

# Housing First Community Coalition

## Financial Statements

December 31, 2021 and 2020



# Housing First Community Coalition

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## **Independent Auditor's Report**

To the Board of Directors of  
Housing First Community Coalition

### **Opinion**

We have audited the accompanying financial statements of Housing First Community Coalition (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Housing First Community Coalition as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Housing First Community Coalition and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

## Independent Auditor's Report (Continued)

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In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Housing First Community Coalition'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Housing First Community Coalition'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.

### **Emphasis of Matter**

We have audited Housing First Community Coalition's financial statements for the year ended December 31, 2020 and issued our conclusion dated February 28, 2022. Those previously issued financial statements for the period ended December 31, 2020 have been restated within this report for the correction of a material misstatement. See Note L on page 13 for additional information on the restatement.

### **Report on Summarized Comparative Information**

We have previously audited Housing First Community Coalition's 2020 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated February 28, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schrivier, Carmona & Company, PLLC

San Antonio, Texas

September 15, 2022

## **Financial Statements**

## Housing First Community Coalition

### Statements of Financial Position December 31, 2021 and 2020 (restated)

<b>Assets</b>	<b>2021</b>	2020 (restated)
<b><i>Current Assets:</i></b>		
Cash and Cash Equivalents	\$ 600,829	\$ 839,184
Certificates of Deposit	75,539	75,520
Accounts Receivable	804,551	-
Current Portion of Pledges Receivable	70,200	885,700
Prepaid Insurance	5,542	593
<b><i>Total Current Assets</i></b>	<b>1,556,661</b>	1,800,997
Long-term Portion of Pledges Receivable, Net of Discount	341,229	96,984
Property and Equipment, Net of Accumulated Depreciation	3,686,059	1,166,370
<b>Total Assets</b>	<b>\$ 5,583,949</b>	<b>\$ 3,064,351</b>
<b>Liabilities and Net Assets</b>		
<b><i>Current Liabilities:</i></b>		
Accounts Payable	\$ 295,149	\$ 12,652
Payroll Liabilities	4,788	986
Construction Retainage	93,453	-
<b><i>Total Current Liabilities</i></b>	<b>393,390</b>	13,638
<b>Total Liabilities</b>	<b>393,390</b>	13,638
<b><i>Net Assets:</i></b>		
Without Donor Restrictions	4,604,730	1,492,509
With Donor Restrictions	585,829	1,558,204
<b><i>Total Net Assets</i></b>	<b>5,190,559</b>	3,050,713
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,583,949</b>	<b>\$ 3,064,351</b>

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

## Housing First Community Coalition

### Statement of Activities

Year Ended December 31, 2021 (with Comparative Totals for the Year Ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Totals	2020 Totals
<b>Support and Revenues</b>				
Contributions	\$ 97,929	\$ 298,400	\$ <b>396,329</b>	1,195,630
Government Grants	1,740,431	-	<b>1,740,431</b>	25,000
In-Kind Contributions	159,739	-	<b>159,739</b>	117,864
Interest Income	312	-	<b>312</b>	540
Net Assets Released from Restrictions	1,270,775	(1,270,775)	-	-
<b>Total Support and Revenues</b>	<b>3,269,186</b>	<b>(972,375)</b>	<b>2,296,811</b>	<b>1,339,034</b>
<b>Expenses</b>				
Program Services	69,618	-	<b>69,618</b>	99,909
Support Services:				
Management and General	53,743	-	<b>53,743</b>	40,479
Fundraising	33,603	-	<b>33,603</b>	50,801
<b>Total Expenses</b>	<b>156,965</b>	<b>-</b>	<b>156,965</b>	<b>191,189</b>
<b>Change in Net Assets</b>	<b>3,112,221</b>	<b>(972,375)</b>	<b>2,139,846</b>	<b>1,147,845</b>
<b>Net Assets at Beginning of Year, restated</b>	<b>1,492,509</b>	<b>1,558,204</b>	<b>3,050,713</b>	<b>1,902,868</b>
<b>Net Assets at End of Year</b>	<b>\$ 4,604,730</b>	<b>\$ 585,829</b>	<b>\$ 5,190,559</b>	<b>3,050,713</b>

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

## Housing First Community Coalition

### Statement of Functional Expenses

Year Ended December 31, 2021 (with Comparative Totals for the Year Ended December 31, 2020)

	Support Services			2021 Totals	2020 Totals
	Program Services	Management and General	Fundraising		
Salaries and Wages	\$ 46,257	\$ 13,216	\$ 6,608	\$ <b>66,082</b>	14,150
Payroll Taxes	7,655	2,187	1,094	<b>10,936</b>	3,163
Total Salaries and Related Expenses	53,913	15,404	7,702	<b>77,018</b>	17,313
Advertising and Marketing	-	639	-	<b>639</b>	72
Bank and Other Charges	-	2,110	-	<b>2,110</b>	809
Contract Services	7,990	2,283	25,141	<b>35,414</b>	43,550
Dues and Subscriptions	-	4,180	-	<b>4,180</b>	-
Professional Services - In-Kind	5,320	1,520	760	<b>7,600</b>	117,864
Insurance	-	4,787	-	<b>4,787</b>	683
Maintenance and Repairs	-	250	-	<b>250</b>	300
Other Expenses	-	5,043	-	<b>5,043</b>	942
Printing and Postage	-	676	-	<b>676</b>	332
Property Expenses	2,396	-	-	<b>2,396</b>	-
Rent	-	11,700	-	<b>11,700</b>	8,400
Supplies	-	2,764	-	<b>2,764</b>	378
Utilities	-	2,388	-	<b>2,388</b>	546
Total Expenses before Depreciation	69,618	53,743	33,603	<b>156,965</b>	191,189
Depreciation	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 69,618</b>	<b>\$ 53,743</b>	<b>\$ 33,603</b>	<b>\$ 156,965</b>	<b>191,189</b>

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



## Housing First Community Coalition

### Statements of Cash Flows Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Cash Flows From Operating Activities:</b>		
Change in Net Assets	\$ 2,139,846	\$ 1,147,845
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Increase (Decrease) in Present Value of Pledges	25,755	(27,145)
(Increase) Decrease in:		
Accounts Receivable	(804,551)	-
Pledges Receivable	545,500	(205,100)
Prepaid Expenses	(4,949)	-
Increase (Decrease) in:		
Accounts Payable	282,497	4,212
Payroll Liabilities	3,802	(334)
Construction Retainage	93,453	-
Other Liabilities	-	(18)
<b>Net Cash Provided by Operating Activities</b>	<u>2,281,353</u>	<u>919,460</u>
<b>Cash Flows From Investing Activities:</b>		
Purchase of Certificate of Deposit	(75,539)	(75,520)
Maturity of Certificate of Deposit	75,520	-
Purchase of Property and Equipment	(2,519,689)	(231,825)
<b>Net Cash Used by Investing Activities</b>	<u>(2,519,708)</u>	<u>(307,345)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(238,355)	612,115
Cash and Cash Equivalents, Beginning of Year	<u>839,184</u>	<u>227,069</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 600,829</u>	<u>\$ 839,184</u>

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

## Housing First Community Coalition

Notes to Financial Statements  
Years Ended December 31, 2021 and 2020

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### Note A: Nature of Organization

Housing First Community Coalition (the Organization) is a non-profit corporation whose mission is to initiate and sustain a permanent supportive housing community using Housing First principles for the most marginalized and vulnerable individuals in the San Antonio region. The Organization targets chronically homeless individuals as they outnumber chronically homeless families by 36 to 1. In November 2019, the Organization purchased 17.3 acres of land on San Antonio's east side, which will be the future home of the Towne Twin Village. It will be a place where each person is valued, knowing they too are deserving of dignity and inclusion. The Organization believes that through serving each other, we may begin to more deeply connect with our humanity.

### Note B: Summary of Accounting Principles

#### ***Basis of Accounting***

The financial statements are prepared on the accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). Net assets, support and revenue, and expenses are classified according to two classes of net assets:

- *Without Donor Restrictions* – net assets available for use in general operations and not subject to donor restrictions. Grant and contributions gifted for recurring programs of the Organization generally are not considered “restricted” under GAAP, though for internal reporting the Organization tracks such grants and contributions to verify the disbursement matches the intent. Assets restricted solely through the actions of the Board of Directors are reported as Net Assets Without Donor Restrictions, Board Designated.
- *With Donor Restrictions* – net assets subject to donor-imposed stipulations that are more restrictive than the Organization’s mission and purpose. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### ***Methods Used for Allocation of Expenses among Program and Support Services***

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Functional Expenses. Accordingly, certain costs have been allocated between the programs and supporting services benefited. Direct costs are allocated based upon the usage by each program. The allocation of all other expenses is calculated on the basis of a percentage of the total time spent in each functional program.

#### ***Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### ***Cash and Cash Equivalents***

For purposes of reporting cash flows, the Organization considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2021 and 2020, there were no cash equivalents.

## Housing First Community Coalition

Notes to Financial Statements  
Years Ended December 31, 2021 and 2020

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### Note B: Summary of Accounting Principles (Continued)

#### ***Promises to Give***

Unconditional promises to give are recognized as contributions in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Promises to give are recorded at net realizable value if they are expected to be collected within one year and at net present value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

#### ***Property and Equipment***

Property and equipment is stated at cost if purchased or at fair value at the date of gift, if donated, less accumulated depreciation. The Organization is in the process of determining a capitalization policy as construction began during 2021. Land and Construction in Progress are not depreciated.

#### ***Accounts Receivable***

Accounts receivables are primarily due to reimbursement government contracts. All government contract receivables are carried at the original invoice amount. Governmental contracts which are included in receivables are individually analyzed for purposes of determining collectability. At December 31, 2021, no allowance has been determined, as all contracts are considered fully collectible.

#### ***Prepaid Expenses***

Expenses recorded in advance of the service or product being received are deferred and carried on the statement of financial position as prepaid expenses.

#### ***Revenue Recognition***

##### Contributions and Grants

Contributions, grants received and unconditional promises to give 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 that limit 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, With Donor Restrictions are reclassified to Without Donor Restrictions and reported in the Statement of Activities as Net Assets Released from Restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as Without Donor Restrictions.

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

The Organization's financial instruments include cash, receivables, and payables. The carrying amount of these financial instruments, except for pledges receivable (see **Note E**), as reflected in the Statements of Financial Position, approximates fair value.

#### ***Federal Income Taxes***

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying statements. There was no unrelated business income for the years ended December 31, 2021 and 2020. The Organization is not subject to the Texas margin tax. Management is not aware of any tax position that would have a significant impact on its financial position.

## Housing First Community Coalition

Notes to Financial Statements  
Years Ended December 31, 2021 and 2020

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### Note B: Summary of Accounting Principles (Continued)

#### ***Fair Value Measurements***

The Fair Value Measurements and Disclosures, ASC 820, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market, established a framework for measuring fair value in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

#### ***In-Kind Contributions***

Donated goods and services are valued based on their estimated market value on the date of contribution. Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated. For in-kind contributions during 2021 and 2020, refer to **Note I**.

#### ***Recently Issued Accounting Pronouncements***

##### Future Adoption

In February 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*, effective for reporting periods beginning after December 15, 2021. Under this new pronouncement, generally, leases with terms of more than 12 months will be recognized in the Statements of Financial Position as an asset (right to use leased asset) and a liability (lease liability). Management expects the impact to operations to be minimal and is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, effective for fiscal years beginning after June 15, 2021 and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted. The FASB ASU requires nonprofits to change their financial statement presentation and disclosure of contributed nonfinancial assets, or gifts-in-kind. The FASB issued the update in an effort to improve transparency in reporting nonprofit gifts-in-kind. Management expects the impact to operations to be minimal and is currently evaluating the effect this pronouncement will have on the financial statements and related disclosures.

#### ***Comparative Financial Statements***

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with Housing First Community Coalition's financial statements for the year ended December 31, 2020 from which the summarized information was derived.

### Note C: Risk and Uncertainty

#### ***Current Economic Events***

Certain current economic events have arisen which could impact the Organization's ongoing operations. As a result of the COVID-19 pandemic, mandated and voluntary closings have caused various business and supply chain disruptions which have an indeterminate duration. Additionally, the effects of economic stimulus programs and U.S. Federal Reserve actions remain uncertain. These matters could impact numerous facets of the business environment including interest rates, inflation, and the availability of goods, capital, and labor. Any related financial impact cannot be reasonably estimated at this time.

## Housing First Community Coalition

### Notes to Financial Statements Years Ended December 31, 2021 and 2020

#### Note D: Liquidity and Availability of Financial Resources

The following represents the Organization's financial assets at December 31, 2021 and 2020 available to meet general expenditures over the next twelve months:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and Cash Equivalents	\$ 600,829	\$ 839,184
Accounts Receivable	804,551	-
Pledges Receivable Due Within One Year	70,200	885,700
Certificates of Deposit	75,520	75,520
Total Financial Assets	<u>1,551,100</u>	<u>1,800,404</u>
Less those unavailable for general expenditures over the next twelve months due to:		
Net Assets with Donor Restrictions	585,829	1,558,204
Construction Retainage	93,453	-
Less net assets with timing restrictions to be met over the next twelve months	<u>(70,200)</u>	<u>(885,700)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 942,018</u>	<u>\$ 1,127,900</u>

Housing First Community Coalition regularly monitors liquidity to meet its operating needs. Housing First Community Coalition has various resources of liquidity at its disposal, including cash and cash equivalents, accounts receivable, pledges receivable and a line of credit at Jefferson Bank. In addition, Housing First Community Coalition annual support contributions, grants, and cash reserves to be sufficient to cover general expenditures not provided by other donor restricted sources.

#### Note E: Pledges Receivable

Pledges receivable consist of unconditional promises to give from various contributors totaling **\$450,200** and \$995,700 at December 31, 2021 and 2020, respectively. The outstanding amounts pledged range from \$200 to \$300,000 and are to be received over a range of one to three years. The pledges have been discounted using Moody's Baa corporate bond rate of 3.9%, offered at the date of pledge, to account for the present value of future cash flows at December 31, 2021 and 2020.

Pledges Receivable at December 31, 2021 is summarized as follows:

2022	\$ 70,200
2023	70,000
2024	<u>310,000</u>
Total Pledges Receivable	450,200
Less: Net Present Value Discount	<u>(38,771)</u>
Total Pledges Receivable, Net of Discount	411,429
Less: Current Portion of Pledges Receivable	<u>(70,200)</u>
Long-Term Portion of Pledges Receivable, Net of Discount	<u>\$ 341,229</u>

## Housing First Community Coalition

Notes to Financial Statements  
Years Ended December 31, 2021 and 2020

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### Note F: Concentrations

#### *Credit Risk of Financial Instruments*

Financial instruments which potentially subject the Organization to a concentration of credit risk consist of its cash balance held at its financial institution if such balance exceeds the amount insured by the Federal Deposit Insurance Corporation (FDIC). The account at the institution is insured by the FDIC up to \$250,000. The Organization maintains one account at one institution in San Antonio. At December 31, 2021 and 2020, the Organization's cash balance at its respective institution was in excess of the FDIC limit by **\$357,552** and \$616,155, respectively. The Organization has not experienced any losses in such accounts and management believes it is not exposed to a significant risk on its cash on deposit with the financial institution.

#### *Support and Revenues*

The Organization received approximately 75% of total support and revenues from government grants during 2021, of which all were contracted with the Organization's agreement with the City of San Antonio. The loss of funding from this source could reduce the Organization's ability to achieve its objectives.

#### *Expenses*

The Organization contracted Wayne Rodgers Construction Co. for its Towne Twin Village project, which totaled approximately 83% of expenditures for the year.

### Note G: Property and Equipment

Property and Equipment, Net of Accumulated Depreciation at December 31, 2021 and 2020 is summarized as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 934,545	\$ 934,545
Vehicles	136,136	-
Construction in Progress, Phase I	2,463,239	231,825
Construction in Progress, In-Kind	152,139	-
Less: Accumulated Depreciation	-	-
	<u>\$ 3,686,059</u>	<u>\$ 1,166,370</u>

Depreciation expense for the year ended December 31, 2020 and 2019 was **\$0**. Vehicles were purchased at year end and will begin depreciating in January 2022.

## Housing First Community Coalition

Notes to Financial Statements  
Years Ended December 31, 2021 and 2020

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### Note H: Net Assets With Donor Restrictions

Net Assets With Donor Restrictions at December 31, 2021 and 2020 is summarized as follows:

	<u>2021</u>	<u>2020</u>
Restricted by Purpose		
Arts Center	\$ -	\$ 50,000
Salary Support	131,400	-
Tiny House	43,000	525,520
	<u>174,400</u>	<u>575,520</u>
Restricted by Time	<u>411,429</u>	982,684
Total Net Assets With Donor Restrictions	<u>\$ 585,829</u>	<u>\$ 1,558,204</u>

### Note I: In-Kind Contributions - Professional Services

The Organization received donated professional services related to architecture, engineering, graphic design and accounting with an estimated fair value of **\$159,739** and \$117,864 for the years ended December 31, 2021 and 2020, respectively. Donated professional services in the amount of \$152,139 are recorded as Construction in Progress on the Statement of Financial Position and \$7,600 is recorded as Professional Services – In-Kind on the Statement of Functional Expense.

### Note J: Tax Increment Reinvestment Zone (TIRZ) Funding

On March 19, 2021, the Organization was awarded \$5.4 million from the City of San Antonio as part of the Tax Increment Financing Act. TIRZ reimbursable funds are awarded to promote development and redevelopment which would not otherwise occur solely through private investment. The source of these funds are available tax increments levied and collected on real property located in the Tax Increment Reinvestment Zone. As these funds can be used to fund affordable housing, the Organization was given the award to assist in the construction of Towne Twin Village, a large project consisting of building a community of housing and facilities to battle chronic homelessness. The Organization will receive \$5.4 million over the span of three fiscal years on a reimbursement basis. For the year ended December 31, 2021, the Organization received \$1,740,431 of TIRZ reimbursable funds.

### Note K: Commitments and Contingencies

The Organization engaged Wayne Rodgers Construction Co. for the completion of Towne Twin Village. Construction commenced during 2021 and will take an estimated 3 years to complete. The following represents the Organization's construction commitment at December 31, 2021:

Total Contract	\$ 3,417,000
Less: Payments Made as of December 31, 2021	(1,775,598)
Less: Construction Retainage at December 31, 2021	(93,453)
Remaining Commitment	<u>\$ 1,547,949</u>

## Housing First Community Coalition

Notes to Financial Statements  
Years Ended December 31, 2021 and 2020

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### **Note L: Construction Note Payable**

In August 2021, the Organization entered into a construction note payable for \$5,400,000 with Jefferson Bank. The Organization did not receive lump sum proceeds, but rather, funds are drawn to pay construction costs over the course of the construction project. The note payable is secured by a Deed of Trust for the 17.3 acres of land owned by the Organization. The note payable matures on August 1, 2025 and bears an interest rate of 3.5%. At December 31, 2021, the note payable balance was \$0 as no draws for construction costs had been made as of this date.

### **Note M: Restatement**

As of December 31, 2021, the Organization had restricted net assets that were not properly classified. The impact of this restatement is a \$482,684 increase to Net Assets With Donor Restrictions and a decrease of \$482,684 to Net Assets Without Donor Restrictions on the Statement of Financial Position at December 31, 2020.

### **Note N: Subsequent Events**

Subsequent events have been evaluated through September 15, 2022, which is the date the financial statements were available to be issued.

### ***Additional Construction Note Payable***

On July 25, 2022, the Organization entered into an additional construction note payable for \$2 million with Jefferson Bank. The Organization did not receive lump sum proceeds, but rather funds are drawn to pay constructions costs over the course of the construction project. This note payable matures on July 25, 2023 and bears a floating interest rate equal to the U.S. prime rate, which was 5.5% as of this report date.