

# Licking County Coalition for Housing, Inc.

YEARS ENDED JUNE 30, 2023 AND 2022

# LICKING COUNTY COALITION FOR HOUSING, INC.

YEARS ENDED JUNE 30, 2023 AND 2022

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## Independent Auditor's Report

Board of Directors  
Licking County Coalition for Housing, Inc.  
Newark, Ohio

### **Opinion**

We have audited the accompanying financial statements of Licking County Coalition for Housing, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Licking County Coalition for Housing, Inc. as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits 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 Licking County Coalition for Housing, Inc. 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 Licking County Coalition for Housing, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Licking County Coalition for Housing, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Licking County Coalition for Housing, Inc.'s ability to continue as a going concern for a reasonable period of time.

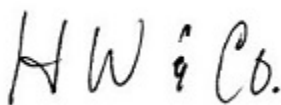
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. 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.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2024 on our consideration of Licking County Coalition for Housing, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Licking County Coalition for Housing, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Licking County Coalition for Housing, Inc.'s internal control over financial reporting and compliance.



Columbus, Ohio  
January 31, 2024

# LICKING COUNTY COALITION FOR HOUSING, INC.

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

<b>ASSETS</b>		
	2023	2022
<b>Current assets:</b>		
Cash and cash equivalents	\$ 18,454	\$ 79,272
Grants receivable	284,141	284,692
Prepaid expenses	92,916	48,918
Total current assets	395,511	412,882
<b>Assets limited as to use</b>	174,775	246,578
<b>Properties held for sale</b>	209,551	-
<b>Property and equipment, net</b>	1,481,845	1,696,499
<b>Right-of-use assets - finance leases, net</b>	13,568	29,500
	<b>\$ 2,275,250</b>	<b>\$ 2,385,459</b>
 <b>LIABILITIES AND NET ASSETS</b>		
	2023	2022
<b>Current liabilities:</b>		
Current portion of lease obligations - finance leases	\$ 9,713	\$ 15,933
Accounts payable	52,200	30,189
Accrued wages and related liabilities	137,619	111,203
Amount due back to funder	20,704	-
Deferred revenue	83,393	149,262
Total current liabilities	303,629	306,587
<b>Long-term liability; lease obligations - finance leases</b>	3,352	13,529
Total liabilities	306,981	320,116
<b>Net assets:</b>		
Without donor restrictions	1,474,587	1,411,989
With donor restrictions	493,682	653,354
	1,968,269	2,065,343
	<b>\$ 2,275,250</b>	<b>\$ 2,385,459</b>

See notes to financial statements.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and public support:</b>			
Grants	\$ 3,182,348	\$ 34,220	\$ 3,216,568
Contributions	48,368	6,000	54,368
Contributed nonfinancial assets	80,261	-	80,261
Rent	156,574	-	156,574
Fundraising	31,087	-	31,087
Occupancy charges	12,548	-	12,548
Interest and investment gains	920	4,508	5,428
Other	704	-	704
Net assets released from donor restrictions	204,400	(204,400)	-
	<hr/>	<hr/>	<hr/>
Total revenue and public support	3,717,210	(159,672)	3,557,538
<b>Expenses:</b>			
Transitional Housing	656,849	-	656,849
Rapid Re-housing	1,108,385	-	1,108,385
Project Homeline	177,553	-	177,553
Volunteer Income Tax Assistance	83,203	-	83,203
Rental activity	212,401	-	212,401
Supportive Services for Veteran Families	519,830	-	519,830
Community Transitions Program	185,230	-	185,230
Returning Home Ohio	171,119	-	171,119
Housing Opportunities for Persons With AIDS	159,687	-	159,687
Transition Age Youth	16,707	-	16,707
Grant Per Diem program	43,467	-	43,467
Management and general	296,294	-	296,294
Fundraising and contributions	23,887	-	23,887
	<hr/>	<hr/>	<hr/>
Total expenses	3,654,612	-	3,654,612
<b>Change in net assets</b>	<hr/>	<hr/>	<hr/>
	62,598	(159,672)	(97,074)
<b>Net assets, beginning of year</b>	<hr/>	<hr/>	<hr/>
	1,411,989	653,354	2,065,343
<b>Net assets, end of year</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 1,474,587	\$ 493,682	\$ 1,968,269

See notes to financial statements.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and public support:</b>			
Grants	\$ 2,403,886	\$ 386,122	\$ 2,790,008
Contributions	48,468	32,000	80,468
Contributed nonfinancial assets	141,639	-	141,639
Rent	179,802	-	179,802
Fundraising	13,068	-	13,068
Occupancy charges	18,078	-	18,078
Interest and investment gains (losses)	201	(8,058)	(7,857)
Other	2,904	-	2,904
Net assets released from donor restrictions	468,524	(468,524)	-
	<u>3,276,570</u>	<u>(58,460)</u>	<u>3,218,110</u>
Total revenue and public support			
	3,276,570	(58,460)	3,218,110
<b>Expenses:</b>			
Transitional Housing	696,113	-	696,113
Rapid Re-housing	648,397	-	648,397
Project Homeline	197,112	-	197,112
Volunteer Income Tax Assistance	55,668	-	55,668
Rental activity	200,522	-	200,522
Supportive Services for Veteran Families	513,627	-	513,627
Community Transitions Program	131,715	-	131,715
Returning Home Ohio	146,086	-	146,086
Housing Opportunities for Persons With AIDS	114,519	-	114,519
Ohio Housing Finance Agency - COVID Relief	6,268	-	6,268
Housing Now for Homeless Families	73,252	-	73,252
Grant Per Diem program	30,978	-	30,978
Management and general	361,818	-	361,818
Fundraising and contributions	13,762	-	13,762
	<u>3,189,837</u>	<u>-</u>	<u>3,189,837</u>
Total expenses			
	3,189,837	-	3,189,837
<b>Change in net assets</b>	<u>86,733</u>	<u>(58,460)</u>	<u>28,273</u>
<b>Net assets, beginning of year</b>	<u>1,325,256</u>	<u>711,814</u>	<u>2,037,070</u>
<b>Net assets, end of year</b>	<u><u>\$ 1,411,989</u></u>	<u><u>\$ 653,354</u></u>	<u><u>\$ 2,065,343</u></u>

See notes to financial statements.

**LICKING COUNTY COALITION FOR HOUSING, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2023

	Program Services											Supporting Services			2023 Total Expenses	
	Transitional Housing	Rapid Re-housing	Project Homeline	Volunteer Income Tax Assistance	Rental Activity	Supportive Services for Veteran Families	Community Transitions Program	Returning Home Ohio	Housing Opportunities for Persons With AIDS	Transition Age Youth	Grant Per Diem Program	Program Services Total	Management and General	Fundraising and Contributions		Supporting Services Total
Salaries and wages	\$ 225,422	\$ 237,821	\$ 43,432	\$ 28,143	\$ 85,483	\$ 163,786	\$ 48,366	\$ 47,634	\$ 58,664	\$ 9,011	\$ 29,462	\$ 977,224	\$ 136,450	\$ -	\$ 136,450	\$ 1,113,674
Payroll taxes and employee benefits	60,733	60,245	7,592	7,583	13,047	55,960	14,110	13,018	8,288	2,069	7,088	249,733	39,097	-	39,097	288,830
Occupancy expense	16,999	15,305	-	767	4,579	4,800	-	-	-	-	900	43,350	15,994	-	15,994	59,344
Direct assistance	217,854	780,170	126,443	-	3,085	280,287	119,577	107,176	89,827	-	354	1,724,773	1,163	-	1,163	1,725,936
Telephone	5,006	2,353	-	937	2,588	2,977	508	254	763	-	1,309	16,695	4,766	-	4,766	21,461
Professional services	6,040	-	-	-	1,018	-	-	-	-	-	315	7,373	21,255	3,000	24,255	31,628
Contract services	3,186	2,936	-	68	1,280	1,331	-	-	255	4,057	763	13,876	19,750	-	19,750	33,626
Office supplies	408	108	-	1,419	-	756	-	-	-	640	-	3,331	12,504	221	12,725	16,056
Repairs and maintenance	37,766	17	-	-	26,270	-	-	1,250	-	-	1,761	67,064	101	96	197	67,261
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	1,400	1,400	1,400
Postage and printing	-	-	-	1,215	600	20	-	-	-	-	-	1,835	3,439	658	4,097	5,932
Training and travel	4,591	5,586	86	4,031	1,248	6,456	2,669	1,772	1,720	365	272	28,796	8,561	34	8,595	37,391
Conferences	-	55	-	-	-	1,915	-	15	170	565	28	2,748	5,994	-	5,994	8,742
Insurance	14,318	3,589	-	-	9,421	1,542	-	-	-	-	1,215	30,085	2,863	1,017	3,880	33,965
Dues and memberships	-	-	-	-	-	-	-	-	-	-	-	-	3,042	-	3,042	3,042
Bank fees	-	-	-	-	-	-	-	-	-	-	-	-	1,090	339	1,429	1,429
Contributed nonfinancial assets	19,505	-	-	39,040	4,084	-	-	-	-	-	-	62,629	9,467	8,165	17,632	80,261
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-	8,657	8,657	8,657
Minor equipment	-	-	-	-	-	-	-	-	-	-	-	-	1,116	-	1,116	1,116
Miscellaneous	-	200	-	-	194	-	-	-	-	-	-	394	-	300	300	694
Depreciation	45,021	-	-	-	59,504	-	-	-	-	-	-	104,525	9,642	-	9,642	114,167
<b>Total expenses</b>	<b>\$ 656,849</b>	<b>\$ 1,108,385</b>	<b>\$ 177,553</b>	<b>\$ 83,203</b>	<b>\$ 212,401</b>	<b>\$ 519,830</b>	<b>\$ 185,230</b>	<b>\$ 171,119</b>	<b>\$ 159,687</b>	<b>\$ 16,707</b>	<b>\$ 43,467</b>	<b>\$ 3,334,431</b>	<b>\$ 296,294</b>	<b>\$ 23,887</b>	<b>\$ 320,181</b>	<b>\$ 3,654,612</b>
Percentage of total expenses	<b>18%</b>	<b>30%</b>	<b>5%</b>	<b>2%</b>	<b>6%</b>	<b>14%</b>	<b>5%</b>	<b>5%</b>	<b>4%</b>	<b>1%</b>	<b>1%</b>	<b>91%</b>	<b>8%</b>	<b>1%</b>	<b>9%</b>	<b>100%</b>

See notes to financial statements.



LICKING COUNTY COALITION FOR HOUSING, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	Program Services											Supporting Services			2022 Total Expenses		
	Transitional Housing	Rapid Re-housing	Project Homeline	Volunteer Income Tax Assistance	Rental Activity	Supportive Services for Veteran Families	Community Transitions Program	Returning Home Ohio	Housing Opportunities for Persons With AIDS	Ohio Housing Finance Agency - COVID Relief	Housing Now for Homeless Families	Grant Per Diem Program	Program Services Total	Management and General		Fundraising and Contributions	Supporting Services Total
Salaries and wages	\$ 264,872	\$ 183,133	\$ 32,439	\$ 19,025	\$ 76,431	\$ 183,021	\$ 41,572	\$ 36,370	\$ 44,191	\$ -	\$ 17,971	\$ 15,216	\$ 914,241	\$ 151,316	\$ -	\$ 151,316	\$ 1,065,557
Payroll taxes and employee benefits	68,968	48,790	7,545	6,731	11,410	47,735	14,638	12,622	9,965	-	2,177	3,666	234,247	40,115	-	40,115	274,362
Occupancy expense	16,547	10,662	150	2,500	4,676	6,401	-	-	-	-	-	2,200	43,136	15,368	-	15,368	58,504
Direct assistance	204,507	395,668	156,978	-	1,236	263,943	72,275	95,696	58,933	6,268	52,650	2,574	1,310,728	-	-	-	1,310,728
Telephone	4,669	1,577	-	375	2,468	3,270	661	509	479	-	428	1,359	15,795	3,404	-	3,404	19,199
Professional services	2,307	-	-	-	-	-	-	-	-	-	-	-	2,307	72,015	3,000	75,015	77,322
Contract services	4,099	310	-	2,179	2,043	329	-	85	-	-	-	550	9,595	17,046	303	17,349	26,944
Office supplies	521	8	-	933	109	916	-	-	34	-	-	-	2,521	10,597	390	10,987	13,508
Repairs and maintenance	45,029	1,821	-	5	37,182	5	-	-	-	-	-	1,143	85,185	2,239	-	2,239	87,424
Advertising	-	-	-	-	-	-	-	-	-	-	-	-	-	200	39	239	239
Postage and printing	-	7	-	1,289	-	-	-	-	8	-	-	1	1,305	5,806	2,152	7,958	9,263
Training and travel	6,939	2,711	-	2,063	179	5,661	2,569	804	909	-	26	1,877	23,738	3,641	38	3,679	27,417
Conferences	-	-	-	-	-	1,980	-	-	-	-	-	495	2,475	3,876	-	3,876	6,351
Insurance	18,375	3,710	-	-	9,621	366	-	-	-	-	-	1,287	33,359	1,642	-	1,642	35,001
Dues and memberships	-	-	-	-	-	-	-	-	-	-	-	610	610	2,780	-	2,780	3,390
Bank fees	-	-	-	-	-	-	-	-	-	-	-	-	-	1,066	54	1,120	1,120
Contributed nonfinancial assets	14,683	-	-	20,568	-	-	-	-	-	-	-	-	35,251	8,184	3,204	11,388	46,639
Fundraising	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,777	3,777	3,777
Minor equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	576	-	576	576
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	9,625	805	10,430	10,430
Depreciation	44,597	-	-	-	55,167	-	-	-	-	-	-	-	99,764	12,322	-	12,322	112,086
<b>Total expenses</b>	<b>\$ 696,113</b>	<b>\$ 648,397</b>	<b>\$ 197,112</b>	<b>\$ 55,668</b>	<b>\$ 200,522</b>	<b>\$ 513,627</b>	<b>\$ 131,715</b>	<b>\$ 146,086</b>	<b>\$ 114,519</b>	<b>\$ 6,268</b>	<b>\$ 73,252</b>	<b>\$ 30,978</b>	<b>\$ 2,814,257</b>	<b>\$ 361,818</b>	<b>\$ 13,762</b>	<b>\$ 375,580</b>	<b>\$ 3,189,837</b>
Percentage of total expenses	<b>22%</b>	<b>20%</b>	<b>6%</b>	<b>2%</b>	<b>6%</b>	<b>16%</b>	<b>4%</b>	<b>5%</b>	<b>4%</b>	<b>0%</b>	<b>2%</b>	<b>1%</b>	<b>88%</b>	<b>11%</b>	<b>1%</b>	<b>12%</b>	<b>100%</b>

See notes to financial statements.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (97,074)	\$ 28,273
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	114,167	112,086
Contribution of donated property	-	(95,000)
Decrease (increase) in assets:		
Grants receivable	551	(27,885)
Prepaid expenses	(43,998)	(42,922)
Increase (decrease) in liabilities:		
Accounts payable	22,011	(3,365)
Accrued wages and related liabilities	26,416	13,785
Amount due back to funder	20,704	-
Deferred revenue	(65,869)	17,931
	<u>(23,092)</u>	<u>2,903</u>
<b>Cash flows from investing activities:</b>		
Purchases of property and equipment	(93,132)	(61,994)
Change in assets limited as to use	(4,508)	8,058
	<u>(97,640)</u>	<u>(53,936)</u>
<b>Cash flows from financing activities; payments on lease obligations - finance leases</b>	<u>(16,397)</u>	<u>(11,651)</u>
<b>Net decrease in cash, cash equivalents, restricted cash and restricted cash equivalents</b>	<u>(137,129)</u>	<u>(62,684)</u>
<b>Cash, cash equivalents, restricted cash, and restricted cash equivalents, beginning</b>	<u>282,277</u>	<u>344,961</u>
<b>Cash, cash equivalents, restricted cash, and restricted cash equivalents, ending</b>	<u><u>\$ 145,148</u></u>	<u><u>\$ 282,277</u></u>

See notes to financial statements.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022

### 1. Description of organization and summary of significant accounting policies:

#### Description of organization:

Licking County Coalition for Housing, Inc. (the "Organization") is a nonprofit organization whose mission is to provide a community forum to assess housing resources, to identify problems, and to create solutions through collaboration.

The Organization's programs are summarized as follows:

Transitional Housing – Provides transitional housing and supportive services to homeless families and adults at scattered sites in Licking County, Ohio.

Rapid Re-housing – Rapid Re-housing is a program that assists homeless families and single individuals with case management and financial services to move from homelessness back into housing in the shortest time possible.

Project Homeline – Project Homeline is a multi-faceted homelessness prevention and rapid re-housing program that provides technical assistance, housing information, referral services and emergency financial assistance to income eligible households.

Volunteer Income Tax Assistance (VITA) – VITA is a program sponsored by the Internal Revenue Service offering free income tax assistance to eligible low and moderate-income taxpayers. Certified volunteers prepare tax returns and offer referrals to area resources and financial education opportunities.

Rental Activity – In conjunction with the Licking County Board of Developmental Disabilities ("the Board"), the Organization provides residential housing opportunities for developmentally disabled adults to reside in "their own home" while receiving supervised care and guidance.

Supportive Services for Veteran Families (SSVF) – SSVF is a program sponsored by the U.S. Department of Veterans Affairs (VA) that provides services to very low-income veteran families. The SSVF program supports the VA's efforts to prevent at risk veterans from becoming homeless and rapidly re-house those who have recently fallen into homelessness. The Organization provides temporary financial assistance that promotes housing stability and services that connect veterans and their family members to VA services such as mental health care and other benefits.

Community Transitions Program (CTP) – CTP is a program sponsored by the Corporation for Supportive Housing that seeks to provide recovery supports, including housing assistance, to individuals exiting Ohio prisons who have participated in substance use treatment or recovery services while incarcerated.

Returning Home Ohio (RHO) – RHO is a program sponsored by the Ohio Department of Rehabilitation and Correction (ODRC) and the Corporation for Supportive Housing that is aimed at preventing homelessness and reducing recidivism for those who have been released from state prisons. The Organization provides financial assistance and case management that promotes housing stability.

Housing Opportunities for Persons With AIDS (HOPWA) – HOPWA is a program designed to provide resources and incentives to devise long-term strategies for meeting the housing needs of persons with acquired immunodeficiency syndrome (AIDS) or related diseases and their families.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### 1. **Description of organization and summary of significant accounting policies (continued):**

#### **Description of organization (continued):**

Transitional Age Youth (TAY) – TAY is a program designed to provide services to vulnerable youth experiencing homelessness in six counties in Ohio.

Ohio Housing Finance Agency (OHFA) – COVID Relief – OHFA is a short-term program designed to provide emergency housing assistance to prevent homelessness and minimize the spread of COVID-19 during the pandemic.

Housing Now for Homeless Families (HNHF) – Temporary Assistance for Needy Families (TANF) funds that serves households with a minor child in the home to either move them from homelessness into housing (Rapid Re-Housing) or prevent those households from ever becoming homeless (Homeless Prevention).

Grant Per Diem (GPD) Program – GPD funds, from the Veteran’s Administration, are used to provide five units of transitional housing to homeless Veterans and their families.

#### **Basis of accounting:**

The accounting policies of the Organization conform to accounting principles generally accepted in the United States of America (U.S. GAAP) as applicable to voluntary health and welfare organizations.

#### **Use of estimates:**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates and assumptions.

#### **Cash and cash equivalents:**

The Organization considers all highly liquid investments without donor or board restrictions with an initial maturity of three months or less to be cash equivalents. Money market accounts totaled \$1,370 at June 30, 2023 and \$1,367 at June 30, 2022.

#### **Grants and contributions receivable and revenue recognition:**

The Organization receives grants from Federal, state and local government sources under a variety of programs. Amounts received under these programs generally require compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. The Organization considers grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### 1. Description of organization and summary of significant accounting policies (continued):

#### Grants and contributions receivable and revenue recognition (continued):

Certain grant revenue is recognized when the terms and conditions specified in the agreements are satisfied, such as qualifying program expenditures being incurred. Such revenue is subject to review by the funding agency and may result in disallowance in subsequent periods if the terms and conditions are not allowed.

Contributions are recognized when promised unless there are conditions and are considered without donor restrictions unless specifically restricted by the donor. Nongovernmental contributions and grants are recorded as support with donor restrictions if they are received with donor stipulations that limit their use. When a donor restriction has been satisfied by the passage of time or the accomplishment of a specific purpose, net assets with donor restrictions are reclassified to net assets without donor restrictions. The satisfied amount is reported in the statements of activities and changes in net assets as net assets released from donor restrictions.

During the year ended June 30, 2023, the Organization received approximately 57% of its total support from the U.S. Department of Housing and Urban Development (HUD), and 16% from the VA. During the year ended June 30, 2022, the Organization received approximately 50% of its total support from the U.S. Department of Housing and Urban Development (HUD), and 18% from the VA. Grants receivable due from HUD and the VA totaled \$209,659 at June 30, 2023 and \$257,057 at June 30, 2022. Changes or loss of funding from these grants could have a detrimental effect on the Organization's ability to carry out its mission.

The Organization discloses conditional grants and contributions, which are those with a measurable performance or other barrier and a right of return, in its financial statements. They are not recognized until the conditions on which they depend have been met. Conditional grants that require the Organization to incur specific qualifying program expenditures or obtain matching funds within a specified time frame totaled \$1,676,485 at June 30, 2023 and \$2,007,631 at June 30, 2022.

The Organization recognizes deferred revenue for conditional grants and contributions received before the terms and conditions specified in the agreements are satisfied. Deferred revenue totaled \$83,393 at June 30, 2023 and \$149,262 at June 30, 2022. Amount due back to funder totaled \$20,704 at June 30, 2023.

#### Assets limited as to use:

Assets limited as to use include assets set aside by the Board of Directors, a reserve established pursuant to the contract with the Board (see note 7), assets whose use has been restricted by donors and CARES funds from Licking County and the City of Newark. Assets set aside by the Board of Directors consist of a deposit account totaling \$33,090 at June 30, 2023 and \$40,913 at June 30, 2022. The reserve established pursuant to the contract with the Board to cover vacancies, maintenance, and capital improvements for properties used for housing persons with developmental disabilities consist of a money market account totaling \$93,604 at June 30, 2023 and \$162,092 at June 30, 2022. The assets restricted by donors consist of bond and equity mutual funds totaling \$47,922 at June 30, 2023 and \$43,414 at June 30, 2022. The CARES funds from Licking County and the City of Newark consist of a deposit account totaling \$159 at June 30, 2023 and 2022.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### 1. Description of organization and summary of significant accounting policies (continued):

#### Properties held for sale:

Properties held for sale consists of land and buildings that the Organization considers to be available for sale in its present condition and anticipates a sale to be probable within one year. In accordance with U.S. GAAP, management has recorded the property held for sale at the lower of its carrying amount or fair value less cost to sell.

#### Property and equipment:

Property and equipment with a useful life greater than one year is stated at cost. Donated property is recorded at fair market value on the date of the gift. The Organization received donated property totaling \$95,000 during 2022, see Note 12. The Organization's policy is to capitalize property and equipment costing \$1,000 or more. Depreciation is computed on the straight-line method based upon the following estimated useful lives of the assets:

Buildings	15 – 40 years
Building improvements and equipment	7 – 27.5 years
Leasehold improvement	4 – 7 years
Office equipment	3 – 7 years
Vehicles	5 years

#### Leases:

The Organization makes a determination with respect to each of its remaining leases as to whether each should be accounted for as an operating or finance lease. The classification criteria is based on if the lease has a purchase option, transfers of ownership at the end of the lease, fair value of the leased asset, minimum lease payments, effective costs of funds, economic life of the asset, and certain other terms in the lease agreements. Any leases determined by management to be inconsequential or are based on a month-to-month basis are expensed when paid.

The Organization, as lessee, recognizes right-of-use assets and lease obligations on the Organization's statement of financial position. As of the commencement date of a lease, a lease obligation and corresponding right-of-use asset is established on the Organization's statement of financial position at the present value of future minimum lease payments. The Organization applies judgement in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The Organization determines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The lease terms are used in determining classification between operating lease and finance lease, calculating the lease liability, and determining the discount rate. The Organization is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate or risk free rate.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### 1. Description of organization and summary of significant accounting policies (continued):

#### Leases (continued):

For operating leases, the Organization recognizes lease expense on a straight-line basis based on payments for minimum rent due over the life of the lease plus any variable rent payments. For financing leases, the Organization recognizes amortization expense and interest expense based on terms of the lease and calculation of discounted future payments.

#### Net assets:

The Organization classifies net assets into two categories: with and without donor restrictions. Net assets of the Organization and changes therein are classified and reported as follows:

Net assets without donor restrictions consist of amounts without donor restrictions that are available for use in carrying out the mission of the Organization.

Net assets with donor restrictions consist of those amounts that are donor restricted for a specific purpose or time. When a donor restriction expires, either by the passage of a stipulated time restriction or by the accomplishment of a specific purpose restriction, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from donor restrictions. Certain net assets result from contributions from donors who place restrictions on the use of donated funds mandating that the original principal remain invested in perpetuity. Net assets with donor restrictions were \$493,682 at June 30, 2023 and \$653,354 at June 30, 2022.

#### Measure of operations:

The statements of activities and changes in net assets report all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing programs. Nonoperating activities would be activities considered to be more unusual or nonrecurring.

#### Contributed nonfinancial assets:

Contributed nonfinancial assets consist of donated property, goods and volunteer hours. The estimated fair value of these donations totaled \$80,261 in 2023 and \$141,639 in 2022 and are included in contributed nonfinancial assets in the accompanying statements of activities and changes in net assets. The related costs are allocated to the specific programs and recorded as expenses without donor restrictions in the statements of activities and changes in net assets.

#### Income taxes:

The Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Service Code and is exempt from Federal income taxes on related income pursuant to Section 501(a) of the code.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### 1. **Description of organization and summary of significant accounting policies (continued):**

#### **Advertising:**

The Organization expenses advertising costs as incurred.

#### **Functional expenses:**

The expenses incurred to provide the various programs and activities of the Organization have been summarized on a functional basis in the statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are allocated include salaries and wages and payroll taxes and employee benefits based on job descriptions, time and effort, as well as utilities, telephone, insurance, and depreciation are allocated based on square footage. The remaining expenses, which are not directly identifiable by program or support service are allocated based on the best estimates of management. Expenses by function and natural classification are reported on the statements of functional expenses.

#### **Recently adopted new accounting pronouncement:**

In February 2016, the Financial Standards Accounting Board (FASB) issued Accounting Standards Updated (ASU) No. 2016-02, *Leases* (Topic 842), which amends the former accounting principles for the recognition, measurement, presentation, and disclosure of leases for both lessees and lessors. This ASU requires a lessee to recognize a right-of-use asset and a lease liability on the statements of financial position, changes presentation of expense on the statements of activities and changes in net assets, functional expenses, and cash flows and changes the disclosure requirements. In addition, after the issuance of ASU No. 2016-02, the FASB issued numerous additional ASUs to provide clarity and changes to ASC Topic 842. The Organization adopted the ASUs (where applicable) included in Topic 842 effective July 1, 2022. ASC Topic 842 provides a practical expedient for an entity's ongoing accounting. The Organization elected the short-term practical expedient for all leases that qualify. As a result, the Organization will not recognize right-of-use assets or liabilities for short-term leases that qualify for the short-term practical expedient, but instead will recognize the lease payments as lease expense on a straight-line basis over the lease term. The adoption of this ASU did not have a material impact on the Organization's financial statements.

#### **Recent accounting pronouncement:**

In June 2016, FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*. This ASU requires a financial asset, or group of financial assets, measured at amortized cost basis to be presented at the net amount expected to be collected. The measurement of expected credit losses is based on historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount. This ASU also amends the accounting for credit losses on available-for-sale debt securities and purchased financial assets with credit deterioration. In November 2019, FASB issued an ASU to defer the implementation date of this ASU. Therefore, the Organization will be required to adopt and implement this ASU for years beginning after December 15, 2022, which is the Organization's year ending June 30, 2024. Management is in the process of evaluating the impact this ASU will have on its financial statements and will adopt the ASU upon its effective date.



# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### 2. Liquidity and availability:

The Organization's financial assets available within one year of the statements of financial position as of June 30, 2023 and 2022 for general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents, net of donor restricted funds	\$ 9,840	\$ 65,802
Grants receivable	<u>284,141</u>	<u>284,692</u>
	<u>\$ 293,981</u>	<u>\$ 350,494</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Organization has a line of credit in the amount of \$100,000, which can be drawn upon. Additionally, the Organization's Board of Directors has designated certain funds for operational needs totaling \$33,090 as of June 30, 2023 and \$40,913 as of June 30, 2022. These funds are invested in a savings account and may be spent at the discretion of the Board of Directors. The Organization also has funds designated pursuant to the contract with the Board (see note 1) for vacancies, maintenance, and capital improvements for properties used for housing persons with developmental disabilities totaling \$93,604 as of June 30, 2023 and \$162,092 as of June 30, 2022. These funds are invested in a money market account and may be spent with the approval of the Board of Directors. These amounts are included in assets limited as to use on the statements of financial position.

### 3. Fair value measurements:

U.S. GAAP establishes a framework for measuring fair value for certain assets and liabilities. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The three levels of the fair value hierarchy are described as follows:

Level 1 Valuations based on quoted prices in active markets.

Level 2 Inputs, other than quoted prices in active markets that are observable, directly or indirectly.

Level 3 Unobservable inputs for which there is little or no market data.

The fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value of the mutual funds is based on quoted market prices, and is categorized in Level 1 of the fair value hierarchy.

The preceding methods described used may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### 3. Fair value measurements (continued):

There have been no changes in these methodologies at June 30, 2023 and 2022.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value, on a recurring basis, at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
	<u>Level 1</u>	<u>Level 1</u>
Investments (included in assets limited as to use):		
Mutual funds	\$ <u>47,922</u>	\$ <u>43,414</u>

### 4. Property and equipment:

Property and equipment consisted of the following at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Land	\$ 434,730	\$ 480,330
Buildings	1,724,773	1,876,173
Building improvements and equipment	455,294	410,994
Leasehold improvements	18,185	18,185
Office equipment	129,797	129,797
Vehicles	<u>75,015</u>	<u>71,591</u>
	2,837,794	2,987,070
Less: accumulated depreciation	<u>1,342,381</u>	<u>1,261,071</u>
	<u>\$ 1,495,413</u>	<u>\$ 1,725,999</u>

### 5. Line of credit:

The Organization has a \$100,000 line of credit with a bank. The line of credit bears interest at a variable rate as determined by the bank (10.25% at June 30, 2023 and 5.50% at June 30, 2022) and is payable on demand by the bank. The line of credit is not collateralized.

There were no borrowings on the line of credit at June 30, 2023 and 2022.

### 6. Net assets with donor restrictions:

The Organization has a contract with the Board to manage certain properties and to rent these properties to individuals with developmental disabilities. The Board provides the funds to the Organization for purchase of the properties. Each property acquired by the Organization has a corresponding note payable and mortgage whereby principal is relieved each month the Organization uses the property for the intended purpose. The relief of principal and interest is included in net assets released from donor restrictions in the statements of activities and changes in net assets.

## LICKING COUNTY COALITION FOR HOUSING, INC.

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

#### 6. Net assets with donor restrictions (continued):

Net assets with donor restrictions are comprised of the following at June 30, 2023 and 2022:

	2023	2022
Net assets restricted for a specific time period:		
Residential housing for individuals with developmental disabilities	\$ 358,070	\$ 444,013
Investment income available for activities for the Organization, not yet appropriated	425	343
Net assets restricted for a specific purpose:		
Direct care	446	3,037
VITA program	-	4,654
RHO program	-	11,772
Granville residents	8,168	5,779
OHFA COVID-19 program	58,763	61,088
CTP program	14,929	67,589
VITA TrueCore	-	4,508
LC Rent Assistance	5,384	7,500
	446,185	610,283
Net assets restricted to investment in perpetuity:		
Donor-restricted endowment fund		
Tom and Vicky Chapman Endowment	47,497	43,071
	\$ 493,682	\$ 653,354

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of the passage of time or other events specified by donors, as follows:

	2023	2022
Purpose restrictions met, program services	\$ 118,457	\$ 395,087
Time restrictions expired, residential housing for individuals with developmental disabilities	85,943	73,437
	\$ 204,400	\$ 468,524

#### 7. Endowment net assets:

The Organization's endowment consists of one fund established for perpetuity as a donor-restricted endowment fund. The Organization's endowment is included in the assets limited as to use on the statements of financial position. Net assets associated with the endowment fund are classified and reported based on the existence of donor-imposed restrictions.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### 7. Endowment net assets (continued):

The Organization is subject to the State of Ohio's Uniform Prudent Management of Institutional Funds Act (UPMIFA) and, thus classifies amounts in its donor-restricted endowment fund as net assets with donor restrictions because these net assets are required to be maintained in perpetuity. The Organization's Board of Directors has interpreted UPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of the interpretation, when reviewing its donor-restricted endowment fund, the Organization considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. The Organization's Board of Directors has interpreted UPMIFA to permit spending from underwater funds in accordance with prudent measures required under the law. Additionally, in accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) General economic conditions
- 2) The possible effect of inflation or deflation
- 3) The expected tax consequences, if any, of investment decisions or strategies
- 4) The role that each investment or course of action plays within the overall investment portfolio of the fund
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The need of the Organization and of the fund to make distributions and preserve capital
- 8) An asset's special relationship or special value, if any, to the charitable purposes of the Organization

Endowment net asset composition by type of fund as of June 30, 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Donor-restricted endowment fund:		
Amounts held in perpetuity	\$ 47,497	\$ 43,071
Investment income, January 1 <sup>st</sup> through June 30 <sup>th</sup>	<u>425</u>	<u>343</u>
	<u>\$ 47,922</u>	<u>\$ 43,414</u>

Changes in endowment net assets for the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Endowment net assets, beginning of year	\$ 43,414	\$ 51,473
Investment income	1,795	2,618
Unrealized gain (loss)	<u>2,713</u>	<u>(10,677)</u>
Endowment net assets, end of year	<u>\$ 47,922</u>	<u>\$ 43,414</u>

Each year the Organization is able to withdrawal the greater of the income earned (interest and dividends) during the period or the Organization's spendable amount in accordance with its investment policy, calculated as no more than 5% of the average fair market value of not less than three years immediately preceding the year in which the expenditure is made. The spendable amount, at 5%, totaled \$2,277 at June 30, 2023 and \$2,238 at June 30, 2022. No expenditures were made during the years ended June 30, 2023 or 2022.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### 7. Endowment net assets (continued):

The Organization has adopted investment and spending policies for endowment assets that attempt to provide moderate growth to the investment portfolio while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the Organization's Board of Directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of various market indices based on type of investments while assuming a moderate level of investment risk, with the goal of having a stable and consistent level of support in perpetuity. The Organization expects its endowment funds, over time, to provide an average rate of return that exceeds the rate of inflation by 5% annually. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Organization targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The donor has not restricted the use of investment income (interest and dividends) on the donor-restricted endowment funds; therefore, the Organization has the ability to utilize those earnings for its operations within certain donor time restrictions. The donor time restricted the use of the investment income to be used within the year it is earned, any investment income not withdrawn by December 31<sup>st</sup> is included in net assets with donor restrictions as principal on January 1<sup>st</sup>. Investment income earned but not used between January 1<sup>st</sup> and June 30<sup>th</sup> is included in net assets with donor restrictions to be held in perpetuity. If the Organization utilizes the earnings in its operations in the current fiscal year, it is included in net assets without donor restriction. In establishing this policy, the Organization considered the long-term expected return on its endowment. This is consistent with the Organization's objectives to maintain the purchasing power of the endowment assets held in perpetuity, as well as to provide additional real growth through new gifts.

### 8. Leases:

The Organization leases equipment and a vehicle under finance lease obligations. The following is a summary of equipment and the vehicle held under finance lease obligations at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Equipment	\$ 25,920	\$ 25,920
Vehicle	36,463	36,463
Less: accumulated depreciation	<u>48,815</u>	<u>32,883</u>
	<u>\$ 13,568</u>	<u>\$ 29,500</u>

Depreciation expense on equipment and the vehicle held under the finance lease obligations was \$15,932 in 2023 and \$11,613 in 2022 and is included in depreciation expense on the statements of functional expenses. The equipment lease expires in January 2025 with future minimum principal payments of \$9,105 in 2024 and \$3,352 in 2025. The vehicle lease expires in August 2023 with future minimum principal payments of \$608 in 2024.

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### 8. Leases (continued):

The Organization has various apartment leases under the housing programs. Monthly rental payments range from \$700 to \$1,100 for the apartment leases and the leases expire through September 2024 and become month-to-month thereafter. Future minimum payments to be made under the lease agreements are \$123,465 for 2024 and \$13,500 for 2025.

The Organization also leases three office spaces. Two of the lease agreements are on a month-to-month basis and the third agreement expires in September 2024. Monthly rental payments range from \$1,295 to \$2,975. Future minimum payments to be made are \$11,655 for 2025.

The Organization also leases storage space. Monthly rental payments are \$500 and the lease has no expiration date, with a 30 day written cancellation notice requirement. Future minimum payments to be made are \$6,000 per year.

The Organization also leases various facilities on a month-to-month basis. Rent expense for the aforementioned leases and other month-to-month leases were \$220,028 for 2023 and \$183,445 for 2022. The office lease is included in occupancy expense and all other rent expense is included in direct assistance on the statements of functional expenses. The Organization classifies the above leases as operating leases.

The Organization has entered into various rental agreements with individuals as part the Organization's Rental Activity Program, with various lease terms. These rental agreements contain embedded leases of building, improvements and equipment. The Organization leases to residents under noncancellable agreements. The agreements contain residents' option to terminate the agreement with 30-day notice to the Organization. The agreements require residents to pay minimum monthly fees. The rental agreements do not contain a guaranteed residual value. The Organization classifies the above leases as operating leases.

Management makes certain estimates and assumptions regarding the above agreements, renewal and amendments, including, but not limited to property value, property lives, discount rates and lease terms, all of which can impact (i) the classification and accounting for a lease as operating or finance, including sales-type and direct financing, (ii) variable payments that are taken into consideration when calculating rent income. The amount of depreciation and rent income reported would vary if different estimates and assumptions were used.

The following is an analysis of the carrying amounts of the underlying property and equipment related to resident rental agreements at June 30:

	<u>2023</u>	<u>2022</u>
Land	\$ 384,530	\$ 414,130
Buildings	1,162,316	1,297,586
Improvements and equipment	<u>268,441</u>	<u>235,248</u>
Total cost	1,815,287	1,946,964
Less: accumulated depreciation	<u>615,830</u>	<u>606,129</u>
Net property and equipment	<u>\$ 1,199,457</u>	<u>\$ 1,340,835</u>

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### 8. Leases (continued):

The leased assets are physically distinct, the Organization does not have substitution rights, and the lessee holds the right to direct the use of and obtain substantially all of the economic benefits from the use of the identified assets.

Rent income under these leases was \$156,574 in 2023 and \$179,802 in 2022.

Future minimum rental revenue receipts total \$140,604 for 2024.

### 9. Defined contribution plan:

The Organization has a simple 401(k) plan available to all full-time employees who have been employed for 90 days. Employer contributions are a mandatory match up to 3% of a participating employee's salary. Employer contributions were \$22,373 for 2023 and \$24,984 for 2022.

### 10. Statements of cash flows:

Cash, cash equivalents, restricted cash and restricted cash equivalents included in the statements of cash flows at June 30, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 18,454	\$ 79,272
Assets limited as to use:		
Deposit account	33,090	40,913
Money market account	<u>93,604</u>	<u>162,092</u>
	<u>\$ 145,148</u>	<u>\$ 282,277</u>

During 2023, properties held for sale increased by \$209,551 with a corresponding decrease in property and equipment. During 2022, property and equipment increased by \$95,000 due to a contribution of donated property and increased by \$25,920 with a corresponding increase in lease obligations – finance leases due to a leased copier.

### 11. Contributed nonfinancial assets:

During the year ended June 30, 2023 and 2022, contributed property, goods and services consisted of the following:

	<u>2023</u>	<u>2022</u>
Donated property	\$ -	\$ 95,000
Goods	13,023	10,569
Services	<u>67,238</u>	<u>36,070</u>
	<u>\$ 80,261</u>	<u>\$ 141,639</u>

# LICKING COUNTY COALITION FOR HOUSING, INC.

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED JUNE 30, 2023 AND 2022

### **11. Contributed nonfinancial assets (continued):**

The Organization's policy related to donated property, goods and services is to utilize the assets given to carry out the mission of the Organization. If an asset is provided that does not allow the Organization to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

The donated property is a house that is used for housing services and the fair value is based on an appraisal done by an independent appraiser.

Donated goods consist of furniture, household goods and personal protective equipment received by the Organization to provide to individuals utilizing the Organization's services, the fair value is estimated based on the Salvation Army donation valuation guide.

The Organization utilizes volunteer hours to provide services for the VITA program, maintenance services for certain program properties, fundraising activities and professional services. Hours are reported by the volunteers, including staff and is multiplied by a standard rate provided by the Independent Sector volunteer value report. The Organization staff hours are entered as a standard amount.

All donated property, goods and services were utilized by the Organization's programs and supporting services. There were no donor-imposed restrictions associated with the contributed nonfinancial assets.

### **12. Contingencies:**

The Organization receives a significant portion of its support from various funding sources. Expenditure of these funds requires compliance with terms and conditions specified in the related contracts and agreements. These expenditures are subject to audit by the contracting agencies. Any disallowed expenditures would become a liability of the agency requiring repayment to the funding sources. Liabilities resulting from these audits, if any, will be recorded in the period in which the liability is ascertained.

### **13. Risks and uncertainties:**

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such changes could have a material effect on the Organization's statements of financial position, statements of activities and changes in net assets and cash flows.

### **14. Subsequent events:**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 31, 2024, the date the Organization's financial statements were available to be issued.



# LICKING COUNTY COALITION FOR HOUSING, INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity/ Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development:				
Supportive Housing Program/Continuum of Care (CoC):				
Transitional Housing for Homeless Families and Adults	14.267	N/A	\$ -	\$ 530,945
Rapid Re-Housing for Homeless Adults (LCCH RRH)	14.267	N/A	-	82,532
Rapid Re-Housing for Homeless Families (RRH Ohio)	14.267	N/A	-	689,907
Rapid Re-Housing Homeless Adults and Families (Region 9 RRH Ohio)	14.267	N/A	-	<u>379,961</u>
Total Supportive Housing Program/CoC			-	1,683,345
Community Development Block Grant (CDBG):				
Passed through City of Newark:				
Rapid Re-Housing for Homeless Adults	14.218	B-09-NC-39-0024	-	8,500
Homelessness Crisis Response Program (HCRP) Funds:				
Passed through State of Ohio, Ohio Development Services Agency				
Emergency Solutions Grant Program: Passed through Community Action Program:				
Commission of the Lancaster-Fairfield County Area:				
Homelessness Crisis Response Program Targeted Rapid Re- Housing (HCRP-TRR)	14.231	N-L-12-6AB-1	-	117,659
COVID-19 Homelessness Crisis Response Program CARES (HCRP-CARES)	14.231	N-L-12-6AB-1	-	<u>27,762</u>
Total HCRP Funds			-	145,421
Housing Opportunities for Persons Living with AIDS (HOPWA):				
Passed through City of Columbus, Ohio	14.241	N/A	-	<u>185,747</u>
Total U.S. Department of Housing and Urban Development			-	2,023,013

## LICKING COUNTY COALITION FOR HOUSING, INC.

### SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2023

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity/ Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Veterans Affairs:				
Under contract with Licking/Knox Goodwill Industries:				
Homeless Providers Grant and Per Diem Program (GPD)	64.024	N/A	-	42,770
Supportive Services for Veteran Families (SSVF)	64.033	N/A	-	430,777
SSVF Shallow Subsidy, American Rescue Plan Act	64.033	N/A	-	<u>96,101</u>
Total SSVF Funds			-	526,878
Total U.S. Department of Veterans Affairs			-	569,648
U.S. Department of Treasury:				
Under contract with United Way of Central Ohio:				
Internal Revenue Service, Office of Stockholder Partnerships, Education and Communication Volunteer Income Tax Assistance Program (VITA)	21.009	N/A	-	<u>20,269</u>
Total U.S. Department of Treasury			-	<u>20,269</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 2,612,930</u>

#### Notes to Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2023

##### Note A – Basis of presentation:

The schedule of expenditures of Federal awards includes the Federal award activity of Licking County Coalition for Housing, Inc., under programs of the Federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule of expenditures of Federal awards presents only a selected portion of the operations of Licking County Coalition for Housing, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Licking County Coalition for Housing, Inc.

##### Note B – Summary of significant accounting policies:

Expenditures reported on the schedule of expenditures of Federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**LICKING COUNTY COALITION FOR HOUSING, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2023

**Notes to Schedule of Expenditures of Federal Awards for the Year Ended June 30, 2023 (continued)**

**Note C – Indirect cost rate:**

Licking County Coalition for Housing, Inc. has elected not to use the 10 percent de minimus cost rate as allowed under the Uniform Guidance.

**Note D – Non-cash assistance:**

Licking County Coalition for Housing, Inc. did not receive donated personal protective equipment for the year ended June 30, 2023.

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*

Board of Directors  
Licking County Coalition for Housing, Inc.  
Newark, 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 Licking County Coalition for Housing, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 31, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Licking County Coalition for Housing, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Licking County Coalition for Housing, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Licking County Coalition for Housing, Inc.'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 the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Licking County Coalition for Housing, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion of the effectiveness of Licking County Coalition for Housing, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Licking County Coalition for Housing, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HW & Co.

Columbus, Ohio  
January 31, 2024

Independent Auditor's Report on Compliance for Each Major Program  
and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors  
Licking County Coalition for Housing, Inc.  
Newark, Ohio

**Opinion on Each Major Federal Program**

We have audited Licking County Coalition for Housing, Inc.'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 Licking County Coalition for Housing, Inc.'s major federal programs for the year ended June 30, 2023. Licking County Coalition for Housing, Inc.'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, Licking County Coalition for Housing, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

**Basis for Opinion on Each Major Federal Program**

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

We are required to be independent of Licking County Coalition for Housing, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Licking County Coalition for Housing, Inc.'s compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Licking County Coalition for Housing, Inc.'s federal programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Licking County Coalition for Housing, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Licking County Coalition for Housing, Inc.'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 Licking County Coalition for Housing, Inc.'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 Licking County Coalition for Housing, Inc.'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 Licking County Coalition for Housing, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

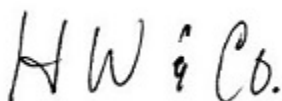
#### **Report on Internal Control over Compliance**

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

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

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

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



Columbus, Ohio  
January 31, 2024

**LICKING COUNTY COALITION FOR HOUSING, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

**Section I – Summary of Auditor’s Results**

**Financial Statements**

Type of auditor’s report issued: unmodified

Internal control over financial reporting:

- ◆ Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- ◆ Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported
- Noncompliance material to financial statements noted \_\_\_\_\_ Yes   X   No

**Federal Award**

Internal control over major program:

- ◆ Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- ◆ Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Type of auditor’s report issued on compliance for major program: unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a)? \_\_\_\_\_ Yes   X   No

Identification of major program:

Federal Assistance  
Listing Number

14.267

Name of Federal Program or Cluster

U.S. Department of Housing and Urban Development:  
Housing Program/Continuum of Care, including the Transitional and Rapid Re-Housing programs

Dollar threshold used to distinguish between grant and per diem type A and type B programs: \$ 750,000

- ◆ Auditee qualified as low-risk auditee?   X   Yes \_\_\_\_\_ No



**LICKING COUNTY COALITION FOR HOUSING, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2023

**Section II – Financial Statement Findings**

No findings were noted.

**Section III – Federal Award Findings and Questioned Costs**

No findings were noted.