

HABITAT FOR HUMANITY OF OHIO, INC.

JUNE 30, 2022

CONTENTS

<u>REPORT ON AUDIT OF FINANCIAL STATEMENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1-2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7-10
SUPPLEMENTAL INFORMATION:	
SCHEDULE OF SUPPORT, GRANTS, REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE—OHIO DEVELOPMENT SERVICES AGENCY	11-13
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS	14-15
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	16

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CERTIFIED PUBLIC ACCOUNTANTS

OHIO SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS
FED ID: 31-0603874

May 13, 2023

To the Board of Trustees
Habitat for Humanity of Ohio, Inc.
Columbus, Ohio

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying statement of financial position of Habitat for Humanity of Ohio, Inc. (a nonprofit organization), as of June 30, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Habitat for Humanity of Ohio, Inc. as of June 30, 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2023, on our consideration of Habitat for Humanity of Ohio, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Lloyd Duane Guenther & Ellis, PLLC

HABITAT FOR HUMANITY OF OHIO, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2022

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 374,562
Cash held for others	8,534
Accounts receivable	<u>3,212</u>
Total current assets	<u>386,308</u>

Total assets	<u>\$ 386,308</u>
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 7,000
Accrued payroll	13,301
Funds held for others	8,534
Deferred revenue	<u>9,000</u>
Total current liabilities	<u>37,835</u>

NET ASSETS

Without donor restrictions	348,473
With donor restrictions	<u>0</u>
Total net assets	<u>348,473</u>

Total liabilities and net assets	<u>\$ 386,308</u>
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HABITAT FOR HUMANITY OF OHIO, INC.
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 46,205	\$ 0	\$ 46,205
Grants	297,085	0	297,085
Conference registration & sponsorship	2,000	0	2,000
Interest income	295	0	295
PPP loan forgiven	18,957	0	18,957
Miscellaneous revenue	<u>3,580</u>	<u>0</u>	<u>3,580</u>
Total revenues, gains and other support	<u>368,122</u>	<u>0</u>	<u>368,122</u>
EXPENSES			
Program services:			
Affordable housing	411,322	0	411,322
Supporting services:			
Management and general	29,761	0	29,761
Fundraising	<u>12,527</u>	<u>0</u>	<u>12,527</u>
Total expenses	<u>453,610</u>	<u>0</u>	<u>453,610</u>
CHANGE IN NET ASSETS	(85,488)	0	(85,488)
NET ASSETS, BEGINNING OF YEAR	<u>433,961</u>	<u>0</u>	<u>433,961</u>
NET ASSETS, END OF YEAR	<u>\$ 348,473</u>	<u>\$ 0</u>	<u>\$ 348,473</u>

See Accompanying Notes to Financial Statements

HABITAT FOR HUMANITY OF OHIO, INC.
 STATEMENT OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED JUNE 30, 2022

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
	<u>Affordable Housing</u>	<u>Management and General</u>	<u>Fundraising</u>	
Salaries and wages	\$ 75,108	\$ 9,389	\$ 9,388	\$ 93,885
Payroll taxes	5,793	724	724	7,241
Employee benefits	2,245	281	281	2,807
Payroll processing fees	1,225	153	153	1,531
Bank service charges	160	20	20	200
Insurance	1,516	190	190	1,896
Grants and sponsorships to affiliates	303,809	0	0	303,809
Office supplies	2,184	96	371	2,651
Dues and subscriptions	9,172	1,147	1,146	11,465
Professional fees	0	17,509	0	17,509
Seminars and meetings	1,333	60	61	1,454
International projects	6,608	0	0	6,608
Miscellaneous	101	12	13	126
Travel	1,443	180	180	1,803
Interest expense – OHIP loan	625	0	0	625
Total	<u>\$ 411,322</u>	<u>\$ 29,761</u>	<u>\$ 12,527</u>	<u>\$ 453,610</u>

HABITAT FOR HUMANITY OF OHIO, INC.
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ (85,488)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
PPP loan forgiven	(18,957)
(Increase) decrease in:	
Cash held for others	(1,000)
Accounts receivable	(3,212)
Notes receivable – affiliates	40,000
Interest receivable	133
Increase (decrease) in:	
Accrued payroll	1,069
Funds held for others	1,000
Accounts payable	2,298
Deferred revenue	7,000
Net cash provided (used) by operating activities	<u>(57,157)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on long term debt	<u>(250,000)</u>
Net cash provided by financing activities	<u>(250,000)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(307,157)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>681,719</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>374,562</u>
SUPPLEMENTAL DATA:	
Interest paid	<u>\$ 625</u>
Income taxes paid	<u>\$ 0</u>

See Accompanying Notes to Financial Statements

HABITAT FOR HUMANITY OF OHIO, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

Note 1

BACKGROUND INFORMATION

Habitat for Humanity of Ohio, Inc. (the Organization) is a non-profit corporation that puts faith in action by advocating for affordable housing on a statewide basis and partnering with people and organizations to enhance the health and development of Ohio Habitat for Humanity affiliates. The Organization is an affiliate of Habitat for Humanity International, Inc. Although Habitat for Humanity International, Inc. assists with information resources, training, publications, prayer support, and in other ways, the Organization is primarily and directly responsible for its own operations. The Organization is supported primarily through donor contributions and grants.

Note 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Habitat for Humanity of Ohio, Inc. is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies have been consistently applied in the preparation of the financial statements.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without restrictions and net assets with restrictions.

Contributions

Contributions received are recorded as support without donor restrictions or support with donor restrictions depending on the existence or nature of any donor restrictions.

Income Taxes

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c) (3) of the Internal Revenue Code and classified by the Internal Revenue Service as other than a private foundation. The federal income tax returns of the Organization for 2022, 2021 and 2020 are subject to examination by the IRS generally for three years after they were filed.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

HABITAT FOR HUMANITY OF OHIO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Receivables**

Notes receivable are carried at their estimated collectible amounts. Interest income is recognized using the interest method.

Functional Allocation of Expenses

The costs of providing the various programs and 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.

New Accounting Pronouncements

In January 2016, the FASB issued ASU 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*. The ASU enhances the reporting model for financial instruments to provide users of financial statements with more decision-useful information and also impacts the recognition, measurement, presentation and disclosure of financial instruments. The Organization adopted the new standard effective July 1, 2019, the first day of the Organization's fiscal year, using the prospective adoption cumulative-effect approach. The adoption of the ASU has no impact on net assets as of July 1, 2019, as the guidance under the ASU did not impact the measurement of the Organization's financial instruments.

In June 2018, the FASB issued Accounting Standards Update (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. The ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal) transactions within the scope of Topic 958, Not-For-Profit Entities, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. The implementation of this standard has no impact on the Organization's financial statements.

Note 3

NOTES RECEIVABLE – AFFILIATES

In August 2010 the Ohio Housing Finance Agency (OHFA) created a loan fund for the "Ohio Habitat Investment Partnership". Through this program OHFA agreed to loan \$500,000 to Habitat for Humanity of Ohio, Inc. which they would loan to affiliates for the purpose of building, rehabilitating, and repairing homes for Ohio families. The funds are to be used by the affiliates as a bridge loan until committed resources are received by the Habitat affiliate. During the fiscal year ended June 30, 2012, Habitat for Humanity of Ohio, Inc. received the \$500,000 and subsequently loaned it to various Habitat affiliates. In July 2012, an additional \$250,000 was made available, under the existing program. The Organization borrowed the additional \$250,000 and subsequently made additional loans to various Habitat affiliates. In July of 2018, the Organization paid back \$600,000 of the loans and borrowed another \$100,000 in November 2018 to accommodate a new loan to an affiliate. All notes to affiliates are at the rate of 4% per annum. Payments of interest only are to be received quarterly, with the entire principal amount due five years from the date of the note. The Habitat affiliates have pledged an interest in one or more affiliate mortgages as collateral. As of June 30, 2022, all affiliate loans have been repaid in full.

HABITAT FOR HUMANITY OF OHIO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 4 **PAYMENTS TO AFFILIATES**

The Organization periodically remits a portion of its contributions (excluding in-kind contributions) to Habitat for Humanity International, Inc. These funds are used to construct homes in economically depressed areas around the world. The Organization contributed to Habitat for Humanity International, Inc. \$6,608 for year ended June 30, 2022.

Note 5 **CONCENTRATION OF CREDIT RISK**

Financial instruments, which potentially subject the Organization to a concentration of credit risk, consist principally of cash and cash equivalents. At times, such investments may exceed federally insured limits. The Organization manages this risk by using high credit quality financial institutions.

Note 6 **DATE OF MANAGEMENT'S REVIEW**

Management has evaluated subsequent events through May 13, 2023, the date on which the financial statements were available to be issued.

Note 7 **FUNDS HELD FOR OTHERS**

Funds held for others consisted of the following at June 30, 2022.

Ohio ReStore Council	\$ <u>8,534</u>
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Note 8 **LIQUIDITY AND FUNDS AVAILABLE**

The following reflects the Organizations financial assets as of June 30, 2022, reduced by amounts not available for general use because of contractual or donor imposed restrictions within one year of the statement of financial position date.

Financial assets:	
Cash and cash equivalents	\$ 374,562
Accounts receivable	3,212
Cash held by others	<u>8,534</u>
Financial assets at June 30, 2022	386,308
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor imposed restrictions	<u>8,534</u>
Financial assets available to meet cash needs for general expenditures within one year, before board designations	377,774
Less board designations:	
Reserves for operations	<u>0</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 377,774</u>

HABITAT FOR HUMANITY OF OHIO, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2022

Note 9

NOTE PAYABLE – PPP - PARK NATIONAL BANK

On April 8, 2020 and May 14, 2021, the Organization was granted loans from The Park National Bank in the amount of \$18,957 and \$18,957, respectively, pursuant to the Paycheck Protection Program (PPP) under the Cares Act. The loan and accrued interest are forgivable as long as the Organization uses the loan proceeds for eligible purposes, including payroll, benefits and utilities, and maintains its payroll levels.

The Organization has applied for and received forgiveness for the full amount of the first loan on May 19, 2021 and the full amount of the second loan on March 3, 2022.

Note 10

FASB ASC 606 NEW ACCOUNTING GUIDANCE IMPLEMENTATION

The Financial Accounting Standards Board (FASB) issued new guidance that created Topic 606, *Revenue from Contracts with Customers*, in the Accounting Standards Codification (ASC). Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Collectively, we refer to the new Topic 606 and Subtopic 340-40 as the "new guidance."

We adopted the requirements of the new guidance as of July 1, 2020 utilizing the full retrospective method of transition. Adoption of the new guidance resulted in changes to our accounting policies for revenue and cost recognition, previously described.

The difference to revenue and cost recognition-related account balances at July 1, 2020, under the new guidance as opposed to the prior revenue recognition guidance for contracts in progress were determined to be immaterial. Accordingly, no adjustment to beginning retained earnings was necessary.

HABITAT FOR HUMANITY OF OHIO, INC.
 LOW AND MODERATE INCOME HOUSING TRUST FUND
 OHIO DEVELOPMENT SERVICES AGENCY GRANT #S-S-19-7LP-1
 GRANT PERIOD JANUARY 1, 2021 THROUGH February 28, 2022
 SCHEDULE OF SUPPORT, GRANTS, REVENUES AND EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE PERIOD JULY 1, 2021 THROUGH JUNE 30, 2022

	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants	\$ 200,000	\$ 0	\$ 200,000
Total support and revenue	<u>200,000</u>	<u>0</u>	<u>200,000</u>
EXPENSES			
Management service	20,000	0	20,000
Grants	<u>135,000</u>	<u>45,000</u>	<u>180,000</u>
Total expenses	<u>155,000</u>	<u>45,000</u>	<u>200,000</u>
SUPPORT AND REVENUE OVER (UNDER) EXPENDITURES		(45,000)	0
BEGINNING FUND BALANCE		<u>45,000</u>	<u>0</u>
ENDING FUND BALANCE		<u>\$ 0</u>	<u>\$ 0</u>

HABITAT FOR HUMANITY OF OHIO, INC.
 LOW AND MODERATE INCOME HOUSING TRUST FUND
 OHIO DEVELOPMENT SERVICES AGENCY GRANT #S-S-20-7LP-1
 GRANT PERIOD JANUARY 1, 2021 THROUGH FEBRUARY 28, 2022
 SCHEDULE OF SUPPORT, GRANTS, REVENUES AND EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE PERIOD JULY 1, 2021 THROUGH JUNE 30, 2022

	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants	\$ 0	\$ 200,000	\$ 200,000
Total support and revenue	<u>0</u>	<u>200,000</u>	<u>200,000</u>
EXPENSES			
Management service	0	20,000	20,000
Grants	<u>0</u>	<u>171,000</u>	<u>171,000</u>
Total expenses	<u>0</u>	<u>191,000</u>	<u>191,000</u>
SUPPORT AND REVENUE OVER (UNDER) EXPENDITURES		9,000	9,000
BEGINNING FUND BALANCE		<u>0</u>	<u>0</u>
ENDING FUND BALANCE		<u>\$ 9,000</u>	<u>\$ 9,000</u>

HABITAT FOR HUMANITY OF OHIO, INC.
 LOW AND MODERATE INCOME HOUSING TRUST FUND
 OHIO DEVELOPMENT SERVICES AGENCY GRANT #S-R-19-7LP-1
 GRANT PERIOD MARCH 1, 2020 THROUGH FEBRUARY 28, 2022
 SCHEDULE OF SUPPORT, GRANTS, REVENUES AND EXPENDITURES
 AND CHANGES IN FUND BALANCE
 FOR THE PERIOD JULY 1, 2021 THROUGH JUNE 30, 2022

	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
SUPPORT AND REVENUE			
Grants	\$ 0	\$ 90,000	\$ 90,000
Total support and revenue	0	\$ 90,000	\$ 90,000
EXPENSES			
Management service	0	9,000	9,000
Grants	0	81,000	81,000
Total expenses	0	\$ 90,000	\$ 90,000
SUPPORT AND REVENUE OVER (UNDER) EXPENDITURES		0	0
BEGINNING FUND BALANCE		0	0
ENDING FUND BALANCE		\$ 0	\$ 0

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 FED ID: 31-0603874

May 13, 2023

To the Board of Trustees
 Habitat for Humanity of Ohio, Inc.
 Columbus, Ohio

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

We have audited, 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, the financial statements of Habitat for Humanity of Ohio, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 13, 2023.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Habitat for Humanity of Ohio, Inc.'s internal control over financial reporting 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 the Habitat for Humanity of Ohio, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect, or correct misstatements on a timely basis. A *material weakness* is a deficiency, or 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 charges 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 significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Habitat for Humanity of Ohio, 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 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 tests disclosed no instances of noncompliance or other matter 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 results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or 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.

Lloyd Sumner Guntow & Ellis, P.C.

HABITAT FOR HUMANITY OF OHIO, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION I – SUMMARY OF AUDITORS RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
➤ Significant deficiencies identified?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
➤ Significant deficiencies identified that are considered to be material weaknesses?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported

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OHIO SOCIETY OF CERTIFIED
PUBLIC ACCOUNTANTS
FED ID: 31-0603874

May 13, 2023

To the Board of Trustees
Habitat for Humanity of Ohio, Inc.
88 E. Broad Street Suite 1800
Columbus, OH 43215

Trustee Members:

We have completed our audit of the financial statements of Habitat for Humanity of Ohio, Inc. for the year ended June 30, 2022. Our Independent Auditors' Report states the financial statements are presented fairly in accordance with accounting principles generally accepted in the United States of America. This report contains comments regarding the scope and results of our audit and is comprised of the following three sections:

- I. Summary of the Audit Process
- II. Required Communications
- III. Communications of Internal Control Matters Identified in the Audit.

I. SUMMARY OF THE AUDIT PROCESS

SCOPE OF OUR AUDIT WAS DETERMINED IN ACCORDANCE WITH AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND BASED UPON OUR UNDERSTANDING OF THE ORGANIZATION'S INTERNAL CONTROLS.

Our audit was conducted in accordance with auditing standards generally accepted in the United States of America. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

The nature, timing, and extent of our audit procedures were determined based upon our understanding of Habitat for Humanity of Ohio, Inc.'s internal controls and our assessment of control risk associated with balances and transactions classes. Our assessment of the Organization's internal controls was limited to obtaining and understanding of the internal controls sufficient to plan our audit and did not include a test of control policies and procedures. The internal controls are comprised of the following components: control environment, risk assessment, control activities, information and communication, and monitoring.

No restrictions were placed on the scope of our audit, and we were provided all information which we requested. In addition, we had direct access to all members of the Organization's management and staff from which to obtain information as required and appropriate during the course of our audit. All of our audit objectives were satisfactorily achieved.

II. REQUIRED COMMUNICATIONS

AICPA Statement on auditing standards No. 115 (AU 325.08) and AU-C 265.09, *Communications with Audit Committees* requires the auditor to communicate certain matters to those responsible for the oversight of the financial reporting process. The following comments regarding the scope and results of our audit of the Habitat for Humanity of Ohio, Inc. for the year ended June 30, 2022 will assist you in overseeing the financial reporting and disclosure process for which management is responsible.

AREA	COMMENTS
<i>Auditors' Responsibilities under Generally Accepted Auditing Standards (GAAS)</i>	
The financial statements are the responsibility of management. Our audit was designed in accordance with GAAS, which provides for reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. We have a responsibility to opine on whether the financial statements are fairly stated in accordance with Generally Accepted Accounting Principles.	As part of our audit, we obtained a sufficient understanding of internal controls to plan our audit and to determine the nature, timing, and extent of testing performed. We have issued an unqualified opinion on the Organization's financial statements for the year ended June 30, 2022.
<i>Significant Accounting Policies</i>	
Initial selection of and changes in significant accounting policies or their application, and new accounting and reporting standards during the year must be reported.	No significant accounting policy changes have occurred.
<i>Management Judgments and Accounting Estimates</i>	
The preparation of financial statements requires the use of accounting estimates.	Management's attitude toward establishment of accounting estimates appears to be reasonable and the Organization has obtained sufficient underlying data to support assumptions and judgments.
<i>Significant Audit Adjustments</i>	None
<i>Disagreement with Management on Financial Accounting and Reporting Matters</i>	None
<i>Serious Difficulties Encountered in Performing the Audit</i>	None

III. COMMUNICATIONS OF INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN THE AUDIT

In planning and performing our audit of the financial statements of the Organization as of and for the year ended June 30, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Our consideration of internal controls included procedures to evaluate the design of controls relevant to an audit of financial statements and to determine whether they have been implemented, but it did not include procedures to test the operating effectiveness of controls, and accordingly, was not directed to discovering significant deficiencies in internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

As part of our audit process we have implemented, *Statement of Auditing Standards No. 115 (AU 325.08) and AU-C 265.09: Communicating Internal Control Related Matters Identified in an Audit*. This auditing standard has two unconditional requirements:

- Auditors must evaluate identified control deficiencies and determine whether those deficiencies, individually or in combinations, are significant deficiencies or material weaknesses.
- Auditors must communicate, in writing, significant deficiencies and material weaknesses to management and those charged with governance.

The following describes the various levels of internal control deficiencies that auditors must evaluate and determine their pervasiveness as it relates to financial reporting in accordance with generally accepted accounting standards.

- Control deficiency – 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 misstatements on a timely basis.
- Significant deficiency – is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.
- Material weakness – is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider significant or material weaknesses.

CONCLUSION

We very much appreciate the cooperation received from the Organization during the course of this year's audit.

This report is intended solely for the information and use of management and Board of Trustees of the Habitat for Humanity of Ohio, Inc.

Floyd Sumner Guenther & Ellis, PLLC