

**HORIZON HOUSING
DEVELOPMENT COMPANY**

AUDITED FINANCIAL STATEMENTS

FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

HORIZON HOUSING DEVELOPMENT COMPANY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	ASSETS	2022	2021
CURRENT ASSETS			
Cash and cash equivalents	\$ 91,307	\$ 660,024	
Accounts receivable	1,572	731	
Grants receivable	4,743	55,204	
Due from related organization	14,720	11,336	
Prepaid expenses	<u>44,935</u>	<u>37,570</u>	
Total current assets	<u>157,277</u>	<u>764,865</u>	
NONCURRENT ASSETS			
Property and equipment, net of accumulated depreciation	<u>1,806,776</u>	<u>1,780,462</u>	
Total noncurrent assets	<u>1,806,776</u>	<u>1,780,462</u>	
Total assets	<u><u>\$ 1,964,053</u></u>	<u><u>\$ 2,545,327</u></u>	
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 41,089	\$ 209,142	
Accrued vacation pay	17,819	10,734	
Accrued payroll taxes	1,363	821	
Award advance	-	193,370	
Security deposits	26,002	18,548	
Notes payable	<u>70,561</u>	<u>70,107</u>	
Total current liabilities	<u>156,834</u>	<u>502,722</u>	
NONCURRENT LIABILITIES			
Notes payable, net of current maturities	<u>316,088</u>	<u>386,574</u>	
Total noncurrent liabilities	<u>316,088</u>	<u>386,574</u>	
Total liabilities	<u>472,922</u>	<u>889,296</u>	
NET ASSETS			
Without donor restriction	1,491,131	1,656,031	
With donor restriction	-	-	
Total net assets	<u>1,491,131</u>	<u>1,656,031</u>	
Total liabilities and net assets	<u><u>\$ 1,964,053</u></u>	<u><u>\$ 2,545,327</u></u>	

See accompanying notes and independent auditors' report

HORIZON HOUSING DEVELOPMENT COMPANY
STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	Without Donor restriction	With Donor restriction	2022 Total	2021 Total
SUPPORT AND REVENUE				
Rent Grants	\$ -	\$ 328,311	\$ 328,311	\$ 274,533
St. Louis Office for Developmental Disability Resources	-	361,986	361,986	381,117
MO Department of Economic Development	-	-	-	95,149
City of St. Louis	-	1,685,858	1,685,858	1,312,002
Non-cash contributions-loan forgiveness	-	63,200	63,200	38,200
Gain on involuntary conversion	-	-	-	125,769
Paycheck Protection Program loan forgiveness	-	-	-	65,400
Other	6,347	-	6,347	27,791
 Total support and revenue	 6,347	 2,439,355	 2,445,702	 2,319,961
 Net assets released from restriction				
Satisfaction of restrictions	2,439,355	(2,439,355)	-	-
 Total	 2,445,702	 -	 2,445,702	 885,998
 EXPENSES				
Program	2,267,559	-	2,267,559	1,818,945
 Total program expenses	 2,267,559	 -	 2,267,559	 1,818,945
 Support expenses				
General and administration	330,888	-	330,888	224,950
Fundraising	12,155	-	12,155	9,746
 Total support expenses	 343,043	 -	 343,043	 234,696
 Total expenses	 2,610,602	 -	 2,610,602	 2,053,641
 Changes in net assets				
	(164,900)	-	(164,900)	266,320
 Net assets - beginning of year	 1,656,031	 -	 1,656,031	 1,389,711
 Net assets - end of year	 \$ 1,491,131	 \$ -	 \$ 1,491,131	 \$ 1,656,031

See accompanying notes and independent auditors' report

HORIZON HOUSING DEVELOPMENT COMPANY
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	Program	General and Administration	Fundraising	2022 Total	2021 Total
Salaries	\$ 504,112	\$ 183,429	\$ 10,508	\$ 698,049	\$ 692,717
Conferences and meetings	8,805	2,100	-	10,905	5,315
Employee benefits	42,877	62,231	1,007	106,115	91,619
Utilities	134,735	6,700	-	141,435	108,217
Equipment rental, repairs, and maintenance	105,450	1,200	-	106,650	112,159
Payroll taxes	46,307	14,032	640	60,979	56,597
Professional fees	10,679	16,476	-	27,155	20,038
Insurance	45,035	8,475	-	53,510	40,345
Interest	-	1,349	-	1,349	1,749
Telephone	10,798	13,700	-	24,498	25,328
Supplies	27,924	11,695	-	39,619	42,789
Security	7,449	1,800	-	9,249	11,448
Specific assistance to individuals	1,176,609	-	-	1,176,609	714,794
Real estate taxes	3,346	-	-	3,346	-
Other	1,059	1,251	-	2,310	2,159
Total before depreciation	2,125,185	324,438	12,155	2,461,778	1,925,274
Depreciation	142,374	6,450	-	148,824	128,367
Total	\$ 2,267,559	\$ 330,888	\$ 12,155	\$ 2,610,602	\$ 2,053,641

HORIZON HOUSING DEVELOPMENT COMPANY
STATEMENTS OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (164,900)	\$ 266,320
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Depreciation expense	148,824	128,367
Forgiveness of loans	(63,200)	(103,600)
Gain on involuntary conversion	-	(125,769)
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(841)	2,762
(Increase) decrease in grants receivable	50,461	(41,893)
(Increase) decrease in due from related organization	(3,384)	(2,151)
(Increase) decrease in prepaid expenses	(7,365)	(4,988)
Increase (decrease) in accounts payable	(168,053)	168,999
Increase (decrease) in accrued vacation pay	7,085	1,585
Increase (decrease) in accrued payroll taxes	542	121
Increase (decrease) in award advance	(193,370)	193,370
Increase (decrease) in security deposits	7,454	(609)
Net cash provided by (used in) operating activities	<u>(386,747)</u>	<u>482,514</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from insurance claims	-	301,099
Purchase of property and equipment	<u>(175,138)</u>	<u>(549,866)</u>
Net cash provided by (used in) investing activities	<u>(175,138)</u>	<u>(248,767)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from note payable	-	250,000
Principal payments on note payable	<u>(6,832)</u>	<u>(6,432)</u>
Net cash provided by (used in) financing activities	<u>(6,832)</u>	<u>243,568</u>
Net increase (decrease) in cash and cash equivalents	(568,717)	477,315
Cash and cash equivalents - beginning of year	<u>660,024</u>	<u>182,709</u>
Cash and cash equivalents - end of year	<u>\$ 91,307</u>	<u>\$ 660,024</u>
Supplemental cash flow information		
Forgiveness of loans		
PPP Loan	\$ -	\$ 65,400
Bates Loan	25,000	-
Strodtman Loan	21,500	21,500
West Florissant Loan	<u>16,700</u>	<u>16,700</u>
	<u><u>\$ 63,200</u></u>	<u><u>\$ 103,600</u></u>
Cash paid during the year for interest	\$ 1,349	\$ 1,749

See accompanying notes and independent auditors' report

HORIZON HOUSING DEVELOPMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization

Horizon Housing Development Company (the “Organization”) is a nonprofit corporation, incorporated in the state of Missouri on June 11, 2003. The Organization is dedicated to providing housing for the benefit of the developmentally disabled and/or handicapped persons in the City of Saint Louis, Missouri.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Basis of Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions - Net assets that are subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. The Organization presently has no net assets with donor restrictions.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Comparative Data

The amounts shown for the fiscal year ended June 30, 2021 in the accompanying financial statements are included to provide a basis for comparison with 2022 and present summarized totals only. Accordingly, the 2021 totals are not intended to present all information necessary for a fair presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the fiscal year ended June 30, 2021, from which the summarized information was derived.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an original maturity of three months or less to be cash equivalents for the purposes of the statement of cash flows.

HORIZON HOUSING DEVELOPMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables

Receivables consist primarily of grants receivable, rent, and security deposits receivable. The Organization believes all receivables are collectible, and consequently, there is no allowance for doubtful accounts.

Property and Equipment

Property and equipment are recorded at cost or, in the case of donated property, at their estimated fair market value at the date of the donation. The Organization generally capitalizes assets with a cost of \$1,000 or more. Depreciation of property and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Currently, assets are depreciated over the useful lives of three to twenty-five years. Expenditures for repairs and maintenance are recorded to operating expenses as incurred. Depreciation expense for the fiscal years ended 2022 and 2021 was \$148,824 and \$128,367, respectively.

Contributed Services

A substantial number of unpaid volunteers have made significant contributions of their time and talent to develop the Organization's programs and meet its objectives. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied.

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction, depending on the nature of the restriction, is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Estimates in Financial Statements

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's program services and support services. Non-operating activities are limited to resources that generate a return on investment and other activities considered to be of a more unusual or nonrecurring nature.

**HORIZON HOUSING DEVELOPMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Organization is exempt from income taxes pursuant to section 501(c)(3) of the Internal Revenue Service Code and therefore has made no provision for federal income taxes in the accompanying financial statements.

The Organization adopted the provisions of *Accounting for Uncertainty in Income Taxes* on July 1, 2010. The adoption of this guidance resulted in no change to the financial statements for prior periods. As of June 30, 2022, no amounts have been recognized for uncertain tax positions. The Organization's tax returns filed for 2018 and prior are closed.

Note 2 - FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated between fundraising, administration, or the appropriate program based on evaluations of the related benefits. Such allocations are determined by management on an equitable basis. Expenditures have been allocated based on time and effort or specific identification, when available.

Note 3 - CONCENTRATION OF CREDIT RISK

The Organization maintains a deposit account at UMB Bank. Each depositor is insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. The total carrying amounts of deposits as of June 30, 2022 and 2021, were \$91,307 and \$660,024, respectively. Total bank balances were \$100,927 and \$756,660, respectively. Of the bank balances, total deposits of \$0 and \$506,660, respectively were uninsured.

Note 4 - PROPERTY AND EQUIPMENT

A summary of property and equipment as of June 30, 2022 and 2021 follows:

	2022	2021
Buildings and improvements	\$ 2,891,609	\$ 2,718,251
Furniture and equipment	125,923	123,856
Vehicles	32,251	32,251
Total depreciable property	3,049,783	2,874,358
Accumulated depreciation	<u>(1,394,311)</u>	<u>(1,245,200)</u>
Depreciable property, net	1,655,472	1,629,158
Land	151,304	151,304
Property and equipment, net	<u>\$ 1,806,776</u>	<u>\$ 1,780,462</u>

**HORIZON HOUSING DEVELOPMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

Note 5 - ACCRUED VACATION PAY

Employees of the Organization are entitled to paid vacation, depending on length of service and job classification. Vacation accrued during each year of employment must be used by each employee's anniversary date. Vacation pay is payable upon termination. The accrued vacation as of June 30, 2022 and June 30, 2021 were \$17,819 and \$10,734, respectively.

Note 6 - NOTES PAYABLE

In May 2020, the Organization received loan proceeds in the amount of \$65,400 under the Paycheck Protection Program ("PPP"). The PPP is administered by the Small Business Administration. The loan and accrued interest (1%) are forgivable after eight to twenty-four weeks as long as the Organization used the loan proceeds for eligible purposes, such as payroll, benefits, rent, and utilities. On March 30, 2021, the entire loan balance was forgiven and \$65,400 was recorded as paycheck protection program loan forgiveness on the statement of activities. As of June 30, 2022 and 2021, the balance was zero.

In November 2019, the Organization signed a loan agreement with the Sunset Auto Company, Inc. for the purchase of a 2019 Ford F-150. The loan accrues interest at 5.94% and calls for monthly payments of \$682 beginning on December 20, 2019. The loan matures in November 2024. As of June 30, 2022 and 2021, the outstanding principal amount due was \$18,449 and \$25,281, respectively.

On May 3, 2018, the Organization signed a loan agreement with the City of St. Louis Mental Health Board of Trustees for \$167,000. The loan does not accrue interest and calls for annual payments of \$16,700 beginning on May 2, 2019. The loan matures in May 2028. If the Organization meets the annual requirements of the Mental Health Board, the annual principal payments will be forgiven. In May 2022, \$16,700 was forgiven and recognized as non-cash contributions-loan forgiveness on the statement of activities. As of June 30, 2022 and 2021, the outstanding principal amount due was \$100,200 and \$116,900 respectively.

On December 13, 2019, the Organization signed a loan agreement with the City of St. Louis Mental Health Board of Trustees for \$86,000. The loan does not accrue interest and calls for annual payments of \$21,500 beginning on December 13, 2020. The loan matures in December 2023. If the Organization meets the annual requirements of the Mental Health Board, the annual principal payments will be forgiven. In February 2022, \$21,500 was forgiven and recognized as non-cash contributions-loan forgiveness on the statement of activities. As of June 30, 2022 and 2021, the outstanding principal amount due was \$43,000 and \$64,500, respectively.

On May 21, 2021, the Organization signed a loan agreement with the City of St. Louis Mental Health Board of Trustees for \$250,000. The loan does not accrue interest and calls for annual payments of \$25,000 beginning on May 21, 2022. The loan matures in May 2031. If the Organization meets the annual requirements of the Mental Health Board, the annual principal payments will be forgiven. In May 2022, \$25,000 was forgiven and recognized as non-cash contributions-loan forgiveness on the statement of activities. As of June 30, 2022 and 2021, the outstanding principal amount due was \$225,000 and \$250,000, respectively.

HORIZON HOUSING DEVELOPMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

Note 6 - NOTES PAYABLE (Continued)

Future maturities of notes payable are as follows:

For the fiscal years ending June 30,

2023	\$ 70,561
2024	70,931
2025	45,057
2026	41,700
2027	41,700
2028-2031	116,700
Total	<u>\$ 386,649</u>

Note 7 - OPERATING LEASE

In July 2020, the Organization entered into a 60-month lease with GFI Digital for the use of a copier. Monthly lease payments are \$226.

Future minimum lease payments are as follows:

For the fiscal years ending June 30,

2023	\$ 2,712
2024	2,712
2025	2,712
Total	<u>\$ 8,136</u>

Expenses associated with the operating lease for the fiscal years ended June 30, 2022 and 2021 totaled \$5,772 and \$4,337, respectively.

Note 8 - RELATED PARTY TRANSACTIONS

The Organization and Horizon North Housing, Inc. are related through common board of director membership. Throughout the fiscal year, the Organization made health insurance premium payments on behalf of Horizon North Housing, Inc. The amounts due from Horizon North Housing, Inc. as of June 30, 2022 and 2021 were \$14,720 and \$11,336, respectively.

The Organization and the City of St. Louis' homeless advisory board, known as Continuum of Care St. Louis, are related through the Organization's executive director, who also serves as chairperson of Continuum of Care. During the fiscal years ended June 30, 2022 and 2021, the City of St. Louis passed through various federal grants to Horizon Housing Development. Federal grants received from Continuum of Care St. Louis were \$1,685,858 and \$1,312,002, respectively.

HORIZON HOUSING DEVELOPMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

Note 9 - AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at June 30, 2022:

Financial assets at fiscal year-end:

Cash and cash equivalents	\$ 91,307
Accounts receivable	1,572
Grants receivable	4,743
Due from related organization	14,720
Total financial assets at fiscal year-end	<u>112,342</u>

Less amounts not available for general expenditures within one year:

Net assets with period restrictions in excess of one year	-
Net assets with purpose restrictions	-
Total amounts not available for general expenditures within one year	<u>-</u>
Financial assets available to meet general expenditures within one year	<u>\$ 112,342</u>

Note 10 - CONCENTRATION AND ECONOMIC DEPENDENCY

For the fiscal years ended June 30, 2022 and 2021, 69% and 57%, respectively of the Organization's revenue was received from Continuum of Care St. Louis. If a significant reduction in funding from Continuum of Care St. Louis were to occur, it could have a substantial effect on the Organization.

Note 11 - REVENUErecognition

Contracts with Customers

For the fiscal years ended June 30, 2022 and 2021, the Organization recognized rent revenue from contracts with customers of \$328,311 and \$274,533, respectively. No impairment losses were recognized on receivables or contract assets.

Disaggregated Revenue

Rent is recognized when a tenant pays his or her rent for the month and Housing and Urban Development (HUD) pays the subsidy for the tenant. Hence, economic factors can materially affect the nature, timing, and uncertainty of revenues and cash flows from rental income.

Contract Balances

Beginning and ending contract-type balances are as follows:

	June 30, 2022	June 30, 2021	June 30, 2020
Accounts receivable	\$ 1,572	\$ 731	\$ 3,493

**HORIZON HOUSING DEVELOPMENT COMPANY
NOTES TO FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021**

Note 11 - REVENUE RECOGNITION (Continued)

Performance Obligations

- Performance obligations for contract revenue are satisfied when goods or services are provided, and details are shown on the statement of activities.
- The Organization does not charge interest on accounts receivable.
- The Organization has no formal obligation for refunds.

Significant Judgments

There were no significant judgments used for the recognition of revenue during fiscal 2022. Also, during fiscal 2022 there were no changes in the judgments utilized for determining the timing of the satisfaction of performance obligations or transaction prices allocated to performance obligations.

The Organization bills for rent using an agreed upon rate. Adjusting consideration for the effects of the time value of money is not necessary for the Organization's contract receivables. The financial statements include no estimates of variable consideration or noncash consideration.

Practical Expedients Used for Financing Components

There is no financing component to the Organization's recognition of revenue.

Note 12 - CONTINGENT LIABILITY

The Organization has signed promissory notes with the St. Louis Office for Developmental Disability Resources for acquisitions of land and buildings that could be payable to them only in the event that, without written approval from them, the Organization encumbers, sells, trades, or otherwise disposes of or in any way alters ownership of said property. No such repayments are anticipated, but the contingent liability for the fiscal years ended June 30, 2022 and 2021, were each approximately \$1,300,000.

Note 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 23, 2022, the date the financial statements were available to be issued, and noted no reportable events.

SUPPLEMENTAL INFORMATION

**HORIZON HOUSING DEVELOPMENT COMPANY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<i>Federal Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Grantor Number</i>	<i>Federal Expenditures</i>
Department of Housing and Urban Development Passed Through the City of St. Louis			
Emergency Solutions Grant	14.231	E-20-MW-29-0006 0287M00303L7E12001,	\$ 170,716
Continuum of Care - Permanent Supportive Housing	14.267	0250L7E012003	304,784
<i>Total Department of Housing and Urban Development</i>			<u>475,500</u>
Department of the Treasury Passed Through the City of St. Louis			
Coronavirus Relief Fund - Covid 19	21.019	800-2003	<u>58,080</u>
Total Coronavirus Relief Fund			<u>58,080</u>
Emergency Rental Assistance Program - Covid 19 (m)	21.023	800-2003	<u>1,075,869</u>
<i>Total Department of the Treasury</i>			<u>1,133,949</u>
<i>Total Expenditures of Federal Awards</i>			<u><u>\$ 1,609,449</u></u>

(m) - Program audited as a major program

**HORIZON HOUSING DEVELOPMENT COMPANY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

NOTE 1 - REPORTING ENTITY BASIS OF PRESENTATION AND ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Horizon Housing Development Company and is presented on the accrual basis of accounting. The information in this schedule 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 - SUBRECIPIENTS

None of the federal expenditures presented in the schedule were provided to sub-recipients.

NOTE 3 - DESCRIPTIONS OF MAJOR FEDERAL PROGRAMS

The Emergency Rental Assistance program makes funding available to assist households that are unable to pay rent or utilities. The funds are provided directly to states and local governments, and grantees can use the funds to provide assistance to eligible households through existing or newly created rental assistance programs. The Coronavirus relief payments and the Emergency Rental Assistance funds were passed through the City of St. Louis, Missouri.

NOTE 4 - NON-CASH ASSISTANCE

No non-cash assistance was received related to any federal programs.

NOTE 5 - INSURANCE

The federal programs presented in the previous schedule did not have separate program specific insurance policies.

NOTE 6 - LOANS/LOAN GUARANTEES/INTEREST SUBSIDIES

The major programs did not have any loans, loan guarantees, or interest subsidies associated with them.

NOTE 7 - DE MINIMIS COST RATE

Horizon Housing Development Company has not elected to use the 10% de minimis indirect cost rate.

FEDERAL COMPLIANCE

**HORIZON HOUSING DEVELOPMENT COMPANY
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weaknesses identified	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Reportable conditions identified that are not considered to be material weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

Material weaknesses identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Reportable conditions identified that are not considered to be material weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

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

Any audit findings disclosed that are required to be reported in accordance with federal Uniform Guidance

Identification of major program:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
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21.023	Emergency Rental Assistance Program
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Dollar threshold used to distinguish between Type A and Type B programs:	\$ 750,000
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Auditee qualified as low risk auditee?

<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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**HORIZON HOUSING DEVELOPMENT COMPANY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II - Financial Statement Findings

There are no significant deficiencies to disclose.

Section III - Federal Award Findings

There are no federal award findings to disclose.