

# HABITAT FOR HUMANITY OF OHIO, INC.

JUNE 30, 2023

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May 16, 2024

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

## Independent Auditors' Report

### **Opinion**

We have audited the accompanying financial statements of Ohio Habitat for Humanity, Inc. (a non-profit organization), which comprise the statement of financial position as of June 30, 2023, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohio Habitat for Humanity, Inc. as of June 30, 2023, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Ohio Habitat for Humanity, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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 Habitat for Humanity of Ohio, Inc's ability to continue as a going concern with 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 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 judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Ohio Habitat for Humanity, 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about Ohio Habitat for Humanity, 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Support, Grants, Revenues, Expenditures and Changes in Fund Balance – Ohio Development Services Agency is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Lloyd Danner Quentman & Ellis, P.C.*

**HABITAT FOR HUMANITY OF OHIO, INC.**  
 STATEMENT OF FINANCIAL POSITION  
 JUNE 30, 2023

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 402,246
Cash held for others	11,334
Grants receivable	67,919
Accounts receivable	<u>8,630</u>
Total current assets	<u>490,129</u>

Total assets	<u>\$ 490,129</u>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accrued payroll	\$ 18,046
Funds held for others	<u>11,334</u>
Total current liabilities	<u>29,380</u>

**NET ASSETS**

Without donor restrictions	460,749
With donor restrictions	<u>0</u>
Total net assets	<u>460,749</u>

Total liabilities and net assets	<u>\$ 490,129</u>
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**HABITAT FOR HUMANITY OF OHIO, INC.**  
 STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED JUNE 30, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Contributions	\$ 155,027	\$ 0	\$ 155,027
Grants	725,139	0	725,139
Conference registration & sponsorship	58,976	0	58,976
Interest income	<u>2,220</u>	<u>0</u>	<u>2,220</u>
Total revenues, gains and other support	<u>941,362</u>	<u>0</u>	<u>941,362</u>
<b>EXPENSES</b>			
Program services:			
Affordable housing	738,048	0	738,048
Supporting services:			
Management and general	72,627	0	72,627
Fundraising	<u>18,411</u>	<u>0</u>	<u>18,411</u>
Total expenses	<u>829,086</u>	<u>0</u>	<u>829,086</u>
<b>CHANGE IN NET ASSETS</b>	112,276	0	112,276
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>348,473</u>	<u>0</u>	<u>348,473</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 460,749</u>	<u>\$ 0</u>	<u>\$ 460,749</u>

See Accompanying Notes to Financial Statements

**HABITAT FOR HUMANITY OF OHIO, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<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	\$ 104,788	\$ 13,099	\$ 13,098	\$ 130,985
Payroll taxes	7,881	985	985	9,851
Employee benefits	2,355	295	294	2,944
Payroll processing fees	1,444	180	181	1,805
Bank service charges	10	1	2	13
Insurance	1,655	207	207	2,069
Grants and sponsorships to affiliates	518,919	0	0	518,919
Statehouse building expense	20,069	0	0	20,069
Office supplies	2,350	294	900	3,544
Dues and subscriptions	8,659	1,083	1,082	10,824
Professional fees	0	54,822	0	54,822
Annual conference expense	47,281	0	0	47,281
Seminars and meetings	5,772	721	722	7,215
International projects	9,346	0	0	9,346
Miscellaneous	199	25	25	249
Travel	7,320	915	915	9,150
Total	<u>\$ 738,048</u>	<u>\$ 72,627</u>	<u>\$ 18,411</u>	<u>\$ 829,086</u>

See Accompanying Notes to Financial Statements

**HABITAT FOR HUMANITY OF OHIO, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 112,276
Adjustments to reconcile change in net assets to net cash used by operating activities:	
(Increase) decrease in:	
Cash held for others	(2,800)
Grants receivable	(67,919)
Accounts receivable	(5,418)
Increase (decrease) in:	
Accrued payroll	4,745
Funds held for others	2,800
Accounts payable	(7,000)
Deferred revenue	(9,000)
Net cash provided (used) by operating activities	<u>27,684</u>

**NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** 27,684

**CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR** 374,562

**CASH AND CASH EQUIVALENTS, END OF YEAR** \$ 402,246

**SUPPLEMENTAL DATA:**

Interest paid	<u>\$ 0</u>
Income taxes paid	<u>\$ 0</u>

**HABITAT FOR HUMANITY OF OHIO, INC.**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2023

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**

Nonreciprocal grants are recognized as contributions. Typically, government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, are cost reimbursable. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Costs incurred in excess of cash received are reflected as grants receivable in the accompanying statements of financial position. Amounts received prior to incurring qualifying expenditures are reported as conditional grants in the statements of financial position. Grants and contributions are recognized as revenue when cash, securities, or other assets; an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to satisfaction of grant conditions are reported as conditional grants in the statements of financial position. The Organization reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Organization's programs or to a future year.



**HABITAT FOR HUMANITY OF OHIO, INC.**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2023

Note 2      **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Contributions (continued)**

When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

**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 2023, 2022 and 2021 are subject to examination by the IRS generally for three years after they were filed.

**Cash and Cash Equivalents**

For the 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.

**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.

Note 3      **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. \$9,345 for year ended June 30, 2023.

Note 4      **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 5      **DATE OF MANAGEMENT'S REVIEW**

Management has evaluated subsequent events through May 16, 2024, the date on which the financial statements were available to be issued.

**HABITAT FOR HUMANITY OF OHIO, INC.**  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2023

Note 6

**FUNDS HELD FOR OTHERS**

Funds held for others consisted of the following at June 30, 2023.

Ohio ReStore Council	\$ <u>11,334</u>
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Note 7

**LIQUIDITY AND FUNDS AVAILABLE**

The following reflects the Organizations financial assets as of June 30, 2023, 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	\$ 402,246
Grants receivable	67,919
Accounts receivable	8,630
Cash held for others	<u>11,334</u>
Financial assets at June 30, 2023	490,129
Less those unavailable for general expenditures within one year, due to:	
Contractual or donor imposed restrictions	<u>11,334</u>
Financial assets available to meet cash needs for general expenditures within one year, before board designations	478,795
Less board designations:	
Reserves for operations	<u>0</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 478,795</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, 2022 THROUGH February 28, 2023  
 SCHEDULE OF SUPPORT, GRANTS, REVENUES AND EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 FOR THE PERIOD JULY 1, 2022 THROUGH JUNE 30, 2023

	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 200,000	\$ 0	\$ 200,000
Total support and revenue	<u>200,000</u>	<u>0</u>	<u>200,000</u>
<b>EXPENSES</b>			
Management service	20,000	0	20,000
Grants	<u>171,000</u>	<u>9,000</u>	<u>180,000</u>
Total expenses	<u>191,000</u>	<u>9,000</u>	<u>200,000</u>
<b>SUPPORT AND REVENUE OVER (UNDER) EXPENDITURES</b>	<u>9,000</u>	(9,000)	0
<b>BEGINNING FUND BALANCE</b>		<u>9,000</u>	<u>0</u>
<b>ENDING FUND BALANCE</b>		<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-21-7LP-1  
 GRANT PERIOD JANUARY 1, 2022 THROUGH FEBRUARY 28, 2023  
 SCHEDULE OF SUPPORT, GRANTS, REVENUES AND EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 FOR THE PERIOD JULY 1, 2022 THROUGH JUNE 30, 2023

	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 0	\$ 250,000	\$ 250,000
Total support and revenue	<u>0</u>	<u>250,000</u>	<u>250,000</u>
<b>EXPENSES</b>			
Management service	0	25,000	25,000
Grants	<u>0</u>	<u>225,000</u>	<u>225,000</u>
Total expenses	<u>0</u>	<u>250,000</u>	<u>250,000</u>
<b>SUPPORT AND REVENUE OVER (UNDER) EXPENDITURES</b>	\$ <u>0</u>	0	0
<b>BEGINNING FUND BALANCE</b>		<u>0</u>	<u>0</u>
<b>ENDING FUND BALANCE</b>		\$ <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-R-21-7LP-1  
 GRANT PERIOD MARCH 1, 2021 THROUGH FEBRUARY 28, 2023  
 SCHEDULE OF SUPPORT, GRANTS, REVENUES AND EXPENDITURES  
 AND CHANGES IN FUND BALANCE  
 FOR THE PERIOD JULY 1, 2022 THROUGH JUNE 30, 2023

	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>
<b>SUPPORT AND REVENUE</b>			
Grants	\$ 0	\$ 250,000	\$ 250,000
Total support and revenue	<u>0</u>	<u>250,000</u>	<u>250,000</u>
<b>EXPENSES</b>			
Management service	0	25,000	25,000
Grants	<u>0</u>	<u>292,919</u>	<u>292,919</u>
Total expenses	<u>0</u>	<u>317,919</u>	<u>317,919</u>
<b>SUPPORT AND REVENUE OVER (UNDER) EXPENDITURES</b>	<u>\$ 0</u>	(67,919)	(67,919)
<b>BEGINNING FUND BALANCE</b>		<u>0</u>	<u>0</u>
<b>ENDING FUND BALANCE</b>		<u>\$ (67,919)</u>	<u>\$ (67,919)</u>

See Accompanying Notes to Financial Statements