



**PARTNERS FOR HOME, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2022**

**PARTNERS FOR HOME, INC.**  
**TABLE OF CONTENTS**  
**JUNE 30, 2022**

---

<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statements of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to the Financial Statements	7

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Partners for HOME, Inc.

### **Opinion**

We have audited the accompanying statements of Partners for HOME, Inc. (the Organization), which comprise the statements of financial position 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Partners for HOME, Inc. as of June 30, 2022, 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 Auditors' Responsibilities for the Audit of the 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 Financial Statements**

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 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 have previously audited Partners for HOME, Inc.'s 2021 financial statements, and our report dated December 15, 2021, 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, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Warren Averett, LLC*

Atlanta, Georgia  
December 8, 2022

**PARTNERS FOR HOME, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2022 AND 2021**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
Cash	\$ 4,577,207	\$ 1,056,343
Grants receivable	776,543	3,386,020
Prepaid expenses	5,004	8,668
<b>PROPERTY AND EQUIPMENT</b>		
Furniture and equipment	26,764	19,745
Less accumulated depreciation	(16,817)	(12,529)
<b>NET PROPERTY AND EQUIPMENT</b>	<b>9,947</b>	<b>7,216</b>
<b>TOTAL ASSETS</b>	<b>\$ 5,368,701</b>	<b>\$ 4,458,247</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 98,197	\$ 92,052
Grants payable	648,616	301,343
Grant advance	1,821,177	2,000,000
<b>TOTAL LIABILITIES</b>	<b>2,567,990</b>	<b>2,393,395</b>
<b>NET ASSETS</b>		
Without donor restrictions	2,530,892	497,098
With donor restrictions		
Restricted by purpose	269,819	1,567,754
<b>TOTAL NET ASSETS</b>	<b>2,800,711</b>	<b>2,064,852</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,368,701</b>	<b>\$ 4,458,247</b>

See notes to the financial statements.

**PARTNERS FOR HOME, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
*(WITH COMPARATIVE TOTALS FOR 2021)*

	<b>2022</b>			<b>2021</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Total</b>
<b>PUBLIC SUPPORT AND REVENUE</b>				
Federal grants	\$ 3,927,118	\$ -	\$ 3,927,118	\$ 8,904,056
Contributions	4,850,190	571,610	5,421,800	5,154,347
In-kind contributions	271,064	-	271,064	282,300
Other revenue	594	-	594	457
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>9,048,966</b>	<b>571,610</b>	<b>9,620,576</b>	<b>14,341,160</b>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<b>1,869,545</b>	<b>(1,869,545)</b>	<b>-</b>	<b>-</b>
Net public support and revenue	<u>10,918,511</u>	<u>(1,297,935)</u>	<u>9,620,576</u>	<u>14,341,160</u>
<b>EXPENSES</b>				
Program services	8,297,027	-	8,297,027	12,703,189
Supporting services				
Management and general	338,469	-	338,469	249,482
Fundraising	249,221	-	249,221	114,520
<b>TOTAL EXPENSES</b>	<b>8,884,717</b>	<b>-</b>	<b>8,884,717</b>	<b>13,067,191</b>
<b>CHANGES IN NET ASSETS</b>	<b>2,033,794</b>	<b>(1,297,935)</b>	<b>735,859</b>	<b>1,273,969</b>
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<b>497,098</b>	<b>1,567,754</b>	<b>2,064,852</b>	<b>790,883</b>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 2,530,892</u></b>	<b><u>\$ 269,819</u></b>	<b><u>\$ 2,800,711</u></b>	<b><u>\$ 2,064,852</u></b>

See notes to the financial statements.

**PARTNERS FOR HOME, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2022**  
(WITH COMPARATIVE TOTALS FOR 2021)

	2022			2021
	Supporting Services			
	Program Services	Management and General	Fund-Raising	Total Expenses
Salaries	\$ 942,772	\$ 231,138	\$ 179,040	\$ 1,352,950
Payroll taxes	61,878	15,177	11,763	88,818
Employee benefits	120,902	29,655	22,983	173,540
Total salaries and related expenses	1,125,552	275,970	213,786	1,615,308
Contractors and consultants	549,546	23,264	5,026	577,836
Client services and subrecipient grants	6,461,920	-	-	6,461,920
Facilities	60,782	14,908	11,555	87,245
In-kind legal fees	14,491	3,554	2,755	20,800
Meetings, conferences, and travel	13,162	3,229	2,502	18,893
Other	68,587	16,811	13,029	98,427
Total expense before depreciation expense	8,294,040	337,736	248,653	8,880,429
Depreciation expense	2,987	733	568	4,288
<b>TOTAL EXPENSES</b>	<b>\$ 8,297,027</b>	<b>\$ 338,469</b>	<b>\$ 249,221</b>	<b>\$ 8,884,717</b>
				\$ 1,024,637
				74,030
				111,412
				1,210,079
				483,476
				11,063,132
				71,194
				133,135
				10,019
				91,989
				13,063,024
				4,168
				\$ 13,067,192

See notes to the financial statements.

**PARTNERS FOR HOME, INC.  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in net assets	\$ 735,859	\$ 1,273,969
Adjustments to reconcile changes in net assets to cash provided by operating activities		
Depreciation expense	4,288	4,168
Decrease (increase) in:		
Grants receivable	2,609,477	(2,586,715)
Prepaid expenses	3,664	(203)
Increase (decrease) in:		
Accounts payable and accrued liabilities	6,145	41,577
Grants payable	347,273	26,320
Grant advance	(178,823)	2,000,000
Net cash provided by operating activities	<u>3,527,883</u>	<u>759,116</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment	<u>(7,019)</u>	<u>(1,306)</u>
Net cash required by investing activities	<u>(7,019)</u>	<u>(1,306)</u>
<b>NET INCREASE IN CASH</b>	3,520,864	757,810
<b>CASH AT BEGINNING OF YEAR</b>	<u>1,056,343</u>	<u>298,533</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 4,577,207</u>	<u>\$ 1,056,343</u>

See notes to the financial statements.



**PARTNERS FOR HOME, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

---

## **1. ORGANIZATION**

Partners for HOME, Inc. (the 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 Partners for HOME is to coordinate a comprehensive response system to end homelessness in the City of Atlanta. Partners for HOME 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. The Organization brings together government, nonprofit, business and community stakeholders to make homelessness rare, brief and nonrecurring.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Adoption of New Accounting Standards**

On July 1, 2021, the Organization adopted Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The ASU requires contributed nonfinancial assets to be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The ASU also requires the disaggregation of the contributed nonfinancial assets recognized within the statement of activities by category that depicts the type of contributed nonfinancial assets. For each type of contributed nonfinancial asset certain additional disclosures are required.

The Organization applied the retrospective approach to the statement of activities when adopting ASU 2020-07. Other than these changes in presentation on the statement of activities and in the footnotes to the financial statements for the years ended June 30, 2022 and 2021, the adoption of ASU 2020-07 did not have an impact on its results of operations.

### **Basis of Presentation**

The financial statements of the Organization 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 the Organization 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 the Organization and/or passage of time.

**PARTNERS FOR HOME, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Presentation**

The amounts shown for the year ended June 30, 2021 in the accompanying financial statements are included to provide a basis for comparison with 2022 and present summarized totals only. Accordingly, the 2021 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 the Organization's financial statements for the year ended June 30, 2021, 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 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, 2022 and 2021.

**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.

**PARTNERS FOR HOME, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**Concentrations of Credit and Market Risk**

Financial instruments, principally receivables and accounts payable, are reported at values, which the Organization believes are not significantly different from fair values. The Organization believes no significant credit risk exists with respect to any of its financial instruments. The Organization 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, 2022 and 2021, the Organization's uninsured cash balance was approximately \$4,347,000 and \$915,000, respectively.

As of June 30, 2022 and 2021, 64% and 69% of receivables related to two and one funders, respectively.

At June 30, 2022 and 2021, approximately 65% and 58% of contributions received were attributable to one and two donors, respectively.

**Property and Equipment**

The Organization capitalizes all expenditures for furniture, fixtures and equipment in excess of \$1,000. Property and equipment are recorded at cost or fair value, if donated, and are depreciated using straight-line methods of three to seven years based upon their estimated useful lives. Depreciation expense of \$4,288 and \$4,168 was recorded for the years ended June 30, 2022 and 2021, respectively.

**Grant Advance**

Grant advances at June 30, 2022 and 2021 relate to advances from government agencies that will be recognized as revenue as expenditures are made and related work progresses.

**In-Kind Contributions**

The Organization utilizes in-kind contributions to carry out the mission of the Organization. All in-kind contributions received during the years ended June 30, 2022 and 2021 were considered without donor restrictions and able to be used by the Organization as determined by the Board of Directors and management. The Organization 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 statements 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 year at no charge. Their salaries and benefits were recognized as contributed services of \$163,019 and \$77,971 for the years ended June 30, 2022 and 2021, respectively. In addition, the Organization received \$20,800 and \$133,135 of contributed legal services during the years ended June 30, 2022 and 2021, respectively.

**PARTNERS FOR HOME, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Contributed Use of Facility: The Organization’s office space is provided by a donor at no charge. Contribution revenue and related program expense in the amount of \$87,245 and \$71,194 was recognized during the years ended June 30, 2022 and 2021, respectively.

**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. The Organization 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 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 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, 2022 and December 8, 2022, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**3. RESTRICTIONS ON NET ASSETS**

Net assets with donor restrictions were available for the following purposes at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Subject to expenditures for specific purpose:		
Diversion program	\$ 126,532	\$ 35,825
Outreach expansion	-	20,992
COVID relief	-	54,350
LIFT campaign	-	1,022,275
Rapid Re-Housing program	63,956	406,187
Housing Narrative Lab	25,000	-
Other	54,331	28,125
	<u>\$ 269,819</u>	<u>\$ 1,567,754</u>

**PARTNERS FOR HOME, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

**3. RESTRICTIONS ON NET ASSETS – CONTINUED**

Net assets with donor restrictions released from restrictions during the years ended June 30, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Diversion program	\$ 206,793	\$ 42,321
Outreach expansion	20,992	29,569
COVID relief	54,350	192,296
LIFT campaign	1,022,275	2,297,725
Rapid Re-Housing program	481,341	48,702
Other	83,794	1,876
	<u>\$ 1,869,545</u>	<u>\$ 2,612,489</u>

**4. EMPLOYEE BENEFIT PLAN**

Effective January 1, 2018, the Organization 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. The Organization 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 \$42,000 and \$23,000 for years ended June 30, 2022 and 2021, respectively.

**5. LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects the Organization's financial assets as of June 30, 2022 and 2021, 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>2022</u>	<u>2021</u>
Financial assets:		
Cash	\$ 4,577,207	\$ 1,056,343
Grants receivable	776,543	3,386,020
Financial assets, at year-end	5,353,750	4,442,363
Less: Assets unavailable for general expenditures within one year:		
Net assets with donor purpose restrictions	<u>(269,819)</u>	<u>(1,567,754)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,083,931</u>	<u>\$ 2,874,609</u>

**PARTNERS FOR HOME, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

---

**5. LIQUIDITY AND FUNDS AVAILABLE – CONTINUED**

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, the Organization 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 the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. A significant amount of grants receivable consists of federal grants that will be paid directly to grantee agencies.