



**Hubbard House, Inc.**

**Financial Statements**

**June 30, 2022 and 2021**





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## **INDEPENDENT AUDITORS' 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. (the "Organization"), which comprise the statements of financial position as of June 30, 2022 and 2021, 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, 2022 and 2021, 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 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 Hubbard House, Inc. ability to

continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibility 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. 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. 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 schedule of source and expenditures of city grant funds is 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 November 7, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

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

Jacksonville, Florida  
November 7, 2022

**Hubbard House, Inc.**  
**Statements of Financial Position**

<i>June 30,</i>	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,293,147	\$ 2,579,967
Grants receivable	842,210	1,007,041
Prepaid expenses and other assets	27,125	7,055
Investments - unrestricted	799,856	919,561
Investments - board-designated endowment funds	220,152	333,450
Investments - endowment funds with donor restrictions	550,000	550,000
Property and equipment, net	5,375,333	5,602,741
<b>Total assets</b>	<b>\$ 11,107,823</b>	<b>\$ 10,999,815</b>
<b>Liabilities and Net Assets</b>		
Accounts payable	\$ 62,610	\$ 22,638
Accrued expenses	236,477	190,077
Grant liabilities	-	2,250
Notes payable	253,953	300,035
<b>Total liabilities</b>	<b>553,040</b>	<b>515,000</b>
<b>Net assets</b>		
Without donor restrictions	9,948,248	9,858,981
With donor restrictions	606,535	625,834
<b>Total net assets</b>	<b>10,554,783</b>	<b>10,484,815</b>
<b>Total liabilities and net assets</b>	<b>\$ 11,107,823</b>	<b>\$ 10,999,815</b>

*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>	Without Donor Restriction	With Donor Restriction	2022 Total
<b>Revenue and Other Support</b>			
Government grants	\$ 3,522,330	\$ -	\$ 3,522,330
Contributions - public	1,907,350	54,255	1,961,605
Contributions - United Way, allocated and designated	98,007	-	98,007
Contributions - in-kind	22,756	-	22,756
Thrift store sales revenue	317,244	-	317,244
Less thrift store expenses	(234,821)	-	(234,821)
Net gain on thrift store sales	82,423	-	82,423
Investment income (loss), net	(232,805)	-	(232,805)
Miscellaneous	443	-	443
Net assets released from restrictions	73,554	(73,554)	-
<b>Total revenue and other support</b>	<b>5,474,058</b>	<b>(19,299)</b>	<b>5,454,759</b>
<b>Expenses</b>			
<i>Program Services</i>			
Assistance to clients	4,272,171	-	4,272,171
<i>Supporting Services</i>			
Management and general	726,214	-	726,214
Fundraising	386,406	-	386,406
<b>Total supporting services</b>	<b>1,112,620</b>	<b>-</b>	<b>1,112,620</b>
<b>Total expenses</b>	<b>5,384,791</b>	<b>-</b>	<b>5,384,791</b>
<b>Change in net assets</b>	<b>89,267</b>	<b>(19,299)</b>	<b>69,968</b>
Net assets at beginning of year	9,858,981	625,834	10,484,815
Net assets at end of year	\$ 9,948,248	\$ 606,535	\$ 10,554,783

*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>	Without Donor Restriction	With Donor Restriction	2021 Total
<b>Revenue and Other Support</b>			
Government grants	\$ 3,627,037	\$ -	\$ 3,627,037
Contributions - public	1,531,708	23,464	1,555,172
Contributions - United Way, allocated and designated	103,702	-	103,702
Contributions - in-kind	93,168	-	93,168
Thrift store sales revenue	290,546	-	290,546
Less thrift store expenses	(274,749)	-	(274,749)
Net gain on thrift store sales	15,797	-	15,797
Investment income, net	396,579	-	396,579
Gain on forgiveness of PPP loan	570,549	-	570,549
Miscellaneous	21,454	-	21,454
Net assets released from restrictions	432,473	(432,473)	-
<b>Total revenue and other support</b>	<b>6,792,467</b>	<b>(409,009)</b>	<b>6,383,458</b>
<b>Expenses</b>			
<i>Program Services</i>			
Assistance to clients	4,304,445	-	4,304,445
<i>Supporting Services</i>			
Management and general	670,986	-	670,986
Fundraising	289,379	-	289,379
Total supporting services	960,365	-	960,365
<b>Total expenses</b>	<b>5,264,810</b>	<b>-</b>	<b>5,264,810</b>
<b>Change in net assets</b>	<b>1,527,657</b>	<b>(409,009)</b>	<b>1,118,648</b>
Net assets at beginning of year	8,331,324	1,034,843	9,366,167
Net assets at end of year	\$ 9,858,981	\$ 625,834	\$ 10,484,815

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



**Hubbard House, Inc.**  
**Statements of Functional Expenses**

<i>For the year ended June 30, 2022</i>	<u>Program Services</u>		<u>Supporting Services</u>		
	Assistance to Clients	Management and General	Fundraising	Total	
Personnel	\$ 2,997,793	\$ 451,965	\$ 284,205	\$	3,733,963
Contract services	60,538	59,939	5,206	\$	125,683
Supplies	22,639	15,225	1,819	\$	39,683
Telephone	78,792	3,918	1,468	\$	84,178
Postage	2,184	814	5,030	\$	8,028
Occupancy	269,602	1,334	-	\$	270,936
Equipment, maintenance and rental	57,609	95,921	13,734	\$	167,264
Printing	59,070	2,446	25,520	\$	87,036
Transportation	21,801	5,470	339	\$	27,610
Conventions and meetings	19,132	2,464	21,068	\$	42,664
Assistance to individuals	363,735	-	-	\$	363,735
Dues and subscriptions	2,541	8,926	75	\$	11,542
Bank fees	4,105	27,168	9,320	\$	40,593
Insurance	98,088	18,644	8,165	\$	124,897
Other expenses	21,515	2,763	-	\$	24,278
Depreciation	193,027	29,217	10,457	\$	232,701
<b>Total expenses</b>	<b>\$ 4,272,171</b>	<b>\$ 726,214</b>	<b>\$ 386,406</b>	<b>\$</b>	<b>5,384,791</b>

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

**Hubbard House, Inc.**  
**Statements of Functional Expenses**

<i>For the year ended June 30, 2021</i>	<u>Program Services</u>	<u>Supporting Services</u>			Total
	Assistance to Clients	Management and General	Fundraising		
Personnel	\$ 3,047,238	\$ 534,402	\$ 194,884	\$	3,776,524
Contract services	80,772	34,533	-	-	115,305
Supplies	30,424	10,372	1,492	-	42,288
Telephone	69,206	3,400	1,481	-	74,087
Postage	2,671	1,034	5,313	-	9,018
Occupancy	208,215	575	-	-	208,790
Equipment, maintenance and rental	81,958	35,744	26,274	-	143,976
Printing	25,664	1,125	19,810	-	46,599
Transportation	3,253	526	6,374	-	10,153
Conventions and meetings	13,996	1,798	5,338	-	21,132
Assistance to individuals	422,695	-	-	-	422,695
Dues and subscriptions	4,846	8,267	75	-	13,188
Bank fees	6,401	22,029	6,093	-	34,523
Interest	-	2,180	-	-	2,180
Insurance	92,128	-	-	-	92,128
Other	27,763	6,593	442	-	34,798
Depreciation	187,215	8,408	21,803	-	217,426
<b>Total expenses</b>	<b>\$ 4,304,445</b>	<b>\$ 670,986</b>	<b>\$ 289,379</b>	<b>\$</b>	<b>5,264,810</b>

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

**Hubbard House, Inc.**  
**Statements of Cash Flows**

<i>For the year ended June 30,</i>	<b>2022</b>	<b>2021</b>
<b>Operating Activities</b>		
Change in net assets	\$ 69,968	\$ 1,118,648
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	232,701	217,426
Donated assets	-	(56,697)
PPP loan forgiveness	-	(570,549)
Unrealized and realized loss (gain) on investments	236,795	(372,215)
Changes in assets and liabilities:		
Grants receivable	164,831	(200,872)
Prepaid expenses and other assets	(20,070)	19,727
Accounts payable	39,972	13,694
Accrued expenses	46,400	71,222
Deferred revenue	(2,250)	(18,250)
Net cash provided by (used in) operating activities	<b>768,347</b>	222,134
<b>Investing Activities</b>		
Purchase of investments	(750,918)	(734,528)
Proceeds from sale of investments	747,127	797,576
Purchase of property and equipment	(5,293)	(169,320)
Net cash provided by (used in) investing activities	<b>(9,085)</b>	(106,272)
<b>Financing Activities</b>		
Payments on notes payable	(46,082)	(64,409)
Net cash provided by (used in) financing activities	<b>(46,082)</b>	(64,409)
Net change in cash and cash equivalents	<b>713,180</b>	51,453
Cash and cash equivalents, beginning of year	<b>2,579,967</b>	2,528,514
Cash and cash equivalents, end of year	<b>\$ 3,293,147</b>	\$ 2,579,967
<b>Schedule of Certain Cash Flow Information</b>		
Cash paid for interest	<b>\$ 9,698</b>	\$ 13,742

*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.

**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.

***Cash and Cash Equivalents***

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

***Grants Receivable***

Grants receivable are for grants earned from governmental agencies. The Organization has determined that an uncollectible allowance is not required, and the balance is expected to be fully collectible.

**Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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
Outreach center	5-39
Leasehold improvements	5-39

***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.

**Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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 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 Company 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.

**Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***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 2022 and 2021 totaled \$6,779 and \$7,250, respectively.

***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.

***Reclassifications***

Certain reclassifications were made to prior year balances to conform to current year presentation.

***Subsequent Events***

Management has evaluated subsequent events through the date that the financial statements were available to be issued, November 7, 2022. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

***Accounting Pronouncements Issued but Not Yet Adopted***

Accounting Standards Update 2016-02

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842). The guidance in this ASU and its amendments supersedes the leasing guidance in Topic 840, entitled *Leases*. Under the guidance, lessees are required to recognize assets and liabilities on the consolidated statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of activities. For nonpublic entities, the standard is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Agency is currently evaluating the impact of this ASU on the Agency's financial reporting.

**Hubbard House, Inc.**  
**Notes to Financial Statements**

**Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***Recent Accounting Pronouncements***

Accounting Standards Update 2020-07

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities* (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This change in accounting principal is effective for fiscal years beginning after June 15, 2021. This change in accounting principal did not have a material impact on the financial statements.

**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 Organization has access to a \$200,000 line of credit, if needed. Additional funds of approximately \$20,000 are provided annually through an endowment established for the benefit of the Organization. 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.

<i>June 30,</i>	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 3,293,147	\$ 2,579,967
Grants receivable	842,210	1,007,041
Investments - unrestricted	799,856	919,561
Investments - board designated	220,152	333,450
Investments - restricted	550,000	883,450
Financial assets, at year-end	5,705,365	5,723,469
Less those unavailable for general expenditures within one year, due to contractual or donor-imposed restrictions:		
Investments - board designated	(220,152)	(333,450)
Donor restricted for specific purpose	(18,607)	(27,896)
Donor restricted for specific program	(37,928)	(47,938)
Donor restricted endowment	(550,000)	(550,000)
Financial assets available to meet cash needs for general expenditures	\$ 4,878,678	\$ 4,764,185



**Hubbard House, Inc.**  
**Notes to Financial Statements**

**Note 4 – INVESTMENTS**

The Organization has investments consisting of the following:

<i>June 30, 2022</i>	Cost	Market Value	Unrealized Gain
Money market funds	\$ 86,478	\$ 86,478	\$ -
Government securities	155,669	148,136	(7,533)
Corporate bonds	377,301	355,545	(21,756)
Equity securities	922,761	979,849	57,088
<b>Total unrestricted and restricted investments</b>	<b>\$ 1,542,209</b>	<b>\$ 1,570,008</b>	<b>\$ 27,799</b>

<i>June 30, 2021</i>	Cost	Market Value	Unrealized Gain
Money market funds	\$ 60,900	\$ 60,900	\$ -
Government securities	439,652	442,703	3,051
Corporate bonds	92,963	93,101	138
Equity securities	892,571	1,206,307	313,736
<b>Total unrestricted and restricted investments</b>	<b>\$ 1,486,086</b>	<b>\$ 1,803,011</b>	<b>\$ 316,925</b>

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>	<b>2022</b>	2021
Interest and dividends	\$ 22,256	\$ 41,180
Net realized and unrealized gains (losses)	<b>(237,013)</b>	372,215
Brokerage fees	<b>(18,048)</b>	(16,816)
<b>Total investment return</b>	<b>\$ (232,805)</b>	<b>\$ 396,579</b>

**Note 5 – 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 5 – 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, 2022 and 2021.

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

*Government securities and corporate bonds:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

*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. There is an active TBA ("to-be-announced") market for mortgage pools, which is the basis for determining many prices, yields, and option-adjusted spreads in the mortgage arena.

*Asset-backed securities:* Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on the option-adjusted discounted cash flow model. The significant inputs to this model include yield and prepayment speed.

**Hubbard House, Inc.**  
**Notes to Financial Statements**

**Note 5 – FAIR VALUE MEASUREMENTS (Continued)**

The following are the major categories of assets measured at fair value on a recurring basis:

<i>June 30, 2022</i>	Fair value	Level 1	Level 2	Level 3
Money market funds	\$ 89,119	\$ 89,119	\$ -	\$ -
Government securities	64,851	64,851	-	-
Corporate bonds	247,201	247,201	-	-
Equity securities	960,849	963,491	-	-
Equity securities - real estate	16,360	16,360	-	-
Mortgage-backed security	108,343	67,321	41,022	-
Asset-backed securities	83,285	-	83,285	-
<b>Total investments</b>	<b>\$ 1,570,008</b>	<b>\$ 1,448,343</b>	<b>\$ 124,307</b>	<b>\$ -</b>

<i>June 30, 2021</i>	Fair value	Level 1	Level 2	Level 3
Money market funds	\$ 62,649	\$ 62,649	\$ -	\$ -
Government securities	442,703	348,335	94,368	-
Corporate bonds	61,383	61,383	-	-
Equity securities	1,184,105	1,183,188	917	-
Equity securities - real estate	20,454	20,454	-	-
Asset-backed securities	31,717	10,198	21,519	-
<b>Total investments</b>	<b>\$ 1,803,011</b>	<b>\$ 1,686,207</b>	<b>\$ 116,804</b>	<b>\$ -</b>

**Note 6 – PROPERTY AND EQUIPMENT**

The components of property and equipment are as follows:

<i>June 30,</i>	2022	2021
Land	\$ 1,926,616	\$ 1,926,616
Building and related improvements	4,907,744	4,907,743
Equipment and furnishings	734,288	734,288
Vehicles	108,507	108,507
Outreach center	1,591,681	1,586,555
Leasehold improvements	147,055	144,231
Artwork	56,700	56,700
<b>Total property and equipment</b>	<b>9,472,591</b>	<b>9,464,640</b>
<b>Less, accumulated depreciation</b>	<b>4,097,258</b>	<b>3,861,899</b>
<b>Property and equipment, net</b>	<b>\$ 5,375,333</b>	<b>\$ 5,602,741</b>

Depreciation expense for the year ended June 30, 2022 and 2021 totaled \$232,701 and \$217,426, respectively.

**Hubbard House, Inc.**  
**Notes to Financial Statements**

**Note 7 – NOTES PAYABLE**

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

<i>June 30,</i>	<b>2022</b>	<b>2021</b>
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.	\$ 68,689	\$ 86,745
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.	<b>185,264</b>	213,290
<b>Total notes payable</b>	<b>\$ 253,953</b>	<b>\$ 300,035</b>

Notes payable are scheduled to mature as follows:

<i>For the years ending June 30,</i>	<b>Amount</b>
2023	\$ 47,242
2024	49,214
2025	51,283
2026	46,239
2027	35,786
Thereafter	24,189
<b>Total</b>	<b>\$ 253,953</b>

Interest expense totaled \$9,698 and \$13,742 for the years ended June 30, 2022 and 2021, respectively.

**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, 2022 and 2021.

**Note 9 – NET ASSETS WITH DONOR RESTRICTIONS**

The following is a summary of net assets with donor restrictions:

<i>June 30,</i>	<b>2022</b>	2021
Endowment-Shelter	\$ <b>550,000</b>	\$ 550,000
Specific program	<b>37,928</b>	47,938
Specific purpose	<b>18,607</b>	27,896
<b>Total net assets with donor restrictions</b>	<b>\$ 606,535</b>	\$ 625,834

A summary of the release of donor restrictions follows:

<i>For the years ended December 31,</i>	<b>2022</b>	2021
Specific program	\$ <b>47,937</b>	\$ 142,930
Specific purpose	<b>25,617</b>	289,543
<b>Total net assets with donor restrictions</b>	<b>\$ 73,554</b>	\$ 432,473

**Note 10 – CONCENTRATION OF REVENUE**

For the year ended June 30, 2022 and 2021, 65% and 57%, respectively, of revenue was derived from governmental sources.

**Note 11 – 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, 2022 and 2021.

**Note 12 – 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.

**Hubbard House, Inc.**  
**Notes to Financial Statements**

**Note 12 – ENDOWMENTS (Continued)**

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 follows:

<i>June 30,</i>	<b>2022</b>	<b>2021</b>
Endowment funds with donor restrictions	\$ <b>550,000</b>	\$ 550,000
Board-designated endowment funds without donor restrictions	<b>220,152</b>	333,450
<b>Total endowment funds</b>	<b>\$ 770,152</b>	<b>\$ 883,450</b>

During the year ended June 30, 2022, the trustee of the endowment did not approve any expenditures. Changes in endowment net assets follow:

<i>June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2022 Total
Endowment net assets, beginning of year	\$ <b>333,450</b>	\$ <b>550,000</b>	\$ <b>883,450</b>
Investment income	<b>10,847</b>	-	<b>10,847</b>
Net appreciation (depreciation)	<b>(124,145)</b>	-	<b>(124,145)</b>
<b>Endowment net assets, end of year</b>	<b>\$ 220,152</b>	<b>\$ 550,000</b>	<b>\$ 770,152</b>

<i>June 30,</i>	Without Donor Restrictions	With Donor Restrictions	2021 Total
Endowment net assets, beginning of year	\$ 214,981	\$ 550,000	\$ 764,981
Investment income	21,011	-	21,011
Net appreciation (depreciation)	184,838	-	184,838
Amounts appropriated for expenditure	(87,380)	-	(87,380)
<b>Endowment net assets, end of year</b>	<b>\$ 333,450</b>	<b>\$ 550,000</b>	<b>\$ 883,450</b>

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 \$22,491 and \$20,882 were made for the years ended June 30, 2022 and 2021, 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 \$559,175 and \$673,074 at June 30, 2022 and 2021, respectively.

**Note 13 – CONCENTRATION OF CREDIT**

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 Company has not experienced any losses in such accounts. Cash in excess of insured limits at June 30, 2022 and 2021 totaled \$3,093,096 and \$2,409,027, respectively.

**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, 2022 and 2021, employer contributions totaled \$116,965 and \$104,066, respectively.

**Note 15 – RELATED PARTY TRANSACTIONS**

The Organization received \$376,621 and \$345,434 in unrestricted contributions from its affiliate, Hubbard House Foundation, Inc. for the year ended June 30, 2022 and 2021, respectively. The Organization also received \$50,000 from Hubbard House Foundation, Inc. for management and general expenses for both years ended June 30, 2022 and 2021. These amounts are included in public contributions in the statement of activities.

**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, 2022 and 2021 are not included in the financial statements since they were determined to be immaterial.

**Hubbard House, Inc.**  
**Notes to Financial Statements**

**Note 16 – SALES TO THE PUBLIC (THRIFT STORE) (Continued)**

The following is the activity of the thrift store.

<i>For the years ended June 30,</i>	<b>2022</b>	<b>2021</b>
Sales, net of sales tax	\$ <b>314,325</b>	\$ 289,695
Recycling, net	<b>2,919</b>	851
<b>Total sales and recycling</b>	<b>317,244</b>	290,546
Expenses:		
Personnel	<b>176,881</b>	199,322
Supplies	<b>2,256</b>	1,966
Telephone	<b>6,154</b>	3,230
Occupancy	<b>10,593</b>	32,840
Advertising	-	3,280
Equipment and Maintenance	<b>990</b>	-
Transportation	<b>4,613</b>	1,897
Bank Fees	<b>16,965</b>	-
Insurance	<b>10,351</b>	20,144
Other	<b>6,018</b>	12,070
<b>Total expenses</b>	<b>234,821</b>	274,749
<b>Gain (loss) on thrift store sales, net</b>	<b>\$ 82,423</b>	<b>\$ 15,797</b>

**Note 17 – COMMITMENTS**

The Organization leases certain office space and equipment accounted for as operating leases. Total lease expense for the years ended June 30, 2022 and 2021 was \$8,663 and \$7,721, respectively. The leases expire in various years through 2026.

The minimum future lease payments required under the operating leases as of June 30, 2022 are as follows:

<i>For the years ending June 30,</i>	<b>Amount</b>
2023	\$ 9,038
2024	9,038
2025	5,637
2026	4,502
2027	1,501
<b>Total future minimum lease payments</b>	<b>\$ 29,716</b>

**Note 18– UNCERTAINTIES**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, uncertainties have arisen that may have a significant negative impact on the operating activities and results of the Organization. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.



## **SUPPLEMENTARY INFORMATION**

**Hubbard House, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**Year ended June 30, 2022**

	Assistance Listing/CSFA Number	Contract Grant Number	Expenditures	Total by Program	Pass through to subrecipients
<b>Federal Grantor/Pass -Through Grantor/Program</b>					
<i>US Department of Health and Human Services/ Florida Department of Children and Families/ Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services</i>					
	93.671	LN140	\$ 332,305	\$ 332,305	\$ -
Temporary Assistance for Needy Families	93.558	LN140	284,135	284,135	-
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	LN140	70,371	70,371	-
<b>Total US Department of Health and Human Services</b>			<b>686,811</b>		
<i>US Department of Justice/ State of Florida Department of Legal Affairs/ Crime Victim Assistance</i>					
	16.575	V00644	355,364		-
	16.575	V00645	4,723		-
	16.575	V00640	1,127,603		-
	16.575	V00641	38,941	1,526,631	-
State Domestic Violence Against Women	16.588	LN140	89,152	89,152	-
Education, Training, & Enhanced Services to End Violence Against & Abuse of Women with Disabilities	16.529	601878-20	52,113		-
Education, Training, & Enhanced Services to End Violence Against & Abuse of Women with Disabilities	16.529	2018-X0012-FL-EW	765	52,878	-
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	OVW-2020-17676	46,802	46,802	-
<b>Total US Department of Justice</b>			<b>1,715,463</b>		
<i>US Department of Housing and Urban Development/ Changing Homeless Jacksonville, Inc./ Continuum of Care Program</i>					
	14.267	FL0731L4H101901	24,912		-
	14.267	FL0731L4H102002	155,880		-
	14.267	FL0731L4H102103	19,391	200,183	-
Safe Space Project	14.U01	FL0526L4H101006	15,521	15,521	-
<b>Total US Department of Housing and Urban Development</b>			<b>215,704</b>		
<i>US Department of Agriculture State of Florida/Florida Department of Health/ Child and Adult Care Food Program</i>					
	10.558	I-065	5,769	5,769	-
<b>Total US Department of Agriculture</b>			<b>5,769</b>		
<i>Federal Emergency Management Agency/ Emergency Food and Shelter National Board Program</i>					
	97.024	160800-013	22,100	22,100	-
<b>Total Federal Emergency Management Agency</b>			<b>22,100</b>		
<b>Total Expenditures of Federal Awards</b>			<b>\$ 2,645,847</b>	<b>\$ 2,645,847</b>	<b>\$ -</b>

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, 2022**

**Note 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying schedule of expenditures of federal awards includes the federal spending 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, 2022, 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, 2022.

**Note 4 – SUBRECIPIENTS**

During the year ended June 30, 2022, the Organization had no subrecipients.

**Note 5 – NONCASH ASSISTANCE AND OTHER**

The Organization did not receive any noncash assistance of federal funded insurance during the year ended June 30, 2022.

**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, 2022**

**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, 2022**

**City of Jacksonville Public Service Grants for Fiscal Year 2021/2022 Audit\***

**Receipt of City Funds**

	<u>City FY 2020- 2021 Grant No. 616084-21</u>	<u>City FY 2021- 2022 Grant No. 633988-22</u>
Amount of Award	\$ 150,000	\$ 150,000
Actual Funds Received from City in last audit period	(115,636)	(128,136)
Actual Amount Received this period	<u>(34,364)</u>	<u>-</u>
Amount Remaining	<u><u>\$ -</u></u>	<u><u>\$ 21,864</u></u>

**Expenditures of City Funds**

City FY 2020-2021 Grant No. 616084-21

<u>Item</u>	<u>(Unaudited) Budget</u>	<u>Actual 10/1/2020 - 6/30/2021</u>	<u>Actual 7/1/2021 - 9/30/2021</u>	<u>Total Actual</u>	<u>Remaining Balance</u>
Telephone	\$ 36,000	\$ 35,943	\$ 57	\$ 36,000	\$ -
Utilities	94,115	64,894	29,221	94,115	-
Security Monitoring	19,885	14,799	5,086	19,885	-
Total	<u><u>\$ 150,000</u></u>	<u><u>\$ 115,636</u></u>	<u><u>\$ 34,364</u></u>	<u><u>\$ 150,000</u></u>	<u><u>\$ -</u></u>

City FY 2021-2022 Grant No. 633988-22

<u>Item</u>	<u>(Unaudited) Budget</u>	<u>Actual 10/1/2021 - 6/30/2022</u>	<u>Actual 7/1/2022 - 9/30/2022</u>	<u>Total Actual</u>	<u>Remaining Balance</u>
Telephone	\$ 40,000	\$ 40,000	\$ -	\$ 40,000	\$ -
Utilities	90,000	72,469	-	72,469	17,531
Security Monitoring	20,000	15,667	-	15,667	4,333
Total	<u><u>\$ 150,000</u></u>	<u><u>\$ 128,136</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 128,136</u></u>	<u><u>\$ 21,864</u></u>

\*per Ordinance Code Chapter 118.205(e)

**Hubbard House, Inc.**  
**Schedule of Source and Expenditures of City Grant Funds**  
**Year ended June 30, 2022**

**City of Jacksonville Public Service Grants for Fiscal Year 2021/2022 Audit\* (continued)**

<u>Receipt of City Funds</u>	<u>City FY 2020- 2021 Grant No. 616096.21</u>	<u>City FY 2020- 2021 Grant No. 616096.21</u>
Amount of Award	\$ 46,758	\$ 53,165
Actual Funds Received from City in last audit period	(22,989)	-
Actual Amount Received this period	<u>(4,862)</u>	<u>(21,503)</u>
Amount Remaining	<u>\$ 18,907</u>	<u>\$ 31,662</u>

**Expenditures of City Funds**

City FY 2020-2021 Grant No. 616096.21

<u>Item</u>	<u>(Unaudited) Budget</u>	<u>Actual 10/1/2020 - 6/30/2021</u>	<u>Actual 7/1/2021 - 9/30/2021</u>	<u>Total Actual</u>	<u>Remaining Balance</u>
Wages	\$ 34,606	\$ 20,272	\$ 4,338	\$ 24,610	\$ 9,996
FICA	2,353	1,551	(55)	1,496	857
Health	6,000	-	500	500	5,500
Dental	-	-	-	-	-
Life	592	69	79	148	444
Workers Comp.	1,879	1,067	-	1,067	812
Unemployment Ins.	30	30	-	30	-
Retirement	1,298	-	-	-	1,298
Total	<u>\$ 46,758</u>	<u>\$ 22,989</u>	<u>\$ 4,862</u>	<u>\$ 27,851</u>	<u>\$ 18,907</u>

City FY 2021-2022 Grant No. 616096.21

<u>Item</u>	<u>(Unaudited) Budget</u>	<u>Actual 10/1/2021 - 6/30/2022</u>	<u>Actual 7/1/2022 - 9/30/2022</u>	<u>Total Actual</u>	<u>Remaining Balance</u>
Wages	\$ 39,520	\$ 18,735	\$ -	\$ 18,735	\$ 20,785
FICA	2,458	1,433	-	1,433	1,025
Health	6,000	250	-	250	5,750
Dental	96	4	-	4	92
Life	92	16	-	16	76
Other Ins.	798	202	-	202	596
Workers Comp.	1,462	817	-	817	645
Unemployment Ins.	32	22	-	22	10
Retirement	1,707	-	-	-	1,707
Office and Other Supplies	500	24	-	24	476
Computer Supplies	500	-	-	-	500
Total	<u>\$ 53,165</u>	<u>\$ 21,503</u>	<u>\$ -</u>	<u>\$ 21,503</u>	<u>\$ 31,662</u>

\*per Ordinance Code Chapter 118.205(e)

**Hubbard House, Inc.**  
**Schedule of Source Expenditures of City Grant Funds**  
**Year ended June 30, 2022**

City of Jacksonville Disabilities Grant for Fiscal Year 2021/2022 Audit\* (continued)

**Receipt of City Funds**

	<b>City FY 2020- 2022 Grant No. 601878-20</b>
Amount of Award (per City budget ordinance)	\$ 160,844
Actual Funds Received from City in Prior Years	(7,539)
Actual Funds Received from City in Last Audit Period	(12,306)
Actual Amount Received this Period	(4,027)
Amount Remaining	\$ 136,972

**Expenditures of City Funds**

City FY 2020 - 2022 Grant No. 601878-20 - \$160,844

<b>Item</b>	<b>(Unaudited) Budget</b>	<b>Actual 1/1/2020 - 6/30/2020</b>	<b>Actual 7/1/2020 - 9/30/2020</b>	<b>Actual 10/1/2020 - 6/30/2021</b>	<b>Actual 7/1/2021 - 9/30/2021</b>	<b>Total Actual</b>	<b>Remaining Balance</b>
<b>Compensation</b>							
Wages - Lead Education Specialist	\$ 34,320	\$ 6,316	\$ 3,223	\$ 7,210	\$ 3,561	\$ 20,310	\$ 14,010
Salaries - Chief Operating Officer	72,000	-	-	-	-	-	72,000
<b>Benefits</b>							
<b>Lead Education Specialist</b>							
FICA and Med Tax	2,626	484	248	558	273	1,563	1,063
Retirement	1,716	385	161	338	178	1,062	654
Worker's Compensation	948	332	175	314	15	836	112
Unemployment	150	22	-	79	-	101	49
<b>Victim Advocate</b>							
FICA and Med Tax	7,832	-	-	-	-	-	7,832
Health Insurance	15,902	-	-	-	-	-	15,902
Retirement	5,118	-	-	-	-	-	5,118
Worker's Compensation	2,038	-	-	-	-	-	2,038
Unemployment	442	-	-	-	-	-	442
Dental	192	-	-	-	-	-	192
Disability	312	-	-	-	-	-	312
Long Term Care	164	-	-	-	-	-	164
<b>Supplies</b>							
Office Supplies	3,000	-	-	-	-	-	3,000
Printing and Duplicating							-
<b>Telephone</b>							
Telephone Lease & Maintenance	1,800	-	-	-	-	-	1,800
<b>Travel</b>							
Local Travel	534	-	-	-	-	-	534
OWV Training/Travel	3,750	-	-	-	-	-	3,750
<b>Assistance to Individuals</b>							
Interpretation Services & Client Travel	8,000	-	-	-	-	-	8,000
<b>Total</b>	<b>\$ 160,844</b>	<b>\$ 7,539</b>	<b>\$ 3,807</b>	<b>\$ 8,499</b>	<b>\$ 4,027</b>	<b>\$ 23,872</b>	<b>\$ 136,972</b>

\*per Ordinance Code Chapter 118.205(e)

**Hubbard House, Inc.**  
**Schedule of Source Expenditures of City Grant Funds**  
**Year ended June 30, 2022**

City of Jacksonville Disabilities Grant for Fiscal Year 2021/2022 Audit\* (concluded)

**Receipt of City Funds**

	City FY 2022- 2023 Grant No. 601878-20
Amount of Award (per City budget ordinance)	\$ 136,852
Actual Funds Received from City in Prior Years	-
Actual Funds Received from City in Last Audit Period	-
Actual Amount Received this Period	(48,161)
Amount Remaining	\$ 88,691

**Expenditures of City Funds**

City FY 2021 - 2022 Extension Grant No. 601878-20 - \$136,852

	(Unaudited) Budget	Actual 10/1/2021 - 6/30/2022	Actual 7/1/2022 - 9/30/2022	Actual 10/1/2022 - 12/31/2022	Total Actual	Remaining Balance
<b>Compensation</b>						
Wages	\$ 21,216	\$ 11,275	\$ -	\$ -	\$ 11,275	\$ 9,941
<b>Benefits</b>						
<b>Lead Education Specialist</b>						
FICA and Med Tax	1,530	857	-	-	857	673
Retirement	1,060	560	-	-	560	500
Worker's Compensation	660	13	-	-	13	647
Unemployment	110	15	-	-	15	95
<b>Travel</b>						
OWV Training/Travel	3,750	-	-	-	-	3,750
<b>Assistance to Individuals</b>						
Interpretation Services & Client Travel	8,424	193	-	-	193	8,231
<b>Equipment</b>						
Production Company - Guide in ASL	42,500	35,248	-	-	35,248	7,252
Plain Language Consultant	10,000	-	-	-	-	10,000
Website Accessibility Design	41,000	-	-	-	-	41,000
Captioning	2,602	-	-	-	-	2,602
Accomodations Interpreting Services	4,000	-	-	-	-	4,000
<b>Total</b>	\$ 136,852	\$ 48,161	\$ -	\$ -	\$ 48,161	\$ 88,691

\*per Ordinance Code Chapter 118.205(e)



## **ADDITIONAL REPORTS**



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**INDEPENDENT AUDITORS' 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 statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 7, 2022.

**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 may exist that have not been 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  
November 7, 2022



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## **INDEPENDENT AUDITORS' 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 described 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, 2022. 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, 2022.

#### ***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 Auditors' 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.

### ***Auditors' 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 Auditors' 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  
November 7, 2022

**Hubbard House, Inc.**  
**Schedule of Findings and Questioned Costs**  
**Year ended June 30, 2022**

**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

*Financial Statements:*

- |  |            |
|--|------------|
| 1. Type of auditors’ 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 auditors’ 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>   | <u>Federal Programs</u> |
| 16.575   | Crime Victim Assistance |
| 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, 2022**

**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, 2022**

There were no prior findings for the year ended June 30, 2021. Additionally, there are no current year findings that require corrective action.