

**Green & Healthy Homes Initiative, Inc.
and Subsidiary**

**Consolidated Financial Statements
(With Supplementary Information)
and Independent Auditor's Report**

December 31, 2021

Green & Healthy Homes Initiative, Inc. and Subsidiary

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Independent Auditor's Report

To the Board of Directors
Green & Healthy Homes Initiative, Inc. and Subsidiary

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Green & Healthy Homes Initiative, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Green & Healthy Homes Initiative, Inc. and Subsidiary as of December 31, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Green & Healthy Homes Initiative, Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of GHHS were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Green & Healthy Homes Initiative, Inc. and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Green & Healthy Homes Initiative, Inc. and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Green & Healthy Homes Initiative, Inc. and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The 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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 14, 2022, on our consideration of Green & Healthy Homes Initiative Inc. and Subsidiary'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Green & Healthy Homes Initiative Inc. and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Green & Healthy Homes Initiative Inc. and Subsidiary's internal control over financial reporting and compliance.

CohnReznick LLP

Baltimore, Maryland
June 14, 2022

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Consolidated Statement of Financial Position
December 31, 2021**

Assets

Current assets	
Cash and cash equivalents	\$ 3,437,649
Restricted cash	971,589
Contracts and grants receivable	1,647,618
Prepaid expenses	152,506
	<hr/>
Total current assets	6,209,362
Property and equipment	
Furnishings and equipment, net of accumulated depreciation of \$639,126	27,599
Leasehold improvements, net of accumulated depreciation of \$415,584	65,317
Other assets	
Investments	501,521
Security deposits	4,069
	<hr/>
Total assets	<u>\$ 6,807,868</u>

Liabilities and Net Assets

Current liabilities	
Accounts payable and accrued expenses	\$ 284,102
Note payable, current	3,674
Accrued retirement	68,082
Contributions payable, short-term	780,331
Deferred contracts and refundable advances	3,395,302
	<hr/>
Total current liabilities	4,531,491
Long-term liabilities	
Contributions payable, long-term	141,258
Note payable, long-term	141,862
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Total liabilities	4,814,611
Commitments and contingencies	
Net assets	
Without donor restrictions	1,021,668
With donor restrictions	971,589
	<hr/>
Total net assets	1,993,257
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Total liabilities and net assets	<u>\$ 6,807,868</u>

See Notes to Consolidated Financial Statements.

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Consolidated Statement of Activities
Year Ended December 31, 2021**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Support and revenue			
Support			
Contracts and grants	\$ 6,045,012	\$ 1,450,000	\$ 7,495,012
Individual and business donations	20,197	-	20,197
Net assets released from restriction	<u>478,411</u>	<u>(478,411)</u>	<u>-</u>
Total support	<u>6,543,620</u>	<u>971,589</u>	<u>7,515,209</u>
Revenue			
Program income	77,582	-	77,582
Interest income	<u>1,921</u>	<u>-</u>	<u>1,921</u>
Total revenue	<u>79,503</u>	<u>-</u>	<u>79,503</u>
Total support and revenue	<u>6,623,123</u>	<u>971,589</u>	<u>7,594,712</u>
Expenses			
Maryland direct service	1,238,681	-	1,238,681
Client services/technical assistance	1,075,494	-	1,075,494
Policy and innovation	187,821	-	187,821
Data management	196,157	-	196,157
Special initiatives	2,821,528	-	2,821,528
Management and general	<u>1,140,385</u>	<u>-</u>	<u>1,140,385</u>
Total expenses	<u>6,660,066</u>	<u>-</u>	<u>6,660,066</u>
Increase in net assets	(36,943)	971,589	934,646
Net assets, beginning of year	<u>1,058,611</u>	<u>-</u>	<u>1,058,611</u>
Net assets, end of year	<u>\$ 1,021,668</u>	<u>\$ 971,589</u>	<u>\$ 1,993,257</u>

See Notes to Consolidated Financial Statements.

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Consolidated Statement of Functional Expenses
Year Ended December 31, 2021**

	Program services					Total program services	Management and general	Total
	Maryland direct service	Client services/ technical assistance	Policy and innovation	Data management	Special initiatives			
Salaries and benefits	\$ 904,859	\$ 775,782	\$ 182,002	\$ 179,778	\$ 1,114,424	\$ 3,156,845	\$ 655,126	\$ 3,811,971
Communications and information systems	27,450	1,990	3,219	9,747	22,915	65,321	139,731	205,052
Consulting	-	5,997	-	-	142,193	148,190	-	148,190
Contract professional services	10,650	5,615	1,112	312	35,129	52,818	136,489	189,307
Delivery	173	211	27	32	187	630	1,116	1,746
Depreciation	902	1,445	-	1,333	-	3,680	51,774	55,454
Dues and registrations	424	567	-	-	12,944	13,935	4,835	18,770
Equipment rental and expenses	22,200	244	-	-	173	22,617	3,214	25,831
Insurance	2,048	7,450	-	-	-	9,498	58,582	68,080
Licenses and permits	1,024	560	-	-	-	1,584	1,635	3,219
Printing	10,121	1,820	-	-	601	12,542	2,875	15,417
Housing and Healthy Homes expenses	227,937	239,281	1,461	4,487	1,443,094	1,916,260	10,041	1,926,301
Rent and occupancy	8,602	16,836	-	-	11,636	37,074	44,401	81,475
Staff and organizational development	3,150	6,907	-	-	12,591	22,648	26,428	49,076
Supplies	884	1,175	-	-	4,284	6,343	4,000	10,343
Travel and mileage	18,257	9,614	-	468	21,357	49,696	58	49,754
Taxes	-	-	-	-	-	-	80	80
Total functional expenses	\$ 1,238,681	\$ 1,075,494	\$ 187,821	\$ 196,157	\$ 2,821,528	\$ 5,519,681	\$ 1,140,385	\$ 6,660,066

See Notes to Consolidated Financial Statements.

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Consolidated Statement of Cash Flows
Year Ended December 31, 2021**

Cash flows from operating activities	
Change in net assets	\$ 934,646
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	55,454
(Increase) decrease in assets	
Contracts and grants receivable	(929,073)
Prepaid expenses	(4,065)
Security deposits	7,706
Increase in liabilities	
Accounts payable and accrued expenses	102,913
Accrued retirement	29,165
Change in contribution payable	921,589
Deferred contracts and grants	<u>886,541</u>
Net cash provided by operating activities	<u>2,004,876</u>
Cash flows from investing activities	
Purchase of investment	(250,000)
Purchases of furnishings and equipment	<u>(16,881)</u>
Net cash used in investing activities	<u>(266,881)</u>
Cash flows from financing activities	
Principal payments on note payable	<u>(3,605)</u>
Net cash used in financing activities	<u>(3,605)</u>
Net increase in cash, cash equivalents and restricted cash	1,734,390
Cash, cash equivalents and restricted cash, beginning of year	<u>2,674,848</u>
Cash, cash equivalents and restricted cash, end of year	<u><u>\$ 4,409,238</u></u>
Supplemental disclosure of cash flow information	
Cash paid for interest	<u><u>\$ 4,088</u></u>

See Notes to Consolidated Financial Statements.

Green & Healthy Homes Initiative, Inc. and Subsidiary

Notes to Consolidated Financial Statements December 31, 2021

Note 1 - Organization and summary of significant accounting policies

Green & Healthy Homes Initiative, Inc. (d/b/a Green & Healthy Homes Initiative, hereafter referred to as "GHHI") was formed in July 1992 for the purpose of creating resources, programs, and policies to aid in the prevention of childhood lead poisoning and the creation of green, healthy and safe housing. GHHI works in partnership with federal, state and local government agencies, communities and families to develop lead-safe housing initiatives with a comprehensive approach to lead poisoning prevention. GHHI is supported primarily through government grants, contracts and donor contributions.

Green & Healthy Housing Strategies, Inc. ("GHHS") is a stock-based corporation with 100 shares authorized, of which 10 shares are outstanding and owned by GHHI. GHHS was formed in July 2009 for the purpose of assisting GHHI in creating resources, programs and policies for green and healthy housing initiatives. GHHS works in partnership with communities and families to develop energy efficient green and healthy housing that not only reduces energy costs, but asthma, lead poisoning and injury hazards.

Principles of consolidation

The consolidated financial statements include the accounts of GHHI and its wholly-owned subsidiary, GHHS (collectively referred to as the "Corporation"). All significant intercompany accounts and transactions have been eliminated in the consolidation.

Net assets

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a 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 statement of activities as net assets released from restrictions.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

Government grants and contracts, other grants and contracts, and contributions are classified as either conditional or unconditional. Revenue is recognized on a conditional grant or contribution once a barrier or hurdle to be entitled to the resource is overcome and the resource provider is released from the obligation to fund or has the right of return of any advanced funding if the Corporation fails to overcome the barrier.

Green & Healthy Homes Initiative, Inc. and Subsidiary

Notes to Consolidated Financial Statements December 31, 2021

A portion of the Corporation's revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when the Corporation has incurred expenditures in compliance with specific contract or grant provisions. GHHI has executed conditional grants and contracts of approximately \$3,128,776 that have not been recognized at December 31, 2021 because qualifying expenditures have not yet been incurred.

For other grants and contracts, amounts are recognized as revenue when the Corporation has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are considered refundable advances and are classified as deferred revenue in the consolidated statement of financial position. At December 31, 2021, the Corporation had refundable advances of \$3,395,302.

Cash and cash equivalents

For purposes of the consolidated statement of cash flows, the Corporation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Contracts and grants receivable and bad debt

Grants receivable are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America ("GAAP") require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Investments

Certificates of deposit held for investment that are not debt securities and have original maturities greater than three months are included in investments.

Fair value measurements

The accounting guidance for fair value measurements and disclosures emphasizes that fair value is a market-based measurement, not an entity-specific measurement. Therefore, a fair value measurement should be determined based on the assumptions that market participants would use in pricing the asset or liability. As a basis for considering market participant assumptions in fair value measurements, the guidance establishes a fair value hierarchy that distinguishes between market participant assumptions based on market data obtained from sources independent of the reporting entity (observable inputs that are classified within Levels 1 and 2 of the hierarchy) and the reporting entity's own assumptions about market participant assumptions (unobservable inputs classified within Level 3 of the hierarchy). Refer to Note 12 for additional discussion.

Donated services

GHHI receives volunteer time from many individuals that has not been recorded in the consolidated financial statements because it does not meet the recognition criteria prescribed by generally accepted accounting principles.

Green & Healthy Homes Initiative, Inc. and Subsidiary

Notes to Consolidated Financial Statements December 31, 2021

Property and equipment

Property and equipment are carried at cost. It is the Corporation's policy to capitalize expenditures for property and equipment in excess of \$1,000. Depreciation is provided for in amounts sufficient to apportion the cost of depreciable assets to operations over their estimated service lives by use of the straight-line method as follows:

Furnishings and equipment	3 - 7 years
Leasehold improvements	10 - 39 years

Rent expense

Rent expense is recognized in accordance with the payment schedule included in the lease agreements. All leases between GHHI and its landlords of the properties are operating leases. Under accounting principles generally accepted in the United States, rental expenses with leases having scheduled rental increases are recognized on a straight-line basis over the term of the lease; however, the effect of recognizing rent expense in accordance with the payment schedule included in the lease agreements is not materially different than using the straight-line method.

Income taxes

GHHI has applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended December 31, 2021. Due to its tax-exempt status, GHHI is not subject to income taxes. GHHI is required to file and does file tax returns with the IRS and other taxing authorities. Accordingly, these consolidated financial statements do not reflect a provision for income taxes and the Corporation has no other tax positions which must be considered for disclosure.

Open tax years subject to IRS audit are 2018, 2019 and 2020.

GHHS is identified as a taxable C-Corporation for federal income tax purposes. GHHS is subject to federal and state income taxes, but the minimal operating activity during 2021 resulted in no tax liability or deferred tax asset for the year ended December 31, 2021.

Functional allocation of expenses

The costs of providing the various programs and supporting services have been summarized on a functional basis in the consolidated statement of functional expenses. Costs incurred by a program service or supporting service are charged directly to that service. Other management and general administrative expenses are allocated based on the percentage of time spent by each person on each service and a federally approved indirect cost rate.

Note 2 - Liquidity and availability of resources

The Corporation has \$5,085,267 of financial assets available within one year of the consolidated statement of financial position date to meet cash needs for general expenditures consisting of cash of \$3,437,649 and contracts and grants receivable of \$1,647,618. In addition, the Corporation maintains a \$250,000 line of credit, as discussed in Note 6. As of December 31, 2021, \$250,000 remained available on the Corporation's line of credit.

Financial assets of the Corporation are intended to be sufficient to meet its general expenditures, liabilities and other obligations as they become due. Project operations are designed to break even and not result in either a gain or a loss.

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
December 31, 2021**

Note 3 - Investments

On September 23, 2020, the Corporation purchased a certificate of deposit from SunTrust Bank with a 12-month term in the amount of \$250,000 which was extended for an additional 12-month period. As of December 31, 2021, the balance of the certificate of deposit was \$250,127 and is included in investments on the consolidated statement of financial position.

On January 22, 2021, the Corporation purchased a certificate of deposit with a 12-month term from CFG Community Bank in the amount of \$250,000. As of December 31, 2021, the balance of the certificate of deposit was \$251,394 and is included in investments on the consolidated statement of financial position.

Note 4 - Leases

The Corporation entered into an agreement on December 1, 2010 to lease a Providence, Rhode Island office facility. On August 23, 2018, the Corporation extended the lease agreement for 12 months with monthly rent expense of \$450. The extended lease agreement expired and is currently on a month-to-month lease. For the year ended December 31, 2021, rent expense under this lease was \$5,400.

The Corporation leases its Baltimore office facility under an operating lease that expires on September 30, 2023. For the year ended December 31, 2021, rent expense under this lease was \$48,280. Future minimum annual lease payments under this lease through the next two years are as follows:

<u>For the year ended</u>	<u>Amount</u>
2022	\$ 49,215
2023	<u>37,485</u>
Total	<u>\$ 86,700</u>

The Corporation leased its Lancaster, Pennsylvania office facility under an operating lease that began on September 1, 2021 and ended on January 31, 2022 with monthly rent expense of \$321. The Corporation extended the lease agreement for 7 months to September 1, 2022 with monthly rent expense of \$321. For the year ended December 31, 2021, rent expense under this lease was \$1,283. Future minimum lease payments for 2022 are \$2,568.

The Corporation entered into an agreement on March 19, 2020 to lease a Memphis, Tennessee office facility for the period from April 1, 2020 through March 31, 2021. During 2021, the Corporation entered into a new lease agreement for the period from April 1, 2021 through March 31, 2022. During 2022, the lease was extended to March 31, 2023. For the year ended December 31, 2021, rent expense under this lease was \$10,022. Future minimum annual lease payments for 2022 and 2023 are \$11,761 and \$2,940 respectively.

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
December 31, 2021**

Note 5 - Contracts and grants receivable

Contracts and grants receivable at December 31, 2021 consist of the following:

Amerigroup	\$	3,300
Ashcraft & Gerel, LLP		75
Attorneys At Law Semmes		75
Balt City DHCD (Dept 207)		9,946
Baltimore City Depart of Social Services		20,832
Baltimore City Dept. of HCD (206)		4,653
Baltimore City DHCD		1,376
Baltimore County Department of Social Ser		15,654
Bodie Law		475
CDBG		247,487
Central Falls RI		43,964
City of Jackson, Office of HCD		10,980
City of Memphis CDBG		35,236
City of Milwaukee		5,000
City of Pittsburgh		670
City of Providence		6,603
City of Roanoke		7,187
Delivery Associates Ltd.		200
Disability Determination Services		150
Doud, John H. III		225
Fee for Service		2,356
Goodell, Devries, Leech & Dann LLP		375
Housing Upgrades to Benefit Seniors		7,250
Institutions of Higher Learning		1,875
Johns Hopkins HUD		31,752
Lancaster General hospital		143,979
Law Offices of McCarthy Wilson		225
Law Offices of Nolan, Plumhoff & Williams		150
Le Bonheur Community Health & Well-Being		12
MD DHCD		47,442
MDH Prevention and Health Promotion Adm.		150,000
MEA City		48,864
MEA County		16,847
Memphis Habitat AIP		8,611
Memphis HUD		17,318
Mississippi State Department of Health		8,569
MLCO		36,846
Molina SOW		25,000
Natural Resources Defense Council		509
Neighborhood Housing and Community Devl.		4,864
New Jersey Board of Public Utilities		25,688
NYSERDA		2,156
Post & Schell P.C.		150
ProMedica		303,200
Rhode Island Housing		12,567
Richmond projectHOMES		1,905

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
December 31, 2021**

Salt Lake County	26,941
SE Sustainability	53,000
Segal, Cambridge, Singer & Mahoney	300
The Energy Foundation	252,504
United Way	308
United Way of the Capital Area, Inc.	1,667
Whiteford, Taylor & Preston, LLP	300
	<hr/>
	\$ 1,647,618
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Note 6 - Line of credit

On April 3, 2020, the Corporation entered into a commercial note with a bank for a line of credit in an amount up to \$250,000. The line of credit is open ended and payable on demand. Interest is incurred on the outstanding balance at a rate of 1.5% plus the prime rate as defined in the commercial note agreement and due monthly. The line of credit is secured by all assets of the Corporation. As of December 31, 2021, \$0 was outstanding on the line of credit.

Note 7 - Paycheck Protection Program

On February 24, 2021, Green & Healthy Homes Initiative, Inc. and Subsidiary was granted a \$745,360 loan under the Paycheck Protection Program "PPP" administered by a Small Business Administration ("SBA") approved partner. The loan was uncollateralized and was fully guaranteed by the Federal government. Green & Healthy Homes Initiative, Inc. and Subsidiary initially recorded the loan as a refundable advance and subsequently recognized grant revenue in accordance with guidance for conditional contributions; that is, once the measurable performance or other barrier and right of return of the PPP loan no longer existed. Green & Healthy Homes Initiative, Inc. and Subsidiary has recognized \$745,360 as grant revenue for the year ended December 31, 2021. The Corporation received notice from its lender on December 1, 2021 that the SBA approved forgiveness for the full amount of the PPP loan. There is a six-year period during which the SBA can review the Corporation's forgiveness calculation.

Note 8 - Note payable

On June 30, 2020, the Corporation obtained a promissory note with the SBA under the Economic Injury Disaster Loan ("EIDL") program in an amount of \$150,000. The loan is available to meet financial obligations and operating expenses that could not have been met had the disaster, coronavirus, not occurred. Interest is incurred on the outstanding balance at a rate of 2.75% as defined in the loan agreement. The first payment was deferred one year from the date of the loan. Subsequent to the deferred period, principal and interest of \$641 is due monthly and the balance of the principal and interest is payable 30 years from the date of the promissory note. The loan is secured by all assets of the Corporation. Outstanding principal as of December 31, 2021 is \$145,536 and is included in note payable, current and note payable, long-term on the consolidated statement of financial position.

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Notes to Consolidated Financial Statements
December 31, 2021**

Estimated aggregate annual maturities of the note payable over each of the next five years and thereafter following December 31, 2021 are as follows:

2022	\$	3,674
2023		3,777
2024		3,882
2025		3,990
2026		4,101
Thereafter		<u>126,112</u>
Total		145,536
Less current maturities		<u>(3,674)</u>
Net long-term portion	\$	<u><u>141,862</u></u>

Note 9 - Retirement plan

The Corporation sponsors a retirement plan under Internal Revenue Code Section 403(b) for all eligible employees. The plan is funded by voluntary employee contributions not to exceed certain limits established by the Internal Revenue Service. The plan also allows for discretionary employer contributions to be determined by the employer on an annual basis. The Corporation contributed \$68,082 as an employer discretionary contribution for 2021, which is included in accrued retirement as of December 31, 2021.

Note 10 - Net assets with donor restrictions

Net assets with donor restrictions at December 31, 2021 are restricted for the specific purpose as follows:

	<u>Donor Restricted</u>
Asthma program	\$ 921,589
ProMedica-GHHI Baltimore Healthy Housing Initiative (Baltimore 1,000)	<u>50,000</u>
	<u><u>\$ 971,589</u></u>

Green & Healthy Homes Initiative, Inc. and Subsidiary

Notes to Consolidated Financial Statements December 31, 2021

Net assets with donor restrictions were released to net assets without donor restrictions by incurring expenses satisfying the restricted purposes, time or by the occurrence of other events specified by the donor during the year ended December 31, 2021 as follows:

Receipts - contributions	
Asthma program	\$ 1,400,000
ProMedica-GHHI Baltimore Healthy Housing Initiative (Baltimore 1,000)	<u>50,000</u>
	<u>\$ 1,450,000</u>
Releases of restrictions	
Asthma program	<u>\$ 478,411</u>

Net assets with donor restrictions are segregated from operating cash and are included in restricted cash on the consolidated statement of financial position as of December 31, 2021.

Note 11 - Statement of cash flows

The following table provides a reconciliation of cash and restricted cash reported within the consolidated statement of financial position that sum to the total of the same such amounts in the statement of cash flows:

Cash	\$ 3,437,649
Restricted cash	<u>971,589</u>
Total cash and restricted cash shown in the statement of cash flows	<u>\$ 4,409,238</u>

The amount included in restricted cash consists of funds held for an asthma program (see Note 13) and the ProMedica-GHHI Baltimore Healthy Housing Initiative as required by the grant agreements.

Note 12 - Fair value measurements

Financial Accounting Standards Board's ("FASB") guidance on fair value measurements established a new framework for measuring fair value of assets and liabilities and expanded related disclosures. FASB's guidance requires fair value to be determined based on the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for an asset or liability in an orderly transaction between market participants. The guidance established a three-level valuation hierarchy based upon observable and nonobservable inputs.

Fair value is the price the Corporation would receive to sell an asset or pay to transfer a liability in an orderly transaction with a market participant at the measurement date. In the absence of active markets for the identical assets or liabilities, such measurements involve developing assumptions based on market observable data and, in the absence of such data, internal information that is

Green & Healthy Homes Initiative, Inc. and Subsidiary

Notes to Consolidated Financial Statements December 31, 2021

consistent with what market participants would use in a hypothetical transaction that occurs at the measurement date.

Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Corporation's market assumptions. Preference is given to observable inputs.

The fair value hierarchy under the guidance is as follows:

- Level 1 Quoted prices in active markets that are unadjusted and accessible at the measurement date for identical, unrestricted assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs;
- Level 2 Quoted prices for identical assets and liabilities in markets that are not active, quoted prices for similar assets and liabilities in active markets or financial instruments for which significant inputs are observable, either directly or indirectly; and
- Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable. The fair value hierarchy gives the lowest priority to Level 3 inputs.

FASB's guidance requires the use of observable market data if such data is available without undue cost and effort.

When quoted market prices are unobservable, the Corporation uses other relevant information including referenced interest rates where applicable. The fair value of assets measured on a recurring basis at December 31, 2021 is as follows:

	Fair value measurements	
	Significant other observable inputs	
	Without donor restrictions	With donor restrictions
Certificate of deposits	\$ 501,521	\$ -

Fair values for investments are determined by reference to other relevant information generated by market transactions for Level 2 inputs.

Note 13 - Commitment and contingencies

During the year ended December 31, 2021, the Corporation entered into an agreement with four unrelated parties for the purpose of scaling a comprehensive asthma program in New York City. In conjunction with this agreement, the Corporation entered into a Subordinate Investment Agreement with the financial intermediary who will facilitate the asthma program. According to the Subordinate Investment Agreement, the Corporation has agreed to advance \$1,375,000 to the financial intermediary over a ten-year period and is entitled to repayment upon conclusion of the program at a two percent per annum interest rate depending entirely on the success of the program. As of December 31, 2021, \$921,589 remains payable, of which \$780,331 is included in contribution payable, short-term and \$141,258 is included in contribution payable, long-term on the consolidated statement of financial position. In addition, during 2022, a certificate of deposit was set up to segregate the remaining cash to be used for the purpose of scaling the asthma program.

Green & Healthy Homes Initiative, Inc. and Subsidiary

Notes to Consolidated Financial Statements December 31, 2021

Note 14 - Concentration of credit risk

The Corporation maintains its cash accounts with major financial institutions. The balances consist of checking and money market accounts. These accounts are insured by the Federal Deposit Insurance Corporation at each institution. At times, the Corporation's cash balance may exceed the amount insured by the Federal Deposit Insurance Corporation; however, the Corporation has not experienced any losses with respect to bank balances in excess of government provided insurance. Management believes no significant concentration of credit risk exists with respect to these cash balances as of December 31, 2021.

Note 15 - Risks and uncertainties

In early 2020, an outbreak of a novel strain of coronavirus ("COVID-19") emerged globally. As a result, events have occurred including mandates from federal, state and local authorities leading to an overall decline in economic activity which could result in a loss of revenue and other material adverse effects to the Corporation's financial position, results of operations, and cash flows. As of December 31, 2021, the global pandemic was still ongoing. The Corporation is not able to reliably estimate the length or severity of this outbreak and the related financial impact. However, due to the fact that COVID-19 put more attention on both the need for healthy housing and health and racial disparities, the Corporation stands to provide a greater value to healthcare systems, government agencies and foundations focused on housing, health and environmental justice in the years coming out of the pandemic.

Note 16 - Subsequent events

Events that occur after the consolidated statement of financial position date but before the consolidated financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the consolidated statement of financial position date are recognized in the accompanying consolidated financial statements. Subsequent events which provide evidence about conditions that existed after the consolidated statement of financial position date require disclosure in the accompanying notes. Management evaluated the activity of the Corporation through June 14, 2022 (the date the consolidated financial statements were available to be issued) and concluded that, other than the subsequent event disclosed in Note 13, no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

Supplementary Information

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021**

<u>Federal Grantor /Pass-Through Grantor /Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Labor</u>				
Pass-through the State of Maryland to the Maryland Department of Labor Workforce Innovation and Opportunity Act Adult Program - WIOA Cluster WIA Adult Program	17.258	LOA2-0790	\$ -	\$ 29,906
Total U.S. Department of Labor			-	29,906
<u>U.S. Environmental Protection Agency</u>				
Direct award from U.S. Environmental Protection Agency Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034		-	33,706
Total U.S. Environmental Protection Agency			-	33,706
<u>U.S. Department of Health and Human Services</u>				
Pass-through the State of Mississippi to Mississippi State Department of Health Child Lead Poisoning Prevention Surveillance financed in part by Prevention and Public Health ("PPHF") Program	93.753	NUE1EH001336-02-0C	-	85,586
Pass-through the Centers for Disease Control and Prevention to DC Department of Energy and Environment Childhood Lead Poisoning Prevention Projects, State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Levels in Children	93.197	NUE2EH001403	-	60,000
Pass-through the State of Maryland to Maryland Department of Health Children's Health Insurance Program	93.767	2005MD5021/19 05MD5021	-	270,225
Total U.S. Department of Health and Human Services			-	415,811
<u>U.S. Small Business Administration</u>				
Direct award from U.S. Small Business Administration COVID-19 - Disaster Assistance Loans	59.008		-	149,141
Total U.S. Small Business Administration			-	149,141

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021**

<u>Federal Grantor /Pass-Through Grantor /Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of the Treasury</u>				
<u>Coronavirus Relief Fund</u>				
Pass-through the Commonwealth of Pennsylvania to Pennsylvania Legal Aid Network, Inc. COVID-19 - Coronavirus Relief Fund - Regional Housing Legal Services	21.019	4100073580	-	29,416
Total U.S. Department of the Treasury			-	29,416
<u>U.S. Department of Housing and Urban Development</u>				
Pass-through the City of Providence to Department of Planning and Development Lead Hazard Reduction Demonstration Grant Program - Rhode Island Housing	14.905	RILHB0563-13	-	12,567
Pass-through the City of Jackson to Department of Planning and Development Lead Hazard Reduction Demonstration Grant Program - City of Jackson	14.905	2017-003	-	10,841
Pass-through the City of Providence to Department of Planning and Development Lead Hazard Reduction Demonstration Grant Program - Lead Safe Providence	14.905	RILHD0263-17	-	9,772
Total Lead Hazard Reduction Demonstration Grant Program			-	33,180
Pass-through the State of Maryland to Maryland Department of Housing and Community Development Lead Hazard Control for High Risk Areas - Baltimore City DHCD	14.920	MDLNG0005-19	-	1,376
Pass-through Baltimore City to Department of Planning and Development Healthy Homes Technical Studies Grants - Johns Hopkins HUD HHTS	14.906	MDHUU0059-20	-	31,752
Pass-through the City of Memphis to Department of Planning and Development Older Adults Home Modification Grant Program - Memphis HUD	14.921	MDLHM0016-21	-	17,608
Pass-through Baltimore City to Baltimore City Department of Housing and Urban <u>Community Development Block Grants</u> <u>(CDBG)</u> CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants - CDBG	14.218	44-38616/45- 39172	-	183,178

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021**

<u>Federal Grantor /Pass-Through Grantor /Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Provided to Subrecipients</u>	<u>Total Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development</u>				
Pass-through the City of Memphis to Department of Housing and Urban <u>Community Development Block Grants</u> <u>(CDBG)</u>				
CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants - City of Memphis	14.218	B-19-MC-47- 0006	-	34,248
Pass-through City of Central Falls to Department of Housing and Urban <u>(CDBG)</u>				
CDBG - Entitlement Grants Cluster Community Development Block Grants/Entitlement Grants - Central Falls Rhode Island	14.218	19-04139	-	<u>43,964</u>
Total Community Development Block Grants/Entitlement Grants Cluster			-	<u>261,390</u>
Total U.S. Department of Housing and Urban Development			-	<u>345,306</u>
Total expenditures of federal awards				<u><u>\$ 1,003,286</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Notes to Schedule of Expenditures of Federal Awards
December 31, 2021**

Note 1 - Basis of presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Green & Healthy Homes Initiative, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of Green & Healthy Homes Initiative, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of GHHI.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3 - Indirect cost rate

Green & Healthy Homes Initiative, Inc. and Subsidiary have elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - U.S. Small Business Administration loan

Green & Healthy Homes Initiative, Inc. and Subsidiary received a U.S. Small Business Administration insured loan under the Economic Injury Disaster Loan program. The loan balance outstanding at the beginning of the year is included in the federal expenditures presented in the Schedule. Green & Healthy Homes Initiative, Inc. and Subsidiary received no additional loans during the year. The balance of the loan outstanding at December 31, 2021 is as follows:

<u>Federal Assistance Listing Number</u>	<u>Program Name</u>	<u>Outstanding Balance at December 31, 2021</u>
59.008	COVID-19 - Disaster Assistance Loans	\$ 145,536

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 Directors
Green & Healthy Homes Initiative, Inc. and Subsidiary

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 consolidated financial statements of Green & Healthy Homes Initiative, Inc. and Subsidiary, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 14, 2022. The financial statements of GHHS were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with GHHS.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Green & Healthy Homes Initiative, Inc. and Subsidiary's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Green & Healthy Homes Initiative, Inc. and Subsidiary's internal control. Accordingly, we do not express an opinion on the effectiveness of Green & Healthy Homes Initiative, Inc. and Subsidiary'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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Green & Healthy Homes Initiative, Inc. and Subsidiary's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

CohnReznick LLP

Baltimore, Maryland
June 14, 2022

Independent Auditor's Report on Compliance for Each Major Federal Program and
Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Directors
Green & Healthy Homes Initiative, Inc. and Subsidiary

Report on Compliance for Each Major Federal Program

Opinion on Major Federal Program

We have audited Green & Healthy Homes Initiative, Inc. and Subsidiary's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Green & Healthy Homes Initiative, Inc. and Subsidiary's major federal program for the year ended December 31, 2021. Green & Healthy Homes Initiative, Inc. and Subsidiary's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Green & Healthy Homes Initiative, Inc. and Subsidiary complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Green & Healthy Homes Initiative, Inc. and Subsidiary and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Green & Healthy Homes Initiative, Inc. and Subsidiary's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Green & Healthy Homes Initiative, Inc. and Subsidiary's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Green & Healthy Homes Initiative, Inc. and Subsidiary's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Green & Healthy Homes Initiative, Inc. and Subsidiary's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Green & Healthy Homes Initiative, Inc. and Subsidiary's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Green & Healthy Homes Initiative, Inc. and Subsidiary's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Green & Healthy Homes Initiative, Inc. and Subsidiary's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

Baltimore, Maryland
June 14, 2022

Green & Healthy Homes Initiative, Inc. and Subsidiary

**Schedule of Findings and Questioned Costs
December 31, 2021**

A. Summary Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? Yes X None reported

Noncompliance material to financial statements noted? Yes X No

Federal Award

Internal control over major federal program:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified? 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 200.516(a)? Yes X No

Identification of major program:

Program Name	Federal Assistance Listing Number	Amount
Children's Health Insurance Program	93.767	\$ <u>270,225</u>

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

Auditee qualified as low-risk auditee? X Yes No

B. Financial Statement Findings

None reported.

C. Federal Award Findings and Questioned Costs

None reported.



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