

PARTNERS FOR HOME, INC.
**CONSOLIDATED FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**
FOR THE YEAR ENDED JUNE 30, 2025

PARTNERS FOR HOME, INC.
TABLE OF CONTENTS
JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3
Consolidated Statement of Activities	4
Consolidated Statement of Functional Expenses	5
Consolidated Statements of Cash Flows	6
Notes to the Consolidated Financial Statements	7
SINGLE AUDIT SECTION	
Independent Auditors' Report on Schedule of Expenditures of Federal Awards	18
Schedule of Expenditures of Federal Awards	19
Notes to the Schedule of Expenditures of Federal Awards	23
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 <i>Government Auditing Standards</i>	24
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance	26
Schedule of Findings and Questioned Costs	29
Summary Schedule of Prior Year Finding	31

INDEPENDENT AUDITORS' REPORT

To the Board of Directors Partners for HOME, Inc.

Opinion

We have audited the accompanying consolidated financial statements of Partners for HOME, Inc. (the Organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of June 30, 2025, 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 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Organization 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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, including omissions, 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 consolidated 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 consolidated 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 consolidated 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 the Organization'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We previously audited the Organization's 2024 financial statements, and our report dated March 27, 2025, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reports dated March 27, 2026 on our consideration of the Organization'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 those reports is 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 internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Warren Averett, LLC

Atlanta, Georgia
March 27, 2026

PARTNERS FOR HOME, INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

ASSETS		
	2025	2024
Cash	\$ 17,030,233	\$ 1,510,609
Investments	312,179	1,023,732
Accounts receivable	58,008	-
Grants receivable	3,105,569	7,333,465
Pledges receivable	3,379,732	451,500
Prepaid expenses and other assets	1,740,111	1,981
Property and equipment, net	22,412,931	5,065,342
Investment in LLC	4,450,000	-
TOTAL ASSETS	\$ 52,488,763	\$ 15,386,629
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued liabilities	\$ 868,852	\$ 500,198
Grants payable	1,560,624	2,491,537
Deferred revenue	18,484	-
Notes payable	7,200,000	-
Forgivable loans	2,500,000	2,500,000
TOTAL LIABILITIES	12,147,960	5,491,735
NET ASSETS		
Without donor restrictions	19,385,595	7,078,374
With donor restrictions		
Restricted by purpose or time	20,955,208	2,816,520
TOTAL NET ASSETS	40,340,803	9,894,894
TOTAL LIABILITIES AND NET ASSETS	\$ 52,488,763	\$ 15,386,629

See notes to the financial statements.

PARTNERS FOR HOME, INC.
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025		2024	
	Without Donor Restrictions	With Donor Restrictions	Total	Total
PUBLIC SUPPORT AND REVENUE				
Federal grants	\$ 10,444,502	\$ -	\$ 10,444,502	\$ 14,591,266
Nonfederal grants	3,340,441	-	3,340,441	10,210,681
Contributions	2,794,711	18,750,000	21,544,711	1,365,890
Rent and subsidy income	403,794	-	403,794	-
In-kind contributions	16,101,894	2,556,743	18,658,637	294,804
Investment income	20,447	-	20,447	51,457
Other revenue	737,324	-	737,324	40,421
TOTAL PUBLIC SUPPORT AND REVENUE	33,843,113	21,306,743	55,149,856	26,554,519
NET ASSETS RELEASED FROM RESTRICTIONS	3,168,055	(3,168,055)	-	-
Net public support and revenue	37,011,168	18,138,688	55,149,856	26,554,519
EXPENSES				
Program services	23,368,086	-	23,368,086	21,546,093
Supporting services				
Management and general	1,039,994	-	1,039,994	833,607
Fundraising	295,867	-	295,867	134,045
TOTAL EXPENSES	24,703,947	-	24,703,947	22,513,745
CHANGES IN NET ASSETS	12,307,221	18,138,688	30,445,909	4,040,774
NET ASSETS AT BEGINNING OF YEAR	7,078,374	2,816,520	9,894,894	5,854,120
NET ASSETS AT END OF YEAR	\$ 19,385,595	\$ 20,955,208	\$ 40,340,803	\$ 9,894,894

See notes to the consolidated financial statements.

PARTNERS FOR HOME, INC.
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025
(WITH COMPARATIVE TOTALS FOR 2024)

	2025			2024	
	Program Services	Supporting Services		Total Expenses	Total Expenses
		Management and General	Fund- Raising		
Salaries	\$ 1,430,353	\$ 273,632	\$ 120,233	\$ 1,824,218	\$ 1,512,955
Payroll taxes	97,883	18,725	8,228	124,836	105,699
Employee benefits	221,908	42,452	18,653	283,013	269,899
Total salaries and related expenses	1,750,144	334,809	147,114	2,232,067	1,888,553
Contractors and consultants	945,459	45,305	97,083	1,087,847	986,844
Client services and subrecipient grants	20,056,889	-	-	20,056,889	19,160,894
Facilities	73,485	14,058	6,177	93,720	93,720
In-kind legal fees	18,113	3,464	1,523	23,100	65,765
Meetings, conferences and travel	31,531	6,033	2,650	40,214	50,505
Bad debt expense	-	544,104	-	544,104	-
Other	173,076	31,291	14,548	218,915	115,937
Total expenses before depreciation expense	23,048,697	979,064	269,095	24,296,856	22,362,218
Depreciation expense	319,389	60,930	26,772	407,091	151,527
TOTAL EXPENSES	\$ 23,368,086	\$ 1,039,994	\$ 295,867	\$ 24,703,947	\$ 22,513,745

See notes to the financial statements.

PARTNERS FOR HOME, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 30,445,909	\$ 4,040,774
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation expense	407,091	151,527
Net realized and unrealized (loss) gain on investments	609	(31,236)
(Increase) decrease in:		
Accounts receivable	(58,008)	-
Grants receivable	4,227,896	(4,445,863)
Pledges receivable	(2,928,232)	1,056,620
Prepaid expenses and other assets	(1,738,130)	91,459
Increase (decrease) in:		
Accounts payable and accrued liabilities	368,654	(243,988)
Grants payable	(930,913)	1,350,584
Deferred revenue	18,484	-
Net cash provided by operating activities	<u>29,813,360</u>	<u>1,969,877</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(17,754,680)	(5,192,695)
Purchases of investments	(311,814)	(544,061)
Dividends and interest reinvested	(9,488)	841
Proceeds from sales of investments	1,032,246	1,743,000
Investment in LLC	(4,450,000)	-
Net cash required by investing activities	<u>(21,493,736)</u>	<u>(3,992,915)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	7,200,000	-
Proceeds from forgivable loan	-	2,500,000
Net cash provided by financing activities	<u>7,200,000</u>	<u>2,500,000</u>
NET INCREASE IN CASH	15,519,624	476,962
CASH AT BEGINNING OF YEAR	<u>1,510,609</u>	<u>1,033,647</u>
CASH AT END OF YEAR	<u>\$ 17,030,233</u>	<u>\$ 1,510,609</u>
NONCASH ACTIVITIES:		
Investment in LLC	<u>\$ 4,450,000</u>	<u>\$ -</u>
Property acquired by in-kind contributions	<u>\$ 11,846,032</u>	<u>\$ -</u>

See notes to the financial statements.

PARTNERS FOR HOME, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

1. ORGANIZATION

Partners for HOME, Inc. (PFH or Organization) is a not-for-profit organization incorporated on December 9, 2014, under the laws of the state of Georgia. Founded in 2015, the mission of the PFH is to coordinate a comprehensive response system to end homelessness in the city of Atlanta. PFH serves as the Collaborative Applicant for the Atlanta Continuum of Care (CoC) – a HUD program that promotes community-wide commitment to the goal of ending homelessness and provides funding for efforts by nonprofit providers and state and local governments to quickly rehouse people impacted by homelessness. PFH brings together government, nonprofit, business and community stakeholders to make homelessness rare, brief and nonrecurring.

During the year, PFH partnered with the City of Atlanta in the formation of several Georgia limited liability companies established to advance collaborative efforts within Atlanta’s homelessness response system. The Melody LLC (The Melody) was formed on September 26, 2024. Bonaventure PSH, LLC (Bonaventure) and Waterworks PSH, LLC (Waterworks) were formed on October 23, 2024 and October 25, 2024, respectively. Winnwood PSH LLC (Winnwood) was formed on May 21, 2025, followed by Cooper Street PSH LLC (Cooper Street) on June 4, 2025 and 12th & James PSH LLC (12th & James) on June 18, 2025.

Each of these entities was created to support and strengthen Atlanta’s coordinated efforts to address homelessness through the development of permanent supportive housing and related community initiatives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 *Not-for-Profit-Entities*, since PFH has a controlling interest in The Melody, Bonaventure, Waterworks, Winnwood, Cooper Street and 12th & James, the entities were consolidated.

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of PFH, The Melody, -Bonaventure, Waterworks, Winnwood, Cooper Street and 12th & James. All inter-organization balances and transactions were eliminated in consolidation.

Basis of Presentation

The consolidated financial statements of PFH have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities at year-end. Net assets, revenues, expenses, gains and losses are recorded based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of PFH and changes therein are classified and reported as follows:

Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions.

With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of PFH and/or passage of time.

PARTNERS FOR HOME, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

Presentation

The amounts shown for the year ended June 30, 2024, in the accompanying consolidated financial statements are included to provide a basis for comparison with 2025 and present summarized totals only. Accordingly, the 2024 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States (GAAP). Such information should be read in conjunction with PFH's consolidated financial statements for the year ended June 30, 2024, from which the summarized information was derived.

Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Revenues received, which are purpose restricted, are reported as increases in net assets with donor restrictions and subsequently released as the donor-stipulated time restriction ends or purpose restriction is accomplished. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. Expirations of donor time restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has lapsed) are reported as reclassifications between the applicable classes of net assets. Contributions subject to donor-imposed restrictions that the corpus is maintained in perpetuity are recognized as increases in net assets with donor restrictions.

Federal grant revenue is earned primarily on the reimbursement basis and is recognized as expenditures are made and related work progresses. Grants and pledges receivable are expected to be collected in the subsequent year.

An allowance for uncollectible receivables is provided based on management's evaluation of potential uncollectible promises receivable at year-end. Management does not consider any amounts to be uncollectible at June 30, 2025 and 2024.

Contributions

Contributions, which include unconditional promises to give, are recognized as revenue in the period received. Conditional pledges, if received, are not recognized until the conditions on which they depend are substantially met. Contributions or assets other than cash are recorded at estimated fair value at the date of the gift as determined by independent appraisal or other valuation methods as deemed appropriate by management. Unconditional promises to give that are expected to be collected in future years are recorded at fair value which is measured at the present value of future cash flows with discounts computed using risk adjusted rates commensurate with associated risks. Discounts on contributions receivable are amortized and recorded as additional contribution revenue in accordance with any donor-imposed restriction. An allowance for uncollectible contributions receivable is provided based upon management's judgment and consideration of various factors including prior collection history, type of contribution and nature of fundraising activity.

Investments

The Organization adheres to the provisions of FASB ASC 820, *Fair Value Measurement*, for its investments. The standard provides guidance for using fair value to measure assets and

PARTNERS FOR HOME, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

liabilities. Under the standard, fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the market in which the reporting entity transacts. It clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability.

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 – Quoted prices for identical instruments in active markets at the measurement date. Investments that are listed on a United States securities exchange are valued at their last sales price on the largest United States securities exchange on which such securities have traded.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active and model-derived valuation in which all significant inputs and significant value drivers are observable in active markets at the date and for the anticipated term of the instrument.
- Level 3 – Valuation derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. PFH's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The fair value of fixed-maturity certificates of deposit is estimated using the rates currently offered for deposits of similar remaining maturities.

The fair value of U.S. Treasury bills is valued at the closing price reported on an active market on which the security is traded.

These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although management believes its valuation method is 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.

Concentrations of Credit and Market Risk

Financial instruments, principally receivables, investments and accounts payable, are reported at values, which PFH believes are not significantly different from fair values. PFH believes no significant credit risk exists with respect to any of its financial instruments. PFH maintains cash balances with financial institutions. Deposit accounts at the institutions are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At June 30, 2025 and 2024, PFH's uninsured cash balance was approximately \$16,576,000 and \$1,272,000, respectively.

PARTNERS FOR HOME, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

As of June 30, 2025 and 2024, 77% and 85% of receivables related to two funders.

At June 30, 2025 and 2024, approximately 68% and 82% of contributions, not including in-kind contributions, received were attributable to two donors.

Property and Equipment

Property and equipment are recorded at purchase price, construction cost or fair value, if donated. Property and equipment purchased in excess of \$1,000 are capitalized. Preconstruction costs and construction-in-progress are capitalized as the costs are incurred. Depreciation is provided on the straight-line method at annual rates of 30 years for buildings, 20 years for the containers and related improvements, seven years for furniture, and three years for computers. No depreciation is charged for construction in progress and preconstruction costs until the specific construction project has been completed.

In-Kind Contributions

The Organization utilizes in-kind contributions to carry out the mission. PFH valued in-kind contributed services and rent based on current market rates for comparable services and rental facilities. In-kind contributions are included in support revenue and program expense in the accompanying statement of activities.

Contributed Services: Contributed services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. A donor provided two full-time personnel for the years ended 2025 and 2024 at no charge. Their salaries and benefits were recognized as contributed services of \$169,820 and \$135,319 for the years ended June 30, 2025 and 2024, respectively. In addition, PFH received \$23,100 and \$65,700 of contributed legal services during the years ended June 30, 2025 and 2024, respectively.

Contributed Use of Facility: PFH's office space is provided by a donor at no charge. Contribution revenue and related program expense in the amount of \$93,720 was recognized during each of the years ended June 30, 2025 and 2024.

Contributed Facilities and Leasehold Improvements: During the year ended June 30, 2025, PFH received a contribution of \$2,556,343 related to the acquisition and development of permanent supportive housing properties. These in-kind contributions consisted of third-party payments made on PFH's behalf to construct leasehold improvements. PFH did not receive cash related to these transactions. In-kind contributions are recognized as contribution revenue and as the corresponding asset in the period the amounts were paid to third parties measured at the amounts paid to third parties on PFH's behalf. In kind contributions related to these projects are currently classified as Construction in Progress and as net assets with donor restrictions until placed in service.

PARTNERS FOR HOME, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

Tax Status

The Organization is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (IRC) and is classified as an organization which is not a private foundation under Section 509(a) of the IRC. PFH qualifies for the charitable contribution deduction.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, and personnel costs have been allocated based on estimates of time and effort.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Events Occurring After Report Date

Management has evaluated events and transactions that occurred between June 30, 2025 and March 27, 2026, which is the date that the consolidated financial statements were available to be issued, for possible recognition or disclosure in the consolidated financial statements. See Note 12.

3. INVESTMENTS

The following table presents PFH's composition of the investments at fair value and the related level in the fair value hierarchy as defined by FASB ASC 820, *Fair Value Measurement*, used to measure those investments at June 30, 2025 and 2024:

<u>Investment</u>	<u>Fair Value Measurements as of June 30, 2025</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury bills	\$ 312,179	\$ 312,179	\$ -	\$ -
	<u>\$ 312,179</u>	<u>\$ 312,179</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Investment</u>	<u>Fair Value Measurements as of June 30, 2024</u>			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Treasury bills	\$ 724,290	\$ 724,290	\$ -	\$ -
Certificates of deposit	299,442	299,442	-	-
	<u>\$ 1,023,732</u>	<u>\$ 1,023,732</u>	<u>\$ -</u>	<u>\$ -</u>

PARTNERS FOR HOME, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

Investment income for the years ended June 30, 2025 and 2024, is composed of:

	<u>2025</u>	<u>2024</u>
Interest income	\$ 21,056	\$ 20,221
Net realized and unrealized (loss) gain on investments	<u>(609)</u>	<u>31,236</u>
	<u>\$ 20,447</u>	<u>\$ 51,457</u>

4. PLEDGES RECEIVABLE

Pledges receivable at June 30, 2025, are as follows:

Year ending June 30,	
2026	\$ 1,879,732
2027	<u>1,500,000</u>
Total pledges receivable	<u>\$ 3,379,732</u>

5. PROPERTY AND EQUIPMENT

As of June 30, 2025 and 2024, property and equipment, net consisted of:

	<u>2025</u>	<u>2024</u>
Furniture and equipment	\$ 56,722	\$ 55,004
Containers	1,195,238	1,195,238
Leasehold improvements	5,394,786	3,988,722
Buildings	12,497,197	-
Land	925,000	-
Construction in progress	<u>2,924,701</u>	<u>-</u>
	22,993,644	5,238,964
Less accumulated depreciation	<u>(580,713)</u>	<u>(173,622)</u>
	<u>\$ 22,412,931</u>	<u>\$ 5,065,342</u>

Depreciation expense of \$407,091 and \$151,527 was recorded for the years ended June 30, 2025 and 2024, respectively.

PARTNERS FOR HOME, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

6. INVESTMENT IN LLC AND NONFINANCIAL ASSET CONTRIBUTION

Investment in LLC

During the year ended June 30, 2025, PFH received a noncontrolling, passive economic interest in 12th & James GP LLC, a limited liability company formed to support community development activities consistent with PFH's mission. PFH does not have control or significant influence over the operations or financial policies of 12th & James. Accordingly, the investment is accounted for as an equity security without a readily determinable fair value in accordance with ASC 958-320, *Not-for-Profit Entities—Investments-Debt and Equity Securities*.

The investment was initially recorded at its estimated fair value on the date received. Because the investment does not have a quoted market price and observable market transactions are infrequent, PFH elected the measurement alternative, under which the investment is carried at cost, adjusted for impairment and observable price changes. As of June 30, 2025, no impairment indicators were identified.

Nonfinancial Asset Contribution

The Organization's interest in 12th & James was obtained through a capital contribution paid on PFH's behalf by Invest Atlanta, a governmental economic development entity. The payment constituted a nonfinancial asset contribution to PFH and was recognized as in-kind contributions in the accompanying consolidated statement of activities in accordance with ASC 958-605, *Not-for-Profit Entities—Revenue Recognition*. The contribution was measured at the fair value of the economic interest received, which totaled \$4,450,000.

7. GROUND LEASES

In October 2024, Bonaventure acquired a 23-unit rapid housing development located at 729 Bonaventure for approximately \$4,100,000 to provide permanent supportive housing for chronically unsheltered individuals. In December 2024, Bonaventure transferred legal title of the property to the City of Atlanta Urban Development Corporation (AUDC) and leased the property back under a long-term ground lease. The transaction was evaluated under ASC 842-40, *Leases—Lessee* to determine whether the transfer qualified as a sale under ASC 606, *Revenue from Contracts with Customers*. Management concluded that the transfer does not qualify as a sale because AUDC does not obtain control of the property; Bonaventure retains the right to direct the use of the property, receives substantially all economic benefits during the lease term, and holds a \$1 purchase option that precludes transfer of control. Accordingly, the transaction is treated as a financing arrangement, with the property remaining on the consolidated statements of financial position.

Cooper Street entered into a long-term ground lease with the City of Atlanta (City) for property located at 405 Cooper Street SW, Atlanta, Georgia, to develop permanent supportive housing. The City retains ownership of the land, and the lease commenced on May 19, 2025, with an initial term of 40 years and a 35-year renewal option, requiring annual ground rent of \$10. Cooper Street controls the construction and use of the improvements during the lease term, and as of June 30, 2025, construction was ongoing with approximately \$2,600,000 recorded as construction in progress within property and equipment, to be reclassified to leasehold improvements and depreciated over the shorter of the useful lives or the lease term upon

PARTNERS FOR HOME, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

completion. Construction is funded by proceeds from the Homeless Opportunity Bond issued by Invest Atlanta, for which Cooper Street has no repayment obligation, and such proceeds are recognized as in-kind contribution revenue.

8. RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions were available for the following purposes at June 30, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Subject to expenditures for time or specific purpose:		
Atlanta Rising	\$ 17,718,422	\$ -
Rapid Re-Housing program	25,867	25,867
Day 1 Families Fund	387,918	1,028,166
Veterans assistance	80,658	112,960
Youth	63,260	36,049
Rapid Housing initiative	2,556,743	1,209,838
Time restrictions (collections of pledges)	-	250,000
Other	122,340	153,640
	<u>\$ 20,955,208</u>	<u>\$ 2,816,520</u>

Atlanta Rising is a \$212 million long-term City of Atlanta–supported initiative to end unsheltered homelessness in Atlanta by scaling sustainable housing and support systems for Atlanta’s most vulnerable residents.

The Rapid Housing initiative is an initiative of the City of Atlanta that focused on quickly creating housing placements for individuals experiencing homelessness using non-congregate, low-barrier, and flexible housing models.

PARTNERS FOR HOME, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

Net assets with donor restrictions released from restrictions during the years ended June 30, 2025 and 2024, were as follows:

	<u>2025</u>	<u>2024</u>
Diversion program	\$ -	\$ 49,100
Veterans assistance	182,302	189,246
Atlanta Rising	1,591,416	-
Housing Narrative Lab	-	2,370
Day 1 Families Fund	640,248	959,982
Youth	47,789	13,951
Rapid Housing initiative	-	2,146,625
Time restrictions (collections of pledges)	-	1,625,000
Other	706,300	265,565
	<u>\$ 3,168,055</u>	<u>\$ 5,251,839</u>

9. NOTES PAYABLE

Notes Payable

On November 18, 2024, PFH entered into a promissory note (Note 1) with a Foundation in the principal amount of \$500,000. Note 1 bears interest at a fixed rate of 2% per annum. Accrued interest is payable quarterly, commencing January 30, 2025. Note 1 requires PFH to make one final balloon payment on December 15, 2025, consisting of all outstanding principal together with any accrued but unpaid interest. Note 1 may be prepaid at any time without penalty. As of June 30, 2025, the outstanding balance on the Note was \$500,000.

On October 3, 2024, PFH entered into a revolving promissory note (the Note 2) with a Foundation with borrowings up to \$10,000,000 and a maturity date of September 30, 2029, to complete affordable housing projects. Upon completion of projects, and provided that no event of default has occurred, the borrower may submit a written request for forgiveness of a portion of the outstanding loan balance in lieu of voluntary prepayment. Loan forgiveness is limited to \$50,000 per completed residential unit. Any forgiveness is subject to the lender's sole discretion and is evaluated based on factors including PFH's operational performance, compliance with loan terms and related funding agreements, and consistency with the lender's mission. The lender may not forgive any portion of the loan absent a written request from PFH. Amounts forgiven may not be reborrowed and permanently reduce the total loan commitment on a dollar-for-dollar basis. As a condition of forgiveness, PFH is required to record a Land Use Restriction Agreement (LURA) subjecting the applicable residential units to specified affordability requirements for the period defined in the loan agreement. Drawdowns on the loan totaled \$6,750,000 during the year ended June 30, 2025, and the balance is \$6,700,000 at June 30, 2025. As of the financial statement date, no forgiveness requests have been submitted or approved.

PARTNERS FOR HOME, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

Forgivable Loans

On February 28, 2024, PFH entered into a non-revolving forgivable loan with a lender with borrowings up to \$7,500,000. Under the agreement, the lender will forgive the loan advances received if eligibility and other criteria are met related to use of the funds. The loan will be forgiven by the lender upon the maturity date of December 15, 2028, unless default has occurred. If default occurs, the portion of the proceeds received that is not forgiven, if any, will be due immediately upon demand in full of the remaining principal balance. Drawdowns on the loan totaled \$2,500,000 during the year ended June 30, 2024, and the balance is \$2,500,000 at June 30, 2025 and 2024.

10. EMPLOYEE BENEFIT PLAN

Effective January 1, 2018, PFH adopted a 401(k) plan (the Plan) for those employees who meet the eligibility requirements set forth in the Plan. All Plan participants are allowed to contribute any amount up to the legal maximum allowed. PFH matches 100% of a participant's contribution up to 6% of a participant's compensation deferred to the Plan after six months of employment. Employer contributions amounted to approximately \$54,000 and \$53,000 for years ended June 30, 2025 and 2024, respectively

11. LIQUIDITY AND FUNDS AVAILABLE

The following table reflects PFH's financial assets as of June 30, 2025 and 2024, reduced by amounts not available for expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

	<u>2025</u>	<u>2024</u>
Financial assets:		
Cash	\$ 17,030,233	\$ 1,510,609
Investments	312,179	1,023,732
Accounts receivable	58,008	-
Grants receivable	3,105,569	7,333,465
Pledges receivable	<u>3,379,732</u>	<u>451,500</u>
Financial assets, at year-end	23,885,721	10,319,306
Less: assets unavailable for general expenditures within one year:		
Net assets with time or donor purpose restrictions	(20,955,208)	(2,816,520)
Adjusted for long-term pledges	<u>(1,500,000)</u>	<u>(125,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,430,513</u>	<u>\$ 7,377,786</u>

PARTNERS FOR HOME, INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2025

The Organization is substantially supported by federal grants and contributions. Because a donor's restrictions require resources to be used in a particular manner or in a future period, PFH must maintain sufficient resources to meet those responsibilities to donors. Therefore, certain financial assets may not be available for general expenditures within one year. As part of PFH'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. A significant amount of grants receivable consists of federal grants that will be paid directly to grantee agencies.

12. SUBSEQUENT EVENTS

Twenty25 PSH LLC, a Georgia limited liability company, was formed in partnership with PFH on November 13, 2025 to support Atlanta's local homelessness movement.

On December 22, 2025, Winnwood entered into a transaction whereby legal title to real property was transferred to the City of Atlanta Urban Development Corporation and leased back under a long-term ground lease. Management concluded that the transaction does not qualify as a sale or sale-leaseback under ASC 842, as control of the property did not transfer. Accordingly, the transaction is treated as a nonrecognized subsequent event, and no amounts have been recorded in the accompanying consolidated financial statements. The property is also subject to a recorded land use restriction agreement requiring the long-term operation of the project as affordable housing.

On August 18, 2025, Waterworks entered into a land lease agreement with the City of Atlanta to continue Atlanta's local homelessness movement through the Rapid Housing initiative.

SINGLE AUDIT SECTION

**INDEPENDENT AUDITORS' REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Board of Directors
Partners for HOME, Inc.

We have audited the consolidated financial statements of Partners for HOME, Inc. (the Organization) as of and for the year ended June 30, 2025, and have issued our report thereon dated March 27, 2026, which contained an unmodified opinion on those consolidated financial statements and appears on pages 1 and 2. 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 (CFR) 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 basic consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Warren Averett, LLC

Atlanta, Georgia
March 27, 2026

PARTNERS FOR HOME, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Pass-Through Grantor/Program Title	Assistance Listing Number	Award Number	Pass-Through Entity Identifying Number	Award Amount	Expenditures	Sub-Awardee Expenditures
U.S. Department of Treasury passed through State of Georgia/ COVID-19 Coronavirus State and Local Fiscal Recovery Funds/ American Rescue Plan Negative Impact Award (Georgia Recovery)	21.027	KENNWF636U6	KENNWF636U6	\$ 7,562,500	\$ 1,513,809	\$ 1,513,809
	Subtotal 21.027				<u>1,513,809</u>	<u>1,513,809</u>
Total U.S. Department of Treasury					<u>1,513,809</u>	<u>1,513,809</u>
U.S. Department of Housing and Urban Development passed through City of Atlanta/Home Investment Partnerships Program	14.239	250432328	250432328	2,168,549	1,268,870	1,268,870
U.S. Department of Housing and Urban Development passed through City of Atlanta/Home Investment Partnerships Program	14.239	250432631	250432631	4,083,806	3,207,013	3,207,013
	Subtotal 14.239				<u>4,475,883</u>	<u>4,475,883</u>
U.S. Department of Housing and Urban Development/Continuum of Care Program/Planning	14.267	GA0445L4B002200		293,728	24,233	-
U.S. Department of Housing and Urban Development/Continuum of Care Program/Planning	14.267	GA0481L4B002300		548,624	481,305	-
U.S. Department of Housing and Urban Development passed through State of Georgia, Georgia Housing and Finance Authority/ Continuum of Care Program/HMIS	14.267	GA0001L4B0012214	GA0001L4B0012214	289,884	10,595	-
U.S. Department of Housing and Urban Development passed through State of Georgia, Georgia Housing and Finance Authority/ Continuum of Care Program/HMIS	14.267	GA0001L4B002315	GA0001L4B002315	289,884	159,554	-
U.S. Department of Housing and Urban Development/Continuum of Care Program/RRH	14.267	GA0418DB002201		422,306	128,994	118,278

See accompanying notes to the schedule of expenditures of federal awards.

PARTNERS FOR HOME, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Pass-Through Grantor/Program Title	Assistance Listing Number	Award Number	Pass-Through Entity Identifying Number	Award Amount	Expenditures	Sub-Awardee Expenditures
U.S. Department of Housing and Urban Development/Continuum of Care Program/RRH	14.267	GA0418D4B002302		\$ 469,370	\$ 267,524	\$ 267,524
U.S. Department of Housing and Urban Development/Continuum of Care Program/Family PSH	14.267	GA0446L4B002200		563,790	421,064	421,064
U.S. Department of Housing and Urban Development/Continuum of Care Program/Family PSH	14.267	GA0446L4B002301		630,750	391,179	391,179
U.S. Department of Housing and Urban Development/Continuum of Care Program/Coordinated Entry	14.267	GA0331L4B002307		140,000	140,000	136,250
U.S. Department of Housing and Urban Development/Continuum of Care Program/ICPSH	14.267	GA0351L4B002205		342,832	65,567	56,654
U.S. Department of Housing and Urban Development/Continuum of Care Program/ICPSH	14.267	GA0351L4B002306		355,066	244,135	244,135
U.S. Department of Housing and Urban Development/Continuum of Care Program/TBRA	14.267	GA0369L43002304		677,886	328,762	315,517
U.S. Department of Housing and Urban Development/Continuum of Care Program/TBRA	14.267	GA0369L43002405		788,286	202,355	202,355
U.S. Department of Housing and Urban Development/Continuum of Care Program/DVCE	14.267	GA0401D4B002203		180,000	172,396	172,396
U.S. Department of Housing and Urban Development/Continuum of Care Program/PSH	14.267	GA0419T4B002201		1,256,920	244,534	196,810
U.S. Department of Housing and Urban Development/Continuum of Care Program/PSH	14.267	GA0419T4B002302		1,256,920	98,739	83,195
	Subtotal 14.267				<u>3,380,936</u>	<u>2,605,357</u>

See accompanying notes to the schedule of expenditures of federal awards.

PARTNERS FOR HOME, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

Pass-Through Grantor/Program Title	Assistance Listing Number	Award Number	Pass-Through Entity Identifying Number	Award Amount	Expenditures	Sub-Awardee Expenditures
U.S. Department of Housing and Urban Development passed through City of Atlanta/Community Development Block Grants/Entitlement Grants/HMIS	14.218	220132634	220132634	\$ 72,000	\$ 200	\$ -
U.S. Department of Housing and Urban Development passed through City of Atlanta/Community Development Block Grants/Entitlement Grants/Planning	14.218	220132671	220132671	80,000	21,333	-
U.S. Department of Housing and Urban Development passed through City of Atlanta/Community Development Block Grants/Entitlement Grants/General Program Administration	14.218	220132671	220132671	80,000	80,000	-
U.S. Department of Housing and Urban Development passed through City of Atlanta/Community Development Block Grants/Entitlement Grants/Home Administration	14.218	220132671	220132671	70,000	70,000	-
U.S. Department of Housing and Urban Development passed through City of Atlanta/Community Development Block Grants/Entitlement Grants/Homeless Program Operations	14.218	220132671	220132671	130,000	129,659	-
U.S. Department of Housing and Urban Development passed through City of Atlanta/Community Development Block Grants/Entitlement Grants/Youth Support	14.218	220132634	220132634	29,112	779	-
U.S. Department of Housing and Urban Development passed through City of Atlanta/Community Development Block Grants/Entitlement Grants/Youth Services	14.218	220132671	220132671	70,000	70,000	-
U.S. Department of Housing and Urban Development passed through City of Atlanta/Community Development Block Grants/COVID-19 Emergency Programs to Care for Homeless Populations	14.218	220132588	220132588	907,835	650,477	208,925
	Subtotal 14.218				<u>1,022,448</u>	<u>208,925</u>
Total U.S. Department of Housing and Urban Development					<u>8,879,267</u>	<u>7,290,165</u>

See accompanying notes to the schedule of expenditures of federal awards.

**PARTNERS FOR HOME, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025**

Pass-Through Grantor/Program Title	Assistance Listing Number	Award Number	Pass-Through Entity Identifying Number	Award Amount	Expenditures	Sub-Awardee Expenditures
U.S. Department of Health and Human Services passed through State of Georgia, Temporary Assistance for Needy Families	93.558	42700-040-0000113545	2301GATANF	\$ 500,000	\$ 13,678	\$ 13,678
U.S. Department of Health and Human Services passed through State of Georgia, Temporary Assistance for Needy Families	93.558	42700-040-25-118548		500,000	<u>37,748</u>	<u>65,803</u>
	Subtotal 93.558				<u>51,426</u>	<u>79,481</u>
Total U.S. Department of Health and Human Services					<u>51,426</u>	<u>79,481</u>
TOTAL FEDERAL AWARDS					<u><u>\$ 10,444,502</u></u>	<u><u>\$ 8,883,455</u></u>

See accompanying notes to the schedule of expenditures of federal awards.

PARTNERS FOR HOME, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Partners for HOME, Inc. (the Organization) under programs of the federal government for the year ended June 30, 2025, and is based on the accrual basis of accounting. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Because the Schedule presents only a selected portion of the operations of PFH, it is not intended to and does not present the financial position, changes in net assets or cash flows of PFH.

2. INDIRECT COST RATE

The Organization has elected not to use the de minimis indirect cost rate allowed under the Uniform Guidance.

3. SUBRECIPIENTS

There were subawards of \$8,883,455 passed through to subrecipients during the year ended June 30, 2025.

**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**

To the Board of Directors
Partners for HOME, Inc.

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 consolidated financial statements of Partners for HOME, Inc. (the Organization) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2025, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated March 27, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered PFH's internal control over financial reporting (internal control) to determine as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of PFH's internal control. Accordingly, we do not express an opinion on the effectiveness of PFH'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 PFH's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether PFH's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the consolidated 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 on the effectiveness of PFH's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering PFH's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Warren Averett, LLC

Atlanta, Georgia
March 27, 2026

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Partners for HOME, Inc.

Report on Compliance for each Major Federal Program

Opinion on each Major Federal Program

We have audited Partners for HOME, Inc.'s (the Organization) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on PFH's major federal program for the year ended June 30, 2025. PFH's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, PFH complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of PFH 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 the major federal program. Our audit does not provide a legal determination of PFH'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 PFH's federal program.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on PFH'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 PFH'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 PFH'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 PFH'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 PFH'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 Auditors' 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.

Warren Averett, LLC

Atlanta, Georgia
March 27, 2026

PARTNERS FOR HOME, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025

Section 1 – Summary of Auditors’ Results

Financial Statements

Type of auditors’ report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified?	Yes ___	No <u>√</u>
Significant deficiencies identified?	Yes ___	None reported <u>√</u>

Noncompliance material to financial statements noted?

	Yes ___	No <u>√</u>
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Federal Awards

Internal control over major programs:

Material weaknesses identified?	Yes ___	No <u>√</u>
Significant deficiencies identified?	Yes ___	None reported <u>√</u>

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

	Yes ___	No <u>√</u>
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Identification of Major Program

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.267	Continuum of Care Program

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

Auditee qualified as low-risk auditee? Yes √ No ___

**PARTNERS FOR HOME, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2025**

Section 2 Financial Statement Findings Reported in Accordance with *Government Auditing Standards*

We noted no findings or questioned costs which are required to be reported under *Government Auditing Standards* for the year ended June 30, 2025.

Section 3 Federal Award Findings and Questioned Costs

We noted no findings or questioned costs which are required to be reported under Section 2 CFR 200.516(a), Audits of States, Local Governments, and Non-Profit Organizations, for the year ended June 30, 2025.



**SUMMARY SCHEDULE OF PRIOR YEAR FINDING
FOR THE YEAR ENDED JUNE 30, 2025**

Finding 2024-001 Subrecipient Monitoring, Non-Compliance

Condition: The subawards did not include the required federal provisions or list the assistance listing numbers. PFH did not obtain the most recently available audit reports of subrecipients.

Status: Corrective action taken.