Chapman Partnership, Inc. and Affiliate

Consolidated Financial Statements, Supplementary Information and Reports Required by the Miami Dade County Homeless Trust

As of and for the Years Ended
September 30, 2021 and 2020

The report accompanying these financial statements was issued by

BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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Independent Auditor's Report

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

Opinion

We have audited the consolidated financial statements of Chapman Partnership, Inc. and Affiliate (the "Organization") (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2021, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Chapman Partnership, Inc. and Affiliate as of September 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Prior Year Financial Statements

The consolidated financial statements of the Organization as of and for the year ended September 30, 2020 were audited by Morrison, Brown, Argiz & Farra, LLC ("MBAF"), whose partners and professional staff joined BDO USA, LLP as of January 16, 2021, and has subsequently ceased operations. MBAF expressed an unmodified opinion on those statements in their report dated February 8, 2021.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is 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. Such 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 22, 2022 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 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 the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

BDO USA, LLP

Certified Public Accountants

Miami, Florida
February 22, 2022

CHAPMAN PARTNERSHIP, INC. AND AFFILIATE

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30,

ASSETS	2021	2020
Cash and cash equivalents	$ 5,523,049	$ 5,351,604
Restricted cash equivalents	1,353,052	1,639,152
Grant and other receivables	1,496,276	587,243
Prepaid expenses and other assets	242,866	210,557
Pledges receivable, net	626,376	1,058,878
Investments	62,258,127	51,852,207
Property and equipment, net	13,884,892	14,022,586
TOTAL ASSETS	**$ 85,384,638**	**$ 74,722,227**

LIABILITIES AND NET ASSETS	2021	2020
LIABILITIES		
Accounts payable, accrued expenses and other liabilities	$ 635,256	$ 339,153
Paycheck Protection Program loan	-	1,200,000
Deferred revenue	550,417	495,974
TOTAL LIABILITIES	1,185,673	2,035,127
NET ASSETS		
Without donor restrictions	18,011,085	15,905,439
With donor restrictions	66,187,880	56,781,661
TOTAL NET ASSETS	84,198,965	72,687,100
TOTAL LIABILITIES AND NET ASSETS	**$ 85,384,638**	**$ 74,722,227**

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

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT			
Miami-Dade County Homeless Trust	$ 13,043,371	$ 464,646	$ 13,508,017
Miami-Dade County Public Housing and Community Development	686,754	-	686,754
Miami-Dade County Public Schools	123,459	-	123,459
State of Florida	336,985	-	336,985
OMNI Community Redevelopment Agency	25,000	-	25,000
TOTAL PUBLIC SUPPORT	14,215,569	464,646	14,680,215
REVENUES			
Revenues from private sources	3,888,913	682,506	4,571,419
Investment income, net	35,498	10,425,100	10,460,598
In-kind revenues	1,300,681	-	1,300,681
TOTAL REVENUES	5,225,092	11,107,606	16,332,698
NET ASSETS RELEASED FROM RESTRICTIONS	2,166,033	(2,166,033)	-
TOTAL PUBLIC SUPPORT AND REVENUES	21,606,694	9,406,219	31,012,913
EXPENSES			
Program	17,913,206	-	17,913,206
Management and general	1,679,040	-	1,679,040
Fundraising	1,108,802	-	1,108,802
TOTAL EXPENSES	20,701,048	-	20,701,048
CHANGE IN NET ASSETS BEFORE PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS	905,646	9,406,219	10,311,865
GAIN FROM PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS	1,200,000	-	1,200,000
CHANGE IN NET ASSETS AFTER PAYCHECK PROTECTION PROGRAM LOAN FORGIVENESS	2,105,646	9,406,219	11,511,865
NET ASSETS AT BEGINNING OF YEAR	15,905,439	56,781,661	72,687,100
NET ASSETS AT END OF YEAR	**$ 18,011,085**	**$ 66,187,880**	**$ 84,198,965**

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

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	16,436,416	-	16,436,416
Management and general	1,633,786	-	1,633,786
Fundraising	1,324,973	-	1,324,973
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.

CHAPMAN PARTNERSHIP, INC. AND AFFILIATE

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

		Supporting Services		
	Program	Management and General	Fundraising	Total
Salaries	$ 6,262,347	$ 692,349	$ 287,581	$ 7,242,277
Payroll taxes	434,155	58,484	17,167	509,806
Health and retirement benefits	1,010,630	232,488	27,829	1,270,947
Total salaries, taxes, and benefits	7,707,132	983,321	332,577	9,023,030
Professional fees	196,931	507,740	141,552	846,223
Security	419,345	-	-	419,345
Supplies	501,348	23,846	20,062	545,256
Food (including in-kind of $125,100)	1,123,199	-	-	1,123,199
Marketing and communications (including in-kind of $16,790)	-	-	352,590	352,590
Postage and shipping	604	4,320	3,056	7,980
Occupancy	1,342,851	5,447	54	1,348,352
Rental equipment	72,020	160	-	72,180
Transportation and travel	26,250	15,931	28,716	70,897
Membership and publications	449	3,968	8,890	13,307
Insurance	281,042	49,106	-	330,148
Employee recruitment, engagement and training	39,807	23,621	1,945	65,373
Client expenses	2,817,034	-	-	2,817,034
In-kind expenses	810,791	-	-	810,791
Health services (including in-kind of $348,000)	1,002,245	-	-	1,002,245
Continuum of care	300,000	-	-	300,000
Development and event expenses	-	-	219,360	219,360
Bad debt	-	61,580	-	61,580
Depreciation	1,272,158	-	-	1,272,158
TOTAL EXPENSES	**$ 17,913,206**	**$ 1,679,040**	**$ 1,108,802**	**$ 20,701,048**

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

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 (including in-kind of $191,000)	1,100,934	-	-	1,100,934
Marketing and communications (including in-kind of $29,889)	10,221	-	313,518	323,739
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
Employee recruitment, engagement and training	42,614	74,831	660	118,105
Client expenses	1,166,723	-	-	1,166,723
In-kind expenses	1,448,510	-	-	1,448,510
Health services (including in-kind of $346,000)	1,183,810	-	-	1,183,810
Continuum of care	200,000	-	-	200,000
Development and event expenses	-	-	527,771	527,771
Bad debt	-	17,000	-	17,000
Depreciation	1,173,301	-	-	1,173,301
TOTAL EXPENSES	**$ 16,436,416**	**$ 1,633,786**	**$ 1,324,973**	**$ 19,395,175**

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,

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 11,511,865	$ 3,888,699
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	1,272,158	1,173,301
Net realized and unrealized investment gains	(9,778,517)	(3,240,294)
Gain from Paycheck Protection Program loan forgiveness	(1,200,000)	-
Contributions restricted for endowment	(202,381)	(204,649)
Bad debt expense	61,580	17,000
Amortization of discount on pledges receivable	(14,834)	(18,734)
Changes in operating assets and liabilities:		
Grant and other receivables	(909,033)	271,295
Prepaid expenses and other assets	(32,309)	184,254
Pledges receivable	385,756	191,052
Accounts payable, accrued expenses and other liabilities	296,103	(245,283)
Deferred revenue	54,443	(523,476)
TOTAL ADJUSTMENTS	(10,067,034)	(2,395,534)
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,444,831	1,493,165
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(1,134,464)	(1,071,398)
Net purchases of investments	(627,403)	(548,019)
NET CASH USED IN INVESTING ACTIVITIES	(1,761,867)	(1,619,417)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from contributions restricted for endowment	202,381	204,649
Loan from Paycheck Protection Program	-	1,200,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	202,381	1,404,649
NET (DECREASE) INCREASE IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH EQUIVALENTS	(114,655)	1,278,397
CASH, CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS - BEGINNING OF YEAR	6,990,756	5,712,359
CASH, CASH EQUIVALENTS AND RESTRICTED CASH EQUIVALENTS - END OF YEAR	**$ 6,876,101**	**$ 6,990,756**

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 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. Mental health services help residents deal with common diagnoses, such as depression and anxiety disorders, bipolar disease and schizophrenia.

Early Head Start and Head Start programs support the physical, social and cognitive development of children from birth to age five and are conducted in collaboration with Miami-Dade County Public Schools.

The Family Resource Centers provide high quality educational, recreational, character and self-esteem building delivered in the afterschool and summer settings for children at age five. Many child participants have become Honor Roll students despite the adverse childhood experiences associated with their episode of homelessness. Daily activities are conducted in collaboration with community partners that promote positive, healthy development, foster resilience, and instill the social norms that counterbalance the physical, psychological and sociological effects of homelessness.

The Young Adult Career Academy (YACA) is an internship program for young adults ages 14 to 24 that combines soft and hard job skills training with paid work experience in employment sectors specific to operating Chapman Partnership's Homeless Assistance Centers.

Chapman Partnership's workforce development programs include pre-employment orientation, paid internships, and apprenticeships leading to living wage jobs in high demand industries in South Florida. Employment specialists help residents with pre-employment skills training through Empower You, a formalized workforce orientation and job readiness training program focused on soft skills – behaviors and attitudes that demonstrate reliability, motivation, and ability to be a team player.

With the ultimate goal being education, employment and empowerment, the Organization fosters innovation through their Social Enterprise Academy (SEA), incorporating comprehensive, age-appropriate wrap-around strategies within workforce orientation and job skills training serving residents ages 5 to 55.

The Workforce Trades Program is a post-secondary alternative to college that offers free, intensive training in sustainable trades relevant to the South Florida economy. Upon completion, participants receive nationally recognized certifications and are eligible for living wage salaries through direct employment opportunities.

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

Principles of Consolidation

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

Basis of Presentation

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.

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 $5,523,049 and $5,351,604 at September 30, 2021, and 2020, respectively, and restricted cash equivalents of $1,353,052 and $1,639,152 at September 30, 2021, and 2020, 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. The Organization reports private equity investments at net asset value.

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.

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.

Grant and Other Receivables

Grant and other receivables including pass-through federal and local funding at year end represent amounts which have not yet been reimbursed by the granting agency. Management analyzes, on an ongoing basis, outstanding accounts individually to determine if an allowance for doubtful accounts is required. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. Management determined that an allowance for doubtful accounts related to grants and other receivables was not deemed necessary as of September 30, 2021 and 2020.

Pledges Receivable, Net

Pledges receivable are promises to give from donors that are considered unconditional. Pledges receivable are presented net of the allowance for doubtful accounts and present value discount. Unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on those amounts are computed using risk free interest rates applicable to the years in which the promises are received. The interest rate used in computing the discount of the estimated future cash flows is 5%. The discount will be recognized as contribution revenue in future years as the discount is amortized over the duration of the contributions.

Contribution's receivable are considered past due when the pledge payment period has passed. 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. The allowance for uncollectible contributions receivable as of September 30, 2021 and 2020 amounted to $20,500.

Revenue Recognition

The Organization recognizes revenue based on the existence or absence of an exchange transaction. For transactions that represent nonreciprocal transfers and do not represent the sale of goods or services, the Organization applies Financial Account Standards Board ("FASB") Accounting Standards Update ("ASU") *2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Under Accounting Standards Codification ("ASC") 958, revenue is recognized upon notification of the award and satisfaction of all conditions, if applicable.

For exchange transactions, the Organization applies FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Under Topic 606, revenue is recognized when a customer obtains control of promised goods or services in the amount that reflects consideration the entity is entitled to receive in exchange for those goods or services.

The Organization adopted Topic 606 on October 1, 2020 using the modified retrospective method. The modified retrospective adoption method requires the Organization to record a transition adjustment for the new revenue standard, if any, as a cumulative effect adjustment to beginning net assets as of the date of adoption. No adjustment to the Organization's beginning net assets were required as a result of adopting Topic 606.

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

Revenue Recognition (Continued)

Revenue from non-exchange transactions consist of the following:

Revenues from Private Sources

A significant portion of the Organization's activities are supported by contributions from corporations, foundations and individuals. Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Organization fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances. There were no conditional contributions outstanding as of September 30, 2021 and 2020.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as "Net assets released from restrictions." Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions.

Contributions of assets other than cash, such as food, equipment, professional services and other items, are recorded at estimated fair market value at the date of receipt.

Federal, State, and Local Grant Revenue

The Organization receives a significant portion of its revenues from governmental sources. The amounts received under these grants and contracts are designated for specific purposes by the granting agencies and conditional upon the incurrence of allowable qualifying expenses. Revenue is recognized when the Organization has incurred allowable qualifying expenses as defined by the individual grants and contracts satisfying the required conditions.

Revenue from exchange transactions consist of the following:

Special Event Revenue

The Organization conducts special events in which a portion of the gross proceeds paid by the participant represents payment for the direct cost of the benefits received by the participant at the event—the exchange component, and a portion represents a contribution to the Organization. Unless a verifiable objective means exists to demonstrate otherwise, the fair value of meals and entertainment provided at special events is measured at the actual cost to the Organization. The contribution component is the excess of the gross proceeds over the fair value of the direct donor benefit. The direct costs of the special events, which ultimately benefit the donor rather than the Organization, are recorded as costs of direct donor benefits in the accompanying statements of activities and changes in net assets. Apart from special events revenue, no other revenue is recognized in accordance with Topic 606.

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.

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.

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

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 the percentage of direct expenses by function divided by total direct expenses. Personnel expenses are allocated on the basis of estimated time and effort by function.

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 both exempt from Federal income taxes under section 501(c)(3) of the Internal Revenue Code. Amounts that are considered unrelated business income, if any, are subject to tax. The Organization has no unrelated business income for the years ended September 30, 2021 and 2020.

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. No uncertain tax positions were identified by the Organization as of September 30, 2021 and 2020.

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 2018.

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

Adopted Accounting Pronouncement

Revenue From Contracts With Customers

The Organization adopted Topic 606 on October 1, 2020 using the modified retrospective method. No adjustment to the Organization's beginning net assets were required as a result of adopting Topic 606.

Recent Accounting Pronouncements

Lease Accounting

In February 2016, the FASB issued ASU 2016-02*, Leases (Topic 842)*, 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 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 guidance. The Organization is evaluating the method of adoption it will elect. The update is 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. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

Contributed Nonfinancial Assets

In September 2020, the FASB issued ASU 2020-07*, Not-For-Profit-Entities (Topic 958): Presentation and Disclosures by Not-For-Profit-Entities for Contributed Nonfinancial Assets*. This ASU amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

Reclassifications

Certain items in the 2020 consolidated financial statements have been reclassified to conform to the 2021 presentation.

Subsequent Events

The Organization has evaluated events subsequent to February 22, 2022, which is the date the consolidated financial statements were available to be issued. No material events have occurred through February 22, 2022, that require recognition or disclosure in the consolidated financial statements.

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:

	2021	2020
Cash and cash equivalents	$ 5,523,049	$ 5,351,604
Restricted cash equivalents	1,353,052	1,639,152
Grant and other receivables	1,496,276	587,243
Pledges receivable, net	626,376	1,058,878
Investments	62,258,127	51,852,207
Total financial assets	71,256,880	60,489,084
Less amounts not available to be used within one year:		
Financial assets included in endowment	56,604,238	46,096,058
Other restricted assets	885,482	1,795,308
Total financial assets not available to be used within one year	57,489,720	47,891,366
Financial assets available to meet general expenditures within one year	**$ 13,767,160**	**$ 12,597,718**

3. PLEDGES RECEIVABLE, NET

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

	2021	2020
Pledges due in:		
Less than one year	$ 632,817	$ 825,514
One to five years	15,000	269,639
Total	647,817	1,095,153
Less: Discount on long-term pledges	(941)	(15,775)
Less: Allowance for uncollectible pledges	(20,500)	(20,500)
Total discount and allowance	(21,441)	(36,275)
Pledges receivable, net	**$ 626,376**	**$ 1,058,878**

For the years ended September 30, 2021 and 2020, the Organization had approximately $62,000 and $17,000 of bad debt expense, respectively.

4. INVESTMENTS

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

	2021	2020
Domestic equity	$ 12,174,600	$ 9,591,457
International equity	9,404,918	7,426,341
Global fixed income:		
Corporate	1,157,028	1,232,377
Domestic fixed income:		
Corporate	14,800,365	11,815,371
Government	5,381,926	9,230,053
Group variable annuity contract	-	61,435
Private equity	19,339,290	12,495,173
Total	**$ 62,258,127**	**$ 51,852,207**

During the year ended September 30, 2016, the Board of Trustees approved a long-term plan to invest in private equity funds.

The following schedules summarize the investment income and its classification in the Consolidated Statements of Activities for the years ended September 30, 2021 and 2020:

2021	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	$ 155,849	$ 526,232	$ 682,081
Net realized and unrealized (loss) income on investments	(120,351)	9,898,868	9,778,517
	$ 35,498	**$ 10,425,100**	**$ 10,460,598**

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**

5. PROPERTY AND EQUIPMENT, NET

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

	2021	2020
Land	$ 1,495,000	$ 1,495,000
Buildings	146,960	146,960
Leasehold improvements	24,535,548	23,595,476
Furniture and fixtures	3,083,031	3,032,632
Computer equipment	2,561,946	2,432,722
Automobiles	1,032,673	1,017,904
	32,855,158	31,720,694
Less accumulated depreciation	(18,970,266)	(17,698,108)
Total	**$ 13,884,892**	**$ 14,022,586**

Depreciation expense was $1,272,158 and $1,073,511 for the years ended September 30, 2021 and 2020, 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).

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, 2021 and 2020.

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 Organization uses the net asset value ("NAV") to determine the fair value of its private equity 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. The private equity investments are valued at the estimated fair value utilizing net asset values, at estimated fair values provided by the fund managers or general partners, or other valuation methods. Because of the inherent uncertainty of valuation, it is possible that estimated values may differ significantly from the values that would have been used had a ready market for the securities existed. Funds may or may not be redeemable at their net asset value per share in accordance with the partnership agreement.

6. FAIR VALUE MEASUREMENTS (CONTINUED)

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 limited partnership's ability to liquidate certain investments may be inhibited since the issuers may be privately held or the limited partnership may own a relatively large portion of the issuer's securities.

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 Organization retired this investment during the year ended September 30, 2021.

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.

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, 2021 and 2020.

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, 2021 and 2020, for each of the fair value hierarchy levels:

		Fair Value Measurements at Reporting Date Using:		
Description	Fair Value September 30, 2021	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	$ 12,174,600	$ 12,174,600	$ -	$ -
International equity	9,404,918	9,404,918	-	-
Global fixed income:				
Corporate	1,157,028	-	1,157,028	-
Domestic fixed income:				
Corporate	14,800,365	13,172,825	1,627,540	-
Government	5,381,926	2,972,360	2,409,566	-
	42,918,837	**$ 37,724,703**	**$ 5,194,134**	**$ -**
Private equity investments at net asset value	19,339,290			
	$ 62,258,127			

6. FAIR VALUE MEASUREMENTS (CONTINUED)

Items Measured at Fair Value on a Recurring Basis (Continued)

Description	Fair Value September 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	10,282,214	1,533,157	-
Government	9,230,053	6,737,159	2,492,894	-
	39,295,599	**$ 34,037,171**	**$ 5,258,428**	**$ -**
Private equity investments at net asset value	12,495,173			
Group variable annuity contract at net asset value	61,435			
	$ 51,852,207			

<u>Net Asset Value</u>

The Organization's private equity investments are in limited partnerships where the Organization may not have the right to withdraw the investment. The limited partnerships require initial capital call commitments.

The following table is for the investments valued using NAV:

	September 30, 2021	September 30, 2020	Unfunded Commitments as of September 30, 2021	Redemption Frequency	Redemption Notice Period
Global equity:					
HarbourVest 2016 Global Fund (a)	$ 2,978,394	$ 1,920,579	$ 840,000	Illiquid	Illiquid
HarbourVest 2017 Global Fund (a)	2,791,215	1,757,069	1,035,000	Illiquid	Illiquid
Abbott Capital Private Equity Fund 2020 Cayman, L.P. (f)	501,721	-	2,696,625	Illiquid	Illiquid
Private equity:					
HarbourVest 2018 Global Fund (a)	2,513,594	1,361,047	1,260,000	Illiquid	Illiquid
NB Crossroads Fund XXII (b)	2,365,115	1,361,250	720,000	Illiquid	Illiquid
Hirtle Callaghan Alternative Credit Opportunities Offshore Portfolio Limited (d)	724,632	-	3,296,471	4-year lock up	90-day
Hirtle Callaghan Private Equity Offshore Fund 2020 Limited (e)	66,855	-	394,902	Illiquid	Illiquid
Hedge equity:					
CF Hirtle Callaghan Select Equity Fund LP (c)	7,397,764	6,095,228	-	1- year lock up	90-day
Total	**$ 19,339,290**	**$ 12,495,173**	**$ 10,242,998**		

6. FAIR VALUE MEASUREMENTS (CONTINUED)

Net Asset Value (Continued)

(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 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.
(c) The objective of the Fund is to generate long-term growth in assets by investing primarily in equity and equity-related securities.
(d) The objective of the Fund is to invest in an array of investment strategies and structures that capitalize on opportunities in the private credit market to maximize risk-adjusted returns and achieve low correlation to the overall-fixed income market.
(e) The Fund invests in investments funds created and managed by parties unrelated to the investment manager or the Fund. As part of its investment strategy, the Fund or the Investment Funds in which the Fund invests may utilize a variety of derivative instruments, including futures, swaps, options and forward contracts, and short sales.
(f) The objective of the Fund is to maximize the return to its Partners by participating in private equity and equity-related investments through a portfolio of venture capital and growth equity, buyout and special situations partnerships and other limited liability vehicles.

7. PAYCHECK PROTECTION PROGRAM LOAN

During the year ended September 30, 2020, the Organization applied for, and received, funds under the United States Business Administration ("SBA") Paycheck Protection Program ("PPP") in the amount of $1,200,000. The application for these funds requires the Organization to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization. This certification further requires the Organization to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business. 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 of time.

During the year ended September 30, 2021, the Organization received formal forgiveness from the SBA for the full amount of the loan, therefore the forgiveness was reflected as revenue in the Statements of Activities under the caption "Gain from Paycheck Protection Program Loan Forgiveness."

The SBA has stated that all PPP loans in excess of $2 million, and other PPP loans as appropriate, will be subject to ongoing review by the SBA for compliance with program requirements up to ten years. If the SBA determines in the course of its review that a borrower lacked an adequate basis for the required certification concerning the necessity of the loan request or the subsequent use of loan proceeds, the SBA will seek repayment of the PPP loan, including interest and potential penalties.

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.

8. NET ASSETS (CONTINUED)

Net Assets with Donor Restrictions (Continued)

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 expended; 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:

	2021	2020
Restricted by donors with specific purpose restrictions:		
Perpetual endowment	$ 20,156,093	$ 19,953,712
Endowment assets not restricted in perpetuity	37,578,145	27,372,346
Property, equipment, and other	8,453,642	9,455,603
	$ 66,187,880	**$ 56,781,661**

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.

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.

9. ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

As of September 30, 2021 and 2020, endowment net assets consist of the following:

Summary of Endowment Net Assets at September 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gifts in perpetuity	$ -	$ 20,156,093	$ 20,156,093
Accumulated earnings	-	37,578,145	37,578,145
	$ -	**$ 57,734,238**	**$ 57,734,238**

Summary of Endowment Net Assets at September 30, 2020:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gifts in perpetuity	$ -	$ 19,953,712	$ 19,953,712
Accumulated earnings	-	27,372,346	27,372,346
	$ -	**$ 47,326,058**	**$ 47,326,058**

Changes to endowment net assets for the years ended September 30, 2021 and 2020 are as follows:

Changes in endowment net assets during the year ended September 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	$ -	$ 47,326,058	$ 47,326,058
Contributions	-	202,381	202,381
Interest and dividends	-	526,232	526,232
Net investment income	-	9,898,868	9,898,868
Amounts appropriated for expenditure	-	(219,301)	(219,301)
Endowment net assets, ending	**$ -**	**$ 57,734,238**	**$ 57,734,238**

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**

9. ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

As of September 30, 2021 and 2020, endowment assets are invested as follows:

	2021	2020
Restricted cash equivalents	$ 968,946	$ 755,103
Pledges receivable, net	125,000	147,619
Investments	55,510,292	45,193,336
Land	1,230,000	1,230,000
Interfund receivable	-	100,000
Deferred revenue	(100,000)	(100,000)
	$ 57,734,238	**$ 47,326,058**

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, 2021 and 2020.

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).

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.

10. 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. The County Board 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.

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 $13,508,017 and $11,720,104, for the years ended September 30, 2021 and 2020, respectively. During the year ended September 30, 2021, the Organization received federal pass-through funding from the Trust in the amount of $2,837,646.

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, 2021 and 2020, amounted to approximately $123,000 and $121,000, respectively.

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

Miami-Dade County Public Housing and Community Development

During the year ended September 30, 2021, the Organization received federal pass-through funding from Miami-Dade County in the amount of $686,754.

11. 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 $1,500,000 and $1,800,000 from two donors were received during the years ended September 30, 2021 and 2020, respectively. The Organization received approximately 46% and 52% of its total public support and revenues from Miami-Dade County during the years ended September 30, 2021 and 2020, respectively.

12. 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, 2021 and 2020, totaled $178,793 and $172,633, respectively.

13. RISKS AND UNCERTAINTIES

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 $250,000 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, 2021 and approximately 47% and 38%, respectively, of total investments at September 30, 2020. As of September 30, 2021, and 2020, investments in private equity funds were approximately 31% and 24%, respectively, of the investment portfolio. Of these private equity investments, 58% and 51% are illiquid while the remaining 42% and 49% as of September 30, 2021 and 2020, respectively, are in a lock up of a minimum of one year. The Organization has an investment policy and utilizes management oversight, and regularly reviews its investment portfolio to monitor these risks.

Grants

In the normal course of business, the Organization has received grants which are subject to audit by agents of the relevant funding authority, the purpose of which is to ensure compliance with conditions precedent to providing such funds. Management of the Organization believes that all of the grant expenditures are properly recorded and that the liability, if any, for any reimbursement which may arise as the result of audits would not be significant.

COVID-19

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus origination in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 pandemic continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of Operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 pandemic and the global responses to curb its spread, the Organization is not able to estimate the effects of the COVID-19 pandemic on its results of operations, financial condition or liquidity for the fiscal year 2022.

SUPPLEMENTARY INFORMATION

SCHEDULE OF COUNTY FINANCIAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Grantor/ Program Title		**Amount**
County Financial Awards:		
Miami-Dade County Homeless Trust Share	$	10,205,725
Miami-Dade County Homeless Trust Share - Rapid Rehousing (federal pass-through)		2,837,646
Miami-Dade County Homeless Trust Share - Capital		464,646
Miami-Dade County Public Housing and Community Development (federal pass-through)		686,754
Miami-Dade County Public Schools Board Share		123,459
Total County Financial Awards	**$**	**14,318,230**

See accompanying notes to schedule.

SCHEDULE OF EXPENSES UNDER PROVISIONS OF THE
CONTRACT WITH MIAMI-DADE COUNTY HOMELESS TRUST
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Salaries	$ 7,242,277
Payroll taxes	509,806
Health and retirement benefits	1,270,947
Total salaries, taxes, and benefits	9,023,030
Professional fees	846,223
Security	419,345
Supplies	545,256
Food	1,123,199
Marketing and communications	352,590
Postage and shipping	7,980
Occupancy	1,348,352
Rental equipment	72,180
Transportation and travel	70,897
Membership and publications	13,307
Insurance	330,148
Employee recruitment, engagement and training	65,373
Client expenses	2,817,034
In-kind expenses	810,791
Health services	1,002,245
Continuum of care	300,000
Development and event expenses	219,360
Bad debt	61,580
Depreciation	1,272,158
Total other expenses	11,678,018
Total expenses including in-kind	20,701,048
Less: In-kind expenses	(1,300,681)
Total expenses excluding in-kind	**$ 19,400,367**
Miami-Dade County Homeless Trust share	**$ 13,043,371**
Chapman Partnership, Inc. share	**$ 6,356,996**

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, 2021

1. BASIS OF PRESENTATION

The accompanying Schedule of County Financial Awards presents the activity of all financial awards received by the Organization during the year ended September 30, 2021 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, 2021. 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.

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Miami, FL 33131

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on An Audit of Financial Statements Performed In Accordance with Government Auditing Standards

To the Board of 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 Organization's consolidated statement of financial position as of September 30, 2021, 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 22, 2022.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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.

BDO USA, LLP

Certified Public Accountants

Miami, Florida
February 22, 2022

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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, 2020 through September 30, 2021. 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.

BDO USA, LLP

Certified Public Accountants

Miami, Florida
February 22, 2022

Chapman Partnership
1550 North Miami Avenue
Miami, Florida 33136

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 each of the grants identified in the attached Schedule of County Financial Awards for the year ended September 30, 2021.

Howard S. Rubin

Howard S. Rubin
Chief Financial Officer
February 22, 2022