

LEE COUNTY HOMELESS COALITION, INC.
FINANCIAL STATEMENTS TOGETHER WITH
REPORT OF INDEPENDENT AUDITOR
YEARS ENDED
JUNE 30, 2017 AND 2016

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Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants

Private Companies Practice Section

Tax Division

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Lee County Homeless Coalition, Inc.
1500 Colonial Boulevard, Suite 235
Fort Myers, Florida 33907

Report on the Financial Statements

We have audited the accompanying financial statements of Lee County Homeless Coalition, Inc. (the "Coalition") (a Florida not-for-profit corporation), which comprise the statements of financial position as of June 30, 2017 and 2016 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Coalition's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Coalition's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting

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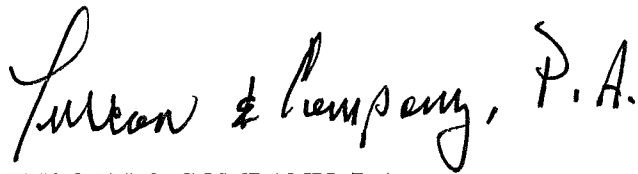
Board of Directors
Lee County Homeless Coalition, Inc.
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policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lee County Homeless Coalition, Inc. as of June 30, 2017 and 2016, 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.

A handwritten signature in black ink that reads "Tuscan & Company, P.A." in a cursive script.

TUSCAN & COMPANY, P.A.
Fort Myers, Florida
July 24, 2017

LEE COUNTY HOMELESS COALITION, INC.
STATEMENTS OF FINANCIAL POSITION
June 30, 2017 and 2016

ASSETS	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash	\$ 187,574	\$ 176,115
Contracts and grants receivable	9,604	6,511
Prepaid expenses	1,288	1,968
Deposits	<u>100</u>	<u>100</u>
TOTAL CURRENT ASSETS	198,566	184,694
PROPERTY AND EQUIPMENT, NET		
	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 198,566</u>	<u>\$ 184,694</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 17,630	\$ 23,189
Unearned revenue	<u>450</u>	<u>360</u>
TOTAL CURRENT LIABILITIES	18,080	23,549
COMMITMENTS AND CONTINGENCIES		
	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u>18,080</u>	<u>23,549</u>
 NET ASSETS		
Unrestricted	180,486	161,145
Temporarily restricted	<u>-</u>	<u>-</u>
TOTAL NET ASSETS	<u>180,486</u>	<u>161,145</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 198,566</u>	<u>\$ 184,694</u>

The accompanying notes are an integral part of this statement.

LEE COUNTY HOMELESS COALITION, INC.
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2017 and 2016

	2017		
	Unrestricted	Temporarily Restricted	Total
CHANGES IN NET ASSETS			
PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS			
Special Events	\$ 40,557	\$ -	\$ 40,557
Less: direct costs	(10,501)	-	(10,501)
Net proceeds from special events	30,056	-	30,056
Lee County Department of Human Services	-	20,700	20,700
Department of Children and Families	-	107,143	107,143
Membership dues	6,400	-	6,400
Donations	26,929	-	26,929
Interest and other income	928	-	928
TOTAL PUBLIC SUPPORT AND REVENUES	64,313	127,843	192,156
Net assets released from restrictions:			
Satisfaction of program restrictions	127,843	(127,843)	-
TOTAL PUBLIC SUPPORT, REVENUES AND RECLASSIFICATIONS	192,156	-	192,156
EXPENSES			
Program services	148,401	-	148,401
Supporting services	24,414	-	24,414
TOTAL EXPENSES	172,815	-	172,815
INCREASE (DECREASE) IN NET ASSETS	19,341	-	19,341
NET ASSETS, BEGINNING OF YEAR	161,145	-	161,145
NET ASSETS, END OF YEAR	\$ 180,486	\$ -	\$ 180,486

The accompanying notes are an integral part of this statement.

2016		
<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
\$ 50,890	\$ -	\$ 50,890
(13,402)	-	(13,402)
37,488	-	37,488
-	25,406	25,406
-	73,281	73,281
6,444	-	6,444
24,653	-	24,653
754	-	754
69,339	98,687	168,026
98,687	(98,687)	-
168,026	-	168,026
109,033	-	109,033
19,469	-	19,469
128,502	-	128,502
39,524	-	39,524
121,621	-	121,621
<u>\$ 161,145</u>	<u>\$ -</u>	<u>\$ 161,145</u>

The accompanying notes are an integral part of this statement.

LEE COUNTY HOMELESS COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2017

FUNCTIONAL EXPENSES	SUPPORTING SERVICES				2017 Total Expenses
	Program Services	Admin.	Fund Raising	Total Supporting Services	
Compensation and related expenses					
Salaries	\$ 63,318	\$ 3,725	\$ 7,449	\$ 11,174	\$ 74,492
Fringe benefits	921	54	108	162	1,083
Payroll taxes	<u>5,177</u>	<u>305</u>	<u>610</u>	<u>915</u>	<u>6,092</u>
	69,416	4,084	8,167	12,251	81,667
Depreciation	-	-	-	-	-
Equipment & software	412	-	-	-	412
Events	1,521	-	6,083	6,083	7,604
Miscellaneous	2,735	-	-	-	2,735
Postage	-	-	-	-	-
Printing & advertising	5,063	-	563	563	5,626
Professional fees	23,484	1,236	-	1,236	24,720
Rent and lease	7,487	1,604	1,604	3,208	10,695
Specific assistance to organizations	33,800	-	-	-	33,800
Staff training & development	648	38	76	114	762
Supplies	2,377	149	446	595	2,972
Telephone	-	-	-	-	-
Travel	<u>1,458</u>	<u>182</u>	<u>182</u>	<u>364</u>	<u>1,822</u>
TOTAL EXPENSES	<u>\$ 148,401</u>	<u>\$ 7,293</u>	<u>\$ 17,121</u>	<u>\$ 24,414</u>	<u>\$ 172,815</u>

The accompanying notes are an integral part of this statement.

LEE COUNTY HOMELESS COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2016

FUNCTIONAL EXPENSES	Program Services	SUPPORTING SERVICES			2016 Total Expenses
		Admin.	Fund Raising	Total Supporting Services	
Compensation and related expenses					
Salaries	\$ 61,195	\$ 3,600	\$ 7,199	\$ 10,799	\$ 71,994
Fringe benefits	383	23	45	68	451
Payroll taxes	<u>5,006</u>	<u>294</u>	<u>589</u>	<u>883</u>	<u>5,889</u>
	66,584	3,917	7,833	11,750	78,334
Depreciation	383	-	-	-	383
Equipment & software	413	-	-	-	413
Events	3,975	-	2,499	2,499	6,474
Miscellaneous	3,296	-	-	-	3,296
Postage	82	-	21	21	103
Printing & advertising	1,700	-	189	189	1,889
Professional fees	16,282	857	-	857	17,139
Rent and lease	7,987	1,712	1,712	3,424	11,411
Specific assistance to organizations	5,000	-	-	-	5,000
Staff training & development	263	15	31	46	309
Supplies	315	20	59	79	394
Telephone	1,144	67	135	202	1,346
Travel	<u>1,609</u>	<u>201</u>	<u>201</u>	<u>402</u>	<u>2,011</u>
TOTAL EXPENSES	<u>\$ 109,033</u>	<u>\$ 6,789</u>	<u>\$ 12,680</u>	<u>\$ 19,469</u>	<u>\$ 128,502</u>

The accompanying notes are an integral part of this statement.

LEE COUNTY HOMELESS COALITION, INC.
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from grants and contracts	\$ 124,750	\$ 113,994
Cash received from members	6,400	6,444
Cash received from donations	26,929	24,653
Cash received from fundraising and events	40,557	50,890
Interest and other income received	928	754
Cash payments to suppliers and personnel	<u>(188,105)</u>	<u>(133,518)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>11,459</u>	<u>63,217</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property & equipment	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	11,459	63,217
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>176,115</u>	<u>112,898</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 187,574</u>	<u>\$ 176,115</u>

The accompanying notes are an integral part of this statement.

**RECONCILIATION OF INCREASE (DECREASE) IN NET ASSETS
TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES**

	<u>2017</u>	<u>2016</u>
Increase (Decrease) in Net Assets	\$ 19,341	\$ 39,524
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided by (Used In) Operating Activities		
Depreciation	-	383
(Increase) decrease in contracts and grants receivable	(3,093)	16,497
(Increase) decrease in prepaid expenses	680	(179)
(Increase) decrease in deposits	-	-
Increase (decrease) in accts. payable and accrued liabilities	(5,469)	8,182
Increase (decrease) in unearned revenue	<u>-</u>	<u>(1,190)</u>
TOTAL ADJUSTMENTS	<u>(7,882)</u>	<u>23,693</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 11,459</u>	<u>\$ 63,217</u>

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and description of activities

Lee County Homeless Coalition, Inc. (the "Coalition") was incorporated on December 4, 2008 as a private, not-for-profit Florida corporation under the provisions of Chapter 617 of the Florida Statutes. The Coalition is an advocacy group made up of representatives from community and faith-based service providers, local businesses, people who are currently experiencing or who have experienced homelessness, and other advocates committed to ending homelessness. The Coalition began operations on September 1, 2009.

The Coalition's activities include, but are not limited to, increasing public awareness of issues related to homelessness, improving government's ability to implement effective services by conducting a census and survey of homeless people, assisting those who are homeless or are at risk of being homeless, increasing support and participation from local businesses in coalitions, programs, and activities, and performing fundraising events to raise money for services provided. Revenue is also generated from grants and contracts.

Mission statement

Lee County Homeless Coalition, Inc.'s mission is to advocate, educate, and promote awareness of issues and obstacles facing homeless individuals in Lee County through community collaboration, planning and implementing solutions. The goal of these efforts is to work to eradicate the causes of homelessness. The Coalition will accomplish its mission by identifying the causes of homelessness, collaborating with individuals and organizations to seek and implement solutions to the causes and problems of homelessness, providing technical assistance to members of the Coalition, communicating the causes of and solutions to the problems of homelessness, participation in government affairs as allowed by law, and advocating for the homeless.

The following is a summary of the significant accounting policies used in the preparation of these financial statements:

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Basis of accounting

The accounting and reporting policies of the Coalition conform to accounting principles generally accepted in the United States of America, and are in accordance with the audit guide issued by the American Institute of Certified Public Accountants, "Not-for-Profit Organizations" and the accounting standards issued by the Financial Accounting Standards Board (FASB) in the Accounting Standards Codification (ASC).

The Coalition prepares its financial statements on the accrual basis of accounting. Grant revenues are recorded as support when performance occurs under the terms of the grant agreement. Grant revenue includes all resources received from another entity in accordance with an entitlement or grant document.

Financial statement preparation

Financial statement presentation is consistent with the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-225-45-1 (formerly Statement of Financial Accounting Standards ("SFAS") No. 117) "Financial Statements of Not-For-Profit Organizations." Under FASB ASC 958-225-45-1, the Coalition reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted net assets are defined as net assets that are free of donor-imposed restrictions, and include all investment income and appreciation not subject to donor-imposed restrictions. The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

The Coalition reports its contributions in accordance with FASB ASC 958-605-50-1 (formerly SFAS No. 116) "Accounting for Contributions Received and Contributions Made". In accordance with FASB ASC 958-605-50-1, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Under FASB ASC 958-605-50-1, such contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the time restriction or compliance with the purpose restriction.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Cash and cash equivalents

For the purpose of the Statements of Cash Flows, the Coalition considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. At June 30, 2017 and 2016, the Coalition held no cash equivalents.

Contracts and grants receivable

Contracts and grants receivable consist of billings due from grantor or provider agencies. The Coalition uses the direct write-off method of accounting for uncollectible accounts associated with grantor or provider agencies. At June 30, 2017 and 2016, all contract and grant receivables are considered by management to be fully collectible.

Property and equipment

The Coalition's policy is to capitalize assets with a cost of \$1,000 or more and a useful life greater than 1 year. Property and equipment is recorded at cost, except for donated items (used in operations of the Coalition), which are recorded at fair market value as of the date received. Assets are depreciated using straight-line and accelerated methods (which approximate straight-line) over their respective estimated lives, as follows:

<u>Property & Equipment Category</u>	<u>Useful Lives</u>
Buildings and improvements	6 to 50 years
Equipment	3 to 35 years
Furniture	4 to 20 years
Vehicles & rolling stock	3 to 10 years
Software	3 to 5 years
Infrastructure	20 to 50 years

The cost of assets retired or sold, together with the related accumulated depreciation, is removed from the accounts and any gain or loss on disposition is credited or charged to earnings. For the years ended June 30, 2017 and 2016, no debt related costs were capitalized as part of property and equipment.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Impairment of property and equipment

The Coalition adheres to the FASB ASC 360-10-50-2 (formerly SFAS No. 144), "Accounting for the Impairment or Disposal of Long-Lived Assets." FASB ASC 360-10-50-2 requires, among other things, that entities identify events or changes in circumstances which indicate that the carrying amount of an asset may not be recoverable.

There was no effect on the Coalition's financial statements resulting from FASB ASC 360-10-50-2 for the years ended June 30, 2017 or June 30, 2016.

Compensated absences

The Executive Director of the Coalition is entitled to be paid vacation per contract. Vacation time, if not taken, is payable up to thirty (30) days upon termination. The Executive Director is not entitled to receive accumulated sick leave upon termination from employment.

Revenue recognition

All grantor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted support.

Contributions

In order to observe restrictions which donors place on grants and other gifts, as well as designations made by the Board of Directors, all assets, liabilities and activities are accounted for in the following net asset classifications:

Unrestricted Net Assets - not subject to donor-imposed restrictions.

Unrestricted net assets may be designated for specific purposes by action of the Board of Directors.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Contributions, continued

Temporarily Restricted Net Assets - subject to donor-imposed stipulations that may be fulfilled by actions of the Coalition to meet the stipulations or become unrestricted at the date specified by the donor. The Coalition had no temporarily restricted net assets as of June 30, 2017 or June 30, 2016.

Permanently Restricted Net Assets - subject to donor-imposed stipulations that they be retained and invested permanently by the Coalition. The donors require the Coalition to use all or part of the investment return on these net assets for specified or unspecified purposes. The Coalition had no permanently restricted net assets as of June 30, 2017 or June 30, 2016.

Advertising costs

The Coalition's policy is to expense advertising costs as such costs are incurred.

Donated services

No amount has been reflected in the financial statements for donated services, inasmuch as no objective basis is available to measure the value of such services. However, a number of volunteers, including the Board of Directors, have donated significant amounts of their time and expertise to the Coalition's programs and supporting services.

Functional expenses

The cost of providing the various programs and other activities have been detailed in the Statements of Functional Expenses and summarized on a functional basis in the Statements of Activities. Expenses that can be identified with a specific program service are charged directly to that program, according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases.

Income taxes

No provision for income tax expense has been made in the accompanying financial statements since the Coalition is exempt from income taxes under Internal Revenue Code Section 501(c)(3). In addition, the Coalition is not a private Foundation within the meaning of Section 509(a) of the Internal Revenue Code.

**NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING
POLICIES, CONTINUED**

Income taxes, continued

The Internal Revenue Code provides for taxation of unrelated business income under certain circumstances. Management believes the Coalition met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax. The Coalition's income tax returns for the past three years are open and subject to examination by tax authorities, and may change upon examination. The Coalition reports no unrelated business taxable income; however, such status is subject to final determination upon examination of the related tax returns by the appropriate taxing authorities.

Accounting for uncertainty in income tax items

The Financial Accounting Standards Board has issued guidance on accounting for uncertainty in income taxes and the Coalition has adopted this guidance. The Coalition has evaluated its tax positions and any estimates utilized in its tax returns, and concluded that it has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Interest and penalties associated with uncertain tax positions will be recognized in income tax expense, if required.

Management estimates

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

Reclassifications

Certain amounts in the financial statements have been reclassified to conform with the current presentation. These reclassifications had no effect on the results of operations or total net assets.

Subsequent events

Subsequent events have been evaluated through July 24, 2017, which is the date the financial statements were available to be issued.

NOTE B - CASH AND CASH EQUIVALENTS

Cash is stated at the book balance of \$187,574 and \$176,115 at June 30, 2017 and 2016, respectively, which included restricted cash of \$0 and \$0, respectively. Cash accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. At June 30, 2017 and 2016, the Coalition's bank balances were fully insured by the FDIC. Coalition has not experienced any economic losses on such accounts. The Coalition believes it is not exposed to any significant credit risk regarding its cash balances.

NOTE C - CONTRACT AND GRANT RECEIVABLES

Contract and grant receivables consist of the following at June 30:

	<u>2017</u>	<u>2016</u>
Dept. of Children & Families	\$ 8,954	\$ 6,511
Lee County	250	-
Misc. fundraising	<u>400</u>	<u>-</u>
	<u>\$ 9,604</u>	<u>\$ 6,511</u>

NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	<u>2017</u>	<u>2016</u>
Land	\$ -	\$ -
Building and improvements	-	-
Office furniture and equipment	<u>15,863</u>	<u>15,863</u>
	15,863	15,863
Less: Accumulated depreciation	<u>(15,863)</u>	<u>(15,863)</u>
	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense for the years ended June 30, 2017 and 2016 was \$0 and \$383, respectively, and is included as an expense on the respective Statements of Functional Expenses.

NOTE E - SCHEDULE OF NET ASSETS

Net assets are available for the following purposes at June 30:

	<u>2017</u>	<u>2016</u>
Unrestricted net assets		
Undesignated by the Board	<u>\$ 180,486</u>	<u>\$ 161,145</u>
Total Net Assets	<u><u>\$ 180,486</u></u>	<u><u>\$ 161,145</u></u>

At June 30, 2017 and 2016, the Coalition held no net assets classified as temporarily restricted or permanently restricted for homeless housing assistance.

NOTE F - FUNDRAISING COSTS

The Coalition incurred fundraising costs totaling \$27,622 and \$26,082 during the years ended June 30, 2017 and 2016, respectively.

NOTE G - LEASE OBLIGATION - OFFICE SPACE

The lease originally commenced on September 1, 2009.

The lease provided was extended for two (2) one (1) year options which required monthly lease costs of \$618 for the period September 1, 2014 to August 31, 2015 and \$637 monthly for the period September 1, 2015 to August 31, 2016. The lease was then extended for the period September 1, 2016 through August 31, 2017 at a rate of \$637 per month. Lease expense related to the office space for the year ended June 30, 2017 was \$7,791. Lease expense related to the office space for the year ended June 30, 2016 was \$7,564.

NOTE H - ECONOMIC DEPENDENCE

The Coalition's operations are substantially dependent on the receipt of support and revenue from grantor and contract agencies. Loss of these funds and/or large decreases in this type of funding would have a material effect on the financial position of the Coalition and a negative impact on overall operations. For the years ended June 30, 2017 and 2016, approximately 67% and 59% of total support and revenue was attributable to funds received from contractor and grantor agencies.

NOTE I - COMMITMENTS AND CONTINGENCIES

The Coalition is currently receiving and previously has received grants, contracts, and other third party funds which are subject to special compliance audits by the grantor and other third party agencies that provide these reimbursements. These audits may result in disallowed expense amounts.

Disallowed amounts, if any, constitute a contingent liability of the Coalition. Accordingly, such liabilities are not reflected within the financial statements of the Coalition, as management does not believe any contingent liabilities that may exist to be material.