HOMEOWNERSHIP COUNCIL OF AMERICA

FINANCIAL STATEMENTS

DECEMBER 31, 2022

(REVIEWED)

CASHUK, WISEMAN, GOLDBERG, BIRNBAUM, & SALEM, LLP
Certified Public Accountants

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HOMEOWNERSHIP COUNCIL OF AMERICA
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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Homeownership Council of America

We have reviewed the accompanying financial statements of Homeownership Council of America (a California nonprofit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquires of the Organization's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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

Accountant's Responsibility
Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Service promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion
Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Cashuk, Wiseman, Goldberg, Birnbaum & Salem, LLP

CASHUK, WISEMAN, GOLDBERG, BIRNBAUM AND SALEM, LLP

San Diego, California
May 19, 2023

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HOMEOWNERSHIP COUNCIL OF AMERICA
STATEMENT OF FINANCIAL POSITION
December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents (Note A)	$ 392,307	$ -	$ 392,307
Accounts Receivable, net (Note A)	63,100	-	63,100
Donations Receivable, net (Note A)	-	225,000	225,000
Employee Retention Credit Receivable (Note A)	87,146	-	87,146
Employee Advances	5,478	-	5,478
Prepaid Expenses	1,402	-	1,402
Loans Receivable, Current Portion (Note E)	-	-	-
Interfund Due (to)/from Balance	(386,359)	386,359	-
TOTAL CURRENT ASSETS	163,074	611,359	774,433
OTHER ASSETS			
Loans Receivable, net of Current Portion (Note E)	27,000	-	27,000
TOTAL ASSETS	**$ 190,074**	**$ 611,359**	**$ 801,433**
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts Payable & Accrued Expenses	$ 6,540	$ -	$ 6,540
NET ASSETS			
Net Assets Without Donor Restrictions (Notes A & H)	183,534	-	183,534
Net Assets with Donor Restrictions (Notes A & I)	-	611,359	611,359
TOTAL NET ASSETS	183,534	611,359	794,893
TOTAL LIABILITIES AND NET ASSETS	**$ 190,074**	**$ 611,359**	**$ 801,433**

The accompanying notes are an integral part of these financial statements.

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HOMEOWNERSHIP COUNCIL OF AMERICA
STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Donations and Grants (Note A)	$ 89,148	$ 640,434	$ 729,582
Consulting and Other (Note A)	331,600	-	331,600
Lender Services (Note A)	45,450	-	45,450
Net Assets Released from Restriction	29,075	(29,075)	-
TOTAL REVENUES AND OTHER SUPPORT	495,273	611,359	1,106,632
EXPENSES			
Program Services (Page 5)	278,355	-	278,355
Supporting Services			
Management and General (Page 5)	168,864	-	168,864
Fundraising (Page 5)	-	-	-
Total Supporting Services	168,864	-	168,864
TOTAL EXPENSES	447,219	-	447,219
INCREASE IN NET ASSETS	48,054	611,359	659,413
NET ASSETS - BEGINNING OF YEAR	135,480	-	135,480
NET ASSETS - END OF YEAR	$ 183,534	$ 611,359	$ 794,893

The accompanying notes are an integral part of these financial statements.

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HOMEOWNERSHIP COUNCIL OF AMERICA
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2022

	Program Services	Supporting Services: Management and General	Supporting Services: Fundraising	Total
EXPENSES				
Advertising (Note A)	$ 1,493	$ 716	$ -	$ 2,209
Bank Charges	85	1,063	-	1,148
Dues and Subscriptions	2,294	2,763	-	5,057
Employee Health Insurance and Benefits	-	19,581	-	19,581
Insurance	-	4,813	-	4,813
Meetings	-	124	-	124
Office Supplies and Software	7,129	5,826	-	12,955
Payroll Tax Expense	-	27,809	-	27,809
Professional Services	9,817	3,000	-	12,817
Taxes and Licenses	-	273	-	273
Travel	23,485	3,975	-	27,460
Wages and Salaries	234,052	98,441	-	332,493
Utilities	-	480	-	480
TOTAL EXPENSES	$ 278,355	$ 168,864	$ -	$ 447,219

The accompanying notes are an integral part of these financial statements.

HOMEOWNERSHIP COUNCIL OF AMERICA
STATEMENT OF CASH FLOWS
Year Ended December 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Increase in Net Assets	$ 48,054	$ 611,359	$ 659,413
Adjustments to Reconcile Net Income to Net Cash Provided(Used) by Operating Activities:			
Accounts Receivable	(28,900)	-	(28,900)
Donations Receivable	-	(225,000)	(225,000)
Employee Advances	(5,478)	-	(5,478)
Prepaid Expenses	(1,402)	-	(1,402)
Due from Related Party	3,542	-	3,542
Loans Receivable	(27,000)	-	(27,000)
Accounts Payable & Accrued Expenses	4,084	-	4,084
Interfund Due (to)/from Balance	386,359	(386,359)	-
CASH PROVIDED BY OPERATING ACTIVITIES	379,259	-	379,259
Cash and Cash Equivalents at Beginning of Year	13,048	-	13,048
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 392,307	$ -	$ 392,307

The accompanying notes are an integral part of these financial statements.

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NOTE A-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

1. Homeownership Council of America ("The Organization") was incorporated under the laws of the State of California on December 11, 2006, under the name Housing Opportunities Collaborative. On February 1, 2019, the Organization filed amended articles of incorporation to change its name to Homeownership Council of America. The Organization has adopted a December 31 year end for reporting requirements.

2. Homeownership Council of America is a California nonprofit public benefit organization. The Organization's mission is to build more equitable access to homeownership credit for America's underserved communities by providing unique services to other nonprofits, community development financial institutions, mortgage lenders and investors supplying access to credit for the underserved.

3. Financial Statement Presentation-The classification of an organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the two classes of net assets with donor restrictions and net assets without donor restrictions be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities. The classes are defined as follows:

   Net Assets with Donor Restrictions-Net assets resulting from contributions and other inflows of assets whose use by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Organization pursuant to those stipulations. When such stipulations end or are fulfilled, such net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities and changes in net assets.

   Net Assets without Donor Restrictions are the part of net assets that are not restricted by donor-imposed stipulations.

4. Use of Estimates-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 the estimates.

5. Cash & Cash Equivalents for purposes of the statement of cash flows, include cash on hand, cash in checking and savings accounts with banks. All short-term debt securities with a maturity of three months or less are considered cash equivalents. The Organization did not have any cash equivalents at December 31, 2022.

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NOTE A-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

6. Concentration of Cash and Credit Risk-The Organization maintains deposits in financial institutions that at times may exceed the insured amount of $250,000 provided by the U.S. Federal Deposit Insurance Corporation (FDIC). At yearend, the Organization had uninsured cash balances totaling $160,090.

7. Revenue Recognition-Revenues are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or received with donor stipulations that limit the use of the donated assets are reported as revenues with donor restrictions. When a donor restriction expires, that is, when a stipulated purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statement of activities as net assets released from restriction. Donor restricted revenues that are either spent or deemed spent within the same fiscal year as received or earned are reported as unrestricted revenues.

8. Accounts Receivable consist of fees related to services performed by the Organization that were completed in the current year but were not received as of the statement of financial position date. Management determines an allowance for doubtful accounts based on specific identification of uncollectible receivable and historical collection rates. Uncollectible receivables are written off after all attempts at collection are exhausted. Management has determined that all receivables are collectible at December 31, 2022.

9. Donations Receivable consist of promises of donations which are to be realized with one year. The Organization accounts for bad debts using the allowance method by expensing the estimated promises to give what management considers to be uncollectible, or realizable at less than full value. Management has determined that all donations receivable are collectible at December 31, 2022.

10. Employee Retention Credit Receivable-Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), the Organization filed, with the Internal Revenue Service, amended payroll tax returns to claim employee retention credit refunds totaling $87,146. The Organization has determined that it has met all eligibility requirements for the credit refund.

11. Contributed Services-During the year ended December 31, 2022, the value of contributed services meeting the requirements for recognition in the financial statements were not material and have not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist the organization at its facilities, but these services do not meet the criteria for recognition as contributed services.

12. Advertising, Marketing and Promotion Costs-The Organization follows the policy of charging these costs to expense as incurred. Advertising expenses were $2,209 for the year ended December 31, 2022.

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NOTE A-NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CON'T:

13. Property and Equipment are recorded at cost, or if donated, at approximate value at the date of the gift. The straight-line method of depreciation is followed for financial reporting purposes and for federal income tax purposes. Depreciation is provided in amounts sufficient to relate the cost of assets to operations over their estimated service lives or the lives of the respective leases, whichever is shorter. Maintenance and repairs are charged to expense. Gains and losses on dispositions are credited or charged to earnings as incurred. The Organization has no property or equipment.

14. Leases-Effective January 1, 2022, the Organization adopted the requirements of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-02, "*Leases* (Topic 842)" and all related amendments. The Organization elected to apply the practical expedient of foregoing the restatement of comparative periods. In addition, the Organization elected the practical expedients permitted under transition guidance to not reassess leases entered into prior to adoption. As permitted under ASC 842, the Organization made an accounting policy election to exempt leases with an initial term of 12 months or less from statement of financial position recognition. Instead, short-term leases are expensed over the lease term with no impact to the statement of financial position. Under this approach, operating leases are measured and recorded as operating leases as of January 1, 2022, and existing capital leases are carried over at their carrying value and classified as finance leases. The Organization had no operating or finance leases as of December 31, 2022.

15. Functional Allocation of Expenses-Costs to provide various activities and programs have been summarized on a functional basis in the statement of functional expenses. Direct costs are allocated to the activities that incurred the costs. General and other certain costs are allocated among the programs that received the benefits.

16. Fair Value of Financial Instruments-Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820, "*Fair Value Measurements and Disclosures*", defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

Cash and Cash Equivalents, Accounts Receivable, Donations Receivable, Accounts Payable and Accrued Liabilities-The carrying amounts reported on the statement of financial position for these items are a reasonable estimate of fair value.

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NOTE B-INCOME TAXES:

The Organization is exempt, except for unrelated business income, from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for current or deferred income tax expense is recorded in the financial statements.

The Organization adopted the provisions of FASB ASC Topic 740-10, "*Income Taxes*" regarding accounting for uncertain income tax positions. Management is not aware of any tax positions that are more likely than no to change in the next 12 months, or that would sustain an examination by applicable taxing authorities.

The Organization recognizes penalties and interest arising from uncertain tax positions as incurred in the statement of activities, which totaled $0, during the year ended December 31, 2022.

The federal and state income tax returns of the Organization are subject to examination by the IRS and state taxing authorities, generally for three years after they are filed.

NOTE C-RETIREMENT PLAN:

The Organization does currently does not sponsor a retirement plan.

NOTE D-SUBSEQUENT EVENT:

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 19, 2023, the date the financial statements were available to be issued.

There were no subsequent events that require adjustments to and disclosures in the financial statements as of and for the year ended December 31, 2022.

NOTE E-LOANS RECEIVABLE:

Under the Organization's homeownership down payment assistance programs, the Organization offers downpayment assistance loans for the lesser of 3% of the purchase price or $9,000. The program is open to Black, Indigenous, People of Color and Low-to-Moderate-Income, First Time Home Buyers. The loans charge no interest, payments are deferred and are fully forgivable upon the borrower's owner-occupancy in the subject property for at least 5 years. As of December 31, 2022 loans receivable totaled $27,000.

NOTE F-LEASES:

At December 31, 2022, The Organization had no operating or finance leases.

NOTE G-FAIR VALUE MEASUREMENTS:

FASB ASC Topic 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC Topic 820, the following summarizes the fair value hierarchy:

Level 1 Inputs—Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs—Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs—Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC Topic 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

As of December 31, 2022, there were no assets and liabilities measured at fair value.

NOTE H-NET ASSETS WITHOUT DONOR RESTRICTIONS:

The Board of Directors of Homeownership Council of America has several policies that affect the presentation of board designations of net assets. As of December 31, 2022, the Board of Directors did not designate any self-imposed restrictions on the use of net assets without donor restrictions.

NOTE I-NET ASSETS WITH DONOR RESTRICTIONS:

Net asset with donor restrictions, as of December 31, 2022 are restricted for the following purpose:

Downpayment Assistance Program	$ 611,359

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NOTE J-LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS:

The following reflects Homeownership Council of America's financial assets as of the balance sheet date, reduced by amounts not available for general use within one year of the balance sheet date because of donor-imposed restrictions.

Current assets, excluding non-financial assets	$ 680,407
Subtract: Donor restrictions for specific purposes	611,359
Financial assets available to meet cash needs for general expenditures within one year	$ 69,048

NOTE K-NEW ACCOUNTING STANDARDS:

In March 2016, the FASB issued ASU 2016-02 "*Leases* (Topic 842)", which provides guidance for accounting for leases. ASU 2016-02 requires lessees to classify leases as either finance or operating leases and to record a right-of-use asset and a lease liability for all leases with a term greater than 12 months regardless of the lease classification. The lease classification will determine whether the lease expense is recognized based on an effective interest rate method or a straight-line basis over the term of the lease. Accounting for lessors remains largely unchanged from current GAAP.

Effective January 1, 2022, the Organization adopted the requirements of ASU 2016-02 and all related amendments. As presented in Note F, the Organization had no operating or finance leases as of the implementation date, thus the adoption of ASU 2016-02 had no impact on the Organization's financial statements.

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