, and benefits	<u>6,684,006</u>
Professional fees and contract payments	785,488 *
Security	334,666
Supplies	528,662
Food	1,260,252 *
Marketing & communications	440,996
Postage and shipping	19,753
Rent, maintenance, property insurance and utilities	1,675,097
Rental equipment	75,712
Transportation/travel	103,062
Membership/publications/miscellaneous	9,036
Risk management	119,365
Conference and training	52,227
Client expenses	345,181
Health Services	914,207
Continuum of care	205,000
Development/Event expenses	402,190
Depreciation expense	<u>599,570</u>
Total other expenses	<u>7,870,464</u>
Total expenses including in-kind	14,554,470
Less: In-kind	<u>(911,904)</u>
Total expenses excluding in-kind	<u>\$ 13,642,566</u>
Miami-Dade County Homeless Trust Share	\$ 8,158,400
Chapman Partnership, Inc. Share	\$ 5,484,166

\* Expense includes in-kind expenses.