

**ETHIOPIAN TEWAHEDO SOCIAL SERVICES
(A Nonprofit Organization)**

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Ethiopian Tewahedo Social Services
Columbus, Ohio

Opinion

We have audited the accompanying financial statements of **Ethiopian Tewahedo Social Services** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Ethiopian Tewahedo Social Services** as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable in 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 Auditors' Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the **Ethiopian Tewahedo Social Services** and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **Ethiopian Tewahedo Social Services** ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITORS' REPORT - CONTINUED

Auditors' Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 generally accepted auditing standards 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, including omissions, 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 financial statements.

In performing audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the 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 financial statements.
- Obtain an understanding of internal control relevant to the audits 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 **Ethiopian Tewahedo Social Services** 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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **Ethiopian Tewahedo Social Services** 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 audits.

INDEPENDENT AUDITORS' REPORT - CONTINUED

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is 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 May 25, 2023 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 the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



Columbus, Ohio
May 25, 2023

ETHIOPIAN TEWAHEDO SOCIAL SERVICES**STATEMENTS OF FINANCIAL POSITION****DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 948,923	\$ 1,142,819
Grants receivable	881,683	700,383
Prepaid expenses	43,571	23,675
Deposit	<u>2,500</u>	<u>1,500</u>
Total current assets	1,876,677	1,868,377
PROPERTY AND EQUIPMENT, NET	<u>29,816</u>	<u>37,663</u>
	<u>\$ 1,906,493</u>	<u>\$ 1,906,040</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Line of credit	\$ 275	\$ 275
Current maturities of Paycheck Protection Program loan	94,392	93,565
Accounts payable	41,287	27,887
Accrued liabilities	<u>285,300</u>	<u>228,143</u>
Total current liabilities	421,254	349,870
PAYCHECK PROTECTION PROGRAM LOAN, NET OF CURRENT MATURITIES	<u>115,709</u>	<u>199,195</u>
	<u>536,963</u>	<u>549,065</u>
NET ASSETS		
Net assets without donor restrictions - available for operations	1,188,613	1,197,948
Net assets with donor restrictions - purpose restrictions	<u>180,917</u>	<u>159,027</u>
	<u>1,369,530</u>	<u>1,356,975</u>
	<u>\$ 1,906,493</u>	<u>\$ 1,906,040</u>

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
NET ASSETS WITHOUT DONOR RESTRICTIONS		
PUBLIC SUPPORT AND REVENUE		
Grants	\$ 5,848,977	\$ 3,791,231
Donations	191,172	224,072
Contributions of nonfinancial assets	34,978	32,746
Special events	68,314	44,910
Interest	76	291
Paycheck Protection Program loan forgiveness	<u>-</u>	<u>525,024</u>
	6,143,517	4,618,274
Net assets released from restrictions	<u>65,770</u>	<u>29,851</u>
Total Public Support and Revenue	<u>6,209,287</u>	<u>4,648,125</u>
FUNCTIONAL EXPENSES		
Program services	5,587,045	3,900,063
Supportive services	485,168	353,189
Fundraising	<u>146,409</u>	<u>120,720</u>
Total Functional Expenses	<u>6,218,622</u>	<u>4,373,972</u>
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	<u>(9,335)</u>	<u>274,153</u>
NET ASSETS WITH DONOR RESTRICTIONS		
Donations	87,660	128,878
Net assets released from restrictions	<u>(65,770)</u>	<u>(29,851)</u>
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>21,890</u>	<u>99,027</u>
INCREASE IN NET ASSETS	12,555	373,180
NET ASSETS		
Beginning of year	<u>1,356,975</u>	<u>983,795</u>
End of year	<u>\$ 1,369,530</u>	<u>\$ 1,356,975</u>

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

STATEMENTS OF FUNCTIONAL EXPENSES

YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022				2021			
	Program Services	Supportive Services	Fundraising	Total	Program Services	Supportive Services	Fundraising	Total
Salaries and compensation	\$ 4,004,522	\$ 300,112	\$ 88,860	\$ 4,393,494	\$ 2,965,031	\$ 223,875	\$ 84,349	\$ 3,273,255
Payroll taxes and benefits	631,386	114,249	34,086	779,721	524,192	64,644	21,841	610,677
Professional fees	223,534	42,615	18,031	284,180	168,119	37,461	12,815	218,395
Supplies	167,895	5,252	4,736	177,883	99,591	6,136	1,602	107,329
Occupancy costs	114,517	6,823	-	121,340	109,834	7,411	-	117,245
Bank charges	98	2,519	301	2,918	72	2,055	113	2,240
Travel and training	47,174	326	395	47,895	9,063	357	-	9,420
License and permits	35	260	-	295	-	260	-	260
Miscellaneous	2,589	10,575	-	13,164	522	6,153	-	6,675
Emergency assistance	387,449	-	-	387,449	22,070	-	-	22,070
Interest expense	-	2,437	-	2,437	-	4,837	-	4,837
Depreciation	7,846	-	-	7,846	1,569	-	-	1,569
Total Functional Expenses	<u>\$ 5,587,045</u>	<u>\$ 485,168</u>	<u>\$ 146,409</u>	<u>\$ 6,218,622</u>	<u>\$ 3,900,063</u>	<u>\$ 353,189</u>	<u>\$ 120,720</u>	<u>\$ 4,373,972</u>

See notes to financial statements.

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
OPERATING ACTIVITIES		
Increase in net assets	\$ 12,555	\$ 373,180
Adjustments to reconcile increase in net assets to net cash and cash equivalents used by operating activities:		
Depreciation	7,846	1,569
Paycheck Protection Program loan forgiveness income	<u>-</u>	<u>(525,024)</u>
	20,401	(150,275)
Changes in operating assets and liabilities:		
Grants receivable	(181,300)	(15,792)
Prepaid expenses	(19,896)	(2,843)
Deposit	(1,000)	(1,500)
Accounts payable	13,400	(16,140)
Accrued liabilities	<u>57,157</u>	<u>31,111</u>
Net Cash and Cash Equivalents Used by Operating Activities	<u>(111,238)</u>	<u>(155,439)</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	<u>-</u>	<u>(39,232)</u>
FINANCING ACTIVITIES		
Principal payments on Paycheck Protection Program loan	(82,658)	(23,402)
Borrowings on Paycheck Protection Program loan	<u>-</u>	<u>536,312</u>
Net Cash and Cash Equivalents Provided (Used) by Financing Activities	<u>(82,658)</u>	<u>512,910</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(193,896)	318,239
CASH AND CASH EQUIVALENTS		
Beginning of year	<u>1,142,819</u>	<u>824,580</u>
End of year	<u>\$ 948,923</u>	<u>\$ 1,142,819</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 2,437</u>	<u>\$ 4,837</u>

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Ethiopian Tewahedo Social Services (the "Organization") is a nonprofit organization engaged in assisting immigrants, refugees, and low income individuals in Central Ohio to improve the quality of their lives, to facilitate integration through education, training, supportive services, and self-development opportunities, and to increase awareness of the culture and heritage of Central Ohio's immigrant and refugee population. The Organization's main operating units are located in Columbus, Ohio, and the majority of its operating revenue is derived from government grants.

Accounting Methods - The Organization maintains its accounts on the accrual basis of accounting and prepares its financial statements in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation - Accounting standards require the Organization to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has not designated any net assets.

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 purposes for which the resource was restricted has been fulfilled, or both. The Organization has no net assets that are required to be maintained in perpetuity.

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

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been presented on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated between program services, supportive services, and fundraising. Costs are charged to supportive services where they benefit a majority of the programs for the Organization. Management and organization expenses that cannot be allocated directly or indirectly to programs are included in supportive services. Depreciable assets are allocated to the program utilizing the asset. Salaries and benefits are allocated to the program associated with the individuals' purpose, whereas salaries of individuals and other expenses involved with the fundraising process are allocated to fundraising.

Contributions and Grants - Contributions and grants are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence or nature of any donor restrictions. Support that is not restricted by the donor or grantor is reported as an increase in net assets without donor restrictions. Support restricted by the donor or grantor is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or a 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. Restricted contributions whose restrictions are met in the same reporting period are recorded as net assets without donor restriction contributions.

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment, are reported as increases in net assets with donor restrictions. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. Donations with specified time stipulations are recorded as increases in net assets with donor restrictions. The Organization reclassifies these net assets with donor restrictions to net assets without donors restrictions each year for the amount based on donor specified time or usage stipulations.

Contributed Nonfinancial Assets - The Organization recognizes contributed nonfinancial assets within revenue. Contributed nonfinancial assets consist of supplies and skilled labor. Unless otherwise noted, contributed nonfinancial assets do not have donor-imposed restrictions.

Concentrations - Financial instruments that are exposed to concentrations of credit risk consist of grants receivable. The grants receivable are principally from government agencies. Amounts due from government agencies represent essentially all grants receivable at December 31, 2022 and 2021.

Further, three government agencies combined provided in excess of 40% of the Organization's total public support and revenue for the years 2022 and 2021.

Concentration of Credit Risk - Cash on deposit in financial institutions exceeded FDIC limits of \$250,000 at various times during the years 2022 and 2021.

Property and Equipment - Property and equipment are stated at cost, which for donated items is the fair value at the time of the gift. Depreciation is provided over their estimated useful lives, which range from 3 to 5 years, using the straight-line method. It is the Organization's policy to capitalize equipment and furnishings whose cost is \$2,000 or more. Routine repairs and maintenance are charged to expense as incurred.

The Organization reviews for impairment of long-lived assets in accordance with accounting standards. These standards require organizations to determine if changes in circumstances indicate that the carrying amount of its long-lived assets may not be recoverable. If a change in circumstances warrants such an evaluation, undiscounted future cash flows from the use and ultimate disposition of the asset, as well as respective market values, are estimated to determine if an impairment exists. Management believes that there has been no impairment of the carrying value of its long-lived assets at December 31, 2022 and 2021.

Income Taxes - The Organization is a nonprofit organization and is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3). Accordingly, no provision for income taxes is presented in these financial statements. The Organization is not considered to be a private foundation.

Accounting for Uncertainty in Income Taxes - Accounting standards require the evaluation of tax positions taken, or expected to be taken, in the course of preparing the Organization's tax return, to determine whether the tax positions are "more-likely-than-not" of being sustained by the applicable tax authority. This statement provides that a tax benefit from an uncertain tax position may be recognized in the financial statements only when it is "more-likely-than-not" the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based upon the technical merits and consideration of all available information. Once the recognition threshold is met, the portion of the tax benefit that is recorded represents the largest amount of tax benefit that is greater than 50 percent likely to be realized upon settlement with a taxing authority. Based on its review, management does not believe the Organization has taken any material uncertain tax positions, including any position that would place the Organization's exempt status in jeopardy, as of December 31, 2022.

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - LIQUIDITY AND AVAILABILITY

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

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 948,923	\$ 1,142,819
Grants receivable	<u>881,683</u>	<u>700,383</u>
Total financial assets	1,830,606	1,843,202
Less those unavailable for general expenditure within one year due to:		
Purpose restrictions	<u>(180,917)</u>	<u>(159,027)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,649,689</u>	<u>\$ 1,684,175</u>

To further manage liquidity the Organization maintains a line of credit of \$500,000 with a bank that can be drawn upon as needed during the year to manage cash flow. See Note 4 for further description of this line of credit.

NOTE 3 - PROPERTY AND EQUIPMENT

	<u>2022</u>	<u>2021</u>
Vehicle	\$ 39,232	\$ 39,232
Less accumulated depreciation	<u>9,416</u>	<u>1,569</u>
	<u>\$ 29,816</u>	<u>\$ 37,663</u>

Depreciation expense for the year 2022 and 2021 was \$7,846 and \$1,569.

NOTE 4 - LINE OF CREDIT

The Organization has a line of credit with a bank for \$500,000. Interest is payable monthly at the national Prime rate (7.05% and 3.25% at December 31, 2022 and 2021). The line of credit matured in June 2022 and was extended to June 2023. The line of credit is secured by all assets of the Organization. Outstanding borrowing on the line of credit was \$275 at December 31, 2022 and 2021.

NOTE 5 - RELATED PARTY TRANSACTIONS

Periodically, contributions are received from members of the Organization's Board of Directors. The amount of these contributions was immaterial for the years 2022 and 2021.

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - PAYCHECK PROTECTION PROGRAM LOAN

In May 2020, the Organization received \$536,313 under the Paycheck Protection Program (“PPP”) which was established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”). The Organization initially recorded a note payable and subsequently has reflected \$231,439 of loan forgiveness income for the portion of the loan that was to be forgiven under the provisions of the loan agreement. The Organization will be required to repay the remaining loan balance of \$304,874 in monthly installments, plus interest at 1% per annum, through May 2025.

In May 2021 the Organization received a second round of PPP funding for \$536,312 with the same terms as the first round. The Organization recorded a note payable and subsequently has reflected \$525,024 of loan forgiveness income for that portion of the loan it expects to be forgiven under the provisions of the loan agreement. The Organization will be required to repay any remaining loan balance of \$11,288 in monthly installments, plus interest at 1% per annum through maturity in May 2026. The Organization plans to repay the remaining balance during 2023 and has classified the entire unforgiven balance as current.

The following is the future minimum payments related to the unforgiven portion of the paycheck protection program loan:

2023	\$	94,392
2024		83,939
2025		<u>31,770</u>
	\$	<u>210,101</u>

NOTE 7 - NET ASSETS

The following is a summary of net assets as of December 31:

	<u>2022</u>	<u>2021</u>
Net Assets Without Donor Restrictions		
Undesignated	<u>\$ 1,188,613</u>	<u>\$ 1,197,948</u>
Net Assets With Donor Restrictions		
Subject to expenditure for specific purpose:		
COVID-19 Relief Efforts	\$ 13,149	\$ 30,149
Youth Program and Learning Centers	50,320	70,842
Health Intervention Pilot Tool	29,787	46,281
Community Navigator Program	-	11,755
Youth Healthy Transitions	17,921	-
Adult Employment Services	59,426	-
Wellness Assessment	<u>10,314</u>	<u>-</u>
	<u>\$ 180,917</u>	<u>\$ 159,027</u>

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - CONTRIBUTIONS OF NONFINANCIAL ASSETS

Contributed nonfinancial assets recognized within the statements of activities included:

	<u>2022</u>	<u>2021</u>
Volunteered skilled labor	\$ 23,694	\$ 23,482
Donation of supplies	<u>11,284</u>	<u>9,264</u>
	<u>\$ 34,978</u>	<u>\$ 32,746</u>

Contributed supplies consists of donations of supplies, clothing, and other needed items contributed to the Organization by multiple members. Contributed volunteered skilled labor consists of donations of individuals time, in order to perform skill based services for the Organization. Contributed supplies and wages are valued and are reported at the estimated fair value in the financial statements based on actual expenditures incurred by the sole member.



**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**

Board of Directors
Ethiopian Tewahedo Social Services
Columbus, Ohio

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 **Ethiopian Tewahedo Social Services** (a nonprofit Organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and changes in net assets, 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 May 25, 2023.

Report on 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") as a basis for designing 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.

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 of significant deficiencies may exist that have were not identified.

**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* -
CONTINUED**

Report on 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 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 Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Columbus, Ohio
May 25, 2023



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

Board of Directors
Ethiopian Tewahedo Social Services
Columbus, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited **Ethiopian Tewahedo Social Services'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 each of the Organization's major federal programs for the year ended December 31, 2022. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, **Ethiopian Tewahedo Social Services** complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirement 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of **Ethiopian Tewahedo Social Services** 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 **Ethiopian Tewahedo Social Services'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 **Ethiopian Tewahedo Social Services's** federal programs.

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

Auditors' Responsibility 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 to express an opinion on **Ethiopian Tewahedo Social Services'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 generally accepted auditing standards, *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 **Ethiopian Tewahedo Social Services's** compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 misstatement of the 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 **Ethiopian Tewahedo Social Services'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 **Ethiopian Tewahedo Social Services'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 **Ethiopian Tewahedo Social Services'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.

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

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 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 Auditors' 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 weakness, 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.



Columbus, Ohio
May 25, 2023

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

<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>Federal Expenditures</u>
U.S. Department of Health and Human Services			
Pass-through programs from:			
Franklin County Department of Job and Family Services:			
Temporary Assistance for Needy Families - Out-of-School Time Youth Program and After School and Summer	93.558	Various	\$ 1,686,458
State Administered Programs - Refugee and Entrant Assistance	93.566	Various	514,877
Ohio Department of Job and Family Services:			
Temporary Assistance for Needy Families - After School and Summer	93.558	Various	131,894
Refugee and Entrant Assistance - State Administered Programs	93.566	Various	37,743
Pass-through programs from:			
Lutheran Immigrant Refugee Services:			
FY 2023 Preferred Communities	93.576	323-23-00	38,573
FY 2022 Preferred Communities	93.576	Various	183,129
FY 2022 Voluntary Agency Matching Grant Program	93.567	342-22-00	159,648
Ohio Office of Criminal Justice Services:			
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	2022-VP-002-4192	<u>7,626</u>
Total U.S. Department of Health and Human Services			<u>2,759,948</u>
U.S. Department of State			
Pass-through programs from:			
Lutheran Immigrant Refugee Services:			
Afghan Placement Assistance Program	19.510	320-21/22-00	452,314
FY 2023 Reception and Placement Program	19.510	323-23-00	<u>11,848</u>
Total U.S. Department of State			<u>464,162</u>

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

<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>Federal Expenditures</u>
U.S. Department of Treasury			
Pass-through program from:			
Franklin County Homeland Security and Justice Programs:			
COVID-19 - American Rescue Plan Act	21.027	21-ARP-0004	<u>34,111</u>
Total U.S. Department of Treasury			<u>34,111</u>
U.S. Department of Justice			
Pass-through programs from:			
Salvation Army:			
Services for Trafficking Victims	16.320	2018-VT-BX-K025	30,738
Ohio Attorney General:			
Victims of Crime Act	16.575	Various	95,871
Franklin County Department of Homeland Security and Justice Programs:			
Violence Against Women Act (VAWA)	16.588	2020-WF-VA5-8941	24,992
Ohio Office of Criminal Justice Services:			
Violence Against Women Act (VAWA)	16.588	2021-WF-VA6-8800	<u>32,554</u>
Total U.S. Department of Justice			<u>184,155</u>
Total expenditures of federal awards			<u>\$ 3,442,376</u>

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED DECEMBER 31, 2022

<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>Federal Expenditures</u>
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Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of **Ethiopian Tewahedo Social Services** under programs of the federal government for the year ended December 31, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of **Ethiopian Tewahedo Social Services**, it is not intended to and does not present the financial position, changes in net assets, or cash flows of **Ethiopian Tewahedo Social Services**.

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.

Ethiopian Tewahedo Social Services has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Subrecipients

Ethiopian Tewahedo Social Services provided no federal awards to subrecipients.

ETHIOPIAN TEWAHEDO SOCIAL SERVICES

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2022

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unmodified opinion on whether the financial statements of **Ethiopian Tewahedo Social Services** were prepared in accordance with GAAP.
2. No significant deficiencies or material weaknesses are reported in the 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*.
3. No instances of noncompliance material to the financial statements of **Ethiopian Tewahedo Social Services**, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs are reported in the Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for **Ethiopian Tewahedo Social Services** expresses an unmodified opinion on all major federal programs.
6. There were no audit findings that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The program tested as a major program included: CFDA 93.558: TANF - Temporary Assistance to Needy Families.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. **Ethiopian Tewahedo Social Services** was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT AND MAJOR FEDERAL AWARD PROGRAM AUDIT

There were no findings or questioned costs for the financial statements audit or the major federal award program audit for the calendar year 2022. Further, there were no prior year findings or questioned costs.