

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI

Audited Financial Statements

For the Years Ended December 31, 2020 and 2019

Audited Schedule of Federal Awards and Supplementary Reports

For the Year Ended December 31, 2020

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
Table of Contents

	Page
Independent Auditor's Report	1-2
Financial Statements	
Statements of Financial Position	3-4
Statements of Activities	5-6
Statements of Functional Expenses	7-8
Statements of Cash Flows	9
Notes to Financial Statements	10-21
Schedule of Program Expenses	22
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters	23-24
Federal Awards	
Schedule of Expenditure of Federal Awards	25
Notes to Schedule of Expenditure of Federal Awards	26
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance	27-28
Schedule of Findings	29



Anderson-Kurtz

Financial Services LLC

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Interfaith Hospitality Network of Greater Cincinnati
Cincinnati, Ohio

I have audited the accompanying financial statements of Interfaith Hospitality Network of Greater Cincinnati (an Ohio nonprofit corporation, the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities, statement functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Interfaith Hospitality Network of Greater Cincinnati as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

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

Prior Year Audit Report

The financial statements of Interfaith Hospitality Network of Greater Cincinnati for the year ended December 31, 2019 were audited by a predecessor auditor whose report dated August 18, 2020 expressed an unmodified opinion on those statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated June 11, 2021, on my consideration of the Organization's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Anderson-Kurtz Financial Services LLC

Cincinnati, Ohio
June 11, 2021

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 60,998	\$ 283,894	\$ 344,892
Grants receivable	550,119	-	550,119
Contributions receivable	12,875	-	12,875
Accounts receivable	45	-	45
Pledges receivable (net)	-	34,948	34,948
Total current assets	624,037	318,842	942,879
FIXED ASSETS			
Leasehold improvements	466,067	-	466,067
Furniture and equipment	48,297	-	48,297
	514,364	-	514,364
Less accumulated depreciation	(131,629)	-	(131,629)
Total property and equipment, net	382,735	-	382,735
NON-CURRENT ASSETS			
Pledges receivable (net)	-	62,697	62,697
Investment in LLC	302,505	-	302,505
Total non-current assets	302,505	62,697	365,202
TOTAL ASSETS	\$ 1,309,277	\$ 381,539	\$ 1,690,816
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 12,923	\$ -	\$ 12,923
Current portion of long-term debt	12,000	-	12,000
Total current liabilities	24,923	-	24,923
LONG-TERM LIABILITIES			
Long-term debt	69,500	-	69,500
TOTAL LIABILITIES	94,423	-	94,423
NET ASSETS	1,214,854	381,539	1,596,393
TOTAL LIABILITIES AND NET ASSETS	\$ 1,309,277	\$ 381,539	\$ 1,690,816

See accompanying notes and independent auditor's report.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 3,118	\$ 146,114	\$ 149,232
Grants receivable	278,031	-	278,031
Accounts receivable	1,315	-	1,315
Pledges receivable (net)	<u>-</u>	<u>13,811</u>	<u>13,811</u>
Total current assets	282,464	159,925	442,389
FIXED ASSETS			
Leasehold improvements	378,681	-	378,681
Furniture and equipment	<u>109,442</u>	<u>-</u>	<u>109,442</u>
	488,123	-	488,123
Less accumulated depreciation	<u>(179,001)</u>	<u>-</u>	<u>(179,001)</u>
Total property and equipment, net	309,122	-	309,122
NON-CURRENT ASSETS			
Pledges receivable (net)	-	33,774	33,774
Investment in LLC	<u>310,169</u>	<u>-</u>	<u>310,169</u>
Total non-current assets	<u>310,169</u>	<u>33,774</u>	<u>343,943</u>
TOTAL ASSETS	<u><u>\$ 901,755</u></u>	<u><u>\$ 193,699</u></u>	<u><u>\$ 1,095,454</u></u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$ 2,925	\$ -	\$ 2,925
Refundable advance	21,108	-	21,108
Current portion of long-term debt	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Total current liabilities	<u>36,033</u>	<u>-</u>	<u>36,033</u>
LONG-TERM LIABILITIES			
Long-term debt	<u>81,500</u>	<u>-</u>	<u>81,500</u>
TOTAL LIABILITIES	117,533	-	117,533
NET ASSETS	<u>784,222</u>	<u>193,699</u>	<u>977,921</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 901,755</u></u>	<u><u>\$ 193,699</u></u>	<u><u>\$ 1,095,454</u></u>

See accompanying notes and independent auditor's report.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
REVENUE			
Government grants	\$ 21,108	\$ 2,861,386	\$ 2,882,494
Other grant and contribution revenue	504,377	456,049	960,426
Capital campaign revenue	-	90,000	90,000
United Way contributions	-	62,150	62,150
In-kind professional service revenue	34,356	-	34,356
Gross special event revenue	19,438	-	19,438
Less direct donor benefit costs	(10,636)	-	(10,636)
	8,802	-	8,802
Net special event revenue			
Interest	57	-	57
Loss on disposal of assets	(14,169)	-	(14,169)
Net assets released from restrictions	3,281,745	(3,281,745)	-
	3,836,276	187,840	4,024,116
TOTAL OPERATING REVENUE			
EXPENSES			
Program services	3,197,091	-	3,197,091
Supporting services expense			
Management and general	99,955	-	99,955
Fundraising	100,934	-	100,934
	200,889	-	200,889
Total supporting services expense			
TOTAL OPERATING EXPENSES	3,397,980	-	3,397,980
CHANGE IN NET ASSETS FROM OPERATIONS	438,296	187,840	626,136
 NON-OPERATING ACTIVITIES			
Loss on investment in LLC	(7,664)	-	(7,664)
CHANGE IN NET ASSETS	430,632	187,840	618,472
NET ASSETS, BEGINNING OF YEAR	784,222	193,699	977,921
NET ASSETS, END OF YEAR	\$ 1,214,854	\$ 381,539	\$ 1,596,393

See accompanying notes and independent auditor's report.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING ACTIVITIES			
REVENUE			
Government grants	\$ -	\$ 1,865,608	\$ 1,865,608
Other grant and contribution revenue	291,451	272,664	564,115
Capital campaign revenue	-	56,000	56,000
United Way contributions	1,201	38,400	39,601
In-kind professional service revenue	12,948	-	12,948
In-kind donated items	12,450	0	12,450
Gross special event revenue	29,900	3,371	33,271
Less direct donor benefit costs	<u>(16,113)</u>	<u>-</u>	<u>(16,113)</u>
Net special event revenue	13,787	3,371	17,158
Interest	70	-	70
Net assets released from restrictions	<u>2,135,680</u>	<u>(2,135,680)</u>	<u>-</u>
TOTAL OPERATING REVENUE	<u>2,467,587</u>	<u>100,363</u>	<u>2,567,950</u>
EXPENSES			
Program services	2,347,313	-	2,347,313
Supporting services expense			-
Management and general	70,911	-	70,911
Fundraising	<u>85,315</u>	<u>-</u>	<u>85,315</u>
Total supporting services expense	156,226	-	156,226
TOTAL OPERATING EXPENSES	<u>2,503,539</u>	<u>-</u>	<u>2,503,539</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(35,952)	100,363	64,411
NON-OPERATING ACTIVITIES			
Loss on investment in LLC	<u>(7,665)</u>	<u>-</u>	<u>(7,665)</u>
CHANGE IN NET ASSETS	(43,617)	100,363	56,746
NET ASSETS, BEGINNING OF YEAR	<u>827,839</u>	<u>93,336</u>	<u>921,175</u>
NET ASSETS, END OF YEAR	<u>\$ 784,222</u>	<u>\$ 193,699</u>	<u>\$ 977,921</u>

See accompanying notes and independent auditor's report.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Direct Donor Benefit Costs</u>	<u>Total Expenses</u>
OPERATING EXPENSES					
Salaries	\$ 764,992	\$ 35,389	\$ 53,852	\$ -	\$ 854,233
Benefits	220,760	6,129	15,349	-	242,238
Payroll taxes	64,997	(32,672) A	4,484	-	36,809
Client housing	1,452,361	-	-	-	1,452,361
Guest transportation	57,710	-	-	-	57,710
Other direct guest expenses	156,234	192	-	-	156,426
Utilities and occupancy expense	44,952	454	768	-	46,174
COVID client housing	253,642	-	-	-	253,642
COVID supplies	15,957	-	-	-	15,957
COVID employee expenses	213	14,980	-	-	15,193
Professional fees	27,346	35,469	1,006	-	63,821
Depreciation	26,835	1,242	1,889	-	29,966
Grace Place expenses	2,168	-	-	-	2,168
Conferences and meetings	891	2,233	-	10,000	13,124
Travel and mileage	17,063	337	158	-	17,558
Printing and publications	-	539	13,016	-	13,555
Veterinary expenses	37,944	-	-	-	37,944
Supplies	20,832	3,216	215	-	24,263
Postage	1,977	782	4,087	-	6,846
Insurance	13,548	450	828	-	14,826
Dues	1,160	10,718	-	-	11,878
Telephone	8,443	1,357	304	-	10,104
Miscellaneous	2,072	17,600	1,732	636	22,040
Interest expense	-	1,178	-	-	1,178
Equipment rent and maintenance	4,994	362	210	-	5,566
Donor database	-	-	3,036	-	3,036
TOTAL OPERATING EXPENSES	<u>\$ 3,197,091</u>	<u>\$ 99,955</u>	<u>\$ 100,934</u>	<u>\$ 10,636</u>	<u>\$ 3,408,616</u>

A See Note 2, Allocation of Functional Expenses

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Direct Donor Benefit Costs</u>	<u>Total Expenses</u>
OPERATING EXPENSES					
Salaries	\$ 618,881	\$ 27,618	\$ 46,015	\$ -	\$ 692,514
Benefits	169,745	8,310	12,998	-	191,053
Payroll taxes	50,028	2,121	3,749	-	55,898
Client housing	1,036,664	-	-	-	1,036,664
Guest transportation	167,410	-	-	-	167,410
Other direct guest expenses	105,170	191	-	-	105,361
Utilities and occupancy expense	42,802	1,003	1,160	-	44,965
Professional fees	25,828	14,451	1,570	-	41,849
Depreciation	24,008	1,072	1,784	-	26,864
Grace Place expenses	22,091	-	-	-	22,091
Conferences and meetings	3,677	1,951	-	16,000	21,628
Travel and mileage	17,106	842	436	-	18,384
Printing and publications	7,339	929	7,980	-	16,248
Veterinary expenses	15,116	-	-	-	15,116
Supplies	11,398	1,309	263	113	13,083
Postage	4,258	1,397	4,704	-	10,359
Insurance	8,076	205	579	-	8,860
Dues	212	7,347	-	-	7,559
Telephone	6,434	652	329	-	7,415
Miscellaneous	5,655	1,201	375	-	7,231
Equipment rent and maintenance	5,415	312	385	-	6,112
Donor database	-	-	2,988	-	2,988
TOTAL OPERATING EXPENSES	<u>\$ 2,347,313</u>	<u>\$ 70,911</u>	<u>\$ 85,315</u>	<u>\$ 16,113</u>	<u>\$ 2,519,652</u>

See accompanying notes and independent auditor's report.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 618,472	\$ 56,746
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	29,966	26,864
Loss on disposal of property and equipment	14,169	-
Change in assets and liabilities:		
Grants receivable	(272,088)	(137,227)
Contributions receivable	(12,875)	-
Accounts receivable	1,270	(1,315)
Pledges receivable	(50,060)	(30,199)
Accounts payable	9,998	(24,249)
Deferred revenue	(21,108)	(10,503)
Net cash provided by operating activities	317,744	(119,883)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loss on investment in LLC	7,664	7,665
Purchase of property and equipment	(117,748)	(32,117)
Net cash used by investing activities	(110,084)	(24,452)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment on note payable	(12,000)	(12,000)
NET CHANGE IN CASH AND CASH EQUIVALENTS	195,660	(156,335)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	149,232	305,567
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 344,892	\$ 149,232

See accompanying notes and independent auditor's report.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

1. ORGANIZATION AND NATURE OF ACTIVITIES

Interfaith Hospitality Network of Greater Cincinnati (the "Organization") is a non-profit corporation organized in 1991 under the laws of the State of Ohio. It operates in the Greater Cincinnati area to provide homeless families with emergency shelter and hospitality through interfaith communities and assists these families in the search for and retention of stable housing. The Organization is funded by contributions, government grants and fundraisers and is supported by volunteers.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP").

Measure of Operations

The statements of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Organization's ongoing programs and interest on cash and cash equivalents. Non-operating activities include investments and other activities considered to be of a more unusual or nonrecurring nature.

Cash and Cash Equivalents

The Organization's cash consists of cash on deposit with banks. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase.

Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in bank accounts that, at times, may exceed federally insured limits. The Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions. The Organization has not experienced, nor does it anticipate, any losses with respect to such accounts.

As of December 31, 2020 and 2019, the Organization had cash balances in excess of federally insured limits of \$232,028 and \$700, respectively.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Grants and Pledges Receivable

The Organization receives grants from various organizations, foundations, trusts and local governments, as well as contributions from individuals. Grants receivable as of December 31, 2020 and 2019 consist primarily of amounts of reimbursable program expenses incurred during each respective year and expected to be received from federal and local government agencies under various grant agreements.

Pledges receivable are unconditional promises to give that are recognized as contributions when the promise is received. Pledges receivable that are expected to be collected in less than one year are reported at net realizable value. Pledges receivable that are expected to be collected in more than one year are initially recorded at estimated fair value determined using the discounted present value of expected cash flows and subsequently amortized over the expected payment period. The discount is calculated at 1.25% above federal prime rate. Amortization of the resulting discount is recognized as contribution revenue in subsequent years.

An allowance for uncollectible contributions receivable is determined based on management's evaluation of the collectability of individual promises. Pledges that remain uncollected more than one year after their due dates are written off unless the donors indicate the payment is merely postponed.

Property and Equipment

Property and equipment are recorded at cost (if purchased) or at market value at the date of gift (if donated). Expenditures for major additions and improvements are capitalized and repairs and maintenance that do not significantly increase the useful life of the asset are expensed as incurred. Depreciation is calculated on the straight-line method over the estimated useful lives of the assets, ranging from five to fifteen years.

Investments

Investment in a limited liability company (LLC) is accounted for using the equity method of accounting. Accordingly, investments are recorded at acquisition costs plus the Organization's share of undistributed earnings or losses from the partnership.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Net Assets

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor- (or certain grantor-) imposed restrictions. These net assets may be used at the discretion of the Organization’s management and board of directors for any purpose in performing the primary objectives of the Organization.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Organization currently does not have net assets with restrictions that are perpetual in nature.

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

Revenue Recognition

Contributions are recognized as revenue in the period the unconditional promise is made. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. Contributions, grants and bequests are recognized with donor restrictions if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restriction. Interest income is recognized when earned.

A portion of the Organization's revenue is derived from cost-reimbursable federal and local government contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization received cost reimbursable grants of \$0 and \$21,108 were not recognized at December 31, 2020 and 2019, respectively.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Organization recognizes special events revenue equal to the fair value of the direct benefits to donors when the special event takes place. The contribution element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Certain government revenue reflected in the statement of activities for the year ended December 31, 2020 represents the forgiven portion of a Small Business Association (SBA) Paycheck Protection Program (PPP) loan in the amount of \$183,910. Using the government grant model under FASB ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*, the Organization recognized the amount as a government grant, in substance. See Note 14.

In-Kind Donations

Volunteers contribute significant amounts of time in furtherance of the Organization's mission. These services are not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP. Contributed goods are recorded at fair value at the date of donation. No contributed goods were recorded in 2020 or 2019.

Donated professional services are recorded as public support only if they create or enhance nonfinancial assets or require specialized services. Donated professional services were \$34,356 and \$12,948 for the years ended December 31, 2020 and 2019, respectively.

Income Taxes

The Organization is an Ohio nonprofit corporation and is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

The Organization has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report any unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Allocation of Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and benefits	Time and effort
Occupancy	Program employees using the space to all employees using the space
Insurance	Program employees covered to all employees covered
Office supplies and postage	Program employees using the supplies to all employees using the supplies
Printing	Program employees using the materials to all employees using the materials
Telephone	Program employees using the equipment to all employees using the equipment
Maintenance and repairs	Program employees using the equipment to all employees using the equipment
Depreciation	Program employees using the equipment to all employees using the equipment
Audits	Program expense to total expense
Other	Program employees incurring the cost to all employees incurring the cost

In 2020 and 2019, approximately 94% of the Organization's total expenses related to program services, 3% to management and general services, and 3% to fundraising activities. For the year ended December 31, 2020, management and general payroll tax expense includes Ohio Bureau of Workers' compensation refunds/dividends of \$35,372 for COVID relief.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Reclassification

Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform with the presentation in the current year.

Recent Accounting Pronouncement

Lease Accounting Standard

In February 2016, the FASB issued ASU No. 2016-02, Leases. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of the lease commencement. Leases will be classified as either financing or operating. This distinction will be relevant for the pattern of expense recognition in the statement of activities. This standard will be effective for the Organization's year ending December 31, 2021.

Date of Management's Review

Subsequent events have been evaluated through June 11, 2021, the date the financial statements were available to be issued. See Note 15.

3. AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets available for general expenditure at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 344,892	\$ 149,232
Grants receivable	550,119	278,031
Contributions receivable	12,875	-
Pledges receivable, current portion	<u>34,948</u>	<u>13,811</u>
Total financial assets	942,834	441,074
Less amounts not available for general use within one year:		
Purpose restricted cash	(283,894)	(146,114)
Purpose restricted receivables	<u>(17,500)</u>	<u>-</u>
Financial assets available to meet general expenditures over the next year	<u>\$ 641,440</u>	<u>\$ 294,960</u>

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

AVAILABILITY AND LIQUIDITY, continued

The Organization has normal and recurring monthly expenses of approximately \$150,000. It is the goal of the Organization to maintain cash and availability to cover three months of expenses.

4. PLEDGES RECEIVABLE

Pledges receivable consist of contributions expected to be realized in the following periods:

	<u>2020</u>	<u>2019</u>
Less than one year	\$ 34,948	\$ 13,811
One to five years	<u>67,859</u>	<u>37,829</u>
Pledges receivable, gross	102,807	51,640
Less present value adjustment	<u>(5,162)</u>	<u>(4,055)</u>
	<u>\$ 97,645</u>	<u>\$ 47,585</u>

5. INVESTMENT IN LLC AND FAIR VALUE MEASUREMENT

The Organization owns 50 percent of 990 Nassau LLC (the "LLC"), a limited liability company formed in 2012 with another non-profit entity, for the purposes of purchasing and holding a building occupied by the Organization. The Organization contributed cash and the net book value of significant leasehold improvements made to the building while the Organization was under a lease-to-purchase agreement with the previous owner. Also see Note 13.

U.S. GAAP establishes a framework for measuring fair value and provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to Level 1 inputs, unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 inputs are other than quoted prices within the Level 1 that are observable either directly or indirectly. Level 3 includes unobservable inputs. The Organization's investment in the LLC is classified as a Level 2 input consisting of commercial property and land held by the LLC. The valuation technique used is a market value approach using quoted prices of similar assets in an observable real estate market.

Investment in the LLC at December 31 consisted of the following:

	<u>2020</u>		<u>2019</u>	
	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>
990 Nassau LLC	<u>\$ 302,505</u>	<u>\$ 363,184</u>	<u>\$ 310,169</u>	<u>\$ 363,184</u>

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

INVESTMENT IN LLC AND FAIR VALUE MEASUREMENT, continued

The following is a reconciliation of the balance in the LLC:

Balance, 12/31/18	\$ 317,834
Loss on investment	<u>(7,665)</u>
Balance, 12/31/19	310,169
Loss on investment	<u>(7,664)</u>
Balance, 12/31/20	<u><u>\$ 302,505</u></u>

6. LONG-TERM DEBT

In 2012, the Organization received a loan from the Hubert Family Foundation for \$162,000 for renovation of the property at a new site. The terms of this interest free loan are flexible and called for monthly payments of \$1,000 through June 2018. In mid-2018, the Foundation suspended the monthly payment requirement pending reevaluation of the loan in 2019. Repayments resumed in 2019, on an informal repayment schedule. The outstanding balance on the loan was \$81,500 and \$93,500 at December 31, 2020 and 2019, respectively.

7. NET ASSETS

Net assets with donor restrictions for the years ended December 31, were as follows:

	2020	2019
Passage of time - receivables	\$ 97,645	\$ 47,585
Purpose restrictions		
Child Enrichment	160,787	77,393
Transportation	7,961	-
Pet Program	-	51,585
Other Shelter	65,622	-
Aftercare	5,110	-
Capital Improvements	<u>44,414</u>	<u>17,136</u>
Total net assets with donor restrictions	<u><u>\$ 381,539</u></u>	<u><u>\$ 193,699</u></u>

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

NET ASSETS, continued

Net assets without donor restrictions for the years ended December 31, were as follows:

	<u>2020</u>	<u>2019</u>
Undesignated	<u>\$ 1,214,854</u>	<u>\$ 784,222</u>

Net assets released from net assets with donor restrictions for the years ended December 31, were as follows:

	<u>2020</u>	<u>2019</u>
Satisfaction of time restrictions	\$ 13,811	\$ 15,546
Satisfaction of purpose restrictions		
Child Enrichment	29,950	-
Transportation	22,414	-
Pet Program	203,921	-
Other Emergency Shelter	604,155	-
Aftercare	126,512	-
Capital Improvements	22,722	-
Other Programs	<u>2,258,260</u>	<u>2,120,134</u>
Total released from restrictions	<u>\$ 3,281,745</u>	<u>\$ 2,135,680</u>

8. DONATED SERVICES, MEALS AND SHELTER

Religious congregations in the Greater Cincinnati area provide shelter and meals to homeless families through the programs offered by the Organization. Because the shelter and meals are provided directly to the homeless families, the in-kind value is not reflected in the Organization's financial statements. Management estimates that approximately 2,359 and 10,453 shelter nights were provided in 2020 and 2019, respectively. The estimated value for the year ended December 31, 2020 was \$40 per person per night from January 1, 2020 to March 28, 2020 (prior to the COVID-19 pandemic) for a total of \$94,360. The estimated value for the year ended December 31, 2019 was \$40 per person per night, for total of \$418,120.

For the year ended December 31, 2020, approximately 7,025 shelter nights were provided within hotels at a value of \$253,642. Refer to COVID client housing on in the statement of functional expenses for the year ended December 31, 2020.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

9. RETIREMENT PLAN

The Organization sponsors a retirement benefit plan for substantially all of its full-time employees. The defined contribution plan meets the requirements of a Savings Incentive Match Plan for Employees (SIMPLE) as defined by the Internal Revenue Service and is funded by contributions from the Organization and employees. Employer contributions are up to 3% of compensation, and employees are vested immediately in employer contributions. The Organization contributed \$11,529 and \$10,147 to the plan in 2020 and 2019, respectively.

10. OPERATING LEASES

The Organization leases various office and household equipment under long-term lease agreements which are classified as operating leases. On January 9, 2020, the Organization also entered into a lease agreement with the owner of two buildings for ten rentable rooms to provide housing for homeless individuals and families. The term of the lease is one year and total rent for all ten units may not exceed \$7,250 per month.

The following is a schedule of future minimum lease payments for the operating leases:

2021	\$ 2,028
2022	2,028
2023	2,028
2024	2,028
2025	<u>338</u>
	<u>\$ 8,450</u>

Total lease expense was \$86,673 and \$6,112 in 2020 and 2019, respectively.

11. LINE OF CREDIT

The Organization has an unsecured line of credit of \$37,500 on credit cards as of December 31, 2020. The available credit as of December 31, 2020 was approximately \$32,300. Interest is calculated at an annual percentage rate (APR) of 15.99%.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

12. CONCENTRATIONS

During 2020, one grantor represented approximately 65% of the Organization's total revenue for the year. In 2019, one grantor represented approximately 67% of the Organization's total revenue. As of December 31, 2020 and 2019, receivables from one grantor represented 70% and 85%, respectively, of total grants, contributions, and pledges receivable, combined. The primary grantor is the U.S. Department of Housing and Urban Development. The Organization expects this to continue to be a reliable source of funds, and therefore it does not pose a significant concentration risk.

13. RELATED PARTY TRANSACTIONS

Facilities from which the Organization conducts its operations are leased from a related party under an 80 year agreement with a total lease payment of \$10. The Organization has a 50% ownership interest in this entity, as discussed in Note 2 and 5.

14. PAYCHECK PROTECTION PROGRAM (PPP)

In 2020, the Organization participated in the Small Business Association (SBA) Paycheck Protection Program (PPP), receiving a loan in the amount of \$183,910 at an interest rate of 1% in May, 2020. Under the terms of the program, a borrower's loan will be forgiven, equal to eligible expenses incurred during the loan's qualifying period, provided the borrower meets all the loan's employee-retention criteria. The Organization believes it met all requirements for forgiveness in 2020.

Using the government grant model under FASB ASC 958-605, *Not-for-Profit Entities: Revenue Recognition*, the Organization recognized the loan as government grant revenue in the statement of activities. Accrued interest of \$1,178 is recognized in the statement of functional expenses for the year ended December 31, 2020.

15. SUBSEQUENT EVENTS

On June 11, 2020, the Organization became the 99.9% limited partner of the newly created Melrose IHNGC Limited Partnership, an entity formed for the purpose of facilitating the development and construction of a resident building to be known as Melrose Place for future client housing. An entity solely owned by the Organization is the 0.1% general partner of Melrose IHNGC Limited Partnership, the owner of the to-be-constructed tax credit partnership. On a date still to be determined in 2021 the Organization will be replaced as the limited partner by Ohio Equity Fund for Housing Limited Partnership XXXI. The Model Group, Inc. and Interfaith Hospitality Network of Greater Cincinnati are guarantors for the project.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

SUBSEQUENT EVENTS, continued

The COVID-19 pandemic presented many challenges for Interfaith Hospitality Network of Greater Cincinnati. Out of concern for safety of families in shelter and to remain in compliance with the Center for Disease Control guidelines, IHNGC's shelter program began hosting families in a hotel setting in March, 2020 and continued to do so through the end of the year. This, along with other needs to address safety within operations, created unanticipated expenses for the organization but also created a high level of generosity from the community. The organization was also able to access government funding to address the operational complications that COVID-19 presented.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
SCHEDULE OF PROGRAM EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2020 & 2019 (TOTALS ONLY)

	2020			2019
	Emergency Shelter	Other Housing & Family Assistance	Total Program Expenses	Total Program Expenses
PROGRAM EXPENSES				
Salaries	\$ 239,729	\$ 525,263	\$ 764,992	\$ 618,881
Benefits	62,224	158,536	220,760	169,745
Payroll taxes	20,939	44,058	64,997	50,028
Client housing	10,053	1,442,308	1,452,361	1,036,664
Guest transportation	26,655	31,055	57,710	167,410
Other direct guest expenses	8,722	147,512	156,234	105,170
Utilities and occupancy expense	32,054	12,898	44,952	42,802
COVID client housing	253,642		253,642	-
COVID supplies	15,957		15,957	-
COVID employee expenses	111	102	213	-
Professional fees	12,392	14,954	27,346	25,828
Depreciation	8,408	18,427	26,835	24,008
Grace Place expenses	2,168	-	2,168	22,091
Conferences and meetings	525	366	891	3,677
Travel and mileage	5,423	11,640	17,063	17,106
Printing and publications	-	-	-	7,339
Veterinary expenses	37,944	-	37,944	15,116
Supplies	15,111	5,721	20,832	11,398
Postage	687	1,290	1,977	4,258
Insurance	4,535	9,013	13,548	8,076
Dues	1,160	-	1,160	212
Telephone	2,661	5,782	8,443	6,434
Miscellaneous	1,324	748	2,072	5,655
Equipment rent and maintenance	3,508	1,486	4,994	5,415
TOTAL PROGRAM EXPENSES	<u>\$ 765,932</u>	<u>\$ 2,431,159</u>	<u>\$ 3,197,091</u>	<u>\$ 2,347,313</u>

See accompanying notes and independent auditor's report.



Anderson-Kurtz

Financial Services LLC

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

To the Board of Trustees of
Interfaith Hospitality Network of Greater Cincinnati
Cincinnati, Ohio

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Interfaith Hospitality Network of Greater Cincinnati (an Ohio nonprofit corporation, the "Organization", which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued my report thereon dated June 11, 2021.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, I 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Anderson-Kurtz Financial Services LLC

Cincinnati, Ohio
June 11, 2021

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
FOR THE YEARS ENDED DECEMBER 31, 2020 & 2019

FEDERAL GRANTOR/ PROGRAM TITLE/ PASS-THROUGH GRANTOR	<u>Federal CFDA Number</u>	<u>2020 Total Federal Expenditures</u>	<u>2019 Total Federal Expenditures</u>
U.S. Department of Housing and Urban Development			
Emergency Solutions Grants Program	14.231	\$ 529,103	\$ 357,850
Continuum of Care Program	14.267	<u>1,789,559</u>	<u>1,275,738</u>
		2,318,662	1,633,588
U.S. Department of Homeland Security			
Emergency Food and Shelter National Board Program	97.024	21,307	5,081
U.S. Department of the Treasury			
Coronavirus Relief Fund	21.019	<u>171,707</u>	<u>-</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 2,511,676</u>	<u>\$ 1,638,669</u>
PASS-THROUGH PROGRAM AWARDS FROM PRIME RECIPIENT, STRATEGIES TO END HOMELESSNESS, INC.:	<u>Contract #</u>	<u>2020 Total Federal Expenditures</u>	<u>2019 Total Federal Expenditures</u>
Emergency Solutions Grant - Emergency Shelter	20203002	33,905	-
Emergency Solutions Grant - Emergency Shelter	201916	-	32,866
Emergency Solutions Grant - Rapid Rehousing Assistance	20203008	136,028	-
Emergency Solutions Grant - Rapid Rehousing Assistance	20193008	162,293	114,440
Emergency Solutions Grant - Rapid Rehousing Assistance	201818	-	210,544
Emergency Solutions Grant - CARES Act - Shelter	20203061	39,444	-
Emergency Solutions Grant - CARES Act - Prevention	20203062	45,299	-
Emergency Solutions Grant - CARES Act - Emergency Shelter	20203052	112,134	-
Continuum of Care - Rapid Rehousing for Families	20200476	186,823	-
Continuum of Care - Rapid Rehousing for Families	201939	178,061	150,433
Continuum of Care - Rapid Rehousing for Families	201833	-	145,411
Continuum of Care - Premanent Supportive Housing	20200368	179,266	-
Continuum of Care - Premanent Supportive Housing	201937	171,560	200,988
Continuum of Care - Premanent Supportive Housing	201831	-	201,881
Continuum of Care - Premanent Supportive Housing 2	20200539	196,475	-
Continuum of Care - Premanent Supportive Housing 2	201938	186,160	216,505
Continuum of Care - Premanent Supportive Housing 2	201832	-	210,618
Continuum of Care - Family Housing Partnership	20200248	21,936	-
Continuum of Care - Family Housing Partnership	201940	20,105	24,536
Continuum of Care - Family Housing Partnership	201830	-	11,869
Continuum of Care - Youth Homelessness Demonstration Program	201926	246,590	56,208
Continuum of Care - Transitional/Rapid Rehousing	20200605	267,403	-
Continuum of Care - Transitional/Rapid Rehousing	201968	135,180	57,289
Coronavirus Relief Fund	20208012	<u>171,707</u>	<u>-</u>
TOTAL PASS-THROUGH PROGRAM AWARDS FROM PRIME RECIPIENT		2,490,369	1,633,588
OTHER PROGRAM AWARDS			
Emergency Food and Shelter National Board Program		<u>21,307</u>	<u>5,081</u>
TOTAL FEDERAL EXPENDITURES		<u>\$ 2,511,676</u>	<u>\$ 1,638,669</u>

See accompanying notes and independent auditor's report.

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

A. BASIS OF ORGANIZATION AND NATURE OF ACTIVITIES

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Interfaith Hospitality Network of Greater Cincinnati (the "Organization") under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are presented 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.

C. INDIRECT COST ALLOCATION

The organization has not elected to the 10 percent de minimis indirect cost rate under Title 2 CFR Section 200.414(-f). Allowable facilities and administrative costs that benefit all programs and cannot be identified to a specific program are allocated to programs using a specifically identified base that results in an equitable distribution of costs.

D. SUB-RECIPIENT STATUS

The Organization is a sub-recipient that receives a sub-award from a pass-through entity to carry out part of the federal programs identified in the Schedule. As such, the Organization conducts program activities and incurs related costs, submits reimbursement requests to the pass-through entity, and receives federal award funds upon approval of reimbursement requests.

E. SINGLE AUDIT REQUIREMENT

The year ended December 31, 2016 was the first year the Organization was required to have an audit under the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), located in Title 2 US. Code of Federal Regulations, Part 200.



Anderson-Kurtz

Financial Services LLC

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees of
Interfaith Hospitality Network of Greater Cincinnati
Cincinnati, Ohio

Report on Compliance for Each Major Federal Program

I have audited Interfaith Hospitality Network of Greater Cincinnati's (the "Organization's") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for major federal programs. However, my audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Programs

In my opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal program identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2020.

Report on Internal Control Over Compliance

Management of Interfaith Hospitality Network of Greater Cincinnati is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or 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.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of my 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.

Anderson-Kurtz Financial Services LLC

Cincinnati, Ohio
June 11, 2021

INTERFAITH HOSPITALITY NETWORK OF GREATER CINCINNATI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020

SUMMARY OF AUDITOR'S RESULTS

1. The Auditor's report expresses an unmodified opinion on whether the financial statements of Interfaith Hospitality Network (the "Organization") were prepared in accordance with U.S. GAAP.
2. No significant deficiencies and no material weaknesses were reported during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of the Organization, which would be required to be reported in accordance with Government Auditing Standards, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs were reported during the audit of the Organization.
5. The auditor's report on compliance for the major federal award programs for the Organization expresses an unmodified opinion on all major federal programs.
6. No audit findings relating to the federal award program were noted that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was CFDA 14.267, Continuum of Care Program.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. The Organization qualified as a low-risk auditee for the year ended December 31, 2020.

FINDINGS - None