

CRESCENT CITY FAMILY SERVICES, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2022 AND 2021



ERICKSEN KRENTEL^{LLP}
CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Crescent City Family Services, Inc.
Gretna, Louisiana

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of Crescent City Family Services, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements (collectively, the financial statements).

In our opinion, the financial statements present fairly, in all material respects, the financial position of Crescent City Family Services, Inc. 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, the Louisiana Governmental Audit Guide, 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 Financial Statements section of our report. We are required to be independent of Crescent City Family Services, Inc. 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 opinions.

Change in Accounting Principle

As discussed in Notes 1 and 6 to the financial statements, the Organization adopted FASB ASC 842, *Leases*, which resulted in the recognition of right-of-use asset and operating lease liability. Our opinion is not modified with respect to that matter.

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.



To the Board of Directors of
Crescent City Family Services, Inc.
Gretna, Louisiana

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 Crescent City Family Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit 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 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 generally accepted auditing standards, the Louisiana Governmental Audit Guide, 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 financial statements.

In performing an audit in accordance with generally accepted auditing standards 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 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 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 Crescent City Family Services, Inc.'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Crescent City Family Services, Inc.'s ability to continue as a going concern for a reasonable period of time.



To the Board of Directors of
Crescent City Family Services, Inc.
Gretna, Louisiana

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 audits were conducted for the purpose of forming an opinion on the financial statements of Crescent City Family Services, Inc. as a whole. The supplementary information contained in Schedules “1” and “2” is presented for the purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute 24:513 A.(3), is also presented for the purposes of additional analysis and is also not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is also presented for the purposes of additional analysis and is also 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 information 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 June 28, 2023, on our consideration of Crescent City Family Services, Inc.’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 Crescent City Family Services, Inc.’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 Crescent City Family Services, Inc.’s internal control over financial reporting and compliance.

New Orleans, Louisiana
June 28, 2023

Erickson Krentel, LLP
Certified Public Accountants

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 374,204	\$ 397,631
Grants receivable	110,379	113,975
	<hr/>	<hr/>
Total current assets	484,583	511,606
	<hr/>	<hr/>
<u>PROPERTY AND EQUIPMENT, NET</u>	12,361	18,820
	<hr/>	<hr/>
<u>RIGHT OF USE ASSETS - OPERATING LEASE, NET</u>	231,118	-
	<hr/>	<hr/>
Total assets	<u>\$ 728,062</u>	<u>\$ 530,426</u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 39,139	\$ 15,022
Accrued expenses	51,298	28,629
Current portion of operating lease liabilities	79,929	-
	<hr/>	<hr/>
Total current liabilities	170,366	43,651
	<hr/>	<hr/>
<u>LONG-TERM LIABILITIES:</u>		
Operating lease liabilities, net of current portion	151,189	-
	<hr/>	<hr/>
Total long-term liabilities	151,189	-
	<hr/>	<hr/>
<u>NET ASSETS:</u>		
Without donor restrictions	406,507	486,775
	<hr/>	<hr/>
Total net assets	406,507	486,775
	<hr/>	<hr/>
Total liabilities and net assets	<u>\$ 728,062</u>	<u>\$ 530,426</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND SUPPORT:</u>			
Grant revenues	\$ 1,491,385	\$ -	\$ 1,491,385
Contributions	68,837	-	68,837
Other revenue	13	-	13
Total revenues and support	1,560,235	-	1,560,235
<u>EXPENSES:</u>			
Program services	1,413,680	-	1,413,680
Supporting services:			
Management and general	226,823	-	226,823
Total expenses	1,640,503	-	1,640,503
Change in net assets	(80,268)	-	(80,268)
Net assets at beginning of year	486,775	-	486,775
Net assets at end of year	\$ 406,507	\$ -	\$ 406,507

See accompanying NOTES TO FINANCIAL STATEMENTS

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>REVENUES AND SUPPORT:</u>			
Grant revenues	\$ 1,614,237	\$ -	\$ 1,614,237
Contributions	62,296	-	62,296
Other revenue	<u>132,754</u>	<u>-</u>	<u>132,754</u>
Total revenues and support	<u>1,809,287</u>	<u>-</u>	<u>1,809,287</u>
<u>EXPENSES:</u>			
Program services	1,384,498	-	1,384,498
Supporting services:			
Management and general	<u>164,868</u>	<u>-</u>	<u>164,868</u>
Total expenses	<u>1,549,366</u>	<u>-</u>	<u>1,549,366</u>
Change in net assets	259,921	-	259,921
Net assets at beginning of year	<u>226,854</u>	<u>-</u>	<u>226,854</u>
Net assets at end of year	<u><u>\$ 486,775</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 486,775</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services		Supporting Services		Total
	Healthy Start	WIC	General and Administrative		
Personnel services	\$ 590,643	\$ 309,367	\$ 172,214	\$ 1,072,224	
Contractors and professional	102,507	23,593	18,388	144,488	
Case management	40,532	138	2,445	43,115	
Office expenses	24,975	5,809	10,551	41,335	
General expenses	54,076	4,223	10,090	68,389	
Insurance	5,049	761	-	5,810	
Occupancy	140,454	40,272	3,594	184,320	
Communication	45,719	13,610	1,698	61,027	
Travel	11,080	872	1,384	13,336	
Depreciation	-	-	6,459	6,459	
Total functional expenses	<u>\$ 1,015,035</u>	<u>\$ 398,645</u>	<u>\$ 226,823</u>	<u>\$ 1,640,503</u>	

See accompanying NOTES TO FINANCIAL STATEMENTS

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Program Services</u>		<u>Supporting Services</u>	
	<u>Healthy Start</u>	<u>WIC</u>	<u>General and Administrative</u>	<u>Total</u>
Personnel services	\$ 642,929	\$ 278,093	\$ 122,361	\$ 1,043,383
Contractors and professional	96,601	16,814	6,390	119,805
Case management	36,765	853	1,702	39,320
Office expenses	37,218	7,705	12,086	57,009
General expenses	39,181	5,050	13,258	57,489
Insurance	4,038	484	-	4,522
Occupancy	137,763	35,873	1,078	174,714
Communication	35,196	8,085	78	43,359
Travel	1,817	33	742	2,592
Depreciation	-	-	7,173	7,173
Total functional expenses	\$ 1,031,508	\$ 352,990	\$ 164,868	\$ 1,549,366

See accompanying NOTES TO FINANCIAL STATEMENTS

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ (80,268)	\$ 259,921
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:		
Depreciation	6,459	7,173
Forgiveness of debt	-	(132,741)
(Increase) decrease in:		
Grants and contracts receivable	3,596	166
Increase (decrease) in:		
Accounts payable	24,117	(4,172)
Accrued liabilities	<u>22,669</u>	<u>1,042</u>
 Total adjustments	 <u>56,841</u>	 <u>(128,532)</u>
 Net cash from (used for) operating activities	 <u>(23,427)</u>	 <u>131,389</u>
 Net increase (decrease) in cash and cash equivalents	 (23,427)	 131,389
 Cash and cash equivalents - beginning of year	 <u>397,631</u>	 <u>266,242</u>
 Cash and cash equivalents - end of year	 <u>\$ 374,204</u>	 <u>\$ 397,631</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Crescent City Family Services, Inc. (the Organization) is a nonprofit organization that provides services for the Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program). The WIC program receives Federal funding to provide supplemental food, health care referrals, and nutritional education for low-income pregnant, breastfeeding, and postpartum women and their children. The Organization also provides services for the Healthy Start Program; an initiative to improve perinatal health outcomes and to reduce racial and ethnic disparities in high-risk communities.

Basis of Accounting and Financial Reporting Framework

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities in accordance with accounting principles generally accepted in the United States of America promulgated by the Financial Accounting Standards Board (FASB).

The financial statement presentation follows the recommendations of the FASB in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the board of directors. The revenues received in conducting the mission of the Organization are included in this category.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby, the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Organization considers all investments with original maturities of three months or less to be cash equivalents.

Grants Receivable

The Organization considers receivables to be fully collectible, since the balance consists of payments due under governmental contracts. If amounts due become uncollectible, they will be charged to operations when that determination is made.

Compensated Absences

The Organization has written policies for the compensation of personal leave. Employees receive leave in accordance with the following schedule:

<u>Years of Service</u>	<u>Monthly Leave Earned</u>
0 – 5 years	3.5 days
5+ years	4.6 days

Employees can carry hours of accrued personal leave over into a new year, and employees are paid out for unused PTO at termination. The maximum accrual for each employee is 120 hours. At December 31, 2022 and 2021, the Organization recognized an accrued leave liability of \$31,553 and \$28,629, respectively.

Leases

The Organization applies judgment in determining whether a contract contains a lease and whether a lease is classified as an operating lease or a finance lease. The Organization determines the lease term as the non-cancellable term of the lease, which may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. The lease term is used in determining classification between operating lease and finance lease, calculating the lease liability and determining the incremental borrowing rate.

The Organization has several lease contracts that include extension and termination options. The Organization applies judgment in evaluating whether it is reasonably certain to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date of the lease, the Organization reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

The Organization is required to discount lease payments using the rate implicit in the lease if that rate is readily available. If that rate cannot be readily determined, the lessee is required to use its incremental borrowing rate or the risk-free rate. Information from the lessor regarding the fair value of underlying assets and initial direct costs incurred by the lessor related to the leased assets is not available, and, therefore, the Organization generally uses the risk-free rate when initially recording real estate leases. The risk-free rate applied is based on the yield on U.S. treasury bonds with similar terms to each individual lease's expected term on the recognition date.

Leases with an initial term of 12 months or less are not recorded on the balance sheet. Lease expense is recognized for these leases on a straight-line basis over the lease term.

Functional Allocation of Expenses

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statements of activities. Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Revenue Recognition

The Organization's revenue is principally from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. The services received by the public are not equivalent to commensurate value received by the government agencies and are therefore not considered exchange transactions. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with the contract or grant provisions.

Contributions are recognized as income in the period received and is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified to net assets without donor restrictions and reported in the statement of activity as "net assets released from restrictions." Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Advertising

All non-direct response advertising costs, other than marketing materials inventory, are expensed as incurred. Advertising expense amounted to \$8,598 and \$10,437 for the years ended December 31, 2022 and 2021, respectively.

Property and Equipment

The Organization records property and equipment at cost. It is the policy of the Organization to capitalize all property and equipment with an acquisition cost in excess of \$10,000. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	Life of the lease
Transportation equipment	5 years
Furniture and fixtures	5 years

Income Taxes

The Organization operates as a non-profit corporation pursuant to Section 501(c)(3) of the Internal Revenue Code. As such, the Organization is subject to income tax only on unrelated business taxable income.

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained on examination. As of December 31, 2022 and 2021, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Date of Management's Review

Subsequent events have been evaluated through June 28, 2023, which is the date the financial statements were available to be issued.

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(1) NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Standards - Adopted

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; ASU 2019-01, *Leases (Topic 842): Codification Improvements*; and ASU 2021-09, *Discount Rate for Lessees That are Not Public Business Entities*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the balance sheet.

The Organization adopted these ASUs effective January 1, 2022 and utilized all of the available practical expedients.

(2) LIQUIDITY AND AVAILIBLTY OF FINANCIAL ASSETS

The Organization has \$484,583 and \$511,606 available within one year of the balance sheet date to meet cash needs for general expenditure at December 31, 2022 and 2021, respectively. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(3) GRANTS AND CONTRACTS RECEIVABLE

Grants and contracts receivable at December 31, 2022 and 2021, are as follows:

	<u>2022</u>	<u>2021</u>
Healthy Start Initiative	\$ 45,564	\$ -
WIC program	64,815	93,975
Other programs	<u>-</u>	<u>20,000</u>
	<u>\$ 110,379</u>	<u>\$ 113,975</u>

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(4) PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment consists of the following at December 31, 2022 and 2021:

	2022	2021
Equipment	\$ 40,362	\$ 40,362
Vehicles	30,900	30,900
Furniture and fixtures	17,732	17,732
Less: accumulated depreciation	(76,633)	(70,174)
Net property and equipment	\$ 12,361	\$ 18,820

Depreciation expense for the years ended December 31, 2022 and 2021 totaled \$6,459 and \$7,173, respectively.

(5) FORGIVENESS OF DEBT

During the year ended December 31, 2020, the Organization received a loan from the small business administration under the Paycheck Protection Program in response to COVID-19 relief efforts in the amount of \$132,741. The loan accrued interest at 1% and was scheduled to mature on April 29, 2022. The loan and accrued interest are forgivable if used in accordance with the terms of the program. During the year ended December 31, 2021, the Organization substantially complied with the terms of forgiveness and recorded loan forgiveness income in the amount of \$132,741 and recorded as other revenue in the accompanying statement of activities. Notice of full loan forgiveness under the program was received on May 13, 2021.

(6) LEASE AGREEMENTS

Transition

The Organization elected to adopt FASB ASC 842, *Leases*, using the optional transition method that allows the Organization to initially apply the new lease standard at the adoption date and recognize a cumulative effect adjustment to the opening balance of retained earnings in the period of adoption. As such, disclosure requirements follow ASC 840 for the year ended December 31, 2021 and follow ASC 842 for the year ended December 31, 2022.

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(6) LEASE AGREEMENTS (CONTINUED)

Under ASC 840 – December 31, 2021

The Organization leases its facilities under six operating leases. Five have the following terms and monthly rates:

	<u>Lease Term</u>	<u>Current Rate</u>
429 Wall Blvd., Bay 5 and 6	5/1/2017 – 4/30/2026	\$ 3,250
429 Wall Blvd., Bay 7	4/1/2017 – 3/31/2024	\$ 2,300
435 Wall Blvd., Suite F	6/1/2019 – 5/31/2022	\$ 1,400
1111 Medical Center Blvd., Suite S240A	9/1/2020 – 8/31/2022	\$ 1,082
2600 Bell Chasse Hwy., Suite 201	2/1/2021 – 1/31/2022	\$ 1,400

The Organization also has a month-to-month lease for office space at 429 Wall Blvd, Suite 5 requiring monthly payments of \$750. Total lease payments for the year ended December 31, 2021 were \$122,265.

Under ASC 842 – December 31, 2022

The Organization leases office facilities under various non-cancelable operating leases, which expire at various dates through 2027. The Organization adopted ASC 842, *Leases*, effective January 1, 2022 using the modified retrospective transition approach.

As of December 31, 2022, the Organization's total right-of-use assets amounted to \$231,118. The current portion of lease liabilities amounted to \$79,929 and the non-current portion amounted to \$151,189. During the year ended December 31, 2022, the Organization took on liabilities of \$78,220 in exchange for right-of-use assets. Lease costs were as follows for the year ended December 31, 2022:

	<u>2022</u>
Operating lease expense	\$ 83,400
Short term lease expense	<u>36,486</u>
Total lease costs	<u>\$ 119,886</u>

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	<u>2022</u>
Weighted Average Remaining Lease Term	40 months
Weighted Average Discount Rate	1.81%

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2022 AND 2021

(6) LEASE AGREEMENTS (CONTINUED)

Under ASC 842 – December 31, 2022 (Continued)

The maturities of lease liabilities as of December 31, 2022 were as follows:

2023	\$	83,400
2024		62,700
2025		55,800
2026		29,800
2027		7,000
Less: interest		<u>(7,582)</u>
Present value of lease liabilities	\$	<u>231,118</u>

(7) RETIREMENT PLAN

The Organization offers a 401(k) retirement plan to its employees who are at least 21 years of age and have completed 6 months of service. Employees can contribute to the plan up to limits imposed by the Internal Revenue Code. The Organization can make a discretionary matching contribution to the plan. For the years ended December 31, 2022 and 2021, the Organization made matching contributions of \$8,619 and \$3,182, respectively.

(8) CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in one financial institution. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Uninsured portions of bank balances were \$125,037 and \$188,106 at December 31, 2022 and 2021, respectively.

The Organization receives the majority of its funding through grants administered by the federal government and the state of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal or state level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Approximately 96% and 93% of the Organization's support for the years ended December 31, 2022 and 2021, respectively came from government grants and contracts.

(9) RECLASSIFICATION OF PRIOR YEAR PRESENTATION

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations.

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENT OF ACTIVITIES BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Healthy Start</u>	<u>WIC</u>	<u>General and Administrative</u>	<u>Total</u>
<u>REVENUES AND SUPPORT:</u>				
Grant revenues	\$ 1,053,903	\$ 370,845	\$ 66,637	\$ 1,491,385
Contributions	-	-	68,837	68,837
Other revenue	-	-	13	13
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	1,053,903	370,845	135,487	1,560,235
<u>EXPENSES:</u>				
Personnel services	590,643	309,367	172,214	1,072,224
Contractors and professional	102,507	23,593	18,388	144,488
Case management	40,532	138	2,445	43,115
Office expenses	24,975	5,809	10,551	41,335
General expenses	54,076	4,223	10,090	68,389
Insurance	5,049	761	-	5,810
Occupancy	140,454	40,272	3,594	184,320
Communication	45,719	13,610	1,698	61,027
Travel	11,080	872	1,384	13,336
Depreciation	-	-	6,459	6,459
	<hr/>	<hr/>	<hr/>	<hr/>
	1,015,035	398,645	226,823	1,640,503
Increase (decrease) in net assets	38,868	(27,800)	(91,336)	(80,268)
Transfer to general and administrative	(38,226)	28,078	10,148	-
Net assets at beginning of year	(642)	(278)	487,695	486,775
	<hr/>	<hr/>	<hr/>	<hr/>
Net assets at end of year	\$ -	\$ -	\$ 406,507	\$ 406,507

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENT OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2022

	Healthy Start	WIC	General and Administrative	Total
<u>EXPENSES:</u>				
Personnel services:				
Salaries and wages	\$ 498,171	\$ 265,015	\$ 150,995	\$ 914,181
Payroll taxes	32,290	19,317	15,324	66,931
Benefits	49,199	16,136	5,286	70,621
Payroll fees	10,983	8,899	609	20,491
Total personnel services	<u>590,643</u>	<u>309,367</u>	<u>172,214</u>	<u>1,072,224</u>
Contractors and professional:				
Accounting services	33,331	8,734	4,921	46,986
Administrative consulting and training	5,523	-	1,750	7,273
Data base system	12,370	-	-	12,370
Doula	9,100	-	-	9,100
Human resources	14,184	200	-	14,384
Mental health specialist	4,725	-	-	4,725
Nurse Practitioner	3,180	-	-	3,180
Professional services	3,275	-	11,717	14,992
Registered dietitian	3,604	13,909	-	17,513
Registered Nurse	13,215	750	-	13,965
Total contractors and professional	<u>102,507</u>	<u>23,593</u>	<u>18,388</u>	<u>144,488</u>
Case management:				
Brochures, pamphlets and workbooks	15,393	138	619	16,150
Educational material	4,936	-	-	4,936
PERC supplies	16	-	527	543
Perinatal kits and supplies	20,187	-	1,299	21,486
Total case management	<u>40,532</u>	<u>138</u>	<u>2,445</u>	<u>43,115</u>
Office expenses:				
Cleaning supplies	-	-	143	143
Medical supplies	1,463	-	-	1,463
Cleaning supplies	33	-	-	33
Dues and subscriptions	3,284	-	370	3,654
Furniture and equipment	-	164	266	430
Office supplies	16,862	3,931	5,750	26,543
Postage and shipping	418	53	-	471
Printing	2,915	1,661	4,022	8,598
Total office expenses	<u>24,975</u>	<u>5,809</u>	<u>10,551</u>	<u>41,335</u>

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENT OF EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Healthy Start	WIC	General and Administrative	Total
General expenses				
Computer, supplies, and IT support	21,453	726	638	22,817
Event expenses	8,263	283	4,590	13,136
Food pantry expense	-	-	1,664	1,664
Meeting costs	5,003	772	1,522	7,297
Registration fees	8,205	-	-	8,205
Staff development	845	138	1,199	2,182
Storage	5,319	2,160	-	7,479
Uniforms	2,480	129	318	2,927
Other	2,508	15	159	2,682
Total general expenses	<u>54,076</u>	<u>4,223</u>	<u>10,090</u>	<u>68,389</u>
Insurance:				
Automobile	2,767	-	-	2,767
Liability	2,282	761	-	3,043
Other	-	-	-	-
Total insurance	<u>5,049</u>	<u>761</u>	<u>-</u>	<u>5,810</u>
Occupancy:				
Building maintenance and repair	1,116	172	2,697	3,985
Building supplies	259	58	897	1,214
Janitorial	23,425	8,743	-	32,168
Rent	95,886	24,000	-	119,886
Utilities	19,768	7,299	-	27,067
Total occupancy	<u>140,454</u>	<u>40,272</u>	<u>3,594</u>	<u>184,320</u>
Communication:				
Cell phone	24,410	1,826	1,698	27,934
Internet	12,444	7,624	-	20,068
Telephone	8,865	4,160	-	13,025
Total communication	<u>45,719</u>	<u>13,610</u>	<u>1,698</u>	<u>61,027</u>
Travel				
Airfare	1,804	-	-	1,804
Ground transportation	873	126	899	1,898
Hotel	2,924	746	-	3,670
Per Diem	531	-	-	531
President's travel	4,172	-	-	4,172
Vehicle maintenance	776	-	485	1,261
Total travel	<u>11,080</u>	<u>872</u>	<u>1,384</u>	<u>13,336</u>
Depreciation	<u>-</u>	<u>-</u>	<u>6,459</u>	<u>6,459</u>
Total expenses	<u>\$ 1,015,035</u>	<u>\$ 398,645</u>	<u>\$ 226,823</u>	<u>\$ 1,640,503</u>

CRESCENT CITY FAMILY SERVICES, INC.
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Mary Schultheis</u> <u>Executive Director</u>
Time served	01/01/2022 - 12/31/2022
Salary	\$ 172,700
Auto allowance	14,172
Benefits - insurance	12,567
Travel	<u>4,172</u>
 Total compensation, benefits, and other payments	 \$ <u>203,611</u>



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

To the Board of Directors of
Crescent City Family Services, Inc.
Gretna, Louisiana

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 Crescent City Family Services, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crescent City Family Services, Inc.'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 Crescent City Family Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Crescent City Family Services, Inc.'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 were not identified.



To the Board of Directors
Crescent City Family Services, Inc.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crescent City Family Services, Inc.’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 Crescent City Family Services, Inc.’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crescent City Family Services, Inc.’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

New Orleans, Louisiana
June 28, 2023

Ericksen Krentel, LLP
Certified Public Accountants



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

To the Governing Board of
Crescent City Family Services, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Crescent City Family Services, Inc.'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 Crescent City Family Services, Inc.'s major federal programs for the year ended December 31, 2022. Crescent City Family Services, Inc.'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, Crescent City Family Services, Inc. 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 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 Crescent City Family Services, Inc. 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 Crescent City Family Services, Inc.'s compliance with the compliance requirements referred to above.



To the Board of Directors
Crescent City Family Services, Inc.
Gretna, Louisiana

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 Crescent City Family Services, Inc.'s federal programs.

Auditors' 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 Crescent City Family Services, Inc.'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 Crescent City Family Services, Inc.'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 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 Crescent City Family Services, Inc.'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 Crescent City Family Services, Inc.'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 Crescent City Family Services, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.



To the Board of Directors
Crescent City Family Services, Inc.
Gretna, Louisiana

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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

New Orleans, Louisiana
June 28, 2023

Ericksen Krentel, LLP
Certified Public Accountants

CRESCENT CITY FAMILY SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Pass-through Grantor's Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services</u>			
Healthy Start Initiative	93.926		\$ 1,154,533
<u>U.S. Department of Agriculture</u>			
<i>Pass-through programs from Louisiana Department of Health and Hospitals</i>			
Nutrition Program for Women, Infants and Children (WIC)	10.557	LAGov 2000277990	<u>415,976</u>
Total expenditures of federal awards			<u>\$ 1,570,509</u>

See Independent Auditors' Report

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

(1) BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of Crescent City Family Services, Inc. under programs of the federal government for the year ended December 31, 2022. The information in the 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 Crescent City Family Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Crescent City Family Services, Inc.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expense Recognition

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 allowed or are limited as to reimbursement.

Accrued and Deferred Reimbursement

Various reimbursement procedures are used for federal awards received by Crescent City Family Services, Inc. Consequently, timing differences between expenditures and program reimbursements can exist at the beginning and end of the year. Accrued balances at year end represent an excess of reimbursable expenditures over cash reimbursements and expenditures will be reversed in the remaining grant period.

Pass-Through Entity Information

Pass-through entity identifying numbers are presented where available.

(3) INDIRECT COST RATE

Crescent City Family Services, Inc. has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

CRESCENT CITY FAMILY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Crescent City Family Services.
2. No significant deficiencies or material weaknesses disclosed during the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Performed in Accordance with *Government Auditing Standards*
3. No instances of noncompliance were disclosed during the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Performed in Accordance with *Government Auditing Standards*
4. No significant deficiencies or material weaknesses in internal control over major federal award programs are reported in the Independent Auditors' 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 Crescent City Family Services, Inc. expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was: Healthy Start Initiative (AL No. 93.926).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Crescent City Family Services, Inc. was determined to not be a low-risk auditee.
10. No management letter was issued for the year ended December 31, 2022.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

None Noted

C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None Noted

CRESCENT CITY FAMILY SERVICES, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

**SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL
TO THE FINANCIAL STATEMENTS**

2021-001 Non-Compliance with Louisiana's Financial Reporting Laws

The Organization is required to provide an annual financial report to the Louisiana Legislative Auditor no later than six months after its year end. The Organization failed to comply with these laws, submitting the required report approximately 7 months after the required deadline.

The issue has been resolved through the implementation of policies and procedures to prevent late-filings.

2021-002 Non-Compliance with Federal Audit Clearinghouse Financial Reporting Laws

The Organization must submit its audit and the data collection form to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report(s), or nine months after the end of the audit period in accordance with 2 CFR section 200.512(a) of the Uniform Guidance. The Organization failed to comply with these laws, submitting the required report after the required deadline.

The issue has been resolved through the implementation of policies and procedures to prevent late-filings.

**SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL
TO THE FEDERAL AWARDS**

None Noted

SECTION III MANAGEMENT LETTER

None Noted