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**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2016**

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**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.  
JUNE 30, 2016**

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**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2016**

**ASSETS**

**June 30, 2015**

**Current Assets**

Cash and cash equivalents	\$ 157,926
Accounts receivable	52,902
Prepaid expenses	8,101
<b>Total current assets</b>	<b>\$ 218,929</b>

**Non-Current Assets**

Property & equipment - net	\$ 3,437,855
Other assets	(842,030)
<b>Total non-current assets</b>	<b>\$ 2,595,825</b>

**Deposits**

Utility deposits	\$ 8,022
<b>Total deposits</b>	<b>\$ 8,022</b>

<b>Total assets</b>	<b>\$ 2,822,776</b>
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**LIABILITIES AND NET ASSETS**

**Current Liabilities**

Accounts payable and accrued liabilities	\$ 90,895
Rent received in advance	7,360
Grant advance	9,375
Current portion of long-term debt	30,381
<b>Total current liabilities</b>	<b>\$ 138,011</b>

**Long-term liabilities**

Long term debt net of current portion	\$ 352,340
<b>Total long-term liabilities</b>	<b>\$ 352,340</b>

<b>Total liabilities</b>	<b>\$ 490,351</b>
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**Net Assets**

Unrestricted net assets	\$ 2,330,740
Temporarily restricted net assets	1,685
<b>Total net assets</b>	<b>\$ 2,332,425</b>

<b>Total liabilities and net assets</b>	<b>\$ 2,822,776</b>
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The accompanying notes are an integral part of these financial statements

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**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED JUNE 30, 2016**

Fiscal Year Ended June 30, 2016

Temporarily

Unrestricted      Restricted      Total

**Support and Revenue**

Grants	\$ 721,875	\$ -	\$ 721,875
Contributions	627,629	-	627,629
Rent revenue	149,605	-	149,605
Other income	62,110	-	62,110
<b>Total support and revenue</b>	<b>\$ 1,561,219</b>	<b>\$ -</b>	<b>\$ 1,561,219</b>

**Program Service Expenses:**

Housing	\$ 208,100	\$ -	\$ 208,100
Prevention	198,244	-	198,244
Services	318,439	-	318,439
<b>Total program services</b>	<b>\$ 724,783</b>	<b>\$ -</b>	<b>\$ 724,783</b>

**Supporting Service Expenses**

Fundraising	\$ 137,028	\$ -	\$ 137,028
General and administrative	171,865	-	171,865
<b>Total supporting services</b>	<b>\$ 308,893</b>	<b>\$ -</b>	<b>\$ 308,893</b>

**Total Expenses**

	\$ 1,033,676	\$ -	\$ 1,033,676
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**Change in Unrestricted Net Assets**

	\$ 527,543	\$ -	\$ 527,543
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**Changes in Temporarily Restricted Net Assets**

Temporarily restricted contributions received	\$ -	\$ -	\$ -
Temporary restrictions met by payment	-	-	-

**Change in Temporarily Restricted Net Assets**

	\$ -	\$ -	\$ -
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**Net Assets - beginning of year**

	1,803,197	1,685	1,804,882
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**Net Assets - end of year**

	\$ 2,330,740	\$ 1,685	\$ 2,332,425
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**PROGRAM SERVICES**

Housing includes a United States Department of Housing and Urban Development (HUD) Project referred to as My Place Apartments and temporary assistance providing emergency shelter.

Prevention is primarily composed of subrecipient grants to four (4) area non profit organizations assisting homeless persons and families transition to a more traditional housing arrangement.

Services include maintenance of the HUD Homeless Management Information System (HMIS) database and grants to five (5) area non profit organizations that provide direct services to homeless persons and families.

The accompanying notes are an integral part of these financial statements

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**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FISCAL YEAR ENDED JUNE 30, 2016**

	<b>Fiscal Year Ended June 30, 2016</b>
<b><u>Cash Flows from Operating Activities</u></b>	
(Decrease) in Net Assets	\$ 527,543
Adjustments to reconcile increase in net assets to net cash provided by operating activities:	
Depreciation and amortization	94,564
(Increase) decrease in receivables	7,064
(Increase) decrease in prepaid expenses	1,979
Increase (decrease) in accounts payable and accrued liabilities	(14,678)
Increase (decrease) in rent received in advance	443
Increase (decrease) in grant advance	9,375
Net cash provided (consumed) by operating activities	<u>\$ 626,290</u>
<b><u>Cash Flows from Investing Activities</u></b>	
Receipt of contributed building and vehicles	\$ (618,579)
Loan closing costs on refinance	(3,622)
Net cash consumed by investing activities	<u>\$ (622,201)</u>
<b><u>Cash Flows from Financing Activities</u></b>	
Net mortgage repayment	\$ (28,422)
Net cash flows from financing activities	<u>\$ (28,422)</u>
<b><u>Net Increase (Decrease) in Cash</u></b>	\$ (24,333)
<b><u>Cash and cash equivalents at beginning of year</u></b>	182,259
<b><u>Cash and cash equivalents at end of year</u></b>	<u><u>\$ 157,926</u></u>

**Supplemental disclosure**

Income tax paid during the fiscal year was  
Interest paid during the fiscal year was

	\$ -
	<u>\$ 24,377</u>

The accompanying notes are an integral part of these financial statements

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**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FISCAL YEAR ENDED JUNE 30, 2016**

	Housing	Prevention	Services	Total Program	Fundraising (Rent)	General and Administrative	Total Expenses
Wages	\$ 23,297	\$ -	\$ 47,353	\$ 70,650	\$ 4,830	\$ 122,526	\$ 198,006
Payroll taxes and benefits	1,741	79	5,026	6,846	596	10,775	18,217
Building occupancy	68,575	-	-	68,575	20,643	21,333	110,551
Professional fees	9,717	-	-	9,717	-	221	9,938
Insurance	10,281	625	6,748	17,654	16,593	3,322	37,569
Office expenses	1,402	1,987	5,834	9,223	-	1,715	10,938
Conferences and travel	764	3,245	15,558	19,567	-	1,564	21,131
Depreciation and amortization	15,385	-	-	15,385	70,011	9,168	94,564
Client services	76,700	-	-	76,700	-	-	76,700
Program grants	-	192,308	204,722	397,030	-	-	397,030
Program software and training	-	-	30,629	30,629	-	444	31,073
Dues and memberships	-	-	2,500	2,500	-	775	3,275
Licenses and taxes	238	-	69	307	-	-	307
Interest	-	-	-	-	24,355	-	24,377
<b>Total expenses</b>	<b>\$ 208,100</b>	<b>\$ 198,244</b>	<b>\$ 318,439</b>	<b>\$ 724,783</b>	<b>\$ 137,028</b>	<b>\$ 171,865</b>	<b>\$ 1,033,676</b>

The accompanying notes are an integral part of these financial statements

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**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Volusia-Flagler County Coalition for the Homeless, Inc. (a 501(c)(3) tax exempt entity) (the Organization) is a non profit corporation incorporated under the laws of the State of Florida. It is designated as the official Continuum of Care (Lead Agency) by both the U. S. Department of Housing and Urban Development (HUD) and by the State of Florida.

The Organization exists to perform the administrative function of surveying needs; assessing services provided by agencies, preparation of grant applications, formulation of strategies to eliminate duplication of service, fill gaps in service, and facilitate overall, the provision of shelter and supportive services that meet the needs of homeless persons. The Organization also writes and administers Subrecipient Grants for State and Federal funds, which are available from State and/or Federal grantors only through the Continuum of Care and cannot be individually received by the agencies.

The Mission underlying all activities directed to meet the needs of a homeless person is to resolve the issues that drive them to homelessness, and restore them to functional independence. This task is accomplished through the coordination of all agencies in Volusia and Flagler Counties that deliver services to the homeless. The Organization develops policies and best practices which are adopted by all agencies to ensure quality of service, discharge of planning and prioritization of services for people who are homeless.

**Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 958, *Not-for-Profit Entities* (formerly Statement of Financial Accounting Standards (SFAS) Number 117, *Financial Statements for Not-for-Profit Organizations*.) Under FASB ASC 958, the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Net assets and changes therein are classified and reported as follows:

**Unrestricted net assets** - Net assets that are not subject to donor imposed restrictions or stipulations.

**Temporarily restricted net assets** - Net assets subject to donor imposed restrictions or stipulations that will be met either by actions of the Organization and/or passage of time.

**Permanently restricted net assets** - Net assets subject to donor imposed restrictions or stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes. The Organization had no permanently restricted net assets as of June 30, 2015.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor imposed restrictions or stipulations. Expenses are reported as decreases in unrestricted net assets. Gains or losses on assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor imposed restrictions or stipulations or by law. Expirations of temporary restrictions on net assets (i.e., the donor imposed restriction or stipulated purposes has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions. It is the Organization's policy to record donor restricted contributions on which the restriction are met in the same reporting period as unrestricted contributions.

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**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Organization follows standards of accounting and financial reporting prescribed for voluntary health and welfare agencies. It uses accrual accounting, which recognizes revenue when earned and expenses when incurred. Federal, State and local government and public grants are recorded as support when performance occurs under the terms of the grant agreement.

**Cash and Cash Equivalents**

For the purposes of the statement of cash flows, the Organization considers all cash on hand and in bank accounts, including highly liquid investments, purchased with original net maturities of three months or less to be cash and cash equivalents.

**Fair Value of Financial Instruments**

The carrying value of cash and cash equivalents, grants and accounts receivable and accounts and accruals payable approximates fair value due to the short maturity of these instruments. The carrying value of short and long term debt approximates fair value based on discounting the projected cash flows using market rates available for similar maturities. None of the financial instruments are held for trading purposes.

**Grants Receivable**

Grants receivable consists of amounts due to the Organization from governmental units and cultural agencies under the terms of the various grant contracts. Due to the nature of these agencies, no allowance for uncollectible amounts had been established.

**Promises to Give**

Contributions are recognized when the donor makes a promise to give to the Organization that is in substance, unconditional. The Organization uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on management's analysis of specific promises made. There were no promises to give receivable as of June 30, 2016.

**Property and Equipment**

The Organization's policy requires that all property and equipment purchased or donated with a value or cost of \$500 or more be capitalized. Purchased property and equipment is capitalized at cost. Donation of property and equipment are recorded as contributions at their estimated fair value. Property and equipment are depreciated using the straight-line method over their estimated useful lives ranging from 20 to 39 years for buildings and major improvements to 5 to 7 years for furniture and equipment. Donated land and buildings are reported as unrestricted contributions absent an explicit donor restriction. Assets donated with explicit restrictions are reported as restricted contributions. Absent donor stipulations regarding how long donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.





**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Donated Services and Facilities**

The Organization recognizes donated services and facilities that create or enhance nonfinancial assets or that require specialized skills, which are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations at their fair values in the period received. Donated services and facilities that meet the above criteria are recognized as revenues and are reported in the accompanying financial statement at their estimated fair value at the time of contribution. There were no donated services or materials that met the criteria for recognition during the years ended June 30, 2016.

**Expense Allocation**

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

**Income Taxes**

The Organization qualifies as a tax exempt organization under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes has been included in these financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no net unrelated business income in either year ended June 30, 2016 or 2015, and, accordingly, no income tax recognized in these financial statements.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those

**SUBSEQUENT EVENTS**

Management has evaluated subsequent events through June 13, 2016, the date the financial statements were available to be issued.

Windsard Behavioral Care, Inc. f/k/a Haven Recovery, Inc. (Windward) dissolved commencing in May 2015 and completing the process in early July, 2015. As part of the Windward's dissolution the building erected by Windward on land owned by the Coalition and previously leased to Windward became the property of the Coalition subject to a restrictive covenant entered into on November 29, 2005 between the predecessor to Windward and the United States Department of Housing and Urban Development (HUD). The restrictive covenant requires the recipient of the property to either continue the use of the building for supportive housing or repay all or a portion of the grant. The first ten (10) years requires full repayment of the grant amount, thereafter the covenant reduces the amount required to be repaid by 10% per year until the end of the twentieth (20th) year at which time no repayment is required. The Coalition recognized the acquisition in the following fiscal year. The anticipated financial impact is an increase in Unrestricted Net Assets of approximately \$619,000.

**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**PROPERTY AND EQUIPMENT**

Property and equipment as of June 30, 2015 consisted of:

Land	\$ 329,757
Buildings and improvements	3,011,362
Furniture and equipment	96,736
	\$ 3,437,855
Less: Accumulated depreciation	(842,030)
Property and equipment - net	\$ 2,595,825

Depreciation expense recognized for the years ended June 30, 2015 was \$77,198.

**LONG TERM DEBT**

The Organization has a note payable to a financial institution, payable in monthly installments of \$4,324 including interest at 5.75%, secured by land and buildings, that matures January 2026.	\$ 382,721
Less - Current portion	30,381
Total Long Term Debt net of Current Portion	\$ 352,340

Maturities of long term debt are as follows for the years ending June 30:

2017	\$ 30,381
2018	32,200
2019	34,129
2020	36,130
2021	38,336
Thereafter	211,545
Total long term debt	\$ 382,721

For the fiscal years ended June 30, 2016, the interest expense incurred was \$24,377.

**TEMPORARILY RESTRICTED NET ASSETS**

The Organization received contributions in prior years that were stipulated by the donor to be used solely in establishing a homeless shelter in West Volusia. The unexpended balance of these temporarily restricted contributions as of June 30, 2016, was \$1,685.

**RECEIVABLES**

Accounts receivable as of June 30, 2015 was composed of:

Grants receivable	\$ 52,486
Rent receivable	416
Total accounts receivable	\$ 52,902

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**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**SUBRECIPIENT AND GRANT-IN-AID FUNDS**

The Organization, through its grant contracts, remits funds to entities that are approved by the State of Florida Department of Children and Families. For the year ended June 30, 2016 the Organization remitted funds to the following entities:

**Subrecipient**

Halifax Urban Ministries (Star Family Center)	\$	97,819
Catholic Charities	\$	38,581
Family Life Center		5,153
Family Renew Community		18,334
Neighborhood Center West		130,156
New Hope Human Services		21,798
Salvation Army		85,189
Total Subrecipient and Grant-in-Aid Funds	<u>\$</u>	<u>397,030</u>

**CONSTRUCTION, RENOVATION OR PURCHASE OF REAL PROPERTY USING STATE FUNDS**

During the year ended June 30, 2006, the Organization received grants from the State of Florida to renovate the facilities to be used by the Halifax Urban Ministries d/b/a Star Family Shelter. In accordance with Florida Statutes Section 402.73(11), this grant included funds to purchase or improve real property together with a provision granting the state a security interest in the property for at least five (5) years from the date of purchase or completion of the improvements or as further required by law. As a condition of receipt of state funding for this purposes, the Organization agrees to refund the State's initial investment as adjusted by depreciation, if it disposes of the property before the State's security interest is vacated.

Also, the Organization further agreed to reserve, for a minimum of ten (10) years, the number of units constructed or rehabilitated through this grant to serve persons who are homeless at the time they assume tenancy.

The State of Florida subordinated these Notices of Statutory Lien to the mortgage referenced above.

**FUNDRAISING ACTIVITY**

The Organization leases several buildings to other not for profit, tax exempt entities for the direct conduct of programs to benefit the homeless including temporary housing and food. The tenant entities pay the Coalition rent for the use of the Coalition's buildings. Lease amounts vary from \$500 to \$5,542 per month plus costs for damages to the properties.

	<u>Monthly Lease</u>	<u>Lease Income Received</u>
Tenant 1, expires 11/30/2015	\$ 1,589	\$ 18,207
Tenant 2, expires 6/30/2018	5,986	71,828
Tenant 4, expires 11/30/2017	2,877	33,839
Other rent receipts, commercial and HUD tenants		25,731
Total rent revenue		<u>\$ 149,605</u>

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**VOLUSIA FLAGLER COUNTY COALITION FOR THE HOMELESS, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**LEASE COMMITMENT**

The Organization leases an administrative office in DeLand, Florida. The lease expired in March, 2013 and the occupancy is on a month to month basis with current lease payments of \$1,200 per month.

**CONCENTRATIONS**

Revenue to support the Organization's programs is received primarily from Federal, State and local government grants and awards, and accounts for approximately fifty percent (50%) of total revenues. The Organization is subject to changes in governmental funding allocations. In the event these entities discontinue funding these programs, the impact on the Organization's ability to achieve current program goals could be substantial.

Credit risk with respect to receivables is limited due to the credit worthiness of the governmental entities and organization from which the amounts are due.

At June 30, 2016, the Organization had deposits in one commercial financial institution. The Organization's deposits did not exceed the Federal Deposit Insurance Corporation's (FDIC) coverage as of those dates.

The Organization's geographic area of operations is in Volusia and Flagler Counties in the State of Florida.

The Organization's fundraising (rental) activities are all conducted in Volusia County, Florida.

**GRANTS**

The Organization received the following grants:

<b>Federal Domestic Assistance - Direct</b>	<b>CFDA#</b>	
Department of Housing and Urban Development	14.267	\$182,214.00
Department of Housing and Urban Development	14.267	<u>17,504.00</u>
Total Federal Domestic Assistance - Direct		<u>\$199,718.00</u>
Total Federal Domestic Assistance		<u>\$199,718.00</u>
<b>State Financial Assistance - Direct</b>	<b>CSFA #</b>	
Florida Department of Children and Families	60.021	<u>\$73,280.00</u>
Total State Financial Assistance		<u>\$73,280.00</u>
<b>Other State and County General Fund Grants</b>		
Florida Department of Children and Families		\$225,686.00
Volusia County		<u>218,962.00</u>
Total Other State and County General Fund Grants		<u>\$444,648.00</u>
<b>Other non governmental grants</b>		
Misc grants		<u>\$4,229.00</u>
Total Grants		<u>\$721,875.00</u>

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