The Family Place

Independent Auditor's Reports and Consolidated Financial Statements

December 31, 2022

The Family Place
December 31, 2022

Contents

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Independent Auditor's Report

Board of Directors
The Family Place
Dallas, Texas

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Family Place and its subsidiaries (The Family Place Dallas Real Estate, Inc. and The Family Place Foundation), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statement of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Family Place and its subsidiaries, as of December 31, 2022, 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 audit 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 Family Place and its subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The financial statements of The Family Place Dallas Real Estate, Inc. and The Family Place Foundation, which are included in The Family Place's consolidated financial statements, were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the 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 Family Place and its subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the 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 Family Place and its subsidiaries' 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 Family Place and its subsidiaries' 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 supplementary information, including the consolidating schedules and the schedule of expenditures of federal 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 GAAS. In our opinion, the information is 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 September 22, 2023, on our consideration of The Family Place's internal control over financial reporting and 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 Family Place'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 Family Place's internal control over financial reporting and compliance.

FORVIS, LLP

Fort Worth, Texas
September 22, 2023

The Family Place

Consolidated Statement of Financial Position

December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Assets			
Cash and cash equivalents	$ 5,190,532	$ 2,186,987	$ 7,377,519
Pledge receivable, net of allowance & discount $38,971	4,300	246,084	250,384
Grants receivable	1,043,367	75,000	1,118,367
Other receivables	411,619	3,376	414,995
Prepaid expenses	210,438	-	210,438
Deposits and other assets	131,798	-	131,798
Investments, at fair value	3,108,379	3,723,226	6,831,605
Property, fixtures, and equipment, net of depreciation $8,290,312	17,964,689	-	17,964,689
Right of use asset - operating lease	2,226,004	-	2,226,004
Right of use asset - finance lease	274,265	-	274,265
Total assets	$ 30,565,391	$ 6,234,673	$ 36,800,064
Liabilities			
Accounts payable and accrued liabilities	$ 1,294,322	$ -	$ 1,294,322
Operating lease liabilities, net	2,247,025	-	2,247,025
Finance lease liabilities, net	277,693	-	277,693
Notes payable	3,397,100	-	3,397,100
Total liabilities	7,216,140	-	7,216,140
Net Assets			
Without donor restrictions			
Undesignated	17,530,608	-	17,530,608
Designated by the board			
For quasi-endowment	3,160,485	-	3,160,485
For facilities and technology	107,225	-	107,225
For professional development	21,054	-	21,054
For employee retention	149,301	-	149,301
For client assistance	100,578	-	100,578
For residential facilities	850,000	-	850,000
For future operations	1,330,000	-	1,330,000
For non-residential facilities	100,000	-	100,000
With donor restrictions	-	6,234,673	6,234,673
Total net assets	23,349,251	6,234,673	29,583,924
Total liabilities and net assets	$ 30,565,391	$ 6,234,673	$ 36,800,064

The Family Place

Consolidated Statement of Activities

Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Public Support and Revenue			
Public Support			
Contributions	$ 3,369,295	$ 684,838	$ 4,054,133
Special events, net	1,985,144	-	1,985,144
In-kind goods and services	597,976	-	597,976
United Way	442,293	-	442,293
Total public support	6,394,708	684,838	7,079,546
Grants from governmental agencies	6,106,018	-	6,106,018
Other revenue			
Resale shop sales	983,006	-	983,006
Net investment return	(622,266)	(720,269)	(1,342,535)
Program service fees	86,762	-	86,762
Miscellaneous income	312,339	-	312,339
Total other revenue	759,841	(720,269)	39,572
Net Asset Released from Restrictions	648,606	(648,606)	-
Total public support and revenue	13,909,173	(684,037)	13,225,136
Program and Supporting Services			
Program Services			
Emergency shelters & housing	7,931,559	-	7,931,559
Counseling	2,936,439	-	2,936,439
Community collaboration	3,433,104	-	3,433,104
Total program services	14,301,102	-	14,301,102
Supporting Services			
Management and general	2,273,745	-	2,273,745
Fundraising	1,269,916	-	1,269,916
Total supporting services	3,543,661	-	3,543,661
Total program and supporting services	17,844,763	-	17,844,763
Change in Net Assets	(3,935,590)	(684,037)	(4,619,627)
Net Assets, Beginning of Year	27,284,841	6,918,710	34,203,551
Net Assets, End of Year	$ 23,349,251	$ 6,234,673	$ 29,583,924

The Family Place

Consolidated Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services				Supporting Services			
	Emergency Shelters & Housing	Counseling	Community Collaboration	Total	Management and General	Fund-Raising	Total	Total
Salaries	$ 4,043,684	$ 1,463,359	$ 1,885,399	$ 7,392,442	$ 1,455,363	$ 668,105	$ 2,123,468	$ 9,515,910
Employee benefits	386,570	155,419	135,186	677,175	146,103	53,231	199,334	876,509
Payroll taxes, etc	340,192	115,870	138,576	594,638	98,249	52,224	150,473	745,111
Total salaries and related	4,770,446	1,734,648	2,159,161	8,664,255	1,699,715	773,560	2,473,275	11,137,530
Professional fees and contract	301,081	112,585	248,147	661,813	206,747	190,746	397,493	1,059,306
Office & telecommunications	79,326	40,276	62,899	182,501	66,348	21,686	88,034	270,535
Agency occupancy	708,788	305,514	484,716	1,499,018	73,437	33,825	107,262	1,606,280
Printing & public relations			10,116	10,116	1,720	161,278	162,998	173,114
Transportation	21,546	3,116	8,833	33,495	1,151	1,093	2,244	35,739
Conferences & meetings	17,637	10,228	11,397	39,262	46,590	3,513	50,103	89,365
Client assistance	1,078,227	481,710	165,082	1,725,019	644	2,250	2,894	1,727,913
Liability insurance	61,668	16,814	22,694	101,176	18,564	5,463	24,027	125,203
In-kind goods & services	307,684	27,823	213,238	548,745	19,128	30,104	49,232	597,977
Special events expense	-	-	-	-	-	528,588	528,588	528,588
Miscellaneous expenditures	-	-	-	-	195	107	302	302
Total before interest, amortization & depreciation	7,346,403	2,732,714	3,386,283	13,465,400	2,134,239	1,752,213	3,886,452	17,351,852
Amortization	37,114	15,599	15,257	67,970	7,063	4,681	11,744	79,714
Interest	26,220	18,776	1,595	46,591	10,152	4,255	14,407	60,998
Depreciation	521,822	169,350	29,969	721,141	122,291	37,354	159,645	880,786
Total expenses	7,931,559	2,936,439	3,433,104	14,301,102	2,273,745	1,798,503	4,072,248	18,373,350
Less expenses deducted directly from revenues on the consolidated statement of activities as cost of direct benefit to donors	-	-	-	-	-	(528,587)	(528,587)	(528,587)
Total expenses included in the expense section on the consolidated statement of activities	$ 7,931,559	$ 2,936,439	$ 3,433,104	$ 14,301,102	$ 2,273,745	$ 1,269,916	$ 3,543,661	$ 17,844,763

The Family Place
Consolidated Statement of Cash Flows
Year Ended December 31, 2022

Operating Activities		
Change in net assets	$	(4,619,627)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation		880,786
Lease amortization		79,714
Noncash operating lease expense		347,533
Net unrealized and realized (gains) losses on investments		1,506,905
Contributions restricted for long-term investment		(145,000)
Changes in operating assets and liabilities:		
Receivables		897,256
Prepaid expenses		77,896
Deposits and other assets		7,052
Accounts payable and accrued expenses		547,947
Operating lease liability		(331,062)
Net cash used in operating activities		(750,600)
Investing Activities		
Purchases of property, fixtures, and equipment		(640,694)
Purchases of investments		(740,077)
Net cash used in investing activities		(1,380,771)
Financing Activities		
Principal payments on finance lease liabilities		(71,736)
Contributions restricted for long-term investment		170,000
Net cash provided by financing activities		98,264
Net Decrease in Cash and Cash Equivalents		(2,033,107)
Cash and Cash Equivalents, Beginning of Year		9,410,626
Cash and Cash Equivalents, End of Year	$	7,377,519
Supplemental Cash Flows Information		
Cash paid for interest	$	78,933
Cash paid for interest on finance leases	$	6,958
ROU assets obtained in exchange for new operating lease liabilities	$	2,573,537
ROU assets obtained in exchange for new finance lease liabilities	$	354,030

The Family Place
Notes to Consolidated Financial Statements
December 31, 2022

Note 1: Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The Family Place (Agency), The Family Place Dallas Real Estate, Inc. (DRE) and The Family Place Foundation (Foundation) are collectively known as the Organizations. The Agency is a voluntary health and welfare organization with the stated mission of stopping family violence. The programs operated by the Agency educate the public about family violence, provide counseling for victims of family violence, deliver continuous telephone assistance, present prevention programs for youth and provide counseling for batterers. The Agency maintains a safe campus for victims and their families, which provides emergency shelter, extended-stay transitional housing, a licensed child development center, K-2nd grade school for children, and employment and life-skills training for adults.

In 2016, DRE was formed as a supporting organization within the meaning of Section 509(a)(3) of the Code to benefit the Agency. The Agency is a public charity under Sections 509(a)(1) and 170(b)(1)(A)(iv) of the Code. DRE borrowed funds through a new markets tax credit (NMTC) structure, owns certain real property contributed to it by the Agency, developed said property by constructing a 56,000 square foot facility (Ann Moody Place) that includes space for administrative offices, an emergency shelter, client counseling, youth education, job training, childcare and other social services, and leases the property and improvements to the Agency.

Chase Community Equity, LLC (Chase) made an equity contribution of $3,857,100 in the Chase NMTC Family Place Investment Fund, LLC (Fund) and the Fund obtained a loan in the principal amount of $7,872,900 from the Agency. Collectively, the Fund used the proceeds of the Fund Investment to make an equity contribution of $11,500,000 in DRE, which is intended to be a "qualified equity investment" (QEI) as defined in Section 45D(b) of the Code.

The DRE has two loans to the Fund in the aggregate principal amount of $11,270,000 to finance the Project (Ann Moody Place). The loans, in the principal amounts of $7,872,900 (Loan A) and $3,397,100 (Loan B), bear interest at 1.164% per annum and require payments of interest only on November 30 of each year to and including December 1, 2024. Loan A and Loan B will require payments of principal and interest commencing on December 1, 2024, until maturity on December 1, 2050. After December 31, 2023, the Loan A and Loan B will be forgiven, contingent on DRE maintaining compliance with all relevant requirements of the loans. Loan A, including the related interest, is eliminated in the accompanying schedules of consolidating financial position and activities. The loans are secured by the property and rights and accounts relating thereto. DRE will lease the property to the Agency, pursuant to a lease agreement dated as of June 15, 2016. DRE is intended to be treated as a qualified active low-income community business as defined in Section 45D(d)(2) of the Code and the Treasury Regulations thereunder (QALICB) and each of the loans is intended to constitute a qualified low-income community investment under Section 45D(d)(2) of the Code (QLICI).

The parties understand and acknowledge that the Borrower's operations will be located in an economically distressed and underserved community within Census Tract 48113000401. The tract qualifies as an "Area of Greater Economic Distress" as defined by the CDFI Fund based on a Median Family Income of 46.01% of the metropolitan area median family income per 2006-2010 American Community Survey.

The availability of NMTCs has enabled the Lender to provide the Loan on terms and conditions that are flexible and non-conventional, including interest rates that are at least 50% lower than the prevailing market rates for equivalent products, longer than standard amortization, longer than standard interest-only period, higher than standard loan-to-value ratio, lower than standard origination fees, lower than standard loan loss reserve, and lower than standard debt coverage ratio.

The NMTC Beneficiary acknowledges that the Lender's agreement to execute the Loan Agreement and make the Loan is expressly predicated upon (1) the NMTC Beneficiary's agreement to sign, deliver and perform under the requirements set forth in this Agreement, (2) the Project's location in a community lacking adequate access to capital, (3) the significant community development benefits that will be delivered to Low-Income Communities and Low-Income Persons as a result of the Project, (4) the significant benefits that will be delivered to Low-Income Persons within Low-Income Communities by the Project.

In 2007, the Foundation was formed as a public charity within the meaning of Sections 501(a) and 170(b)(1)(A)(vi) of the Internal Revenue Code (IRC) to operate exclusively for charitable purposes by engaging directly in support of or by making distributions to the Agency.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Agency, DRE and the Foundation. All significant accounts and transactions between the Agency, DRE and the Foundation have been eliminated in consolidation.

Basis of Accounting

The accompanying consolidated financial statements of the Organizations have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and accordingly, reflect all significant receivables, payables and other liabilities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 recorded amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from these estimates.

Cash and Cash Equivalents

The Organizations consider all liquid investments with original maturities of three months or less to be cash equivalents. Uninvested cash and cash equivalents included in investment accounts are not considered to be cash and cash equivalents. At December 31, 2022, cash equivalents consisted primarily of a sweep account held with a financial institution.

At December 31, 2022, the Organizations' cash accounts exceeded federally insured limits by approximately $3,711,000. The Organizations have not experienced any losses in such accounts. Management monitors the ongoing business of such financial institutions and does not believe undue investment risk exists.

Investments and Net Investment Return

Investments in equity securities having a readily determinable fair value and in all debt securities are carried at fair value. Investment return includes dividend, interest and other investment income and realized and unrealized gains and losses on investments carried at fair value, less investment expenses.

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is recorded without donor restriction. Other investment return is reflected in the accompanying consolidated statement of activities with or without donor restrictions based upon the existence and nature of any donor or legally imposed restrictions.

Investments are comprised of mutual funds. The fair values of mutual funds are determined primarily by reference to quoted market prices. Changes in market conditions may affect future designations and/or market valuations, which will be monitored, as necessary, by management.

Grants and Other Receivables

Grants and other receivables are stated at the amount billed plus any accrued and unpaid interest. The Organizations provide an allowance for doubtful accounts, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. Accounts receivable are ordinarily due 30 days after the issuance of the invoice. Account balances past due more than 180 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the donor.

Property, Fixtures and Equipment

Property, fixtures and equipment are stated at cost less accumulated depreciation. Depreciation is charged to expense using the straight-line method over the estimated useful life of each asset. Assets under finance lease obligations and leasehold improvements are depreciated over the shorter of the lease term or their respective estimated useful lives. Depreciation is computed using the straight-line method over periods of 3 to 30 years. Generally, the Organizations capitalize assets in excess of $3,500.

Deferred Revenue

Revenue from special events and grants is deferred and recognized over the periods to which the events and grants relate. For the year ended December 31, 2022, $203,025 of deferred revenue is included in accounts payable and accrued liabilities in the accompanying consolidated statement of financial position.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions. The governing board has designated, from net assets without donor or certain grantor restrictions, net assets for an operating reserve and certain purposes, as well as a board-designated endowment.

Net assets with donor restrictions are subject to donor or certain grantor restrictions. Some 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 restrictions are perpetual in nature, where the donor or grantor stipulates that resources be maintained in perpetuity.

Revenue Recognition

Revenue is measured as the amount of consideration the Organizations expect to receive in exchange for transferring distinct goods or providing benefit to event attendees. The Organizations' revenue consists substantially of product sales from the resale shop and benefits provided in exchange to event attendees. The Organizations recognize revenue when performance obligations under the terms of contracts with its customers or event attendees are satisfied, which occurs when control passes to a customer to enable them to direct the use of and obtain benefit from a product or when the event occurs. This typically occurs when a customer obtains legal title at the point of sale or when the event occurs.

All revenues were recognized at a point in time for the year ended December 31, 2022.

Contributions

Contributions are provided to the Organizations either with or without restrictions placed on the gift by the donor. Revenues and net assets are separately reported to reflect the nature of those gifts – with or without donor restrictions. The value recorded for each contribution is recognized as follows:

Nature of the Gift	Value Recognized
Conditional gifts, with or without restriction	
Gifts that depend on the Organizations overcoming a donor-imposed barrier to be entitled to the funds	Not recognized until the gift becomes unconditional, *i.e.* the donor imposed barrier is met
Unconditional gifts, with or without restriction	
Received at date of gift – cash and other assets	Fair value
Received at date of gift – property, equipment and long-lived assets	Estimated fair value
Expected to be collected within one year	Net realizable value
Collected in future years	Initially reported at fair value determined using the discounted present value of estimated future cash flows technique

In addition to the amount initially recognized, revenue for unconditional gifts to be collected in future years is also recognized each year as the present-value discount is amortized using the level-yield method.

When a donor stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions. Absent explicit donor stipulations for the period of time that long-lived assets must be held, expirations of restrictions for gifts of land, buildings, equipment and other long-lived assets are reported when those assets are placed in service.

Gifts and investment income that are originally restricted by the donor and for which the restriction is met in the same time period are recorded as revenue and net assets without donor restrictions.

Conditional contributions having donor stipulations which are satisfied in the period the gift is received are recorded as revenue and net assets without donor restrictions.

Conditional Gifts

The Agency has received the following conditional promises to give at December 31, 2022 that are not recognized in the financial statements:

Conditional government grants restricted by time and purpose	$	6,778,997

Government Grants

Support funded by grants is recognized as the Agency meet the conditions prescribed by the grant agreement, performs the contracted services or incurs outlays eligible for reimbursement under the grant agreements. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Income Taxes

The Organizations are exempt from income taxes under Section 501 of the IRC and a similar provision of state law. However, the Organizations are subject to federal income tax on any unrelated business taxable income. The Organizations had no unrelated business income during the year ended December 31, 2022.

The Organizations file tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statement of activities. The consolidated statement of functional expenses presents the natural classification detail of expenses by function. Certain costs have been allocated among the program, management and general and fundraising categories based on actual usage or management's estimate of usage applicable to the various programs and supporting services benefited.

Taxes Collected from Customers and Remitted to Governmental Authorities

Taxes collected from customers and remitted to governmental authorities are presented in the accompanying consolidated statement of activities on a net basis.

Note 2: Grant Receivables

The Agency receives its grant support through periodic claims filed with the respective funding sources, not to exceed a limit specified in the funding agreement. Since the accompanying consolidated financial statements of the Organizations are prepared on the accrual basis, all earned portions of the grants not yet received as of December 31, 2022, have been recorded as receivables, which totaled $1,118,367. The Agency expects to receive the December 31, 2022, grant receivables within the next year, and therefore, has provided no allowance for uncollectible accounts or discount.

Note 3: Receivables

At December 31, 2022, receivables consisted of the following:

	Without Donor Restriction	With Donor Restriction	Total
Receivables due in one to five years			
Pledges receivable	$ 4,400	$ 61,374	$ 65,774
Grants receivable	1,043,367	75,000	1,118,367
Other receivable	411,619	3,376	414,995
Receivables due within one year	1,459,386	139,750	1,599,136
Pledge receivables due in one to five years	-	223,581	223,581
Less allowance for uncollectible pledges	(100)	(37,189)	(37,289)
Less unamortized discount of pledges	-	(1,682)	(1,682)
Total receivables, net	$ 1,459,286	$ 324,460	$ 1,783,746

The rate used for discount calculations was 0.46% in 2022.

Reconciliation of receivables to the statement of financial position at December 31,2022:

Pledges receivable, net	$ 250,384
Grants receivable	1,118,367
Other receivable	414,995
Total receivables, net	$ 1,783,746

Note 4: Investments and Net Investment Return

Investments at December 31, 2022 consisted of the following:

Mutual funds – equities	$	4,808,065
Mutual funds – fixed income		2,023,540
Total investments	$	6,831,605

Total net investment return is comprised of the following for the year ended December 31, 2022:

Interest and dividend income	$	179,452
Realized and unrealized loss on investments		(1,506,905)
Investment fees		(15,082)
Total investment return	$	(1,342,535)

Note 5: Disclosures About Fair Value of Investments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets.

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying consolidated statement of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at December 31, 2022:

		Fair Value Measurements Using		
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds – equities	$ 4,808,065	$ 4,808,065	$ -	$ -
Mutual funds – fixed income	2,023,540	2,023,540	-	-
Total investments	$ 6,831,605	$ 6,831,605	$ -	$ -

The following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statement of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy. There have been no significant changes in the valuation techniques or transfers between levels during the year ended December 31, 2022.

Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, then fair values are estimated by using quoted prices of securities with similar characteristics or independent asset pricing services and pricing models, the inputs of which are market-based or independently sourced market parameters, including, but not limited to, yield curves, interest rates, volatilities, prepayments, defaults, cumulative loss projections and cash flows. Such securities are classified in Level 2 of the valuation hierarchy. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy. The Organizations did not hold Level 2 or Level 3 securities at December 31, 2022.

Note 6: Property, Fixtures and Equipment

The following schedule summarizes property, fixtures and equipment as of December 31, 2022:

Building and building improvements	$ 19,302,245
Construction in progress	41,900
Furniture and equipment	2,694,623
Land	2,738,688
Land improvements	916,212
Leasehold improvements	255,941
Vehicles	305,392
	26,255,001
Less accumulated depreciation and amortization	(8,290,312)
Property, fixtures, and equipment, net	$ 17,964,689

Note 7: Contributed Nonfinancial Assets

In addition to receiving cash contributions, the Organizations receive nonfinancial assets in the form of a donated goods and services from various donors. It is the policy of the Organizations to record the estimated fair value of certain in-kind donations as an expense in its consolidated financial statements, and similarly increase public support revenue by the same amount. Generally, the Organizations recognize donated property if the estimated fair value exceeds $1,000.

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance nonfinancial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

For the year ended December 31, 2022, contributed nonfinancial assets recognized within the statement of activities included:

Contributed Nonfinancial Asset Utilization in Programs or Activities / Donor Restrictions	Revenue recognized	Valuation Techniques and inputs
Technology consulting services All programs No associated donor restrictions	$ 145,875	Estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar services in the U.S.
Clothing, medical supplies, household items Emergency shelters & housing No associated donor restrictions	407,996	Estimated the fair value on the basis of estimates of wholesale values that would be received for selling similar items in the U.S.
Contributed use of land Emergency shelters & housing Emergency shelters & housing	44,105	Estimated the fair value on the basis of recent comparable ground lease rates in the Dallas, Texas real estate market.
Total contributed services	$ 597,976	

Note 8: Net Assets With Donor Restriction

Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2022, are restricted for the following purposes or periods:

Subject to expenditure for specified purpose, upon passage of time or both	
Program services	$ 588,435
Ann Moody Place	1,534,740
Agency operations	132,436
Client assistance	105,193
Promises to give, the proceeds from which have been restricted by donors for	
General operations endowment	95,643
	2,456,447

Endowments		
Subject to appropriation and expenditure when a specified event occurs		
Restricted by donors for		
Children's program activities		223,212
Staff compensation and development		95,787
		318,999
Subject to endowment spending policy and appropriation		
CEO compensation and development		1,000,000
Children's program activities		752,300
General operations		1,005,917
Landscaping		110,000
Staff compensation and development		880,859
Underwater endowments		(284,849)
		3,464,227
Total endowments		3,783,226
	$	6,239,673

Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors, as follows:

Purpose restrictions accomplished		
Program services	$	517,932
Agency operations		121,507
Client assistance		9,167
Total net assets released from restrictions	$	648,606

Note 9: Endowment

The Organizations' governing body has interpreted the *State of Texas Prudent Management of Institutional Funds Act* (SPMIFA) as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organizations classify as net assets with donor restriction (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of donor-restricted endowment funds are classified as net assets with donor restriction until those amounts are appropriated for expenditure by the Organizations in a manner consistent with the standard of prudence prescribed by SPMIFA.

In accordance with SPMIFA, the Organizations consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. Duration and preservation of the funds
2. Purposes of the Organizations and the funds
3. General economic conditions
4. Possible effect of inflation and deflation
5. Expected total return from investment income and appreciation or depreciation of investments
6. Other resources of the Organizations
7. Investment policies of the Organizations

The Organizations' endowment consists of approximately five restricted endowment funds and funds designated by the governing body to function as endowments (board-designated endowment funds). As required by accounting principles generally accepted in the United States of America (GAAP), net assets associated with endowment funds, including board-designated endowment funds, are classified and reported based on the existence or absence of donor-imposed restrictions.

The composition of net assets by type of endowment fund as of December 31, 2022, is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Board-designated endowment funds	$ 3,160,485	$ -	$ 3,160,485
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	-	3,749,076	3,749,076
Accumulated investment gains	-	34,150	34,150
Total endowment funds	$ 3,160,485	$ 3,783,226	$ 6,943,711

Changes in endowment net assets for the year ended December 31, 2022 were as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ 3,782,993	$ 4,338,132	$ 8,121,125
Contribution	-	170,000	170,000
Investment return:			
Investment income, net	84,364	75,126	159,490
Net depreciation	(706,872)	(800,032)	(1,506,904)
Endowment net assets, end of year	$ 3,160,485	$ 3,783,226	$ 6,943,711

Investment and Spending Policies

The Organizations have adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowment while seeking to maintain the purchasing power of the endowment. Endowment assets include those assets of donor-restricted endowment funds the Organizations must hold in perpetuity or for donor-specified periods. Under the Organizations' policies, endowment assets are invested in a manner that is intended to produce results that exceed inflation while assuming a prudent level of investment risk. Actual returns in any given year may vary from this amount.

To satisfy its long-term rate of return objectives, the Organizations rely on a total return strategy in which investment returns are achieved through both current yield (investment income such as dividends and interest) and capital appreciation (both realized and unrealized). The Organizations target a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

The Organizations, in compliance with donors' restrictions, appropriates for expenditure each year a range of 2% to 5% of its endowment fund's average fair value over the prior 12 quarters through the year-end preceding the year in which the expenditure is planned.

In determining this expenditure, the Organizations consider the long-term expected return on its endowments. Accordingly, over the long term, the Organizations' objective is to maintain the purchasing power of endowment assets held in perpetuity, as well as to provide additional real growth through new gifts and investment return.

Underwater Endowments

The governing body of the organization has interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, the Organizations consider a fund to be underwater if the fair value of the fund is less than the sum of:

a) the original value of initial and subsequent gift amounts donated to the fund and

b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument.

In accordance with GAAP, any deficiencies of this nature would be aggregately reported in net assets with donor restriction.

At December 31, 2022, funds with original gift values of $2,115,917; fair values of $1,831,068 and deficiencies of $284,849, were reported in net assets with donor restrictions. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after investment of new restricted contributions.

Note 10: Retirement Benefits

The Agency has a contributory defined contribution retirement plan (the Plan) under Section 403(b) of the IRC. The Plan is open to all employees meeting minimum age and service requirements. Contributions to the Plan by the Agency are made at the discretion of the Agency's Board of Directors. The Agency made match contributions of $50,660 during the year ended December 31, 2022.

Note 11: Leases (ASC 842)

Change in Accounting Principle

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*. This ASU requires lessees to recognize a lease liability and a right-of-use (ROU) asset on a discounted basis, for substantially all leases, as well as additional disclosures regarding leasing arrangements. Disclosures are required to enable users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. In July 2018, the FASB issued ASU 2018-11, *Leases (Topic 842): Targeted Improvements*, which provides an optional transition method of applying the new lease standard. Topic 842 can be applied using either a modified retrospective approach at the beginning of the earliest period presented, or as permitted by ASU 2018-11, at the beginning of the period in which it is adopted, *i.e*., the comparatives under ASC 840 option.

The Agency adopted Topic 842 on January 1, 2022 (the effective date), using the comparatives under ASC 840 transition method, which applies Topic 842 at the beginning of the period in which it is adopted. The Agency elected the package of practical expedients under the new standard, which permits entities to not reassess lease classification, lease identification or initial direct costs for existing or expired leases prior to the effective date. The Agency has lease agreements with nonlease components that relate to the lease components. The Agency elected the practical expedient to account for nonlease components and the lease components to which they relate as a single lease component for all. Also, the Agency elected to keep short-term leases with an initial term of 12 months or less off the statement of financial position. The Agency did not elect the hindsight practical expedient in determining the lease term for existing leases as of January 1, 2022.

The most significant impact of adoption was the recognition of operating lease ROU assets and operating lease liabilities of $850,464 and $775,599 respectively, while the accounting for existing capital leases (now referred to as finance leases) remained substantially unchanged. As part of adopting the standard, previously recognized liabilities for deferred rent was reclassified as a component of the ROU assets. The standard did not significantly affect the consolidated statements of activities or cash flows.

Accounting Policies

The Agency determines if an arrangement is a lease or contains a lease at inception. Leases result in the recognition of ROU assets and lease liabilities on the consolidated statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Agency determines lease classification as operating or finance at the lease commencement date.

The Agency combines lease and nonlease components, such as common area and other maintenance costs, and accounts for them as a single lease component in calculating the ROU assets and lease liabilities for its building leases.

At lease commencement, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Agency uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Agency uses its incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. Incremental borrowing rates used to determine the present value of lease payments were derived by reference to the Agency's secured-debt yields corresponding to the lease commencement date.

The lease term may include options to extend or to terminate the lease that the Agency is reasonably certain to exercise. Lease expense is generally recognized on a straight-line basis over the lease term.

The Agency has elected not to record leases with an initial term of 12 months or less on the consolidated statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The Agency has entered into the following lease arrangements:

Finance Leases

These leases mainly consist of office equipment. Termination of the leases generally are prohibited unless there is a violation under the lease agreement.

Operating Leases

The Agency has various leases for counseling centers, distribution center and a resale shop that expire in various years through 2029. These leases require the Agency to pay all executory costs (property taxes, maintenance and insurance). Lease payments have an escalating fee schedule, which range from a 1% to 3% percent increase each year. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

Short-Term Leases

The Agency's short-term leases consist of counseling center leases that expired during the year and were not renewed and other short-term leases. The expected lease terms are less than 12 months. Total lease expense included in operating expenses for the year ending December 31, 2022 was $74,507, related to short-term leases.

All Leases

The Agency has a related party lease for the Ann Moody Place from DRE. The related party right of use asset and related liabilities have been eliminated in consolidation.

The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Quantitative Disclosures

The lease cost and other required information for the year ended December 31, 2022, are:

Lease expense		
Finance lease cost		
Amortization of right-of-use asset	$	79,714
Interest on lease liabilities		6,958
Operating lease expense		347,533
Variable lease expense		40,150
	$	474,355

The Agency's weighted average remaining lease term for its operating and finance lease commitments is 6.9 and 3.3 years, respectively. The Agency's weighted average discount rate used in the measurement of its operating and finance leases is 5.6% and 1%, respectively.

Future minimum lease payments and reconciliation to the consolidated statement of financial position at December 31, 2022, are as follows:

	Finance Leases	Operating Leases
2023	$ 84,931	$ 511,494
2024	84,187	506,727
2025	81,672	382,646
2026	27,224	352,717
2027	-	331,961
Thereafter	-	325,813
Total undiscounted cash flows	278,014	2,411,358
Less: present value discount	(321)	(164,333)
Total lease liabilities	$ 277,693	$ 2,247,025

Sublease Agreement

The new lease standard applied to lessor accounting remains largely unchanged from legacy U.S. GAAP; however, the new standard does contain some targeted improvements to align with the new revenue recognition guidance, *Revenue From Contracts With Customers* (Topic 606), issued pursuant to ASU No. 2014-09.

In 2018 the Agency entered into a sublease agreement for the Ann Moody Place in October 2018. The related party right-of-use asset and liability and operating expenses have been eliminated in consolidation. The sublease is with a local hospital district (the lessee) to provide geriatric care. The term of the lease is ten years and six months and includes two five-year renewal options. The Agency and the lessee intend to collaborate through a referral system to provide services to clients who need the specialized services provided by both organizations.

The sublease agreement also includes a tenant improvement allowance of approximately $147,400, which has been recorded in deposits and other assets and accounts payable and accrued liabilities in the accompanying consolidated statement of financial position at December 31, 2022. The tenant improvement allowance is amortized over the term of the sublease agreement, with an unamortized value of approximately $85,785 at December 31, 2022.

The Agency's estimated future sublease receipts, excluding additional rent to cover operating electrical costs calculated as 17.7% of the total monthly use at December 31, 2022, are:

2023	$ 218,331
2024	223,785
2025	229,411
2026	235,136
2027	240,983
Later years	226,053
Total minimum annual lease receipts	$ 1,373,699

Note 12: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of December 31, 2022, comprise the following:

Total financials assets	$ 15,992,870
Donor imposed restrictions	
Restricted purpose funds	2,456,447
Endowments - restricted funds for specified event	318,999
Endowments - corpus	3,464,227
Net financial assets after donor imposed restrictions	9,753,197
Internal designations	
Board-designated funds	2,658,158
Quasi-endowments	3,160,485
Financial assets available to meet cash needs for general expenditures within one year	$ 3,934,554

The Organizations' endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The board-designated endowment of $3,160,485 is subject to an annual spending rate of 2% to 5% as the Board of Directors deems appropriate to fulfill endowment purposes, as described in *Note 9*. Although the Organizations do not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary. To help manage unanticipated liquidity needs, the Agency has a revolving line of credit in the amount of $750,000, as described in *Note 16*, which it could draw upon.

The Organizations manage its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Organizations have a liquidity policy to maintain current financial assets less current liabilities at a minimum of 90 days operating expenses. The Organizations have a policy to target a year-end balance of reserves without donor restriction and which are undesignated by the board to meet 30 to 45 days of expected expenditures. To achieve these targets, the Organizations forecast its future cash flows and monitors their liquidity quarterly and monitors their reserves annually.

During the year ended December 31, 2022, the level of liquidity and reserves was managed within the policy requirements.

Note 13: Related Party Transactions

During the year ended December 31, 2022, Agency, DRE and Foundation Board members and/or their affiliates contributed $433,091 to the Organizations.

Note 14: Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Grants and Other Revenue Sources

The Agency receives a significant portion of its revenue from government grants, the United Way, special events and charitable contributions. Government grants must be approved each year and the amount of charitable contributions, special events and in-kind goods and services received may be sensitive to economic conditions. The Agency is subject to the risk that these sources of revenue can vary from year-to-year. Management, with oversight from the Board of Directors, closely monitors the cash flows of the Agency and adjusts the operating budget to maintain expenditures at levels supported by cash flows.

Federal and other grants are subject to periodic review and assessment by the related federal and other agencies. The Agency believes matters related to these reviews will not have a material adverse effect on the consolidated financial position or activities of the Agency.

Investments

The Organizations invest in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities may occur and that such changes could materially affect the amounts reported in the accompanying statement of financial position.

Note 15: Financing

Ann Moody Place is located in an underserved community in Dallas and qualified for New Market Tax Credits. Construction was completed and the building became occupied in May 2017. The improvements and operating costs were funded through a capital campaign, interim bank financing and new market tax credits.

On July 28, 2016, the Agency obtained a $3,397,100 loan (Loan B) to finance the construction and improvements at Ann Moody Place. This loan is secured by the property and rights and accounts relating thereto, with an interest rate of 1.16%. This loan requires annual interest payments which commenced on December 1, 2016. The loan will require payments of principal and interest commencing on December 1, 2024, until maturity on December 1, 2050. Amount outstanding was $3,397,100 at December 31, 2022.

Aggregate annual maturities of long-term debt at December 31, 2022, are:

2023	$ -
2024	107,806
2025	109,061
2026	110,331
2027	111,615
Later years	2,958,287
Total principal payments	$ 3,397,100

Note 16: Line of Credit

The Agency has a $750,000 revolving line of credit which was renewed in May 2022 with a maturity date of May 7, 2023. At December 31, 2022, there was no outstanding borrowing against this line. The line is collateralized by substantially all of the Agency's assets. Interest varies with the bank's SOFR (Secured Overnight Funding Rate) rate, which was 4.30% at December 31, 2022, and is payable monthly.

Note 17: Grants from Governmental Agencies

Grants from governmental agencies consist of the following for the years ended December 31, 2022:

U. S. Department of Housing and Urban Development		
Emergency Shelter Grant -ESG	$	592,753
(Passed through the Texas Department of Housing and Community Affairs)		
Emergency Shelter Grant -ESG		86,223
(Passed through the City of Dallas)		
Community Development Block Grant		14,283
(Passed through City of Plano)		
Community Development Block Grant		32,050
(Passed through City of Mesquite)		
U. S. Department of Health and Human Services		
Family Violence Prevention and Services/Domestic Violence Shelter and Supporting Services		1,202,562
(Passed through the Texas Health and Human Services Commission)		
Temporary Assistance for Needy Families		616,276
(Passed through the Texas Health and Human Services Commission)		
Social Securities Block Grant		13,792
(Passed through the Texas Health and Human Services Commission)		
U.S. Department of Justice		
Victims of Crime Act Fund -VOCA		1,316,082
(Passed through State of Texas, Office of the Governor-Criminal Justice Division)		
Justice Systems Response to Families		198,899
U. S. Department of Treasury		
Emergency Rental Assistance Round 1 & 2		711,569
(Passed through Texas Department of Housing and Community Affairs)		
Coronavirus State and Local Fiscal Recovery Funds		451,779
(Passed through State of Texas, Office of the Governor-Criminal Justice Division)		
U. S. Department of Homeland Security		
Emergency Food and Shelter National Board Program		50,000
(Passed through the Community Council of Greater Dallas)		
State of Texas, Health and Human Services Commission		495,220
State of Texas, Office of the Attorney General, Crime Victim Services Division		
Other Victim Assistance Grant		44,998
Texas Department of Criminal Justice Community Justice Assistance		
Division-Diversion Target Program Grant (CJAD-BIPP)		87,987
Dallas County Family Protection Fee		95,000
Dallas County BIPP		15,105
City of Dallas R.E.A.L Time Rehousing		44,160
Town of Addison		1,875
City of Allen		5,671
City of Coppell		5,502
City of Dallas		181
City of Farmers Branch		10,316
City of Frisco		13,735
	$	6,106,018

Note 18: Subsequent Events

Subsequent events have been evaluated through September 22, 2023, which is the date the consolidated financial statements were available to be issued.

In August 2023, the Agency obtained a $750,000 revolving line of credit with a maturity date of August 11, 2024. The line is collateralized by substantially all of the Agency's assets. Interest varies based on the changes in the 1 month Secured Overnight Financing Rate, which was 5.3% at the time of the agreement.

The Family Place completed the terms of its New Markets Tax Credit arrangement that was used in connection with the acquisition, construction, development and leasing of the Ann Moody shelter and social services facility in Dallas, Texas. The Family Place unwound the structure and terminated the required New Market Tax Credit agreements pursuant to that certain Exit Agreement Transfers Memorandum, dated as of August 1, 2023, by and among (1) Chase Community Equity, LLC , (2) Chase NMTC Family Place Investment Fund, LLC, (3) DDF Hotel, LLC, (4) Dallas Development Fund Management, LLC, (5) The Family Place Dallas Real Estate, Inc., and (6) The Family Place. The transaction will result in a gain from extinguishment of $3,397,100 in 2023.

Supplementary Information

The Family Place

Schedule of Consolidating Financial Position

Year Ended December 31, 2022

	The Family Place, Inc.		The Family Place Foundation, Inc.		The Family Place Dallas Real Estate, Inc.			Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	December 31, 2022
Assets								
Cash and cash equivalents	$ 4,920,896	$ 2,130,363	$ 190,636	$ 56,624	$ 79,000	$ -	$ -	$ 7,377,519
Pledge receivable, net of allowance & discount	4,300	150,441	-	95,643	-	-	-	250,384
Grants receivable	1,043,367	75,000	-	-	-	-	-	1,118,367
Other receivables	441,571	-	933	3,376	7,917	-	(38,802)	414,995
Prepaid expenses	210,438	-	-	-	-	-	-	210,438
Deposits and other assets	8,004,698	-	-	-	-	-	(7,872,900)	131,798
Investments, at fair value	2,765,628	-	342,751	3,723,226	-	-	-	6,831,605
Property, fixtures, and equipment, net of depreciation	4,832,542	-	-	-	13,165,607	-	(33,460)	17,964,689
Right of use asset - operating lease	11,143,444	-	-	-	-	-	(8,917,440)	2,226,004
Right of use asset - finance lease	274,265	-	-	-	-	-	-	274,265
Total assets	33,641,149	2,355,804	534,320	3,878,869	13,252,524	-	(16,862,602)	36,800,064
Liabilities								
Accounts payable and accrued liabilities	1,298,631	-	20,275	-	14,218	-	(38,802)	1,294,322
Operating lease liabilities, net	11,565,361	-	-	-	-	-	(9,318,336)	2,247,025
Finance lease liabilities, net	277,693	-	-	-	-	-	-	277,693
Notes payable	-	-	-	-	11,270,000	-	(7,872,900)	3,397,100
Total liabilities	13,141,685	-	20,275	-	11,284,218	-	(17,230,038)	7,216,140
Net Assets								
Without donor restrictions								
Undesignated	15,023,572	-	171,294	-	1,968,306	-	367,436	17,530,608
Designated by the board								
For quasi-endowment	2,817,734	-	342,751	-	-	-	-	3,160,485
For technology	107,225	-	-	-	-	-	-	107,225
For professional development	21,054	-	-	-	-	-	-	21,054
For employee retention	149,301	-	-	-	-	-	-	149,301
For client assistance	100,578	-	-	-	-	-	-	100,578
For residential facilities	850,000	-	-	-	-	-	-	850,000
For future operations	1,330,000	-	-	-	-	-	-	1,330,000
For non-residential facilities	100,000	-	-	-	-	-	-	100,000
With donor restrictions	-	2,355,804	-	3,878,869	-	-	-	6,234,673
Total net assets	20,499,464	2,355,804	514,045	3,878,869	1,968,306	-	367,436	29,583,924
Total liabilities and net assets	$ 33,641,149	$ 2,355,804	$ 534,320	$ 3,878,869	$ 13,252,524	$ -	$ (16,862,602)	$ 36,800,064

The Family Place
Schedule of Consolidating Activities
Year Ended December 31, 2022

	The Family Place, Inc.		The Family Place Foundation, Inc.		The Family Place Dallas Real Estate, Inc			Total
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions	Eliminations	December 31, 2022
Public Support and Revenue								
Public Support								
Contributions								
General	$ 3,346,603	$ 539,838	$ 22,692	$ 145,000	$ -	$ -	$ -	$ 4,054,133
Special events, net	1,985,144	-	-	-	-	-	-	1,985,144
In-kind goods and services	597,976	-	-	-	-	-	-	597,976
United Way	441,949	-	344	-	-	-	-	442,293
Total contributions	6,371,672	539,838	23,036	145,000	-	-	-	7,079,546
Grants from governmental agencies	6,106,018	-	-	-	-	-	-	6,106,018
Other revenue								
Resale shop sales	983,006	-	-	-	-	-	-	983,006
Net investment return	(555,729)	4,637	(66,779)	(724,906)	242	-	-	(1,342,535)
Program service fees	86,762	-	-	-	-	-	-	86,762
Miscellaneous income	392,161	-	-	-	95,000	-	(174,822)	312,339
Total other revenue	906,200	4,637	(66,779)	(724,906)	95,242	-	(174,822)	39,572
Net Assets Released from Restrictions								
Restriction satisfied by payment	648,606	(648,606)	-	-	-	-	-	-
Total public support and revenue	14,032,496	(104,131)	(43,743)	(579,906)	95,242	-	(174,822)	13,225,136
Program and Supporting Services								
Program Services								
Emergency Shelters & Housing	7,933,028	-	-	-	197,522	-	(198,991)	7,931,559
Counseling	2,943,199	-	-	-	197,522	-	(204,282)	2,936,439
Community Collaboration	3,435,909	-	-	-	16,930	-	(19,735)	3,433,104
Total program services	14,312,136	-	-	-	411,974	-	(423,008)	14,301,102
Supporting Services								
Management and general	2,267,250	-	8,273	-	107,226	-	(109,004)	2,273,745
Fundraising	1,264,150	-	4,322	-	45,150	-	(43,706)	1,269,916
Total supporting services	3,531,400	-	12,595	-	152,376	-	(152,710)	3,543,661
Total program and supporting services	17,843,536	-	12,595	-	564,350	-	(575,718)	17,844,763
Change in Net Assets	(3,811,040)	(104,131)	(56,338)	(579,906)	(469,108)	-	400,896	(4,619,627)
Net Assets, Beginning of Year	24,310,504	2,459,935	570,383	4,458,775	2,437,414	-	(33,460)	34,203,551
Net Assets, End of Year	$ 20,499,464	$ 2,355,804	$ 514,045	$ 3,878,869	$ 1,968,306	$ -	$ 367,436	$ 29,583,924

The Family Place
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

FEDERAL AGENCY / Cluster / Program	Pass-Through Entity	Federal Assistance Listing Number	Pass-Through Entity Identifying Number Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Emergency Solutions Grant Program					
Emergency Solutions Grants Program	Texas Department of Housing & Community Affairs	14.231	42206000013	$ -	$ 19,051
Emergency Solutions Grants Program	Texas Department of Housing & Community Affairs	14.231	42216000012	-	189,951
COVID-19 Emergency Solutions Grants and Coronavirus Aid, Relief, and Economic Security Act Round 2	Texas Department of Housing & Community Affairs	14.231	44206000020	-	383,751
COVID-19 Emergency Solutions Grants Program	City of Dallas	14.231	OHS-2021-00015563	-	82,795
COVID-19 Emergency Solutions Grants Program COVID Rapid Rehousing Program	City of Dallas	14.231	OHS-2020-00013839	-	3,428
COVID-19 Community Development Block Grant	City of Mesquite	14.231	B-20-MW-48-0014	-	943
Community Development Block Grant	City of Mesquite	14.231	B-21-MW-48-0014	-	23,737
Community Development Block Grant	City of Mesquite	14.231	B-22-MW-48-0014		7,370
Total Emergency Solutions Grants Program				-	711,026
CDBG/ Entitlement Grants Cluster					
Community Development Block Grants/ Entitlement Grants	City of Plano	14.218	B-20-MC-48-0035	-	12,959
Community Development Block Grants/ Entitlement Grants	City of Plano	14.218	B-22-MC-48-0035	-	1,324
Total CDBG/ Entitlement Grants Cluster					14,283
Total U.S. Department of Housing and Urban Development					725,309
U.S. DEPARTMENT OF JUSTICE					
Crime Victim Assistance					
Family Violence Intervention Services	Texas Office of the Governor-Criminal Justice Division	16.575	2798305	-	1,316,082
Justice Systems Response to Families		16.021		-	179,501
Justice Systems Response to Families		16.021		-	19,398
Total Justice Systems Response to Families				-	198,899
Total U.S. Department of Justice				-	1,514,981
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Family Violence Prevention and Services/ Sexual Assult/ Rape Crisis Services and Supports					
COVID-19 Federal Family Violence Prevention Act & Federal Title Block Grant	Texas Health and Human Services Commission	93.497	HHS000380000043	-	350,397
Temporary Assistance for Needy Families	Texas Health and Human Services Commission	93.558	HHS000380000043		497,032
Temporary Assistance for Needy Families	Texas Health and Human Services Commission	93.558	HHS001102100029	-	119,244
Total Temporary Assistance for Needy Families					616,276
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services					
Federal Family Violence Prevention Act & Federal Title Block Grant (FVPSA Award)	Texas Health and Human Services Commission	93.671	HHS000380000043	-	138,952
COVID- 19 Federal Family Violence Prevention Act & Federal Title Block Grant (FVPSA Award), ARP Act	Texas Health and Human Services Commission	93.671	HHS000380000043	-	69,594
Federal Family Violence Prevention Act & Federal Title Block Grant (FVPSA Award), PEAF	Texas Health and Human Services Commission	93.671	HHS000380000043	-	526,415
Federal Family Violence Prevention Act & Federal Title Block (Special Nonresidential Project)	Texas Health and Human Services Commission	93.671	HHS000679900012	-	85,059
Federal Family Violence Prevention Act & Federal Title Block Grant	Texas Health and Human Services Commission	93.671	HHS001108000018		31,372
COVID- 19 Federal Family Violence Prevention Act & Federal Title Block Grant (FVPSA Award), ARP Act	Texas Health and Human Services Commission	93.671	HHS001108000018		773
Total Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services				-	852,165
Social Services Block Grant	Texas Health and Human Services Commission	93.667	HHS000380000043	-	13,792
Total U.S. Department of Health and Human Services					1,832,630
U.S. DEPARTMENT OF HOMELAND SECURITY					
Emergency Food and Shelter National Board Program	Community Council of Greater Dallas	97.024	782600-0011	-	50,000
Total U.S. Department of Homeland Security				-	50,000
U.S. DEPARTMENT OF TREASURY					
COVID-19 Emergency Rental Assistance Program	Texas Department of Housing and Community Affairs	21.023	20210000030	-	489,376
COVID-19 Emergency Rental Assistance Program	Texas Department of Housing and Community Affairs	21.023	20220000038	-	222,193
					711,569
Coronavirus State and Local Fiscal Recovery Funds	Texas Office of the Governor-Criminal Justice Division	21.027	2798306		451,779
Total U.S. Department of Treasury				-	1,163,348
Total federal expenditures				$ -	$ 5,286,268

The accompanying notes are an integral part of this schedule

The Family Place
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2022

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal award activity of the Agency under programs of the federal government for the year ended December 31, 2022. 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). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, change in net assets, or cash flows of the Agency.

Note 2: Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the 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. Negative amounts shown on the schedule, if any, represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3: Indirect Cost Rate

The Agency has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

Note 4: Federal Loan Program

The Agency did not have any federal programs during the year ended December 31, 2022.

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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*

Independent Auditor's Report

Board of Directors
The Family Place
Dallas, Texas

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 (*Government Auditing Standards*), the consolidated financial statements of The Family Place and Subsidiaries (Organization), which comprise the Organization's consolidated statement of financial position as of December 31, 2022, 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 September 22, 2023. The financial statements of The Family Place Dallas Real Estate, Inc. and The Family Place Foundation (collectively, Subsidiaries), which are included in the Organization's consolidated financial statements, were not audited in accordance with *Government Auditing Standards,* and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the subsidiaries.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 Organization's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

FORVIS, LLP

Fort Worth, Texas
September 22, 2023

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

Board of Directors
The Family Place
Dallas, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Family Place's (Agency) 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 Organization's major federal programs for the year ended December 31, 2022. The Organization'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 Organization 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 December 31, 2022.

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 Organization 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 Organization'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 Organization'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 Organization'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 Organization'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 Organization'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 Organization'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 Organization'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.

FORVIS, LLP

Fort Worth, Texas
September 22, 2023

The Family Place
Schedule of Findings and Questioned Costs
Year Ended December 31, 2022

Section I - Summary of Auditor's Results

Financial Statements

1. Type of report the auditor issued on whether the consolidated financial statements audited were prepared in accordance with GAAP:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

   Material weakness(es) identified? ☐ Yes ☒ No

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major federal awards programs:

   Significant deficiency(ies)? ☐ Yes ☒ None Reported

   Material weakness(es)? ☐ Yes ☒ No

5. Type of auditor's report issued on compliance for major federal programs:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that required to be reported by 200.516(a)? ☐ Yes ☒ No

7. Identification of major federal programs:

Cluster/Program	Assistance Listing Number
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671
COVID-19 Emergency Rental Assistance Program	21.023

The Family Place
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2022

8. Dollar threshold used to distinguish between Type A and Type B programs was $750,000.

9. The Auditee qualified as a low-risk auditee? ☒ Yes ☐ No

Section II – Financial Statement Findings

Reference Number	Finding
	No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
	No matters are reportable.

The Family Place
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2022

Reference Number	Summary of Finding	Status
	No matters are reportable.	