

CRESCENT CITY FAMILY SERVICES, INC.

FINANCIAL STATEMENTS

FOR THE YEARS ENDED

DECEMBER 31, 2021 AND 2020



ERICKSEN KRENTEL^{LLP}

CERTIFIED PUBLIC ACCOUNTANTS • CONSULTANTS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinion

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

In our opinion, the financial statements present fairly, in all material respects, the financial position of Crescent City Family Services, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America, the Louisiana Governmental Audit Guide, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Crescent City Family Services, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Prior Period Financial Statements

The financial statements of Crescent City Family Services, Inc. as of December 31, 2020 were audited by other auditors whose report dated December 28, 2021, expressed an unmodified opinion on those statements.



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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Crescent City Family Services, Inc.'s internal control. Accordingly, no such opinion is expressed.



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

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Crescent City Family Services, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements of Crescent City Family Services, Inc. as a whole. The supplementary information contained in Schedules "1" and "2" is presented for the purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of compensation, benefits, and other payments to agency head, as required by Louisiana Revised Statute 24:513 A.(3), is also presented for the purposes of additional analysis and is also not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is also presented for the purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2023, on our consideration of Crescent City Family Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Crescent City Family Services, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crescent City Family Services, Inc.'s internal control over financial reporting and compliance.

New Orleans, Louisiana
February 7, 2023

Ericksen Krentel, LLP

Certified Public Accountants

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
<u>CURRENT ASSETS:</u>		
Cash and cash equivalents	\$ 397,631	\$ 266,242
Grants receivable	<u>113,975</u>	<u>114,141</u>
 Total current assets	 511,606	 380,383
 <u>PROPERTY AND EQUIPMENT, NET</u>	 <u>18,820</u>	 <u>25,993</u>
 Total assets	 <u><u>\$ 530,426</u></u>	 <u><u>\$ 406,376</u></u>

LIABILITIES AND NET ASSETS

<u>CURRENT LIABILITIES:</u>		
Accounts payable	\$ 14,847	\$ 19,172
Accrued expenses	28,804	27,609
Paycheck Protection Program loan	<u>-</u>	<u>132,741</u>
 Total current liabilities	 <u>43,651</u>	 <u>179,522</u>
 <u>NET ASSETS:</u>		
Without donor restrictions	486,775	219,730
With donor restrictions	<u>-</u>	<u>7,124</u>
 Total net assets	 <u>486,775</u>	 <u>226,854</u>
 Total liabilities and net assets	 <u><u>\$ 530,426</u></u>	 <u><u>\$ 406,376</u></u>

See accompanying NOTES TO FINANCIAL STATEMENTS

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

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND SUPPORT:</u>			
Grant revenues	\$ 1,614,237	\$ -	\$ 1,614,237
Contributions	62,296	-	62,296
Other revenue	132,754	-	132,754
	<u>1,809,287</u>	<u>-</u>	<u>1,809,287</u>
Total revenues	1,809,287	-	1,809,287
Net assets released from restrictions	<u>7,124</u>	<u>(7,124)</u>	<u>-</u>
Total revenues and support	<u>1,816,411</u>	<u>(7,124)</u>	<u>1,809,287</u>
<u>EXPENSES:</u>			
Program services	1,384,498	-	1,384,498
Supporting services:			
Management and general	<u>164,868</u>	<u>-</u>	<u>164,868</u>
Total expenses	<u>1,549,366</u>	<u>-</u>	<u>1,549,366</u>
Change in net assets	267,045	(7,124)	259,921
Net assets at beginning of year	<u>219,730</u>	<u>7,124</u>	<u>226,854</u>
Net assets at end of year	<u>\$ 486,775</u>	<u>\$ -</u>	<u>\$ 486,775</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<u>REVENUES AND SUPPORT:</u>			
Grant revenues	\$ 1,441,183	\$ 7,124	\$ 1,448,307
Other revenue	1,556	-	1,556
Total revenues	1,442,739	7,124	1,449,863
Net assets released from restrictions	-	-	-
Total revenues and support	1,442,739	7,124	1,449,863
<u>EXPENSES:</u>			
Program services	1,274,270	-	1,274,270
Supporting services:			
Management and general	83,701	-	83,701
Total expenses	1,357,971	-	1,357,971
Change in net assets	84,768	7,124	91,892
Net assets at beginning of year	134,962	-	134,962
Net assets at end of year	\$ 219,730	\$ 7,124	\$ 226,854

See accompanying NOTES TO FINANCIAL STATEMENTS

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

	Program Services		Supporting Services		Total
	Healthy Start	WIC	General and Administrative		
Personnel services	\$ 642,929	\$ 278,093	\$ 122,361	\$ 1,043,383	
Contractors and professional	96,601	16,814	6,390	119,805	
Case management	36,765	853	1,702	39,320	
Office expenses	35,722	7,705	12,086	55,513	
General expenses	39,181	5,050	13,258	57,489	
Insurance	4,038	484	-	4,522	
Occupancy	137,763	35,873	1,078	174,714	
Communication	35,196	8,085	78	43,359	
Supplies	1,496	-	-	1,496	
Travel	1,817	33	742	2,592	
Depreciation	-	-	7,173	7,173	
Total functional expenses	<u>\$ 1,031,508</u>	<u>\$ 352,990</u>	<u>\$ 164,868</u>	<u>\$ 1,549,366</u>	

See accompanying NOTES TO FINANCIAL STATEMENTS

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Program Services</u>		<u>Supporting Services</u>	
	<u>Healthy Start</u>	<u>WIC</u>	<u>General and Administrative</u>	<u>Total</u>
Personnel services	\$ 613,814	\$ 173,742	\$ 28,044	\$ 815,600
Contractors and professional	173,067	8,356	13,080	194,503
Case management	28,003	605	1,740	30,348
Office expenses	32,809	9,124	11,456	53,389
General expenses	35,773	10,890	613	47,276
Insurance	3,983	390	-	4,373
Occupancy	109,688	30,955	17,889	158,532
Communication	27,079	5,266	1,972	34,317
Supplies	4,081	3,711	-	7,792
Travel	2,161	773	122	3,056
Depreciation	-	-	8,785	8,785
 Total functional expenses	 <u>\$ 1,030,458</u>	 <u>\$ 243,812</u>	 <u>\$ 83,701</u>	 <u>\$ 1,357,971</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</u>		
Change in net assets	\$ 259,921	\$ 91,892
Adjustments to reconcile change in net assets to net cash from (used for) operating activities:		
Depreciation	7,173	8,785
Forgiveness of debt	(132,741)	-
(Increase) decrease in:		
Grants and contracts receivable	166	594
Increase (decrease) in:		
Accounts payable	(4,325)	663
Accrued liabilities	1,195	(26,680)
	<u>(128,532)</u>	<u>(16,638)</u>
Total adjustments		
Net cash from operating activities	<u>131,389</u>	<u>75,254</u>
<u>CASH FLOWS FROM (USED FOR) INVESTING ACTIVITIES:</u>		
Purchase of capital assets	<u>-</u>	<u>(30,900)</u>
Net cash (used for) investing activities	<u>-</u>	<u>(30,900)</u>
<u>CASH FLOWS FROM (USED FOR) FINANCING ACTIVITIES:</u>		
Proceeds from the issuance of debt	<u>-</u>	<u>132,741</u>
Net cash from financing activities	<u>-</u>	<u>132,741</u>
Net increase in cash and cash equivalents	131,389	177,095
Cash and cash equivalents - beginning of year	<u>266,242</u>	<u>89,147</u>
Cash and cash equivalents - end of year	<u>\$ 397,631</u>	<u>\$ 266,242</u>

See accompanying NOTES TO FINANCIAL STATEMENTS

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

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

Nature of Activities

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

Basis of Accounting and Financial Reporting Framework

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

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

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

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

Use of Estimates

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

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

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

Cash and Cash Equivalents

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

Grants Receivable

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

Compensated Absences

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

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

Employees can carry hours of accrued personal leave over into a new year, and employees are paid out for unused PTO at termination. The maximum accrual for each employee is 120 hours. At December 31, 2021 and 2020, the Organization recognized an accrued leave liability of \$28,629 and \$27,587, respectively.

Functional Allocation of Expenses

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

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

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

Revenue Recognition

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

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

Advertising

All non-direct response advertising costs, other than marketing materials inventory, are expensed as incurred. Advertising expense amounted to \$10,437 and \$16,797 for the years ended December 31, 2021 and 2020, respectively.

Property and Equipment

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

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

Income Taxes

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

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

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

Income Taxes (Continued)

Accounting standards provide detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an entity's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will not be sustained on examination. As of December 31, 2021 and 2020, management of the Organization believes that it has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements.

Date of Management's Review

Subsequent events have been evaluated through February 7, 2023, which is the date the financial statements were available to be issued.

(2) LIQUIDITY AND AVAILIBLTY OF FINANCIAL ASSETS

The Organization has \$511,606 and \$380,383 available within one year of the balance sheet date to meet cash needs for general expenditure at December 31, 2021 and 2020, respectively. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

(3) GRANTS AND CONTRACTS RECEIVABLE

Grants and Contracts receivable at December 31, 2021 and 2020, are as follows

	2021	2020	
Healthy Start Initiative	\$ -	\$ 49,791	
WIC program	93,975	64,350	
Other programs	20,000	-	
	\$ 113,975	\$ 114,141	

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(4) PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment consists of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Equipment	\$ 40,362	\$ 40,362
Vehicles	30,900	30,900
Furniture and fixtures	<u>17,732</u>	<u>17,732</u>
Less: accumulated depreciation	<u>(70,174)</u>	<u>(63,001)</u>
Net property and equipment	<u>\$ 18,820</u>	<u>\$ 25,993</u>

Depreciation expense for the years ended December 31, 2021 and 2020 totaled \$7,173 and \$8,785, respectively.

(5) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2020 consists of \$7,124 of program funds carried over to 2021. These amounts were released in the year ended December 31, 2021.

(6) FORGIVENESS OF DEBT

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

(7) LEASE AGREEMENTS

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

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

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(7) LEASE AGREEMENTS (CONTINUED)

The Organization also has a month-to-month lease for office space at 429 Wall Blvd, Suite 5 requiring monthly payments of \$750.

The future minimum rental payments at December 31, 2021 are as follows:

2022	\$	83,656
2023		66,600
2024		45,900
2025		39,000
2026		<u>13,000</u>
	\$	<u>248,156</u>

The leases which were scheduled to expire during the year ended December 31, 2022 were extended under the terms of the lease options in the agreements. 435 Wall Blvd., Suite F was extended for a 5-year period; 1111 Medical Center Blvd., Suite S240A was extended for a 2-year period, and 2600 Bell Chasse Hwy., Suite 201 was extended for a 1-year period.

(8) RETIREMENT PLAN

The Organization offers a 401(k) retirement plan to its employees who are at least 21 years of age and have completed 6 months of service. Employees can contribute to the plan up to limits imposed by the Internal Revenue Code. The Organization can make a discretionary matching contribution to the plan. No matching contributions were made during the years ended December 31, 2021 or 2020.

(9) CONCENTRATION OF CREDIT RISK

The Organization maintains its cash balances in one financial institution. The cash balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Uninsured portions of bank balances were \$188,106 and \$16,519 at December 31, 2021 and 2020, respectively.

The Organization receives the majority of its funding through grants administered by the federal government and the state of Louisiana. The grant amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal or state level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations. Approximately 90% and 97% of the Organization's support for the years ended December 31, 2021 and 2020, respectively came from government grants and contracts.

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 2021 AND 2020

(10) RECLASSIFICATION OF PRIOR YEAR PRESENTATION

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

(11) NEW ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board (FASB) has issued Accounting Standards Update (Update) No. 2016-02, “*Leases*.” This Update seeks to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. Deferring the effective date of Update No. 2016-02, the FASB has issued Update No. 2019-10, “*Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Lease (Topic 842)*.” Update No. 2019-10 permits entities to apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2020, and to interim reporting periods within annual reporting periods beginning after December 15, 2021. The FASB further delayed the implementation date by one year through ASU 2020-05 “*Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842)*.” Entities may now apply the guidance in Update No. 2016-02 to annual reporting periods beginning after December 15, 2021, and to interim reporting periods within annual reporting periods beginning after December 15, 2022. the Organization plans to adopt this Update as applicable by the effective date.

In September 2020, FASB issued ASU 2020-07, “*Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*.” The purpose of the ASU 2020-07 is to clarify the presentation and disclosure of contributed nonfinancial assets with an intention to provide the reader of the financial statements a clearer understanding of what type of nonfinancial assets were received and how they are used and recognized by the NFP. It is important to note that the ASU 2020-07 will not change the accounting and recognition of nonfinancial assets but rather the presentation and disclosure requirements in the financial statements. The ASU 2020-07 should be applied on a retrospective basis and effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022, with early adoption permitted. the Organization plans to adopt this Update as applicable by the effective date.

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

	<u>Healthy Start</u>	<u>WIC</u>	<u>General and Administrative</u>	<u>Total</u>
<u>REVENUES AND SUPPORT:</u>				
Grant revenues	\$ 1,061,901	\$ 388,212	\$ 164,124	\$ 1,614,237
Contributions	-	-	62,296	62,296
Other revenue	-	-	132,754	132,754
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	1,061,901	388,212	359,174	1,809,287
<u>EXPENSES:</u>				
Personnel services	642,929	278,093	122,361	1,043,383
Contractors and professional	96,601	16,814	6,390	119,805
Case management	36,765	853	1,702	39,320
Office expenses	35,722	7,705	12,086	55,513
General expenses	39,181	5,050	13,258	57,489
Insurance	4,038	484	-	4,522
Occupancy	137,763	35,873	1,078	174,714
Communication	35,196	8,085	78	43,359
Supplies	1,496	-	-	1,496
Travel	1,817	33	742	2,592
Depreciation	-	-	7,173	7,173
	<hr/>	<hr/>	<hr/>	<hr/>
	1,031,508	352,990	164,868	1,549,366
Increase (decrease) in net assets	30,393	35,222	194,306	259,921
Transfer to general and administrative	(38,159)	(35,500)	73,659	-
Net assets at beginning of year	<hr/>	<hr/>	<hr/>	<hr/>
	7,124	-	219,730	226,854
Net assets at end of year	<u>\$ (642)</u>	<u>\$ (278)</u>	<u>\$ 487,695</u>	<u>\$ 486,775</u>

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENT OF EXPENSES BY PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2021

	Healthy Start	WIC	General and Administrative	Total
<u>EXPENSES:</u>				
Personnel services:				
Salaries and wages	\$ 554,608	\$ 241,195	\$ 109,054	\$ 904,857
Payroll taxes	37,989	17,990	7,669	63,648
Benefits	42,253	11,596	5,427	59,276
Payroll fees	8,079	7,312	211	15,602
Total personnel services	<u>642,929</u>	<u>278,093</u>	<u>122,361</u>	<u>1,043,383</u>
Contractors and professional:				
Accounting services	12,546	3,654	-	16,200
Nurse practitioner	30,755	-	-	30,755
Male involvement coordinators	9,750	-	-	9,750
Registered dietian	3,560	13,160	250	16,970
Professional/community development	8,660	-	1,000	9,660
Human resources	22,474	-	-	22,474
CM Admin consulting & training	331	-	-	331
Data base system	6,500	-	-	6,500
Professional services	2,025	-	5,140	7,165
Total contractors and professional	<u>96,601</u>	<u>16,814</u>	<u>6,390</u>	<u>119,805</u>
Case management:				
Perinatal kits & supplies	26,359	-	1,702	28,061
Educational material	9,624	853	-	10,477
PERC Supplies	782	-	-	782
Total case management	<u>36,765</u>	<u>853</u>	<u>1,702</u>	<u>39,320</u>
Office expenses:				
Postage and shipping	364	163	20	547
Printing	5,026	1,359	4,052	10,437
Dues and subscriptions	384	-	218	602
Furniture and equipment	10,642	176	-	10,818
Office supplies	19,306	6,007	7,796	33,109
Total office expenses	<u>35,722</u>	<u>7,705</u>	<u>12,086</u>	<u>55,513</u>
General expenses:				
Computer, supplies, & IT Support	25,970	1,935	438	28,343
Food Pantry Expense	-	-	1,415	1,415
Storage	4,952	1,951	-	6,903
Staff development	471	13	1,285	1,769
Event expenses	4,069	330	7,007	11,406
Uniforms	1,755	748	998	3,501
Bank service charges	4	-	254	258
Meeting costs	1,134	73	1,741	2,948
Other	826	-	120	946
Total general expenses	<u>39,181</u>	<u>5,050</u>	<u>13,258</u>	<u>57,489</u>

See Independent Auditors' Report

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENT OF EXPENSES BY PROGRAM (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Healthy Start	WIC	General and Administrative	Total
Insurance:				
Liability	1,083	484	-	1,567
Other	2,955	-	-	2,955
Total insurance	<u>4,038</u>	<u>484</u>	<u>-</u>	<u>4,522</u>
Occupancy:				
Rent	97,815	24,000	450	122,265
Building maintenance & repair	4,056	698	220	4,974
Building supplies	456	94	408	958
Utilities	15,414	4,053	-	19,467
Janitorial	20,022	7,028	-	27,050
Total occupancy	<u>137,763</u>	<u>35,873</u>	<u>1,078</u>	<u>174,714</u>
Communication:				
Telephone	7,437	3,415	-	10,852
Cell phone expense	20,898	1,935	78	22,911
Internet	6,861	2,735	-	9,596
Total communication	<u>35,196</u>	<u>8,085</u>	<u>78</u>	<u>43,359</u>
Supplies:				
Medical supplies	1,463	-	-	1,463
Cleaning supplies	33	-	-	33
Total supplies	<u>1,496</u>	<u>-</u>	<u>-</u>	<u>1,496</u>
Travel:				
Travel	393			393
Airfare	393			393
Ground transportation	1,031	33	742	1,806
Total travel	<u>1,817</u>	<u>33</u>	<u>742</u>	<u>2,592</u>
Depreciation	-	-	7,173	7,173
Total expenses	<u>\$ 1,031,508</u>	<u>\$ 352,990</u>	<u>\$ 164,868</u>	<u>\$ 1,549,366</u>

CRESCENT CITY FAMILY SERVICES, INC.
SCHEDULE OF COMPENSATION, BENEFITS,
AND OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Mary Schultheis</u> <u>Executive Director</u>
Time served	01/01/2021 - 12/31/2021
Salary	\$ 160,225
Auto allowance	10,622
Benefits - insurance	6,545
Travel	<u>393</u>
 Total compensation, benefits, and other payments	 \$ <u>177,785</u>



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Crescent City Family Services, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 7, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Crescent City Family Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Crescent City Family Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Crescent City Family Services, Inc.'s internal control.

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

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



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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Crescent City Family Services, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002.

Crescent City Family Services, Inc.'s Response

Government Auditing Standards requires the auditor to perform limited procedures on Crescent City Family Services, Inc.'s response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Crescent City Family Services, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

New Orleans, Louisiana
February 7, 2023

Ericksen Krentel, LLP
Certified Public Accountants



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Crescent City Family Services, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Crescent City Family Services, Inc.'s major federal programs for the year ended December 31, 2021. Crescent City Family Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Crescent City Family Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

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

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



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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Crescent City Family Services, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

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



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

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

Report on Internal Control Over Compliance

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

New Orleans, Louisiana
February 7, 2023

Ericksen Krentel, LLP
Certified Public Accountants

CRESCENT CITY FAMILY SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Federal Grantor/Pass-through Grantor/ Program Title	Federal AL Number	Pass-through Grantor's Number	Federal Disbursements/ Expenditures
<u>U.S. Department of Health and Human Services</u>			
Healthy Start Initiative	93.926		\$ 1,030,415
<u>U.S. Department of Agriculture</u>			
<i>Pass-through programs from Louisiana Department of Health and Hospitals</i>			
Nutrition Program for Women, Infants and Children (WIC)	10.559	LAGov 2000277990	<u>352,416</u>
Total expenditures of federal awards			<u>\$ 1,382,831</u>

See Independent Auditors' Report

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

(1) BASIS OF PRESENTATION

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

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expense Recognition

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

Accrued and Deferred Reimbursement

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

Pass-Through Entity Information

Pass-through entity identifying numbers are presented where available.

(3) INDIRECT COST RATE

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

CRESCENT CITY FAMILY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021

A. SUMMARY OF AUDIT RESULTS

1. The independent auditors' report expresses an unmodified opinion on the financial statements of Crescent City Family Services.
2. No significant deficiencies or material weaknesses disclosed during the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Performed in Accordance with *Government Auditing Standards*.
3. Two instances of noncompliance were disclosed during the audit of the financial statements are reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and On Compliance and Other Matters Performed in Accordance with *Government Auditing Standards*.
4. No significant deficiencies or material weaknesses in internal control over major federal award programs are reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance.
5. The auditors' report on compliance for the major federal award programs for Crescent City Family Services, Inc. expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The program tested as a major program was: Healthy Start Initiative (AL No. 93.926).
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Crescent City Family Services, Inc. was determined to be a low-risk auditee.
10. No management letter was issued for the year ended December 31, 2021.

B. FINDINGS – FINANCIAL STATEMENT AUDIT

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

Criteria: The Organization is required to provide an annual financial report to the Louisiana Legislative Auditor no later than six months after its year end.

Condition: The Organization failed to comply with these laws, submitting the required report approximately 7 months after the required deadline.

Effect: The Organization is not in compliance with Louisiana Revised Statutes 24:513 and 24:514.

CRESCENT CITY FAMILY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2021

Cause: The Organization did not have the proper procedures in place to ensure compliance with these laws.

Recommendation: The Board of Directors should put policies and procedures in place to ensure that required annual reports are filed in a timely manner.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

2021-002 Noncompliance with Federal Audit Clearinghouse Reporting Requirements

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

Condition: The Organization failed to comply with these laws, submitting the required report after the required deadline.

Effect: The Organization is not in compliance with 2 CFR section 200.512(a) of the Uniform Guidance.

Cause: The Organization did not have the proper procedures in place to ensure compliance with these laws.

Recommendation: The Organization should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner.

Views of Responsible Officials: Management agrees with the finding and has implemented the recommendation. See Management's Corrective Action Plan for further information.

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

None Noted

CRESCENT CITY FAMILY SERVICES, INC.
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2021

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

None Noted

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

None Noted

SECTION III MANAGEMENT LETTER

None Noted

CRESCENT CITY FAMILY SERVICES, INC.
MANAGEMENT'S CORRECTIVE ACTION PLAN - FINDINGS
DECEMBER 31, 2021

February 7, 2023

Louisiana Legislative Auditor

Crescent City Family Services, Inc. (the Organization) respectfully submits the following corrective action plan for the year ended December 31, 2021.

Name and address of independent public accounting firm:

Ericksen Krentel, L.L.P.
4227 Canal Street
New Orleans, LA 70119

Audit Period: January 1, 2021 – December 31, 2021

The findings from the December 31, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the number assigned in the schedule.

SECTION II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS

Finding 2021-001 Noncompliance with Louisiana Audit Law Reporting Requirements

Recommendation: The Organization should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner.

Response: The Executive Director will work with the Board of Directors to draft and implement additional policies and procedures over financial accounting processes in order to ensure compliance with Louisiana audit law reporting requirements.

Finding 2021-002 Noncompliance with Federal Audit Clearinghouse Reporting Requirements

Recommendation: The Organization should put additional policies and procedures in place to ensure that required annual reports are filed in a timely manner.

Response: The Executive Director will work with the Board of Directors to draft and implement additional policies and procedures over financial accounting processes in order to ensure compliance with Federal Audit Clearinghouse reporting requirements.

If there are any questions regarding this plan, please contact Mary Schultheis, Executive Director, at (504) 247-0592.

Sincerely,

Mary E. Schultheis
Mary Schultheis
Executive Director