

**STRUGGLE FOR MIAMI'S AFFORDABLE AND  
SUSTAINABLE HOUSING**

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

DRAFT

## **TABLE OF CONTENTS**

	<b><u>PAGE</u></b>
INDEPENDENT AUDITOR'S REPORT	<b>1-2</b>
FINANCIAL STATEMENTS	
Statement of Financial Position	<b>3</b>
Statement of Activities	<b>4</b>
Statement of Functional Activities	<b>5</b>
Statement of Cash Flows	<b>6</b>
Notes to Financial Statements	<b>7-12</b>

DRAFT

---

---

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
Struggle for Miami's Affordable  
and Sustainable Housing

### **Opinion**

We have audited the accompanying financial statements of the Struggle for Miami's Affordable and Sustainable Housing (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Struggle for Miami's Affordable and Sustainable Housing as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Struggle for Miami's Affordable and Sustainable Housing and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. 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 Struggle for Miami's Affordable and Sustainable Housing's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's 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 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, 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 Struggle for Miami's Affordable and Sustainable Housing's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Struggle for Miami's Affordable and Sustainable Housing's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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

The accompanying statement of financial position as of December 31, 2023, and the related statement of activities, functional expenses, and cash flows for the year then ended were not audited by us and, accordingly, we do not express an opinion on them.

A handwritten signature in black ink that reads 'Dumas'.

Miami, Florida  
September 27, 2024

# STRUGGLE FOR MIAMI'S AFFORDABLE AND SUSTAINABLE HOUSING

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2023

ASSETS	
<b>CURRENT ASSETS:</b>	
Cash	\$ 319,558
Deposits	12,662
Other assets	<u>6,630</u>
TOTAL CURRENT ASSETS	<u>338,850</u>
<b>PROPERTY AND EQUIPMENT, NET:</b>	
Property and equipment	600,955
Less: accumulated depreciation and amortization	<u>(40,729)</u>
TOTAL PROPERTY AND EQUIPMENT, NET	<u>560,226</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 899,076</u></b>
LIABILITIES AND NET ASSETS	
<b>LIABILITIES:</b>	
Fiscal sponsorships	\$ 99,402
Accounts payable	14,625
Current portion of notes payable	<u>7,359</u>
TOTAL CURRENT LIABILITIES	121,386
Notes payable	<u>469,986</u>
TOTAL LIABILITIES	<u>591,372</u>
<b>NET ASSETS:</b>	
Without donor restrictions	<u>307,704</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b><u>\$ 899,076</u></b>

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

# STRUGGLE FOR MIAMI'S AFFORDABLE AND SUSTAINABLE HOUSING

## STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES AND SUPPORT:</b>			
Grants	\$ 648,049	\$ -	\$ 648,049
Fiscal sponsorship	59,633	-	59,633
Rent	13,659	-	13,659
Interest	8,803	-	8,803
Other	300	-	300
<b>TOTAL REVENUES</b>	<u>730,444</u>	<u>-</u>	<u>730,444</u>
<b>EXPENSES:</b>			
Program services:	448,762	-	448,762
Support services:			
General and administrative	43,162	-	43,162
Development and fundraising	27,468	-	27,468
<b>TOTAL SUPPORT SERVICES</b>	<u>70,630</u>	<u>-</u>	<u>70,630</u>
<b>TOTAL EXPENSES</b>	<u>519,392</u>	<u>-</u>	<u>519,392</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	211,052	-	211,052
<b>UNRESTRICTED NET ASSETS - BEGINNING</b>	<u>96,652</u>	<u>-</u>	<u>96,652</u>
<b>UNRESTRICTED NET ASSETS - ENDING</b>	<u>\$ 307,704</u>	<u>\$ -</u>	<u>\$ 307,704</u>

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

# STRUGGLE FOR MIAMI'S AFFORDABLE AND SUSTAINABLE HOUSING

## STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED DECEMBER 31, 2023

	Program Services	General and Administrative	Development and Fundraising	Total Support Services	Total Expenses
Payroll	\$ 69,866	\$ 11,644	\$ 11,644	\$ 23,289	\$ 93,154
Payroll taxes	5,628	938	938	1,876	7,504
Benefits	4,150	692	692	1,383	5,533
Total payroll expenses	79,643	13,274	13,274	26,548	106,191
Grants paid to other Organizations	87,628	-	-	-	87,628
Consulting fees	60,772	3,376	3,376	6,752	67,524
Travel	33,925	1,885	1,885	3,769	37,694
Depreciation and amortization	24,550	1,364	1,364	2,728	27,278
Rent	26,000	-	-	-	26,000
Professional fees	23,271	1,293	1,293	2,586	25,857
Advertising	18,442	1,025	1,025	2,049	20,491
Repairs and maintenance	17,674	982	982	1,964	19,638
Interest	16,070	893	893	1,786	17,855
Miscellaneous	15,248	847	847	1,694	16,942
Property costs	10,969	609	609	1,219	12,188
Utilities	10,052	558	558	1,117	11,169
Meetings	8,843	491	491	983	9,826
Software	7,732	430	430	859	8,591
Insurance	-	8,565	-	8,565	8,565
Office	6,747	375	375	750	7,497
Accounting fees	-	7,129	-	7,129	7,129
Dues and subscriptions	1,196	66	66	133	1,329
<b>TOTAL ADMINISTRATIVE EXPENSES</b>	<b>\$ 448,762</b>	<b>\$ 43,162</b>	<b>\$ 27,468</b>	<b>\$ 70,630</b>	<b>\$ 519,392</b>

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

# STRUGGLE FOR MIAMI'S AFFORDABLE AND SUSTAINABLE HOUSING

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2023

<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Net increase in revenue over expenses	\$ 211,052
Adjustments to reconcile to net decrease in revenue over expenses to net cash used in operating activities:	
Depreciation and amortization expense	27,278
Changes in assets and liabilities:	
(Increase) in assets:	
Other assets	(5,130)
Increase (decrease) in liabilities:	
Accounts payable	(1,710)
Deferred revenue	(160,000)
Fiscal sponsors payable	99,402
NET CASH PROVIDED BY OPERATING ACTIVITIES:	<u>170,892</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of fixed and intangible assets	<u>(94,208)</u>
NET CASH (USED IN) INVESTING ACTIVITIES:	<u>(94,208)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>	
Proceeds from notes payable	477,345
Principal payments of notes payable	<u>(465,000)</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES:	<u>12,345</u>
<b>NET CHANGE IN CASH</b>	89,029
<b>CASH - BEGINNING</b>	<u>230,529</u>
<b>CASH - ENDING</b>	<u><u>\$ 319,558</u></u>

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

# STRUGGLE FOR MIAMI'S AFFORDABLE AND SUSTAINABLE HOUSING

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### ***Nature of Organization***

The Struggle for Miami's Affordable and Sustainable Housing, (SMASH) was organized and incorporated in the State of Florida on February 22, 2016 as a 501(c)(3).

SMASH is a community land trust building power for housing and climate justice in Miami. Their mission is to build community power for housing and climate justice as well as building their impact on racial, gender, and queer equity.

SMASH serves as a fiscal agent for the funds the Organization receives from Dignity Power, It Takes Roots – Black Caucus, Women With Broken Heels, and Miami Coalition to Advance Racial Equity. SMASH's retention, use, and allocation of these funds is contingent on the Organization's agreement with these Organizations.

### ***Basis of Accounting and Use of Estimates***

The accompanying financial statements have been prepared on the accrual basis of accounting.

SMASH is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Accordingly, net assets of SMASH and changes therein are reported as follows:

*Net assets without donor restrictions:* Net assets are not subject to donor-imposed stipulations but may be designated for specific purposes by action of the Board of Directors.

*Net assets with donor restrictions:* Net assets are subject to donor-imposed stipulations that may or will be met either by actions of SMASH, passage of time, or permanently maintained by SMASH. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

### ***Concentration of Credit Risk***

Financial instruments which potentially expose SMASH to concentrations of credit risk, as defined by GAAP, consist primarily of cash.

### ***Concentration of Credit Risk***

SMASH maintains cash deposits at financial institutions which, from time to time, may exceed federally insured limits. The exposure of SMASH from these transactions is solely dependent upon the daily account balances and the financial strength of the respective institution. SMASH manages this risk by maintaining its deposit accounts at high quality financial institutions. As of December 31, 2023, SMASH had approximately \$29,000 of deposits in excess of federally insured limits.

# STRUGGLE FOR MIAMI'S AFFORDABLE AND SUSTAINABLE HOUSING

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### ***Accounting Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets 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.

### ***Adoption of New Accounting Standards***

In December 2020, the FASB issued Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires nonprofits to expand their financial statement presentation and disclosure of contributed nonfinancial assets, including in-kind contributions. The standard includes disclosure of information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. Adoption of this standard had no impact on net assets as of December 31, 2023.

In 2022, the Organization adopted Accounting Standards Updated (ASU) No. 2016-02, *Leases*, which requires Organizations to recognize leases on the statement of financial position and disclose key information about leasing arrangements. The Organization elected not to reassess at adoption (i) expired or existing contracts to determine whether they are or contain a lease, (ii) the lease classification of any existing leases, or (iii) initial direct costs for existing leases. The adoption did not result in a significant effect on amounts reported in the statement of activities for the year ended December 31, 2023.

### ***Marketing and Advertising***

SMASH follows the policy of charging the costs of marketing and advertising to expense as incurred. Total marketing and advertising expenses for the year ended December 31, 2023, were \$20,491.

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

For purposes of the statement of cash flows, SMASH considers all short-term securities purchased with an original maturity of three months or less to be cash equivalents.

### ***Accounts receivable***

Accounts receivable are stated at net realizable value. SMASH uses the allowance method to determine uncollectible accounts receivable. The allowance is established based upon management's analysis of specific accounts and other economic factors. In the opinion of management, no allowance is deemed necessary on December 31, 2023.

# STRUGGLE FOR MIAMI'S AFFORDABLE AND SUSTAINABLE HOUSING

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### *Functional Allocation of Expenses*

The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the various programs and supporting services benefitted. Salaries and related payroll expenses are allocated among functional categories based on the estimated proportion of time spent to each function. All other expenses are allocated based on management's estimate of the relative functional activity.

### *Property and Equipment*

Property and equipment consist of land, buildings and related improvements, and office furniture and equipment. Purchased assets are recorded at historical cost and donated property is recorded at fair market value. Depreciation is recorded on a straight-line basis over the estimated useful lives of the underlying assets. Office furniture and equipment have useful lives between 4 and 7 years and buildings and related improvements have useful lives between 39 and 40 years.

## NOTE 2. PROPERTY AND EQUIPMENT

As of December 31, 2023, property and equipment consisted of the following:

Land	\$	10,000
Building		471,958
Building improvements		65,072
Website		53,925
		<u>600,955</u>
Less: accumulated depreciation & amortization		<u>40,729</u>
Total property and equipment, net	\$	<u>560,226</u>

Depreciation and amortization for the year ended December 31, 2023, was \$27,278.

# STRUGGLE FOR MIAMI'S AFFORDABLE AND SUSTAINABLE HOUSING

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

### NOTE 3. LIQUIDITY AND AVAILABILITY OF RESOURCES

The following represents SMASH's financial assets as of December 31, 2023:

Financial Assets:

Cash	\$	319,558
Deposits		12,662
Other assets		<u>6,630</u>
Total financial assets		<u>338,850</u>
Less: Assets not available to be used within one year:		
Net assets with donor restrictions		-
Net assets with restrictions to be met within a year		<u>-</u>
Total assets not available for general expenditures within a year		<u>-</u>
Financial assets available for general expenditures within one year	\$	<u>338,850</u>

SMASH considers net assets with donor-imposed restrictions that are expected to be satisfied during normal operations within one year to be available for use.

### NOTE 4. FUNDS HELD FOR OTHERS

SMASH is a fiscal sponsor for other entities. Only the cash held, and the corresponding liabilities are recorded in the financial statements.

*(The remainder of this page is intentionally left blank.)*

# STRUGGLE FOR MIAMI'S AFFORDABLE AND SUSTAINABLE HOUSING

## NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

### NOTE 5. NOTES PAYABLE

The breakdown of notes payable was as follow as of December 31, 2023:

5.5% note payable dated March 14, 2023 with Florida Community Loan Fund. 83 payments of \$1,999.31 beginning March 2023 through March 2030 with one final balloon payment of \$314,714. Secured by all assets.	\$ 345,294
6% note payable dated April, 2023 with Solar and Energy Loan Fund. 37 interest payments of \$392.50 April 2023 through April 2026 with one final balloon payment of \$78,893. Secured by all assets.	78,500
8.99% note payable dated December 2023 with Climate First Bank Commercial Lending. 120 payments of \$590.61 beginning December 2023 through May 2034. 2 additional payments after of \$555.45 ending July 2034. Secured by all assets.	<u>53,551</u>
	477,345
Less portion due within one year	<u>7,359</u>
Long-term portion of Notes Payable	<u><u>\$ 469,986</u></u>

Principal payments required are as follows:

<u>Due in the year ending December 31,</u>	
2024	\$ 7,359
2025	9,475
2026	88,531
2027	10,620
2028	11,243
2028 and thereafter	<u>350,117</u>
	<u><u>\$ 477,345</u></u>

### NOTE 6. NET ASSETS

While the net assets of SMASH are unrestricted as to their use, management budgets a portion of the dues collected to be set aside for reserves. These designated monies can be used for real and personal property purchases, debt reduction, operating needs, or any other purpose as determined by management.

# STRUGGLE FOR MIAMI'S AFFORDABLE AND SUSTAINABLE HOUSING

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2023

## **NOTE 7. TAX STATUS**

SMASH is exempt from Federal income taxes under Internal Revenue Code (IRC) 501(c)(5) under the group exemption of the International and, therefore, no provision for Federal income taxes has been recorded.

In addition, SMASH is required to operate in conformity with the IRC to maintain the tax-exempt status. Management believes that SMASH is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that SMASH is tax-exempt.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by SMASH and recognize a tax liability (or asset) if it has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. SMASH has taken no such positions. SMASH is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Management believes SMASH is no longer subject to income tax examinations for years ending prior to December 31, 2020.

## **NOTE 8. SUBSEQUENT EVENTS**

The management of SMASH evaluated subsequent events through September 27, 2024, the date that the financial statements were available to be issued.