THE HOMELESS FAMILIES FOUNDATION

FINANCIAL STATEMENTS

December 31, 2019 and 2018

Table of Contents

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The Homeless Families Foundation (hereafter "HFF"):

Report on the Financial Statements

We have audited the accompanying financial statements of HFF (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, cash flows and of functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of HFF as of December 31, 2019 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.

Reports on Summarized Comparative Information

We previously audited HFF's 2018 and 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our reports dated August 21, 2019 and August 8, 2018, respectively. In our opinion, the summarized comparative information presented herein as of and for the years ended December 31, 2018, as well as the comparative 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters – Other Information

In June 2018 (effective date years beginning after December 15, 2018), the Financial Accounting Standards Board (FASB), issued accounting standards update (ASU) 2018-08, Not for Profit (Topic 958) – *Clarifying the scope and accounting guidance for contributions received and contributions made.* The ASU (Update) is to clarify and improve the scope of the accounting guidance for contributions received and contributions made. The update permits a modified prospective basis for the reporting implementation. Under a modified prospective basis, in the first set of financial statements following the effective date (December 15, 2018), the ASU's update should be applied. Accordingly, no adjustment was required to the prior period's financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our reported dated August 20, 2020, on our consideration of HFF's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering HFF's internal control over financial reporting and compliance.

& Company LLP

August 20, 2020

THE HOMELESS FAMILIES FOUNDATION

Statements of Financial Position
December 31, 2019 and 2018

ASSETS

	2019	2018
Current Assets		
Cash	$ 1,126,098	$ 1,307,618
Gift Cards	13,878	13,998
Cash Advance	2,681	200
Accounts Receivable	366,448	232,101
Pledges Receivable (net of discount of $5,844)	294,156	-
Prepaid Maintenance Fees	6,983	9,183
Prepaid Expenses	1,381	2,342
Funds Held by The Columbus Foundation	157,886	117,027
Total Current Assets	1,969,511	1,682,469
Property and Equipment		
Land	91,378	91,378
Building	2,258,326	2,203,018
Equipment	446,625	438,352
Less: Accumulated Depreciation	(1,692,618)	(1,588,173)
Net Property and Equipment	1,103,711	1,144,575
Total Assets	$ 3,073,222	$ 2,827,044

LIABILITIES

	2019	2018
Current Liabilities		
Accounts Payable	$ 61,539	$ 24,465
Accrued Payroll	69,538	53,858
Other Accrued Expenses	64,954	44,901
401(K) Contributions	206	194
Current Portion of Long-Term Liabilities	5,972	6,837
Total Current Liabilities	202,209	130,255
Long-Term Liabilities		
Capital Lease	19,365	31,740
Line of Credit	119,354	183,990
Less: Current Portion of Long-Term Liabilities	(5,972)	(6,837)
Total Long-Term Liabilities	132,747	208,893
Total Liabilities	334,956	339,148

NET ASSETS

	2019	2018
Net Assets Without Donor Restrictions	2,301,259	2,259,744
Net Assets With Donor Restrictions	437,007	228,152
Total Net Assets	2,738,266	2,487,896
Total Liabilities and Net Assets	$ 3,073,222	$ 2,827,044

See accompanying notes to financial statements

THE HOMELESS FAMILIES FOUNDATION

Statement of Activities
For the year ended December 31, 2019 with comparative totals for 2018

	Without Donor Restrictions	With Donor Restrictions	2019	2018
Public Support and Revenue:				
Contributions	$ 1,056,889	$ 402,948	$ 1,459,837	$ 1,164,378
In-Kind Donated Goods/Services	180,279	-	180,279	98,815
Interest Income	3,183	-	3,183	2,500
Other Income	24,756	-	24,756	10,530
Change In Pledge Value	(5,844)		(5,844)	-
Restricted Operating Grants	-	1,610,387	1,610,387	1,190,871
Income from Funds Held at the Columbus Foundation	23,681	-	23,681	(2,696)
	1,282,944	2,013,335	3,296,279	2,464,398
Net Assets Released from Restrictions	1,804,480	(1,804,480)	-	-
Total Revenues and Support	3,087,424	208,855	3,296,279	2,464,398
Expenses:				
Program Services	2,288,428	-	2,288,428	1,908,673
Administrative and General	337,055	-	337,055	313,339
Fundraising	420,426	-	420,426	349,409
Total Expenses	3,045,909	-	3,045,909	2,571,421
Other Income and Expense				
Pass Through Grant Funding Revenue	1,234	-	1,234	147,307
Pass Through Grant Funding Expense	(1,234)	-	(1,234)	(147,307)
Total Other Income and Expense	-	-	-	-
Increase (Decrease) in Net Assets	41,515	208,855	250,370	(107,023)
Net Assets, Beginning of Year	2,259,744	228,152	2,487,896	2,594,919
Net Assets, End of Year	$ 2,301,259	$ 437,007	$ 2,738,266	$ 2,487,896

See accompanying notes to financial statements

THE HOMELESS FAMILIES FOUNDATION

Statement of Activities
For the year ended December 31, 2018 with comparative totals for 2017

	Without Donor Restrictions	With Donor Restrictions	2018	2017
Public Support and Revenue:				
Contributions	$ 950,629	$ 213,749	$ 1,164,378	$ 1,101,659
In-Kind Donated Goods/Services	98,815	-	98,815	64,742
Interest Income	2,500	-	2,500	3,596
Other Income	10,530	-	10,530	16,444
Change In Pledge Value	-	-	-	-
Restricted Operating Grants	-	1,190,871	1,190,871	1,032,253
Income from Funds Held at the Columbus Foundation	(2,696)	-	(2,696)	9,476
	1,059,778	1,404,620	2,464,398	2,228,170
Net Assets Released from Restrictions	1,419,546	(1,419,546)	-	-
Total Revenues and Support	2,479,324	(14,926)	2,464,398	2,228,170
Expenses:				
Program Services	1,908,673	-	1,908,673	1,795,797
Administrative and General	313,339	-	313,339	225,618
Fundraising	349,409	-	349,409	278,438
Total Expenses	2,571,421	-	2,571,421	2,299,853
Other Income and Expense				
Pass Through Grant Funding Revenue	147,307	-	147,307	272,670
Pass Through Grant Funding Expense	(147,307)	-	(147,307)	(272,670)
Total Other Income and Expense	-	-	-	-
Increase (Decrease) in Net Assets	(92,097)	(14,926)	(107,023)	(71,683)
Net Assets, Beginning of Year	2,351,841	243,078	2,594,919	2,666,602
Net Assets, End of Year	$ 2,259,744	$ 228,152	$ 2,487,896	$ 2,594,919

See accompanying notes to financial statements

THE HOMELESS FAMILIES FOUNDATION

Statement of Functional Expenses
For the year ended December 31, 2019 with comparative totals for 2018

	Program Services	Supporting Services			Total Expenses	
	Community Service	Management and General	Fund Raising	Total Supporting Services	2019	2018
Salaries and Related Expenses	$ 1,493,246	$ 227,657	$ 138,658	$ 366,315	$ 1,859,561	$ 1,550,689
Supplies	7,223	12,259	82	12,341	19,564	12,312
Postage	-	2,359	194	2,553	2,553	3,679
Utilities	48,178	2,055	985	3,040	51,218	48,304
Repairs and Maintenance	47,890	29,565	5,056	34,621	82,511	66,035
Direct Assistance	295,407	18	-	18	295,425	223,335
Equipment	12,168	-	-	-	12,168	-
Education Center	85,555	16	-	16	85,571	136,119
Audit Fees	-	9,975	-	9,975	9,975	10,400
Consultant Fees	71,026	26,969	3,911	30,880	101,906	90,609
Travel and Transportation	40,141	1,989	660	2,649	42,790	28,482
Mortgage and Line of Credit Interest	-	7,732	-	7,732	7,732	2,792
Insurance	22,162	3,020	274	3,294	25,456	21,952
Fundraising	561	1,380	174,132	175,512	176,073	109,978
Marketing	-	-	2,760	2,760	2,760	20,633
Miscellaneous	17,815	5,031	6,305	11,336	29,151	44,275
Total Before Depreciation and Donated Services	2,141,372	330,025	333,017	663,042	2,804,414	2,369,594
Depreciation	93,281	7,030	4,134	11,164	104,445	103,013
In-Kind Donations	53,775	-	83,275	83,275	137,050	98,814
(Gain)/Loss on Disposal of Assets	-	-	-	-	-	-
Total	$ 2,288,428	$ 337,055	$ 420,426	$ 757,481	$ 3,045,909	$ 2,571,421

See accompanying notes to financial statements

THE HOMELESS FAMILIES FOUNDATION

Statement of Functional Expenses
For the year ended December 31, 2018 with comparative totals for 2017

	Program Services	Supporting Services			Total Expenses	
	Community Service	Management and General	Fund Raising	Total Supporting Services	2018	2017
Salaries and Related Expenses	$ 1,201,642	$ 211,434	$ 137,613	$ 349,047	$ 1,550,689	$ 1,308,513
Supplies	7,314	4,192	806	4,998	12,312	7,723
Postage	7	1,459	2,213	3,672	3,679	3,685
Utilities	44,977	2,172	1,155	3,327	48,304	40,883
Repairs and Maintenance	47,385	18,002	648	18,650	66,035	58,002
Direct Assistance	223,335	-	-	-	223,335	291,063
Education Center	110,917	25,202	-	25,202	136,119	106,252
Audit Fees	-	10,400	-	10,400	10,400	10,000
Consultant Fees	64,323	21,994	4,292	26,286	90,609	54,774
Travel and Transportation	27,843	289	350	639	28,482	22,895
Mortgage and Line of Credit Interest	-	2,792	-	2,792	2,792	2,098
Insurance	18,379	2,121	1,452	3,573	21,952	21,720
Fundraising	-		109,978	109,978	109,978	94,853
Marketing	-	-	20,633	20,633	20,633	-
Database Measurement Resources	-	-	-	-	-	10,000
Miscellaneous	27,659	9,021	7,595	16,616	44,275	41,475
Total Before Depreciation and Donated Services	1,773,781	309,078	286,735	595,813	2,369,594	2,073,936
Depreciation	94,942	4,261	3,810	8,071	103,013	109,861
In-Kind Donations	39,950	-	58,864	58,864	98,814	64,742
(Gain)/Loss on Disposal of Assets	-	-	-	-	-	(4,387)
Total	$ 1,908,673	$ 313,339	$ 349,409	$ 662,748	$ 2,571,421	$ 2,244,152

See accompanying notes to financial statements

THE HOMELESS FAMILIES FOUNDATION

Statements of Cash Flows
For the year ended December 31, 2019 and 2018

	2019	2018
Cash Flows from Operating Activities		
Increase (Decrease) in Net Assets	$ 250,370	$ (107,023)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
(Increase) in Funds Held by The Columbus Foundation	(40,859)	(27,938)
Depreciation	104,445	103,013
(Increase) in Cash Advance	(2,481)	(200)
Change in Pledge Value	5,844	-
Decrease (Increase) in Gift Cards	120	(3,571)
(Increase) in Accounts Receivable	(134,347)	(37,601)
(Increase) Decrease in Pledges Receivable	(300,000)	50,000
Decrease (Increase) in Prepaid Maintenance Fees	2,200	(9,183)
Decrease (Increase) in Prepaid Expenses	961	(431)
Increase (Decrease) Increase in Accounts Payable	37,074	(76,176)
Increase in 401(K) Contributions	12	37
Increase in Accrued Liabilities	35,733	33,373
Net Cash (Used) Provided by Operating Activities	(40,928)	(75,700)
Cash Flows Used by Investing Activities		
Fixed Asset and Construction in Process Expenditures	(63,581)	(220,851)
Net Cash (Used) by Investing Activities	(63,581)	(220,851)
Cash Flows Used by Financing Activities		
Change in Capital Lease Payable	(12,375)	22,516
(Decrease) Increase in Line of Credit	(64,636)	183,990
Net Cash (Used) Provided by Financing Activities	(77,011)	206,506
Net (Decrease) in Cash and Cash Equivalents	(181,520)	(90,045)
Cash and Cash Equivalents Beginning of Year	1,307,618	1,397,663
Cash and Cash Equivalents End of Year	$ 1,126,098	$ 1,307,618
Additional Disclosures		
Total Interest Expense Incurred During the Year	$ 7,732	$ 2,792

See accompanying notes to financial statements

THE HOMELESS FAMILIES FOUNDATION

Statements of Cash Flows
For the year ended December 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities		
(Decrease) Increase in Net Assets	$ (107,023)	$ (71,683)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
(Increase) in Funds Held by The Columbus Foundation	(27,938)	(34,347)
(Gain) on Disposal of Fixed Assets	-	(4,387)
Depreciation	103,013	165,562
(Increase) in Cash Advance	(200)	
Change in Pledge Value	-	(884)
(Increase) in Gift Cards	(3,571)	(1,331)
(Increase) in Accounts Receivable	(37,601)	(23,505)
Decrease in Pledges Receivable	50,000	60,000
(Increase) in Prepaid Maitenance Fees	(9,183)	-
(Increase) Decrease in Prepaid Expenses	(431)	1,838
(Decrease) Increase in Accounts Payable	(76,176)	60,001
Increase in 401(K) Contributions	37	157
Increase in Accrued Liabilities	33,373	4,285
Net Cash (Used) Provided by Operating Activities	(75,700)	155,706
Cash Flows Used by Investing Activities		
Proceeds Received on Disposal of Assets	-	7,949
Fixed Asset and Construction in Process Expenditures	(220,851)	(63,979)
Net Cash (Used) by Investing Activities	(220,851)	(56,030)
Cash Flows Used by Financing Activities		
Change in Capital Lease Payable	22,516	(3,747)
Increase in Line of Credit	183,990	-
Mortgage Reduction	-	(15,577)
Net Cash Provided (Used) by Financing Activities	206,506	(19,324)
Net (Decrease) Increase in Cash and Cash Equivalents	(90,045)	80,352
Cash and Cash Equivalents Beginning of Year	1,397,663	1,317,311
Cash and Cash Equivalents End of Year	$ 1,307,618	$ 1,397,663
Additional Disclosures		
Total Interest Expense Incurred During the Year	$ 2,792	$ 2,476

See accompanying notes to financial statements

Note 1 – **Summary of Significant Accounting Policies**

Nature of Organization

The Homeless Families Foundation (hereafter HFF), is a nonprofit organization working with homeless families. HFF provides housing assistance, stability and support to homeless families, with the ultimate goal being to help families make the changes necessary to improve their situations so that they can maintain permanent housing and independence. In addition, HFF has a strong focus on helping children succeed in school and life by providing an after-school and all-day summer camp for school-age children.

Tax Status

HFF is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income taxes has been made in the financial statements.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, HFF may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of HFF and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the fiscal year ending December 31, 2019.

HFF files its forms 990 in the U.S. federal jurisdiction and the office of the state's attorney general for the State of Ohio. HFF is generally no longer subject to examination by the Internal Revenue Service for years ending before December 31, 2016.

Revenue Recognition

For the period ending December 31, 2019, the ASU 958 (Update) has modified the revenue recognition regarding contribution, which are effective for the reporting year beginning January 1, 2019. The modified standard stipulates that a contribution is recognized as unconditional and therefore recognized as revenue if any donor-imposed conditions are met (barriers and right of return to contributor or release from obligation by the donor.) The organization believes that all contributions recognized meet the modified standard as unconditional. Prior to the implementation of ASU 958 (Update) the organization was recognizing its revenue under the originally issued ASU 958.

Note 1 – **Summary of Significant Accounting Policies (Continued)**

Basis of Presentation

HFF has adopted Accounting Standards Codification (ASC) 2016-14, "Not-For-Profit Entities – Revenue Recognition". In accordance with ASC 2016-14, contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions.

HFF has also adopted ASC 958-10-65-1, "Not-For-Profit Entities – Presentation of Financial Statements". Under ASC 958-10-65-1, HFF is required to report information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions, and net assets with donor restrictions.

The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and a board-designated endowment at the Columbus Foundation. Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the broad limits resulting from the nature of the Organization, the environment in which it operates, the purposes specified in it corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations.

The Organization's unspent contributions are reported in net assets with donor restrictions if the donor has limited their use, as are promised contributions that are not yet due. Contributions of property and equipment or cash restricted to acquisition of property and equipment are reported as net assets with donor restrictions if the donor has restricted the use of the property or equipment to a particular program. These restrictions expire when the assets are placed in service. Net assets with donor restrictions are further delineated in Note 3.

Accrual Basis

The financial statements of HFF have been prepared on the accrual basis. The statement of activities is a statement of financial activities related to the current reporting period.

Depreciation

Expenditures for equipment and furnishings, and expenditures for repairs that extend the life of the asset of over $1,000 are capitalized at cost or fair market value at the date of donation in the case of gifts.

For buildings, furniture, fixtures and autos, depreciation is charged on a straight-line basis over the estimated useful lives of the assets.

Note 1 – **Summary of Significant Accounting Policies (Continued)**

Cash Equivalents

For purposes of the statements of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Expense Allocation

The costs of providing various programs and other 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. Such allocations are determined by management on a reasonable basis that is consistently applied.

Beginning in 2019, HFF has elected to utilize the 10% de minimis indirect cost rate applicable to federal funding. De minimis costs are allocated amongst Program expense line items, and are reflected in total on the Schedule of Expenditures of Federal Awards.

Donations

Donations received are recorded as net assets without donor restrictions, or net assets with donor restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in Net Assets with Donor Restrictions. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the restricted net assets are reclassified to Net Assets Without Donor Restrictions and reported in the statement of activities as net assets released from restrictions.

Note 2 –**Long-Term Debt**

During 2018, HFF entered into a line of credit agreement with Park National Bank. The line permits the organization to draw up to $235,000 and is due April 27, 2022, and as such, is classified as long-term debt on the statement of financial position. The note carries an interest rate of 5.45% and is collateralized by the current assets of the company.

Note 3 – **Net Assets**

Net Assets Without Donor Restrictions

Net assets without donor restrictions may be used by HFF to achieve any of HFF's purposes.

Net Assets With Donor Restrictions

Net Assets with Donor Restrictions for December 31, 2019 are comprised of the following:

Purpose	Balance 12/31/18	Current Donations	Restrictions Satisfied	Balance 12/31/19
AEP – 2020- 2023 Pledge	---	300,000	(5,844)	294,156
ADAMH – Youth Leadership	5,582	19,150	(12,098)	12,634
Anthem	58,062	25,000	(33,909)	49,153
Battelle – Project Based Learning	394	---	(394)	---
Battelle & Buck – STEAM	22,952	---	(22,952)	---
City of Columbus – Celebrate One	---	231,519	(231,519)	---
City of Columbus Family Stability	---	32,000	(32,000)	---
Columbus Foundation – YOGA	---	7,898	---	7,898
Columbus Realtors – Laundry Facility	3,500	---	(3,500)	---
Community Shelter Board – Reimbursement	---	697,132	(697,132)	---
Discover Brighter Futures Fund	---	15,000	---	15,000
First Community Emergency Assistance	731	---	(731)	---
Harry C Moores Foundation	9,899	---	(9,899)	---
Ingram-White Castle – 2016 – 2018 Pledge	18,370	---	(192)	18,178
Peggy Kelley Fund – Beyond Housing	28,291	28,000	(21,178)	35,113
Rutherford Foundation – Multi-Year Pledge	8,321	---	(8,321)	---
Shortfall at Dowd	23,945	---	(23,945)	---
Spark (AEP)	40,105	---	(40,105)	---
State of Ohio Food Program – Reimbursement	---	47,834	(47,834)	---
TANF – Summer Program	---	125,000	(125,000)	---
TANF Spark Grant – Reimbursement	---	401,627	(401,627)	---
TAY RRH	---	75,275	(75,275)	---
TJX Foundation	8,000	7,900	(11,025)	4,875
	$228,152	$2,013,335	$(1,804,480)	$437,007

Changes in pledge value of $5,844 on restricted grants included on the statement of activities are included as a reduction of Restrictions Satisfied above

Notes to the Financial Statements (Continued)
December 31, 2019 and 2018

Note 3 – **Net Assets (Continued)**

Net Assets With Donor Restrictions

Net Assets with Donor Restrictions for December 31, 2018 are comprised of the following:

Purpose	Balance 12/31/17	Current Donations	Restrictions Satisfied	Balance 12/31/18
21st Century Grant	$ ---	$ 53,574	$ (53,574)	$ ---
ADAMH – Youth Leadership	---	18,750	(13,168)	5,582
Anthem	---	60,000	(1,938)	58,062
Battelle – Project Based Learning	394	---	---	394
Battelle & Buck – STEAM	33,244	50,000	(60,292)	22,952
Bonner – Beyond Housing & Rapid Rehousing	27,904	---	(27,904)	---
City of Columbus – Celebrate One	---	112,997	(112,997)	---
Columbus Realtors – Laundry Facility	3,500	---	---	3,500
Community Shelter Board – Reimbursement	---	643,313	(643,313)	---
First Community Emergency Assistance	963	---	(232)	731
Harry C Moores Foundation	12,000	12,000	(14,101)	9,899
Ingram-White Castle – 2016 – 2018 Pledge	18,370	---	---	18,370
Ingram White Castle – 2018 Cap Improvements	25,000	---	(25,000)	---
Osteopathic Heritage Foundation – Roof	6,435	---	(6,435)	---
Peggy Kelley Fund – Beyond Housing	---	30,000	(1,709)	28,291
Rutherford Foundation – Multi-Year Pledge	44,675	---	(36,354)	8,321
Shortfall at Dowd	25,676	---	(1,731)	23,945
Siemer & First Community – Beyond Housing	14,207	---	(14,207)	---
Spark (AEP)	30,710	35,000	(25,605)	40,105
State of Ohio Food Program – Reimbursement	---	36,668	(36,668)	---
TANF – Summer Program	---	97,036	(97,036)	---
TANF Spark Grant – Reimbursement	---	247,282	(247,282)	---
TJX Foundation	---	8,000	---	8,000
	$243,078	$1,404,620	$(1,419,546)	$228,152

Note 4 – **Liquidity**

The following reflects the organization's financial assets as of the date of the statement of financial position. Financial assets at year-end are reduced by amounts not available for general use due to donor-imposed restrictions that will not expire within one year of the financial position date. Donor restricted amounts that will become available for general use within the year subsequent to December 31, 2019 and 2018 are detailed below:

	2019	2018
Financial Assets At Year End	$1,958,466	$1,670,744
Portion of AEP Pledge Receivable		
Due 2021-2022	(194,156)	---
Financial Assets Available for Use Within 1 Year	$1,764,310	$1,670,744

The Organization defines financial assets as Cash, Gift Cards, Accounts Receivable, Pledges Receivable (when applicable), and Funds Held by The Columbus Foundation.

	2019	2018
Cash	$1,126,098	$1,307,618
Gift Cards	13,878	13,998
Accounts Receivable	366,448	232,101
Pledges Receivable	294,156	---
Funds Held by Columbus Foundation	157,886	117,027
	$1,958,466	$1,670,744

Note 5 -- **Donated Services and Materials**

HFF receives donated services consisting of professional and general volunteer hours and donated materials. In accordance with Accounting Standards Codification (ASC) 958-605, the contribution of services are recognized in the financial statements if the services received (a) create or enhance non-financial 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. Rates used in the calculations of the professional volunteer services are based on the average rate charged by the respective professions in the Columbus area.

A summary of donated services follows:

	2019	2018
Hope Takes Flight Fundraiser Auction Items	$55,964	$58,864
Hope Takes Flight Donated Services	32,489	---
Leasehold Improvements	43,229	---
Supplies for Families	48,597	39,950
	$180,279	$98,814

Donated leasehold improvements are included as a capitalized fixed asset as of December 31, 2019.

HFF has general volunteer hours for various operations. General volunteer hours have not been recognized in the financial statements because they do not meet the criteria of Accounting Standards Codification (ASC) 958-605 "Not-For-Profit Entities – Revenue Recognition". Estimated hours of general volunteer service received were 6,991 for 2019 and 5,793 for 2018.

HFF also receives various small (under $1,000) donations of food, clothing and household items. The value of these items is not reflected in these statements since it is not susceptible to objective measurement or valuation.

Note 6 – **Concentration of Business Risk**

HFF has concentrated its credit risk for cash by maintaining deposits in banks located within the same geographic region. During 2019 and 2018, HFF's cash accounts were insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000 per banking institution. HFF has amounts on deposit in excess of the insured limits. HFF does not deem there to be a significant risk associated with the deposits in excess of insured limits given the reputation and financial stability of the banking institutions. HFF continuously reviews and manages their banking relationships to mitigate any risks associated with deposits in excess of insured limits.

HFF donors are located primarily in the Central Ohio area.

During 2019, HFF received $697,132 (approximately 21% of its revenues) from an arrangement with The Community Shelter Board and $526,627 (approximately 16% of its revenues) from a Franklin County TANF grants.

During 2018, HFF received $643,313 (approximately 26% of its revenues) from an arrangement with The Community Shelter Board and $344,318 (approximately 14% of its revenues) from a Franklin County TANF grants.

Note 7 – **Capital Lease**

In October 2015, HFF entered into a capital lease for two copiers. In accordance with ASC 840, the amount capitalized was the present value of future cash flows at an imputed discount rate of 4.5% ($17,295), which approximates the fair market value of the copiers. Accordingly, the copiers contained in the capital lease are recorded in HFF's assets and liabilities.

The aforementioned-leased assets are included in the financial statements at December 31, 2019 and 2018 as follows:

	2019	2018
Equipment	$17,295	$17,295
Accumulated Depreciation	(15,566)	(12,107)
Net	$ 1,729	$ 5,188
Depreciation Expense	$ (3,459)	$ (3,459)

The lease agreement contains a bargain purchase option at the end of the lease term. The following is a schedule by years of future minimum payments required under the lease obligation:

Year Ending:	
2020	$2,593
Imputed interest	(308)
Present value of future minimum lease payments	$2,285

HFF has elected to recognize imputed interest using a straight-line method, which does not materially differ from the GAAP-prescribed Interest Method (ASC 835-30-20).

Note 7 – **Capital Lease (Continued)**

During September 2018, HFF entered into a new lease for an additional two copiers. In accordance with ASC 840, the amount capitalized was the fair market value of the copiers, which was determined at $9,684. Accordingly, the copiers contained in the capital lease are included as fixed assets on HFF's statement of financial position. The corresponding capital lease payable includes the present value of the prepaid maintenance fees calculated at $9,923, capitalized assets, and cash received from leasing agent.

The aforementioned leased assets are included in the financial statements at December 31, 2019 and 2018 as follows:

	2019	2018
Equipment	$ 9,684	$ 9,684
Accumulated Depreciation	(2,905)	(968)
Net	$ 6,779	$ 8,716
Depreciation Expense	$(1,937)	$ (968)

The following is a schedule by years of future minimum payments required under the lease obligation:

Year Ending:	
2020	7,500
2021	7,500
2022	7,500
2023	5,000
	$27,500
Imputed interest	(6,974)
Present value of future minimum lease payments	$20,526

HFF has elected to recognize imputed interest using a straight-line method, which does not materially differ from the GAAP-prescribed Interest Method (ASC 835-30-20).

Note 8 – **Pledges Receivable**

Included in the 2019 pledges receivable balance on the statements of financial position is one grant. The AEP Foundation grant stipulated that an amount of $300,000 to be paid over the three years subsequent to December 31, 2019. Pledges receivable are shown net of discount of $5,844 as of December 31, 2019. There are no pledges receivable recognized on the statement of financial position as of December 31, 2018.

	2019	2018
Net Pledges as of December 31	$ 294,156	$ ---

THE HOMELESS FAMILIES FOUNDATION

Notes to the Financial Statements (Continued)
December 31, 2019 and 2018

Note 9 – **Fair Value of Assets**

HFF adopted Accounting Standards Codification 825 "Financial Instruments" (ASC 825). ASC 825 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASC 825 are as follows:

Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;

Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;

Level 3 Inputs that are unobservable.

Inputs are used in applying the various techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility, statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by management. Management considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the manager's perceived risk of that instrument.

In making the aforementioned valuations, management will consult with their brokers, investment managers and various other entities in analyzing data which determines fair market values.

Fair values of assets measured on a recurring basis at December 31, 2019 are as follows:

	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Funds held by The Columbus Foundation	$157,886	---	$157,886	$---

Fair values of assets measured on a recurring basis at December 31, 2018 are as follows:

	Fair Value	Quoted Prices In Active Markets For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Funds held by The Columbus Foundation	$117,027	---	$117,027	$---

10– **Funds Held by The Columbus Foundation**

In a prior year, HFF transferred assets to The Columbus Foundation, a federated fundraising organization, to establish a fund for HFF's own benefit. It is the hope of HFF that other individuals, organizations and corporations will also add to the fund. The fund shall be administered subject to all the terms and conditions as provided for in the Articles of Incorporation and Code of Regulations establishing the Columbus Foundation. As a component fund of The Columbus Foundation it is subject to the variance power of the board of The Columbus Foundation but because HFF established the fund naming itself as the sole beneficiary the funds belong solely to HFF and, accordingly, are reflected as an asset in the financial statements. The entire fund may be distributed to HFF with the approval of at least a two-thirds majority vote of the board of HFF. Accordingly, the fund is included in Net Assets Without Donor Restrictions. The fund is carried at its fair market value of $157,886 and $117,027 at December 31, 2019 and 2018, respectively. Activity in this fund is as follows for the years ended December 31:

	2019	2018
Beginning Balance at January 1:	$117,027	$89,089
Contributions	17,178	31,074
Withdrawals	---	---
Interest and Dividends	4,101	3,309
Administration Fees	(545)	(439)
Unrealized/Realized Gains and Losses	20,125	(6,004)
Ending Balance at December 31:	$157,886	$117,027

Note 11 – **Defined Contribution Plan**

HFF established a qualified 401(k) Defined Contribution Plan beginning January 1, 2006. All employees are eligible to participate the first day of the month following the date they become 21 years of age and obtain 6 months of employment. Employees may elect to defer a portion of their compensation for contribution to the plan. HFF as the employer will contribute 50% for every dollar of employee elective deferrals up to a total employer contribution totaling 2% of the employee's annual compensation. The plan includes the following vesting schedule:

Less than 1 year of service:	0% vested
1 year of service:	25% vested
2 years of service:	50% vested
3 years of service:	75% vested
4+ years of service:	100% vested

HFF's total contributions to the 401(k) Defined Contribution Plan totaled $14,387 and $11,432 for the years ended December 31, 2019 and 2018, respectively.

Note 12 –**Pass-Through Grant Funding**

Beginning in 2015, HFF agreed to facilitate a Temporary Assistance for Needy Families (TANF) grant between the Department of Jobs and Family Services and various third-party service providers. HFF obtains reimbursement submissions from the pass-through third-party service providers and subsequently submits a reimbursement request to the Department of Jobs and Family Services. Upon receipt of funds from the Department of Jobs and Family Services the funds are passed through to the third-party service providers.

Beginning in 2019, HFF agreed to facilitate a Transitional-Age Youth grant between the Community Shelter Board and various third-party service provides. HFF obtains reimbursement submissions from the pass-through third-party service providers and subsequently submits a reimbursement request to the Community Shelter Board. Upon receipt of funds from the Community Shelter Board the funds are passed through to the third-party service providers.

Revenue and expenses related to this transaction are shown as other income and expenses on the statements of activities for 2019 and 2018.

Note 13 – **Reclassification**

Certain December 31, 2018 financial statement line items have been reclassified to conform to the current year's presentation.

Note 14 – **Subsequent Events**

Subsequent to the date of the financial statements, an outbreak of a novel strain of coronavirus (COVID-19) has caused economic uncertainties for many industries. The extent of the impact of COVID-19 on the Organization's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak. Overall impact on donors, customers, employees, and vendors are difficult to predict at this time. HFF feels that their operations and funding sources are stable, and that their role is as important as ever as they continue to help the community's homeless population through this challenging time.

Subsequent events were evaluated through August 20, 2020, which is the date the financial statements were available to be issued.

THE HOMELESS FAMILIES FOUNDATION

REPORT ON FEDERAL AWARDS IN ACCORDANCE WITH OMB COMPLIANCE SUPPLEMENT
FEDERAL ENTITY IDENTIFICATION NUMBER 31-1179492
FOR THE YEAR ENDED DECEMBER 31, 2019

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/Pass-Through Grantor/Program Title	CFDA* Number	Passed Through to Subrecipients	Expended by HFF	Total Expenditures
U.S Department of Agriculture				
Passed Through Ohio Department of Education				
Child and Adult Care Food Program	10.558	$ 0	$52,575	$52,575
Total U.S. Department of Agriculture		0	52,575	52,575
U.S. Department of Housing and Urban Development				
Passed through Community Shelter Board				
Emergency Solutions Grant Programs	14.231	0	584,308	584,308
Total U.S. Department of Housing and Urban Development		0	584,308	584,308
U.S. Department of Housing and Urban Development				
Passed Through Community Shelter Board				
Transitional Age Youth Program				
Total U.S. Department of Education	14.267	319	76,344	76,663
		319	76,344	76,663
U.S. Department of Health and Human Services				
Passed Through Community Shelter Board				
HP-Pregnant Women Program	93.558	0	94,598	94,598
U.S. Department of Health and Human Services				
Passed Through Franklin County Department of Jobs And Family Services				
Temporary Assistance for Needy Families	93.558	915	527,433	528,347
Total U.S. Department of Health and Human Services		915	622,030	622,945
Total Expenditure of Federal Awards		$1,234	$1,335,257	$1,336,491

* CFDA = Catalog of Federal Domestic Assistance

See notes to the schedule of expenditures of federal awards

THE HOMELESS FAMILIES FOUNDATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Note 1 – **Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of HFF under programs of the federal government for the year ended December 31, 2019. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Compliance Supplement. Because the schedule presents only a selected portion of the operations of HFF, it is not intended to and does not present the financial position, changes in net assets or cash flows of HFF.

Note 2 – **Summary of Significant Accounting Policies**

The Schedule has been prepared on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,* wherein certain types of expenditures are not allowable or are limited as to reimbursement. HFF has also elected to use the 10% de minimis indirect cost rate for the year ended December 31, 2019.

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

To the Board of Directors of
The Homeless Families Foundation (hereafter "HFF")
Columbus, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of HFF (a nonprofit organization), which comprise the statement of financial position as of December 31, 2019 and 2018, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 20, 2020, and August 21, 2019, respectively.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the HFF's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of HFF's internal control. Accordingly, we do not express an opinion on the effectiveness of HFF's internal control.

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

Our consideration of 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, and therefore material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether HFF's 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other 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 the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wall Einhorn & Company LLP

August 20, 2020

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
The Homeless Families Foundation (hereafter "HFF")
Columbus, Ohio

Report on Compliance for Each Major Federal Program

We have audited HFF's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of HFF's major federal programs for the year ended December 31, 2019. HFF's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of HFF's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about HFF's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of HFF's compliance.

Opinion on Each Major Federal Program

In our opinion, HFF complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of HFF is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered HFF's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of HFF's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of HFF as of and for the year ended December 31, 2019, and have issued our report thereon dated August 20, 2020 which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Walls Simon & Company LLP

August 20, 2020

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Part A:

Summary of Audit Results:

1. The auditor's report expresses an unmodified opinion on the financial statements of HFF.
2. The audit of the financial statements did not disclose any reportable conditions in the report.
3. No instance of noncompliance material to the financial statements of HFF were disclosed during the audit.
4. No material weaknesses were identified during the audit of the major federal award program.
5. The auditor's report on compliance for the major federal award program for HFF expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award program for HFF to be reported in Part C of this schedule.
7. The program tested as a major program was:
   CFDA 14.231
8. The threshold for distinguishing Types A and B programs was $750,000.
9. HFF was determined to be a low risk auditee.

Part B:

Findings at the financial statement level: None

Part C:

Findings and Questioned Costs – Major Federal Award Program Audit: None

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Prior Audit Reports

None.