Chapman Partnership, Inc. and Affiliate

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

Years Ended September 30, 2023 and 2022

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Contents

Tel: 305-381-8000
Fax: 305-374-1135
www.bdo.com

100 SE 2nd St., Suite 1700
Miami, FL 33131

Independent Auditor's Report

Board of Directors
Chapman Partnership, Inc. and Affiliate
Miami, Florida

Opinion

We have audited the consolidated financial statements of Chapman Partnership, Inc. and Affiliate ("Organization") (a nonprofit organization), which comprise the consolidated statements of financial position as of September 30, 2023 and 2022, 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.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Organization as of September 30, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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, which 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 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 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, 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, which 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.

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 March 14, 2024 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, P.C.

Miami, FL
March 14, 2024

Consolidated Financial Statements

Chapman Partnership, Inc. and Affiliate

Consolidated Statements of Financial Position

As of September 30,		**2023**		2022
Assets				
Cash and cash equivalents	**$**	**8,763,627**	$	6,032,241
Restricted cash and cash equivalents		**1,914,468**		2,032,072
Grants receivable		**1,026,381**		816,931
Prepaid expenses and other assets		**290,393**		374,421
Pledges receivable, net		**199,682**		633,507
Investments		**61,957,525**		54,526,164
Property and equipment, net		**13,053,612**		13,422,002
Operating lease - right-of-use asset		**78,100**		-
Total Assets	**$**	**87,283,788**	$	77,837,338
Liabilities and Net Assets				
Liabilities				
Accounts payable, accrued expenses and other liabilities	**$**	**965,807**	$	833,208
Refundable advances		**642,969**		939,219
Operating lease liability		**85,649**		-
Total Liabilities		**1,694,425**		1,772,427
Net Assets				
Without donor restrictions		**17,423,351**		17,379,996
With donor restrictions		**68,166,012**		58,684,915
Total Net Assets		**85,589,363**		76,064,911
Total Liabilities and Net Assets	**$**	**87,283,788**	$	77,837,338

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

Chapman Partnership, Inc. and Affiliate

Consolidated Statements of Activities

For the Years Ended September 30,	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions	With Donor Restrictions	Total 2022
Revenues						
Public Support						
Miami-Dade County Homeless Trust	$ 11,545,843	$ 955,000	$ 12,500,843	$ 14,095,524	$ 751,400	$ 14,846,924
Miami-Dade County Public Housing and Community Development	422,994	-	422,994	1,285,756	-	1,285,756
Miami-Dade County Public Schools	133,112	-	133,112	128,282	-	128,282
Emergency Food and Shelter Program	849,744	-	849,744	88,064	-	88,064
State of Florida	137,812	-	137,812	174,813	-	174,813
City of Miami	231,591	-	231,591	165,239	-	165,239
Total Public Support	13,321,096	955,000	14,276,096	15,937,678	751,400	16,689,078
Other Revenues and Income						
Revenues from private sources	4,944,702	4,689,663	9,634,365	4,813,746	100,000	4,913,746
Investment income (loss)	272,557	5,575,172	5,847,729	(515,059)	(6,628,687)	(7,143,746)
Contributions of nonfinancial assets	2,414,233	-	2,414,233	2,319,611	-	2,319,611
Total Other Revenues and Income	7,631,492	10,264,835	17,896,327	6,618,298	(6,528,687)	89,611
Net Assets Released From Restrictions	1,738,738	(1,738,738)	-	1,725,678	(1,725,678)	-
Total Revenues (Losses)	22,691,326	9,481,097	32,172,423	24,281,654	(7,502,965)	16,778,689
Expenses						
Program and Supporting Services:						
Program	19,425,439	-	19,425,439	21,665,074	-	21,665,074
Management and general	1,993,937	-	1,993,937	1,689,930	-	1,689,930
Fundraising	1,228,595	-	1,228,595	1,557,738	-	1,557,738
Total Expenses	22,647,971	-	22,647,971	24,912,743	-	24,912,743
Change in Net Assets	43,355	9,481,097	9,524,452	(631,089)	(7,502,965)	(8,134,054)
Net Assets, *beginning of year*	17,379,996	58,684,915	76,064,911	18,011,085	66,187,880	84,198,965
Net Assets, *end of year*	$ 17,423,351	$ 68,166,012	$ 85,589,363	$ 17,379,996	$ 58,684,915	$ 76,064,911

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, 2023	Program	Supporting Services: Management and General	Supporting Services: Fundraising	Total
Salaries	$ 6,741,790	$ 650,831	$ 465,322	$ 7,857,943
Payroll taxes	492,286	50,269	32,473	575,028
Health and retirement benefits	927,315	240,096	66,659	1,234,070
Total Salaries, Taxes, and Benefits	8,161,391	941,196	564,454	9,667,041
Professional fees (including in-kind of $137,575)	114,553	799,160	57,743	971,456
Security	680,962	-	-	680,962
Supplies	571,469	19,202	100,586	691,257
Food (including in-kind of $710,029)	1,788,813	-	-	1,788,813
Marketing and communications (including in-kind of $40,770)	148,243	-	189,013	337,256
Postage and shipping	1,049	3,281	623	4,953
Occupancy (including in-kind of $596,526)	2,244,228	73,788	23,044	2,341,060
Rental equipment	60,132	1,720	634	62,486
Transportation and travel	61,898	53,944	64,598	180,440
Membership and publications	12,508	386	13,087	25,981
Insurance	432,250	56,858	2,693	491,801
Employee recruitment, engagement and training	97,727	2,591	9,976	110,294
Client expenses (including in-kind of $503,333)	2,542,343	-	-	2,542,343
Health services (including in-kind of $426,000)	1,166,690	-	-	1,166,690
Development and event expenses	-	-	191,227	191,227
Bad debt	-	12,194	-	12,194
Depreciation	1,341,183	29,617	10,917	1,381,717
Total Expenses	$ 19,425,439	$ 1,993,937	$ 1,228,595	$ 22,647,971

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

Chapman Partnership, Inc. and Affiliate

Consolidated Statement of Functional Expenses

		Supporting Services		
For the Year Ended September 30, 2022	Program	Management and General	Fundraising	Total
Salaries	$ 6,627,929	$ 552,027	$ 391,071	$ 7,571,027
Payroll taxes	478,755	46,828	27,370	552,953
Health and retirement benefits	1,015,587	225,055	53,409	1,294,051
Total Salaries, Taxes, and Benefits	8,122,271	823,910	471,850	9,418,031
Professional fees (including in-kind of $67,962)	149,241	617,587	168,842	935,670
Security	509,316	-	-	509,316
Supplies	564,367	26,463	47,402	638,232
Food (including in-kind of $694,264)	1,856,590	-	-	1,856,590
Marketing and communications (including in-kind of $12,500)	153,708	-	153,708	307,416
Postage and shipping	-	3,603	371	3,974
Occupancy (including in-kind of $596,526)	1,724,600	56,703	17,708	1,799,011
Rental equipment	74,744	-	-	74,744
Transportation and travel	47,126	47,861	40,472	135,459
Membership and publications	1,632	6,189	8,789	16,610
Insurance	690,202	51,689	-	741,891
Employee recruitment, engagement and training	74,436	5,263	12,322	92,021
Client expenses (including in-kind of $568,359)	5,152,255	-	-	5,152,255
Health services (including in-kind of $380,000)	1,073,806	-	-	1,073,806
Continuum of care	200,000	-	-	200,000
Development and event expenses	-	-	625,930	625,930
Bad debt	-	22,600	-	22,600
Depreciation	1,270,781	28,062	10,344	1,309,187
Total Expenses	$ 21,665,074	$ 1,689,930	$ 1,557,738	$ 24,912,743

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,	**2023**	2022
Cash Flows from Operating Activities:		
Change in Net Assets	**$ 9,524,452**	$ (8,134,054)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	**1,381,717**	1,309,187
Noncash lease expense	**9,175**	-
Net realized and unrealized investment (gain) loss	**(4,618,126)**	8,086,401
Contributions restricted for endowment	**(100,000)**	(100,000)
Bad debt expense	**12,194**	22,600
Amortization of discount on pledges receivable	**1,406**	(941)
Changes in operating assets and liabilities:		
Grant and other receivables	**(209,450)**	679,345
Prepaid expenses and other assets	**84,028**	(131,555)
Pledges receivable	**420,225**	(28,790)
Accounts payable, accrued expenses and other liabilities	**132,599**	197,952
Deferred revenue	**(296,250)**	388,802
Principal reduction in operating lease liabilities	**(1,626)**	-
Total Adjustments	**(3,184,108)**	10,423,001
Net Cash Provided by Operating Activities	**6,340,344**	2,288,947
Cash Flows from Investing Activities:		
Purchases of property and equipment	**(1,013,327)**	(846,297)
Purchases of investments	**(17,624,370)**	(579,128)
Sales of investments	**14,811,135**	224,690
Net Cash Used in Investing Activities	**(3,826,562)**	(1,200,735)
Cash Flows From Financing Activities:		
Proceeds from contributions restricted for endowment	**100,000**	100,000
Net Cash Provided by Financing Activities	**100,000**	100,000
Net Increase in Cash, Cash Equivalents, and Restricted Cash and Cash Equivalents	**2,613,782**	1,188,212
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, *beginning of year*	**8,064,313**	6,876,101
Cash, Cash Equivalents and Restricted Cash and Cash Equivalents, *end of year*	**$ 10,678,095**	$ 8,064,313
Supplemental Disclosure of Non-Cash Activities		
Initial recognition of operating right-of-use assets upon adoption of ASC 842	**$ 87,275**	$ -
Initial recognition of operating lease liability upon adoption of ASC 842	**$ 87,275**	$ -

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. Presently, there are no plans to build a third center. Chapman receives its support from the Miami-Dade County Homeless Trust, Miami-Dade County Public Schools, and other public and private organizations and individuals.

In December 2012, Chapman established a wholly-owned non-profit organization named CP 1551, Inc., for the purpose of acquiring real property. There was no activity in the entity during the years ended September 30, 2023 and 2022.

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, and mental health care; childcare; 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 activities delivered in the afterschool and summer settings for school aged children. 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.

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 the Chapman Academy, incorporating comprehensive, age-appropriate wrap-around strategies serving residents ages 5 to 55 including:

- 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.

- 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. Through collaboration with Miami-Dade County Public Schools, Career Source of South Florida, and Miami-Dade College, we ensure that each individual can receive access to their most effective career and education pathway.

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 and Cash Equivalents

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

Restricted cash and cash equivalents represent cash restricted in perpetuity and cash restricted by donors for capital expenditures.

Total cash, cash equivalents and restricted cash and cash equivalents shown in the consolidated statements of cash flows are as follows:

As of September 30,	**2023**	2022
Cash and cash equivalents	**$ 8,763,627**	$ 6,032,241
Restricted cash and cash equivalents	**$ 1,914,468**	$ 2,032,072

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 (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.

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.

Grants Receivable

Grants receivable 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 receivable was not deemed necessary as of September 30, 2023 and 2022.

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.

Contributions 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. Contributions 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, 2023 and 2022 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 ASU 2018-08, 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.

Revenue from non-exchange transactions consists of the following:

Revenues from Private Sources

A 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. As of September 30, 2023 and 2022, the Organization has approximately $642,000 and $939,000, respectively, of refundable advances. There were approximately $1,248,000 and $885,000 in conditional contributions outstanding as of September 30, 2023 and 2022, respectively. Conditional contributions are not reported on the consolidated statements of activities.

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 consists of the following:

Special Events 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 consolidated Statements of Activities. Apart from special events revenue, no other revenue is recognized in accordance with Topic 606.

Prepaid Expenses

Expenditures relating to programs for the next fiscal year are reported as a prepaid asset and are expensed when the related program function takes place. Prepaid expenses consist mainly of prepaid insurance.

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 occupies the land on which the first Homeless Assistance Center is located from the Miami-Dade County School Board over a period of 50 years at a cost of $1 per year. 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

Leases

Leases arise from contractual obligations that convey the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. At the inception of the contract, the Organization determines if an arrangement contains a lease based on whether there is an identified asset and whether the Organization controls the use of the identified asset. The Organization also determines whether the lease classification is an operating or financing lease at the commencement date.

The Organization is party to one non-cancelable operating lease arrangement. The lease is for the Organization's office phone equipment and services. The Organization recognized a lease liability and right-of-use asset in the consolidated financial statements.

At the commencement of a lease, the Organization initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The right-of-use asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs, less any outstanding deferred rent. Subsequently, the right-of-use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the Organization determines (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments. When the interest rate charged by the lessor is not provided, the Organization generally uses the risk-free rate as the discount rate for the lease. The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments. There are no variable lease payments. There is no purchase option in the leases.

The Organization monitors changes in circumstances that would require a remeasurement of its lease and will remeasure lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of any lease liability. Lease assets and lease liabilities are reported on the consolidated statements of financial position.

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 such as depreciation, occupancy and insurance are allocated among program and supporting services based on square footage. Personnel expenses are allocated on the basis of estimated time and effort by function.

In-Kind Revenue and Expense

The Organization records the value of donated goods when there is an objective basis available to measure the value or the Organization can estimate is good faith the value of the goods. Donated items are reflected as contributions in the accompanying consolidated financial statements at their fair market value at date of receipt.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise, be purchased by the Organization. See Note 10.

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, 2023 and 2022.

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, 2023 and 2022.

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 2020.

Adopted Accounting Pronouncement

Lease Accounting

In February 2016, the FASB issued Accounting Standards Codification ("ASC") 2016-02, *Leases* (Topic 842). This update, along with related ASU's establishes a comprehensive leasing standard. These updates require the recognition of lease assets and lease liabilities on the statement of financial position and disclosure of key information about leasing arrangements for lessees and lessors. The new standard applies a right-of-use (ROU) model that requires, for leases with a lease term of more than 12 months, an asset representing its right to use the underlying asset for the lease term and a liability to make lease payments to be recorded. The guidance also expands the required quantitative and qualitative lease disclosures as well as provides entities with an additional (and optional) transition method to adopt the new standard. The Organization adopted ASC Topic 842 using the modified retrospective transition method, under which amounts in prior periods presented herein were not restated. For the contract existing as of the date of adoption, the Organization elected the practical expedient and did not reassess (i) whether any are or contain leases, (ii) lease classification, and (iii) initial direct costs.

Recent Accounting Pronouncements Not Yet Adopted

Fair Value Measurement

In March 2020, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions,* to clarify the guidance in *Topic 820*, when measuring the fair value of an equity security subject to contractual restrictions that prohibit the sale of an equity security, to amend a related illustrative example, and to introduce new disclosure requirements for equity securities subject to contractual sale restrictions that are measured at fair value in accordance with Topic 820. The update is effective for fiscal years beginning after December 15, 2024, and interim periods within those fiscal years. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

Measurement of Credit Losses on Financial Instruments

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses (Topic 326*), which will replace the current incurred loss impairment methodology in U.S. GAAP with a methodology that reflects the expected credit losses. The update is intended to provide financial statement users with more decision-useful information about expected credit losses. Also, the FASB has issued amendments to the update with transition relief intended to improve comparability of financial statement information for some entities, to decrease costs for some financial statement preparers, and to clarify some disclosures. This update is effective on a modified retrospective basis for financial statements issued for fiscal years beginning after December 15, 2022, and interim periods within those fiscal years. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

Common Control Arrangements

In March 2023, the FASB issued ASU 2023-01, *Leases (Topic 842) – Common Control Arrangements,* which provides a practical expedient for private companies and not-for-profit entities that are not conduit bond obligors to use the written terms and conditions of a common control arrangement to determine whether a lease exists and if, so, the classification and accounting for that lease. The practical expedient may be applied on an arrangement-by-arrangement basis. The practical expedient is expected to reduce (1) the costs associated with implementing and applying Topic 842 to those arrangements and (2) diversity in practice by entities within its scope when applying lease accounting requirements to common control arrangements. The ASU also requires that leasehold improvements associated with common control leases be a) amortized by the lessee over the useful life of the leasehold improvements to the common control group (regardless of the lease term) as long as the lessee controls the use of the underlying asset (the leased asset) through a lease and B) accounted for as a transfer between entities under common control through an adjustment to equity (or net assets for not-for-profit entities) if, and when, the lessee no longer controls the use of the underlying asset. Additionally, those leasehold improvements are subject to the impairment guidance in FASB ASC *Topic 360, Property, Plant, and Equipment*. The amendments in this ASU are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The Organization is currently evaluating the effect the update will have on its consolidated financial statements.

Reclassifications

Certain expenses within the 2022 consolidated statement of functional expenses were reallocated between functional classifications to conform to the 2023 presentation.

Subsequent Events

The Organization has evaluated events subsequent to March 14, 2024, which is the date the consolidated financial statements were available to be issued. No material events have occurred through March 14, 2024, 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 are as follows:

As of September 30,	**2023**	2022
Cash and cash equivalents	**$ 8,763,627**	$ 6,032,241
Restricted cash and cash equivalents	**1,914,468**	2,032,072
Grants receivable	**1,026,381**	816,931
Pledges receivable, net	**199,682**	633,507
Investments	**61,957,525**	54,526,164
Total Financial Assets	**73,861,683**	64,040,915
Less amounts not available to be used within one year:		
Financial assets included in endowment	**55,087,376**	49,870,823
Other restricted assets	**688,822**	967,626
Total Financial Assets Not Available to be Used Within One Year	**55,776,198**	50,838,449
Financial Assets Available to Meet General Expenditures Within One Year	**$ 18,085,485**	$ 13,202,466

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3. Pledges Receivable, Net

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

As of September 30,	**2023**	2022
Pledges due in:		
Less than one year	**$ 201,588**	$ 619,007
One to five years	**20,000**	35,000
Total	**221,588**	654,007
Less: Discount on long-term pledges	**(1,406)**	-
Less: Allowance for uncollectible pledges	**(20,500)**	(20,500)
Total Discount and Allowance	**(21,906)**	(20,500)
Pledges Receivable, *net*	**$ 199,682**	$ 633,507

For the years ended September 30, 2023 and 2022, the Organization had approximately $12,000 and $23,000 of bad debt expense, respectively. As of September 30, 2022, the discount to present value of long-term pledges receivable was considered immaterial by management and is not reported on the consolidated financial statements.

4. Investments

Investments presented in the consolidated financial statements consist of the following:

As of September 30,	**2023**	2022
Domestic equity	**$ 12,975,900**	$ 10,728,638
International equity	**4,336,723**	5,654,180
Global Fixed Income:		
Corporate	**510,832**	626,275
Domestic Fixed Income:		
Corporate	**6,331,690**	7,252,332
Government	**18,410,589**	10,669,444
Private equity	**19,391,790**	19,595,295
Total	**$ 61,957,525**	$ 54,526,164

The following schedules summarize the investment income (loss) and its classification in the consolidated statements of activities:

For the year ended September 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	$ 243,671	$ 985,932	$ 1,229,603
Net realized and unrealized gain on investments	28,886	4,589,240	4,618,126
	$ 272,557	$ 5,575,172	$ 5,847,729

For the year ended September 30, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Interest and dividend income	$ 148,527	$ 794,128	$ 942,655
Net realized and unrealized loss on investments	(663,586)	(7,422,815)	(8,086,401)
	$ (515,059)	$ (6,628,687)	$ (7,143,746)

5. Property and Equipment, Net

Property and equipment, net, consists of the following:

As of September 30,	**2023**	2022
Land	**$ 1,495,000**	$ 1,495,000
Buildings	**146,960**	146,960
Leasehold improvements	**25,656,516**	25,039,959
Furniture and fixtures	**3,159,699**	3,098,786
Computer equipment	**3,223,935**	2,888,077
Automobiles	**1,032,672**	1,032,673
	34,714,782	33,701,455
Less accumulated depreciation	**(21,661,170)**	(20,279,453)
Total	**$13,053,612**	$ 13,422,002

Depreciation expense was $1,381,717 and $1,309,187 for the years ended September 30, 2023 and 2022, respectively.

6. Fair Value Measurements

FASB ASC: *Topic* 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, 2023 and 2022.

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") per share 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.

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 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, 2023 and 2022.

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, 2023 and 2022, for each of the fair value hierarchy levels:

		Fair Value Measurements at Reporting Date Using:		
At September 30, 2023 Description	Total Investments	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	$ 12,975,900	$ 12,975,900	$ -	$ -
International equity	4,336,723	4,336,723	-	-
Global Fixed Income:				
Corporate	510,832	510,832	-	-
Domestic Fixed Income:				
Corporate	6,331,690	6,331,690	-	-
Government	18,410,589	18,410,589	-	-
	42,565,735	$ 42,565,735	$ -	$ -
Private equity investments at NAV	19,391,790			
	$ 61,957,525			

At September 30, 2022 Description	Total Investments	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	$ 10,728,638	$ 10,728,638	$ -	$ -
International equity	5,654,180	5,654,180	-	-
Global Fixed Income:				
Corporate	626,275	626,275	-	-
Domestic Fixed Income:				
Corporate	7,252,332	7,252,332	-	-
Government	10,669,444	10,669,444	-	-
	34,930,869	$ 34,930,869	$ -	$ -
Private equity investments at NAV	19,595,295			
	$ 54,526,164			

Net Asset Value

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

The following table is for the investments valued using NAV:

	September 30, 2023	September 30, 2022	Unfunded Commitments as of September 30, 2023	Redemption Frequency	Redemption Notice Period
Global equity:					
HarbourVest 2016 Global Fund (a)	$ 2,427,348	$ 2,512,859	$ 450,000	Illiquid	Illiquid
HarbourVest 2017 Global Fund (a)	2,724,913	2,662,843	585,000	Illiquid	Illiquid
Abbott Capital Private Equity Fund 2020 Cayman, L.P. (f)	1,928,013	1,289,545	1,105,500	Illiquid	Illiquid
Private equity:					
HarbourVest 2018 Global Fund (a)	3,235,250	3,194,170	600,000	Illiquid	Illiquid
NB Crossroads Fund XXII (b)	2,344,657	2,338,923	720,000	Illiquid	Illiquid
Hirtle Callaghan Alternative Credit Opportunities Offshore Portfolio Limited (d)	2,937,702	1,766,508	1,467,828	4-year lock up	90-day
Hirtle Callaghan Private Equity Offshore Fund 2020 Limited (e)	265,750	188,027	219,130	Illiquid	Illiquid
Hirtle Callaghan Private Equity Offshore Fund 2022 Limited (e)	55,009	14,627	752,769	Illiquid	Illiquid
Hedge equity:					
CF Hirtle Callaghan Select Equity Fund LP (c)	3,473,148	5,627,793	-	1- year lock up	90-day
Total	**$ 19,391,790**	**$ 19,595,295**	**$ 5,900,227**		

(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. 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 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:

For the Years Ended September 30,	**2023**	2022
Restricted by Donors With Specific Purpose Restrictions:		
Perpetual endowment	**$ 20,356,093**	$ 20,256,093
Endowment assets not restricted in perpetuity	**35,961,283**	30,744,730
Assets restricted for homeless assistance and capital projects	**11,702,820**	7,100,585
Time Restrictions:		
Pledges receivable not in endowment	**145,816**	583,507
	$ 68,166,012	$ 58,684,915

During the year ended September 30, 2023, the Organization received and recognized a purpose restricted grant amounting to $5,000,000. As of September 30, 2023, the Organization had spent approximately $500,000 of the funds on the underlying purpose of the agreement, which is reflected as revenues from private sources without donor restrictions on the accompanying consolidated statements of activities. The unspent funds are considered net assets with donor restrictions. The Organization will be releasing the funds as the purpose restrictions are met.

The following is a summary of net assets released from restrictions:

For the Years Ended September 30,	**2023**	2022
Endowment appropriations	**$ (191,521)**	$ (204,690)
Purpose and time restrictions	**(1,547,217)**	(1,520,988)
Total Releases from Restrictions	**$ (1,738,738)**	$ (1,725,678)

8. Endowment

The Organization's endowment consists of an individual donor-restricted fund established for a single purpose. As required by U.S. GAAP, net assets associated with endowment fund 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.

Endowment net assets consist of the following:

Summary of Endowment Net Assets at September 30, 2023:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gifts in perpetuity	$ -	**$20,356,093**	**$20,356,093**
Accumulated earnings	-	**35,961,283**	**35,961,283**
	$ -	**$ 56,317,376**	**$ 56,317,376**

Summary of Endowment Net Assets at September 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gifts in perpetuity	$ -	$ 20,256,093	$ 20,256,093
Accumulated earnings	-	30,744,730	30,744,730
	$ -	$ 51,000,823	$ 51,000,823

Changes in Endowment Net Assets During the Year Ended September 30, 2023:

	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Endowment Net Assets, *beginning of year*	**$ -**	**$51,000,823**	**$51,000,823**
Contributions	**-**	**100,000**	**100,000**
Interest and dividends	**-**	**969,272**	**969,272**
Net investment income	**-**	**4,438,802**	**4,438,802**
Amounts appropriated for expenditure	**-**	**(191,521)**	**(191,521)**
Endowment Net Assets, *end of year*	**$ -**	**$ 56,317,376**	**$ 56,317,376**

Changes in Endowment Net Assets During the Year Ended September 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets, *beginning of year*	$ -	$ 57,734,238	$ 57,734,238
Contributions	-	100,000	100,000
Interest and dividends	-	794,090	794,090
Net investment loss	-	(7,422,815)	(7,422,815)
Amounts appropriated for expenditure	-	(204,690)	(204,690)
Endowment Net Assets, *end of year*	$ -	$ 51,000,823	$ 51,000,823

Endowment assets are invested as follows:

As of September 30,	**2023**	2022
Restricted cash and cash equivalents	**$ 1,400,328**	$ 1,647,953
Pledges receivable, net	**25,000**	50,000
Investments	**53,662,048**	48,172,870
Land	**1,230,000**	1,230,000
Refundable advance	**-**	(100,000)
	$56,317,376	$ 51,000,823

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, 2023 and 2022.

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.

9. Contributions of Nonfinancial Assets

Contributed nonfinancial assets during the years ended September 30, 2023 and 2022 were as follows:

Nonfinancial Asset	Revenue Recognized in Years Ended: September 30, 2023	September 30, 2022	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques/Inputs
Consulting services	$ **137,575**	$ 67,962	Management and General	No donor restrictions	Estimated fair market value based on invoices received to support time spent on organizational matters
Donated use of facilities	**596,526**	596,526	General program, management and general and fundraising	No donor restrictions	Estimated fair market value based on comparative market value of rental fees in the area
Donated food	**710,029**	694,264	General Program	No donor restrictions	Based on the estimated fair market value of the meals and receipts provided by donors
Donated medical services and supplies	**426,000**	380,000	General Program	No donor restrictions	Based on estimated fair market value of medical services provided at the clinic and medical supplies used to operate the clinic
Donated goods	**503,333**	568,359	General Program	No donor restrictions	Based on estimated fair market value of clothing, household goods, supplies and other miscellaneous items based on open market comparative modeling
Donated media ads	**40,770**	12,500	General Program and Fundraising	No donor restrictions	Based on value provided by entity that placed the media ads based on readily determinable values in the media space
	$ **2,414,233**	$ 2,319,611			

10. Leases

The Organization has one non-cancelable lease arrangement with a third party for their office phone equipment and services. The lease commitment began on June 28, 2023, after adoption of ASC 2016-02, *Leases* (Topic 842), with an initial term of three years with a renewal option of two additional years. The lease is accounted for as an operating lease. The Organization does not have any leases that are classified as finance leases and does not have any office space subleases.

The only lease agreement outstanding as of September 30, 2023 is accounted for under ASC Topic 842; for the year ended September 30, 2022, all leases were accounted for under the previous lease standard, ASC 840.

Rental payments under the lease include base rental amounts for the term of the lease. The lease does not contain variable costs.

Upon lease inception, an initial lease liability was recorded in the amount of $87,275 as of June 28, 2023, using a discount rate of 4.13%. As of September 30, 2023, the outstanding balance on the lease liability is $85,649 and the lease has a remaining term of 33 months. An initial operating lease right-of-use asset was recorded in the amount of $87,275 as of June 28, 2023. The value of the operating lease right-of-use assets was $78,100 as of September 30, 2023.

Operating lease expense of approximately $8,000 is included in the statements of functional expenses under "Occupancy" during the year ended September 30, 2023.

Aggregate remaining maturities of lease liability as of September 30, 2023, are as follows:

2024	$	33,970
2025		33,970
2026		22,647
Total operating lease payments		90,587
Minus: Imputed Interest		(4,938)
Total	$	85,649

There were no lease commitments as of and for the year ended September 30, 2022.

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. 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. The Trust reserves the right to terminate the service agreement or reduce services.

Amounts received from the Trust for the operation of the homeless assistance centers, specific programs, and capital expenditures were $12,500,843 and $14,846,924, for the years ended September 30, 2023 and 2022, respectively. During the years ended September 30, 2023 and 2022, the Organization received federal pass-through funding from the Trust in the amount of $11,152 and $3,492,922, respectively.

In 1998, the Organization entered into a 40-year contract with the Trust to occupy the premises where the South Homeless Assistance Center operates. The Organization pays $1 to the Trust in connection with the contract. The contract is conditional upon the service agreement remaining active.

Miami-Dade County Public Schools

On May 5, 1994, the Miami-Dade County School Board (the "School Board") entered into a contract with the Organization to allow the Organization to occupy the land where the North Homeless Assistance Center was constructed. The contract had an original term of 40 years and was extended in June, 2018 for 10 additional years through May, 2044. The Organization pays $1 to the School Board in connection with the contract. The contract is conditional upon the service agreement remaining active.

On July 15, 1999, the Organization and the School Board entered into an educational facilities contract for the South Homeless Assistance Center to be constructed by the Organization with approximately 11,000 square feet of space as an educational skills center. The School Board agreed to pay the Organization its proportionate share of operational costs for the educational skills center.

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, 2023 and 2022, amounted to approximately $133,000 and $128,000, respectively.

The Organization recorded approximately $600,000 in in-kind revenue and expense during the years ended September 30, 2023 and 2022, for the donated use of facilities provided by the Trust and the School Board (Note 10).

Miami-Dade County Public Housing and Community Development

During the years ended September 30, 2023 and 2022, the Organization received federal pass-through funding from Miami-Dade County Public Housing and Community Development in the amount of $422,994 and $1,285,756, 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, 2023 and 2022, totaled $185,706 and $205,108, 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 28% and 41%, respectively, of total investments at September 30, 2023 and approximately 30% and 34%, respectively, of total investments at September 30, 2022. As of September 30, 2023 and 2022, investments in private equity funds were approximately 31% and 36%, respectively, of the investment portfolio. Of these private equity investments, 67% and 62% are illiquid while the remaining 33% and 38% as of September 30, 2023 and 2022, 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.

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 $6,500,000 and $1,500,000 from three and two donors were received during the years ended September 30, 2023 and 2022, respectively. The Organization received approximately 91% and 97% of its total public support from Miami-Dade County during the years ended September 30, 2023 and 2022, respectively.

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.

Supplementary Information

Chapman Partnership, Inc. and Affiliate

Schedule of County Financial Awards
Year Ended September 30, 2023

Grantor/ Program Title		Amount
County Financial Awards:		
Miami-Dade County Homeless Trust Share	$	10,968,483
Miami-Dade County Homeless Trust Share - Rapid Rehousing (federal pass-through)		577,360
Miami-Dade County Homeless Trust Share - Capital		955,000
Miami-Dade County Public Housing and Community Development (federal pass-through)		422,994
Miami-Dade County Public Schools		133,112
Total County Financial Awards	$	13,056,949

See accompanying notes to schedule.

Chapman Partnership, Inc. and Affiliate

Schedule of Expenses Under Provisions of the Contract with Miami-Dade County Homeless Trust Year Ended September 30, 2023

Salaries	$	7,857,943
Payroll taxes		575,028
Health and retirement benefits		1,234,070
Total Salaries, Taxes, and Benefits		9,667,041
Professional fees (including in-kind of $137,575)		971,456
Security		680,962
Supplies		691,257
Food (including in-kind of $710,029)		1,788,813
Marketing and communications (including in-kind of $40,770)		337,256
Postage and shipping		4,953
Occupancy		2,341,060
Rental equipment		62,486
Transportation and travel		180,440
Membership and publications		25,981
Insurance		491,801
Employee recruitment, engagement and training		110,294
Client expenses (including in-kind of $503,333)		2,542,343
Health services (including in-kind of $426,000)		1,166,690
Development and event expenses		191,227
Bad debt		12,194
Depreciation		1,381,717
Total Other Expenses		12,980,930
Total Expenses Including In-Kind		22,647,971
Less: In-kind expenses		(2,414,233)
Total Expenses Excluding In-Kind	$	20,233,738
Miami-Dade County Homeless Trust share	$	11,545,843
Chapman Partnership, Inc. share	$	8,687,895

See accompanying notes to schedule.

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, 2023 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, 2023. 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.

Tel: 305-381-8000
Fax: 305-374-1135
www.bdo.com

100 SE 2nd St., Suite 1700
Miami, FL 33131

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.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Chapman Partnership, Inc. (the "Organization"), which comprise the Organization's consolidated statement of financial position as of September 30, 2023, and the related 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 March 14, 2024.

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 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, misstatement 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 preceding paragraph 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 considered 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 of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BDO USA, P.C.

Miami, Florida
March 14, 2024

Tel: 305-381-8000
Fax: 305-374-1135
www.bdo.com

100 SE 2nd St., Suite 1700
Miami, FL 33131

Assertion-based Examination Report – Reporting on Assertion

Independent Accountant's Report

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

We have examined management of Chapman Partnership, Inc. and Affiliate (the "Organization")'s assertion that the Organization complied with the requirements for eligibility of program recipients served and related costs allowability and reporting (the "subject matter") established in grant agreements applicable to Miami-Dade County Homeless Trust identified in the supplemental Schedule of County Financial Awards during the year ended September 30, 2023 (the "criteria") (collectively, the "assertion").

The Organization's management is responsible for its assertion and for the preparation and presentation of the subject matter in accordance with (or based on) the criteria, including the design, implementation, and maintenance of internal control to prevent, or detect and correct, misstatement of the subject matter, due to fraud or error. Our responsibility is to express an opinion on management's assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain and examine evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement.

In our opinion, management's assertion that the Organization complied with the requirements for eligibility of program recipients served and related costs allowability and reporting established in grant agreements applicable to Miami-Dade County Homeless Trust identified in the supplemental Schedule of County Financial Awards is fairly stated, in all material respects.

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, P.C.

Miami, Florida
March 14, 2024

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Management's Assertion Report

I, Howard S. Rubin, hereby assert that Chapman Partnership, Inc. and Affiliate complied with eligibility of program recipients served and related costs allowability and reporting of each of the grants identified in the attached Schedule of County Financial Awards for the year ended September 30, 2023.

Howard Rubin

Howard S. Rubin
Chief Financial Officer
March 14, 2024