

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

FINANCIAL STATEMENTS

December 31, 2022

Table of Contents

	<u>Pages</u>
Independent Auditor's Report	1-3
Statement of Financial Position	4
Statement of Activities 2022	5
Statement of Activities 2021	6
Statement of Functional Expenses 2022	7
Statement of Functional Expenses 2021	8
Statement of Cash Flows	9
Notes to the Financial Statements	10-21
Schedule of Expenditures of Federal Awards	22-23
Notes to the Schedule of Expenditures for Federal Awards	24
Independent Auditor's Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	25-26
Independent Auditor's Report on Compliance for Each Major Program and On Internal Control Over Compliance Required by Uniform Guidance	27-29
Schedule of Findings and Questioned Costs	30-31
Summary Schedule of Prior Audit Findings	32



Winkel Green & Company LLP
certified public accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees

The Homeless Families Foundation DBA Home For Families (hereafter "HFF"):
Columbus, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of HFF (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, 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 accompanying financial statements present fairly, in all material respects, the financial position of HFF as of December 31, 2022, and the changes in its net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 HFF 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 (GAAP); 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 HFF's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgement 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 HFF'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 HFF'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 Comparative Information

We have previously audited HFF's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 29, 2022. In our opinion, the comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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. 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 reported dated September 26, 2023, on our consideration of HFF'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 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 HFF's internal control over financial reporting and compliance.


Winkler Green & Company LLP

Columbus, Ohio
September 26, 2023

THE HOMELESS FAMILIES FOUNDATION

Statements of Financial Position
December 31, 2022 with Comparative Totals for 2021 and 2020

	<u>ASSETS</u>		
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Current Assets			
Cash	\$ 790,415	\$ 2,001,325	\$ 2,376,622
Gift Cards	6,721	10,635	9,404
Cash Advance	1,298	-	3,021
Accounts Receivable (net of allowance of \$71,199, \$0, and \$0)	1,574,096	1,295,457	826,045
Pledges Receivable (net of discount of \$1,956, \$1,169, \$3,983)	168,043	158,831	198,139
Prepaid Maintenance Fees	548	2,583	4,764
Prepaid Expenses	11,276	3,386	74,402
Security Deposits	36,611	25,888	25,888
Funds Held by The Columbus Foundation	172,584	195,482	171,976
Total Current Assets	2,761,592	3,693,587	3,690,261
Property and Equipment			
Land	91,378	91,378	91,378
Building	2,408,583	2,408,583	2,408,583
Equipment	458,556	458,556	446,625
Less: Accumulated Depreciation	(1,963,710)	(1,859,049)	(1,769,712)
Net Property and Equipment	994,807	1,099,468	1,176,874
Other Assets			
Right to Use Asset (net of \$30,072 of amortization)	421,019	-	-
Work in Process	15,200	-	-
Net Other Assets	436,219	-	-
Total Assets	\$ 4,192,618	\$ 4,793,055	\$ 4,867,135
<u>LIABILITIES</u>			
Current Liabilities			
Accounts Payable	\$ 256,929	\$ 272,308	\$ 123,319
Accrued Payroll	81,201	79,453	49,158
Other Accrued Expenses	80,544	77,232	100,027
Deferred Revenue	106,550	419,981	411,137
Current Portion of Long-Term Liabilities	74,858	3,378	5,598
Total Current Liabilities	600,082	852,352	689,239
Long-Term Liabilities			
Capital Lease	3,582	9,181	14,778
Right to Use Liability	427,197	-	-
Line of Credit	234,066	197,117	71,354
Less: Current Portion of Long-Term Liabilities	(74,858)	(3,378)	(5,598)
Total Long-Term Liabilities	589,987	202,920	80,534
Total Liabilities	1,190,069	1,055,272	769,773
<u>NET ASSETS</u>			
Net Assets Without Donor Restrictions	2,148,782	2,335,548	2,498,307
Net Assets With Donor Restrictions	853,767	1,402,235	1,599,055
Total Net Assets	3,002,549	3,737,783	4,097,362
Total Liabilities and Net Assets	\$ 4,192,618	\$ 4,793,055	\$ 4,867,135

THE HOMELESS FAMILIES FOUNDATION

Statement of Activities

For the year ended December 31, 2022 with comparative totals for 2021

	Without Donor Restrictions	With Donor Restrictions	2022	2021
Public Support and Revenue:				
Contributions	\$ 930,249	\$ 130,000	\$ 1,060,249	\$ 1,497,486
In-Kind Donated Goods/Services	-	-	-	40,000
Interest Income	5,770	-	5,770	810
Other Income	-	-	-	1,631
Change In Pledge Value	-	1,956	1,956	1,169
Restricted Operating Grants	-	7,470,812	7,470,812	6,346,754
(Loss) Income from Funds Held at the Columbus Foundation	(22,898)	-	(22,898)	23,507
	913,121	7,602,768	8,515,889	7,911,357
Net Assets Released from Restrictions	8,151,236	(8,151,236)	-	-
 Total Revenues and Support	 9,064,357	 (548,468)	 8,515,889	 7,911,357
 Expenses:				
Program Services	8,144,837	-	8,144,837	7,322,638
Administrative and General	720,971	-	720,971	603,888
Fundraising	385,315	-	385,315	344,410
Total Expenses	9,251,123	-	9,251,123	8,270,936
 (Decrease) Increase in Net Assets	 (186,766)	 (548,468)	 (735,234)	 (359,579)
Net Assets, Beginning of Year	2,335,548	1,402,235	3,737,783	4,097,362
 Net Assets, End of Year	 \$ 2,148,782	 \$ 853,767	 \$ 3,002,549	 \$ 3,737,783

THE HOMELESS FAMILIES FOUNDATION

Statement of Activities

For the year ended December 31, 2021 with comparative totals for 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>2021</u>	<u>2020</u>
Public Support and Revenue:				
Contributions	\$ 1,307,654	\$ 189,832	\$ 1,497,486	\$ 1,536,242
In-Kind Donated Goods/Services	40,000	-	40,000	5,500
Interest Income	810	-	810	1,716
Other Income	1,631	-	1,631	45,170
Change In Pledge Value	-	1,169	1,169	3,966
Restricted Operating Grants	-	6,346,754	6,346,754	4,660,641
Income from Funds Held at the Columbus Foundation	23,507	-	23,507	14,089
	<u>1,373,602</u>	<u>6,537,755</u>	<u>7,911,357</u>	<u>6,267,324</u>
Net Assets Released from Restrictions	<u>6,734,575</u>	<u>(6,734,575)</u>	<u>-</u>	<u>-</u>
 Total Revenues and Support	 8,108,177	 (196,820)	 7,911,357	 6,267,324
 Expenses:				
Program Services	7,322,638	-	7,322,638	4,467,608
Administrative and General	603,888	-	603,888	436,011
Fundraising	344,410	-	344,410	285,821
Total Expenses	<u>8,270,936</u>	<u>-</u>	<u>8,270,936</u>	<u>5,189,440</u>
 Other Income and Expense				
Pass Through Grant Funding Revenue	-	-	-	-
Pass Through Grant Funding Expense	-	-	-	-
Paycheck Protection Program Loan Forgiveness	-	-	-	281,212
Total Other Income and Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,212</u>
 Increase (Decrease) in Net Assets	 (162,759)	 (196,820)	 (359,579)	 1,359,096
Net Assets, Beginning of Year	<u>2,498,307</u>	<u>1,599,055</u>	<u>4,097,362</u>	<u>2,738,266</u>
 Net Assets, End of Year	 <u>\$ 2,335,548</u>	 <u>\$ 1,402,235</u>	 <u>\$ 3,737,783</u>	 <u>\$ 4,097,362</u>

THE HOMELESS FAMILIES FOUNDATION

Statement of Functional Expenses
For the year ended December 31, 2022 with comparative totals for 2021

	Program Services	Supporting Services			Total Expenses	
	Community Service	Management and General	Fund Raising	Total Supporting Services	2022	2021
Salaries and Related Expenses	\$ 3,837,491	\$ 468,245	\$ 315,642	\$ 783,887	\$ 4,621,378	\$ 3,910,614
Supplies	15,005	7,875	7,467	15,342	30,347	27,902
Postage	-	4,025	-	4,025	4,025	5,019
Utilities	87,527	11,306	3,302	14,608	102,135	82,650
Repairs and Maintenance	118,171	16,985	5,695	22,680	140,851	116,705
Direct Assistance	3,233,732	-	-	-	3,233,732	3,029,038
Subcontractor Expense	324,042	-	-	-	324,042	350,859
Equipment	25,611	3,746	705	4,451	30,062	60,354
Education Center	90,385	-	-	-	90,385	118,900
Audit Fees	-	19,000	-	19,000	19,000	16,000
Consultant Fees	156,805	35,624	7,335	42,959	199,764	179,609
Travel and Transportation	47,216	257	265	522	47,738	25,234
Conference and Training	36,784	-	-	-	36,784	-
Interest	9,158	9,580	-	9,580	18,738	6,560
Insurance	32,016	1,186	-	1,186	33,202	42,710
Fundraising	-	-	19,915	19,915	19,915	50,042
Marketing	-	-	15,011	15,011	15,011	15,869
Bad Debt	-	71,199	-	71,199	71,199	-
Storage	-	-	-	-	-	15,624
Miscellaneous	55,154	16,679	6,249	22,928	78,082	70,525
Total Before Depreciation and Donated Services	8,069,097	665,707	381,586	1,047,293	9,116,390	8,124,214
Depreciation	75,740	25,192	3,729	28,921	104,661	106,722
Amortization	-	30,072	-	30,072	30,072	-
In-Kind Donations	-	-	-	-	-	40,000
Total	\$ 8,144,837	\$ 720,971	\$ 385,315	\$ 1,106,286	\$ 9,251,123	\$ 8,270,936

THE HOMELESS FAMILIES FOUNDATION

Statement of Functional Expenses
For the year ended December 31, 2021 with comparative totals for 2020

	Program Services	Supporting Services			Total Expenses	
	Community Service	Management	Fund	Total	2021	2020
		and General	Raising	Supporting Services		
Salaries and Related Expenses	\$ 3,194,641	\$ 468,950	\$ 247,023	\$ 715,973	\$ 3,910,614	\$ 2,834,322
						-
Supplies	17,054	4,044	6,804	10,848	27,902	22,268
Postage	-	4,211	808	5,019	5,019	3,677
Utilities	74,734	6,485	1,431	7,916	82,650	51,410
Repairs and Maintenance	92,443	19,608	4,654	24,262	116,705	108,237
Direct Assistance	3,012,656	16,180	202	16,382	3,029,038	1,151,184
Subcontractor Expense	350,859	-	-	-	350,859	379,298
Equipment	54,414	5,907	33	5,940	60,354	165,566
Education Center	118,900	-	-	-	118,900	60,071
Audit Fees	-	16,000	-	16,000	16,000	14,125
Consultant Fees	138,057	33,189	8,363	41,552	179,609	114,072
Travel and Transportation	24,708	372	154	526	25,234	22,819
Mortgage and Line of Credit Interest	6,560	-	-	-	6,560	4,895
Insurance	37,735	4,975	-	4,975	42,710	27,656
Fundraising	91	2,010	47,941	49,951	50,042	79,070
Marketing	2,455	-	13,414	13,414	15,869	8,985
Storage	15,624	-	-	-	15,624	-
Miscellaneous	43,383	17,851	9,291	27,142	70,525	29,991
Total Before Depreciation and Donated Services	7,184,314	599,782	340,118	939,900	8,124,214	5,077,646
Depreciation	98,324	4,106	4,292	8,398	106,722	106,294
In-Kind Donations	40,000	-	-	-	40,000	5,500
Total	\$ 7,322,638	\$ 603,888	\$ 344,410	\$ 948,298	\$ 8,270,936	\$ 5,189,440

THE HOMELESS FAMILIES FOUNDATION

Statements of Cash Flows
For the year ended December 31, 2022, 2021 and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Cash Flows from Operating Activities</u>			
(Decrease) Increase in Net Assets	\$ (735,234)	\$ (359,579)	\$ 1,359,096
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:			
Decrease (Increase) in Funds Held by The Columbus Foundation	22,898	(23,506)	(14,090)
Depreciation	104,661	106,722	106,293
(Increase) Decrease in Cash Advance	(1,298)	3,021	(340)
Decrease (Increase) in Gift Cards	3,914	(1,231)	4,474
(Increase) in Accounts Receivable (net of allowance)	(278,639)	(469,412)	(459,597)
(Increase) Decrease in Pledges Receivable (net of discount)	(9,212)	39,308	96,017
(Increase) in Security Deposits	(10,723)	-	(25,888)
Decrease in Prepaid Maintenance Fees	2,035	2,181	2,219
(Increase) Decrease in Prepaid Expenses	(7,890)	71,016	(73,021)
(Decrease) Increase in Accounts Payable	(15,379)	148,989	61,780
(Decrease) Increase in Deferred Revenue	(313,431)	8,844	411,137
Increase in Accrued Liabilities	5,060	7,500	14,487
	<hr/>	<hr/>	<hr/>
Net Cash (Used) Provided by Operating Activities	(1,233,238)	(466,147)	1,482,567
<u>Cash Flows Used by Investing Activities</u>			
Work in Process	(15,200)	-	-
(Increase) in Right to Use Asset	(421,019)		
Fixed Asset Expenditures	-	(29,316)	(179,456)
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Net Cash (Used) by Investing Activities	(436,219)	(29,316)	(179,456)
<u>Cash Flows Used by Financing Activities</u>			
Change in Capital Lease Payable	(5,599)	(5,597)	(4,587)
Increase (Decrease) in Line of Credit	36,949	125,763	(48,000)
Increase in Right to Use Liability	427,197	-	-
	<hr/>	<hr/>	<hr/>
Net Cash Provided (Used) by Financing Activities	458,547	120,166	(52,587)
Net (Decrease) Increase in Cash and Cash Equivalents	(1,210,910)	(375,297)	1,250,524
Cash and Cash Equivalents Beginning of Year	2,001,325	2,376,622	1,126,098
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Cash and Cash Equivalents End of Year	\$ 790,415	\$ 2,001,325	\$ 2,376,622
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<u>Additional Disclosures</u>			
Total Interest Paid During the Year	\$ 18,738	\$ 6,560	\$ 4,895
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THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

Note 1 – **Summary of Significant Accounting Policies**

Nature of Organization

The Homeless Families Foundation DBA Home For Families (hereafter HFF) has worked to improve the lives and stability of impoverished children and their families since 1986. HFF's mission is to educate and nurture children while empowering families to achieve stable housing and self-sufficiency. HFF is an experienced non-profit provider, providing unique housing and education services to families, pregnant women, and transition age youth parents. Through comprehensive case management services embedded within extensive homeless and education programming, HFF annually assists nearly 1,000 Columbus families in achieving financial, housing and family stability. HFF is a valued community partner which regularly participates in community planning processes related to homelessness, prevention, food insecurity, education, employment, and poverty. HFF Housing, Education Center and Family Stability staff have extensive experience working with people living in crisis and poverty; providing trauma-informed service/intervention designed to move families and children toward stability and well-being.

Tax Status

HFF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made in the financial statements.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, HFF may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of HFF and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the fiscal year ending December 31, 2022 and 2021.

HFF files its forms 990 in the U.S. federal jurisdiction and the office of the state's attorney general for the State of Ohio. HFF is generally no longer subject to examination by the Internal Revenue Service for years ending before December 31, 2019.

Revenue Recognition

For the periods ending December 31, 2022 and 2021, the organization has adopted ASC 958 (Update) - revenue recognition regarding contribution. The modified standard stipulates that a contribution is recognized as unconditional and therefore recognized as revenue if any donor-imposed conditions are met (barriers and right of return to contributor or release from obligation by the donor.) The organization believes that all contributions recognized meet the modified standard as unconditional. Those contributions that were deemed as conditional are reflected as deferred revenue as of December 31, 2022 and 2021.

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

Note 1 – Summary of Significant Accounting Policies (Continued)

Basis of Presentation

HFF has adopted Accounting Standards Update (ASU) 2016-14, “Not-For-Profit Entities – Revenue Recognition”. In accordance with ASU 2016-14, contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

HFF has also adopted “Not-For-Profit Entities – Presentation of Financial Statements”, under which HFF is required to report 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.

The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment at the Columbus Foundation. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

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 Organization's unspent contributions are reported in net assets with donor restrictions if the donor has limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service. Net assets with donor restrictions are further delineated in Note 3.

Accrual Basis

The financial statements of HFF have been prepared on the accrual basis. The statement of activities is a statement of financial activities related to the current reporting period.

Depreciation

Expenditures for equipment and furnishings, and expenditures for repairs that extend the life of the asset of over \$2,500 are capitalized at cost or fair market value at the date of donation in the case of gifts.

For buildings, furniture, fixtures and autos, depreciation is charged on a straight-line basis over the estimated useful lives of the assets.

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

Note 1 – **Summary of Significant Accounting Policies (Continued)**

Cash and Equivalents

For purposes of the statements of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on a reasonable basis that is consistently applied.

For the years ended December 31, 2022 and 2021, HFF has elected to utilize the 10% de minimis indirect cost rate applicable to federal funding. De minimis costs are allocated amongst Program expense line items, and are reflected in total by program on the Schedule of Expenditures of Federal Awards.

Donations

Donations received are recorded as net assets without donor restrictions, or net assets with donor restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in Net Assets with Donor Restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the restricted net assets are reclassified to Net Assets Without Donor Restrictions and reported in the statement of activities as net assets released from restrictions.

Note 2 – **Long-Term Debt**

During a prior year, HFF entered into a line of credit agreement with Park National Bank. The line permits the organization to draw up to \$235,000 and is due April 27, 2024, and as such, is classified as long-term debt on the statement of financial position. The note carries a floating interest rate of prime + 0.25% and is collateralized by the current assets of the company.

Note 3 – **Net Assets**

Net Assets Without Donor Restrictions

Net assets without donor restrictions may be used by HFF to achieve any of HFF's purposes.

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

Note 3 – **Net Assets (continued)**

Net Assets With Donor Restrictions

Net Assets with Donor Restrictions for December 31, 2022 are comprised of the following:

<u>Purpose</u>	<u>Balance</u>	<u>Current</u>	<u>Restrictions</u>	<u>Balance</u>
	<u>12/31/21</u>	<u>Donations</u>	<u>Satisfied</u>	<u>12/31/22</u>
AEP – 2020- 2023 Pledge	\$100,000	\$ ---	\$(100,000)	\$ ---
ADAMH – Youth Leadership	6,597	6,250	(12,847)	---
Auditor of the State – Ed Center	---	16,259	(16,259)	---
Bezos Day One Fund	990,100	---	(580,000)	410,100
City of Columbus – Parks and Rec	107,000	---	(107,000)	---
City of Columbus Family Stability - Reimbursement	---	156,518	(156,518)	---
City of Columbus – HBAH – Reimbursement	---	173,069	(173,069)	---
City of Columbus – Housing Stabilization	---	145,812	(145,812)	---
CMHA Resiliency Bridge – Reimbursement	---	224,498	(224,498)	---
Columbus Foundation – YOGA	898	---	(898)	---
COHHIO	---	424,089	(424,089)	---
Columbus Foundation – Gifts of Kindness	13,400	150,000	(83,703)	79,697
Columbus Foundation – Resiliency Bridge	36,000	---	(1,298)	34,702
CoverMyMeds	---	100,000	(34,455)	65,545
CSB – HBW – ALITA	---	288,589	(288,589)	---
CSB – HPW Hotel – Reimbursement	---	45,862	(45,862)	---
CSB – HPW	---	987,168	(987,168)	---
CSB – HPEM – Reimbursement	---	131,932	(131,932)	---
CSB – Family Intensive RRH - Reimbursement	---	248,111	(248,111)	---
CSB – Emergency Solutions Grant - Reimbursement	---	457,051	(457,051)	---
CSB – Transitional Age Youth - Reimbursement	---	1,686,687	(1,686,687)	---
CSB – Resiliency Bridge – Reimbursement	---	379,414	(379,414)	---
C1 ERA Funding- Reimbursement	---	249,645	(249,645)	---
C1 Flex Funds – Reimbursement	---	68,450	(68,450)	---
CSCC – Success Bridge	---	237,347	(237,347)	---
Early Childhood Resource Center	---	59,791	(59,791)	---
Franklin County - Reimbursement	---	312,928	(312,928)	---
Harry C Moores Foundation	20,000	20,000	(18,144)	21,856
Hexion - COVID	3,618	---	(3,618)	---
Hexion – 2022-2024 Pledge	---	150,000	(50,981)	99,019
Ingram-White Castle – 2022-2024 Pledge	58,831	---	(19,223)	39,608
Montei Foundation – Master Leases	30,000	43,199	(19,375)	53,824
ODH Youth	---	147,084	(147,084)	---
Park National Bank – 2023-2025 Pledge	---	30,000	(584)	29,416
Peggy Kelley Fund – Beyond Housing	15,791	---	(15,791)	---
Siemer Family Foundation	20,000	20,000	(20,000)	20,000
State of Ohio Food Program – Reimbursement	---	18,304	(18,304)	---
FCDJFS – TANF Summer Program - Reimbursement	---	37,864	(37,864)	---
FCDJFS – TANF School Year – Reimbursement	---	320,132	(320,132)	---
FCDJFS – SPARK TANF – Reimbursement	---	<u>266,716</u>	<u>(266,716)</u>	---
	<u>\$1,402,235</u>	<u>\$7,602,769</u>	<u>\$(8,151,237)</u>	<u>\$853,767</u>

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

Note 3 – Net Assets (Continued)

Net Assets With Donor Restrictions

Net Assets with Donor Restrictions for December 31, 2021 are comprised of the following:

<u>Purpose</u>	<u>Balance 12/31/20</u>	<u>Current Donations</u>	<u>Restrictions Satisfied</u>	<u>Balance 12/31/21</u>
AEP – 2020- 2023 Pledge	\$198,139	\$ ---	\$(98,139)	\$100,000
ADAMH – Youth Leadership	26,296	36,350	(56,049)	6,597
Bezos Day One Fund	1,240,100	---	(250,000)	990,100
Cardinal Health	50,000	---	(50,000)	---
Catholic Diocese – Food for Families	3,058	---	(3,058)	---
City of Columbus – Celebrate One - Reimbursement	---	48,196	(48,196)	---
City of Columbus – Parks and Rec	---	107,000	---	107,000
City of Columbus Family Stability - Reimbursement	---	30,451	(30,451)	---
Columbus Foundation – YOGA	5,898	---	(5,000)	898
COHHIO	---	1,064,289	(1,064,289)	---
Columbus Foundation – Gifts of Kindness	---	50,000	(36,600)	13,400
Columbus Foundation – Resiliency Bridge	---	36,000	---	36,000
CSB – HP Pregnant Women – Reimbursement	---	412,758	(412,758)	---
CSB – Family Intensive RRH - Reimbursement	---	334,769	(334,769)	---
CSB – Emergency Solutions Grant - Reimbursement	---	543,213	(543,213)	---
CSB – Transitional Age Youth - Reimbursement	---	1,576,696	(1,576,696)	---
CSB – Resiliency Bridge – Reimbursement	---	31,180	(31,180)	---
CSB – HPEM – Reimbursement	---	172,179	(172,179)	---
C1 ERA Funding- Reimbursement	---	427,515	(427,515)	---
CSCC – Success Bridge	---	494,549	(494,549)	---
Discover Brighter Futures Fund	15,000	---	(15,000)	---
Early Childhood Resource Center	---	31,440	(31,440)	---
Harry C Moores Foundation	---	20,000	---	20,000
Hexion - COVID	10,000	---	(6,382)	3,618
Ingram-White Castle – 2022-2024 Pledge	---	60,000	(1,169)	58,831
Montei Foundation – Master Leases	---	30,000	---	30,000
ODH Youth	---	287,473	(287,473)	---
Peggy Kelley Fund – Beyond Housing	30,564	---	(14,773)	15,791
Reinberger Foundation	---	15,000	(15,000)	---
Siemer Family Foundation	20,000	20,000	(20,000)	20,000
State of Ohio Food Program – Reimbursement	---	13,839	(13,839)	---
FCDJFS – TANF Summer Program - Reimbursement	---	116,602	(116,602)	---
FCDJFS – TANF School Year – Reimbursement	---	327,502	(327,502)	---
FCDJFS – SPARK TANF – Reimbursement	---	<u>250,754</u>	<u>(250,754)</u>	---
	<u>\$1,599,055</u>	<u>\$6,537,755</u>	<u>\$(6,734,575)</u>	<u>\$1,402,235</u>

Changes in pledge value of \$788 and \$1,169 on restricted grants included on the statement of activities are included as a reduction of Restrictions Satisfied above.

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

Note 4 – **Liquidity**

The following reflects the organization’s financial assets as of the date of the statement of financial position. Financial assets at year-end are reduced by amounts not available for general use due to donor-imposed restrictions that will not expire within one year of the financial position date. Donor restricted amounts that will become available for general use within the year subsequent to December 31, 2022 and 2021 are detailed below:

	<u>2022</u>	<u>2021</u>
Financial Assets at Year End	\$2,711,859	\$3,661,730
Hexion Pledge due in 2024	(50,000)	---
Ingram WhiteCastle Pledge due in 2024	(20,000)	(20,000)
Ingram WhiteCastle Pledge due in 2023	---	(20,000)
Park National Pledge due 2023/2025	(20,000)	---
Endowment Fund	<u>(172,584)</u>	<u>(195,482)</u>
Financial Assets Available for Use Within 1 Year	<u>\$ 2,449,275</u>	<u>\$3,426,248</u>

The Organization defines financial assets as Cash, Gift Cards, Accounts Receivable, Pledges Receivable, and Funds Held by The Columbus Foundation.

	<u>2022</u>	<u>2021</u>
Cash	\$790,415	\$2,001,325
Gift Cards	6,721	10,635
Accounts Receivable	1,574,096	1,295,457
Pledges Receivable	168,043	158,831
Funds Held by Columbus Foundation	<u>172,584</u>	<u>195,482</u>
	<u>\$2,711,859</u>	<u>\$3,661,730</u>

Note 5 – **Deferred Revenue**

As of December 31, 2022 and 2021, deferred revenue is reflected on the statement of financial position related to conditional grant funding. Under ASC 958-606, contributions for which conditions have not yet been met are not recognized as revenue. Deferred revenue of \$106,550 and \$419,981 on the statement of financial position is related conditional grants as of December 31, 2022 and 2021, respectively.

	<u>2022</u>	<u>2021</u>
Deferred Revenue at		
Conditional Grant Advances		
City of Columbus C1 ERA	---	135,432
City of Columbus HPW Housing Stabilization	106,550	250,000
City of Columbus Family Stability	---	<u>34,549</u>
	<u>\$106,550</u>	<u>\$419,981</u>

HFF anticipates meeting all conditions of funding for conditional grants recognized as of December 31, 2022.

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

Note 6 -- Donated Services and Materials

HFF receives donated services consisting of professional and general volunteer hours and donated materials. In accordance with Accounting Standards Codification (ASC) 958-605, the contribution of services are recognized in the financial statements if the services received (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Rates used in the calculations of the professional volunteer services are based on the average rate charged by the respective professions in the Columbus area.

A summary of donated services follows:

	<u>2022</u>	<u>2021</u>
Supplies for Families	\$---	<u>\$40,000</u>
	<u>\$---</u>	<u>\$40,000</u>

HFF has general volunteer hours for various operations. General volunteer hours have not been recognized in the financial statements because they do not meet the criteria of Accounting Standards Codification (ASC) 958-605 "Not-For-Profit Entities – Revenue Recognition". Estimated hours of general volunteer service received were \$1,550 for 2022 and \$352 for 2021.

HFF also receives various small (under \$1,000) donations of food, clothing and household items. The value of these items is not reflected in these statements since it is not susceptible to objective measurement or valuation.

Note 7 – Pledges Receivable

Included in the pledges receivable balance on the statements of financial position are multiple grants. An AEP Foundation grant stipulates that an amount of \$300,000 would be paid over the three years subsequent to December 31, 2019, an Ingram White Castle foundation grant stipulates an amount of \$60,000 to be paid over the three years subsequent to December 31, 2021, a Hexion grant stipulates \$100,000 to be paid over two years subsequent to 2022, and a Park National Bank grant stipulates \$30,000 to be paid over three years subsequent to 2022. Pledges receivable are shown net of discount of \$1,956 and \$1,169 as of December 31, 2022 and 2021, respectively.

	<u>2022</u>	<u>2021</u>
AEP Foundation	\$---	\$100,000
Hexion	99,019	---
Park National bank	29,416	---
Ingram WhiteCastle Foundation	<u>39,608</u>	<u>58,831</u>
	<u>\$168,043</u>	<u>\$158,831</u>

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

Note 8 – Capital Lease

During September 2018, HFF entered into a new lease for an additional two copiers. In accordance with ASC 840, the amount capitalized was the fair market value of the copiers, which was determined at \$9,684. Accordingly, the copiers contained in the capital lease are included as fixed assets on HFF's statement of financial position. The corresponding capital lease payable includes the present value of the prepaid maintenance fees calculated at \$9,923, capitalized assets, and cash received from leasing agent.

The aforementioned leased assets are included in the financial statements at December 31, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Equipment	\$9,684	\$9,684
Accumulated Depreciation	<u>(8,715)</u>	<u>(6,778)</u>
Net	<u>\$968</u>	<u>\$2,906</u>
Depreciation Expense	<u>\$(1,937)</u>	<u>\$(1,937)</u>

The following is a schedule by years of future minimum payments required under the lease obligation:

<u>Year Ending:</u>	
2023	<u>5,000</u>
	\$5,000
Imputed interest	<u>(1,418)</u>
Present value of future minimum lease payments	<u>\$3,582</u>

HFF has elected to recognize imputed interest using a straight-line method, which does not materially differ from the GAAP-prescribed Interest Method (ASC 835-30-20).

Note 10 – Lease Commitments

During 2022, the Organization implemented Leases (Topic 842), which stipulates that lease terms greater than one year must now be recognized at the present value of the lease payments as a Right-to-Use asset with a corresponding lease obligation as a liability.

HFF began leasing office space at 727 Main Street for operating purposes. The lease began in September 2022, for a period of five years, with a monthly rate beginning at \$8,369 for the first 36 months, \$9,564 for the following 15 months, and \$9,963 for the final 9 months. The lease does not specify renewal terms, and HFF is uncertain at this time whether or not the lease will be renewed.

The following summarizes the line items in the balance sheet which include amounts for Operating Leases as of December 31, 2022:

Operating Lease Right-of-Use assets \$421,019 – net of \$30,072 amortization

Operating Lease Liability \$427,197 – Current portion \$74,858

The components of Operating Lease Expense are included on the Statement of Functional Expenses. The costs associated with this lease are \$39,652 for the year ended December 31, 2022.

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

Note 10 – **Lease Commitments (Continued)**

Future required minimum lease payments are as follows for the fiscal years ending December 31:

<u>Year</u>	<u>Amount</u>
2023	\$100,422
2024	100,422
2025	100,422
2026	105,204
2027	<u>79,700</u>
	<u>\$ 500,915</u>

Program Facilities

HFF holds multiple master leases for housing units, which are utilized for program participants under the Organization's housing programs. These master leases each call for one-year terms, with various monthly rental payments. Leases (Topic 842) stipulates that leases for a period of one year or less are exempt from disclosure of right-to-use asset and liability. Per client evaluation, the future past each one year lease term is uncertain, and hence, these leases are expensed as utilized. Future minimum lease payments are as follows:

<u>Lessor</u>	<u>Year-Ended December 31, 2023</u>
Access More Property Management	\$24,000
Kenmore Youth Housing LLC	<u>124,992</u>
	<u>\$148,992</u>

Vehicles

During 2020, HFF entered into multiple leases for Organizational vehicles. The terms of the various leases are as follows:

Beginning January 1, 2020, HFF entered into a vehicle lease. The lease term runs for 36 months, and calls for monthly payments of \$770. Beginning March 1, 2020, HFF entered into two additional vehicle leases under the same lessor. Each lease term runs for 36 months, and calls for monthly payments of \$479 and \$467, respectively. Future minimum lease payments for leased vehicles are as follows:

<u>Year End Date</u>	<u>Minimum Payments</u>
December 31, 2023	<u>\$1,892</u>

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

Note 11 – Fair Value of Assets

HFF adopted Accounting Standards Codification 825 “Financial Instruments” (ASC 825) related to the endowment fund. ASC 825 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 825 are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs that are unobservable.

Inputs are used in applying the various techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility, statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgment by management. Management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the manager’s perceived risk of that instrument.

In making the aforementioned valuations, management will consult with their brokers, investment managers and various other entities in analyzing data which determines fair market values.

Fair values of assets measured on a recurring basis at December 31, 2022 are as follows:

	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Funds held by The Columbus Foundation	\$172,584	\$---	\$172,584	\$---

Fair values of assets measured on a recurring basis at December 31, 2021 are as follows:

	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Funds held by The Columbus Foundation	\$195,482	\$---	\$195,482	\$---

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

12 – Funds Held by The Columbus Foundation

In a prior year, HFF transferred assets to The Columbus Foundation, a federated fundraising organization, to establish a fund for HFF’s own benefit. It is the hope of HFF that other individuals, organizations and corporations will also add to the fund. The fund shall be administered subject to all the terms and conditions as provided for in the Articles of Incorporation and Code of Regulations establishing the Columbus Foundation. As a component fund of The Columbus Foundation it is subject to the variance power of the board of The Columbus Foundation but because HFF established the fund naming itself as the sole beneficiary the funds belong solely to HFF and, accordingly, are reflected as an asset in the financial statements. The entire fund may be distributed to HFF with the approval of at least a two-thirds majority vote of the board of HFF. Accordingly, the fund is included in Net Assets Without Donor Restrictions. The fund is carried at its fair market value of \$172,584 and \$195,482 at December 31, 2022 and 2021, respectively. Activity in this fund is as follows for the years ended December 31:

	<u>2022</u>	<u>2021</u>
Beginning Balance at January 1:	\$195,482	\$171,986
Interest and Dividends	4,423	4,245
Administration Fees	(780)	(710)
Unrealized/Realized Gains and Losses	<u>(26,540)</u>	<u>19,971</u>
Ending Balance at December 31:	<u>\$172,584</u>	<u>\$195,482</u>

Note 13 – Concentration of Business Risk

HFF has concentrated its credit risk for cash by maintaining deposits in banks located within the same geographic region. During 2022 and 2021, HFF’s cash accounts were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per banking institution. HFF has amounts on deposit in excess of the insured limits. HFF does not deem there to be a significant risk associated with the deposits in excess of insured limits given the reputation and financial stability of the banking institutions. HFF continuously reviews and manages their banking relationships to mitigate any risks associated with deposits in excess of insured limits.

HFF donors are located primarily in the Central Ohio area.

During 2022, HFF received \$3,810,857 (approximately 45% of its revenues) from The Community Shelter Board, through multiple federally funded grant programs. Despite this concentration of revenue, the programs are diversified, and a failure to renew any single CSB-funded grant component would not directly impact the remaining grants or programs.

During 2021, HFF received \$2,719,936 (approximately 34% of its revenues) from The Community Shelter Board, through multiple federally funded grant programs. Despite this concentration of revenue, the programs are diversified, and a failure to renew any single CSB-funded grant component would not directly impact the remaining grants or programs. Additionally, HFF received \$1,064,289 (approximately 13% of its revenues) from Coalition on Homelessness and Housing in Ohio (COHHIO).

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

Notes to the Financial Statements
December 31, 2022 with Comparative Totals for 2021

Note 14 – **Defined Contribution Plan**

HFF established a qualified 401(k) Defined Contribution Plan beginning January 1, 2006. All employees are eligible to participate the first day of the month following the date they become 21 years of age and obtain 6 months of employment. Employees may elect to defer a portion of their compensation for contribution to the plan. HFF as the employer will contribute 50% for every dollar of employee elective deferrals up to a total employer contribution totaling 2% of the employee’s annual compensation. The plan includes the following vesting schedule:

Less than 1 year of service:	0% vested
1 year of service:	25% vested
2 years of service:	50% vested
3 years of service:	75% vested
4+ years of service:	100% vested

HFF’s total contributions to the 401(k) Defined Contribution Plan totaled \$26,489 and \$22,891 for the years ended December 31, 2022 and 2021, respectively.

Note 15 – **Reclassification**

Certain December 31, 2021 financial statement line items have been reclassified to conform to the current year’s presentation.

Note 16 – **Subsequent Events**

Subsequent events were evaluated through September 26, 2023, which is the date the financial statements were available to be issued.

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

REPORT ON FEDERAL AWARDS IN ACCORDANCE WITH OMB COMPLIANCE SUPPLEMENT
FEDERAL ENTITY IDENTIFICATION NUMBER 31-1179492

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Passed Through to Subrecipients	Expended by HFF	Total Federal Expenditures
U.S. Department of Health and Human Services Passed through Coalition on Homelessness and Housing in Ohio Housing Now for Homeless Families	93.558	N/A	\$ -	\$ 424,089	\$ 424,089
U.S. Department of Health and Human Services Passed through Franklin County Department of Jobs and Family Services Temporary Assistance for Needy Families (TANF) SPARK	93.558	NA	-	266,716	266,716
U.S. Department of Health and Human Services Passed through Franklin County Department of Jobs and Family Services Temporary Assistance for Needy Families (TANF) Summer Program	93.558	NA	-	37,864	37,864
U.S. Department of Health and Human Services Passed through Franklin County Department of Jobs and Family Services Temporary Assistance for Needy Families (TANF) School Year Program	93.558	NA	-	320,132	320,132
U.S. Department of Health and Human Services Passed through Community Shelter Board HPEM	93.558	NA	-	131,932	131,932
Total US Department of Health and Human Services - 93.558			-	1,180,733	1,180,733
US Department of the Treasury Passed through City of Columbus C1 ERA Program	21.023	NA	-	318,095	318,095
US Department of the Treasury Passed through Community Shelter Board Resiliency Bridge	21.023	NA	-	379,414	379,414
US Department of the Treasury Passed through City of Columbus HPW ALITA	21.023	NA	-	228,589	228,589
US Department of the Treasury Passed through Franklin County ALITA Resiliency Bridge	21.023	NA	-	312,928	312,928
US Department of the Treasury Passed through Community Shelter Board Homeless Pregnant Women	21.023	NA	-	45,862	45,862
Total US Department of the Treasury - 21.023			-	1,284,888	1,284,888

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

REPORT ON FEDERAL AWARDS IN ACCORDANCE WITH OMB COMPLIANCE SUPPLEMENT
FEDERAL ENTITY IDENTIFICATION NUMBER 31-1179492

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	Grant Identification Number	Passed Through to Subrecipients	Expended by HFF	Total Federal Expenditures
US. Department of Housing and Urban Development Passed through Community Shelter Board Emergency Solutions Grant Programs - Family Rapid Rehousing	14.231	NA	-	457,051	457,051
US. Department of Housing and Urban Development Passed through Community Shelter Board Homeless Pregnant Women Programs	14.231	NA	-	987,168	987,168
US. Department of Housing and Urban Development Passed through Community Shelter Board Family Intensive Rapid Rehousing	14.231	NA	-	248,111	248,111
Total US Department of Housing and Urban Development - 14.231			-	1,692,330	1,692,330
US Department of Housing and Urban Development Passed through Community Shelter Board Transitional Age Youth Program	14.267	N/A	324,034	1,362,645	1,686,679
Total US Department of Housing and Urban Development - 14.267			324,034	1,362,645	1,686,679
US Department of Agriculture Passed through Ohio Department of Education Child and Adult Care Food Program	10.558	N/A	-	18,304	18,304
Total US Department of Agriculture - 10.558			-	18,304	18,304
Total Federal Expenditures			324,034.00	5,538,900	5,862,934

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022**

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of HFF under programs of the federal government for the year ended December 31, 2022. The information in this schedule is presented in accordance with the requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the schedule presents only a selected portion of the operations of HFF, it is not intended to and does not present the financial position, changes in net assets or cash flows of HFF.

Note 2 – Summary of Significant Accounting Policies

The Schedule has been prepared on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. HFF has elected to use the 10% de minimis as allowed under the Uniform Guidance.



Winkel Green & Company LLP
certified public accountants

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

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

To the Board of Directors of
The Homeless Families Foundation DBA Home for Families (hereafter "HFF")
Columbus, Ohio

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 HFF (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 26, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the HFF's internal control over financial reporting (internal control) to determine 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 HFF's internal control. Accordingly, we do not express an opinion on the effectiveness of HFF'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, and therefore material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether HFF'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 determination of financial statement amounts. 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 auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance (*Government Auditing Standards*) and which are described in the accompanying schedule of findings and questioned costs as item 2022-001.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subject to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.


Winkler Green & Company LLP
Columbus, Ohio

September 26, 2023



Winkel Green & Company LLP
certified public accountants

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
The Homeless Families Foundation DBA Home For Families (hereafter "HFF")
Columbus, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited HFF's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of HFF's major federal programs for the year ended December 31, 2022. HFF'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, HFF 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 December 31, 2022.

Basis of Opinion on Each Major Federal Program

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

We are required to be independent of HFF 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 obtain 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 HFF'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 requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to HFF'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 HFF'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, representations, 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 judgement made by a reasonable user of the report on compliance about HFF'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 HFF'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 HFF'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 HFF's internal control. 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.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on HFF's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. HFF's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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 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. We consider the deficiencies in internal control over compliance described in the Accompanying Schedule of Findings, Questioned Costs, and Recommendations as items 2022-001 to be a material weakness.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of HFF as of and for the year ended December 31, 2022, and have issued our report thereon dated September 26, 2023, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.


Winkler Green & Company LLP
Columbus, Ohio

September 26, 2023

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2022**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Part A:

Summary of Audit Results:

1. The audited financial statements were prepared in accordance with GAAP.
2. The auditor's report expresses an unmodified opinion on the financial statements of HFF.
3. No material weaknesses were identified in relation to internal control over financial reporting.
4. No significant deficiencies were reported in relation to internal control over financial reporting.
5. No instances of noncompliance material to the financial statements of HFF were disclosed during the audit.
6. No material weaknesses related to internal control over major federal programs were identified during the audit.
7. No significant deficiencies related to internal control over major federal programs were reported during the audit.
8. The auditor's report on compliance for the major federal award programs for HFF expresses an unmodified opinion.
9. There were no audit findings relative to the major federal award programs for HFF in accordance with 2 CFR 200.516(a).
10. One audit finding was disclosed that is required to be reported in accordance with 2 CFR 200.516(a).
11. Identification of major federal programs:
Assistance Listing Number 14.231
12. The programs tested as major programs were:
Assistance Listing Number 14.231
13. The threshold for distinguishing Types A and B programs was \$750,000.
14. HFF was determined to be a low-risk auditee.

Part B:

Findings at the financial statement level: None

Part C:

Findings and Questioned Costs – Major Federal Award Program Audit: None

Findings and Questioned Cost – Other Matters:

- 1) Finding 2022-001: Assistance Listing #14.267
US Department of Housing and Urban Development
Passed through Community Shelter Board – Transitional Age Youth Program

Condition: Subrecipients not reimbursed on a timely basis.

During the period, the Organization oversaw subrecipient grantees under CFDA #14.267. The Organization received and held funds from grantor intended for subrecipients for an amount of time in excess of what is considered timely for reimbursement to the subrecipient.

Findings and Questioned Costs – Other Matters (*Continued*):

<u>Criteria:</u>	This is deemed a matter of untimely subrecipient reimbursement.
<u>Cause:</u>	The Organization had an incorrect understanding of their role as sub-grantee, in which they believed that additional information was required to be provided by subrecipient before funds were disbursed.
<u>Effect:</u>	The result is a backlog of monthly reimbursements not disbursed to subrecipient in a timely manner.
<u>Recommendations:</u>	That the Organization implement controls to align subrecipient reimbursement requests with collection of required subrecipient information, as well as establish a formal timeline for approving reimbursements to subrecipients.
<u>Comments:</u>	<p>The finding was discussed with Board and Management, and they communicated in the Corrective Action Plan that the Organization will implement additional controls surrounding their subrecipient relationships, and that they consult Uniform Guidance guidelines when implementing these controls.</p> <p>It should be noted that the Organization does not maintain subrecipient relationships under any other federal grants, and hence, the issue at hand does not impact other grants/programs.</p>

CORRECTIVE ACTION PLAN

Audit Firm: Winkel Green & Company LLP

Audit Period: January 1, 2022 through December 31, 2022

CAP Prepared by:

Name: Beth Fetzer-Rice

Position: Executive Director

Current Findings on the Schedule of Findings, Questioned Costs and Recommendations

1. Finding 2022-001

a. Comments on the Finding and Recommendation.

Uniform Guidance stipulates that reimbursements are paid to subrecipients in a timely manner. The Organization did not pay subrecipients in a timely manner for the months of April through December 2022, resulting in \$234,254 of untimely reimbursements.

b. Action Taken or Planned on the Finding

The Organization will meet with subgrantees to establish increased control processes, including outlining documentation requirements, timeframes for reimbursement submission, identifying correct staff contacts for timely communications, and formalizing a timeframe for approving/distributing subrecipient disbursements. The Organization has paid all reimbursements through December 2022 as of August 30, 2023.

THE HOMELESS FAMILIES FOUNDATION DBA HOME FOR FAMILIES

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 2021

Prior Audit Reports

None.