

New Hope Housing, Inc.

Financial Statements
Including Uniform Guidance Reports
and Independent Auditors' Report

June 30, 2021 and 2020

New Hope Housing, Inc.

Financial Statements
June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
New Hope Housing, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of New Hope Housing, Inc. (“the Organization”) which comprise the statements of financial position as of June 30, 2021 and 2020; the related statements of activities, functional expenses, and cash flows for the years 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

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 we 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, we 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.

Auditor's Responsibility (continued)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, 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.

Supplementary and Other Information

The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 our opinion, the supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the 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 February 3, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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.



Vienna, Virginia
February 3, 2022

New Hope Housing, Inc.

Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 1,312,024	\$ 1,145,450
Government contracts receivable	1,458,314	1,767,555
Grants receivable	142,419	70,927
Deposits and other assets	14,301	16,624
Property and equipment, net	1,797,023	1,837,758
Total assets	\$ 4,724,081	\$ 4,838,314
Liabilities and Net Assets		
Liabilities		
Accounts payable and other accrued expenses	\$ 158,827	\$ 105,737
Accrued payroll	197,613	165,326
Accrued vacation	194,432	138,889
Accrued sick leave	-	269,557
Client funds payable	62,453	62,453
Refundable advances	-	3,913
Capital lease liability	4,247	19,336
Forgivable loans	175,395	204,627
FCRHA loans	1,065,072	1,065,072
Unspent funds – CARES Act	63,283	110,532
Conditional grant – PPP	-	838,951
Total liabilities	1,921,322	2,984,393
Net Assets		
Without donor restrictions:		
Undesignated	1,865,431	1,366,593
Board-designated	937,328	437,328
Total without donor restrictions	2,802,759	1,803,921
With donor restrictions	-	50,000
Total net assets	2,802,759	1,853,921
Total liabilities and net assets	\$ 4,724,081	\$ 4,838,314

See accompanying notes.

New Hope Housing, Inc.

Statement of Activities
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
County contract services	\$ 8,353,023	\$ -	\$ 8,353,023
Federal and state grants	1,894,577	-	1,894,577
Grants and contributions	1,861,320	-	1,861,320
In-kind contributions	488,450	-	488,450
Client rental income	227,436	-	227,436
Special events	100,726	-	100,726
Interest income	1,128	-	1,128
Other income	298,970	-	298,970
Released from restrictions	50,000	(50,000)	-
Total revenue and support	13,275,630	(50,000)	13,225,630
Expenses			
Program services:			
Shelter	7,886,762	-	7,886,762
Permanent Supportive Housing	2,887,932	-	2,887,932
Rapid Re-housing and other	468,740	-	468,740
Total program services	11,243,434	-	11,243,434
Supporting services:			
Management and general	876,805	-	876,805
Fundraising	117,890	-	117,890
Cost of direct benefits to donors	38,663	-	38,663
Total supporting services	1,033,358	-	1,033,358
Total expenses	12,276,792	-	12,276,792
Change in Net Assets	998,838	(50,000)	948,838
Net Assets, beginning of year	1,803,921	50,000	1,853,921
Net Assets, end of year	\$ 2,802,759	\$ -	\$ 2,802,759

See accompanying notes.

New Hope Housing, Inc.

Statement of Activities
For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
County contract services	\$ 6,635,980	\$ -	\$ 6,635,980
Federal and state grants	1,281,741	-	1,281,741
Grants and contributions	711,863	50,000	761,863
In-kind contributions	313,981	-	313,981
Client rental income	282,216	-	282,216
Special events	117,131	-	117,131
Other income	2,566	-	2,566
Released from restrictions	57,971	-	57,971
Total revenue and support	9,403,449	50,000	9,453,449
Expenses			
Program services:			
Shelter	4,730,396	-	4,730,396
Permanent Supportive Housing	3,334,040	-	3,334,040
Rapid Re-housing and other	544,073	-	544,073
Total program services	8,608,509	-	8,608,509
Supporting services:			
Management and general	772,529	-	772,529
Fundraising	86,375	-	86,375
Cost of direct benefits to donors	67,998	-	67,998
Total supporting services	926,902	-	926,902
Total expenses	9,535,411	-	9,535,411
Change in Net Assets	(131,962)	50,000	(81,962)
Net Assets, beginning of year	1,935,883	-	1,935,883
Net Assets, end of year	\$ 1,803,921	\$ 50,000	\$ 1,853,921

See accompanying notes.

New Hope Housing, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services			Supporting Services			Total Expenses	
	Shelter	Permanent Supportive Housing	Rapid Re-housing and Other	Total Program Services	Management and General	Fundraising and Direct Benefits		Total Supporting Services
<u>Personnel Costs</u>								
Salaries	\$ 4,939,920	\$ 1,100,800	\$ 59,246	\$ 6,099,966	\$ 405,266	\$ 93,806	\$ 499,072	\$ 6,599,038
Payroll taxes	331,724	71,519	3,878	407,121	40,893	4,321	45,214	452,335
Employee benefits	544,988	150,582	17,722	713,292	102,255	7,532	109,787	823,079
Retirement	54,981	23,865	945	79,791	710	2,324	3,034	82,825
Contract services	14,660	8,523	238,386	261,569	1,655	1,655	3,310	264,879
<u>Overhead Costs</u>								
Telephone	35,288	31,435	2,422	69,145	1,717	731	2,448	71,593
Occupancy	667,568	1,135,696	102,335	1,905,599	75	5,450	5,525	1,911,124
Maintenance	58,299	109,561	18,951	186,811	425	38	463	187,274
Professional fees	127,530	48,155	1,260	176,945	210,645	-	210,645	387,590
Postage and shipping	3,169	2,434	-	5,603	1,016	2,166	3,182	8,785
Office supplies and printing	65,897	19,466	501	85,864	-	7,021	7,021	92,885
Other administrative expenses	76,146	26,480	12,001	114,627	6,937	-	6,937	121,564
<u>Program and Other Costs</u>								
Staff training	50,867	8,471	-	59,338	144	-	144	59,482
Food and food supplies	188,653	8,377	4,094	201,124	85	-	85	201,209
Donated items	375,627	111,403	1,420	488,450	-	-	-	488,450
Client services	341,256	28,775	-	370,031	387	-	387	370,418
<u>Other Costs</u>								
Equipment	8,914	798	1,334	11,046	-	262	262	11,308
Depreciation and amortization	-	-	-	-	104,291	-	104,291	104,291
Direct benefits to donors	1,275	1,592	4,245	7,112	304	31,247	31,551	38,663
Total Expenses	\$ 7,886,762	\$ 2,887,932	\$ 468,740	\$ 11,243,434	\$ 876,805	\$ 156,553	\$ 1,033,358	\$ 12,276,792

See accompanying notes.

New Hope Housing, Inc.

Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services			Supporting Services			Total Expenses	
	Shelter	Permanent Supportive Housing	Rapid Re-housing and Other	Total Program Services	Management and General	Fundraising and Direct Benefits		Total Supporting Services
<u>Personnel Costs</u>								
Salaries	\$ 3,196,828	\$ 1,033,512	\$ 19,510	\$ 4,249,850	\$ 436,704	\$ 68,458	\$ 505,162	\$ 4,755,012
Payroll taxes	212,076	71,359	1,301	284,736	888	4,430	5,318	290,054
Employee benefits	378,454	133,795	5,755	518,004	95,832	7,107	102,939	620,943
Retirement	46,474	21,602	323	68,399	5,741	2,094	7,835	76,234
Contract services	42,449	13,694	265,571	321,714	2,198	2,198	4,396	326,110
<u>Overhead Costs</u>								
Telephone	33,815	38,496	1,390	73,701	2,323	3,473	5,796	79,497
Occupancy	153,242	1,635,487	144,155	1,932,884	2,467	-	2,467	1,935,351
Maintenance	39,539	81,252	27,862	148,653	13,158	-	13,158	161,811
Professional fees	8,914	12,182	670	21,766	103,286	3,015	106,301	128,067
Postage and shipping	1,860	855	-	2,715	827	1,502	2,329	5,044
Office supplies and printing	57,591	8,591	-	66,182	3,388	2,236	5,624	71,806
Other administrative expenses	73,196	25,262	17,003	115,461	25,869	1,360	27,229	142,690
<u>Program and Other Costs</u>								
Staff training	22,909	13,298	40	36,247	2,096	-	2,096	38,343
Food and food supplies	191,896	5,883	754	198,533	567	-	567	199,100
Donated items	167,524	145,366	840	313,730	-	-	-	313,730
Client services	95,254	25,606	55,515	176,375	97	-	97	176,472
<u>Other Costs</u>								
Equipment	354	3,002	-	3,356	-	-	-	3,356
Depreciation and amortization	7,477	61,954	3,384	72,815	70,978	-	70,978	143,793
Direct benefits to donors	544	2,844	-	3,388	6,110	58,500	64,610	67,998
Total Expenses	\$ 4,730,396	\$ 3,334,040	\$ 544,073	\$ 8,608,509	\$ 772,529	\$ 154,373	\$ 926,902	\$ 9,535,411

See accompanying notes.

New Hope Housing, Inc.

Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 948,838	\$ (81,962)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	104,291	143,793
Amortization of forgivable loans	(29,232)	(29,233)
Change in operating assets and liabilities:		
(Increase) decrease in:		
Government contracts receivable	309,241	(330,634)
Grants receivable	(71,492)	53,810
Deposits and other assets	2,323	(8,173)
Increase (decrease) in:		
Accounts payable and other accrued expenses	53,090	16,900
Accrued payroll	32,287	36,293
Accrued vacation	55,543	(8,934)
Accrued sick leave	(269,557)	(29,543)
Refundable advances	(3,913)	3,913
Unspent funds – CARES Act	(47,249)	110,532
Conditional grant – PPP	(838,951)	838,951
	245,219	715,713
Net cash provided by operating activities		
Cash Flows from Investing Activity		
Purchases of property and equipment	(63,556)	-
	(63,556)	-
Net cash used in investing activity		
Cash Flows from Financing Activity		
Payments under capital lease	(15,089)	(29,534)
	(15,089)	(29,534)
Net cash used in financing activity		
Net Increase in Cash and Cash Equivalents	166,574	686,179
Cash and Cash Equivalents, beginning of year	1,145,450	459,271
Cash and Cash Equivalents, end of year	\$ 1,312,024	\$ 1,145,450

See accompanying notes.

New Hope Housing, Inc.

Notes to the Financial Statements
June 30, 2021 and 2020

1. Nature of Operations

New Hope Housing, Inc. (“the Organization”) is a not-for-profit organization incorporated in the Commonwealth of Virginia in 1977. The Organization works to end homelessness across Northern Virginia by providing shelter, Rapid Re-housing and permanent supportive housing, and services for homeless families and single adults. The Organization is committed to offering homeless men, women, and children the services they need to change their lives and succeed. On any given night, more than 300 individuals find a safe place to sleep in a New Hope Housing shelter or housing facility.

2. Summary of Significant Accounting Policies

Basis of Accounting and Presentation

The Organization’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions, as follows:

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets without donor restrictions include both undesignated and Board-designated amounts. The governing Board has designated, from net assets without donor restrictions, net assets for an operating reserve and a Board-designated fund.
- *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. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash Equivalents

For the purpose of the statements of cash flow, the Organization considers as cash equivalents all highly liquid investments, which can be converted into known amounts of cash and have a maturity period of 90 days or less at the time of purchase.

New Hope Housing, Inc.

Notes to the Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Government Contracts Receivable

Government contracts receivable consists primarily of amounts due from county contract services. The entire amount is expected to be collected within one year, and is recorded at net realizable value. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of receivables. There is no provision for doubtful accounts, based on management's evaluation of receivables at June 30, 2021 and 2020, as management deems all government contracts receivable to be fully collectible.

Grants Receivable

Grants receivable consists of amounts due to be reimbursed to the Organization for expenses incurred under federal and state government grant agreements. The entire amount is expected to be collected within one year, and is recorded at net realizable value. There is no provision for doubtful grants, based on management's evaluation of grants receivable at June 30, 2021 and 2020, as management deems all grants receivable to be fully collectible.

Property and Equipment

Property and equipment purchased at a cost of \$1,000 or more and with a useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the related assets, which range from three to 40 years. Land is not depreciated or amortized. Donated assets are capitalized at fair market value on the date of donation. Expenditures for maintenance and repairs are charged to expenses as incurred.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Federal and state grants are nonreciprocal and recognized as contributions. Typically, government grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses, are cost-reimbursable. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific grant provisions. Costs incurred in excess of cash received are reflected as grants receivable in the accompanying statements of financial position.

New Hope Housing, Inc.

Notes to the Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

Amounts received prior to incurring qualifying expenditures are reported as conditional grants in the statements of financial position.

Grants and contributions are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to satisfaction of grant conditions are reported as conditional grants in the statements of financial position. The Organization reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Organization's programs or to a future year.

When a donor restriction expires, that is, when a 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 statements of activities as net assets released from restrictions. Net assets with donor restrictions are reported as net assets without donor restrictions if the restrictions are met in the same period as received.

Other Revenue

County contract services revenue is recognized when performance obligations are completed. When cash advances exceed the revenue recognized, a liability is recorded.

Client rental income is recognized at a point in time when a monthly performance obligation is transferred to the tenants. The amount recognized is the amount that reflects the consideration received or expected to be received in exchange for tenants' rights of using the rented space.

The Organization periodically holds special events as fundraising activities. The gross revenue and expenses, including direct benefits to donors, from these events are presented in the accompanying statements of activities, and revenues are recognized when the donations are received.

Revenue from all other sources is recognized when earned.

New Hope Housing, Inc.

Notes to the Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

In-Kind Contributions

The Organization receives in-kind contributions from various community groups and individual donors consisting of contributed food, clothing, supplies, and services that benefit both program and supporting services. Services are recognized only when they create or enhance nonfinancial assets, or require specialized skills, are provided by qualified individuals, and would typically be purchased if not donated. In-kind contributions are recognized as revenue and expense in the accompanying statements of activities at their estimated fair value, as provided by the donor, at the date of receipt, or calculated fair value of use of property in the period the property is used.

The Organization also receives a substantial amount of services donated by volunteers in carrying out its program services. These donated services are not reflected in the accompanying financial statements since they do not meet the criteria for recognition under Financial Accounting Standards Board (FASB) Accounting Standards Codification 958-605-25-16, *Contributed Services*.

Functional Allocation of Expenses

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

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred, and totaled \$8,744 and \$12,075 for the years ended June 30, 2021 and 2020, respectively.

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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

New Hope Housing, Inc.

Notes to the Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in the Organization's fiscal year 2023.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 3, 2022, the date the financial statements were available to be issued.

3. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 1,312,024	\$ 1,145,450
Government contracts receivable	1,458,314	1,767,555
Grants receivable	<u>142,419</u>	<u>70,927</u>
Total financial assets	2,912,757	2,983,932
Less: Board-designated fund	(937,328)	(437,328)
Less: net assets with donor restrictions	<u>-</u>	<u>(50,000)</u>
Total available for general expenditures	<u>\$ 1,975,429</u>	<u>\$ 2,496,604</u>

The Organization strives to maintain financial assets sufficient to cover 90 days of general expenditures. As part of this liquidity management, the Organization invests cash and cash equivalents in excess of daily requirements in various short-term investments. As described in Note 10 to the financial statements, the Organization also has a committed line of credit in the amount of \$250,000 that it could draw upon in the event of an unanticipated liquidity need.

New Hope Housing, Inc.

Notes to the Financial Statements June 30, 2021 and 2020

4. Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Organization to significant concentrations of credit risk consist of cash and cash equivalents. The Organization maintains cash deposit and transaction accounts with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any credit losses on its cash and cash equivalents to date as it relates to FDIC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

Revenue Risk

A substantial portion of the contracts and grants revenue received by the Organization is from the local jurisdictions of Fairfax County, the City of Alexandria, the Commonwealth of Virginia, and the U.S. Department of Housing and Urban Development (HUD). For the years ended June 30, 2021 and 2020, the Organization recognized \$10,247,600 and \$7,917,721, respectively, in grants and contracts revenue from these governmental agencies, which represents approximately 77% and 84% of total revenue and support for the years ended June 30, 2021 and 2020, respectively. Any significant reduction in revenue and support may adversely impact the Organization's financial position and operations.

5. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2021</u>	<u>2020</u>
Land	\$ 695,364	\$ 695,364
Buildings and improvements	2,243,265	2,243,265
Furniture and equipment	259,640	226,084
Vehicles	155,404	125,404
	<u>3,353,673</u>	<u>3,290,117</u>
Total property and equipment	3,353,673	3,290,117
Less: accumulated depreciation and amortization	<u>(1,556,650)</u>	<u>(1,452,359)</u>
Property and equipment, net	<u>\$ 1,797,023</u>	<u>\$ 1,837,758</u>

New Hope Housing, Inc.

Notes to the Financial Statements June 30, 2021 and 2020

6. Forgivable Loans

The Organization has received forgivable loans under HUD's Supportive Housing Program for assistance at closing on purchases of post shelter housing units. Under terms of the agreements, the proceeds must be used for the specific purpose intended in the loan documents. According to the terms of the agreement and guidelines in 24 Code of Federal Regulations Part 583.305 of the Federal Register, repayment of 100% of any assistance received for acquisition costs is required if the project ceases to be supportive housing within 10 years after the project is placed in service. If used for more than 10 years, the percentage of the amount required to be repaid is reduced by 10% for each year in excess of 10 years that the project is used as supportive housing.

Management believes the conditions of forgiveness related to these loans are substantially met after 10 years of operation as supportive housing and that the Organization has the present intention and ability to maintain the conditions of forgiveness, the proceeds from these forgivable loans have been initially recorded as refundable advances (forgivable loans), and then after 10 years ratably recognized as revenue over the remaining 10 years. The revenue is recorded as amortization of forgivable loans and is included in federal and state grants in the accompanying statements of activities. The Organization had one HUD forgivable loan that was received in 2008 to assist in the purchase of a residence for Permanent Supportive Housing for 8 men. The total amount of funds received for acquisition assistance was \$292,324.

The Organization started ratable recognition of this loan in fiscal year 2018. The total amount recognized as revenue on debt forgiveness was \$29,232 for both years ended June 30, 2021 and 2020, which was included in federal and state grants in the accompanying statements of activities. Forgivable loans totaled \$175,395 and \$204,627 at June 30, 2021 and 2020, respectively, which are included in the accompanying statements of financial position. Total future payments are as follows for the years ending June 30:

2022	\$	29,232
2023		29,232
2024		29,232
2025		29,232
2026		29,232
Thereafter		29,235
		<hr/>
Total future payments	\$	<u>175,395</u>

New Hope Housing, Inc.

Notes to the Financial Statements June 30, 2021 and 2020

7. FCRHA Loans

The Organization had the following long-term debt and other obligations at June 30:

	2021	2020
Gartlan House – Note payable to FCRHA of \$446,242; with no interest accruing and no principal payments due if the Organization continuously uses the property for affordable housing acquisition assistance program; matures in 2039; collateralized by a deed of trust on the property.	\$ 446,242	\$ 446,242
Claremont House – Note payable to FCRHA of \$165,121; with no interest accruing and no principal payments due if the Organization continuously uses the property for affordable housing acquisition assistance program; matures in 2040; collateralized by a deed of trust on the property.	165,121	165,121
Brosar House – Note payable to FCRHA of \$128,305; with no interest accruing and no principal payments due if the Organization continuously uses the property for affordable housing acquisition assistance program; matures in 2040; collateralized by a deed of trust on the property.	128,305	128,305
Ponside House – Note payable to FCRHA of \$105,540; with no interest accruing and no principal payments due if the Organization continuously uses the property for affordable housing acquisition assistance program; matures in 2039; collateralized by a deed of trust on the property.	105,540	105,540
Brockham House – Note payable to FCRHA of \$104,340; with no interest accruing and no principal payments due if the Organization continuously uses the property for affordable housing acquisition assistance program; matures in 2039; collateralized by a deed of trust on the property.	104,340	104,340
Beckman House – Note payable to FCRHA of \$60,390; with no interest accruing and no principal payments due if the Organization continuously uses the property for affordable housing acquisition assistance program; matures in 2039; collateralized by a deed of trust on the property.	60,390	60,390
Bedford House – Note payable to FCRHA of \$55,134; with no interest accruing and no principal payments due if the Organization continuously uses the property for affordable housing acquisition assistance program; matures in 2039; collateralized by a deed of trust on the property.	55,134	55,134
Total FCRHA loans	\$ 1,065,072	\$ 1,065,072

New Hope Housing, Inc.

Notes to the Financial Statements June 30, 2021 and 2020

7. FCRHA Loans (continued)

In July 2008, May 2009, September 2010, and June 2011, the Organization received assistance grants from the Fairfax County Redevelopment and Housing Authority (FCRHA) in the total amount of \$1,065,072. The funding was obtained by the Organization for acquisition residences to be operated as permanent supportive housing for chronically homeless families and single women. As long as the Organization operates within various program initiatives and loan covenants for a minimum of 30 years, the Organization shall have no obligation to make principal or interest payments. In the event of the sale of the properties or noncompliance with program requirements, the obligation is payable in accordance with the stipulated loan provisions. The full amounts of the loans are secured by deeds of trust. The Organization expects to utilize the properties in accordance with the terms of the loans at all times.

8. CARES Act Stimulus Funding

On May 27, 2020, the Organization obtained funds from the County of Fairfax, Virginia under the Coronavirus Aid, Relief, and Economic Security (CARES) Act program in the amount of \$200,000. It is management's intention to use the entire amount for eligible expenses. Any unspent funds after December 31, 2021 will be required to be returned to the federal government. The remaining balance of this fund totaled \$63,283 and \$110,532 at June 30, 2021 and 2020, respectively.

Subsequent to year end, by December 31, 2021, the Organization spent the remaining balance of this fund of \$63,283 on eligible expenses.

9. Conditional Grant – Paycheck Protection Program

Under the Paycheck Protection Program administered by the U.S. Small Business Administration (SBA), on May 7, 2020, the Organization received \$1,086,400 from Truist Bank ("the PPP loan"). The PPP loan is subject to full forgiveness upon use of the funds for payroll and other eligible costs, and compliance with certain limitations on payroll and staffing reductions over a 24-week period. As such, the Organization has accounted for this PPP loan as a conditional grant. As of June 30, 2020, the Organization had satisfied conditions for \$247,449 and recorded it as revenue during the year ended June 30, 2020. As of June 30, 2021, the Organization had satisfied conditions for the remaining \$838,951 and recorded it as revenue during the year ended June 30, 2021. The revenue is included in grants and contributions in the accompanying statements of activities.

New Hope Housing, Inc.

Notes to the Financial Statements
June 30, 2021 and 2020

9. Conditional Grant – Paycheck Protection Program (continued)

Subsequent to year end, on September 28, 2021, the full amount of this PPP loan was forgiven by the SBA.

10. Line of Credit

The Organization maintains a \$250,000 unsecured line of credit with a bank for the purposes of working capital needs. The line of credit is renewable every year. Interest payments on any outstanding balances are made monthly at the bank's prime rate plus 0.75%, which was 4.00% at both June 30, 2021 and 2020. There was no outstanding balance on this line of credit at June 30, 2021 and 2020.

11. Allocation of Expenses from Management and General Activities

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include salaries and employee benefits, consulting and contractual services, occupancy, depreciation and amortization, telecommunication, and other expenses, which are allocated on the basis of estimates of time and effort.

12. Commitments and Contingencies

Operating Leases

The Organization leases office space in Suite C at 8407 Richmond Highway, Alexandria, Virginia that is set to expire on December 31, 2024. The lease has a 3% escalation rate of the previous base rent. The unamortized portion of the cumulative difference between the actual rent paid and the straight-line rent is not reflected in the accompanying statements of financial position due to immateriality.

Total future minimum lease payments under this operating lease are as follows for the years ending June 30:

2022	\$	34,344
2023		35,370
2024		36,426
2025		<u>18,480</u>
Total future minimum lease payments	\$	<u><u>124,620</u></u>

New Hope Housing, Inc.

Notes to the Financial Statements
June 30, 2021 and 2020

12. Commitments and Contingencies (continued)

Operating Leases (continued)

The Organization also leases a number of residential properties that are used in the Organization's housing program. These units are, in turn, utilized to provide temporary housing assistance in fulfillment of program objectives. All leases are operating leases and have original terms of one year or are on a month-to-month basis.

Rent expense under all operating leases for the years ended June 30, 2021 and 2020 was \$1,779,503 and \$1,788,874, respectively.

Capital Lease

The Organization leases office equipment under a capital lease. Capitalized costs are reflected in property and equipment at the gross amount of \$68,178 at both June 30, 2021 and 2020. Accumulated depreciation for the leased equipment was \$64,462 and \$50,827 at June 30, 2021 and 2020, respectively. Depreciation expense for the leased equipment was \$13,635 for both years ended June 30, 2021 and 2020.

Future minimum lease payments are as follows for the year ending June 30:

2022	\$	4,294
Less: amount representing interest		<u>(47)</u>
Net present value of minimum lease payments	\$	<u><u>4,247</u></u>

Federal and State Grants

Funds received from federal and other government agencies are subject to an audit under the provisions of the grant agreements. The ultimate determination of amounts received under these grants is based upon the allowance of costs reported to and accepted by the oversight agencies. Until such grants are closed out, a potential contingency exists to refund any amounts received in excess of allowable costs. Management is of the opinion that no material liability exists.

New Hope Housing, Inc.

Notes to the Financial Statements June 30, 2021 and 2020

13. Retirement Plan

The Organization offers a Section 403(b) thrift plan to its full-time and part-time employees, and contributes a discretionary fixed percent of the employees' salaries for all eligible employees. The Organization contributed 3% for both years ended June 30, 2021 and 2020. Employees are eligible for employer contributions at the end of any plan year after completing one year or 1,000 hours of service, whichever is later. In addition, the Organization makes a matching contribution equal to the lesser of 25% of the salary reduction amount contributed during the plan year, or 0.25% of the employees' annual compensation. Employee contributions are fully and immediately vested, whereas the employer's contributions are vested ratably over a five-year period.

Total retirement plan expenses for the years ended June 30, 2021 and 2020 were \$82,824 and \$76,237, respectively.

14. In-Kind Contributions

The Organization received the following donated goods, which have been reflected as in-kind contributions and either capitalized costs or expenses in the accompanying statements of activities during the years ended June 30:

	2021	2020
Food	\$ 342,849	\$ 207,779
Furniture and household items	145,601	106,202
Total in-kind contributions	<u>\$ 488,450</u>	<u>\$ 313,981</u>

15. Income Taxes

The Organization is recognized as a tax-exempt organization under Internal Revenue Code (IRC) Section 501(c)(3), and is exempt from income taxes except for taxes on unrelated business activities. No tax expense is recorded in the accompanying financial statements, as there was no unrelated business taxable income. Contributions to the Organization are deductible as provided in IRC Section 170(b)(1)(A)(vi).

Management evaluated the Organization's tax positions and concluded that the Organization's financial statements do not include any uncertain tax positions. It is the Organization's policy to recognize interest and/or penalties related to uncertain tax positions, if any, in income tax expense.

**SUPPLEMENTARY SCHEDULE AND REPORTS REQUIRED
BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITORS' 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 Directors of
New Hope Housing, Inc.

We 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 New Hope Housing, Inc. (“the Organization”), which comprise the statement of financial position as of June 30, 2021; the related statements of activities, functional expenses, and cash flows for the year then ended; and the related notes to the financial statements, and have issued our report thereon dated February 3, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we 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 our opinion on the 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 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.

Internal Control over Financial Reporting (continued)

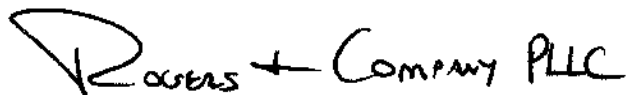
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
February 3, 2022

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

To the Board of Directors of
New Hope Housing, Inc.

Report on Compliance for Major Federal Program

We have audited New Hope Housing, Inc.'s ("the Organization") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal program for the year ended June 30, 2021. The Organization's major federal program is identified in the summary of auditors' 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

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our 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 we 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 we considered necessary in the circumstances.

Auditor's Responsibility (continued)

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

Opinion on the Major Federal Program

In our 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 its major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

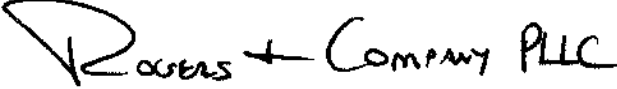
Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance 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 the 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, we 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 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 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. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Internal Control over Compliance (continued)

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.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, slightly stylized font.

Vienna, Virginia
February 3, 2022

New Hope Housing, Inc.

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listings Number	Agency or Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Expenditures of Federal Awards				
<u>U.S. Department of Housing and Urban Development</u>				
Continuum of Care Program:				
<i>Direct Awards:</i>				
Arlington Home Rapid Re-housing	14.267	VA0345L3G001902	\$ -	\$ 142,369
Alexandria City Rapid Re-housing	14.267	VA0121L3G031911	-	158,753
PSH Group Home Program	14.267	VA0109L3G011811	-	71,642
PSH Group Home Program	14.267	VA0109L3G011912	-	328,656
Susan's Place	14.267	VA0093L3G001912	-	217,615
Just Homes Arlington	14.267	VA0087L3G001909	-	37,400
Just Homes Arlington	14.267	VA0087L3G002010	-	20,364
Housing First III	14.267	VA0198L3G031805	-	35,184
Housing First III	14.267	VA0198L3G031906	-	217,015
Just Homes Fairfax	14.267	VA0318L3G001903	-	52,788
Total Continuum of Care Program – ALN 14.267			-	1,281,786
Emergency Solutions Grant Program:				
<i>Pass-Through Awards from Virginia Department of Housing and Community Development:</i>				
Virginia Homeless Solutions Program	14.231	21-VHSP-140	-	63,960
Virginia Homeless Solutions Program	14.231	21-VHSP-058	-	62,523
Total Emergency Solutions Grant Program – ALN 14.231			-	126,483
McKinney Act Supportive Housing Program:				
<i>Direct Award:</i>				
Gartlan House	14.235	VA39B601001	-	29,232
Total McKinney Act Supportive Housing Program - ALN 14.235			-	29,232
Total U.S. Department of Housing and Urban Development Awards			-	1,437,501
Total Expenditures of Federal Awards			\$ -	\$ 1,437,501

(continued)

New Hope Housing, Inc.

Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listings Number	Agency or Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
Prior Years' Federal Awards for Which Continued Compliance Is Required				
<u>U.S. Department of Housing and Urban Development</u>				
McKinney Act Supportive Housing Program:				
<i>Direct Award:</i>				
Gartlan House	14.235	VA39B601001	\$ -	\$ 175,395
Total McKinney Act Supportive Housing Program			-	175,395
Community Development Block Grant (CDBG):				
<i>Pass-Through from Fairfax County Redevelopment and Housing Authority:</i>				
Housing Acquisition Funds (CDBG)	14.218		-	1,034,359
Housing Acquisition Funds (Neighborhood Stabilization Program)	14.218		-	30,713
Total Community Development Block Grant			-	1,065,072
Total Prior Years' Expenditures of Federal Awards for Which Continued Compliance Is Required			\$ -	\$ 1,240,467

New Hope Housing, Inc.

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2021

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (SEFA) includes the federal award activity of the Organization under the programs of the federal government for the year ended June 30, 2021. The information in the SEFA 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 SEFA 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.

2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement.

3. Indirect Cost Rates

The Organization has elected not to use the 10% *de minimis* indirect cost rate as allowed under the Uniform Guidance.

4. Noncash Assistance

The Organization neither received nor disbursed federal awards in the form of federal noncash assistance for the year ended June 30, 2021.

5. Federal Loans

In prior years, the Organization received certain loan assistance grants directly from the U.S. Department of Housing and Urban Development, and passed through from the Fairfax County Redevelopment and Housing Authority. As required by the Uniform Guidance, the outstanding balance of these loans at the end of the year is included in the SEFA, as there are continuing compliance requirements. There were no new loan assistance grants received by the Organization in fiscal year 2021. The balance of all loans outstanding at June 30, 2021 was \$1,240,467.

New Hope Housing, Inc.

Notes to the Schedule of Expenditures of Federal Awards (continued)
For the Year Ended June 30, 2021

6. Matching Requirements

Certain Federal programs require the Organization to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The Organization has met its matching requirements. The SEFA does not include the expenditure of non-Federal matching funds.

7. Reconciliation to Financial Statements

Reconciliation between federal expenditures per the SEFA and federal and state grants revenue per the accompanying statement of activities for the year ended June 30, 2021 is as follows:

Federal expenditures per the schedule of expenditures of federal awards	\$ 1,437,501
Add: non-federal grants	<u>457,076</u>
Federal and state grants per statement of activities	<u><u>\$ 1,894,577</u></u>

New Hope Housing, Inc.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2021

Section I – Summary of Auditors’ Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over the major program:

- Material weakness(es) identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X None reported

Type of auditor’s report issued on compliance for the major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes X No

Identification of the major program:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.267	Continuum of Care Program

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes X No

New Hope Housing, Inc.

Schedule of Findings and Questioned Costs (continued)
For the Year Ended June 30, 2021

Section II – Financial Statements Findings

There were no financial statements findings reported during the fiscal year 2021 audit.

Section III – Major Federal Award Programs Findings and Questioned Costs

There were no federal award findings or questioned costs reported during the 2021 audit.

New Hope Housing, Inc.

Corrective Action Plan
For the Year Ended June 30, 2021

There were no findings for the year ended June 30, 2021, and, therefore, a corrective action plan was not needed.



SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2021

February 3, 2022

New Hope Housing, Inc. ("the Organization") respectfully submits the following Schedule of Prior Audit Findings for the year ended June 30, 2021.

Name and address of independent public accounting firm:

Rogers and Company, PLLC
8300 Boone Blvd, Suite 600
Vienna, Virginia 22182

Audit period:

07/01/2020 to 06/30/2021

Finding No. 2020-001 – Material Weakness – Accounts Reconciliation

Condition:

This finding was a material weakness stating that accrued vacation liability, and accrued sick leave liability accounts required material audit adjustments after the initial trial balance was submitted.

Recommendation:

The auditor recommended that management monitor the accounts reconciliation process and be alert for possible unreconciled differences in the future. Monthly accounts reconciliations should be reviewed and evidence of review should be documented. This will help ensure balances are up-to-date, and identify any necessary adjustments in a timelier manner. The Organization should review its current processes and take any necessary steps for performing regular accounts reconciliations.

Current Status:

During the current year, the Organization took appropriate measures to implement our recommendations. No additional follow up recommendations are being made as a result of our current audit.

New Hope Housing, Inc.

Daphne Edwin
Director of Finance
dedwin@newhopehousing.org
703-799-2293