



Consolidated Financial Statements  
June 30, 2024 and 2023

# The Road Home

Independent Auditor’s Report .....	1
Financial Statements	
Consolidated Statements of Financial Position .....	4
Consolidated Statements of Activities .....	6
Consolidated Statements of Functional Expenses.....	8
Consolidated Statements of Cash Flows.....	10
Notes to Consolidated Financial Statements.....	12
Supplementary Information	
Consolidating Statement of Financial Position .....	35
Consolidating Statement of Activities .....	37
Federal Awards Reports in Accordance with the Uniform Guidance	
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 <i>Government Auditing     Standards</i> .....	40
Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance .....	42
Consolidated Schedule of Expenditures of Federal Awards.....	45
Notes to Consolidated Schedule of Expenditures of Federal Awards .....	48
Schedule of Findings and Questioned Costs.....	49



## Independent Auditor's Report

The Board of Trustees  
The Road Home  
Salt Lake City, Utah

### Report on the Audit of the Consolidated Financial Statements

#### *Opinion*

We have audited the consolidated financial statements of The Road Home, which comprise the consolidated statements of financial position as of June 30, 2024 and 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Road Home as of June 30, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of The Road Home and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Road

Home's ability to continue as a going concern for one year after the date that the consolidated financial statements are available to be issued.

### ***Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 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 GAAS 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 Road Home'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 Road Home'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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position and consolidating statement of activities as well as the 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* are presented for purposes of additional analysis and are not a required part of the 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, consolidating schedules and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the consolidated financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2024 on our consideration of The Road Home'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 solely 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 the effectiveness of The Road Home's 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 The Road Home's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Sully LLP".

Salt Lake City, Utah  
December 4, 2024

The Road Home  
Consolidated Statements of Financial Position  
June 30, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 666,439	\$ 785,996
Grants and contracts receivable	3,402,956	2,867,419
Due from related parties	-	374,390
Promises to give	203,281	253,556
Prepaid expenses and other assets	467,988	551,034
Total current assets	4,740,664	4,832,395
Property and Equipment, Net	16,968,114	11,781,036
Operating Lease Right-of-Use Asset	69,252	113,495
Financing Lease Right-of-Use Asset	52,654	150,640
Note Receivable - Shelter the Homeless II, LC	-	400,000
Investments	2,751,401	4,043,239
Endowment Investments	850,570	775,310
Beneficial Interest in Assets Held by Affiliated Organization	15,625,974	14,015,749
Total assets	\$ 41,058,629	\$ 36,111,864

The Road Home  
Consolidated Statements of Financial Position  
June 30, 2024 and 2023

	2024	2023
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 645,254	\$ 406,272
Accrued expenses	836,449	611,697
Notes payable, current	262,775	74,094
Current maturities of operating lease liability	37,910	37,808
Current maturities of financing lease liability	64,823	92,234
	1,847,211	1,222,105
Total current liabilities		
Notes Payable, Net of Current Portion	5,262,618	305,401
Operating lease liability, less current maturities	21,130	75,687
Financing lease liability, less current maturities	-	60,362
	7,130,959	1,663,555
Total liabilities		
Net Assets		
Without donor restrictions		
Undesignated	5,750,247	7,652,796
Designated by board for investment in property and equipment, net of related debt	11,442,721	11,401,541
	17,192,968	19,054,337
With donor restrictions	16,734,702	15,393,972
	33,927,670	34,448,309
Total net assets		
	\$ 41,058,629	\$ 36,111,864
Total liabilities and net assets	\$ 41,058,629	\$ 36,111,864

The Road Home  
Consolidated Statement of Activities  
Year Ended June 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Support, and Gains</b>			
Government grants and contracts	\$ 20,887,529	\$ -	\$ 20,887,529
Private donors	4,740,718	252,893	4,993,611
Property management fees - related parties	107,362	-	107,362
In-kind contributions	302,105	1,605,362	1,907,467
Net investment return	226,600	75,260	301,860
Special events	132,235	-	132,235
less costs of direct benefits to donors	(131,540)	-	(131,540)
Change in value of beneficial interest in assets held by affiliated organization	-	2,254,759	2,254,759
Tenant and subsidy rent, net	1,963,379	-	1,963,379
Other income	34,974	-	34,974
Net assets released from restrictions	2,847,544	(2,847,544)	-
	<u>31,110,906</u>	<u>1,340,730</u>	<u>32,451,636</u>
<b>Expenses</b>			
Program services expense			
Shelter	14,835,063	-	14,835,063
Housing	11,910,212	-	11,910,212
Shelter the Homeless II, LC	2,383,324	-	2,383,324
STH Wendell, LLC	292,703	-	292,703
	<u>29,421,302</u>	<u>-</u>	<u>29,421,302</u>
Supporting services expense			
Management and general	2,715,137	-	2,715,137
Fundraising	835,836	-	835,836
	<u>3,550,973</u>	<u>-</u>	<u>3,550,973</u>
	<u>32,972,275</u>	<u>-</u>	<u>32,972,275</u>
Change in Net Assets	(1,861,369)	1,340,730	(520,639)
Net Assets, Beginning of Year	19,054,337	15,393,972	34,448,309
Net Assets, End of Year	<u>\$ 17,192,968</u>	<u>\$ 16,734,702</u>	<u>\$ 33,927,670</u>

The Road Home  
Consolidated Statement of Activities  
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Support, and Gains</b>			
Government grants and contracts	\$ 18,729,137	\$ -	\$ 18,729,137
Private donors	5,250,017	9,114	5,259,131
Property management fees - related parties	216,469	-	216,469
In-kind contributions	240,713	1,480,823	1,721,536
Net investment return	135,222	58,054	193,276
Special events	155,905	-	155,905
less costs of direct benefits to donors	(95,950)	-	(95,950)
Change in value of beneficial interest in assets held by affiliated organization	-	1,920,917	1,920,917
Other income	306,188	-	306,188
Net assets released from restrictions	2,096,750	(2,096,750)	-
	<u>27,034,451</u>	<u>1,372,158</u>	<u>28,406,609</u>
<b>Expenses</b>			
Program services expense			
Shelter	13,100,627	-	13,100,627
Housing	13,512,268	-	13,512,268
	<u>26,612,895</u>	<u>-</u>	<u>26,612,895</u>
Supporting services expense			
Management and general	2,018,497	-	2,018,497
Fundraising	944,734	-	944,734
	<u>2,963,231</u>	<u>-</u>	<u>2,963,231</u>
	<u>29,576,126</u>	<u>-</u>	<u>29,576,126</u>
Change in Net Assets	(2,541,675)	1,372,158	(1,169,517)
Net Assets, Beginning of Year	21,596,012	14,021,814	35,617,826
Net Assets, End of Year	<u>\$ 19,054,337</u>	<u>\$ 15,393,972</u>	<u>\$ 34,448,309</u>

The Road Home  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2024

	Program Services Expense				Total Program Services	Management and General	Fundraising	Cost of Direct Benefit to Donors	Total
	Shelter	Housing	Shelter the Homeless II, LC	STH Wendell, LLC					
Personnel expenses	\$ 7,954,146	\$ 3,377,239	\$ 444,299	\$ 76,343	\$ 11,852,027	\$ 1,493,501	\$ 495,385	\$ -	\$ 13,840,913
Employee fringe benefits	1,989,411	977,422	114,234	17,960	3,099,027	381,382	135,191	-	3,615,600
Contract services	522,351	19,337	451,170	12,073	1,004,931	24,870	-	-	1,029,801
Conferences and meetings	42,307	18,207	4,159	577	65,250	81,131	3,176	-	149,557
Depreciation and amortization	497,859	194,938	265,884	27,550	986,231	61,175	-	-	1,047,406
Dues and subscriptions	-	-	-	-	-	5,624	-	-	5,624
Events	-	-	-	-	-	-	-	131,540	131,540
Insurance	36,814	123,925	30,168	8,665	199,572	81,155	537	-	281,264
Miscellaneous	9,554	1,704	129,181	12,233	152,672	80,570	132,004	-	365,246
Assistance	646,907	6,106,692	-	-	6,753,599	-	-	-	6,753,599
Professional fees	155,754	31,097	11,446	1,869	200,166	221,710	34,565	-	456,441
Rent	1,622,362	16,863	-	-	1,639,225	-	-	-	1,639,225
Repairs and maintenance	412,597	188,334	513,576	80,883	1,195,390	45,111	-	-	1,240,501
Supplies	520,914	33,589	35,980	1,515	591,998	154,845	33,333	-	780,176
Telephone	111,468	51,596	20,235	10,222	193,521	55,965	88	-	249,574
Training	4,478	3,094	20	-	7,592	2,267	115	-	9,974
Transportation	49,875	112,729	7,000	1,210	170,814	5,256	1,442	-	177,512
Utilities	133,266	81,887	355,972	41,603	612,728	20,575	-	-	633,303
Grants to other nonprofits	125,000	571,559	-	-	696,559	-	-	-	696,559
	<u>14,835,063</u>	<u>11,910,212</u>	<u>2,383,324</u>	<u>292,703</u>	<u>29,421,302</u>	<u>2,715,137</u>	<u>835,836</u>	<u>131,540</u>	<u>33,103,815</u>
Less expenses included with revenues on the consolidated statement of activities									
Costs of direct benefits to donors	-	-	-	-	-	-	-	(131,540)	(131,540)
Total functional expenses	<u>\$14,835,063</u>	<u>\$11,910,212</u>	<u>\$2,383,324</u>	<u>\$ 292,703</u>	<u>\$ 29,421,302</u>	<u>\$ 2,715,137</u>	<u>\$ 835,836</u>	<u>\$ -</u>	<u>\$ 32,972,275</u>

The Road Home  
Consolidated Statement of Functional Expenses  
Year Ended June 30, 2023

	Program Services Expense			Management and General	Fundraising	Cost of Direct Benefit to Donors	Total
	Shelter	Housing	Total Program Services				
Personnel expenses	\$ 6,345,235	\$ 3,530,835	\$ 9,876,070	\$ 1,207,555	\$ 562,534	\$ -	\$ 11,646,159
Employee fringe benefits	1,807,485	1,135,081	2,942,566	337,513	149,558	-	3,429,637
Contract services	662,528	82,307	744,835	65,603	2,399	-	812,836
Conferences and meetings	77,166	48,058	125,223	12,148	6,016	-	143,387
Depreciation and amortization	444,529	147,573	592,102	108,777	15,248	-	716,127
Dues and subscriptions	-	3,700	3,700	6,152	633	-	10,485
Events	-	-	-	-	-	95,950	95,950
Insurance	62,607	22,347	84,955	33,885	697	-	119,536
Miscellaneous	5,538	6,721	12,259	4,399	135,911	-	152,569
Assistance	721,879	6,203,278	6,925,156	-	-	-	6,925,156
Professional fees	62,027	91,910	153,937	84,961	36,251	-	275,149
Rent	1,492,823	17,100	1,509,923	-	-	-	1,509,923
Repairs and maintenance	466,513	169,335	635,848	37,143	3,416	-	676,407
Supplies	487,185	18,754	505,939	74,356	11,246	-	591,541
Telephone	90,986	65,933	156,919	30,392	3,860	-	191,171
Training	6,095	4,545	10,640	184	1,320	-	12,144
Transportation	58,950	128,246	187,196	4,743	13,035	-	204,974
Utilities	164,082	94,998	259,080	10,685	2,612	-	272,377
Grants to other nonprofits	145,000	1,741,548	1,886,548	-	-	-	1,886,548
	<u>13,100,627</u>	<u>13,512,268</u>	<u>26,612,895</u>	<u>2,018,497</u>	<u>944,734</u>	<u>95,950</u>	<u>29,672,076</u>
Less expenses included with revenues on the consolidated statement of activities							
Costs of direct benefits to donors	-	-	-	-	-	(95,950)	(95,950)
Total functional expenses	<u>\$ 13,100,627</u>	<u>\$ 13,512,268</u>	<u>\$ 26,612,895</u>	<u>\$ 2,018,497</u>	<u>\$ 944,734</u>	<u>\$ -</u>	<u>\$ 29,576,126</u>

The Road Home  
Consolidated Statements of Cash Flows  
Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Change in net assets	\$ (520,639)	\$ (1,169,517)
Adjustments to reconcile change in net assets to net cash used for operating activities		
Depreciation and amortization	1,047,406	716,127
Donated land improvements	(3,545)	(141,649)
Change in beneficial interest in assets held by affiliated organization	(2,254,759)	(1,920,917)
Endowment net investment return	(75,260)	(58,054)
Net realized and unrealized gain on investments	(97,565)	(135,222)
Change in assets and liabilities, net of acquisition of Shelter the Homeless II, LC and STH Wendell, LLC		
Grants and contracts receivable	(535,537)	2,499,048
Due from related parties	374,390	42,128
Promises to give	50,275	(50,372)
Prepaid expenses and other assets	83,046	(441,790)
Operating lease assets and liabilities	(10,212)	-
Accounts payable and accrued expenses	339,338	(63,136)
Net Cash used for Operating Activities	<u>(1,603,062)</u>	<u>(723,354)</u>
Investing Activities		
Acquisition of assets of Shelter the Homeless II, LC	(1,000)	-
Acquisition of assets of STH Wendell, LLC	(1,000)	-
Purchase of property and equipment	(396,612)	(325,541)
Purchases of investments	(332,989)	(1,697,736)
Sales of investments	1,722,392	2,564,492
Proceeds from beneficial interest in assets held by affiliated organization	644,534	601,277
Net Cash from Investing Activities	<u>1,635,325</u>	<u>1,142,492</u>
Financing Activities		
Principal payments on notes payable	(64,047)	(220,591)
Principal payments on financing lease liabilities	(87,773)	(89,308)
Net Cash used for Financing Activities	<u>(151,820)</u>	<u>(309,899)</u>
Net Change in Cash and Cash Equivalents	(119,557)	109,239
Cash and Cash Equivalents, Beginning of Year	<u>785,996</u>	<u>676,757</u>
Cash and Cash Equivalents, End of Year	<u>\$ 666,439</u>	<u>\$ 785,996</u>

The Road Home  
Consolidated Statements of Cash Flows  
Years Ended June 30, 2024 and 2023

	2024	2023
<b>Supplemental Disclosure of Non-Cash Investing and Financing Activities</b>		
Donated land improvements	\$ 3,545	\$ 141,649
<b>Supplemental Disclosure of Investing Activities</b>		
Acquisition of assets of Shelter the Homeless II, LC		
Cash	\$ 250,931	\$ -
Subsidy and tenant receivables	181,863	-
Property and equipment	5,136,806	-
Accounts payable and accrued expenses	(468,600)	-
Notes payable	(5,100,000)	-
Cash paid	\$ 1,000	\$ -
Acquisition of assets of STH Wendell, LLC		
Cash	\$ 1,854	\$ -
Subsidy and tenant receivables	34,120	-
Property and equipment	599,564	-
Accounts payable and accrued expenses	(124,593)	-
Note payable	(509,945)	-
Cash paid	\$ 1,000	\$ -

## **Note 1 - Principal Activity and Significant Accounting Policies**

### **Organization**

The Road Home is a nonprofit corporation organized under the laws of the state of Utah. The Road Home's mission is to help individuals and families step out of homelessness and back into the community through emergency services, personalized case management and collaboration with other community service providers.

The principal programs of The Road Home are as follows:

- Shelter: Shelter services provide basic short-term shelter services to those in need.
- Housing: Housing provides case management, resources and rental assistance for permanent and transitional housing clients.
- Shelter the Homeless II, LC: Shelter the Homeless II, LC was formed for the purpose of acquiring, rehabilitating, and operating a 201-unit, low-income housing project in Salt Lake City.
- Wendell: Wendell was formed for the purpose of acquiring, rehabilitating, and operating a 32 unit, low-income housing project in Salt Lake City.

### **Principles of Consolidation**

The consolidated financial statements include the accounts of The Road Home and its wholly-owned single member limited liability companies, Housing Now LLC, Family Housing Solutions LLC, and TRH PSH, LLC along with its subsidiaries, Shelter the Homeless II, LC and STH Wendell, LLC. All significant intercompany accounts and transactions have been eliminated in consolidation. Unless otherwise noted, these consolidated entities are hereinafter referred to as TRH or the Organization.

### **Cash and Cash Equivalents**

TRH considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to capital expenditures, endowments that are perpetual in nature, or other long-term purposes of TRH are excluded from this definition.

### **Grants and Contracts Receivable**

TRH receives substantial funding through federal, state, and other grants and contracts. The majority of these grants and contracts operate on a cost reimbursement basis. Generally, grants and contracts receivable and the related revenues are recorded when the applicable expenses to grant awards have been incurred. Certain grants require that TRH match the funds received with other funds in varying percentages. Management determines the allowance for uncollectible grants and contracts receivable based on historical experience, an assessment of economic conditions and a review of subsequent collections. At June 30, 2024 and 2023, the allowance was \$0.

### **Promises to Give**

TRH records unconditional promises to give expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue (private donors) in the consolidated statements of activities. Management determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. At June 30, 2024 and 2023, the allowance was \$0.

### **Property and Equipment**

TRH records property and equipment additions over \$5,000 at cost or, if donated, at fair value on the date of donation. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets ranging from 5 to 30 years or, in the case of capitalized leased assets or leasehold improvements, the lesser of the useful life of the asset or the lease term. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation or amortization are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

TRH reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent carrying value exceeds the fair value of the asset. There were no indicators of asset impairment during the years ended June 30, 2024 and 2023.

### **Beneficial Interest in Assets Held by Affiliated Organization**

TRH and donors have transferred funds to an affiliated organization, the Jon M. Huntsman Family Community Shelter Trust (the Huntsman Trust), for the benefit of TRH. TRH has evaluated the terms of the agreements governing the funds held by the Huntsman Trust for the benefit of TRH and recognizes its rights to the assets (financial or nonfinancial) held by the Huntsman Trust as an asset unless the Huntsman Trust is explicitly granted variance power, that is, the unilateral power to redirect the use of the transferred assets to another beneficiary. Because TRH and the Huntsman Trust are financially interrelated organizations and variance power is not granted to the Huntsman Trust, TRH recognizes its interest in the net assets of the Huntsman Trust and adjusts that interest for its share of the change in net assets of the Huntsman Trust related to the transferred assets.

### **Investments**

TRH records investment purchases at cost or, if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return (loss) is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal expenses.

## Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The Board of Trustees has designated, from net assets without donor restrictions, net assets for use in investment in property and equipment, net of related debt.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) restrictions. Some donor imposed (or grantor) 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions.

## Revenue and Revenue Recognition

Program income is billed monthly for property management services provided that month. Accordingly, revenue for property management services is recognized each month as the services are provided over time and the performance obligation is met. Any program income received in advance is deferred to the applicable period in which the related services are provided. There was no deferred program income at June 30, 2024 and 2023. TRH records special events revenue equal to the cost of direct benefits to donors, and contribution revenue for the difference.

The rental properties are generally leased to tenants under six months to one-year non-cancelable operating leases. Rental revenue is recognized in the month in which it is earned rather than received. Additionally, the Company leases certain units to individuals on a week-to-week basis. The revenue from these units is recognized on a weekly basis, when earned. Tenant and subsidy rent on the consolidated statements of activities represents gross rent for all units less vacancy loss for any unrented units to arrive at net tenant rent.

The Company receives rental subsidies and assistance from Salt Lake City and the Housing Authority of the County of Salt Lake. The subsidies include Section 8 vouchers, and the rental assistance consists of tenant-based rental assistance provided by a grant agreement between Salt Lake County, as the grantor, the Housing Authority of the County of Salt Lake, the grantee, and the project as sub-recipient. Additionally, TRH provides rental subsidies for tenants' initial move-in month and the subsequent month.

Rental subsidies and assistance for the period from October 31, 2023, the date of acquisition, through June 30, 2024, were as follows:

	2024
Salt Lake City - Section 8	\$ 371,222
Housing Authority of the County of Salt Lake - Section 8	1,019,828
	\$ 1,391,050

The future cash flows expected to be received in fiscal year 2025 from operating leases in effect as of June 30, 2024 are \$958,493.

Contributions, including government grants and contracts and amounts from private donors, are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. TRH's federal and state contracts and grants are conditioned upon certain performance requirements and the incurrence of allowable qualifying expenses. Consequently, at June 30, 2024 and 2023, conditional contributions of approximately \$9,100,000 and \$7,300,000, respectively, for which no amounts had been received in advance, have not been recognized in the accompanying consolidated financial statements.

#### **Donated Services and In-Kind Contributions**

In-kind contributions include donated professional services, donated property and equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 12). TRH does not sell donated gifts-in-kind. In addition to in-kind contributions, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the consolidated financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

#### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include personnel expenses, assistance, contract services, conferences and meetings, depreciation, dues and subscriptions, insurance, professional fees, rent, repairs and maintenance, supplies, telephone, training, transportation, and utilities, which are allocated on the basis of estimates of time and effort.

## Income Taxes

TRH is organized as a Utah nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under IRC Section 501(a) as an organization described in IRC Section 501(c)(3), that qualifies for the charitable contribution deduction and has been determined not to be a private foundation. TRH is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the entity is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purposes. The entity has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

Housing Now LLC, Family Housing Solutions LLC, TRH PSH, LLC, Shelter the Homeless II, LC and STH Wendell, LLC are limited liability companies. As such, the tax effects accrue directly to its member, TRH, and no tax provision is recorded in the accompanying consolidated financial statements.

Each entity believes that it has appropriate support for any tax positions taken affecting its annual filing requirements and, as such, does not have any uncertain tax positions that are material to the consolidated financial statements. TRH would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

## Estimates

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

## Financial Instruments and Credit Risk

TRH manages deposit concentration risk by placing cash, money market accounts, and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, TRH has not experienced losses in any of these accounts. Credit risk associated with grants and contracts receivable and promises to give is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and foundations supportive of TRH's mission. Investments are made by diversified investment managers whose performance is monitored by management and the Board of Trustees. Although the fair values of investments are subject to fluctuation on a year-to-year basis, management and the Board of Trustees believe that the investment policies and guidelines are prudent for the long-term welfare of TRH.

TRH maintains its cash in bank deposit accounts which may exceed federally insured limits from time to time. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. At June 30, 2024 and 2023, TRH had approximately \$338,000 and \$500,000, respectively, in excess of FDIC-insured limits.

### Subsequent Events

TRH has evaluated subsequent events through December 4, 2024, the date the consolidated financial statements were available to be issued.

### Note 2 - Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

	2024	2023
Cash and cash equivalents	\$ 666,439	\$ 785,996
Grants and contracts receivable	3,402,956	2,867,419
Due from related parties	-	374,390
Promises to give	203,281	253,556
Budgeted distribution from beneficial interest in assets held by affiliated organization	650,000	644,534
	4,922,676	4,925,895
Less restricted net assets	(258,158)	(202,913)
	\$ 4,664,518	\$ 4,722,982

As part of a liquidity management plan, cash in excess of daily requirements is invested in short-term investments, CDs, and money market funds and other investments deemed to be prudent and conservative by the Board of Trustees. TRH has an endowment which totals \$850,570 and \$775,310 at June 30, 2024 and 2023, respectively, (Note 10) – of these amounts, \$505,720 is required to be maintained in perpetuity and \$344,850 and \$269,590 respectively, is available for unrestricted purposes. At June 30, 2024 and 2023, TRH also has a beneficial interest in assets held by affiliated organization of \$15,625,974 and \$14,015,749, respectively (Note 9) - of this amount \$14,747,245 and \$13,759,418, respectively, are required to be maintained in perpetuity and, \$878,729 and \$256,331, respectively, are available to support the shelter operated by TRH.

### Note 3 - Fair Value Measurements and Disclosures

Certain assets are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities accessible at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- Level 3 – Unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to TRH's assessment of the quality, risk or liquidity profile of the asset or liability.

A significant portion of investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values. TRH invests in CD's traded in the financial markets. Those CDs and U.S. government obligations are valued by the custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions and are classified within Level 2. The fair value of TRH's beneficial interest in assets held by an affiliated organization is based on the fair value of fund investments as reported by the affiliated organization. These are considered to be Level 3 measurements.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2024:

	Total	Fair Value Measurements at Report Date Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets</b>				
<b>Investments</b>				
Cash and money market funds (at cost)	\$ 4,087	\$ -	\$ -	\$ -
Stocks, options, and ETF's	12,294	12,294	-	-
CDs and U.S. government obligations	1,047,994	-	1,047,994	-
Mutual funds	1,687,026	1,687,026	-	-
	<u>\$ 2,751,401</u>	<u>\$ 1,699,320</u>	<u>\$ 1,047,994</u>	<u>\$ -</u>
<b>Endowment Investments</b>				
Cash and money market funds (at cost)	\$ 16,223	\$ -	\$ -	\$ -
Mutual funds	834,347	834,347	-	-
	<u>\$ 850,570</u>	<u>\$ 834,347</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Beneficial Interest in Assets Held by Affiliated Organization</b>				
	<u>\$ 15,625,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,625,974</u>

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2023:

	<u>Fair Value Measurements at Report Date Using</u>			
	<u>Total</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<b>Assets</b>				
<b>Investments</b>				
Cash and money market funds (at cost)	\$ 16,229	\$ -	\$ -	\$ -
Stocks, options, and ETF's	64,823	64,823	-	-
CDs and U.S. government obligations	1,003,585	-	1,003,585	-
Mutual funds	2,958,602	2,958,602	-	-
	<u>\$ 4,043,239</u>	<u>\$ 3,023,425</u>	<u>\$ 1,003,585</u>	<u>\$ -</u>
<b>Endowment Investments</b>				
Cash and money market funds (at cost)	\$ 27,930	\$ -	\$ -	\$ -
Mutual funds	747,380	747,380	-	-
	<u>\$ 775,310</u>	<u>\$ 747,380</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Beneficial Interest in Assets Held by Affiliated Organization</b>				
	<u>\$ 14,015,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,015,749</u>

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2024:

	<u>Fair Value Measurements at Reporting Date Using Significant Unobservable Inputs (Level 3)</u>
	<u>Beneficial Interests in Assets Held by Affiliated Organization</u>
Balance at June 30, 2023	\$ 14,015,749
Net investment return	2,254,759
Distributions to TRH	<u>(644,534)</u>
Balance at June 30, 2024	<u>\$ 15,625,974</u>

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the year ended June 30, 2023:

	Fair Value Measurements at Reporting Date Using Significant Unobservable Inputs (Level 3)
	Beneficial Interests in Assets Held by Affiliated Organization
Balance at June 30, 2022	\$ 12,696,109
Net investment return (loss)	1,920,917
Distributions to TRH	(601,277)
Balance at June 30, 2023	\$ 14,015,749

**Note 4 - Grants and Contracts Receivable**

Grants and contracts receivable consist of the following at June 30, 2024 and 2023:

	2024	2023
U.S. Department of Housing and Urban Development		
Salt Lake County		
Department of Workforce Services	\$ 268,792	\$ 486,674
State of Utah	248,133	197,018
Supportive Services for Veteran Families	1,016,831	355,551
Salt Lake City	1,470,831	620,385
Substance Abuse and Mental Health Services Administration	124,938	382,154
	219,883	536,415
	-	25,449
Other	53,548	263,773
	\$ 3,402,956	\$ 2,867,419

**Note 5 - FHLB Grant Contingency**

TRH received a \$400,000 grant from the Federal Home Loan Bank of Seattle (FHLB) in a prior year. The grant from FHLB requires that Shelter the Homeless II, LC commit to leasing 141 units to tenants who earn up to 30% of the area median income and 60 units to tenants who earn up to 60% of the area median income as defined by HUD. If Shelter the Homeless II, LC fails to comply with these terms through June 2024, the grant could be required to be repaid to the FHLB. Shelter the Homeless II, LC complied with the restrictions through June 2024, as such, no repayment to FHLB is expected to occur.

**Note 6 - Property and Equipment**

Property and equipment consists of the following at June 30, 2024 and 2023:

	2024	2023
Building leasehold improvements	\$ 2,756,186	\$ 2,756,186
Land	2,255,100	1,057,200
Land improvements	141,649	141,649
Buildings	6,482,042	1,948,826
Vehicles	656,173	515,032
Furniture and fixtures	829,815	637,069
Capital lease - related party	8,749,963	8,749,963
Construction in progress	80,275	-
	21,951,203	15,805,925
Less accumulated depreciation	(4,983,089)	(4,024,889)
	\$ 16,968,114	\$ 11,781,036

Depreciation expense totaled \$949,419 and \$624,863 for the years ended June 30, 2024 and 2023, respectively.

During the year ended June 30, 2024, the Organization received a donation of land improvements in the amount of \$141,649 (Note 12).

**Note 7 - Notes Payable**

Notes payable consist of the following at June 30, 2024 and 2023:

	2024	2023
Various notes payable to Olene Walker Housing Loan Fund, that were assumed by TRH upon receiving related in-kind real estate donations, non-interest bearing, principal payments are deferred indefinitely until TRH sells the properties or converts the properties to a use other than transitional or permanent housing solutions.	\$ 305,401	\$ 305,401
Note payable, principal and interest payments due in monthly installments of \$18,562, interest at 1.1%, due November 2023, secured by property.	-	74,094
Note payable to Redevelopment Agency of Salt Lake City. The note is non-interest bearing and is due on April 1, 2033. As long as no default has occurred, as defined in the loan agreement, the loan will be forgiven at maturity. No payments are due on this note until maturity.	3,000,000	-

	2024	2023
Note payable to the Olene Walker Housing Loan Fund. The note bears interest at a rate of 4.46%. Annual principal and interest payments are subject to available cash flow are required through July 1, 2039, when the entire loan balance is due. This note is secured by the Shelter the Homeless II, LC project and rents. Effective July 2021, the lender agreed to modify the terms of the note by modifying the interest rate to 0% and abating all interest incurred to date on the note. The note also modified to defer all payments until maturity.	1,500,000	-
Note payable to Salt Lake City Corporation. The note is non-interest bearing and is due June 2038. Payments on the loan are subject to available cash flow.	200,000	-
Note payable to Salt Lake City Corporation, bearing interest at 1% annually, monthly payments of principal and interest of \$1,303, beginning April 1, 2016 through March 1, 2046, secured by the STH Wendell, LLC property.	270,011	-
Note payable to Salt Lake City Corporation, bearing interest at 1% annually, monthly payments of principal and interest of \$861, beginning April 1, 2016 through March 1, 2025, secured by property, regular principal and interest payments were deferred between April 2016 and December 2019.	249,981	-
	5,525,393	379,495
Less current portion	(262,775)	(74,094)
Notes payable, less current maturities	\$ 5,262,618	\$ 305,401

Future maturities of notes payable are as follows:

Years Ending June 30,	Amount
2025	\$ 262,775
2026	12,922
2027	13,052
2028	13,183
2029	13,316
Thereafter	5,210,145
	\$ 5,525,393

**Note 8 - Leases**

TRH leases equipment under various operating leases expiring at various dates through 2025 and leases office space under various short-term leases. The Organization included in the determination of the right-of-use assets and lease liabilities any renewal options when the options are reasonably certain to be exercised.

The weighted-average discount rate is based on the discount rate implicit in the lease. The Company has elected the option to use the risk-free rate determined using a period comparable to the lease terms as the discount rate for leases where the implicit rate is not readily determinable. The Company has applied the risk-free rate option to the building and office equipment classes of assets.

The Company has elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on straight-line basis.

The Company elected the practical expedient to not separate lease and non-lease components for office equipment leases.

Total lease costs for the year ended June 30, 2024 were as follows:

	2024	2023
Operating lease cost	\$ 58,973	\$ 11,003
Finance lease cost:		
Interest expense	902	1,566
Amortization of right-of-use assets	97,986	91,264

The following table summarizes the supplemental cash flow information for the year ended June 30, 2024:

	2024	2023
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	\$ 44,243	\$ (113,495)
Operating cash flows from finance leases	902	1,566
Financing cash flows from finance leases	87,773	89,308

The following summarizes the weighted-average remaining lease term and weight-average discount rate for the year ended June 30, 2023:

	<u>2024</u>	<u>2023</u>
Weighted-average remaining lease term:		
Operating leases	1.54	2.28
Finance leases	0.66	1.65
Weighted-average discount rate:		
Operating leases	3.99%	3.71%
Finance leases	0.76%	1.49%

The future minimum lease payments under noncancelable operating and finance leases with terms greater than one year are listed below as of June 30, 2024.

	<u>Operating</u>	<u>Finance</u>
2025	\$ 39,223	\$ 65,005
2026	21,774	-
Total lease payments	60,997	65,005
Less interest	(1,957)	(182)
Present value of lease liabilities	<u>\$ 59,040</u>	<u>\$ 64,823</u>

TRH leases the Midvale shelter from STH Midvale LLC, which is 100% owned by Shelter the Homeless, Inc. (STH), a related nonprofit organization through related resources and mission. The agreement between STH Midvale LLC and TRH is for TRH to make rent payments equal to the annual loan payments on the Midvale shelter loan until STH Midvale LLC pays off the loan and additionally TRH is to pay \$80 per month. TRH paid \$1,960 in rent for the years ended June 30, 2024 and 2023. TRH capitalized the Midvale shelter at \$8,749,963 in accordance with capital lease standards. As of June 30, 2024 and 2023, accumulated amortization of the capitalized fixed assets under this lease is \$2,506,129 and \$2,214,463, respectively. TRH has not recorded any capital lease obligation since the use of the shelter is being donated to TRH.

In addition, TRH was provided free use of the men's homeless resource center (MRC) and the Gail Miller Resource Center (GMRC) from STH, under a year to year lease agreement to operate part of its shelter program from July 1, 2021 to June 30, 2024 for the MRC and November 1, 2020 to June 30, 2024 for the GMRC. The use of these facilities is reflected as in-kind contribution on the consolidated statements of activities and rent on the consolidated statements of functional expenses.

**Note 9 - Beneficial Interest in Assets Held by Affiliated Organization**

In 1992, a donor made a permanently restricted contribution to TRH and stipulated that the earnings be used to benefit the shelter operated by TRH. In 1995, the original donor, TRH, and the Huntsman Trust entered into an agreement whereby the Huntsman Trust was made responsible for the investment and administration of these permanently restricted contributions.

The Huntsman Trust stipulates the Trust was created to establish a perpetual fund for the Salt Lake Shelter (as defined in the Trust) and that the assets designated to be held in perpetuity may only be distributed to TRH with the consent of a two thirds majority of the Board of Trustees and some additional restrictive stipulations. The earnings on the fund administered by the Huntsman Trust are to be used to benefit TRH and the operations of its shelters. TRH records net assets to be held in perpetuity as (a) the original value of gifts donated to the fund administered by the Huntsman Trust, and (b) the original value of subsequent gifts donated to the fund administered by the Huntsman Trust. The remaining portion of the donor-restricted funds is classified as net assets with donor restrictions until those amounts are appropriated for distribution.

At June 30, 2024 and 2023, TRH has recorded \$15,625,974 and \$14,015,749, respectively, as the value of the beneficial interest in the assets held in the fund administered by the Huntsman Trust relating to these donor restricted contributions. During the years ended June 30, 2024 and 2023, TRH recorded a gain of \$2,254,759 and a gain of \$1,920,917, respectively, as change in value of beneficial interest in the assets held by the Huntsman Trust. During the years ended June 30, 2024 and 2023, \$644,534 and \$601,277, respectively, was distributed to and received in cash by TRH.

From time to time, the fair value of assets associated with the beneficial interest funds may fall below the level that the donor requires the Trust to retain in perpetuity. No such deficiency existed as of June 30, 2024 and 2023, as the fair value of assets associated with the beneficial interest was above the level that the donor requires to be retained in perpetuity.

**Note 10 - Endowment**

TRH's endowment (the Endowment) consists of a fund established by donors to provide annual funding for general operations. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Trustees of TRH has interpreted the Utah Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gifts as of the date of the donor restricted endowment funds, unless there are explicit donor stipulations to the contrary. At June 30, 2024 and 2023, there were no such donor stipulations, respectively. As a result of this interpretation, TRH retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment and (b) any accumulations to the Endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure in a manner consistent with the standard of prudence prescribed by UPMIFA.

The following factors are considered in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the organization
- The investment policies of the organization

As of June 30, 2024, endowment net asset composition by type of fund is as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Donor-restricted endowment			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 505,720	\$ 505,720
Accumulated investment gains	-	344,850	344,850
	\$ -	\$ 850,570	\$ 850,570

As of June 30, 2023, endowment net asset composition by type of fund is as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Donor-restricted endowment			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 505,720	\$ 505,720
Accumulated investment gains	-	269,590	269,590
	\$ -	\$ 775,310	\$ 775,310

From time to time, certain donor-restricted endowment funds may have fair value less than the amount required to be maintained by donors or by law (underwater endowments). Management has interpreted UPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. As of June 30, 2024 and 2023, there were no such deficiencies.

### Investment and Spending Policies

Investment and spending policies for the Endowment were adopted that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the Endowment assets, to provide the necessary capital to fund the spending policy, and to cover the costs of managing the Endowment investments. A significant portion of the funds are invested to seek growth of principal over time.

Changes in Endowment net assets for the year ending June 30, 2024, are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	\$ 775,310	\$ 775,310
Investment return, net			
Investment income, net of fees	-	11,917	11,917
Net realized and unrealized gain	-	63,343	63,343
	-	75,260	75,260
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 850,570</u>	<u>\$ 850,570</u>

Changes in Endowment net assets for the year ending June 30, 2023, are as follows:

	Without Donor Restriction	With Donor Restrictions	Total
Endowment net assets, beginning of year	\$ -	717,256	\$ 717,256
Investment return			
Investment income (loss), net of fees	-	10,905	10,905
Net realized and unrealized loss	-	47,149	47,149
	-	58,054	58,054
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 775,310</u>	<u>\$ 775,310</u>

**Note 11 - Net Assets with Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods:

	2024	2023
Subject to Expenditure for Specified Purpose		
Note receivable - Shelter the Homeless II, LC	\$ -	\$ 400,000
House 20 - housing	5,265	5,265
LDS - identification documentation	56,473	201
	61,738	405,466
Subject to the Passage of Time		
Individual pledges	196,420	197,447
	196,420	197,447
Endowments and Beneficial Interest in Assets		
Subject to endowment spending policy and appropriation		
Available for general use		
Huntsman Trust	878,729	256,331
St. Benedict and Gallivan	344,850	269,590
	1,223,579	525,921
Perpetual in nature, earnings from which are subject to endowment spending policy appropriation		
Huntsman Trust	14,747,245	13,759,418
St. Benedict and Gallivan	505,720	505,720
	15,252,965	14,265,138
	\$ 16,734,702	\$ 15,393,972

**Note 12 - Donated Rent, Professional Services and Materials**

Donated rent, professional services and materials received during the years ended June 30, 2024 and 2023, are as follows:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
<u>Year Ending June 30, 2024</u>				
Rent	\$ 1,605,362	\$ -	\$ -	\$ 1,605,362
Blankets	31,200	-	-	31,200
Land improvements	3,545	-	-	3,545
Miscellaneous	267,360	-	-	267,360
	<u>\$ 1,907,467</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,907,467</u>
<u>Year Ending June 30, 2023</u>				
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Rent	\$ 1,480,823	\$ -	\$ -	\$ 1,480,823
Blankets	49,920	-	-	49,920
Land improvements	141,649	-	-	141,649
Miscellaneous	49,144	-	-	49,144
	<u>\$ 1,721,536</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,721,536</u>

Land improvements of \$3,545 and \$141,649 were donated during the years ended June 30, 2024 and 2023, respectively, and capitalized as part of property and equipment on the consolidated statement of financial position.

TRH was provided free use of the Men’s Homeless Resource Center (MRC) from STH, under year to year lease agreements to operate part of its shelter program during the years ended June 30, 2024 and 2023. TRH was also provided free use of the Gail Miller Resource Center from November 1, 2020 to June 30, 2024 for the GMRC. The use of these facilities is reflected as in-kind contribution on the consolidated statements of activities and rent on the consolidated statements of functional expenses. Subsequent to year end, TRH extended these lease agreements for an additional year.

### **Note 13 - Employee Benefits**

TRH sponsors a tax-deferred annuity plan (the Plan) qualified under IRC Section 403(b) covering substantially all employees. Employees are eligible to participate in the Plan if they have completed two months of service and normally work more than 20 hours per week and may voluntarily contribute up to the maximum contribution allowed by the IRS. Employer contributions are discretionary and are determined and authorized by the Board of Trustees each plan year. During the years ended June 30, 2024 and 2023, TRH provided matching and discretionary contributions to participants. Total expense related to the Plan for the years ending June 30, 2024 and 2023, was \$212,451 and \$422,012, respectively.

### **Note 14 - Related Party Transactions**

TRH leases the MRC from STH for \$1 per month. TRH has entered into lease agreements with STH from July 1, 2023 through June 30, 2024, and from June 30, 2022 through June 30, 2023 and TRH estimates the fair value of the donated space for these years to be \$891,465 and \$825,760, respectively. During the years ended June 30, 2024 and 2023, TRH recorded in-kind contributions and in-kind expense of \$891,465 and \$825,760, respectively, to reflect the estimated fair value of this lease transaction.

TRH leases the Gail Miller Resource Center from STH for \$10 annually. TRH has entered into lease agreements with STH from July 1, 2023 through June 30, 2024, and from June 30, 2022 through June 30, 2023 and TRH estimates the fair value of the donated space for these years to be \$713,897 and \$655,063, respectively. During the years ended June 30, 2024 and 2023, TRH recorded in-kind contributions and in-kind expense of \$713,897 and \$655,063, respectively, to reflect the estimated fair value of this lease transaction.

As more fully described in Note 8, TRH leases the Midvale shelter from STH Midvale LLC, which is 100% owned by STH.

For the year ended June 30, 2024 TRH recorded management and administration fee revenue from STH Magnolia, LLC. For the period from July 1, 2023 through October 31, 2023, TRH recorded management and administration fee revenue from Shelter the Homeless II, LC and STH Wendell, LLC. Management fees total \$107,362 for the year ended June 30, 2024.

For the year ended June 30, 2023, TRH recorded management and administration fee revenue in the amount of \$216,469 from Shelter the Homeless II, LC, STH Wendell, LLC, and STH Magnolia, LLC.

Due from related parties totaled \$374,390 at June 30, 2023, respectively, representing amounts due from STH, Shelter the Homeless II, LC and the Wendell Apartments. Amounts are non-interest bearing.

**Note 15 - Concentrations**

A significant portion of TRH’s support is provided through government grants and contracts. A loss of this support would have a materially adverse effect on TRH.

**Note 16 - Contingencies and Commitments**

TRH has received various in-kind contributions of residential real estate from housing authorities to be used for the purpose of providing housing solutions to those served by TRH. The agreements require TRH to use the real estate for low-income housing purposes. If TRH sells the properties, it will have to repay the related loans.

**Note 17 - Equity Purchase Agreements**

On October 31, 2023, the Company completed the purchase of Shelter the Homeless II, LC and STH Wendell, LLC and substantially all of the assets relating to the two entities. TRH also assumed certain trade payables and accrued liabilities associated with the assets being acquired. The aggregate purchase price paid was \$1,000 in cash, each. The acquisition of the two facilities is expected to increase the Company’s ability to service its clients and better accomplish the mission of the entity.

The following table summarizes the fair values of the assets acquired and liabilities of Shelter the Homeless II, LC assumed at the acquisition date:

Cash	\$ 250,931
Subsidy and tenant receivables	181,863
Property and equipment	<u>5,136,806</u>
Total identifiable assets acquired	5,569,600
Accounts payable and accrued expenses	(468,600)
Notes payable	<u>(5,100,000)</u>
Net assets acquired	<u><u>\$ 1,000</u></u>

The following table summarizes the fair values of the assets acquired and liabilities of STH Wendell, LLC assumed at the acquisition date:

Cash	\$ 1,854
Subsidy and tenant receivables	34,120
Property, plant and equipment	<u>599,564</u>
 Total identifiable assets acquired	 635,538
 Accounts payable and accrued expenses	 (124,593)
Notes payable	<u>(509,945)</u>
 Net assets acquired	 <u><u>\$ 1,000</u></u>



Supplementary Information  
June 30, 2024

## The Road Home

The Road Home  
Consolidating Statement of Financial Position  
June 30, 2024

	TRH	Shelter the Homeless II, LC	STH Wendell, LLC	Eliminations	Total
<b>Assets</b>					
<b>Current Assets</b>					
Cash and cash equivalents	\$ 669,284	\$ (9,793)	\$ 6,948	\$ -	\$ 666,439
Grants and contracts receivable, net	3,198,658	194,406	9,892	-	3,402,956
Promises to give	203,281	-	-	-	203,281
Prepaid expenses and other assets	1,159,511	-	-	(691,523)	467,988
<b>Total current assets</b>	<b>5,230,734</b>	<b>184,613</b>	<b>16,840</b>	<b>(691,523)</b>	<b>4,740,664</b>
Property and Equipment, Net	11,503,151	4,892,950	572,013	-	16,968,114
Operating Lease Right-of-Use Asset	69,252	-	-	-	69,252
Financing Lease Right-of-Use Asset	52,654	-	-	-	52,654
Investments	2,751,401	-	-	-	2,751,401
Endowment Investments	850,570	-	-	-	850,570
Beneficial Interest in Assets Held by Affiliated Organization	15,625,974	-	-	-	15,625,974
<b>Total assets</b>	<b>\$ 36,083,736</b>	<b>\$ 5,077,563</b>	<b>\$ 588,853</b>	<b>\$ (691,523)</b>	<b>\$ 41,058,629</b>

The Road Home  
Consolidating Statement of Financial Position  
June 30, 2024

	TRH	Shelter the Homeless II, LC	STH Wendell, LLC	Eliminations	Total
<b>Liabilities and Net Assets</b>					
<b>Current Liabilities</b>					
Accounts payable	\$ 471,728	\$ 848,499	\$ 16,550	\$ (691,523)	\$ 645,254
Accrued expenses	819,120	11,007	6,322	-	836,449
Notes payable, current	-	12,794	249,981	-	262,775
Current maturities of operating lease liability	37,910	-	-	-	37,910
Current maturities of financing lease liability	64,823	-	-	-	64,823
Total current liabilities	1,393,581	872,300	272,853	(691,523)	1,847,211
Notes Payable, Net of Current Portion	305,401	4,687,206	270,011	-	5,262,618
Operating lease liability, less current maturities	21,130	-	-	-	21,130
Total liabilities	1,720,112	5,559,506	542,864	(691,523)	7,130,959
<b>Net Assets</b>					
Without donor restrictions					
Undesignated	6,431,172	(674,893)	(6,032)	-	5,750,247
Designated by board for investment in property and equipment, net of related debt	11,197,750	192,950	52,021	-	11,442,721
	17,628,922	(481,943)	45,989	-	17,192,968
With donor restrictions	16,734,702	-	-	-	16,734,702
Total net assets	34,363,624	(481,943)	45,989	-	33,927,670
Total liabilities and net assets	\$ 36,083,736	\$ 5,077,563	\$ 588,853	\$ (691,523)	\$ 41,058,629

The Road Home  
Consolidating Statement of Activities  
June 30, 2024

	TRH	Shelter the Homeless II, LC	STH Wendell, LLC	Eliminations	Total
Revenue, Support, and Gains					
Government grants and contracts	\$ 20,887,529	\$ -	\$ -	\$ -	\$ 20,887,529
Private donors	4,993,611	-	-	-	4,993,611
Property management fees - related parties	107,362	-	-	-	107,362
In-kind contributions	1,907,467	-	-	-	1,907,467
Net investment return	299,545	2,315	-	-	301,860
Special events	132,235	-	-	-	132,235
less costs of direct benefits to donors	(131,540)	-	-	-	(131,540)
Change in value of beneficial interest in assets held by affiliated organization	2,254,759	-	-	-	2,254,759
Tenant and subsidy rent	215,575	1,559,072	188,732	-	1,963,379
Other income	27,090	339,994	149,960	(482,070)	34,974
	<u>\$ 30,693,633</u>	<u>\$ 1,901,381</u>	<u>\$ 338,692</u>	<u>\$ (482,070)</u>	<u>\$ 32,451,636</u>

The Road Home  
Consolidating Statement of Activities  
June 30, 2024

	TRH	Shelter the Homeless II, LC	STH Wendell, LLC	Eliminations	Total
Expenses					
Program services expense					
Shelter	\$ 14,835,063	\$ -	\$ -	\$ -	\$ 14,835,063
Housing	11,910,212	-	-	-	11,910,212
Shelter the Homeless II, LC	332,110	2,383,324	-	(332,110)	2,383,324
STH Wendell, LLC	149,960	-	292,703	(149,960)	292,703
Total program services expense	<u>27,227,345</u>	<u>2,383,324</u>	<u>292,703</u>	<u>(482,070)</u>	<u>29,421,302</u>
Supporting services expense					
Management and general	2,715,137	-	-	-	2,715,137
Fundraising	835,836	-	-	-	835,836
Total supporting services expense	<u>3,550,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,550,973</u>
Total expense	<u>30,778,318</u>	<u>2,383,324</u>	<u>292,703</u>	<u>(482,070)</u>	<u>32,972,275</u>
Change in Net Assets	(84,685)	(481,943)	45,989	-	(520,639)
Net Assets, Beginning of Year	<u>34,448,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,448,309</u>
Net Assets, End of Year	<u>\$ 34,363,624</u>	<u>\$ (481,943)</u>	<u>\$ 45,989</u>	<u>\$ -</u>	<u>\$ 33,927,670</u>



Federal Awards Reports in Accordance  
With the Uniform Guidance  
June 30, 2024

# The Road Home



**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***

The Board of Trustees and Management of  
The Road Home  
Salt Lake City, Utah

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of The Road Home, which comprise the consolidated statements of financial position as of June 30, 2024, 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 December 4, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered The Road Home's internal control over financial reporting (internal control) 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 The Road Home’s internal control. Accordingly, we do not express an opinion on the effectiveness of The Road Home’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 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 that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether The Road Home'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 the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP".

Salt Lake City, Utah  
December 4, 2024



## **Independent Auditor’s Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

The Board of Trustees  
The Road Home  
Salt Lake City, Utah

### **Report on Compliance for Each Major Federal Program**

#### ***Opinion on Each Major Federal Program***

We have audited The Road Home’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of The Road Home’s major federal programs for the year ended June 30, 2024. The Road Home’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Road Home complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

#### ***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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Road Home 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 each major federal program. Our audit does not provide a legal determination of The Road Home’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 The Road Home’s federal programs.

## ***Auditor's 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 The Road Home'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 GAAS, *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 The Road Home's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 The Road Home'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 The Road Home'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 The Road Home'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 Auditor's 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.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned to the left of the typed text below.

Salt Lake City, Utah  
December 4, 2024

The Road Home  
Consolidated Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Homeland Security:			
Passed through from Federal Emergency Management Agency:			
Phase 40	97.024	LRO 851000-00	\$ 34,067
Total Emergency Food and Shelter Program			<u>34,067</u>
U.S. Department of Housing and Urban Development			
Passed through from:			
Salt Lake County - ESG RRH	14.231	HCD23520ES	110,000
Salt Lake City - ESG RRH	14.231	CA-002436	34,337
Salt Lake County - ESG-CV Shelter	14.231	HCDCV520E3	<u>42,000</u>
Total Emergency Solutions Expenditures			<u>186,337</u>
Direct Award:			
CHSH 12.1.2022-11.30.2023	14.267	UT0076L8T002110	187,254
CHSH 12.1.2023-11.30.2024	14.267	UT0076L8T002211	317,722
S+C II Consolidated 8.1.2022-7.30.2023	14.267	UT0006L8T002114	254,177
S+C II Consolidated 8.1.2023-7.30.2024	14.267	UT0006L8T002215	2,366,804
Scattered Site 4.1.2023-3.31.2024	14.267	UT0032L8T002213	15,908
RRH for Families Consolidated 3.1.2023-2.28.2024	14.267	UT0089L8T002209	209,026
Magnolia 9.1.2022-8.31.2023	14.267	UT0171L8T002100	41,561
Magnolia 9.1.2023-8.31.2024	14.267	UT0171L8T002201	213,735
Housing Connect CoC Case Management	14.267	UT0003L8T002215	<u>119,758</u>
Total Continuum of Care Expenditures			<u>3,725,945</u>
Passed through from:			
West Jordan City - Shelter	14.218	4801-473413	10,000
South Jordan - Shelter	14.218	None	10,000
Taylorsville - Shelter	14.218	None	10,000
Sandy City - Case Management for PSH	14.218	None	5,000
Salt Lake City - Housing Staffing	14.218	CA-002517	50,000
Salt Lake City - GMRC	14.218	CA-002516	55,450
Salt Lake County - CDBG HRC	14.218	HCD23530CS	<u>73,800</u>
Total Community Development Block Grants - Entitlement Grants Cluster			<u>214,250</u>

See Notes to Consolidated Schedule of Expenditures of Federal Awards

The Road Home  
Consolidated Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
Passed through from:			
Salt Lake City - HOME TBRA	14.239	CA-002442	349,839
Salt Lake County - HOME TBRA	14.239	HCD23101HM	400,000
State of Utah - HOME-ARP Supportive Services	14.239	23-DWS-0537	158,104
State of Utah - HOME-ARP Capacity	14.239	23-DWS-0570	<u>50,000</u>
Total HOME Investment Partnerships Program & HOME-ARP			<u>957,943</u>
Total Department of Housing and Urban Development			<u>5,084,475</u>
U.S. Department of Veteran Affairs			
Direct Award:			
SSVF FY24	64.033	15-UT-336-24	490,178
SSVF FY23	64.033	15-UT-336-23	784,638
SSVF Shallow Subsidy	64.033	15-UT-336SS	728,029
SSVF SNOFA	64.033	15-UT-336-LT	<u>33,574</u>
Total Supportive Services for Veteran Families Expenditures			<u>2,036,419</u>
U.S. Department of Health and Human Services			
Direct Award:			
SAMHSA - Year 5	93.243	5H79TI080402-04	<u>30,216</u>
Total Substance Abuse & Mental Health Services Administration Expenditures			<u>30,216</u>
Passed through from:			
State of Utah - MFRC	93.558	24-DWS-0109	2,183,472
State of Utah - Motels	93.558	24-DWS-0109	250,275
State of Utah - Street Outreach	93.558	24-DWS-0109	121,493
Department of Workforce Services - TANF FH 22-25	93.558	22-DWS-0321	1,132,296
State of Utah - TANF Re-Entry	93.558	23-DWS-0299	289,288
State of Utah - HIDRA	93.323	23-DWS-0392	<u>43,857</u>
Total Temporary Assistance for Needy Families Cluster			<u>4,020,682</u>
Total Department of Health and Human Services			<u>4,050,898</u>

The Road Home  
Consolidated Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing/Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Justice			
Direct Award			
COPS Microgrant	16.710	04512-PPSE	<u>49,002</u>
Total Department of Justice			<u>49,002</u>
U.S. Federal Transportation Administration			
Passed through from:			
Utah Transit Authority - New Cab Vouchers & Van	20.513	19-03104	7,500
Utah Transit Authority - New Cab Vouchers & Van	20.513	Pending	<u>48,000</u>
Total U.s Federal Transportation Administration			<u>55,500</u>
Total Federal Assistance			<u><u>\$ 11,310,361</u></u>

**Note 1 - Basis of Presentation**

The accompanying consolidated schedule of expenditures of federal awards (the schedule) includes the federal award activity of The Road Home under programs of the federal government for the year ended June 30, 2024. The information is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of The Road Home, it is not intended to and does not present the financial position, changes in net assets, or cash flows of The Road Home.

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

Expenditures reported in the schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

**Note 3 - Indirect Cost Rate**

The Organization has not elected to use the 10% de minimis cost rate.

**Section I – Summary of Auditor’s Results**

**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516(a):	No

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing/CFDA Number</u>
HOME Investment Partnerships Program & HOME-ARP	14.239
Temporary Assistance for Needy Families	93.558
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualified as low-risk auditee?	Yes

---

**Section II – Financial Statement Findings**

**None**

---

**Section III – Federal Award Findings and Questioned Costs**

**None**