



Hubbard House, Inc.

Financial Statements

June 30, 2024 and 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Hubbard House, Inc.
Jacksonville, Florida

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Hubbard House, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses, and cash flows for the years 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 Hubbard House, Inc. as of June 30, 2024 and 2023, and the changes in its net assets 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 audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Hubbard House, Inc. 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 opinions.

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 Hubbard House, Inc.'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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Hubbard House, Inc.'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 Hubbard House, Inc.'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 financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required

part of the financial statements. The accompanying schedule of source and expenditures of city grant funds is also presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 October 24, 2024, on our consideration of Hubbard House Inc.'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 solely 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 Hubbard House Inc.'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 Hubbard House Inc.'s internal control over financial reporting and compliance.

Carr, Rigg & Ingram, L.L.C.

Jacksonville, Florida
October 24, 2024

Hubbard House, Inc.
Statements of Financial Position

<i>June 30,</i>	2024	2023
Assets		
Cash and cash equivalents	\$ 4,763,137	\$ 3,544,174
Grants receivable	676,986	1,193,829
Other receivables	5,051	4,982
Prepaid expenses and other assets	6,375	734
Investments - unrestricted	989,679	892,000
Investments - board-designated endowment funds	398,250	305,469
Investments - endowment funds with donor restrictions	550,000	550,000
Property and equipment, net	4,996,854	5,182,605
Operating lease right-of-use assets, net	27,014	19,362
Total assets	\$ 12,413,346	\$ 11,693,155
Liabilities and Net Assets		
Accounts payable	\$ 64,385	\$ 23,242
Accrued expenses	247,399	255,073
Notes payable	154,703	204,505
Operating lease liabilities	27,014	19,362
Total liabilities	493,501	502,182
Net assets		
Without donor restrictions	11,041,052	10,536,081
With donor restrictions	878,793	654,892
Total net assets	11,919,845	11,190,973
Total liabilities and net assets	\$ 12,413,346	\$ 11,693,155

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

Hubbard House, Inc.
Statements of Activities

<i>For the year ended June 30,</i>	2024		
	Without Donor Restriction	With Donor Restriction	Total
Revenue and Other Support			
Government grants	\$ 4,416,381	\$ -	\$ 4,416,381
Contributions - public	1,975,919	321,277	2,297,196
Contributions - United Way, allocated and designated	64,187	-	64,187
Contributions - in-kind	40,522	-	40,522
Thrift store sales revenue	322,234	-	322,234
Less thrift store expenses	(290,576)	-	(290,576)
Net gain on thrift store sales	31,658	-	31,658
Investment income, net	191,833	-	191,833
Miscellaneous	64,284	-	64,284
Net assets released from restrictions	97,376	(97,376)	-
Total revenue and other support	6,882,160	223,901	7,106,061
Expenses			
<i>Program Services</i>			
Assistance to clients	5,384,537	-	5,384,537
<i>Supporting Services</i>			
Management and general	684,189	-	684,189
Fundraising	308,463	-	308,463
Total supporting services	992,652	-	992,652
Total expenses	6,377,189	-	6,377,189
Change in net assets	504,971	223,901	728,872
Net assets at beginning of year	10,536,081	654,892	11,190,973
Net assets at end of year	\$ 11,041,052	\$ 878,793	\$ 11,919,845

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

Hubbard House, Inc.
Statements of Activities

<i>For the year ended June 30,</i>	2023		
	Without Donor Restriction	With Donor Restriction	Total
Revenue and Other Support			
Government grants	\$ 4,066,505	\$ -	\$ 4,066,505
Contributions - public	2,171,861	96,435	2,268,296
Contributions - United Way, allocated and designated	48,555	-	48,555
Contributions - in-kind	35,403	-	35,403
Thrift store sales revenue	345,390	-	345,390
Less thrift store expenses	(267,886)	-	(267,886)
Net gain on thrift store sales	77,504	-	77,504
Investment income, net	177,928	-	177,928
Miscellaneous	118	-	118
Net assets released from restrictions	48,078	(48,078)	-
Total revenue and other support	6,625,952	48,357	6,674,309
Expenses			
<i>Program Services</i>			
Assistance to clients	4,937,470	-	4,937,470
<i>Supporting Services</i>			
Management and general	725,429	-	725,429
Fundraising	375,220	-	375,220
Total supporting services	1,100,649	-	1,100,649
Total expenses	6,038,119	-	6,038,119
Change in net assets	587,833	48,357	636,190
Net assets at beginning of year	9,948,248	606,535	10,554,783
Net assets at end of year	\$ 10,536,081	\$ 654,892	\$ 11,190,973

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

Hubbard House, Inc.
Statements of Functional Expenses

For the year ended June 30, 2024

	Program Services		Supporting Services		Total
	Assistance to Clients	Management and General	Fundraising		
Personnel	\$ 3,276,157	\$ 388,389	\$ 178,233	\$ 3,842,779	
Contract services	84,664	90,016	5,489	180,169	
Supplies	35,388	12,071	1,896	49,355	
Telephone	103,638	3,238	960	107,836	
Postage	2,830	1,453	6,326	10,609	
Occupancy	254,557	23,986	-	278,543	
Equipment, maintenance and rental	98,481	73,250	28,003	199,734	
Printing	12,824	1,714	22,764	37,302	
Transportation	15,539	7,381	310	23,230	
Conventions and meetings	31,296	3,223	29,748	64,267	
Assistance to individuals	1,118,597	-	-	1,118,597	
Dues and subscriptions	4,708	8,972	999	14,679	
Bank fees	3,615	17,816	12,120	33,551	
Insurance	134,111	18,332	7,501	159,944	
Other expenses	15,418	18,470	-	33,888	
Depreciation	192,714	15,878	14,114	222,706	
Total	\$ 5,384,537	\$ 684,189	\$ 308,463	\$ 6,377,189	

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

Hubbard House, Inc.
Statements of Functional Expenses

For the year ended June 30, 2023

	Program Services		Supporting Services		Total
	Assistance to Clients	Management and General	Fundraising		
Personnel	\$ 3,100,677	\$ 445,514	\$ 239,950	\$ 3,786,141	
Contract services	56,471	94,866	5,489	156,826	
Supplies	30,024	11,782	1,660	43,466	
Telephone	83,917	4,049	1,092	89,058	
Postage	2,038	873	4,388	7,299	
Occupancy	318,740	1,030	-	319,770	
Equipment, maintenance and rental	56,872	83,191	45,405	185,468	
Printing	71,298	3,656	16,892	91,846	
Transportation	29,083	9,869	327	39,279	
Conventions and meetings	25,204	2,444	24,951	52,599	
Assistance to individuals	830,215	-	-	830,215	
Dues and subscriptions	3,651	8,969	1,123	13,743	
Bank fees	4,647	16,875	9,746	31,268	
Insurance	111,899	17,564	10,001	139,464	
Other expenses	21,636	8,777	-	30,413	
Depreciation	191,098	15,970	14,196	221,264	
Total	\$ 4,937,470	\$ 725,429	\$ 375,220	\$ 6,038,119	

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

Hubbard House, Inc. Statements of Cash Flows

<i>For the years ended June 30,</i>	2024	Summarized 2023
Operating Activities		
Change in net assets	\$ 728,872	\$ 636,190
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	222,706	221,264
Amortization of right-of-use assets	7,652	19,362
Unrealized and realized gain on investments	(159,138)	(161,356)
Changes in operating assets and liabilities		
Grants receivable	516,843	(351,619)
Other receivable	(69)	(4,982)
Prepaid expenses and other assets	(5,641)	26,391
Accounts payable	41,143	(39,368)
Accrued expenses	(7,674)	18,596
Operating lease liabilities	(7,652)	(19,362)
Net cash provided by operating activities	1,337,042	345,116
Investing Activities		
Purchase of investments	(705,652)	(642,814)
Proceeds from sale of investments	674,330	626,709
Purchase of property and equipment	(36,955)	(28,536)
Net cash used in investing activities	(68,277)	(44,641)
Financing Activities		
Payments on notes payable	(49,802)	(49,448)
Net cash used in financing activities	(49,802)	(49,448)
Net change in cash and cash equivalents	1,218,963	251,027
Cash and cash equivalents, beginning of year	3,544,174	3,293,147
Cash and cash equivalents, end of year	\$ 4,763,137	\$ 3,544,174
Schedule of Certain Cash Flow Information		
Cash paid for interest	\$ 9,506	\$ 10,004
Schedule of Noncash Transactions		
Lease liabilities arising from obtaining right-of-use assets		
Operating leases	\$ 17,545	\$ 27,199

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

Note 1 – DESCRIPTION OF THE ORGANIZATION

Founded in Jacksonville, Florida in 1976, Hubbard House, Inc. (the “Organization”) operates the first emergency shelter for victims of domestic violence established in Florida. A ground-breaking initiative by a group of volunteers who recognized a critical need led to the creation of this Organization, resulting in the opening of the 13th domestic violence center in the Southeast. The Organization’s mission is safety, empowerment, and social change for victims of domestic violence and their families. To that end, the Organization offers a full compendium of services for victims of domestic violence. Incorporating both intervention and prevention, program offerings cover an array of needs presented by families caught in the web of domestic abuse. Through innovative approaches addressing numerous aspects of the domestic abuse problem, the Organization has remained on the forefront in the effort to break the cycle of domestic violence in Northeast Florida.

The Organization’s program services consist of operating a full-service certified domestic violence center that provides emergency shelter, an Outreach Center, and a 24/7 Domestic Violence Hotline to victims of domestic violence and their children in Duval and Baker counties.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). The Financial Accounting Standards Board (FASB) provides authoritative guidance regarding U.S. GAAP through the Accounting Standards Codification (ASC) and related Accounting Standards Updates (ASUs).

Use of Estimates

The preparation of U.S. GAAP financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Estimates that are particularly susceptible to significant change in the near term are related to contributions of non-financial assets and allocation of functional expenses.

Cash and Cash Equivalentents

Cash and cash equivalentents include cash and all highly liquid investments with an original maturity of 90 days or less.

Grants and Other Receivables

Grants and other receivables represent amounts owed to the Organization which are expected to be collected within twelve months and are presented in the statements of financial position net of the allowance for credit losses. Grants receivables are for grants earned from governmental agencies.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Credit Losses

Management evaluates its receivables on an ongoing basis by analyzing accounts and previous payment histories. The allowance for credit losses is management’s best estimate of the amount of expected credit losses in the existing accounts based on current market conditions. Historically, losses on uncollectible accounts have been within management’s expectations. The allowance for credit losses is reviewed on a periodic basis to ensure there is sufficient reserve to cover any potential credit losses. When receivables are considered uncollectible, they are charged against the allowance for credit losses. Collections on accounts previously written off are included in the change in net assets as received. As of June 30, 2024, management evaluated the expected credit losses in the existing accounts and concluded that no allowance was necessary.

Investments

The Organization reports investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. Investment income and gains restricted by donors are reported as increases in net assets without donor restrictions if the restrictions are met (either a stipulated time period ends, or a purpose restriction is accomplished) in the reporting period in which the income and gains are recognized.

Property and Equipment

All acquisitions of property, improvements, equipment, and donated assets are capitalized if their cost or fair value is greater than or equal to \$5,000. Assets that are repaired where the costs are greater than or equal to \$5,000 and the assets' life is extended are also capitalized; otherwise they are expensed. Repairs and maintenance are expensed as incurred. Depreciation is computed using primarily the straight-line method over the following estimated useful lives:

	<u>Years</u>
Building and related improvements	5-39
Equipment and furnishings and vehicles	5-10
Vehicles	5
Leasehold improvements	5-39

Leases

The Organization leases equipment. The Organization determines if an arrangement is a lease at inception. Operating leases are included in operating lease right-of-use (ROU) assets and operating lease liabilities in the statements of financial position.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of the leases do not provide an implicit rate, the Organization uses its incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Net Assets

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and capital assets reserve.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restrictions to net assets without donor restrictions.

Revenue Recognition

Contributions are recognized when cash, other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

on which they depend have been substantially met or the donor has explicitly released the restriction. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as net assets without donor restrictions.

The Organization receives funding from federal, state, and local governments as financial assistance for its program services. Grant revenues are recognized when the requirements under the grant have been fulfilled. Amounts received that do not meet the criteria for revenue recognition described above are grant liabilities until all criteria have been fulfilled. Grant funding received as advances are recorded as refundable advances until the conditions of the grant have been met or amounts have been refunded.

Thrift store revenues are accounted for under ASC Topic 606, *Revenue from Contracts with Customers* (ASC 606), recognizing revenue when performance obligations under the terms of the contracts with customers are satisfied. Prior to the adoption of ASC 606, the Organization recognized revenue when persuasive evidence of an arrangement existed, delivery of products had occurred, the sales price was fixed or determinable and collectability was reasonably assured.

Donated Assets

Donated investments and other noncash donations are recorded as contributions at their fair values at the date of donation.

Donated Services

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. Volunteers also provided fund-raising services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Functional Allocation of Expenses

The costs of providing program services, management and general, and fundraising activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Program service costs that can be directly identified with a program are charged to the appropriate program, and costs that can be directly identified as fundraising are charged to fund-raising expense. Supporting services, including administration and senior management costs, are allocated to programs, management and general, and fundraising based on estimates of time spent on those activities.

Advertising

The Organization uses advertising costs for community outreach services, thrift store and the hot line. Advertising costs are expensed as incurred. Advertising expense for 2024 and 2023 totaled \$7,355 and \$10,260, respectively.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is a not-for-profit organization that is exempt from income tax under section 501(c)(3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The Organization takes positions which it feels are adhering to the laws established by the taxing authorities; therefore, the Organization does not believe it has taken any uncertain tax positions which could subject it to penalties or interest and none have been accrued in the accompanying financial statements.

Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, October 24, 2024. See Note 17 for relevant disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued guidance (Accounting Standards Codification [ASC] 842, Leases) to increase transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the balance sheet. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Organization adopted the standard effective July 1, 2022 and recognized and measured leases existing at, or entered into after, July 1, 2022 (the beginning of the period of adoption) through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

The Organization elected the available practical expedients to account for existing capital leases and operating leases as finance leases and operating leases, respectively, under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

As a result of the adoption of the new lease accounting guidance, the Organization recognized on July 1, 2022 a lease liability of \$27,199, which represents the present value of the remaining operating lease payments of \$29,719 discounted using the incremental borrowing rates of 4.43% and 6.47%, and a right-of-use asset of \$27,199.

The standard had a material impact on the Organization's balance sheet, but did not have an impact on the income statements, nor statements of cash flows. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases.

Hubbard House, Inc.
Notes to Financial Statements

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

In June 2016, the FASB issued ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments, which is often referred to as the CECL model, or current expected credit losses. Among other things, the amendments in this ASU require the measurement of all expected credit losses for financial assets held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Financial institutions and other organizations will now use forward-looking information to better inform their credit loss estimates. Many of the loss estimation techniques applied today will still be permitted, although the inputs to those techniques will change to reflect the full amount of expected credit losses. In addition, the ASU amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration.

The Organization adopted ASU 2016-13 on July 1, 2023. The impact of the adoption was not considered material to the financial statements and primarily resulted in enhanced disclosures only. Please refer to the allowance for credit loss policy.

Note 3 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization maintains its financial assets primarily in cash and cash equivalents to provide liquidity to ensure funds are available as the Organization's expenditures come due. The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

The Organization is principally supported by governmental support and contributions.

<i>June 30,</i>	2024	2023
Total assets at year-end	\$ 12,413,346	\$ 11,693,155
Less non-financial assets		
Prepaid expenses and other assets	(6,375)	(734)
Operating lease right-of-use assets, net	(27,014)	(19,362)
Property and equipment, net	(4,996,854)	(5,182,605)
Financial assets, at year-end	7,383,103	6,490,454
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Investments - board designated	(398,250)	(305,469)
Restricted by donor with time or purpose restrictions	(878,793)	(654,892)
Financial assets available to meet cash needs for general expenditures within one year	\$ 6,106,060	\$ 5,530,093

Hubbard House, Inc.
Notes to Financial Statements

Note 4 – INVESTMENTS

The Organization has investments consisting of the following:

<i>June 30, 2024</i>	Cost	Market Value
Money market funds	\$ 47,347	\$ 47,347
Government securities	107,689	106,019
Corporate bonds	497,733	495,289
Equity securities	957,126	1,289,274
Total unrestricted and restricted investments	\$ 1,609,895	\$ 1,937,929

<i>June 30, 2023</i>	Cost	Market Value
Money market funds	\$ 121,055	\$ 121,055
Government securities	146,976	140,467
Corporate bonds	358,184	345,768
Equity securities	913,707	1,136,999
Mutual funds	2,634	3,180
Total unrestricted and restricted investments	\$ 1,542,556	\$ 1,747,469

Unrealized investments gains/losses are reported in the statement of activities. The following summarizes net investment income (loss) of the Organization:

<i>For the years ended June 30,</i>	2024	2023
Interest and dividends	\$ 50,188	\$ 32,902
Net realized and unrealized gains	159,138	161,356
Brokerage fees	(17,493)	(16,330)
Total investment return	\$ 191,833	\$ 177,928

Hubbard House, Inc.
Notes to Financial Statements

Note 5 – PROPERTY AND EQUIPMENT

The components of property and equipment consist of the following at June 30, 2024 and 2023:

<i>June 30,</i>	2024	2023
Land	\$ 1,926,616	\$ 1,926,616
Building and related improvements	6,544,637	6,522,650
Equipment and furnishings	650,123	733,560
Vehicles	108,507	108,507
Leasehold improvements	162,026	147,055
Artwork	56,700	56,700
Total property and equipment	9,448,609	9,495,088
Less, accumulated depreciation	4,451,755	4,312,483
Property and equipment, net	\$ 4,996,854	\$ 5,182,605

Depreciation expense for the years ended June 30, 2024 and 2023 amounted to \$222,706 and \$221,264, respectively.

Note 6 – LEASES

The Organization has operating leases for equipment. The leases have remaining lease terms of 3 to 5 years, which may include options to extend or terminate the leases.

The components of lease expense consist of the following:

<i>For the years ended June 30,</i>	2024	2023
Operating lease cost	\$ 8,908	\$ 9,039

Weighted average remaining lease term and discount rates consist of the following:

<i>For the years ended June 30,</i>	2024	2023
Right-of-use assets obtained in exchange for lease obligations		
Operating leases	\$ 17,545	\$ 27,199
Weighted average remaining lease term		
Operating leases	4.13 years	3.29 years
Weighted average discount rate		
Operating leases	4.53%	5.45%

Hubbard House, Inc.
Notes to Financial Statements

Note 6 – LEASES (Continued)

Future minimum lease payments under non-cancellable leases as of June 30, 2024, were as follows:

<i>For the year ending June 30,</i>	Operating Leases
2025	8,268
2026	8,268
2027	5,268
2028	3,768
2029	3,768
Thereafter	314
Total future minimum lease payments	
	29,654
Less imputed interest	
	(2,640)
Present value of lease liabilities	
	\$ 27,014
Reported as of June 30, 2024	
Current portion of operating lease liabilities	12,107
Operating lease liabilities, less current portion	14,907
Total	
	\$ 27,014

Note 7 – NOTES PAYABLE

The Organization's obligations under its notes payable consist of the following:

<i>June 30,</i>	2024	2023
Shelter: A \$500,000 mortgage loan with a housing finance authority bearing an interest rate of 2.00% per annum, monthly installments of principal and interest of \$1,635 are due through March 1, 2026.	\$ 29,909	\$ 48,724
Outreach Center: A \$372,665 loan with a financial institution bearing an interest rate of 5% per annum, commencing on July 17, 2014, monthly installments of principle and interest of \$3,183 are due through February 17, 2028.	124,794	155,781
Total notes payable	\$ 154,703	\$ 204,505

Interest expense totaled \$9,506 and \$10,004 for the years ended June 30, 2024 and 2023, respectively.

Hubbard House, Inc.
Notes to Financial Statements

Note 7 – NOTES PAYABLE (Continued)

Maturities of notes payable subsequent to June 30, 2024 consists of the following:

<i>For the years ending June 30,</i>	Amount
2025	\$ 50,759
2026	44,624
2027	35,786
2028	23,534
Total	\$ 154,703

Note 8 – LINE OF CREDIT

The Organization has secured a \$200,000 line of credit with a financial institution for short-term working capital requirements. The advances under the line of credit accrue interest per annum at the bank's prime rate. The advances are secured by furniture, fixtures and equipment. No advances were outstanding at June 30, 2023. The line of credit expired on January 12, 2024, and was not renewed.

Note 9 – NET ASSETS

A summary of net assets without donor restrictions consists of the following:

<i>June 30,</i>	2024	2023
Undesignated	\$ 10,642,802	\$ 10,230,612
Board designated Endowments	398,250	305,469
Total net assets without donor restrictions	\$ 11,041,052	\$ 10,536,081

A summary of net assets with donor restrictions consists of the following:

<i>June 30,</i>	2024	2023
Endowment-Shelter	\$ 550,000	\$ 550,000
Specific program	85,316	59,427
Specific purpose	243,477	45,465
Total net assets with donor restrictions	\$ 878,793	\$ 654,892

Hubbard House, Inc.
Notes to Financial Statements

Note 9 – NET ASSETS (Continued)

A summary of the release of donor restrictions consists of the following:

<i>For the years ended June 30,</i>	2024	2023
Specific program	\$ 58,134	\$ 37,928
Specific purpose	39,242	10,150
Total net assets released from donor restrictions	\$ 97,376	\$ 48,078

Note 10 – SUPPORT RECEIVED WHICH REQUIRED MATCH

The Organization receives a substantial portion of its support under grant contracts with several Federal and State of Florida governmental agencies. These contracts are renegotiated annually. Although a maximum amount is established during the negotiation process, income is earned on a reimbursement basis; that is, income can be recognized only to the extent of eligible expenses incurred. The Organization had fixed price and/or unit of service contracts that required cost sharing or match. The Organization met the matching requirements of these contracts for the years ending June 30, 2024 and 2023.

Note 11 – ENDOWMENTS

Hubbard House Shelter Endowments

A gift was received to establish an endowment for the maintenance and preservation of the Organization's current shelter. The gift places restrictions on the use of the endowment's principal. In any given fiscal year, the income of the fund, not to exceed five percent of the market value of the fund at the close of the previous fiscal year, may be disbursed. The remaining income would increase the endowment funds to offset the effects of inflation. The endowment funds corpus of \$550,000 may be used to repair the structure should it suffer a catastrophic event. The funds in this endowment are restricted in perpetuity under the provision of the gift agreement. The Organization has established an investment policy to manage the endowment funds.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities. The Organization expects its endowment assets, over time, to produce an average rate of return of which exceeds 5% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to prevent exposing the fund to unacceptable levels of risk.

Endowment net asset composition by type of fund consists of the following:

<i>June 30,</i>	2024	2023
Endowment funds with donor restrictions	\$ 550,000	\$ 550,000
Board-designated endowment funds without donor restrictions	398,250	305,469
Total endowment funds	\$ 948,250	\$ 855,469

Hubbard House, Inc.
Notes to Financial Statements

Note 11 – ENDOWMENTS (Continued)

During the years ended June 30, 2024 and 2023, the trustee of the endowment did not approve any expenditures.

Changes in endowment net assets consists of the following for the years ended June 30, 2024 and 2023:

<i>June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2024 Total
Endowment net assets, beginning of year	\$ 305,469	\$ 550,000	\$ 855,469
Investment income	22,661	-	22,661
Net appreciation	70,120	-	70,120
Endowment net assets, end of year	\$ 398,250	\$ 550,000	\$ 948,250

<i>June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2023 Total
Endowment net assets, beginning of year	\$ 220,152	\$ 550,000	\$ 770,152
Investment income	17,853	-	17,853
Net appreciation	67,464	-	67,464
Endowment net assets, end of year	\$ 305,469	\$ 550,000	\$ 855,469

In addition, a gift designated for the Organization was made to the Community Foundation for Northeast Florida during the year ended June 30, 2007. The funds are managed by the Community Foundation for Northeast Florida, and on an annual basis the net investment income will be made available to support the Organization's ongoing operation. Distributions totaling \$23,357 and \$21,240 were made for the years ended June 30, 2024 and 2023, respectively, which are recorded as contributions revenue in the Statements of Activities. All amounts relating to this endowment fund are excluded from the accompanying financial statements. The balance was \$661,296 and \$578,484 at June 30, 2024 and 2023, respectively.

Note 12 – FAIR VALUE MEASUREMENTS

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Note 12 – FAIR VALUE MEASUREMENTS (Continued)

Level 2: Significant other observable inputs other than Level 1 prices, such as:

- 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; or
 - can be corroborated by observable market data.

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.

The asset 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 maximize the use of relevant 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 June 30, 2024 and 2023.

Money market funds: Valued using a net asset value of \$1.

Government securities and corporate bonds: Valued using quoted prices in active markets for identical assets accessed at the measurement date.

Equity securities: Valued at the daily closing price as reported by the fund. Securities held by the Organization are registered with the SEC. These securities are required to publish their daily net asset value (NAV) and to transact at that price. The securities held by the Organization are deemed to be actively traded.

Mortgage-backed securities: Valued using pricing models maximizing the use of observable inputs for similar securities.

Asset-backed securities: Asset-backed securities classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets for identical assets accessed at the measurement date. Asset-backed securities classified in Level 2 of the fair value hierarchy are valued using pricing models maximizing the use of observable inputs for similar securities.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily NAV and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

Hubbard House, Inc.
Notes to Financial Statements

Note 12 – FAIR VALUE MEASUREMENTS (Continued)

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 fair value of certain financial instruments could result in different fair value measurements at the reporting date.

Assets and liabilities measured at fair value on a recurring basis consists of the following:

<i>June 30, 2024</i>	Fair value	Level 1	Level 2	Level 3
Money market funds	\$ 47,348	\$ 47,348	\$ -	\$ -
Government securities	105,978	105,978	-	-
Corporate bonds	376,577	376,577	-	-
Equity securities	1,269,716	1,269,716	-	-
Equity securities - real estate	14,510	14,510	-	-
Asset-backed securities	118,712	107,257	11,455	-
Mortgage-backed securities	42	-	42	-
Mutual funds	5,046	5,046	-	-
Total investments	\$ 1,937,929	\$ 1,926,432	\$ 11,497	\$ -

<i>June 30, 2023</i>	Fair value	Level 1	Level 2	Level 3
Money market funds	\$ 121,053	\$ 121,053	\$ -	\$ -
Government securities	140,416	125,769	14,647	-
Corporate bonds	279,331	279,331	-	-
Equity securities	1,124,284	1,090,280	34,004	-
Equity securities - real estate	12,716	8,530	4,186	-
Mortgage-backed security	51	44	7	-
Asset-backed securities	66,438	66,438	-	-
Mutual Funds	3,180	3,180	-	-
Total investments	\$ 1,747,469	\$ 1,694,625	\$ 52,844	\$ -

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluated the significance of transfer between levels based upon the nature of the financial instrument and size of the transfer relative to total assets. For the years ended June 30, 2024 and 2023, there were no significant transfers in or out of Levels 1, 2 or 3.

Note 13 – CONCENTRATIONS

The Organization maintains cash balances at a financial institution, which may at times exceed Federal Deposit Insurance Corporation (FDIC) limits. Accounts at each institution are insured by the FDIC up to \$250,000. The Organization has not experienced any losses in such accounts. Cash in excess of insured limits at June 30, 2024 and 2023 totaled \$4,565,953 and \$3,373,415, respectively.

For the year ended June 30, 2024 and 2023, 62% and 61%, respectively, of revenue was derived from governmental sources.

Note 14 – TAX-DEFERRED ANNUITY PLAN

The Organization participates in a tax deferred annuity plan under Internal Revenue Service Code 403(b). Employees working 1,000 hours per year with more than two (2) years of continuous service are eligible for the plan and can contribute into the plan up to IRS yearly limits. The employer may contribute up to 5% of the eligible wages into the plan. For the year ending June 30, 2024 and 2023, employer contributions totaled \$115,307 and \$114,883 respectively.

Note 15 – RELATED PARTY TRANSACTIONS

The Organization received \$329,692 and \$423,839 in unrestricted contributions from its affiliate, Hubbard House Foundation, Inc. for the year ended June 30, 2024 and 2023, respectively.

The Organization also received \$50,000 from Hubbard House Foundation, Inc. for management and general expenses for both years ended June 30, 2024 and 2023. These amounts are included in public contributions in the statements of activities.

Hubbard House, Inc.
Notes to Financial Statements

Note 16 – SALES TO THE PUBLIC (THRIFT STORE)

The Organization operates a thrift store in Jacksonville and solicits clothing, furniture and other articles for sale to the public. The inventory of unsold clothing and articles on hand at June 30, 2024 and 2023 are not included in the financial statements since they were determined to be immaterial.

The following is the activity of the thrift store.

<i>For the years ended June 30,</i>	2024	2023
Sales, net of sales tax	\$ 320,285	\$ 342,656
Recycling, net	1,949	2,734
Total sales and recycling	322,234	345,390
Expenses:		
Personnel	180,818	158,879
Supplies	2,304	2,036
Telephone	4,765	8,368
Occupancy	55,256	57,502
Equipment and Maintenance	2,441	1,421
Transportation	10,058	1,619
Bank Fees	15,804	16,455
Insurance	14,451	12,678
Other	4,679	8,928
Total expenses	290,576	267,886
Gain on thrift store sales, net	\$ 31,658	\$ 77,504

Note 17 – SUBSEQUENT EVENTS

Management evaluated all events or transactions that occurred after June 30, 2024 through October 24, 2024, the date of the Organization’s financial statements were available to be issued. The following item occurred:

On September 30, 2024, the Organization paid the remaining balance of the Outreach Center note payable. Total payment was in the amount of \$117,132.

SUPPLEMENTARY INFORMATION

Hubbard House, Inc.
Schedule of Expenditures of Federal Awards
Year ended June 30, 2024

	Assistance Listing Number	Contract Grant Number	Expenditures	Total by Program	Passed Through to Subrecipients
Federal Grantor/Pass -Through Grantor/Program					
<i>US Department of Health and Human Services/ Florida Department of Children and Families/</i>					
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Serv	93.671	LN224	\$ 387,305	\$ 387,305	\$ -
Temporary Assistance for Needy Families	93.558	LN224	284,135	284,135	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	LN224	81,818	81,818	-
Total US Department of Health and Human Services			753,258		
<i>US Department of Justice/ State of Florida Department of Legal Affairs/</i>					
Crime Victim Assistance	16.575	VOCA-2022-740	400,032		-
Crime Victim Assistance	16.575	VOCA-2022-813	4,529		-
Crime Victim Assistance	16.575	VOCA-C-2023-00011	999,361		-
Crime Victim Assistance	16.575	VOCA-C-2023-00012	42,014	1,445,936	-
Violence Against Women - Formula Grants	16.588	LN258	24,666	24,666	-
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalki	16.736	OVW-2020-17676	95,659	95,659	-
Crime Victim Assistance/ Discretionary	16.582	O-OVC-2022-171328	18,694	18,694	-
Total US Department of Justice			1,584,955		
<i>US Department of Housing and Urban Development/ Changing Homelessness Jacksonville, Inc./</i>					
Continuum of Care Program	14.267	FL0899D4H102100	149,221		-
Continuum of Care Program	14.267	FL0731L4H102204	527,329		-
Continuum of Care Program	14.267	FL0899D4H102201	438,047		-
Continuum of Care Program	14.267	FL0731L4H102305	24,630	1,139,227	-
Total US Department of Housing and Urban Development			1,139,227		
<i>US Department of Homeland Security/ FEMA</i>					
Emergency Food and Shelter Program	97.024	160800-013	26,000	26,000	
Total US Department of Homeland Security			26,000		
Total Expenditures of Federal Awards			\$ 3,503,440	\$ 3,503,440	\$ -

See notes to Schedule of Expenditures of Federal Awards.

Hubbard House, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal spending of Hubbard House, Inc. (the “Organization”) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not represent the financial position of the Organization.

Note 2 – INDIRECT COST RATE

The Uniform Guidance allows an organization to elect a 10% de minimis indirect cost rate. During the year ended June 30, 2024, the Organization did elect to use the allowed 10% indirect cost rate.

Note 3 – LOAN/LOAN GUARANTEE OUTSTANDING BALANCES

The Organization did not have any federal loans or loan guarantees outstanding during the year ended June 30, 2024.

Note 4 – SUBRECIPIENTS

During the year ended June 30, 2024, the Organization had no subrecipients.

Note 5 – NONCASH ASSISTANCE AND OTHER

The Organization did not receive any noncash assistance or federally funded insurance during the year ended June 30, 2024.

Note 6 – CONTINGENCIES

Grant monies received and disbursed by the Organization are for specific purposes and are subject to review by the grantor agencies. Such audits may result in requests for reimbursement due to disallowed expenditures. Based upon experience, the Organization does not believe that such disallowance, if any, would have a material effect on the financial position of the Organization.

Hubbard House, Inc.
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

Note 7 – FEDERAL PASS-THROUGH ENTITIES

The Organization is also the sub-recipient of federal funds that have been subjected to testing and are reported as expenditures and listed as federal pass-through funds. Federal awards other than those indicated as pass-through are considered to be direct.

Hubbard House, Inc.
Schedule of Source and Expenditures of City Grant Funds
Year Ended June 30, 2024

City of Jacksonville Public Service Grants for Fiscal Year 2022/2023 Audit*

Receipt of City Funds

	City FY 2022- 2023 Grant No. 652110-23	City FY 2023- 2024 Grant No. 668603-24
Amount of Award	\$ 150,000	\$ 150,000
Actual Funds Received from City in last audit period	(132,931)	-
Actual Amount Received this period	(17,069)	(136,214)
Amount Remaining	<u>\$ -</u>	<u>\$ 13,786</u>

Expenditures of City Funds

City FY 2022-2023 Grant No. 652110-23 - \$150,000

<u>Item</u>	(Unaudited) Budget	Actual 10/1/2022 - 6/30/2023	Actual 7/1/2023 - 9/30/2023	Total Actual	Remaining Balance
Telephone	\$ 40,000	\$ 40,000	\$ -	\$ 40,000	\$ -
Utilities	90,000	75,572	14,428	90,000	-
Security Monitoring	20,000	17,359	2,641	20,000	-
Total	<u>\$ 150,000</u>	<u>\$ 132,931</u>	<u>\$ 17,069</u>	<u>\$ 150,000</u>	<u>\$ -</u>

City FY 2023-2024 Grant No. 668603-24 - \$150,000

<u>Item</u>	(Unaudited) Budget	Actual 10/1/2023 - 6/30/2024	Actual 7/1/2024 - 9/30/2024	Total Actual	Remaining Balance
Telephone	\$ 40,000	\$ 40,000	\$ -	\$ 40,000	\$ -
Utilities	90,000	76,214	-	76,214	13,786
Security Monitoring	20,000	20,000	-	20,000	-
Total	<u>\$ 150,000</u>	<u>\$ 136,214</u>	<u>\$ -</u>	<u>\$ 136,214</u>	<u>\$ 13,786</u>

*per Ordinance Code Chapter 118.205(e)

Hubbard House, Inc.
Schedule of Source and Expenditures of City Grant Funds
Year Ended June 30, 2024

City of Jacksonville Public Service Grants for Fiscal Year 2023/2024 Audit* (continued)

<u>Receipt of City Funds</u>	<u>City FY 2022- 2023 Grant No. 653662-23</u>	<u>City FY 2023- 2024 Grant No. 668605-24</u>
Amount of Award	\$ 56,856	\$ 64,868
Actual Funds Received from City in last audit period	(34,469)	-
Actual Amount Received this period	(7,476)	(22,739)
Amount Remaining	<u>\$ 14,911</u>	<u>\$ 42,129</u>

Expenditures of City Funds

City FY 2023-2024 Grant No. 653662-23- \$56,856

<u>Item</u>	<u>(Unaudited) Budget</u>	<u>Actual 10/1/2022 - 6/30/2023</u>	<u>Actual 7/1/2023 - 9/30/2023</u>	<u>Total Actual</u>	<u>Remaining Balance</u>
Wages	\$ 36,766	\$ 30,363	\$ 6,402	\$ 36,766	\$ -
FICA	2,813	2,319	494	2,813	-
Health	6,240	-	-	-	6,240
Dental	96	-	-	-	96
Life	109	64	28	92	17
Other Ins.	783	462	176	638	145
Workers Comp.	1,118	1,068	49	1,118	-
Unemployment Ins.	32	19	-	19	13
Retirement	-	-	-	-	-
Office and Other Supplies	500	174	326	500	-
Computer Supplies	500	-	-	-	500
Staff Training	200	-	-	-	200
Local Mileage	200	-	-	-	200
Client Food	1,000	-	-	-	1,000
Client Personal	6,500	-	-	-	6,500
Total	<u>\$ 56,856</u>	<u>\$ 34,469</u>	<u>\$ 7,476</u>	<u>\$ 41,945</u>	<u>\$ 14,911</u>

City FY 2023-2024 Grant No. 668605-24- \$64,868

<u>Item</u>	<u>(Unaudited) Budget</u>	<u>Actual 10/1/2023 - 6/30/2024</u>	<u>Actual 7/1/2024 - 9/30/2024</u>	<u>Total Actual</u>	<u>Remaining Balance</u>
Wages	\$ 42,848	\$ 18,642	\$ -	\$ 18,642	\$ 24,206
FICA	3,256	1,423	-	1,423	1,833
Health	6,360	-	-	-	6,360
Dental	96	-	-	-	96
Life	151	57	-	57	94
Other Ins.	660	355	-	355	305
Workers Comp.	1,414	342	-	342	1,072
Unemployment Ins.	40	27	-	27	13
Retirement	1,142	303	-	303	839
Computer Support & Supplies	500	212	-	212	288
Local Mileage	200	-	-	-	200
Office and Other Supplies	500	355	-	355	145
Staff Training	200	-	-	-	200
Client Food	1,000	-	-	-	1,000
Client Personnel	6,500	1,022	-	1,022	5,478
Total	<u>\$ 64,868</u>	<u>\$ 22,739</u>	<u>\$ -</u>	<u>\$ 22,739</u>	<u>\$ 42,129</u>

*per Ordinance Code Chapter 118.205(e)

ADDITIONAL REPORTS



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

To the Board of Directors of
Hubbard House, Inc.
Jacksonville, Florida

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 financial statements of Hubbard House, Inc. (the “Organization”), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement. 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.

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
October 24, 2024

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
Hubbard House, Inc.
Jacksonville, Florida

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Hubbard House, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of Auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements

of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is

less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Carr, Riggs & Ingram, L.L.C.

Jacksonville, Florida
October 24, 2024

Hubbard House, Inc.
Schedule of Findings and Questioned Costs
Year ended June 30, 2024

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements:

- | | |
|--|------------|
| 1. Type of Auditor’s report issued | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| c. Noncompliance material to the financial statements noted? | No |

Federal Awards

- | | |
|--|--|
| 1. Type of Auditor’s report issued on compliance for major programs | Unmodified |
| 2. Internal control over major programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiencies identified not considered to be material weaknesses? | None noted |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | No |
| 4. Identification of major programs: | |
| <u>Assistance Listing Number</u>
14.267 | <u>Federal Programs</u>
Continuum of Care |
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520? | Yes |

Section II – FINANCIAL STATEMENT FINDINGS

No matters are reportable.

Section III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters are reportable.

Hubbard House, Inc.
Schedule of Findings and Questioned Costs
Year ended June 30, 2024

Section IV – PRIOR FINDINGS AND QUESTION COSTS FOR FEDERAL AWARDS

No matters are reportable

Hubbard House, Inc.
Summary Schedule of Prior Audit Findings
June 30, 2024

There were no prior findings for the year ended June 30, 2023. Additionally, there are no current year findings that require corrective action.

