

**NO/AIDS Task Force  
doing business as  
CrescentCare**

Consolidated Financial Statements and  
Independent Auditors' Reports

June 30, 2022 and 2021



**DINGUS | ZARECOR & ASSOCIATES** PLLC  
Certified Public Accountants

**NO/Aids Task Force**  
**doing business as CrescentCare**  
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## INDEPENDENT AUDITORS' REPORT

Board of Trustees  
NO/AIDS Task Force  
doing business as CrescentCare  
New Orleans, Louisiana

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of NO/AIDS Task Force doing business as CrescentCare (the Organization), a nonprofit organization, which comprise the consolidated statements of financial position as of June 30, 2022, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization, as of June 30, 2022, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Other Matter***

The financial statements of NO/AIDS Task Force doing business as CrescentCare as of June 30, 2021, were audited by CliftonLarsonAllen LLP, whose report dated January 3, 2022, expressed an unmodified opinion on those statements.

#### ***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 the Organization'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 Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, 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 consolidated financial statements.

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

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

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

### ***Supplemental Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental information shown on pages 27 through 31 is presented for purposes of additional analysis and is not a required part of these consolidated financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of these consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements.

The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 December 19, 2022, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters for the year ended June 30, 2022. CliftonLarsonAllen LLP issued a similar report for the year ended June 30, 2021, dated January 3, 2022, which has not been included with the 2022 financial compliance report. The purpose of those reports 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 the Organization's internal control over financial reporting or on compliance. Those reports are 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.

*Dingus, Zarecor & Associates PLLC*

Spokane Valley, Washington  
December 19, 2022

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Consolidated Statements of Financial Position**  
**June 30, 2022 and 2021**

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
<i>Current assets</i>		
Cash and cash equivalents	\$ 9,103,529	\$ 6,923,620
Receivables:		
Patient accounts	1,516,192	1,430,177
Grants	5,971,657	5,988,231
340B pharmacy	3,737,016	3,107,177
Prepaid expenses and other	407,615	631,120
Total current assets	20,736,009	18,080,325
<i>Assets limited as to use</i>		
Held by trustee for reserve fund	69,064	87,602
<i>Noncurrent assets</i>		
Investments	7,615,037	6,597,775
Investment in Housing Partnership	400,107	400,107
Receivable for 1631 Elysian Fields Project	14,027,240	14,027,240
Property, buildings, and equipment, net	20,757,988	18,896,781
Total noncurrent assets	42,800,372	39,921,903
<b>Total assets</b>	<b>\$ 63,605,445</b>	<b>\$ 58,089,830</b>
<b>LIABILITIES AND NET ASSETS</b>		
<i>Current liabilities</i>		
Accounts payable	\$ 5,074,962	\$ 3,126,848
Accrued compensation and related liabilities	1,670,839	1,614,802
Current maturities of long-term debt	189,131	303,220
Current maturities of capital leases	29,114	137,496
Line of credit	3,251,209	-
Accrued interest	38,758	49,419
Total current liabilities	10,254,013	5,231,785
<i>Noncurrent liabilities</i>		
Long-term debt, less current portion	28,771,291	28,934,487
Capital leases, less current portion	8,438	38,426
Total noncurrent liabilities	28,779,729	28,972,913
Total liabilities	39,033,742	34,204,698
<i>Net assets without donor restrictions</i>	24,571,703	23,885,132
<b>Total liabilities and net assets</b>	<b>\$ 63,605,445</b>	<b>\$ 58,089,830</b>

See accompanying notes to consolidated financial statements.

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Consolidated Statements of Operations and Changes in Net Assets**  
**Years Ended June 30, 2022 and 2021**

	<b>2022</b>	<b>2021</b>
<i>Operating revenues</i>		
Patient service revenue	\$ 4,772,105	\$ 5,673,078
Grants	21,178,946	20,985,173
340B pharmacy	34,331,268	36,525,370
Investment return, net	(828,143)	527,799
Paycheck Protection Program contribution	-	3,864,474
Other	1,094,730	702,275
<b>Total operating revenues</b>	<b>60,548,906</b>	<b>68,278,169</b>
<i>Operating expenses</i>		
Salaries and wages	16,254,380	16,442,580
Payroll taxes and benefits	5,069,128	5,180,659
Professional fees	1,030,607	798,767
Medications	19,153,183	18,693,245
340B administration fees	5,585,257	5,960,539
Supplies	1,037,218	912,804
Contract medical providers	404,640	547,276
Dental referrals	411,980	470,313
Depreciation	1,912,123	1,896,189
Occupancy	581,171	596,284
Client assistance	4,311,856	5,029,395
Lab tests	243,231	274,197
Professional development and support	160,276	198,660
Property and operations	851,978	749,849
Insurance	228,452	217,957
Software, technology, and phones	1,409,442	1,621,745
Interest	751,002	872,208
Advertising and outreach	145,249	89,544
Other	321,162	363,206
<b>Total operating expenses</b>	<b>59,862,335</b>	<b>60,915,417</b>
<i>Operating income</i>	<b>686,571</b>	<b>7,362,752</b>
<i>Loss on disposal of equipment</i>	-	(168,711)
<i>Change in net assets without donor restrictions</i>	<b>686,571</b>	<b>7,194,041</b>
<i>Net assets without donor restrictions, beginning of year</i>	<b>23,885,132</b>	<b>16,691,091</b>
<b>Net assets without donor restrictions, end of year</b>	<b>\$ 24,571,703</b>	<b>\$ 23,885,132</b>

See accompanying notes to consolidated financial statements.

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Consolidated Statements of Cash Flows**  
**Years Ended June 30, 2022 and 2021**

	2022	2021
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>		
<i>Cash flows from operating activities</i>		
Cash received from patient services	\$ 4,686,090	\$ 5,419,767
Cash received from grants	21,195,520	19,968,957
Cash received from 340B pharmacy	33,701,429	31,417,454
Cash received from investment return	255,023	199,901
Cash received from other revenue	988,638	764,101
Cash paid to or on behalf of employees	(21,267,471)	(21,367,171)
Cash paid for supplies and other expenses	(33,608,652)	(30,915,646)
Cash paid for interest	(725,249)	(851,361)
<b>Net cash from operating activities</b>	<b>5,225,328</b>	<b>4,636,002</b>
<i>Cash flows from financing activities</i>		
Proceeds from issuance of long-term debt, net of financing costs	9,094,116	-
Principal payments on long-term debt	(9,397,154)	(209,939)
Principal payments on capital lease obligations	(138,370)	(142,698)
Cash advance on line of credit	3,251,209	-
<b>Net cash from financing activities</b>	<b>2,809,801</b>	<b>(352,637)</b>
<i>Cash flows from investing activities</i>		
Purchase of investments	(2,100,428)	(3,044,983)
Cash paid for property, buildings, and equipment	(3,773,330)	(479,068)
<b>Net cash from investing activities</b>	<b>(5,873,758)</b>	<b>(3,524,051)</b>
Net increase in cash and cash equivalents	2,161,371	759,314
Cash and cash equivalents, beginning of year	7,011,222	6,251,908
<b>Cash and cash equivalents, end of year</b>	<b>\$ 9,172,593</b>	<b>\$ 7,011,222</b>
	<b>2022</b>	<b>2021</b>
<b><i>Reconciliation of Cash and Cash Equivalents to the Statements of Financial Position</i></b>		
Cash and cash equivalents	\$ 9,103,529	\$ 6,923,620
Cash and cash equivalents held by trustee for reserve fund	69,064	87,602
<b>Total cash and cash equivalents</b>	<b>\$ 9,172,593</b>	<b>\$ 7,011,222</b>

*See accompanying notes to consolidated financial statements.*



**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Consolidated Statements of Cash Flows (Continued)**  
**Years Ended June 30, 2022 and 2021**

	2022	2021
<b><i>Reconciliation of Change in Net Assets Without Donor Restrictions to Net Cash From Operating Activities</i></b>		
Change in net assets without donor restrictions	\$ 686,571	\$ 7,194,041
<i>Adjustments to reconcile change in net assets without donor restrictions to net cash from operating activities</i>		
Depreciation	1,912,123	1,896,189
Amortization of debt issuance costs	25,753	20,847
Unrealized loss (gain) on investments	1,083,166	(327,898)
Loss on disposal of equipment	-	168,711
Gain on forgiveness of Paycheck Protection Program loan	-	(3,864,474)
(Increase) decrease in assets:		
Patient accounts receivable	(86,015)	(253,311)
Grants receivable	16,574	(1,016,216)
340B pharmacy receivable	(629,839)	852,623
Prepaid expenses and other	223,505	(71,526)
Increase (decrease) in liabilities:		
Accounts payable	1,937,453	(219,052)
Accrued compensation and related liabilities	56,037	256,068
<b>Net cash from operating activities</b>	<b>\$ 5,225,328</b>	<b>\$ 4,636,002</b>

*See accompanying notes to consolidated financial statements.*

**NO/AIDS Task Force  
doing business as CrescentCare  
Notes to Consolidated Financial Statements  
Years Ended June 30, 2022 and 2021**

**1. Organization and Summary of Significant Accounting Policies:**

**a. Organization**

NO/AIDS Task Force doing business as CrescentCare (CrescentCare or the Organization) is a nonprofit organization. The Organization was founded in 1983 in response to the early devastating effects of the AIDS epidemic in the New Orleans area. The services provided grew organically in response to the needs of patients. In response to the community need for health care in post-Hurricane Katrina New Orleans, and the opportunities under the Affordable Care Act, the agency expanded its mission and services when it became a Federally Qualified Health Center (FQHC) in 2013. The Organization's mission is strengthening our entire community through whole-person healthcare and education. The Organization's vision is a community without barriers to care, where all people have the power to be healthy and whole.

CrescentCare's values are inclusivity: it provides compassionate care for all, regardless of race and ethnicity, sexual orientation, gender identity, HIV status, housing and immigration status, income, language, cultural identity, and disability; representation: it reflects the communities served; and dignity: it honors the lived experience of clients and staff.

In April 2017, CrescentCare Holdings, Inc. (Holdings) was formed by the Organization as a separate 501(c)(3) entity in order to facilitate the construction of a new 65,000 square foot facility at 1631 Elysian Fields in New Orleans that opened in December 2018 to serve as the headquarters and clinic operations of the Organization. The new facility had a final cost of approximately \$23 million and Gulf Coast Housing Partnership (GCHP) served as the Developer and Project Manager. Financing for the facility was made possible with a New Markets Tax Credit allocation from Primary Care Development Corporation (PCDC), Hope Enterprise Corporation, and Chase Community Development Banking, a permanent \$10 million loan from PCDC, and contribution from CrescentCare (see Notes 9 and 10). The closing of the facility and related financing occurred on July 14, 2017.

The Organization's programs are as follows:

***Education and prevention*** – CrescentCare Prevention Department uses data-driven interventions and evidence-based approaches targeting those at high risk for HIV infection, Hepatitis C (HCV) and other sexually transmitted infections (STI). The agency works closely with both the Louisiana Office of Public Health and the Center for Disease Control to ensure programs align with national best practices. In addition to the more traditional methods of prevention, education, outreach, HIV testing in community settings, promotion of risk reduction and distribution of risk reduction materials, staff also focus on the new biomedical interventions PrEP (Pre- Exposure Prophylaxis), PEP (Post Exposure Prophylaxis), and TAP (Treatment as Prevention) with services to actively link clients to PrEP, PEP, and treatment. The agency provides many of its services in community settings and at nontraditional hours such as evenings and weekends.

Prevention staff provides HIV, HCV (Hepatitis C), and STI testing at satellite locations as well as at community locations such as bars and the Orleans Parish Municipal Court. One-on-one, client-centered linkage programs are available to ensure as many clients as possible are linked to appropriate services and treatment. Additionally, CrescentCare's New Orleans Syringe Access Program (NOSAP), serves as a place to procure safe equipment, provide, and encourage HIV/HCV testing, linkage to medical services, initiation of detox/treatment programs, Medicaid enrollment referral, and first aid/wound care assessment.

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years Ended June 30, 2022 and 2021**

**1. Organization and Summary of Significant Accounting Policies (continued):**

**a. Organization (continued)**

**Primary medical care** – CrescentCare operates two clinics which provide comprehensive medical care. Clinic services range from adult primary medical care, women’s health, transgender health, pediatrics, dental, and medical nutrition therapy. CrescentCare accepts most insurance plans and offers a sliding fee scale for those who meet the financial and household requirements. In calendar year 2021, CrescentCare performed 34,802 total visits on 11,891 medical patients.

**Dental** – CrescentCare offers comprehensive dental services. In calendar year 2021, CrescentCare performed 1,865 dental visits on 588 patients.

**Case management** – CrescentCare provides various levels of case management to all of its clients. CrescentCare provides case managers who connect clients with community resources.

**Behavioral health** – CrescentCare offers behavioral health counseling, substance use counseling, and psychiatry to any individual receiving medical care at a CrescentCare site. In calendar year 2021, CrescentCare performed 13,910 visits on 2,543 medical patients.

**Clinic support** – CrescentCare’s Clinic Support assists medical professionals in a clinical setting, which includes setting patient appointments, collecting patient data and insurance information, gathering data for analysis and research, and providing any additional support required by clinics. CrescentCare also assists with insurance (and medical) co-payments for qualified individuals. Staff assist eligible clients in enrolling in pharmaceutical medication assistance programs for access to free or low-cost medications.

**Food for Friends** – CrescentCare operates its Food For Friends program which serves home-delivered meals to patients and provides a food pantry. CrescentCare works with a contractor to provide meals to HIV clients who are homebound due to their severe illness and have no other access to food. CrescentCare also started a food pantry service for those clients who are able to prepare their own meals but do not have the resources to meet their nutritional needs. These individuals are unable to afford the food and personal care items needed to help maintain their health.

**Housing and housing support services** – CrescentCare provides assistance to those living with HIV and who are chronically homeless to obtain acceptable and affordable housing. CrescentCare is funded to provide housing, case management and support services to individuals living with HIV/AIDS in the Houma/Thibodeaux area.

**The Permanent Supportive Housing – Mental Health Rehabilitation Program** – The Mental Health Rehabilitation Program assists persons with significant disabilities to obtain and maintain housing in the community. Individuals are case-managed and support is tailored to each one’s needs.

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years Ended June 30, 2022 and 2021**

**1. Organization and Summary of Significant Accounting Policies (continued):**

**a. Organization (continued)**

**340B pharmacy** – CrescentCare is a covered entity in the U.S. Department of Health and Human Services, Health Resources and Services Administration, Office of Pharmacy Affairs and participates in the 340B Drug Pricing Program (340B program) whereby medications are purchased by a qualified third-party pharmacy company for CrescentCare clients at a discounted price, resulting in revenue for CrescentCare based on these savings. CrescentCare contracts with several local pharmacies for the 340B program. The intent of the 340B program is to permit the covered entity to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services.

**Legal services** – CrescentCare Legal Services provides civil legal assistance to income-eligible persons in Louisiana with legal issues involving matters related to or arising from their HIV status. Persons living with HIV/AIDS, face a variety of problems requiring the assistance of legal professionals with experience in various areas of the law. Our practice areas include personal and estate planning, simple successions, securing public benefits, protection of privacy, discrimination, consumer protection defense, and free notarial services.

**b. Summary of Significant Accounting Policies**

**Basis of presentation** – Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB). The Organization is required to report information regarding its financial position and operations according to two classes of net assets: with donor restrictions and without donor restrictions.

**Principles of consolidation** – The consolidated financial statements include the financial statements of CrescentCare and its wholly owned subsidiary CrescentCare Holdings, Inc. All material intercompany transactions and accounts have been eliminated in the consolidated financial statements.

**Use of estimates** – The preparation of consolidated 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and cash equivalents** – Cash and cash equivalents include investments in highly liquid investments with an original maturity of three months or less.

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years Ended June 30, 2022 and 2021**

**1. Organization and Summary of Significant Accounting Policies (continued):**

**b. Summary of Significant Accounting Policies (continued)**

***Property, buildings and equipment*** – Property, buildings, and equipment are recorded at cost. The Organization capitalizes all expenditures for equipment in excess of \$5,000; the fair value of donated assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Leasehold improvements are amortized over the shorter of the estimated useful life of the improvement or the term of the related lease. Impairment of long-lived assets is tested whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined primarily using appraisals. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair market values are reduced for the cost to dispose. There were no impairments of long-lived assets recorded by management during the years ended June 30, 2022 and 2021.

Depreciation has been computed on the straight-line method over the following estimated useful service lives:

Buildings and improvements	2 to 40 years
Furniture and equipment	3 to 10 years

***Donated property and equipment*** – Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose or for use for a specified period of time. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

***Investments and related returns*** – Investments in marketable securities with readily determinable fair values are reported at their fair value based on available market quotes in the consolidated statements of financial position and as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law. Dividends, interest and realized and unrealized gains and losses that are restricted by donors are reported as increases in net assets with donor restrictions.

Dividends, interest, and realized and unrealized gains and losses absent restriction are reported as increases and decreases in net assets without donor restrictions. All components of investment returns, including related expenses, are reported as investment return, net in the accompanying consolidated statements of operations and changes in net assets.

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years Ended June 30, 2022 and 2021**

**1. Organization and Summary of Significant Accounting Policies (continued):**

**b. Summary of Significant Accounting Policies (continued)**

***Investment in Housing partnership*** – In June 2013, CrescentCare invested \$250,000 in GCHP-Claiborne MM, LLC (Investee), a limited liability company which is the managing member of GCHP-Claiborne, LLC an entity which owns a housing development created using a LIHTC (Low income housing tax credit) project. The primary owner of Investee is a nonprofit community housing developer who builds housing units serving a client population consistent with CrescentCare’s mission. CrescentCare’s 21 percent interest in the Investee is being accounted for as an equity method investment, whereby CrescentCare recognizes 21 percent of the Investee’s change in net assets in the accompanying consolidated statements of operations and changes in net assets and the investment balance itself reflects 21 percent of the Investee’s net assets in the accompanying consolidated statements of financial position.

The development was completed and began operations in August 2014. At the end of the compliance period for the LIHTC (15 years), CrescentCare has a right of first refusal and option to purchase the development at the higher of fair market value or an amount which approximates pay off of existing debt at the date of purchase. During 2022, CrescentCare did not make any changes to investment in subsidiary.

***Contributions*** – Contributions received are reflected as net assets with or without donor restrictions, depending on the existence and/or nature of the donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor restricted support is reported as net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of operations and changes in net assets as net assets released from restrictions. As of June 30, 2022 and 2021, the Organization had no net assets with donor restrictions.

***Federal income tax*** – CrescentCare and Holdings are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax is necessary. The Organization evaluates uncertain tax positions whereby the effect of the uncertainty would be recorded if the outcome was considered probable and reasonably estimable. As of June 30, 2022 and 2021, the Organization had no uncertain tax positions requiring accrual.

***Deferred financing costs*** – Deferred financing costs are amortized over the period the related obligation is outstanding using the straight-line method. The amount is reported as a reduction of long-term debt on the consolidated statements of financial position. Amortization of deferred financing costs is included in interest expense in the consolidated financial statements.

***Assets limited as to use*** – Assets limited as to use include cash deposits held by trustees in reserve funds relating to long-term debt.

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years Ended June 30, 2022 and 2021**

**1. Organization and Summary of Significant Accounting Policies (continued):**

**b. Summary of Significant Accounting Policies (continued)**

*Upcoming accounting pronouncement* – In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), which will supersede the current lease requirements in Accounting Standards Codification (ASC) 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statements of operations and changes in net assets. Currently, leases are classified as either capital or operating, with only capital leases recognized on the statements of financial position. The reporting of lease-related expenses in the statements of operations and changes in net assets and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Organization’s year ending June 30, 2023. The new lease standard is expected to have a significant effect on the financial statements as a result of the rented office space and medical equipment being reported as liabilities on the statements of financial position. The effect of applying the new lease guidance on the financial statements will be to increase long-term assets and to increase short-term and long-term lease liabilities. The effects on the results of operations are not expected to be significant as recognition and measurement of expenses and cash flows for leases will be substantially the same under the new standard.

*Performance indicator* – The statements of operations and changes in net assets include a performance indicator as required by U.S. generally accepted accounting principles. Changes in net assets which are excluded from the performance indicator, consistent with industry practice, include restricted grants and contributions, unrealized gains and losses on other than trading debt securities, the releases of restrictions for capital items, and gains and losses on disposal of equipment.

*Subsequent events* – Subsequent events have been reviewed through December 19, 2022, the date on which the financial statements were available to be issued.

*Reclassifications* – Certain amounts have been reclassified in the 2021 consolidated financial statements in order to be consistent with the 2022 consolidated financial statements presentation. Those reclassifications had no effect on the previously reported change in net assets without donor restrictions.

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**2. Liquidity and Availability of Financial Assets:**

The Organization's financial assets available within one year of the statements of financial position to meet cash needs for general expenditures are as follows:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 9,103,529	\$ 6,923,620
Patient accounts receivable	1,516,192	1,430,177
Grants receivable	5,971,657	5,988,231
340B pharmacy receivables	3,737,016	3,107,177
Investments	7,615,037	6,597,775
<b>Financial assets available to meet cash needs for general expenditures within one year</b>	<b>\$ 27,943,431</b>	<b>\$ 24,046,980</b>

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position. As a 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. The Organization also has a line of credit which it may draw upon; see Note 8.

**3. Patient Accounts Receivable:**

Patient accounts receivable reported as current assets by the Organization consisted of these amounts:

	<b>2022</b>	<b>2021</b>
Receivables from Medicare	\$ 172,437	\$ 137,183
Receivables from Medicaid	844,527	405,660
Receivables from patients and their insurance carriers	499,228	887,334
<b>Total patient accounts receivable</b>	<b>\$ 1,516,192</b>	<b>\$ 1,430,177</b>



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**4. Investments:**

The Organization's investments in marketable securities are stated at fair value and consisted of the following balances:

	<b>2022</b>				
	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>			
		<b>Less than One</b>	<b>One to Two</b>	<b>Two to Five</b>	<b>Five to Ten</b>
Money market	\$ 185,254	\$ 185,254	\$ -	\$ -	\$ -
Domestic equities	882,788	882,788	-	-	-
International equities	454,036	454,036	-	-	-
Mutual funds					
Bond funds	5,418,871	5,418,871	-	-	-
Equity funds	674,088	674,088	-	-	-
	<b>\$ 7,615,037</b>	<b>\$ 7,615,037</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
	<b>2021</b>				
	<b>Fair Value</b>	<b>Investment Maturities (in Years)</b>			
		<b>Less than One</b>	<b>One to Two</b>	<b>Two to Five</b>	<b>Five to Ten</b>
Money market	\$ 128,298	\$ 128,298	\$ -	\$ -	\$ -
Domestic equities	859,441	859,441	-	-	-
International equities	441,012	441,012	-	-	-
Mutual funds					
Bond funds	4,565,042	4,565,042	-	-	-
Equity funds	603,982	603,982	-	-	-
	<b>\$ 6,597,775</b>	<b>\$ 6,597,775</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**5. Fair Value Measurements**

The three levels of the fair value hierarchy are described as follows:

- **Level 1:** Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.
- **Level 2:** Quoted prices in markets that are not considered to be active or financial instruments without quoted market prices, but for which all significant inputs are observable, either directly or indirectly.
- **Level 3:** Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Organization's assessment of the significance of a particular input to fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their placement within the fair value hierarchy levels.

Investments in marketable securities are stated at fair value, which is determined by using market quotations and other information available at the valuation date.

The following tables disclose, by level within the fair value hierarchy, the Organization's assets and liabilities measured and reported on the statements of financial position at fair value on a recurring basis as of the following dates:

	<b>2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market	\$ 185,254	\$ -	\$ -	\$ 185,254
Domestic equities	882,788	-	-	882,788
International equities	454,036	-	-	454,036
Mutual funds				
Bond funds	5,418,871	-	-	5,418,871
Equity funds	674,088	-	-	674,088
	<b>\$ 7,615,037</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,615,037</b>

	<b>2021</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Money market	\$ 128,298	\$ -	\$ -	\$ 128,298
Domestic equities	859,441	-	-	859,441
International equities	441,012	-	-	441,012
Mutual funds				
Bond funds	4,565,042	-	-	4,565,042
Equity funds	603,982	-	-	603,982
	<b>\$ 6,597,775</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,597,775</b>

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**6. Property and Equipment:**

A summary of property and equipment is as follows:

	<b>2022</b>	<b>2021</b>
Land	\$ 1,967,538	\$ 1,532,086
Buildings and improvements	20,330,241	20,022,529
Furniture and equipment	3,463,213	3,611,761
	<b>25,760,992</b>	<b>25,166,376</b>
Less accumulated depreciation	<b>8,181,720</b>	6,269,595
Construction in progress	<b>3,178,716</b>	-
<b>Property and equipment, net</b>	<b>\$ 20,757,988</b>	<b>\$ 18,896,781</b>

Construction in progress at June 30, 2022, consisted primarily of a building purchased to be renovated and updated to be used for future program expansion. The Organization plans to use new market tax credit opportunities to finance the project. This project is expected to be completed by December 2023 and is estimated to have additional costs of approximately \$19,000,000.

**7. Patient Service Revenue:**

Patient service revenue is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing patient care. These amounts are due from patients, third-party payors (including health insurers and government programs), and others and include variable consideration for retroactive revenue adjustments due to settlement of audits, reviews, and investigations. Generally, the Organization bills the patients and third-party payors several days after the services are performed. Revenue is recognized as performance obligations are satisfied.

Performance obligations are determined based on the nature of the services provided by the Organization. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Organization believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients in the clinic receiving medical, dental, or behavioral health services. The Organization measures the performance obligation from the commencement of a service, to the point when it is no longer required to provide services to that patient, which is generally at the time of completion of the services. Revenue for performance obligations satisfied at a point in time is generally recognized when goods are provided to patients and customers in a retail setting (for example, pharmaceuticals) and the Organization does not believe it is required to provide additional goods or services related to that sale.

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**7. Patient Service Revenue (continued):**

The Organization determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors, discounts provided to uninsured patients in accordance with the Organization's policy, and implicit price concessions provided to uninsured patients. The Organization determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies, and historical experience. The Organization determines its estimate of implicit price concessions based on its historical collection experience with this class of patients.

Agreements with third-party payors typically provide for payments at amounts less than established charges. A summary of the payment arrangements with major third-party payors follows:

- **Medicare** – Services rendered to Medicare program beneficiaries are paid at federally qualified health Organizations prospectively determined rates.
- **Medicaid** – Services rendered to Medicaid program beneficiaries are paid at a prospectively determined rate.
- **Other** – Payment agreements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations provide for payment using prospectively determined rates per encounter, and discounts from established charges.

Laws and regulations concerning government programs, including Medicare and Medicaid, are complex and subject to varying interpretation. As a result of investigations by governmental agencies, various healthcare organizations have received requests for information and notices regarding alleged noncompliance with those laws and regulations, which, in some instances, have resulted in organizations entering into significant settlement agreements. Compliance with such laws and regulations may also be subject to future government review and interpretation, as well as significant regulatory action, including fines, penalties, and potential exclusion from the related programs. There can be no assurance that regulatory authorities will not challenge the Organization's compliance with these laws and regulations, and it is not possible to determine the impact (if any) such claims or penalties would have upon the Organization. In addition, the contracts the Organization has with commercial payors also provide for retroactive audit and review of claims.

Settlements with third-party payors for retroactive adjustments due to audits, reviews, or investigations are considered variable consideration and are included in the determination of the estimated transaction price for providing patient care. These settlements are estimated based on the terms of the payment agreement with the payor, correspondence from the payor, and the Organization's historical settlement activity, including an assessment to ensure that it is probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the retroactive adjustment is subsequently resolved. Estimated settlements are adjusted in future periods as adjustments become known (that is, new information becomes available), or as years are settled or are no longer subject to such audits, reviews, and investigations. Adjustments arising from a change in the transaction price were not significant in 2022 or 2021.

Generally, patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount.

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**7. Patient Service Revenue (continued):**

The Organization also provides services to uninsured patients, and offers those uninsured patients a discount, either by policy or law, from standard charges. The Organization estimates the transaction price for patients with deductibles and coinsurance and from those who are uninsured based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and explicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to patient service revenue in the period of the change. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

Consistent with the Organization's mission, care is provided to patients regardless of their ability to pay. Therefore, the Organization has determined it has provided explicit price concessions to uninsured patients and patients with other uninsured balances (for example, copays and deductibles). The explicit price concessions included in estimating the transaction price represent the difference between amounts billed to patients and the amounts the Organization expects to collect based on its collection history with those patients.

Explicit price concessions provided to patients who are financially unable to pay for the healthcare services they received were approximately \$440,000 for the year ended June 30, 2022. The Organization determines the costs associated with providing this care by aggregating direct and indirect costs, including salaries and wages, benefits, supplies, and other operating expenses, based on its costing system. The costs for providing healthcare to patients who are financially unable to pay for the healthcare services they receive was approximately \$692,000 for the year ended June 30, 2022.

Implicit price concessions provided to patients other than those unable to pay for the healthcare services they received was approximately \$351,000 for the year ended June 30, 2022.

Patients who meet the Organization's criteria for charity care are provided care without charge or at amounts less than established rates. Such amounts determined to qualify as charity care are not reported as revenue.

The Organization has determined that the nature, amount, timing, and uncertainty of revenue and cash flows are affected by the following factors: payors, geography, service lines, methods of reimbursement, and timing of when revenue is recognized.

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**7. Patient Service Revenue (continued):**

The composition of patient service revenue by primary payor is as follows:

	<b>2022</b>	<b>2021</b>
Medicare	\$ 437,318	\$ 481,529
Medicaid	3,201,628	2,725,776
Other third-party payors	825,329	1,370,813
Patients	307,830	1,094,960
<b>Patient service revenue</b>	<b>\$ 4,772,105</b>	<b>\$ 5,673,078</b>

Revenue from patient's deductibles and coinsurance are included in the preceding categories based on the primary payor.

The composition of patient care service revenue and 340B pharmacy revenue based on the timing of revenue recognition follows:

	<b>2022</b>	<b>2021</b>
Timing of revenue and recognition:		
Healthcare services transferred over time	\$ 4,772,105	\$ 5,673,078
340B pharmacy sales at a point in time	34,331,268	36,525,370
	<b>\$ 39,103,373</b>	<b>\$ 42,198,448</b>

**8. Line of Credit:**

CrescentCare has a secured line of credit with its investment brokerage institution. The secured line of credit has a maximum borrowing of up to \$5,200,000 and \$3,930,000 as of June 30, 2022 and 2021, respectively, and is secured by CrescentCare's investments portfolio. For the years ended June 30, 2022 and 2021, the secured lines of credit had a balance of \$3,251,209 and \$-0- and carry an interest rate of 3.30 percent and 1.85 percent, respectively.

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**9. Receivable for 1631 Elysian Fields Project:**

Holdings participates in a New Market Tax Credit (NMTC) Program. NMTC programs were established as part of the Community Renewal Tax Relief Act of 2000. The goal of the NMTC program is to spur revitalizations efforts of low-income and impoverished communities across the United States by providing tax credit incentives to investors in certified community development activities. The tax credit for investors equals 39 percent of the investment, and investors receive the tax credit over a seven-year NMTC compliance period. A community development entity (CDE) is required to participate and has the primary mission of providing financing for the revitalization projects in low-income communities.

As part of the NMTC project, CrescentCare loaned approximately \$14,000,000 to Chase NMTC CrescentCare Investment Fund (Chase NMCT) (not related to CrescentCare or Holdings). Chase NMCT used the loan proceeds (and other funding) to make equity investments in CNMC SUB-CDE 151, PCDC Health Opportunities Fund XVII LLC, and Hope New Markets 7, LLC, which in turn loaned funds to Holdings, as described below. The loan to Chase NMTC has been recorded as a receivable for 1631 Elysian Fields Project in the accompanying Consolidated Statements of Financial Position.

**10. Long-term Debt:**

A summary of long-term debt follows:

	<b>2022</b>	<b>2021</b>
Primary Care Development Corporation note payable, due in monthly installments of \$73,093, including interest of 6.25%. Outstanding balance was refinanced in December 2021.	\$ -	\$ 9,319,718
CNMC SUB-CDE 151 note payable, 1.0% interest only due quarterly until June 2024. Quarterly payments of \$36,546, including interest of 1.0% begin September 2024 and continue through June 2047.	<b>3,000,000</b>	3,000,000
PCDC Health Opportunities Fund XVII LLC note payable, 1.0% interest only due quarterly until June 2024. Quarterly payments of \$118,159, including interest of 1.0% begin September 2024 and continue through June 2047.	<b>9,700,000</b>	9,700,000
Hope New Markets 7, LLC note payable, 1.0% interest only due quarterly until June 2024. Quarterly payments of \$91,527, including interest of 1.0% begin September 2024 and continue through June 2047.	<b>7,760,000</b>	7,760,000
National Cooperative Bank, N.A. note payable, due in monthly installments of \$53,530, including interest of 4.94%, with a balloon payment of \$6,895,330 due in January 2032.	<b>9,134,430</b>	-
Deferred finance costs	<b>(634,008)</b>	(542,011)
	<b>28,960,422</b>	29,237,707
<i>Less current maturities</i>	<b>189,131</b>	303,220
<b>Total long-term debt</b>	<b>\$ 28,771,291</b>	<b>\$ 28,934,487</b>

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**10. Long-term Debt (continued):**

During the year ended June 30, 2018, CrescentCare obtained a loan totaling \$10,000,000 from Primary Care Development Corporation. This loan was used to partially finance the loan made to Chase NMTC, as described above. During December 2021, CrescentCare refinanced the outstanding principal with National Cooperative Bank, N.A. The new loan matures in January 2032 and carries a 4.94 percent interest rate.

As explained in Note 9, Holdings participates in the NMTC program and has obtained loans of \$7,760,000, \$9,700,000, and \$3,000,000 payable to certified community development entities (CDE) (the Agreements). Quarterly payments of interest are required for the first seven years. Beginning September 1, 2024, principal and interest payments will be due in quarterly installments through the maturity date. The stated interest rate is 1 percent, and the loans mature in June 2047. These loans are secured by the property and equipment and other assets of Holdings and CrescentCare and are also subject to certain financial and other covenants as specified under the agreements. The Agreements were structured as 30-year debt financing with a seven-year NMTC compliance period, at the end of the seven-year compliance period, CrescentCare will have the option to acquire all membership rights of the investment fund and forgive the related debt.

Future maturities of long-term debt are:

<b>Years Ending December 31,</b>	<b>Total</b>
2023	\$ 189,131
2024	197,599
2025	1,003,668
2026	1,022,927
2027	1,042,247
Thereafter	26,138,858
	<u>29,594,430</u>
Deferred financing costs	<u>(634,008)</u>
	<b><u>\$ 28,960,422</u></b>

**11. Paycheck Protection Program Contribution:**

During the year ended June 30, 2020, CrescentCare received a loan through the Small Business Administration (SBA) Paycheck Protection Program (PPP) of \$3,820,790. On June 25, 2021, CrescentCare received notification from the SBA that loan principal and interest was forgiven in full and the amounts were recognized in operating revenue on the consolidated statements of operations and changes in net assets during the year ended June 30, 2021. The SBA may review funding eligibility and usage of funds for compliance with program requirements based on the dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty, however, management is of the opinion that any review will not have a material adverse impact on CrescentCare's financial position.



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**12. Retirement Plan:**

As of January 1, 2017, CrescentCare, has offered a defined contribution 401(k) plan (the Plan) to its employees. Beginning January 1, 2017, eligibility into the Plan was allowed after the 90-day waiting period with quarterly entry; beginning January 1, 2018, the waiting period was one full calendar month of employment. Effective January 1, 2019, the Plan was amended, and the waiting period was changed from one month to six months, with entry dates of January 1 and July 1 of each year. CrescentCare makes a qualified matching contribution and a non-elective profit-sharing contribution for eligible employees. The company matching contribution was 100 percent of the first 1 percent of compensation that an employee defers plus 50 percent of the next 5 percent for the years ended June 30, 2022 and 2021. The non-elective profit-sharing contribution was 1.5 percent of compensation for eligible employees for 2022 and 2021. Contributions to the Plan were \$626,493 and \$607,662 for the years ended June 30, 2022 and 2021, respectively.

**13. Commitments and Contingencies:**

***Medical malpractice claims*** – The Organization receives professional liability insurance under the Federal Tort Claims Act at no cost through the Department of Health and Human Services. The term of the coverage is by project period and all claims, if any, are 100 percent covered. The policy provides protection on an “occurrence” basis, whereby only malpractice claims that occur during the period that the insurance is in effect are covered. No liability has been accrued for future coverage for acts occurring in this year. In addition, CrescentCare maintains supplemental gap insurance for professional liability.

***Litigation, claims, and disputes*** – The Organization is subject to the usual contingencies in the normal course of operations relating to the performance of its tasks under its various programs. In the opinion of management, the ultimate settlement of any litigation, claims, and disputes in process will not be material to the financial position, operations, or cash flows of the Organization.

***Conditional grants and contracts*** – At June 30, 2022, the Organization had remaining available award balances on federal conditional grants and contracts for sponsored projects of approximately \$10,719,337. These award balances are not recognized as assets and will be recognized as revenue as the projects progress and conditions are met, generally as expenses are incurred.

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**14. Concentration of Risk:**

**Grants** – Grants received require the fulfillment of certain conditions as set forth in the grant instruments. CrescentCare intends to fulfill the conditions of all grants, recognizing that failure to fulfill the conditions could result in the return of the funds to donors. CrescentCare, by accepting the grants and their terms, has agreed to the conditions of the donors.

Grants and government support represented approximately 35 percent and 34 percent of CrescentCare’s total support and revenue for fiscal 2022 and 2021, respectively.

**Cash and cash equivalents** – CrescentCare has concentrated its credit risk for cash by maintaining deposits in financial institutions in New Orleans, Louisiana, which may at times exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). CrescentCare has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

**Patient accounts receivable** – The Organization grants credit without collateral to its patients, most of whom are local residents. The majority of these patients are geographically concentrated in and around New Orleans, Louisiana.

The mix of patient receivables was as follows:

	<b>2022</b>	<b>2021</b>
Medicare	<b>11 %</b>	10 %
Medicaid	<b>39</b>	28
Other third-party payors	<b>27</b>	30
Patients	<b>23</b>	32
	<b>100 %</b>	100 %

**15. Functional Expenses:**

The costs of providing the various programs and other activities of CrescentCare have been summarized on a functional basis in the accompanying consolidated statements of operations and changes in net assets. Accordingly, certain costs such as occupancy, telephone, and supplies have been allocated among the various programs and supporting services on the basis of an agency approved cost allocation plan.

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**Years Ended June 30, 2022 and 2021**

**15. Functional Expenses (continued):**

Expenses related to providing these services were as follows for the year ended June 30, 2022:

	Program Services							
	Education and Prevention	Primary Medical Care	Case Management	Dental	Behavioral Health	Clinic Support	Food for Friends	Housing Support
Salaries and wages	\$ 1,468,007	\$ 5,002,367	\$ 1,641,083	\$ 304,218	\$ 1,443,751	\$ 1,692,387	\$ 66,565	\$ 993,458
Payroll taxes and benefits	527,818	1,300,289	581,119	49,743	450,535	597,409	31,757	374,633
Professional fees	100,375	63,886	4,697	28,201	84,142	45,441	195	2,608
Medications	95,307	375,781	446,870	-	-	(3,648)	-	-
340B administration fees	-	-	135,521	-	-	-	-	-
Supplies	529,323	212,221	2,483	75,652	2,999	20,591	181,613	593
Contract medical providers	-	261,474	-	-	143,166	-	-	-
Dental referrals	-	-	3,384	408,596	-	-	-	-
Depreciation	186,268	537,107	207,972	74,978	153,082	216,726	9,000	118,329
Occupancy	65,875	110,417	60,084	9,029	21,369	98,101	5,723	50,675
Client assistance	85,848	37,511	401,565	-	1,253	171,062	-	6,788
Lab tests	172,330	70,901	-	-	-	-	-	-
Professional development and support	20,030	27,045	1,904	2,466	35,586	5,060	-	9,708
Property and operations	123,036	140,461	138,939	46,773	41,602	103,150	4,415	38,642
Insurance	27,615	48,841	28,837	4,165	16,225	33,220	1,833	14,714
Software, technology, and phones	171,111	296,926	141,074	33,800	85,558	93,425	4,767	42,353
Interest	67,817	231,094	75,813	14,054	66,697	78,283	3,075	45,895
Advertising and outreach	82,696	15,991	-	-	-	-	-	-
Other	9,058	9,914	11,080	748	1,530	10,242	163	9,370
<b>Total expenses</b>	<b>\$ 3,732,514</b>	<b>\$ 8,742,226</b>	<b>\$ 3,882,425</b>	<b>\$ 1,052,423</b>	<b>\$ 2,547,495</b>	<b>\$ 3,161,449</b>	<b>\$ 309,106</b>	<b>\$ 1,707,766</b>

	Program Services				Supporting Services			Total Expenses
	Housing	Medication	Legal Services	Program Total	Management and General	Fundraising	Support Total	
Salaries and wages	\$ 304,065	\$ -	\$ 617,011	\$ 13,532,912	\$ 2,647,807	\$ 73,661	\$ 2,721,468	\$ 16,254,380
Payroll taxes and benefits	118,576	-	216,007	4,247,886	796,485	24,757	821,242	5,069,128
Professional fees	579	7,991	4,379	342,494	688,016	97	688,113	1,030,607
Medications	-	18,238,873	-	19,153,183	-	-	-	19,153,183
340B administration fees	-	5,449,736	-	5,585,257	-	-	-	5,585,257
Supplies	144	-	3,186	1,028,805	8,153	260	8,413	1,037,218
Contract medical providers	-	-	-	404,640	-	-	-	404,640
Dental referrals	-	-	-	411,980	-	-	-	411,980
Depreciation	38,884	-	69,467	1,611,813	292,434	7,876	300,310	1,912,123
Occupancy	12,510	-	32,959	466,742	112,500	1,929	114,429	581,171
Client assistance	3,607,662	-	167	4,311,856	-	-	-	4,311,856
Lab tests	-	-	-	243,231	-	-	-	243,231
Professional development and support	-	-	15,131	116,930	42,629	717	43,346	160,276
Property and operations	15,774	-	24,976	677,768	172,073	2,137	174,210	851,978
Insurance	5,252	-	13,729	194,431	33,183	838	34,021	228,452
Software, technology, and phones	15,439	-	38,628	923,081	482,183	4,178	486,361	1,409,442
Interest	14,047	-	28,504	625,279	122,320	3,403	125,723	751,002
Advertising and outreach	-	-	5,090	103,777	5,335	36,137	41,472	145,249
Other	18,954	-	12,059	83,118	230,332	7,712	238,044	321,162
<b>Total expenses</b>	<b>\$ 4,151,886</b>	<b>\$ 23,696,600</b>	<b>\$ 1,081,293</b>	<b>\$ 54,065,183</b>	<b>\$ 5,633,450</b>	<b>\$ 163,702</b>	<b>\$ 5,797,152</b>	<b>\$ 59,862,335</b>

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Notes to Consolidated Financial Statements (Continued)**  
**Years Ended June 30, 2022 and 2021**

**15. Functional Expenses (continued):**

Expenses related to providing these services were as follows for the year ended June 30, 2021:

	Program Services							
	Education and Prevention	Primary Medical Care	Case Management	Dental	Behavioral Health	Clinic Support	Food for Friends	Housing Support
Salaries and wages	\$ 1,586,324	\$ 4,990,326	\$ 1,875,316	\$ 294,689	\$ 1,688,425	\$ 1,438,687	\$ 93,416	\$ 781,218
Payroll taxes and benefits	654,349	1,262,513	678,904	31,379	495,805	507,429	53,332	336,310
Professional fees	31,354	43,165	3,692	3,279	82,237	71,956	-	9,120
Medications	-	23,020	-	-	-	-	-	-
340B administration fees	-	-	-	-	-	-	-	-
Supplies	396,786	249,570	2,929	84,991	4,505	30,005	122,227	3
Contract medical providers	-	273,715	-	8,033	265,528	-	-	-
Dental referrals	-	-	-	470,313	-	-	-	-
Depreciation	190,572	519,278	234,093	31,539	211,402	204,659	14,069	62,829
Occupancy	52,652	105,972	71,462	5,211	63,369	80,771	36,797	(8,874)
Client assistance	149,642	64,685	534,956	-	3,050	186,766	-	1,941
Lab tests	22,704	218,499	-	-	-	-	-	-
Professional development and support	3,543	29,430	577	909	41,695	4,307	-	2,559
Property and operations	49,095	88,967	52,440	4,789	36,298	52,449	4,090	1,649
Insurance	23,160	46,682	30,250	3,042	27,979	31,385	2,292	750
Software, technology, and phones	160,586	433,320	173,155	18,047	176,445	334,210	8,637	5,947
Interest	84,301	265,199	99,659	15,661	89,727	76,465	4,964	41,516
Advertising and outreach	44,693	4,105	-	-	-	9,741	1,845	-
Other	26,116	12,851	17,200	491	3,484	12,297	246	1,197
<b>Total expenses</b>	<b>\$ 3,475,877</b>	<b>\$ 8,631,297</b>	<b>\$ 3,774,633</b>	<b>\$ 972,373</b>	<b>\$ 3,189,949</b>	<b>\$ 3,041,127</b>	<b>\$ 341,915</b>	<b>\$ 1,236,165</b>

	Program Services				Supporting Services			
	Housing	Medication	Legal Services	Program Total	Management and General	Fundraising	Support Total	Total Expenses
Salaries and wages	\$ 261,750	\$ -	\$ 588,698	\$ 13,598,849	\$ 2,771,096	\$ 72,635	\$ 2,843,731	\$ 16,442,580
Payroll taxes and benefits	130,587	-	211,439	4,362,047	794,928	23,684	818,612	5,180,659
Professional fees	759	-	4,528	250,090	548,677	-	548,677	798,767
Medications	-	18,670,225	-	18,693,245	-	-	-	18,693,245
340B administration fees	-	5,960,539	-	5,960,539	-	-	-	5,960,539
Supplies	-	925	891,941	891,941	20,699	164	20,863	912,804
Contract medical providers	-	-	-	547,276	-	-	-	547,276
Dental referrals	-	-	-	470,313	-	-	-	470,313
Depreciation	36,018	-	67,625	1,572,084	316,331	7,774	324,105	1,896,189
Occupancy	13,366	-	24,451	445,177	149,823	1,284	151,107	596,284
Client assistance	4,088,083	-	107	5,029,230	165	-	165	5,029,395
Lab tests	-	-	-	241,203	32,994	-	32,994	274,197
Professional development and support	-	-	7,123	90,143	108,108	409	108,517	198,660
Property and operations	6,814	-	10,063	306,654	442,233	962	443,195	749,849
Insurance	5,313	-	11,216	182,069	35,138	750	35,888	217,957
Software, technology, and phones	15,897	-	32,631	1,358,875	258,390	4,480	262,870	1,621,745
Interest	13,910	-	31,285	722,687	145,661	3,860	149,521	872,208
Advertising and outreach	-	-	-	60,384	5,705	23,455	29,160	89,544
Other	15,151	-	12,714	101,747	253,540	7,919	261,459	363,206
<b>Total expenses</b>	<b>\$ 4,587,648</b>	<b>\$ 24,630,764</b>	<b>\$ 1,002,805</b>	<b>\$ 54,884,553</b>	<b>\$ 5,883,488</b>	<b>\$ 147,376</b>	<b>\$ 6,030,864</b>	<b>\$ 60,915,417</b>

**16. Related-party Transactions:**

CrescentCare and Holdings entered into a rental agreement in which CrescentCare rents a facility from Holdings for \$277,313 per year from January 1, 2019 through December 31, 2023, increasing to \$610,359 for the year ended December 31, 2024, then to \$1,076,625 per year from January 1, 2025 through December 31, 2046, and decreasing to \$628,031 for the year ending December 31, 2047. The payments between CrescentCare and Holdings are eliminated on the consolidated statements of operations and changes in net assets.

**SUPPLEMENTAL INFORMATION**

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Consolidating Statement of Financial Position**  
**June 30, 2022**

<b>ASSETS</b>	<b>NO/AIDS Task Force doing business as CrescentCare</b>	<b>CrescentCare Holdings</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
<i>Current assets</i>				
Cash and cash equivalents	\$ 8,900,431	\$ 203,098	\$ -	\$ 9,103,529
Receivables:				
Patient accounts	1,516,192	-	-	1,516,192
Grants	5,971,657	-	-	5,971,657
340B pharmacy	3,737,016	-	-	3,737,016
Prepaid expenses and other	612,868	18,273	(223,526)	407,615
<b>Total current assets</b>	<b>20,738,164</b>	<b>221,371</b>	<b>(223,526)</b>	<b>20,736,009</b>
<i>Assets limited as to use</i>				
Held by trustee for reserve fund	-	69,064	-	69,064
<i>Noncurrent assets</i>				
Investments	7,615,037	-	-	7,615,037
Investment in Housing Partnership	400,107	-	-	400,107
Receivable for 1631 Elysian Fields Project	14,027,240	-	-	14,027,240
Property, buildings, and equipment, net	5,149,920	15,608,068	-	20,757,988
<b>Total noncurrent assets</b>	<b>27,192,304</b>	<b>15,608,068</b>	<b>-</b>	<b>42,800,372</b>
<b>Total assets</b>	<b>\$ 47,930,468</b>	<b>\$ 15,898,503</b>	<b>\$ (223,526)</b>	<b>\$ 63,605,445</b>
<b>LIABILITIES AND NET ASSETS</b>				
<i>Current liabilities</i>				
Accounts payable	\$ 5,091,826	\$ 206,662	\$ (223,526)	\$ 5,074,962
Accrued compensation and related liabilities	1,670,839	-	-	1,670,839
Current maturities of long term debt	189,131	-	-	189,131
Current maturities of capital leases	29,114	-	-	29,114
Line of credit	3,251,209	-	-	3,251,209
Accrued interest	38,758	-	-	38,758
<b>Total current liabilities</b>	<b>10,270,877</b>	<b>206,662</b>	<b>(223,526)</b>	<b>10,254,013</b>
<i>Noncurrent liabilities</i>				
Long-term debt, less current portion	8,832,455	19,938,836	-	28,771,291
Capital leases, less current portion	8,438	-	-	8,438
<b>Total noncurrent liabilities</b>	<b>8,840,893</b>	<b>19,938,836</b>	<b>-</b>	<b>28,779,729</b>
<b>Total liabilities</b>	<b>19,111,770</b>	<b>20,145,498</b>	<b>(223,526)</b>	<b>39,033,742</b>
<i>Net assets without donor restrictions</i>	28,818,698	(4,246,995)	-	24,571,703
<b>Total liabilities and net assets</b>	<b>\$ 47,930,468</b>	<b>\$ 15,898,503</b>	<b>\$ (223,526)</b>	<b>\$ 63,605,445</b>

*See accompanying independent auditors' report.*

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Consolidating Statement of Financial Position**  
**June 30, 2021**

<b>ASSETS</b>	<b>NO/AIDS Task Force doing business as CrescentCare</b>	<b>CrescentCare Holdings</b>	<b>Adjustments and Eliminations</b>	<b>Total</b>
<i>Current assets</i>				
Cash and cash equivalents	\$ 6,823,945	\$ 99,675	\$ -	\$ 6,923,620
Receivables:				
Patient accounts	1,430,177	-	-	1,430,177
Grants	5,988,231	-	-	5,988,231
340B pharmacy	3,107,177	-	-	3,107,177
Prepaid expenses and other	743,507	92,845	(205,232)	631,120
<b>Total current assets</b>	<b>18,093,037</b>	<b>192,520</b>	<b>(205,232)</b>	<b>18,080,325</b>
<i>Assets limited as to use</i>				
Held by trustee for reserve fund	-	87,602	-	87,602
<i>Noncurrent assets</i>				
Investments	6,597,775	-	-	6,597,775
Investment in Housing Partnership	400,107	-	-	400,107
Receivable for 1631 Elysian Fields Project	14,027,240	-	-	14,027,240
Property, buildings, and equipment, net	2,049,245	16,847,536	-	18,896,781
<b>Total noncurrent assets</b>	<b>23,074,367</b>	<b>16,847,536</b>	<b>-</b>	<b>39,921,903</b>
<b>Total assets</b>	<b>\$ 41,167,404</b>	<b>\$ 17,127,658</b>	<b>\$ (205,232)</b>	<b>\$ 58,089,830</b>
<b>LIABILITIES AND NET ASSETS</b>				
<i>Current liabilities</i>				
Accounts payable	\$ 3,197,650	\$ 134,430	\$ (205,232)	\$ 3,126,848
Accrued compensation and related liabilities	1,614,802	-	-	1,614,802
Current maturities of long-term debt	303,220	-	-	303,220
Current maturities of capital leases	137,496	-	-	137,496
Line of credit	-	-	-	-
Accrued interest	49,419	-	-	49,419
<b>Total current liabilities</b>	<b>5,302,587</b>	<b>134,430</b>	<b>(205,232)</b>	<b>5,231,785</b>
<i>Noncurrent liabilities</i>				
Long-term debt, less current portion	9,016,498	19,917,989	-	28,934,487
Capital leases, less current portion	38,426	-	-	38,426
<b>Total noncurrent liabilities</b>	<b>9,054,924</b>	<b>19,917,989</b>	<b>-</b>	<b>28,972,913</b>
<b>Total liabilities</b>	<b>14,357,511</b>	<b>20,052,419</b>	<b>(205,232)</b>	<b>34,204,698</b>
<i>Net assets without donor restrictions</i>	26,809,893	(2,924,761)	-	23,885,132
<b>Total liabilities and net assets</b>	<b>\$ 41,167,404</b>	<b>\$ 17,127,658</b>	<b>\$ (205,232)</b>	<b>\$ 58,089,830</b>

See accompanying independent auditors' report.

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Consolidating Statement of Operations and Changes in Net Assets**  
**Year Ended June 30, 2022**

	NO/AIDS Task Force doing business as CrescentCare	CrescentCare Holdings	Adjustments and Eliminations	Total
<i>Operating revenues</i>				
Patient service revenue	\$ 4,772,105	\$ -	\$ -	\$ 4,772,105
Grants	21,178,946	-	-	21,178,946
340B pharmacy	34,331,268	-	-	34,331,268
Investment return, net	(828,154)	11	-	(828,143)
Other	1,165,240	277,313	(347,823)	1,094,730
<b>Total operating revenues</b>	<b>60,619,405</b>	<b>277,324</b>	<b>(347,823)</b>	<b>60,548,906</b>
<i>Operating expenses</i>				
Salaries and wages	16,254,380	-	-	16,254,380
Payroll taxes and benefits	5,069,128	-	-	5,069,128
Professional fees	973,465	57,142	-	1,030,607
Medications	19,153,183	-	-	19,153,183
340B administration fees	5,585,257	-	-	5,585,257
Supplies	1,037,218	-	-	1,037,218
Contract medical providers	404,640	-	-	404,640
Dental referrals	411,980	-	-	411,980
Depreciation	672,655	1,239,468	-	1,912,123
Occupancy	858,484	-	(277,313)	581,171
Client assistance	4,311,856	-	-	4,311,856
Lab tests	243,231	-	-	243,231
Professional development and support	160,276	-	-	160,276
Property and operations	851,978	-	-	851,978
Insurance	228,452	70,510	(70,510)	228,452
Software, technology, and phones	1,403,532	5,910	-	1,409,442
Interest	525,555	225,447	-	751,002
Advertising and outreach	145,249	-	-	145,249
Other	320,081	1,081	-	321,162
<b>Total operating expenses</b>	<b>58,610,600</b>	<b>1,599,558</b>	<b>(347,823)</b>	<b>59,862,335</b>
<i>Change in net assets without donor restrictions</i>	2,008,805	(1,322,234)	-	686,571
Net assets without donor restrictions, beginning of year	26,809,893	(2,924,761)	-	23,885,132
<b>Net assets without donor restrictions, end of year</b>	<b>\$ 28,818,698</b>	<b>\$ (4,246,995)</b>	<b>\$ -</b>	<b>\$ 24,571,703</b>

*See accompanying independent auditors' report.*



**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Consolidating Statement of Operations and Changes in Net Assets**  
**Year Ended June 30, 2021**

	NO/AIDS Task Force doing business as CrescentCare	CrescentCare Holdings	Adjustments and Eliminations	Total
<i>Operating revenues</i>				
Patient service revenue	\$ 5,673,078	\$ -	\$ -	\$ 5,673,078
Grants	20,985,173	-	-	20,985,173
340B pharmacy	36,525,370	-	-	36,525,370
Investment return, net	527,770	29	-	527,799
Paycheck Protection Program contribution	3,864,474	-	-	3,864,474
Other	764,101	277,313	(339,139)	702,275
<b>Total operating revenues</b>	<b>68,339,966</b>	<b>277,342</b>	<b>(339,139)</b>	<b>68,278,169</b>
<i>Operating expenses</i>				
Salaries and wages	16,442,580	-	-	16,442,580
Payroll taxes and benefits	5,180,659	-	-	5,180,659
Professional fees	741,625	57,142	-	798,767
Medications	18,693,245	-	-	18,693,245
340B administration fees	5,960,539	-	-	5,960,539
Supplies	912,804	-	-	912,804
Contract medical providers	547,276	-	-	547,276
Dental referrals	470,313	-	-	470,313
Depreciation	656,721	1,239,468	-	1,896,189
Occupancy	873,597	-	(277,313)	596,284
Client assistance	5,029,395	-	-	5,029,395
Lab tests	274,197	-	-	274,197
Professional development and support	198,660	-	-	198,660
Property and operations	749,849	-	-	749,849
Insurance	217,957	61,826	(61,826)	217,957
Software, technology, and phones	1,618,385	3,360	-	1,621,745
Interest	646,761	225,447	-	872,208
Advertising and outreach	89,544	-	-	89,544
Other	365,477	(2,271)	-	363,206
<b>Total operating expenses</b>	<b>59,669,584</b>	<b>1,584,972</b>	<b>(339,139)</b>	<b>60,915,417</b>
<i>Operating income</i>	8,670,382	(1,307,630)	-	7,362,752
<i>Loss on disposal of equipment</i>	(168,711)	-	-	(168,711)
<i>Change in net assets without donor restrictions</i>	8,501,671	(1,307,630)	-	7,194,041
Net assets without donor restrictions, beginning of year	18,308,222	(1,617,131)	-	16,691,091
<b>Net assets without donor restrictions, end of year</b>	<b>\$ 26,809,893</b>	<b>\$ (2,924,761)</b>	<b>\$ -</b>	<b>\$ 23,885,132</b>

*See accompanying independent auditors' report.*

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Schedule of Compensation, Benefits, and Other Payments to Chief Executive Officer**  
**Year Ended June 30, 2022**

**Agency Head Name: Noel Twilbeck, Chief Executive Officer**

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Salary	\$	213,155
Benefits - Insurance		14,439
Benefits - Retirement		10,658

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Total	\$	<b>238,252</b>
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*See accompanying independent auditors' report.*

**SINGLE AUDIT**

**AUDITORS' SECTION**



DINGUS | ZARECOR & ASSOCIATES PLLC  
Certified Public Accountants

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 Trustees  
NO/AIDS Task Force  
doing business as CrescentCare  
New Orleans, 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 consolidated financial statements of NO/AIDS Task Force doing business as CrescentCare (the Organization) (a nonprofit healthcare entity), which comprise the consolidated statement of financial position as of June 30, 2022, and the related consolidated statements of operations and changes in net assets and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 19, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organizations' 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 consolidated 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 may exist that have not been identified.

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*Dingus, Zarecor & Associates PLLC*

Spokane Valley, Washington  
December 19, 2022



**DINGUS | ZARECOR & ASSOCIATES** PLLC  
Certified Public Accountants

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

Board of Trustees  
NO/AIDS Task Force  
doing business as CrescentCare  
New Orleans, Louisiana

**Report on Compliance for the Organization's Major Federal Programs**

***Opinion on Each Major Program***

We have audited NO/AIDS Task Force doing business as CrescentCare's (the Organization'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 June 30, 2022. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of audit findings and questioned costs.

In our opinion, the Organization complied, in all respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization'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 the Organization'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 the Organization'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.

### ***Other Matters***

The results of our auditing procedures disclosed two instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of audit findings and questioned costs as items 2022-001 and 2022-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Organization's response to the noncompliance finding identified in our audit described in the accompanying schedule of audit findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.



## **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 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 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.

*Dingus, Zarecor & Associates PLLC*

Spokane Valley, Washington  
December 19, 2022

**NO/AIDS Task Force  
 doing business as CrescentCare  
 Schedule of Audit Findings and Questioned Costs  
 Year Ended June 30, 2022**

**Section I – Summary of Auditors’ Results**

**Financial Statements:**

Type of auditors’ report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

**Federal Awards:**

Internal control over major federal programs:

- Material weakness(es) identified?  yes  no
- Significant deficiency(ies) identified?  yes  none reported

Type of auditors’ report issued on compliance for major federal programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?  yes  no

**Identification of Major Federal Programs:**

<i>Federal Assistance Listing Numbers</i>	<i>Name of Federal Program or Cluster</i>
14.267	Continuum of Care
93.224 & 93.527	Health Center Program Cluster
93.243	Substance Abuse and Mental Health Services Projects of Regional and National Significance
93.498	Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution
93.939	HIV Prevention Activities Non-Governmental Organization Based
93.940	HIV Prevention Activities Health Department Based

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

Auditee qualified as low-risk auditee?  yes  no

**NO/AIDS Task Force  
 doing business as CrescentCare  
 Schedule of Audit Findings and Questioned Costs (Continued)  
 Year Ended June 30, 2022**

**Section II – Financial Statement Findings**

No matters were reported for 2022.

**Section III – Federal Award Findings and Questioned Costs**

**2022-001 Reporting**

**Program Information**

**Federal Organization** U.S Department of Health and Human Services

**Assistance Listing Numbers** 93.224 & 93.527 Health Center Program Cluster

**Award Numbers** H80CS26583, H8FCS41666

**Criteria**  Compliance Finding  Significant Deficiency  Material Weakness

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F, Compliance Supplement, Part 4, Compliance Requirement L, Reporting, requires the reporting of cash draws, among other things, to be included in the Uniform Data Systems (UDS) reports filed with awarding agencies. Our testing of the December 31, 2021, UDS report noted a difference in the amount of actual cash draws and the amount reported for the covered period.

**Condition** Amounts reported as draw downs in the calendar year end UDS report were significantly different from actual cash received and drawn down.

**Context** This finding appears to be isolated.

**Cause** The Organization’s internal controls over compliance were not adequate to prevent or detect errors in amounts reported in the UDS report.

**Effect** The amounts reported on the Organization’s UDS report did not properly report cash receipts through PMS draws.

**Questioned Costs** None identified

**Recommendation** We recommend the Organization implement procedures to ensure reports filed with awarding agencies accurately reflect the appropriate activity for the period covered by the report.

**Views of responsible officials and planned corrective action** CrescentCare agrees with the finding and will add an additional layer of review of reports prior to submission. Management has made every effort to fully staff the finance department to provide a proper level of review to ensure reports accurately reflect the appropriate activity covered by the report filed with awarding agencies.

**NO/AIDS Task Force  
 doing business as CrescentCare  
 Schedule of Audit Findings and Questioned Costs (Continued)  
 Year Ended June 30, 2022**

**Section III – Federal Award Findings and Questioned Costs (continued)**

**2022-002 Application of Sliding Fee Discount**

**Program Information**

**Federal Organization** U.S Department of Health and Human Services

**Assistance Listing Numbers** 93.224 & 93.527 Health Center Program Cluster

**Award Numbers** H80CS26583, H8FCS41666

**Criteria**  Compliance Finding  Significant Deficiency  Material Weakness

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, Subpart F, Compliance Supplement, Part 4, Compliance Requirement N, Special Tests and Provisions states, “Health Centers must prepare and apply a sliding fee discount schedule so that the amounts owed for health center services by eligible patients are adjusted (discounted) based on the patients ability to pay.”

**Condition** During our testing of sliding fee discounts for health center patients qualifying for reduced charge visits, we identified two incidents in which the incorrect sliding fee was applied.

**Context** This finding appears to be an isolated incident. A sample size of 25 patients included two which did not have the correct sliding fee applied.

**Cause** The Organization did not follow its policies and procedures set in place to ensure the sliding fee schedule discount is correctly determined and applied to patient accounts.

**Effect** Patients may have been granted the incorrect sliding fee discount.

**Questioned Costs** None identified

**Recommendation** We recommend continued effort in training personnel to be properly trained on applying the appropriate sliding fee discount based on the Organization’s approved policy and in compliance with the OMB *Compliance Supplement* requirements. An appropriate level of review should be conducted on patient accounts to ensure proper document retention, application of sliding fee discounts, and third-party insurance billing.

**Views of responsible officials and planned corrective action** CrescentCare agrees with the finding and will train and retrain staff on correct implementation of the sliding fee scale. Management supports continued training of staff on applying the appropriate sliding fee discount.

**AUDITEE'S SECTION**

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2022**

Federal Grantor/Pass-through Grantor/Program Title or Cluster Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Additional Award Information	Total Federal Expenditures
<b>U.S. Department of Housing and Urban Development Pass-Through Programs From:</b>				
<i>Louisiana Department of Health and Hospitals</i>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grant Program for Entitlement Communities	14.218	2000153419		\$ 104,501
Housing Opportunities for Persons With AIDS	14.241	2000374889 2000599165 2000324061 2000544883		225,564
Housing Opportunities for Persons With AIDS	14.241	2000374889 2000599165	COVID-19	1,415
<i>City of New Orleans Office of Housing Policy and Community Development</i>				
Housing Opportunities for Persons With AIDS	14.241	HOPWA-028F		2,208,647
Housing Opportunities for Persons With AIDS	14.241	Not available	COVID-19	32,523
<i>Unity of Greater New Orleans, Inc.</i>				
Housing Opportunities for Persons With AIDS	14.241	LA-HI90014		217,850
Continuum of Care Program	14.267	LA0250L6H031904 LA0223L6H031906		1,701,458
Total U.S. Department of Housing and Urban Development				<b>\$ 4,491,958</b>
<b>U.S. Department of Health and Human Services Direct Programs:</b>				
Health Center Program Cluster				
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224			\$ 759,520
Health Center Program (Community Health Centers, Migrant Health Centers, Health Care for the Homeless, and Public Housing Primary Care)	93.224		COVID-19	2,086,200
Grants for New and Expanded Services under the Health Center Program	93.527			1,601,476
Total Health Centers Program Cluster				<b>4,447,196</b>
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153			1,291,057
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243			756,498
HRSA COVID-19 Claims Reimbursement for the Uninsured Program and the COVID-19 Coverage Assistance Fund	93.461		COVID-19	67,889
Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498		COVID-19	595,157
Grants for Capital Development in Health Centers	93.526			24,611
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918			760,675
Special Projects of National Significance	93.928			121,621
HIV Prevention Activities Non-Governmental Organization Based	93.939			799,642
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944			331,341
Total U.S. Department of Health and Human Services Direct Programs				<b>\$ 9,195,687</b>

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Schedule of Expenditures of Federal Awards (Continued)**  
**Year Ended June 30, 2022**

Federal Grantor/Pass-through Grantor/Program Title or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Additional Award Information	Federal Expenditures
<b>U.S. Department of Health and Human Services Pass-Through Programs From:</b>				
<i>The Center for Black Health &amp; Equity</i>				
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	PS004987-05-SC02		\$ 4,702
<i>The University of Washington</i>				
Drug Abuse and Addiction Research Programs	93.279	UWSC12171		33,175
<i>National Association of Community Health Centers, Inc.</i>				
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	5NU38OT000310 874-01		49,192
<i>National Health Care for the Homeless Council</i>				
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	Not available	COVID-19	120,000
<i>Aids United</i>				
National Harm Reduction Technical Assistance And Syringe Services Program (SSP) Monitoring and Evaluation Funding Opportunity	93.488	CDC-RFA-OT18-1802	COVID-19	33,333
<i>City of Baton Rouge and Parish of East Baton Rouge</i>				
Ending the HIV Epidemic: A Plan for America - Ryan White HIV/AIDS Program Parts A and B	93.686	UT8HA33920-02-02		61,195
HIV Emergency Relief Project Grants	93.914	6 H89HA11432-13-01 2 H89HA11432-14-00		86,919
HIV Emergency Relief Project Grants	93.914	Not available	COVID-19	13,443
<i>LSU Health Sciences Center - New Orleans</i>				
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	6 NU58DP006332-05-00		12,500
<i>City of New Orleans Office of Health Policy &amp; AIDS Funding</i>				
HIV Emergency Relief Project Grants	93.914	3611-02343		3,067,110
HIV Emergency Relief Project Grants	93.914	Not available	COVID-19	130,523
<i>Louisiana Department of Health and Hospitals</i>				
HIV Care Formula Grants	93.917	2000374889 2000599165 2000441493		982,465
HIV Prevention Activities Health Department Based	93.940	2000489571 2000562104 2000418593 2000524779		823,229
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	2000471817		329,453
<i>University Medical Center</i>				
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	EIS		10,033
<i>The Regents of the University of California, San Francisco</i>				
Special Projects of National Significance	93.928	13018SC		45,808
<i>Metropolitan Human Services District</i>				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	21146		273,097
Total U.S. Department of Health and Human Services Pass-Through Programs				\$ 6,076,177
Total U.S. Department of Health and Human Services				\$ 15,271,864
<b>Total expenditures of federal awards</b>				<b>\$ 19,763,822</b>

*See accompanying independent auditors' report and notes to the schedule of expenditures of federal awards.*

**NO/AIDS Task Force**  
**doing business as CrescentCare**  
**Notes to the Schedule of Expenditures of Federal Awards:**  
**Year Ended June 30, 2022**

**1. Basis of Presentation:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of NO/AIDS Task Force doing business as CrescentCare (the Organization) under programs of the federal government for the year ended June 30, 2022. Amounts reported on the Schedule for Federal Assistance Listing number 93.498 – Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution are based upon the December 31, 2021, Provider Relief Fund report. 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 the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

**2. Summary of Significant Accounting Policies:**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in accordance with the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented, or used in the preparation of, the consolidated financial statements.

**3. De Minimis Indirect Cost Rate:**

During the year ended June 30, 2022, the Organization did not elect to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance related to federal grants due to differing funder requirements.





**NO/AIDS Task Force  
doing business as CrescentCare  
Corrective Action Plan  
Year Ended June 30, 2022**

The current year Schedule of Audit Findings and Questioned Costs reported no matters in Section II – *Financial Statement Findings* and two matters in Section III – *Federal Award Findings and Questioned Costs*.

**Current year audit findings:**

**2022-001 Reporting**

***Corrective action planned:*** Management hired a CFO who will provide an additional review to ensure and confirm that grant reports reconcile to the general ledger prior to the grant report being submitted.

***Anticipated completion date:*** November 30, 2022

***Contact person responsible for corrective action:*** Annette LeBlanc, CFO

**2022-002 Application of Sliding Fee Discount**

***Corrective action planned:*** Management conducts quarterly internal audits of sliding fee discounts for health center patients. Based on the audit finding and the results of the internal audit, additional training and retraining will be provided to the personnel to support the correct application of the sliding fee discount program.

***Anticipated completion date:*** Ongoing

***Contact person responsible for corrective action:*** Roxanne Hadnott-Songy, Director of Compliance

**NO/AIDS Task Force  
doing business as CrescentCare  
Summary Schedule of Prior Audit Findings  
Year Ended June 30, 2022**

**2021-001 Material Weakness in Internal Controls Over Financial Reporting**

**Status:** Corrected.

**2021-002 Required Finding by the Louisiana Legislative Auditor for Misappropriation of Assets**

**Status:** Corrected.



## INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Governing Board of NO/AIDS Task Force doing business as CrescentCare and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2021 through June 30, 2022. NO/AIDS Task Force doing business as CrescentCare's (CrescentCare) management is responsible for those C/C areas identified in the SAUPs.

CrescentCare has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

### ***Written Policies and Procedures***

---

1. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving.
  - d) ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
  - e) ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

- g) **Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
- h) **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
- j) **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
- k) **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
- l) **Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

*No exceptions were noted as a result of these procedures. Procedures related to categories i) Ethics, j) Debt Service and l) Sexual Harassment are not applicable to this non-profit organization.*

### ***Board or Finance Committee***

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2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

*No exceptions were noted as a result of these procedures. Procedures related to step c are not applicable to this non-profit organization.*

### ***Bank Reconciliations***

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3. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

*No exceptions were noted as a result of these procedures.*

### ***Collections (excluding electronic funds transfers)***

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4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select five deposit sites (or all deposit sites if less than five).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e., five collection locations for five deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.
6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

7. Randomly select two deposit dates for each of the five bank accounts selected for procedure #3 under “Bank Reconciliations” above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
  - e) Trace the actual deposit per the bank statement to the general ledger.

*No exceptions were noted as a result of these procedures.*

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

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8. Obtain a listing of locations that process payments for the fiscal period and management’s representation that the listing is complete. Randomly select five locations (or all locations if less than five).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

[Note: Exceptions to controls that constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality) should not be reported.]

10. For each location selected under #8 above, obtain the entity’s non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management’s representation that the population is complete. Randomly select five disbursements for each location, obtain supporting documentation for each transaction, and:
  - a) Observe whether the disbursement matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity.
  - b) Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

*No exceptions were noted as a result of these procedures.*

### ***Credit Cards/Debit Cards/Fuel Cards/P-Cards***

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Using the listing prepared by management, randomly select five cards (or all cards if less than five) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]
  - b) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

*No exceptions were noted as a result of these procedures.*

### ***Travel and Travel-Related Expense Reimbursements (excluding card transactions)***

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select five reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the five reimbursements selected:
  - a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

*No exceptions were noted as a result of these procedures.*

## ***Contracts***

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select five contracts (or all contracts if less than five) from the listing, excluding the practitioner's contract, and:
- a) Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
  - b) Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter).
  - c) If the contract was amended (e.g., change order), observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, was approval documented).
  - d) Randomly select one payment from the fiscal period for each of the five contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

*No exceptions were noted as a result of these procedures.*

## ***Payroll and Personnel***

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16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select five employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
17. Randomly select one pay period during the fiscal period. For the five employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
  - b) Observe whether supervisors approved the attendance and leave of the selected employees or officials.
  - c) Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
  - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.
18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.



19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

*No exceptions were noted as a result of these procedures.*

### ***Ethics***

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20. Using the five randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:
  - a) Observe whether the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
  - b) Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

*These procedures are not applicable to this non-profit organization.*

### ***Debt Service***

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21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

*These procedures are not applicable to this non-profit organization.*

### ***Fraud Notice***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe the entity has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

*No exceptions were noted as a result of these procedures. There were no misappropriations of assets noted in the fiscal period.*

### ***Information Technology Disaster Recovery/Business Continuity***

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25. Perform the following procedures, **verbally discuss the results with management, and report “We performed the procedure and discussed the results with management.”**
- a) Obtain and inspect the entity’s most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
  - b) Obtain and inspect the entity’s most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
  - c) Obtain a listing of the entity’s computers currently in use and their related locations, and management’s representation that the listing is complete. Randomly select five computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

*We performed the Information Technology Disaster Recovery/Business Continuity procedures and discussed the results with management.*

### ***Sexual Harassment***

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26. Using the five randomly selected employees/officials from procedure #16 under “Payroll and Personnel” above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.
27. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity’s premises if the entity does not have a website).
28. Obtain the entity’s annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:
- a) Number and percentage of public servants in the agency who have completed the training requirements;
  - b) Number of sexual harassment complaints received by the agency;
  - c) Number of complaints which resulted in a finding that sexual harassment occurred;
  - d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
  - e) Amount of time it took to resolve each complaint.

*These procedures are not applicable to this non-profit organization.*

We were engaged by CrescentCare to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of CrescentCare and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

*Dingus, Zarecor & Associates PLLC*

Spokane Valley, Washington  
December 19, 2022