CHAPMAN PARTNERSHIP, INC. AND AFFILIATE

CONSOLIDATED FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

MBAF

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

CHAPMAN PARTNERSHIP, INC. AND AFFILIATE

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Chapman Partnership, Inc. and Affiliate

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Chapman Partnership, Inc. and Affiliate (a non-profit organization) (the "Organization"), which comprise the consolidated statements of financial position as of September 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Chapman Partnership, Inc. and Affiliate as of September 30, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Coronavirus

As further discussed in Note 1, the Organization is subject to the current economic and health conditions in the United States, including the coronavirus which was designated as a global pandemic by the World Health Organization on March 11, 2020. Management is currently assessing the impact of these conditions and continues to explore various options to minimize the financial impact, however the ultimate outcome is not known as of the date these financial statements were available to be issued. Our opinion is not modified with respect to this matter.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental schedules on pages 26 - 28 are presented for purposes of additional analysis and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, 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 consolidated 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 February 8, 2021, on our consideration of Chapman Partnership, Inc. and Affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Chapman Partnership, Inc. and Affiliate's internal control over financial reporting and compliance.

Morrison, Brown, Argiz & Farra

Miami, Florida
February 8, 2021

CHAPMAN PARTNERSHIP, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30,

ASSETS	2020	2019
Cash and cash equivalents	$ 5,351,604	$ 4,076,850
Restricted cash equivalents	1,639,152	1,635,509
Grant and other receivables	587,243	858,538
Prepaid expenses and other assets	210,557	394,811
Pledges receivable, net	1,058,878	1,248,196
Investments	51,852,207	48,063,894
Property and equipment, net	14,022,586	14,124,489
TOTAL ASSETS	**$ 74,722,227**	**$ 70,402,287**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable, accrued expenses and other liabilities	$ 339,153	$ 584,436
Paycheck Protection Program refundable advance	1,200,000	-
Deferred revenue	495,974	1,019,450
TOTAL LIABILITIES	2,035,127	1,603,886
NET ASSETS		
Without donor restrictions	15,905,439	16,134,847
With donor restrictions	56,781,661	52,663,554
TOTAL NET ASSETS	72,687,100	68,798,401
TOTAL LIABILITIES AND NET ASSETS	**$ 74,722,227**	**$ 70,402,287**

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

CHAPMAN PARTNERSHIP, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT			
Miami-Dade County Homeless Trust	$ 10,768,604	$ 951,500	$ 11,720,104
Miami-Dade County Public Schools	121,066	-	121,066
State of Florida	217,248	-	217,248
OMNI Community Redevelopment Agency	228,120	-	228,120
TOTAL PUBLIC SUPPORT	11,335,038	951,500	12,286,538
REVENUES			
Revenues from private sources	4,639,073	204,649	4,843,722
Investment income, net	305,695	3,832,520	4,138,215
In-kind revenues	2,015,399	-	2,015,399
TOTAL REVENUES	6,960,167	4,037,169	10,997,336
NET ASSETS RELEASED FROM RESTRICTIONS	870,562	(870,562)	-
TOTAL PUBLIC SUPPORT AND REVENUES	19,165,767	4,118,107	23,283,874
EXPENSES			
Program	16,466,305	-	16,466,305
Management and general	1,633,786	-	1,633,786
Fundraising	1,295,084	-	1,295,084
TOTAL EXPENSES	19,395,175	-	19,395,175
CHANGE IN NET ASSETS	(229,408)	4,118,107	3,888,699
NET ASSETS AT BEGINNING OF YEAR	16,134,847	52,663,554	68,798,401
NET ASSETS AT END OF YEAR	**$ 15,905,439**	**$ 56,781,661**	**$ 72,687,100**

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

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT			
Miami-Dade County Homeless Trust	$ 10,748,828	$ 952,800	$ 11,701,628
Miami-Dade County Public Schools	119,206	-	119,206
State of Florida	193,366	-	193,366
OMNI Community Redevelopment Agency	171,880	-	171,880
TOTAL PUBLIC SUPPORT	11,233,280	952,800	12,186,080
REVENUES			
Revenues from private sources	4,815,642	206,808	5,022,450
Investment income, net	420,705	1,780,823	2,201,528
In-kind revenues	2,118,842	-	2,118,842
TOTAL REVENUES	7,355,189	1,987,631	9,342,820
NET ASSETS RELEASED FROM RESTRICTIONS	1,366,832	(1,366,832)	-
TOTAL PUBLIC SUPPORT AND REVENUES	19,955,301	1,573,599	21,528,900
EXPENSES			
Program	16,479,205	-	16,479,205
Management and general	1,482,202	-	1,482,202
Fundraising	1,515,237	-	1,515,237
TOTAL EXPENSES	19,476,644	-	19,476,644
CHANGE IN NET ASSETS	478,657	1,573,599	2,052,256
NET ASSETS AT BEGINNING OF YEAR	15,656,190	51,089,955	66,746,145
NET ASSETS AT END OF YEAR	**$ 16,134,847**	**$ 52,663,554**	**$ 68,798,401**

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

CHAPMAN PARTNERSHIP, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

		Supporting Services		
	Program	Management and General	Fundraising	Total
Salaries	$ 5,702,598	$ 786,536	$ 273,111	$ 6,762,245
Payroll taxes	399,535	66,677	19,369	485,581
Health and retirement benefits	1,024,241	185,351	45,554	1,255,146
Total salaries, taxes, and benefits	7,126,374	1,038,564	338,034	8,502,972
Professional fees	264,590	384,063	83,015	731,668
Security	445,168	-	-	445,168
Supplies	509,011	30,493	52,212	591,716
Food (excluding in kind)	909,934	-	-	909,934
Marketing and communications	10,221	-	283,629	293,850
Postage and shipping	1,314	4,867	866	7,047
Occupancy	1,327,242	14,905	-	1,342,147
Rental equipment	135,872	3,441	-	139,313
Transportation and travel	45,433	21,657	3,823	70,913
Membership and publications	3,552	2,405	5,074	11,031
Insurance	251,747	41,560	-	293,307
Conferences and meetings	42,614	74,831	660	118,105
Client expenses	1,166,723	-	-	1,166,723
In-kind expenses	2,015,399	-	-	2,015,399
Health services	837,810	-	-	837,810
Continuum of care	200,000	-	-	200,000
Development and event expenses	-	-	527,771	527,771
Bad debt	-	17,000	-	17,000
Depreciation	1,173,301	-	-	1,173,301
TOTAL EXPENSES	**$ 16,466,305**	**$ 1,633,786**	**$ 1,295,084**	**$ 19,395,175**

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

CHAPMAN PARTNERSHIP, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

		Supporting Services		
	Program	Management and General	Fundraising	Total
Salaries	$ 5,502,036	$ 789,831	$ 364,410	$ 6,656,277
Payroll taxes	385,911	55,961	22,789	464,661
Health and retirement benefits	1,106,597	135,396	91,050	1,333,043
Total salaries, taxes, and benefits	6,994,544	981,188	478,249	8,453,981
Professional fees	183,011	323,527	20,646	527,184
Security	392,754	-	-	392,754
Supplies	465,967	28,174	26,049	520,190
Food (excluding in kind)	951,932	-	-	951,932
Marketing and communications	2,588	-	381,822	384,410
Postage and shipping	3,873	1,056	1,115	6,044
Occupancy	1,371,843	4,495	-	1,376,338
Rental equipment	61,895	1,487	-	63,382
Transportation and travel	52,532	37,631	16,793	106,956
Membership and publications	3,037	515	8,898	12,450
Insurance	230,119	40,310	-	270,429
Conferences and meetings	83,761	39,405	-	123,166
Client expenses	1,356,667	-	-	1,356,667
In-kind expenses	2,118,842	-	-	2,118,842
Health services	932,329	-	-	932,329
Continuum of care	200,000	-	-	200,000
Development and event expenses	-	-	581,665	581,665
Bad debt	-	24,414	-	24,414
Depreciation	1,073,511	-	-	1,073,511
TOTAL EXPENSES	**$ 16,479,205**	**$ 1,482,202**	**$ 1,515,237**	**$ 19,476,644**

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

CHAPMAN PARTNERSHIP, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30,

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 3,888,699	$ 2,052,256
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,173,301	1,073,511
Net realized and unrealized investment gains	(3,240,294)	(1,099,454)
Restricted cash for endowment	(204,649)	(206,808)
Bad debt expense	17,000	24,414
Discount on pledges receivable	(18,734)	(15,555)
Changes in operating assets and liabilities:		
Grant and other receivables	271,295	(353,556)
Prepaid expenses and other assets	184,254	194,421
Pledges receivable	191,052	4,918
Accounts payable, accrued expenses and other liabilities	(245,283)	(214,287)
Paycheck Protection Program refundable advance	1,200,000	-
Deferred revenue	(523,476)	(620,724)
TOTAL ADJUSTMENTS	(1,195,534)	(1,213,120)
NET CASH PROVIDED BY OPERATING ACTIVITIES	2,693,165	839,136
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,071,398)	(986,168)
Net (purchases) proceeds of investments	(548,019)	589,949
NET CASH USED IN INVESTING ACTIVITIES	(1,619,417)	(396,219)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for endowment	204,649	206,808
NET CASH PROVIDED BY FINANCING ACTIVITIES	204,649	206,808
NET INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS	1,278,397	649,725
CASH, CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS - BEGINNING OF YEAR	5,712,359	5,062,634
CASH, CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS - END OF YEAR	**$ 6,990,756**	**$ 5,712,359**

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Chapman Partnership, Inc. ("Chapman"), 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 the 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. Chapman 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.

In December 2012, Chapman established a wholly-owned non-profit organization named CP 1551, Inc., for the purpose of acquiring real property.

Chapman offers a comprehensive, holistic approach to homeless assistance through onsite services and partnerships that help residents attain self-sufficiency and housing stability. These resources include a wide array of programs that go far beyond just emergency shelter, and include comprehensive case management; health, dental and mental health care; child care; job development, training and placement; and permanent housing assistance facilitated by a variety of social service agencies – all located under one roof.

Healthcare at Chapman encompasses medical, dental and mental health services. Health clinics located at Chapman Partnership North and Chapman Partnership South are designed to stabilize and address the immediate needs of residents, including acute health problems and chronic conditions, and serve as a resident's primary care provider during their stay. Through the operation of a Mobile Dental Unit, residents have access to preventive and restorative oral health care, including dental exams, X-rays, cleanings, fillings and tooth extractions. Mental health services help residents deal with common diagnoses, such as depression and anxiety disorders, bipolar disease and schizophrenia.

The Family Resource Centers at Chapman Partnership North and Chapman Partnership South empower the homeless by creating a nurturing environment where children can succeed. Family Resource Centers offer after school and full-day summer programming that promotes positive, healthy development among adolescents and teens; as well as year-round evening family enrichment activities that foster family bonding, contributing to the overall wellbeing of the family unit.

The job development programs operated at Chapman Partnership North and Chapman Partnership South include vocational training and education in culinary arts, environmental services, security, and other career fields; work readiness assistance (e.g., resume writing, interview skills, and computer training); and job placement, with the goal of assisting persons experiencing homelessness in securing full-time jobs paying above minimum wage.

Basis of Presentation and Principles of Consolidation

The consolidated financial statements include the accounts of Chapman Partnership, Inc. and its affiliate, CP 1551, Inc., collectively referred to as the "Organization." All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements.

The consolidated financial statements are prepared using the accrual basis of accounting. Net assets, revenue, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Trustees.

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

Basis of Presentation and Principles of Consolidation (Continued)

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor to net assets without donor restrictions in the Consolidated Statements of Activities.

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Restricted Cash Equivalents

Cash and cash equivalents include investments with original maturities of three months or less. Included within cash and cash equivalents is a short term certificate of deposit with an original maturity of 2 months and a stated interest rate of 0.02%.

Restricted cash equivalents represent cash restricted by donors for specific purposes and the endowment of the Organization. Total cash, cash equivalents and restricted cash equivalents shown in the Consolidated Statements of Cash Flows includes cash and cash equivalents of $5,351,604 and $4,076,850 at September 30, 2020, and 2019, respectively, and restricted cash equivalents of $1,639,152 and $1,635,509 at September 30, 2020, and 2019, respectively, as reported in the Consolidated Statements of Financial Position.

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 Consolidated Statements of Financial Position.

Investment income, net (including realized and unrealized gains and losses on investments, interest and dividends) is included in the accompanying Consolidated Statements of Activities as increases in net assets without donor restrictions unless income is restricted by donor or law.

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 33% and 43%, respectively, of total investments at September 30, 2020 and approximately 47% and 38%, respectively, of total investments at September 30, 2019. The Organization has an investment policy and utilizes management oversight, and regularly reviews its investment portfolio to monitor these risks.

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

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 with or without donor restrictions depending on the existence and/or nature of any donor-imposed restrictions. Contributions with donor-imposed restrictions are reported as support with donor restrictions. However, if a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as without donor restrictions. 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 support with donor restrictions.

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, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the Consolidated 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 grants and other receivables are recorded in the Consolidated Statements of Financial Position at fair value estimated by discounted cash flow analysis, using an average discount rate of 5% for the years ended September 30, 2020 and 2019. 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.

Property and Equipment, Net

Property and equipment is 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 at the date of gift of this leasehold was $425,000 and was 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 without donor restrictions.

Estimated useful lives of property and equipment are as follows:

Asset	Life
Buildings and leasehold improvements	Shorter of useful life or lease term
Furniture and fixtures	10 years
Computer equipment	3 years
Automobiles	3 years

Prepaid Expenses

Expenditures relating to programs for the next fiscal year are reported as a prepaid asset and are expensed during the next year as the related program function takes place.

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

Deferred Revenue

The Organization records deferred revenue 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 receives food, 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 costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and support services benefited. Expenses that can be directly identified with the program or supporting service are reported as expenses of those functional areas. Other expenses are allocated among program and supporting services based on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of estimated time and effort.

Income Taxes

Chapman Partnership, Inc. 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. Chapman Partnership, Inc. and CP 1551, Inc. are 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 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 fiscal years before 2017.

Risk and Uncertainties

Since January 2020, the coronavirus ("COVID-19") outbreak has caused substantial disruption in international and U.S. economics and markets. The fear of further spread of COVID-19 has caused quarantines, cancellation of events and travel, business and school shutdowns, and overall reduction in business and economic activity. On March 11, 2020, the World Health Organization designated COVID-19 as a pandemic. While the Organization did not incur significant disruptions during the year ended September 30, 2020 from COVID-19, the Organization is unable to predict the impact that COVID-19 will have on the consolidated financial position and change in net assets due to numerous uncertainties. These uncertainties include the severity of the virus, the duration of the outbreak, governmental, or other actions (which include promotion of social distancing), or changes to the Organization's operations. The Organization is currently evaluating the potential adverse effect this matter will have on its consolidated financial position, operations and cash flows. While the ultimate outcome of this uncertainty is unknown, it is reasonably possible the impact may be materially adverse.

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

Adopted Accounting Pronouncements

Accounting Guidance for Contributions Received and Contributions Made

During the year ended September 30, 2020, the Organization adopted Accounting Standards Update ("ASU") 2018-08, Not-for-Profit Entities (Topic 958) – Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made. The update provides guidance in evaluating whether transactions should be accounted for as contributions or as an exchange transaction and determining whether a contribution is conditional or not. The adoption of this update had no effect on the Organization's consolidated financial position and changes in net assets.

Recognition and Measurement of Financial Assets and Financial Liabilities

In January 2016, the Financial Accounting Standards Board ("FASB") issued an ASU which seeks to enhance the recognition, measurement, presentation and disclosure requirements of financial instruments. The update is effective for fiscal years beginning after December 15, 2018 and for interim periods within fiscal years beginning after December 15, 2019 with early adoption permitted for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The adoption of this update did not have a material effect on the Organization's consolidated financial statements.

Restricted Cash

In November 2016, the FASB issued an ASU which amends cash flow presentation of restricted cash. The update requires amounts generally described as restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period total amounts shown on the statement of cash flows. The update is effective retrospectively for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019, with early adoption permitted. The Organization adopted the update as September 30, 2020 and modified the presentation of restricted cash in its Consolidated Statements of Cash Flows.

Recent Accounting Pronouncements

Revenue From Contracts With Customers

In May 2014, the FASB issued an ASU which affects the revenue recognition of entities that enter into either (1) certain contracts to transfer goods or services to customers or (2) certain contracts for the transfer of nonfinancial assets. The update indicates an entity should recognize revenue in an amount that reflects the consideration the entity expects to be entitled to in exchange for the goods or services transferred by the entity. The update is to be applied to the beginning of the year of implementation or retrospectively and is effective for annual periods beginning after December 15, 2018 and in interim periods in annual periods beginning after December 15, 2019; however, due to the circumstances surrounding COVID-19, the FASB issued relief in the form of deferral of the required adoption date for nonprofit entities to annual periods beginning after December 31, 2019 and interim periods beginning after December 15, 2020. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

Lease Accounting

In February 2016, the FASB issued an ASU which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements, lessor accounting, and disclosures related to accounting changes and error corrections. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

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

Recent Accounting Pronouncements (Continued)

Lease Accounting (Continued)

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption.

If this optional transition method is elected, after the adoption of the new lease guidance, the Organization's presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting. The Organization is evaluating the method of adoption it will elect. The update is originally effective for fiscal years beginning after December 15, 2021, and for interim periods within fiscal years beginning after December 15, 2022, with early application permitted.

Reclassification

Certain items in the 2019 consolidated financial statements have been reclassified to conform to the 2020 presentation.

Subsequent Events

The Organization has evaluated subsequent events through February 8, 2021 which is the date the consolidated financial statements were available to be issued.

2. LIQUIDITY MANAGEMENT AND AVAILABILITY OF RESOURCES

The Organization maintains a policy of structuring its financial assets to be available as general expenditures, liabilities and other obligations come due. In managing its liquidity needs, the Organization monitors its cash balances and also ensures spending is within budget guidelines.

The Organization's financial assets available within one year of the consolidated statement of financial position date for general expenditures as of September 30,:

	2020	2019
Cash and cash equivalents	$ 5,351,604	$ 4,076,850
Restricted cash equivalents	1,639,152	1,635,509
Grant and other receivables	587,243	858,538
Pledges receivable, net	1,058,878	1,248,196
Investments	51,852,207	48,063,894
Total financial assets	60,489,084	55,882,987
Less amounts not available to be used within one year:		
Financial assets related to endowment	46,096,058	42,239,424
Other restricted assets	884,049	875,182
Long term pledges receivable, net	233,364	402,756
Total financial assets not available to be used within one year	47,213,471	43,517,362
Financial assets available to meet general expenditures wihin one year	**$ 13,275,613**	**$ 12,365,625**

3. PLEDGES RECEIVABLE, NET

Outstanding pledges receivable are due from various corporations, organizations and individuals. Pledges receivable, net are as follows at September 30,:

	2020	2019
Pledges due in:		
Less than one year	$ 825,514	$ 845,440
One to five years	269,639	457,905
Total	1,095,153	1,303,345
Less: Discount on long-term pledges	(15,775)	(34,649)
Less: Allowance for uncollectible pledges	(20,500)	(20,500)
Total discount and allowance	(36,275)	(55,149)
Pledges receivable, net	**$ 1,058,878**	**$ 1,248,196**

For the years ended September 30, 2020 and 2019, the Organization had approximately $17,000 and $24,000 of bad debt expense, respectively.

4. INVESTMENTS

Investments presented in the consolidated financial statements consist of the following at September 30,:

	2020	2019
Domestic equity	$ 9,591,457	$ 12,724,843
International equity	7,426,341	10,066,428
Global fixed income:		
Corporate	1,232,377	1,078,031
Domestic fixed income:		
Corporate	11,815,371	10,840,919
Government	9,230,053	6,402,365
Group variable annuity contract	61,435	2,564,490
Private equity	12,495,173	4,386,818
Total	**$ 51,852,207**	**$ 48,063,894**

During the year ended September 30, 2016, the Board of Trustees approved a long-term plan to invest in private equity funds. As of September 30, 2020, and 2019, investment in private equity funds was approximately 24% and 9%, respectively, of the investment portfolio.

Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term would materially affect the Organization’s consolidated financial position and results of operations.

4. INVESTMENTS (CONTINUED)

The following schedules summarize the investment income and its classification in the Consolidated Statements of Activities for the years ended September 30, 2020 and 2019:

2020	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Interest and dividend income	$ 197,704	$ 700,217	$ 897,921
Net realized and unrealized income on investments	107,991	3,132,303	3,240,294
	$ 305,695	**$ 3,832,520**	**$ 4,138,215**

2019	**Without Donor Restrictions**	**With Donor Restrictions**	**Total**
Interest and dividend income	$ 214,976	$ 887,098	$ 1,102,074
Net realized and unrealized income on investments	205,729	893,725	1,099,454
	$ 420,705	**$ 1,780,823**	**$ 2,201,528**

5. PROPERTY AND EQUIPMENT, NET

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

	2020	**2019**
Land	$ 1,495,000	$ 1,495,000
Buildings	146,960	146,960
Leasehold improvements	23,595,476	22,863,907
Furniture and fixtures	3,032,630	2,853,513
Computer equipment	2,432,722	2,272,010
Automobiles	1,017,904	1,017,904
	31,720,692	30,649,294
Less accumulated depreciation	(17,698,106)	(16,524,805)
Total	**$ 14,022,586**	**$ 14,124,489**

Depreciation expense was $1,173,301 and $1,073,511 for the years ended September 30, 2020 and 2019, respectively.

6. FAIR VALUE MEASUREMENTS

The FASB Accounting Standards Codification 820 *Fair Value Measurements and Disclosures*, established 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).

6. FAIR VALUE MEASUREMENTS (CONTINUED)

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. Level 3 assets and liabilities measured at fair value are based on one or more of three valuation techniques:
  - Market approach - Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
  - Cost approach - Amount that would be required to replace the service capacity of an asset (i.e., replacement cost);
  - Income approach – Techniques that convert future amounts to a single present amount based on market expectations (including present value techniques, option-pricing models, and lattice models).

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, 2020 and 2019.

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

Domestic and global fixed income investments are primarily valued at the closing price reported in the active market in which the individual securities are traded.

The private equity investments are valued by the underlying investments of the funds, which are valued at fair value on a monthly basis. Certain funds are redeemable at their net asset value per share on a monthly basis. 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 Organization also considers the nature of the portfolios of the underlying investments and their ability to liquidate their underlying investments.

The group variable annuity contract is measured at contract value, which approximates fair value. The premiums paid into the annuity contract are invested in a master limited partnership, Harvest MLP Income Fund III, L.P. ("Harvest MLP"), which is valued at net asset value. The net asset value of the Harvest MLP fund is reported by the investment manager of Harvest MLP on a monthly basis. Contract value is determined using the underlying net asset value of the Harvest MLP fund.

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.

6. FAIR VALUE MEASUREMENTS (CONTINUED)

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.

The Organization recognizes transfers into and out of levels within the fair value hierarchy at the end of the reporting period. There were no transfers between levels in the years ended September 30, 2020 and 2019.

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, 2020 and 2019, for each of the fair value hierarchy levels:

Description	Fair Value 9/30/2020	Fair Value Measurements at Reporting Date Using: Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Domestic equity	$ 9,591,457	$ 9,591,457	$ -	$ -
International equity	7,426,341	7,426,341	-	-
Global fixed income:				
Corporate	1,232,377	1,232,377	-	-
Domestic fixed income:				
Corporate	11,815,371	11,815,371	-	-
Government	9,230,053	9,230,053	-	-
	39,295,599	**$ 39,295,599**	**$ -**	**$ -**
Private equity investments at net asset value	12,495,173			
Group variable annuity contract at contract value	61,435			
	$ 51,852,207			

Description	Fair Value 9/30/2019	Fair Value Measurements at Reporting Date Using: Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
Assets:				
Domestic equity	$ 12,724,843	$ 12,724,843	$ -	$ -
International equity	10,066,428	10,066,428	-	-
Global fixed income:				
Corporate	1,078,031	1,078,031	-	-
Domestic fixed income:				
Corporate	10,840,919	10,840,919	-	-
Government	6,402,365	6,402,365	-	-
	41,112,586	**$ 41,112,586**	**$ -**	**$ -**
Private equity investments at net asset value	4,386,818			
Private equity investments at net asset value	2,564,490			
	$ 48,063,894			

6. FAIR VALUE MEASUREMENTS (CONTINUED)

Net Asset Value

The Organization uses the net asset value (“NAV”) to determine the fair value of all the underlying investments which (a) do not have a readily determinable fair value and (b) prepare their consolidated financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

The Organization’s private equity investments are in limited partnerships where the Organization does not have the right to withdraw the investments. The Organization is no longer subject to such lock-up periods. The underlying investments of the limited partnerships are valued at fair value on a monthly basis by the limited partnerships. The limited partnerships require initial capital call commitments.

The following table is for the investments valued using NAV:

	09/30/2020	09/30/2019	Unfunded Commitments as of 9/30/2020	Redemption Frequency	Redemption Notice Period
HarbourVest 2016 Global Fund (a)	$ 1,920,579	$ 1,670,976	$ 1,050,000	N/A	N/A
HarbourVest 2017 Global Fund (a)	1,757,069	1,412,176	1,320,000	N/A	N/A
HarbourVest 2018 Global Fund (a)	1,361,047	566,456	1,785,000	N/A	N/A
CF Hirtle Callaghan Select Equity Fund LP (b)	6,095,228	-	-	1- year lock up	90-day
NB Crossroads Fund XXII (c)	1,361,250	737,210	1,300,000	N/A	N/A
Total	**$ 12,495,173**	**$ 4,386,818**	**$ 5,455,000**		

(a) The objective of the fund is to make investments in limited partnerships or other pooled investment vehicles which, in turn, make private equity investments and to invest directly in private equity investments.
(b) The objective of the fund is to generate long-term growth in assets by investing primarily in equity and equity-related securities.
(c) The objective of the fund is to invest substantially all of its assets in NBFOF XXII – Holdings LLP; which in turn invests substantially all of its assets in the NB Master Holdings Funds, a group of close-ended investment partnerships that are formed as series limited partnerships.

7. PAYCHECK PROTECTION PROGRAM REFUNDABLE ADVANCE

On April 20, 2020, the Organization received a loan of $1,200,000 under the Paycheck Protection Program (“PPP”) authorized by the Coronavirus Aid, Relief, and Economic Security Act that was signed into law on March 27, 2020. The loan begins accruing interest at a rate of 1.00% on the effective date. The loan matures on April 20, 2022, at which time all unpaid principal and accrued interest is due. Under the PPP, loan funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent, and utility costs and if the Organization retains employees during a specified period. Management estimates that a significant portion, if not all, of the loan funds will be eligible for forgiveness. The proceeds of the loan are recognized as a refundable advance in accordance with ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*, and are included within current liabilities on the accompanying Consolidated Statements of Financial Position. The proceeds will be recognized as a contribution once forgiveness has been granted and the condition has been explicitly waived. As of September 30, 2020, the amount outstanding on the PPP loan was $1,200,000. On February 8, 2021 the loan was forgiven in full.

8. NET ASSETS

Net assets without donor restrictions are used to support the operating activities of the Organization. The major program activities are described in NOTE 1.

Net Assets with Donor Restrictions

The Organization's net assets with donor restrictions consist of assets which have been restricted by 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 the net assets are used for the specific purpose.

Contributions received for the acquisition of property and equipment are reported as net assets with donor restrictions as long as those assets continue to be in service.

Net assets with donor restrictions also consist of endowment contributions to the Organization. The donors have instructed the Organization that the principal cannot be expensed; however, the earnings generated by the originally donated principal are available to be expended.

The following is a summary of net assets with donor restrictions as of September 30,:

	2020	2019
Restricted by donors with specific purpose/time restrictions:		
Perpetual endowment	$ 19,953,712	$ 19,749,063
Endowment assets not restricted in perpetuity	27,372,346	23,720,361
Property, equipment, and other	9,455,603	9,194,130
	$ 56,781,661	**$ 52,663,554**

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

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 net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by the FUPMIFA.

9. ENDOWMENT (CONTINUED)

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, 2020 and 2019, the Organization has elected not to add appreciation for cost of living or other spending policies to its donor restricted endowment for inflation and other economic conditions.

Summary of Endowment Assets:

Endowment assets are comprised of the following at September 30,:

	2020	2019
Restricted cash equivalents	$ 755,103	$ 760,327
Pledges receivable, net	147,619	167,971
Investments	45,193,336	41,311,126
Land	1,230,000	1,230,000
Interfund receivable	100,000	200,000
Deferred revenue	(100,000)	(200,000)
	$ 47,326,058	**$ 43,469,424**

Summary of Endowment Net Assets at September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	**$ -**	**$ 47,326,058**	**$ 47,326,058**

Summary of Endowment Net Assets at September 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-restricted endowment funds	**$ -**	**$ 43,469,424**	**$ 43,469,424**

9. ENDOWMENT (CONTINUED)

Changes in endowment net assets during the year ended September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	$ -	$ 43,469,424	$ 43,469,424
Contributions	-	204,649	204,649
Interest and dividends	-	691,289	691,289
Net investment income	-	3,132,303	3,132,303
Amounts appropriated for expenditure	-	(171,607)	(171,607)
Endowment net assets, ending	**$ -**	**$ 47,326,058**	**$ 47,326,058**

Changes in endowment net assets during the year ended September 30, 2019:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	$ -	$ 41,788,156	$ 41,788,156
Contributions	-	206,808	206,808
Interest and dividends	-	874,056	874,056
Net investment income	-	893,725	893,725
Amounts appropriated for expenditure	-	(293,321)	(293,321)
Endowment net assets, ending	**$ -**	**$ 43,469,424**	**$ 43,469,424**

Permanently restricted net assets at September 30:

	2020	2019
The portion of pepetual endowment funds that is required to be retained permanently either by explicit donor stipulation or law	**$ 19,953,712**	**$ 19,749,063**

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 the FUPMIFA requires the Organization to retain as a fund of perpetual duration. In accordance with U.S. GAAP, deficiencies of this nature are reported as net assets without donor restrictions. There were no such deficiencies as of September 30, 2020 and 2019.

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).

9. ENDOWMENT (CONTINUED)

Strategies Employed for Achieving Objectives

As approved by the Board of Trustees, 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 donor 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

The amount that will be set aside for spending annually will be half of the real return of the endowment fund. Real return is defined as the nominal annual return minus inflation. The annual amount set aside will be capped at an amount no greater than the rolling average of the last three fiscal year's private support. Set aside funds may only be used to seed strategic initiatives and/or program expansion. Funded programs must achieve sustainability within three years. Approval for funding will be via vetting of the Executive Committee and ratification by the Board of Trustees. The amount distributed under the above described formula shall however be subject to the following limitations: Such distributions shall be limited in that it shall not cause the remaining balance of the Endowment Fund principal to be less than the fund balance at the beginning of the fiscal year to which the distribution was attributable. Historically, the Organization has not used any of its endowment earnings to fund operations. During the year ended September 30, 2019, the Board of Trustees approved for the endowment to invest in real estate, and as a result, the endowment paid the operating fund $1,230,000 for land purchased in 2012. The land is adjacent to the homeless assistance center in Miami, Florida.

10. RELATED PARTY TRANSACTIONS

Certain members of the Board of Trustees made contributions of approximately $138,000 and $500,000 during the years ended September 30, 2020 and 2019, respectively. The amounts outstanding in pledges receivable from members of the Board of Trustees at September 30, 2020 and 2019, was approximately $138,000 and $156,000, respectively.

11. AGREEMENTS WITH MIAMI-DADE COUNTY

Miami-Dade County Homeless Trust

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 service agreement on December 14, 1993 with Miami-Dade County through the Trust. The agreement has been renewed several times since 1993 and most recently in March 2017, the Trust extended the agreement until December 15, 2033. The agreement is renewable for two (2) five (5) year terms permitting an extension of this Agreement until December 15, 2043.

In connection with the service agreement entered into with the Trust in 1993, the Organization fund 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.

11. AGREEMENTS WITH MIAMI-DADE COUNTY (CONTINUED)

Miami-Dade County Homeless Trust (Continued)

Amounts received from the Trust for the operation of the homeless assistance centers, specific programs, and capital expenditures were $11,720,104 and $11,701,628, for the years ended September 30, 2020 and 2019, respectively.

Miami-Dade County Public Schools

On May 5, 1994, the Miami-Dade County School Board (the "School Board") leased, to the Organization, the land where the first Homeless Assistance Center was constructed. The lease has a 40-year term, for which the Organization pays $1 per year rent. In June 2018, the lease was extended through May 4, 2044.

The Organization also entered into an agreement on November 22, 1994 with the School Board whereby 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 as 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, 2020 and 2019, amounted to approximately $121,000 and $119,000, respectively.

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

12. CONCENTRATIONS OF PLEDGES RECEIVABLE, SUPPORT AND REVENUES

Concentrations of risk exist with respect to contributions and pledges made to the Organization during the year. Revenues from private sources totaling approximately $1,800,000 and $2,060,000 from two donors were received during the years ended September 30, 2020 and 2019, respectively. The Organization received approximately 51% and 55% of its total public support and revenues from Miami-Dade County during the years ended September 30, 2020 and 2019, respectively.

13. RETIREMENT PLANS

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, 2020 and 2019, totaled $172,633 and $172,498, respectively.

14. COMMITMENTS AND CONTINGENCIES

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 consolidated financial position.

SUPPLEMENTAL SCHEDULES

SCHEDULE OF COUNTY FINANCIAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Grantor/ Program Title		Amount
County Financial Awards:		
Miami-Dade County Homeless Trust Share	$	9,516,504
Miami-Dade County Homeless Trust Share - Rapid Rehousing		900,000
Miami-Dade County Homeless Trust Share - Revenue Maximization Grant		352,100
Miami-Dade County Homeless Trust Share - Capital		951,500
Miami-Dade County Public Schools Board Share		121,066
Total County Financial Awards	**$**	**11,841,170**

See accompanying notes to schedule.

CHAPMAN PARTNERSHIP, INC. AND AFFILIATE

SCHEDULE OF EXPENSES UNDER PROVISIONS OF THE CONTRACT WITH MIAMI-DADE COUNTY HOMELESS TRUST FOR THE YEAR ENDED SEPTEMBER 30, 2020

Salaries	$ 6,762,245
Payroll taxes	485,581
Health and retirement benefits	1,255,146
Total salaries, taxes, and benefits	8,502,972
Professional fees	731,668
Security	445,168
Supplies	591,716
Food	909,934
Marketing and communications	293,850
Postage and shipping	7,047
Occupancy	1,342,147
Rental equipment	139,313
Transportation and travel	70,913
Membership and publications	11,031
Insurance	293,307
Conferences and meetings	118,105
Client expenses	1,166,723
In-kind expenses	2,015,399
Health services	837,810
Continuum of care	200,000
Development and event expenses	527,771
Bad debt	17,000
Depreciation	1,173,301
Total other expenses	10,892,203
Total expenses including in-kind	19,395,175
Less: In-kind	(2,015,399)
Total expenses excluding in-kind	**$ 17,379,776**
Miami-Dade County Homeless Trust share	**$ 10,768,604**
Chapman Partnership, Inc. share	**$ 6,611,172**

See accompanying notes to schedule.

NOTES TO SCHEDULE OF COUNTY FINANCIAL AWARDS
AND SCHEDULE OF EXPENSES UNDER PROVISIONS OF THE
CONTRACT WITH MIAMI-DADE COUNTY HOMELESS TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2020

1. GENERAL

The accompanying Schedule of County Financial Awards presents the activity of all financial awards received by the Organization during the year ended September 30, 2020 from Miami-Dade County Homeless Trust and Miami-Dade County Public School Board. The Schedule of Expenses Under Provisions of the Contract with Miami-Dade County Homeless Trust presents the expenses of the Organization during the year ended September 30, 2020. The Schedule of County Financial Awards and Schedule of Expenses Under Provisions of the Contract with Miami-Dade County Homeless Trust are collectively referred to as the “Schedules.”

2. BASIS OF ACCOUNTING

The accompanying Schedules are presented using the accrual basis of accounting. The information in the Schedules is presented in accordance with the requirements of the contract with Miami-Dade County Homeless Trust.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees of
Chapman Partnership, Inc. and Affiliate

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Chapman Partnership, Inc. and Affiliate (the "Organization") (a non-profit organization), which comprise the consolidated statement of financial position as of September 30, 2020, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated February 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated 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 determination of consolidated 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*.

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.

Morrison, Brown, Argiz & Farra

Miami, Florida
February 8, 2021

INDEPENDENT ACCOUNTANT'S REPORT ON MANAGEMENT'S ASSERTION

To the Board of Trustees of
Chapman Partnership, Inc. and Affiliate

We have examined management's assertion, included in the accompanying "Management's Assertion Report," that Chapman Partnership, Inc. and Affiliate (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 in the supplemental Schedule of County Financial Awards during the year October 1, 2019 through September 30, 2020. The Organization's management is responsible for the assertion. Our responsibility is to express an opinion on the assertion 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 supporting management's assertion and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, management's assertion referred to above is fairly stated, in all material respects, based on the criteria set forth above.

This report is intended solely for the information and use of management, the Board of Trustees, 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
February 8, 2021

MANAGEMENT'S ASSERTION REPORT

I, Howard S. Rubin, hereby assert that Chapman Partnership, Inc. and Affiliate complied with allowable costs and activities, matching, and financial reporting requirements of the grants identified in the attached Schedule of County Financial Awards for the year ended September 30, 2020.

Howard S. Rubin

Howard S. Rubin
Chief Financial Officer
February 8, 2021