

**MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.**

**FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**June 30, 2021**

**CASCIO & SCHMIDT, LLC  
Certified Public Accountants**

**MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.**

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# CASCIO & SCHMIDT, LLC

## CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA  
STEVEN A. SCHMIDT, CPA

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED  
PUBLIC ACCOUNTANTS

### REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors  
MQVN Community Development Corporation, Inc.

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of MQVN Community Development Corporation, Inc. (a nonprofit corporation), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MQVN Community Development Corporation, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited MQVN Community Development Corporation, Inc.'s 2020 financial statements, and our report dated April 12, 2021, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters Other Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents, including the schedule of Compensation, Benefits and Other Payment to Agency Head or Chief Executive Officer, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2022, on our consideration of MQVN Community Development Corporation, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MQVN Community Development Corporation, Inc.'s internal control over financial reporting and compliance.

*Cascio & Schmidt, LLP*

Metairie, Louisiana  
March 28, 2022

# MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

## STATEMENT OF FINANCIAL POSITION

June 30, 2021

### ASSETS

	<u>June 30, 2021</u>	<u>Summarized Comparative Information June 30, 2020</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 4,512,798	\$ 3,831,232
Receivables (Notes A-11 and C)	1,306,569	885,203
Prepaid expenses	<u>47,549</u>	<u>43,594</u>
Total current assets	5,866,916	4,760,029
<b>PROPERTY AND EQUIPMENT - at cost</b> (Notes A-5, and D)	<u>2,006,344</u>	<u>2,071,029</u>
Total assets	<u>\$ 7,873,260</u>	<u>\$ 6,831,058</u>

### LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>		
Current maturities of long-term obligations	\$ 116,260	\$ 14,415
Notes payable, PPP Loan (Note E)	-	330,631
Accounts payable and accrued expenses	<u>118,368</u>	<u>203,448</u>
Total current liabilities	234,628	548,494
<b>LONG - TERM OBLIGATIONS,</b>		
Less current maturities (Note F)	<u>38,303</u>	<u>153,083</u>
Total liabilities	272,931	701,577
<b>NET ASSETS (Notes A-2 and G)</b>		
Without donor restrictions	5,425,323	4,263,310
With donor restrictions	<u>2,175,006</u>	<u>1,866,171</u>
Total net assets	<u>7,600,329</u>	<u>6,129,481</u>
Total liabilities and net assets	<u>\$ 7,873,260</u>	<u>\$ 6,831,058</u>

The accompanying notes are an integral part of this statement.

# MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

## STATEMENT OF ACTIVITIES

Year Ended June 30, 2021

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>	<u>Summarized Comparative Information June 30, 2020</u>
<b>REVENUE</b>				
Grant appropriations	\$ 2,973,804	\$ -	\$ 2,973,804	\$ 1,540,170
Health care service revenue	1,694,737	-	1,694,737	1,536,701
Sale of products	146,667	-	146,667	108,957
340B-Drug Program	-	-	-	113,872
Incentive income	77,808	-	77,808	33,352
PPP loan forgiven (Note E)	330,631	-	330,631	-
Other	37,468	-	37,468	26,889
Net assets released from restriction	( 308,835)	<u>308,835</u>	<u>-</u>	<u>-</u>
<b>Total Revenue</b>	<u>4,952,280</u>	<u>308,835</u>	<u>5,261,115</u>	<u>3,359,941</u>
<b>EXPENSES</b>				
Personnel	2,440,114	-	2,440,114	2,212,220
Travel/meetings	45,302	-	45,302	41,841
Operating services	135,939	-	135,939	114,831
Supplies	100,062	-	100,062	52,820
Professional services	197,578	-	197,578	138,273
Occupancy/Utilities	45,674	-	45,674	34,730
Health Clinic	531,701	-	531,701	603,308
Equipment/Maintenance	78,008	-	78,008	33,986
Taxes/licenses	6,422	-	6,422	6,061
Food products	131,205	-	131,205	115,681
Depreciation	64,685	-	64,685	96,317
Other expenses	13,577	-	13,577	6,312
<b>Total Expenses</b>	<u>3,790,267</u>	<u>-</u>	<u>3,790,267</u>	<u>3,456,380</u>
Increase in Net Assets	1,162,013	308,835	1,470,848	( 96,439)
Net Assets, Beginning of Year	<u>4,263,310</u>	<u>1,866,171</u>	<u>6,129,481</u>	<u>6,225,920</u>
Net Assets, End of Year	<u>\$ 5,425,323</u>	<u>\$ 2,175,006</u>	<u>\$ 7,600,329</u>	<u>\$ 6,129,481</u>

The accompanying notes are an integral part of this statement.

# MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

## STATEMENT OF CASH FLOWS

Year Ended June 30, 2021

		<b>Summarized Comparative Information <u>June 30, 2020</u></b>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Grants	\$ 2,552,438	\$ 1,633,504
Health care service revenue	1,694,737	1,632,247
Other	261,943	193,117
Payments to employees and suppliers	(3,808,361)	(3,290,218)
Interest expense	<u>(6,256)</u>	<u>(4,625)</u>
Net Cash Provided by Operating Activities	694,501	164,025
Cash Flows from Investing Activities	-	-
Cash Flows from Financing Activities		
Proceeds from PPP Loan	-	330,631
Payments on notes and lease obligations	<u>(12,935)</u>	<u>(14,079)</u>
Net Cash Provided (Used) by Financing Activities	<u>(12,935)</u>	<u>316,552</u>
Net Increase in Cash and Cash Equivalents	681,566	480,577
Cash and Cash Equivalents at Beginning of Year	<u>3,831,232</u>	<u>3,350,655</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,512,798</u>	<u>\$ 3,831,232</u>

The accompanying notes are an integral part of this statement.

# MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

## STATEMENT OF CASH FLOWS

Year Ended June 30, 2021

		<b>Summarized Comparative Information <u>June 30, 2020</u></b>
Reconciliation of Increase in Net Assets to Net Cash Provided by Operating Activities		
Increase (decrease) in net assets	\$ <u>1,470,848</u>	\$ ( <u>96,439</u> )
Adjustments to reconcile increase in net assets to net cash (used) by operating activities:		
PPP loan forgiven	( 330,631 )	-
Depreciation	64,685	96,317
Adjustment to self-pay patient revenue	-	5,592
Changes in assets and liabilities:		
(Increase) decrease in receivables	( 421,366 )	93,335
Increase (decrease) in accounts payable	( 85,080 )	57,925
(Increase) decrease in prepaid expenses	( <u>3,955</u> )	( <u>7,295</u> )
Total adjustments	( <u>776,347</u> )	260,464
Net Cash Provided by Operating Activities	\$ <u>694,501</u>	\$ <u>164,025</u>
Supplemental cash flow information:		
Interest paid	\$ 6,256	\$ 4,625

The accompanying notes are an integral part of this statement.



# MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021

### NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follow.

#### 1. Nature of Activities

MQVN Community Development Corporation, Inc. began operations in July 2006. MQVN Community Development Corporation, Inc.'s (MQVN-CDC) mission is to rebuild the New Orleans East community and to contribute to the rebuilding of a more equitable New Orleans. To achieve this mission, MQVN-CDC focuses on four key strategies: facilitate community access to services and resources to rebuild their lives, organize residents to ensure they have a voice in the rebuilding process, develop affordable housing for low-income families, and promote quality health care and education as well as business development and neighborhood ethnic business district revitalization. MQVN - CDC also began operating a medical clinic in March 2013.

#### 2. Presentation of Financial Statements

The Corporation's financial statements are presented in accordance with the requirements established by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) as set forth in FASB ASC 958, and the provisions of the American Institute of Certified Public Accountants' Audit and Accounting Guide for Not-for-Profit Organizations. Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions may be expended for any purpose in performing the primary objectives of the Organization. The Organization's board may designate assets without restrictions for specific operational purposes from time to time.

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

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions. Donations of property and equipment are recorded at their estimated fair value at the date of donation.

#### 3. Measure of Operations

The statement of activities report all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Corporation's ongoing activities. Non-operating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

# MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

### NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

#### 4. Revenue Recognition

The substance of FASB Accounting Standards Update No. 2014-9, Topic 606, Revenue from Contracts with Customers, is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

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

Grant revenue is recognized as it is earned in accordance with approved contracts. Contributions are recognized as income in the period received and is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, also when grant services are performed, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions."

Donated services are recorded at the fair value of the donated services and are recognized if the services either (a) create or enhance a nonfinancial asset or (b) require specialized skills provided by persons possessing those skills, and would need to be purchased if they were not donated.

#### 5. Property and Equipment

MQVN Community Development Corporation, Inc. follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$5,000. Depreciation is computed using the straight-line basis over the useful lives of the assets.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. 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.

#### 6. Income Taxes

The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

#### 7. Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

### NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

#### 8. Cash

The Corporation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. Cash deposits were maintained in three banks at June 30, 2021. The amount exceeding Federal Deposit Insurance was \$4,191,666.

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

#### 9. Advertising Costs

Advertising costs are expensed when incurred. Advertising expense amounted to \$4,755 for the year ended June 30, 2021.

#### 10. Fair Values of Financial Instruments

The carrying amount of cash and cash equivalents reported in the statement of financial position approximates fair value because of the short maturities of those instruments.

#### 11. Receivables

Receivables are principally due from grants and contracts. Accordingly, the Corporation considers the receivables to be fully collectible. If amounts due become uncollectible, they will be charged to operations when that determination is made.

#### 12. Subsequent Events

The Corporation evaluated subsequent events after June 30, 2021 through March 28, 2022, which is the date that the financial statements were available to be issued. The Corporation concluded that no material events or transactions, occurred subsequent to June 30, 2021.

#### 13. Functional allocation of Expenses

The expenses of providing programs and other activities have been summarized on a functional basis. Certain of those expenses have been allocated among the program and supporting services benefited based on estimates by management of the costs involved.

#### 14. Recently Issued Accounting Standards

In February 2016, the FASB issued ASU 2016-2, Leases. The ASU changes the accounting for leases, primarily by the recognition of lease assets and lease liabilities by lessees for leases classified as operating leases under current GAAP. This ASU will be effective for the years beginning after December 15, 2021.

# MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

### NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

#### 15. Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Corporation's financial statements for the year ended June 30, 2020, from which the summarized information is derived.

### NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Corporation has the ability to structure its financial assets to be able to meet its cash needs for expenditures within one year of the date of the statement of financial position.

Cash	\$ 4,512,798
Receivables	1,306,569
Prepaid expenses	<u>47,549</u>
	\$ <u>5,866,916</u>

The Corporation's liquidity management policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

### NOTE C - RECEIVABLES

Receivables at June 30, 2021, consist of the following:

	<u>Receivables</u>
Aledade	\$ 4,376
Athena	258,849
Health Resources & Services Admin (HRSA)	947,160
Louisiana Breast & Cervical Health Program (LBCHP)	48,404
AAPCHO	13,086
VEGGI	<u>34,694</u>
	\$ <u>1,306,569</u>

# MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

### NOTE D - PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30, 2021.

Land	\$ 204,858
Building	2,118,739
Building equipment	11,142
Medical equipment	347,755
Office equipment	74,175
VEGGI equipment	<u>21,142</u>
	2,777,811
Less accumulated depreciation/amortization	<u>771,467</u>
	<u>\$ 2,006,344</u>

Office equipment recorded under a capital lease amounted to \$12,639.

Depreciation expense for the year amounted to \$64,685.

### NOTE E - PPP LOAN FORGIVEN

The Small Business Administration declared that the Payroll Protection Program (PPP) loan was forgiven February 12, 2021.

\$ 330,631

### NOTE F - LONG-TERM OBLIGATIONS

Long-term obligations consist of the following:

Note payable, collateralized by property at 13085 Chef Menteur Highway New Orleans, payable \$1,206 per month, and expiring May 1, 2024. The interest rate is variable, at June 30, 2021 it was 5.50%

\$ 46,003

**MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.**

**NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

**NOTE F - LONG-TERM OBLIGATIONS - Continued**

Note payable to a funding agency which was funded with proceeds received by the lender under an agreement with the State of Louisiana through the CDBG disaster recovery program. The note is uncollateralized and non-interest bearing, and was due December 31, 2021. The maturity date has been extended to December 31, 2021. 99,903

Capital lease obligation, payable \$263 per month with interest at 9.15%, and expiring August 4, 2024. 8,657  
154,563

Less current portion (116,260)

Note payable, less current portion \$ 38,303

Maturities on long-term obligations, including lease payments, for the following years ending:

June 30, 2022	\$ 116,260
June 30, 2023	17,848
June 30, 2024	20,034
June 30, 2025	421
	<u>\$ 154,563</u>

Interest expense for the year was \$6,256.

Lease expense for the year was \$2,633.

**NOTE G - NET ASSETS WITH DONOR RESTRICTIONS**

Donor restricted net assets consist of the following at June 30, 2021.

Property and equipment	\$ 2,006,344
Grants, other	<u>168,662</u>
	<u>\$ 2,175,006</u>

# MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.

## NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2021

### NOTE G - NET ASSETS WITH DONOR RESTRICTIONS - Continued

Releases from donor restricted net assets for 2021 are as follows:

**Releases from restrictions:**

Property and equipment \$ 64,685

### NOTE H - INCOME TAXES

The corporation is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

MQVN Community Development Corporation, Inc. has adopted the provisions of FASB ASC 740-10-25, which requires a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. MQVN Community Development Corporation, Inc. does not believe its financial statements include any uncertain tax positions.

### NOTE I - FUNCTIONAL EXPENSES

Functional expenses for the year ended June 30, 2021 are as follows:

	Program <u>Services</u>	General & <u>Administrative</u>	<u>Total</u>
Personnel	\$ 2,190,986	\$ 249,128	\$ 2,440,114
Travel/meetings	434	44,868	45,302
Operating services	34,158	101,781	135,939
Supplies	31,851	68,211	100,062
Professional services	138,364	59,214	197,578
Occupancy/Utilities	6,917	38,757	45,674
Health Clinic	385,060	146,641	531,701
Equipment/Maintenance	47,907	30,101	78,008
Taxes/licenses	-	6,422	6,422
Food products	131,205	-	131,205
Depreciation	-	64,685	64,685
Other expenses	9,600	3,977	13,577
Total	<u>\$ 2,976,482</u>	<u>\$ 813,785</u>	<u>\$ 3,790,267</u>

### NOTE J - EMPLOYEE BENEFIT PLAN

The Corporation sponsors a 403(b) defined benefit plan, which has an option to make discretionary matching contributions. The plan provides for voluntary salary deferrals for employees that have worked 1,000 hours in a specified 12-month period. For the year ended June 30, 2021, the Corporation did not make contributions to the plan.

# **MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.**

## **NOTES TO FINANCIAL STATEMENTS - CONTINUED**

**June 30, 2021**

### **NOTE K - BOARD OF DIRECTORS' COMPENSATION**

The Board of Directors is a voluntary board; therefore, no compensation was paid to any board member.

### **NOTE L - ECONOMIC DEPENDENCY**

The Corporation received the majority of its revenue through governmental and other grants. The grant amounts are appropriated each year. If significant budget cuts are made, the amount of the funds the corporation receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the corporation will receive in the next fiscal year.

Approximately 57% of the corporation's support for the year ended June 30, 2021 was provided by grants.



**SUPPLEMENTAL INFORMATION**

**MQVN COMMUNITY DEVELOPMENT CORPORATION, INC**  
**COMBINED STATEMENT OF ACTIVITIES - HEALTH CENTER**  
**Year Ended June 30, 2021**

	<u>HRSA</u>	<u>Grants, Other</u>	<u>General &amp; Administrative</u>	<u>Total</u>
<b>Revenue</b>				
Government grants	\$ 2,510,892	\$ 13,087	\$ -	\$ 2,523,979
Grants, Other	-	233,794	38,256	272,050
Service fees	-	84,764	1,609,973	1,694,737
Incentive income	-	-	77,808	77,808
PPP Loan Forgiven	-	-	304,840	304,840
Other Income	-	-	23,192	23,192
Total	<u>2,510,892</u>	<u>331,645</u>	<u>2,054,069</u>	<u>4,896,606</u>
<b>Expenses</b>				
Personnel	2,027,370	93,848	213,584	2,334,802
Travel/Meetings	-	400	44,868	45,268
Operating Services	29,362	-	99,275	128,637
Supplies	12,877	1,632	67,411	81,920
Professional services	49,050	13,000	65,517	127,567
Occupancy	-	-	37,983	37,983
Health Clinic	383,057	2,003	146,641	531,701
Other Expenses	-	9,600	3,977	13,577
Equipment/maintenance	9,844	32,500	30,101	72,445
Taxes/Licenses	-	-	6,422	6,422
Depreciation & Amortization	-	-	64,685	64,685
Total	<u>2,511,560</u>	<u>152,983</u>	<u>780,464</u>	<u>3,445,007</u>
<b>Increase (Decrease)</b>				
in Net Assets	(668)	178,662	1,273,605	1,451,599
Transfers to General & Administrative		(10,000)	10,000	-
Net Assets, Beginning of Year	-	-	5,933,694	5,933,694
Net Assets, End of Year	<u>\$ -</u>	<u>\$ 168,662</u>	<u>\$ 7,217,299</u>	<u>\$ 7,385,293</u>

**MQVN COMMUNITY DEVELOPMENT CORPORATION, INC**  
**COMBINED STATEMENT OF ACTIVITIES - Community Development/VEGGI**  
**Year Ended June 30, 2021**

	<u>Community Development Grants, Other</u>	<u>VEGGI Grants, Other</u>	<u>VEGGI</u>	<u>Community Development G&amp;A</u>	<u>Total</u>
<b>Revenue</b>					
Government grants	\$ 40,000	\$ -	\$ -	\$ -	\$ 40,000
Grants, Other	87,775	50,000	-	-	137,775
Sales of product	-	-	146,667	-	146,667
PPP Loan Forgiven	-	-	-	25,791	25,791
Other income	-	-	14,265	11	14,276
<b>Total</b>	<u>127,775</u>	<u>50,000</u>	<u>160,932</u>	<u>25,802</u>	<u>364,509</u>
<b>Expenses</b>					
Personnel	21,563	28,453	19,752	35,544	105,312
Travel/Meetings	-	34	-	-	34
Operating Services	-	-	4,796	2,506	7,302
Supplies	14,406	1,299	1,637	800	18,142
Professional Services	64,188	3,000	9,126	(6,303)	70,011
Occupancy	-	275	6,642	774	7,691
Food Production	-	13,659	117,546	-	131,205
Equipment/Maintenance	-	-	5,563	-	5,563
<b>Total</b>	<u>100,157</u>	<u>46,720</u>	<u>165,062</u>	<u>33,321</u>	<u>345,260</u>
<b>Increase (Decrease)</b>					
in Net Assets	27,618	3,280	(4,130)	(7,519)	19,249
Transfers to Operating	(27,618)	(3,280)	4,130	26,768	-
Net Assets, Beginning	-	-	-	195,787	195,787
of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>195,787</u>	<u>195,787</u>
Net Assets, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,036</u>	<u>\$ 215,036</u>

**MQVN COMMUNITY DEVELOPMENT CORPORATION, INC**  
**COMBINED STATEMENT OF EXPENSES - HEALTH CENTER**  
**Year Ended June 30, 2021**

	<u>HRSA</u>	<u>Grants, Other</u>	<u>General &amp; Administrative</u>	<u>Total</u>
<b>Personnel</b>				
Staff salaries	\$ 1,173,667	\$ 44,566	\$ 97,605	\$ 1,315,838
Officers and Directors	430,824	42,731	75,959	549,514
Payroll taxes	120,775	3,522	12,396	136,693
Fringe Benefits	97,376	3,029	13,850	114,255
Contractual Personnel	204,728	-	13,774	218,502
	<u>2,027,370</u>	<u>93,848</u>	<u>213,584</u>	<u>2,334,802</u>
<b>Travel/Meetings</b>				
Staff development & training	-	-	35,706	35,706
Meeting costs	-	400	1,374	1,774
Conference & Registration	-	-	7,782	7,782
Travel	-	-	6	6
	<u>-</u>	<u>400</u>	<u>44,868</u>	<u>45,268</u>
<b>Operating Services</b>				
Insurance	-	-	43,215	43,215
IT Support	-	-	5,861	5,861
Telephone & Internet	28,163	-	2,143	30,306
Recruitment & Retention	1,199	-	22,438	23,637
Advertising & Marketing	-	-	11,276	11,276
Payroll & bank service fees	-	-	14,342	14,342
	<u>29,362</u>	<u>-</u>	<u>99,275</u>	<u>128,637</u>
<b>Supplies</b>				
Postage	398	-	3,430	3,828
Office supplies	12,479	1,632	63,981	78,092
	<u>12,877</u>	<u>1,632</u>	<u>67,411</u>	<u>81,920</u>
<b>Professional services</b>				
Accounting/Auditing	-	-	5,607	5,607
Professional services	-	13,000	55,801	68,801
Consultants	49,050	-	4,109	53,159
	<u>49,050</u>	<u>13,000</u>	<u>65,517</u>	<u>127,567</u>

**MQVN COMMUNITY DEVELOPMENT CORPORATION, INC**  
**COMBINED STATEMENT OF EXPENSES - HEALTH CENTER - continued**  
**Year Ended June 30, 2021**

	<u>HRSA</u>	<u>Grants, Other</u>	<u>General &amp; Administrative</u>	<u>Total</u>
<b>Occupancy</b>				
Rent	-	-	18,000	18,000
Utilities	-	-	19,983	19,983
	<u>-</u>	<u>-</u>	<u>37,983</u>	<u>37,983</u>
<b>Health Clinic</b>				
Pharmaceuticals	-	-	11,613	11,613
340B Drug Program	204	-	41,856	42,060
Lab Fees	42,184	-	9,256	51,440
Professional medical services	25,280	-	12,243	37,523
Professional dues & subscriptions	5,479	-	59,400	64,879
Medical supplies	176,808	2,003	9,989	188,800
Medical licenses/permits	-	-	2,284	2,284
Coding, Billing, & Collection services	133,102	-	-	133,102
	<u>383,057</u>	<u>2,003</u>	<u>146,641</u>	<u>531,701</u>
<b>Other Expenses</b>				
Other Expenses	-	9,600	3,175	12,775
Fees & Penalties	-	-	802	802
	<u>-</u>	<u>9,600</u>	<u>3,977</u>	<u>13,577</u>
<b>Equipment/maintenance</b>				
Repair & Maintenance	-	-	11,377	11,377
Office equipment	9,844	32,500	18,724	61,068
	<u>9,844</u>	<u>32,500</u>	<u>30,101</u>	<u>72,445</u>
<b>Taxes/Licenses</b>				
Interest expense	-	-	6,256	6,256
Licenses & Permits	-	-	166	166
	<u>-</u>	<u>-</u>	<u>6,422</u>	<u>6,422</u>
<b>Depreciation &amp; Amortization</b>				
Depreciation expense - Clinic	-	-	57,671	57,671
Depreciation expenses - medical equip	-	-	7,014	7,014
	<u>-</u>	<u>-</u>	<u>64,685</u>	<u>64,685</u>
<b>Total</b>	<u>\$ 2,511,560</u>	<u>\$ 152,983</u>	<u>\$ 780,464</u>	<u>\$ 3,445,007</u>

**MQVN COMMUNITY DEVELOPMENT CORPORATION, INC**  
**COMBINED STATEMENT OF EXPENSES - Community Development/VEGGI**  
**Year Ended June 30, 2021**

	<u>Community Development Grants, Other</u>	<u>VEGGI Grants, Other</u>	<u>VEGGI</u>	<u>Community Development G&amp;A</u>	<u>Total</u>
<b>Personnel</b>					
Staff salaries	\$ 20,064	\$ 26,950	\$ 15,137	\$ 3,311	\$ 65,462
Officers and Directors	-	-	-	25,000	25,000
Payroll taxes	1,499	1,503	1,981	427	5,410
Fringe Benefits	-	-	2,634	6,806	9,440
	<u>21,563</u>	<u>28,453</u>	<u>19,752</u>	<u>35,544</u>	<u>105,312</u>
<b>Travel/Meetings</b>					
Meeting costs	-	34	-	-	34
	<u>-</u>	<u>34</u>	<u>-</u>	<u>-</u>	<u>34</u>
<b>Operating Services</b>					
Insurance	-	-	1,278	-	1,278
Telephone & Internet	-	-	-	1,836	1,836
Licenses & Permits	-	-	284	-	284
Payroll & Bank service fees	-	-	3,234	670	3,904
	<u>-</u>	<u>-</u>	<u>4,796</u>	<u>2,506</u>	<u>7,302</u>
<b>Supplies</b>					
Supplies & Materials	14,406	1,299	390	-	16,095
Professional dues & subscriptions	-	-	928	800	1,728
Office Supplies	-	-	319	-	319
	<u>14,406</u>	<u>1,299</u>	<u>1,637</u>	<u>800</u>	<u>18,142</u>
<b>Professional Services</b>					
Accounting/Auditing	-	-	165	463	628
Consultants	64,188	3,000	8,961	(6,766)	69,383
	<u>64,188</u>	<u>3,000</u>	<u>9,126</u>	<u>(6,303)</u>	<u>70,011</u>
<b>Occupancy</b>					
Rent	-	-	3,744	-	3,744
Utilities	-	275	2,898	774	3,947
	<u>-</u>	<u>275</u>	<u>6,642</u>	<u>774</u>	<u>7,691</u>
<b>Food Production</b>					
Urban Agriculture	-	1,500	1,238	-	2,738
Purchases for resale	-	9,262	97,368	-	106,630
Soy for resale	-	-	16,756	-	16,756
Delivery	-	2,897	2,184	-	5,081
	<u>-</u>	<u>13,659</u>	<u>117,546</u>	<u>-</u>	<u>131,205</u>
<b>Equipment/Maintenance</b>					
Repair & Maintenance	-	-	5,563	-	5,563
	<u>-</u>	<u>-</u>	<u>5,563</u>	<u>-</u>	<u>5,563</u>
<b>Total</b>	<u>\$ 100,157</u>	<u>\$ 46,720</u>	<u>\$ 165,062</u>	<u>\$ 33,321</u>	<u>\$ 345,260</u>

**MQVN COMMUNITY DEVELOPMENT CORPORATION, INC**

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS  
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER**

**For the year ended June 30, 2021**

Agency Head Name: Diem Nguyen

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 191,223
Benefits, insurance	6,427
Reimbursements	106,324

**MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Year Ended June 30, 2021**

<u>Federal Grantor/Pass Through Grantors/Program Title</u>	<u>FEDERAL CFDA NUMBER</u>	<u>GRANT YEAR END</u>	<u>FEDERAL EXPENDITURES</u>
<b>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Health Resources and Services Administration (HRSA)			
Health Center - H 80	93.224	01/31/2022	\$ 1,029,039
Health Center - H 80	93.224	01/31/2023	834,993
Health Center - H 8C	93.224	01/31/2021	12,380
Health Center - H 8D	93.224	03/31/2021	517,009
Health Center - H 8E	93.224	04/30/2021	101,712
Health Center - H 8F	93.224	03/31/2023	<u>16,427</u>
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES			2,511,560
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>			
Water Quality Monitoring and Education in New Orleans East	66.306	08/31/2022	<u>33,406</u>
<b>TOTAL FEDERAL AWARDS</b>			<b><u>\$ 2,544,966</u></b>

**NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**1. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of MQVN Community Development Corporation, Inc. under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Par 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 MQVN Community Development Corporation, Inc. it is not intended to and does not present the financial position, changes in net assets or cash flow of MQVN Community Development Corporation, Inc.

**2. Summary of Significant Accounting Policies**

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

**3. Indirect Cost Rate**

MQVN Community Development Corporation, Inc. has not elected to use the 10% de minimis indirect cost rate.



# CASCIO & SCHMIDT, LLC

## CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA  
STEVEN A. SCHMIDT, CPA

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA CERTIFIED  
PUBLIC ACCOUNTANTS

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

To the Board of Directors  
MQVN Community Development Corporation, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of MQVN Community Development Corporation, Inc. (a nonprofit corporation) which comprise the statement of financial position as of June 30, 2021 and the related statements of activities, and cash flows and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 28, 2022.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements we considered MQVN Community Development Corporation, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of MQVN Community Development Corporation, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of MQVN Community Development Corporation, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Standards Auditing* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for an other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



Metairie, Louisiana  
March 28, 2022

# CASCIO & SCHMIDT, LLC

## CERTIFIED PUBLIC ACCOUNTANTS

FRANCIS J. CASCIO, CPA  
STEVEN A. SCHMIDT, CPA

MEMBERS  
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### INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
MQVN Community Development Corporation, Inc.

#### Report on Compliance for Each Major Federal Program

We have audited MQVN Community Development Corporation, Inc.'s compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of MQVN Community Development Corporation, Inc.'s major federal programs for the year ended June 30, 2021. MQVN Community Development Corporation, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of MQVN Community Development Corporation, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (Uniform Guidance). Those standards and the Uniform standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about MQVN Community Development Corporation, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of MQVN Community Development Corporation, Inc.'s compliance.

#### Opinion on Each Major Federal Program

In our opinion MQVN Community Development Corporation, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

## Report on Internal Control Over Compliance

Management of MQVN Community Development Corporation, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance of requirements referred to above. In planning and performing our audit of compliance, we considered MQVN Community Development Corporation, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate to the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of MQVN Community Development Corporation, Inc.'s internal control over compliance.

*A deficiency in internal control over compliance* 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

### Purpose of the Report

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.

*Cassio + Schmitt, LLC.*

Metairie, Louisiana  
March 28, 2022

**MQVN COMMUNITY DEVELOPMENT CORPORATION, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the year ended June 30, 2021**

**A. SUMMARY OF THE AUDITOR'S RESULTS**

Financial Statements

Type of auditor's 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 programs:

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

Type of auditor's report issued on compliance for major programs: Unmodified

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

The programs tested as major programs included:

U. S. Department of Health and Human Services  
Health Resources and Services Administration

(HRSA) Health Center (CFDA #93.224)

The threshold for distinguishing Type A and Type B programs was \$750,000.

Auditee qualified as a low-risk auditee?                     yes     no

**B. FINANCIAL STATEMENT AUDIT**

There were no findings related to the financial statements for the year ended June 30, 2021.

**C. FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no items identified in the course of our testing during the current year required to be reported.

**D. STATUS OF PRIOR YEAR AUDIT FINDINGS**

There were no prior year audit findings.