

**NO/AIDS TASK FORCE
DBA: CRESCENTCARE**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2021 AND 2020



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**NO/AIDS TASK FORCE
DBA: CRESCENTCARE
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INDEPENDENT AUDITORS' REPORT

Board of Directors
NO/AIDS Task Force
dba: CrescentCare
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of NO/AIDS Task Force dba: CrescentCare and CrescentCare Holdings, which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of NO/AIDS Task Force dba: CrescentCare and CrescentCare Holdings as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The supplemental financial information as listed in the table of contents as consolidating statement of financial position on page 30, consolidating statement of activities and changes in net assets on page 32, schedule of compensation, benefits, and other payments to chief executive officer on page 34, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2022, on our consideration of CrescentCare'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 CrescentCare'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 CrescentCare's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
January 3, 2022

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash	\$ 6,923,620	\$ 6,145,759
Reimbursements Receivable	10,532,644	10,108,681
Prepaid Expenses	577,790	509,223
Deposits	53,330	50,371
Total Current Assets	18,087,384	16,814,034
ASSETS LIMITED AS TO USE		
Held by Trustee for Reserve Fund	87,602	106,149
INVESTMENTS AND OTHER ASSETS		
Investments	6,597,775	3,224,894
Receivable for 1631 Elysian Fields Project	14,027,240	14,027,240
Investment in Housing Partnership	400,108	400,108
Total Investments	21,025,123	17,652,242
PROPERTY AND EQUIPMENT, NET OF DEPRECIATION AND AMORTIZATION		
	18,896,781	20,482,613
Total Assets	\$ 58,096,890	\$ 55,055,038
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current Portion of Capital Lease Obligations	\$ 137,496	\$ 141,005
Current Portion of Notes Payable	303,220	1,965,418
Accounts Payable	3,119,875	3,335,849
Accrued Payroll	694,332	584,151
Accrued Compensated Absences	920,470	774,583
Accrued Interest	49,419	50,144
Accrued Liabilities - Other	14,033	9,327
Total Current Liabilities	5,238,845	6,860,477
CAPITAL LEASE OBLIGATIONS, NET OF CURRENT PORTION	38,426	145,677
NOTES PAYABLE, NET OF CURRENT PORTION AND DEFERRED FINANCING COSTS	28,934,487	31,357,793
Total Liabilities	34,211,758	38,363,947
NET ASSETS		
Without Donor Restrictions	23,885,132	16,691,091
Total Liabilities and Net Assets	\$ 58,096,890	\$ 55,055,038

See accompanying Notes to Consolidated Financial Statements.

NO/AIDS TASK FORCE DBA: CRESCENTCARE
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
REVENUES AND OTHER SUPPORT		
CLINICAL SERVICE FEES AND REIMBURSEMENT	\$ 5,673,078	\$ 4,519,673
PUBLIC SUPPORT AND REVENUE		
Grants and Contracts	51,617,487	48,992,172
Pledges and Contributions	182,233	791,025
Fundraising Events, Net	147,344	51,369
Investment Gain, Net	527,799	308,330
Other Support and Revenue	4,000,979	466,845
Total Public Support and Revenue	56,475,842	50,609,741
Total Revenues and Other Support	62,148,920	55,129,414
EXPENSES		
Program Services	49,790,089	49,550,214
Supporting Services	5,164,790	4,675,882
Total Expenses	54,954,879	54,226,096
EXCESS OF REVENUES OVER EXPENSES	7,194,041	903,318
Net Assets - Beginning of Year	16,691,091	15,787,773
NET ASSETS - END OF YEAR	\$ 23,885,132	\$ 16,691,091

See accompanying Notes to Consolidated Financial Statements.

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021**

	Program Services							
	Education	Primary Medical Care	Case Management	Dental	Behavioral Health	Clinic Support	Food for Friends	Housing Support
SALARIES AND RELATED EXPENSES								
Salaries	\$ 1,586,324	\$ 4,990,327	\$ 1,875,317	\$ 294,689	\$ 1,688,425	\$ 1,884,319	\$ 93,416	\$ 781,218
Employee Health and Benefits	121,354	381,760	143,462	22,544	129,165	144,150	7,146	59,763
Payroll Taxes	378,458	1,190,571	447,405	70,306	402,817	449,553	22,287	186,380
Total Salaries and Related Expenses	2,086,136	6,562,658	2,466,184	387,539	2,220,407	2,478,022	122,849	1,027,361
OTHER EXPENSES								
Occupancy	49,438	129,730	63,946	6,245	56,333	80,784	35,407	2,639
Property and Operations	49,095	88,968	52,441	4,789	36,298	200,963	4,090	1,649
Software, Technology and Phones	160,910	434,341	173,538	18,108	176,790	374,787	8,656	6,106
Agency Insurance	23,159	46,682	30,250	3,042	27,979	39,445	2,292	750
Agency Membership and Subscriptions	7,162	12,440	4,424	284	3,362	5,277	214	70
Contracted Providers and Referrals	-	273,715	-	478,345	265,528	-	-	-
Professional Fees	36,866	60,508	10,209	4,303	88,104	90,721	325	11,835
Medications	-	23,020	-	-	-	-	-	-
Lab Tests	22,705	218,499	-	-	-	-	-	-
Client Assistance	11,602	20,337	534,956	-	3,050	4,281	-	1,941
Client Incentives	138,040	44,348	-	-	-	182,485	-	-
Medical and Dental Supplies	391,929	243,756	-	84,478	4,458	18,606	-	-
Supplies and Materials	4,857	5,814	2,930	513	47	13,256	122,227	-
Postage	100	31	3,169	42	78	1,206	-	52
Staff Professional Development and Support	3,543	29,429	577	909	41,695	5,950	-	2,559
Local Mileage and Parking	2,767	259	9,607	165	44	-	32	1,075
Advertising and Outreach	44,693	4,105	-	-	-	9,741	1,845	-
Miscellaneous	16,087	6,217	-	291	-	7,760	-	-
Total Other Expenses	962,953	1,642,199	886,047	601,514	703,766	1,035,262	175,088	28,676
Expenses Before Depreciation, Amortization and Interest	3,049,089	8,204,857	3,352,231	989,053	2,924,173	3,513,284	297,937	1,056,037
Depreciation and Amortization	184,949	581,821	218,643	34,358	196,853	219,692	10,891	91,082
Interest	82,136	258,388	97,100	15,258	87,423	97,566	4,837	40,450
Total Expenses	\$ 3,316,174	\$ 9,045,066	\$ 3,667,974	\$ 1,038,669	\$ 3,208,449	\$ 3,830,542	\$ 313,665	\$ 1,187,569

See accompanying Notes to Consolidated Financial Statements.

NO/AIDS TASK FORCE DBA: CRESCENTCARE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Program Services				Supporting Services			Total Expenses
	Housing	Medication	Legal Services	Total	Management and General	Fund Raising	Total	
SALARIES AND RELATED EXPENSES								
Salaries	\$ 261,750	\$ -	\$ 588,698	\$ 14,044,483	\$ 2,325,465	\$ 72,635	\$ 2,398,100	\$ 16,442,583
Employee Health and Benefits	20,024	-	45,035	1,074,403	177,898	5,557	183,455	1,257,858
Payroll Taxes	62,447	-	140,449	3,350,673	554,800	17,329	572,129	3,922,802
Total Salaries and Related Expenses	344,221	-	774,182	18,469,559	3,058,163	95,521	3,153,684	21,623,243
OTHER EXPENSES								
Occupancy	10,906	-	24,567	459,995	134,752	1,539	136,291	596,286
Property and Operations	6,814	-	10,063	455,170	293,717	962	294,679	749,849
Software, Technology and Phones	15,950	-	32,751	1,401,937	215,312	4,494	219,806	1,621,743
Agency Insurance	5,313	-	11,216	190,128	27,079	750	27,829	217,957
Agency Membership and Subscriptions	2,496	-	2,176	37,905	73,517	400	73,917	111,822
Contracted Providers and Referrals	-	-	-	1,017,588	-	-	-	1,017,588
Professional Fees	1,669	-	6,815	311,355	487,159	252	487,411	798,766
Medications	-	18,670,225	-	18,693,245	-	-	-	18,693,245
Lab Tests	-	-	-	241,204	32,994	-	32,994	274,198
Client Assistance	4,088,083	-	107	4,664,357	165	-	165	4,664,522
Client Incentives	-	-	-	364,873	-	-	-	364,873
Medical and Dental Supplies	-	-	-	743,227	56	-	56	743,283
Supplies and Materials	-	-	924	150,568	18,790	164	18,954	169,522
Postage	-	-	617	5,295	8,330	-	8,330	13,625
Staff Professional Development and Support	-	-	7,123	91,785	106,465	409	106,874	198,659
Local Mileage and Parking	8,235	-	5,274	27,458	113	41	154	27,612
Advertising and Outreach	-	-	-	60,384	5,705	23,454	29,159	89,543
Miscellaneous	4,420	-	4,647	39,422	163,247	7,478	170,725	210,147
Total Other Expenses	4,143,886	18,670,225	106,280	28,955,896	1,567,401	39,943	1,607,344	30,563,240
Expenses Before Depreciation, Amortization and Interest	4,488,107	18,670,225	880,462	47,425,455	4,625,564	135,464	4,761,028	52,186,483
Depreciation and Amortization	30,517	-	68,636	1,637,442	271,125	8,469	279,594	1,917,036
Interest	13,553	-	30,481	727,192	120,407	3,761	124,168	851,360
Total Expenses	\$ 4,532,177	\$ 18,670,225	\$ 979,579	\$ 49,790,089	\$ 5,017,096	\$ 147,694	\$ 5,164,790	\$ 54,954,879

See accompanying Notes to Consolidated Financial Statements.

NO/AIDS TASK FORCE DBA: CRESCENTCARE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services							
	Education	Primary Medical Care	Case Management	Dental	Behavioral Health	Food for Friends	Housing Support	
SALARIES AND RELATED EXPENSES								
Salaries	\$ 1,877,241	\$ 5,791,074	\$ 2,013,032	\$ 489,795	\$ 1,375,648	\$ 159,362	\$ 1,145,310	\$ 296,290
Employee Health and Benefits	452,420	1,395,664	485,146	118,042	331,535	38,407	276,023	71,407
Payroll Taxes	143,609	443,017	153,997	37,469	105,237	12,191	87,616	22,666
Total Salaries and Related Expenses	<u>2,473,270</u>	<u>7,629,755</u>	<u>2,652,175</u>	<u>645,306</u>	<u>1,812,420</u>	<u>209,960</u>	<u>1,508,949</u>	<u>390,363</u>
OTHER EXPENSES								
Occupancy	36,711	196,328	39,927	41,635	80,755	40,315	9,530	17,927
Property and Operations	94,151	254,959	99,453	23,345	74,376	8,088	47,185	35,257
Software, Technology and Phones	129,415	652,676	110,064	27,931	125,898	4,500	86,162	35,738
Agency Insurance	22,132	62,442	29,114	6,171	17,776	1,959	10,699	10,576
Agency Membership and Subscriptions	4,572	48,336	2,509	610	2,465	349	1,427	369
Contracted Providers and Referrals	-	153,661	-	386,979	252,342	-	-	-
Professional Fees	48,521	146,943	46,109	8,099	145,168	8,299	26,256	11,971
Medications	-	20,152	-	-	-	-	-	-
Lab Costs	112,171	404,006	-	-	-	-	-	-
Client Assistance	13,237	10,391	396,601	-	34,552	-	1,952	3,254,869
Client Incentives	126,770	178,612	-	-	3,720	-	-	54
Supplies and Materials	289,647	147,753	6,923	96,887	14,174	280,917	1,632	578
Postage	1,392	3,397	4,507	467	1,048	125	704	635
Staff Professional Development & Support	29,564	24,096	976	4,151	16,998	3,187	1,028	323
Transportation	6,177	1,029	13,102	126	723	296	21,402	18,278
Advertising and Community Support	13,118	20,576	-	-	-	7,656	-	-
Miscellaneous	25,146	41,066	21,637	3,379	9,489	1,099	7,900	2,044
Total Other Expenses	<u>952,724</u>	<u>2,366,423</u>	<u>770,922</u>	<u>599,780</u>	<u>779,484</u>	<u>356,790</u>	<u>215,877</u>	<u>3,388,619</u>
Expenses Before Depreciation, Amortization and Interest	3,425,994	9,996,178	3,423,097	1,245,086	2,591,904	566,750	1,724,826	3,778,982
Depreciation and Amortization	220,159	623,248	244,622	59,039	168,423	18,404	124,905	60,452
Interest	100,199	309,102	107,447	26,143	73,426	8,506	61,132	15,815
Total Expenses	<u>\$ 3,746,352</u>	<u>\$ 10,928,528</u>	<u>\$ 3,775,166</u>	<u>\$ 1,330,268</u>	<u>\$ 2,833,753</u>	<u>\$ 593,660</u>	<u>\$ 1,910,863</u>	<u>\$ 3,855,249</u>

See accompanying Notes to Consolidated Financial Statements.

NO/AIDS TASK FORCE DBA: CRESCENTCARE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
YEAR ENDED JUNE 30, 2020

	Program Services			Supporting Services			Total Expenses
	Medication	Legal Services	Total	Management and General	Fund Raising	Total	
SALARIES AND RELATED EXPENSES							
Salaries	\$ 251,518	\$ 506,586	\$ 13,905,856	\$ 2,440,371	\$ 76,695	\$ 2,517,066	\$ 16,422,922
Employee Health and Benefits	60,617	122,089	3,351,350	588,136	18,482	606,618	3,957,968
Payroll Taxes	19,241	38,754	1,063,797	186,688	5,869	192,557	1,256,354
Total Salaries and Related Expenses	<u>331,376</u>	<u>667,429</u>	<u>18,321,003</u>	<u>3,215,195</u>	<u>101,046</u>	<u>3,316,241</u>	<u>21,637,244</u>
OTHER EXPENSES							
Occupancy	9,163	7,694	479,985	116,015	2,307	118,322	598,307
Property and Operations	6,505	12,713	656,032	25,011	3,888	28,899	684,931
Software, Technology and Phones	5,850	19,852	1,198,086	119,786	17,935	137,721	1,335,807
Agency Insurance	1,332	8,941	171,142	25,646	740	26,386	197,528
Agency Membership and Subscriptions	1,663	1,979	64,279	18,511	244	18,755	83,034
Contracted Providers and Referrals	-	-	792,982	-	-	-	792,982
Professional Fees	2,256	7,682	451,304	196,067	1,042	197,109	648,413
Medications	19,339,953	-	19,360,105	-	-	-	19,360,105
Lab Costs	-	-	516,177	-	-	-	516,177
Client Assistance	-	-	3,711,602	36,939	-	36,939	3,748,541
Client Incentives	-	-	309,156	-	-	-	309,156
Supplies and Materials	131	2,702	841,344	25,348	1,078	26,426	867,770
Postage	73	513	12,861	6,293	61	6,354	19,215
Staff Professional Development & Support	-	7,065	87,388	47,388	-	47,388	134,776
Transportation	-	9,568	70,701	4,640	192	4,832	75,533
Advertising and Community Support	-	-	41,350	3,632	53,368	57,000	98,350
Miscellaneous	1,735	8,352	121,847	209,368	529	209,897	331,744
Total Other Expenses	<u>19,368,661</u>	<u>87,061</u>	<u>28,886,341</u>	<u>834,644</u>	<u>81,384</u>	<u>916,028</u>	<u>29,802,369</u>
Expenses Before Depreciation, Amortization and Interest	19,700,037	754,490	47,207,344	4,049,839	182,430	4,232,269	51,439,613
Depreciation and Amortization	23,878	57,506	1,600,636	301,202	8,062	309,264	1,909,900
Interest	13,425	27,039	742,234	130,256	4,093	134,349	876,583
Total Expenses	<u>\$ 19,737,340</u>	<u>\$ 839,035</u>	<u>\$ 49,550,214</u>	<u>\$ 4,481,297</u>	<u>\$ 194,585</u>	<u>\$ 4,675,882</u>	<u>\$ 54,226,096</u>

See accompanying Notes to Consolidated Financial Statements.

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 7,194,041	\$ 903,318
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	1,896,189	1,909,900
Amortization of Issuance Costs	20,847	20,847
Loss on Disposition of Property and Equipment	168,711	-
Net Unrealized Gain on Investments	(327,898)	(133,838)
Changes in Assets and Liabilities:		
Reimbursements Receivable	(423,963)	(1,084,937)
Prepaid Expenses	(68,567)	(148,042)
Deposits	(2,959)	26,148
Accounts Payable	(215,974)	(127,152)
Accrued Expenses	260,049	286,541
Net Cash Provided by Operating Activities	8,500,476	1,652,785
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(479,068)	(390,622)
Purchase of Investments	(3,045,282)	(52,765)
Proceeds from Sale of Investments	299	14,310
Net Cash Used by Investing Activities	(3,524,051)	(429,077)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuances of Long-Term Debt and Capital Leases, Net of Financing Costs	31,938	3,941,461
Principal Payments on Long-Term Debt and Capital Leases	(4,249,049)	(352,168)
Net Cash Provided (Used) by Financing Activities	(4,217,111)	3,589,293
NET CHANGE IN CASH	759,314	4,813,001
Cash - Beginning of Year	6,251,908	1,438,907
CASH - END OF YEAR	\$ 7,011,222	\$ 6,251,908
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash	\$ 6,923,620	\$ 6,145,759
Held by Trustee for Reserve Fund	87,602	106,149
Total Cash	\$ 7,011,222	\$ 6,251,908
Cash paid for Interest	\$ 852,085	\$ 875,522
Equipment Acquired Under Capital Lease	\$ 31,938	\$ 120,671

See accompanying Notes to Consolidated Financial Statements.

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

NO/AIDS Task Force dba: CrescentCare is a nonprofit organization. NO/AIDS Task Force dba: CrescentCare was founded in 1983 in response to the early devastating effects of the AIDS epidemic in the New Orleans area. The services provided grew organically in response to the needs of our patients. In response to the community need for health care in post-Hurricane Katrina New Orleans, and the opportunities under the Affordable Care Act, the agency expanded its mission and services when it became a Federally Qualified Health Center (FQHC) in 2013. CrescentCare's mission is to offer comprehensive health and wellness services to the community, to advocate empowerment, to safeguard the right and dignity of individuals, and to provide for an enlightened public.

In April 2017, CrescentCare Holdings, Inc. (Holdings) was formed by CrescentCare as a separate 501(c)(3) entity in order to facilitate the construction of a new 65,000 square foot facility at 1631 Elysian Fields in New Orleans that opened in December 2018 to serve as the headquarters and clinic operations of CrescentCare. CrescentCare is the sole shareholder of Holdings. The new facility had a final cost of approximately \$23 million and Gulf Coast Housing Partnership (GCHP) served as the Developer and Project Manager. Financing for the facility was made possible with a New Markets Tax Credit allocation from Primary Care Development Corporation (PCDC), Hope Enterprise Corporation, and Chase Community Development Banking, a permanent \$10 million loan from PCDC, and contribution from CrescentCare (see Notes 6 and 8). The closing of the facility and related financing occurred on July 14, 2017.

CrescentCare's programs are as follows:

Education and Prevention

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

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Education and Prevention (Continued)

Prevention staff provides HIV, HCV (Hepatitis C), and STI testing at satellite locations as well as at community locations such as bars and the Orleans Parish Municipal Court. One-on-one, client-centered linkage programs are available to ensure as many clients as possible are linked to appropriate services such as HIV and HCV treatment, and PrEP. Additionally, CrescentCare's New Orleans Syringe Access Program (NOSAP), serves as a place to procure safe equipment, provide, and encourage HIV/HCV testing, linkage to medical services, initiation of detox/treatment programs, Medicaid enrollment referral, and first aid/wound care assessment. Under this program, CrescentCare, has disposed of over 2,713,600 used syringes.

Primary Medical Care

CrescentCare operates two clinics which provide comprehensive medical care to more than 21,972 individuals and 79,903 visits in 2021 and 14,377 individuals and 57,387 visits in 2020. Clinic services range from adult primary medical care, women's health, transgender health, pediatrics, dental, and medical nutrition therapy. CrescentCare accepts most insurance plans and offers a sliding fee scale for those who meet the financial and household requirements.

Dental

CrescentCare offers comprehensive dental services.

Case Management

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

Behavioral Health

CrescentCare offers behavioral health counseling, substance use counseling, and psychiatry to any individual receiving medical care at a CrescentCare site.

Food for Friends

CrescentCare operates its Food For Friends program which serves home-delivered meals to patients and provides a food pantry. During the fiscal year, CrescentCare operated a commercial kitchen in partnership with the First Unitarian Universalist Church of New Orleans that served approximately 170 HIV and cancer clients that are homebound due to their severe illness and have no other access to food. At the end of the fiscal year, CrescentCare switched to a contractor to provide the meals. CrescentCare also started a food pantry service for those clients who are able to prepare their own meals but do not have the resources to meet their nutritional needs. These individuals are unable to afford the food and personal care items needed to help maintain their health.

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Housing and Housing Support Services

CrescentCare provides assistance to those living with HIV and who are chronically homeless to obtain acceptable and affordable housing. CrescentCare is funded to provide Case Management and support services to individuals living with HIV/AIDS in the Houma/Thibodeaux area.

The Permanent Supportive Housing – Mental Health Rehabilitation Program

The Mental Health Rehabilitation Program assists persons with significant disabilities to obtain and maintain housing in the community. Individuals are case managed and support is tailored to each one's needs. The program is funded in part through third-party billing to Medicaid and a unit of service grant from the Office of Aging and Adult Services.

Medication

CrescentCare is a covered entity in the U.S. Department of Health and Human Services, Health Resources and Services Administration, Office of Pharmacy Affairs and participates in the 340B Drug Pricing Program (340B Program) whereby medications are purchased by a qualified third-party pharmacy company for CrescentCare clients at a discounted price, resulting in revenue for CrescentCare based on these savings. CrescentCare contracts with several local pharmacies for the 340B program. The intent of the 340B program is to permit the covered entity to stretch scarce federal resources as far as possible, reaching more eligible patients and providing more comprehensive services. Insurance reimbursement revenues of \$30,564,831 and \$32,710,928 and related expenses of \$18,014,742 and \$18,842,697 were recognized in 2021 and 2020, respectively, related to this program and are included in grants and contracts revenue and program expenses, respectively, in the accompanying consolidated statements of activities and changes in net assets.

CrescentCare also assists with insurance (and medical) co-payments for qualified individuals. Staff assists eligible clients in enrolling in pharmaceutical medication assistance programs for access to free or low cost medications.

Legal Services

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

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

The accompanying consolidated financial statements are presented using the accrual method of accounting. Under this method, revenues are recognized in the period earned and expenses are recognized in the period incurred. Grants are recognized as revenues when the conditions of the grant are considered to have been met. Contributions are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Restricted contributions whose restrictions are met in the same reporting period as the contribution are shown as contributions without donor restrictions. At June 30, 2021 and 2020, CrescentCare has \$-0- in net assets with donor restrictions.

CrescentCare reports information regarding its financial position and activities according to two classes of net assets, as applicable: net assets without donor restrictions or net assets with donor restrictions. When a restriction is satisfied or expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

The consolidated financial statements include the financial statements of CrescentCare and its wholly owned subsidiary CrescentCare Holdings, Inc. All significant intercompany balances and transactions have been eliminated in consolidation.

Tax Status

CrescentCare and Holdings are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and it is not a private foundation. Accounting Standards Codification (ASC) *Accounting for Uncertainty in Income Taxes* policy, clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. It also clarifies the application of accounting for income taxes by defining a criterion that an individual tax position must meet for any part of the benefit of that position to be recognized in an entity's financial statements. The interpretation requires recognition and measurement of uncertain income tax positions using a more likely than not approach. The adoption of the provisions of the interpretation had no material impact on the consolidated financial statements.

NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reimbursements Receivable

Reimbursements receivable are recorded in the accompanying consolidated statements of financial position at net realizable value based on certain assumptions. In evaluating the collectability of patient accounts receivable, CrescentCare analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the net realizable value. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the net realizable value is based on the estimated contractual reimbursement percentages, which is based on current contract prices or historical claims paid data by payor. For uninsured patients (which includes both patients without insurance and patients with deductible and copayment balances due which third-party coverage exists for a portion of the bill), the net realizable value is determined using estimates of historical collection experience. These estimates are adjusted for recoveries and any anticipated changes in trends, including significant changes in payor mix, economic conditions or trends in federal and state governmental health care coverage.

Clinical Service Revenue and Third-Party Settlements

In May 2014, the FASB and the International Accounting Standards Board issued ASU 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"). ASU 2014-09's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the organization expects to be entitled in exchange for those goods or services. CrescentCare adopted ASU 2014-09 on July 1, 2020 as described in Note 2 – Clinical Service Revenue.

ASU 2014-09 requires organizations to exercise more judgment and recognize revenue using a five-step process. CrescentCare adopted ASU 2014-09 using the full retrospective method for all contracts effective July 1, 2019 and is using a portfolio approach to group contracts with similar characteristics and analyze historical cash collections trends. Full retrospective adoption requires entities to apply the standard retrospectively to all periods presented in the consolidated financial statements, requiring the cumulative effect of the retrospective application as an adjustment to the opening balance of retained earnings at the date of the earliest year presented. No cumulative-effect adjustment in retained earnings was recorded as the adoption of ASU 2014-09 did not significantly impact CrescentCare's reported historical clinical service revenue.

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Clinical Service Revenue and Third-Party Settlements (Continued)

As a result of certain changes required by ASU 2014-09, the majority of CrescentCare's provision for doubtful accounts are recorded as a direct reduction to clinical service revenue and considered an implicit price concession instead of being presented as a separate line item on the consolidated statements of activities and changes in net assets. The adoption of ASU 2014-09 has no impact on CrescentCare's reimbursements receivable as it was historically recorded net of allowance for doubtful accounts and contractual adjustments, and CrescentCare has eliminated the presentation of allowance for doubtful accounts on the consolidated statements of financial position. The impact of adopting ASU 2014-09 on the consolidated statement of activities and changes in net assets for the year ended June 30, 2020 was as follows:

	Prior to Adopting ASU 2014-09	As Reported
Clinical Service Fees and Reimbursements Net of Contractual Adjustments of \$1,992,592	\$ 5,624,277	\$ 4,519,673
Less: Bad Debt Expense	(1,104,604)	-
Net Clinical Service Fees and Reimbursements	<u>\$ 4,519,673</u>	<u>\$ 4,519,673</u>

CrescentCare evaluated the nature, amount, timing and uncertainty of revenue and cash flows using the five-step process provided within ASU 2014-09.

Revenue is primarily derived from the provision of physician and clinic primary health care services rendered to patients. The physician and clinic services provided by CrescentCare have a limited duration of less than a day as no overnight stay is allowed.

Investments and Related Gains and Losses

Investments in marketable securities with readily determinable fair values are reported at their fair value based on available market quotes in the consolidated statements of financial position and as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or law.

Dividends, interest and realized and unrealized gains and losses that are restricted by donors are reported as increases in net assets with donor restrictions. Dividends, interest and realized and unrealized gains and losses absent restriction are reported as increases and decreases in net assets without donor restrictions. All components of investment returns are reported as investment gain, net in the accompanying consolidated statements of activities and changes in net assets.

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equipment and Leasehold Improvements

Equipment and leasehold improvements are recorded at cost. CrescentCare capitalizes all expenditures for equipment in excess of \$5,000; the fair value of donated assets is similarly capitalized. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Leasehold improvements are amortized over the shorter of the estimated useful life of the improvement or the term of the related lease. Impairment of long-lived assets is tested whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is separately identifiable and is less than its carrying value. In that event, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset. Fair market value is determined primarily using appraisals. Losses on long-lived assets to be disposed of are determined in a similar manner, except that fair market values are reduced for the cost to dispose. There were no impairments of long-lived assets recorded by management during the years ended June 30, 2021 and 2020.

Computer Equipment and Software	3 to 5 Years
Office Furniture, Fixtures, and Equipment	3 to 5 Years
Leasehold Improvements	3 to 5 Years
Mobile Medical Unit	10 Years
Building	30 Years
Land	0 Years

Donated Property and Equipment

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

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investment in Housing Partnership

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

The development was completed and began operations in August 2014. At the end of the compliance period for the LIHTC (15 years), CrescentCare has a right of first refusal and purchase option to purchase the development at the higher of fair market value or an amount which approximates pay off of existing debt at the date of purchase. During 2021, CrescentCare did not make any changes to investment in subsidiary. The balance remains \$400,108 as of June 30, 2021 and 2020.

Functional Allocation of Expenses

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

Donated Services

Donated services are reflected as contributions in the accompanying statements at their estimated fair values at the date of receipt. During fiscal year 2020, a news publication company donated advertising space and services, primarily for fund raising activities. The estimated value of these donated services and the corresponding expenses was \$41,835 for the year ended June 30, 2020 and is reflected in the accompanying consolidated financial statements as other support and revenue and support service expenses.

Advertising and Promotion

Advertising costs are expensed as incurred. The primary purpose of these appeals is to promote CrescentCare's fund-raising events and raise awareness of the disease and its prevention as well as care and treatment services available. During the years ended June 30, 2021 and 2020, advertising costs related to fundraising was \$23,454 and \$53,368, respectively.

NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. CrescentCare's estimates include those regarding the fair value of donated materials and services, accrual for drug replenishment of its 340B Program, and consideration of allowances for reimbursements receivable.

Cash and Cash Equivalents

For the purposes of the consolidated statements of cash flows, CrescentCare considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents includes short-term investments that are not U.S. Federal Deposit Insurance Corporation (FDIC) insured.

Deferred Financing Costs

Deferred financing costs are amortized over the period the related obligation is outstanding using the straight-line method. The amount is reported as a reduction of long-term debt on the consolidated statements of financial position. Amortization of deferred financing costs is included in depreciation and amortization in the consolidated financial statements. Financing fees net of amortization were \$542,011 and \$562,857, respectively, and amortization was \$20,846 for the years ended June 30, 2021 and 2020.

Assets Limited as to Use

Assets limited as to use include assets held by trustees in reserve funds and construction project fund. The funds are deposited as cash and cash equivalents and are recorded at cost, which approximates fair value.

Net Assets

Net assets are classified into two separate categories based on the existence or absence of donor-imposed restrictions. In the consolidated financial statements, net assets that have similar characteristics have been combined into categories as follows:

Net Assets Without Donor Restriction – Include net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. At times, the governing board can designate, from net assets without donor restrictions, net assets for a board-designated endowment or other purposes.

Net Assets With Donor Restrictions – Include net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource has been fulfilled, or both.

NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements

Effective July 1, 2020, CrescentCare adopted FASB ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) using the full retrospective method of transition. This ASU converged and replaced existing revenue recognition guidance, including industry-specific guidance and requires revenue to be recognized in an amount that reflects the consideration the entity expects to be entitled to in an exchange of goods or services. The adoption of this ASU did not result in changes to previously reported revenues, other than presentation.

Recently Issued Accounting Guidance

In February 2016, the FASB issued amended guidance for the treatment of leases. The guidance requires lessees to recognize a right-of-use asset and a corresponding lease liability for all operating and financing leases with lease terms greater than one year. The accounting for lessors will remain relatively unchanged. The guidance changes the accounting for sale and leaseback transactions to conform to the new revenue recognition standards. The guidance also requires both qualitative and quantitative disclosures regarding the nature of the entity's leasing activities. The amendments in the guidance are effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. Management is evaluating the impact of the amended lease guidance on CrescentCare's consolidated financial statements.

Reclassifications

Certain items in the prior year consolidated financial statements have been reclassified to conform to the current year presentation. These reclassifications had no effect on CrescentCare's overall net assets.

NOTE 2 CLINICAL SERVICE REVENUE

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

Performance obligations are determined based on the nature of the services provided by CrescentCare. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. CrescentCare believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to patients receiving services in our clinic location, which includes a majority of CrescentCare's revenue. CrescentCare measures the performance obligation from the commencement of an outpatient service, to the point when it is no longer required to provide services to that patient, which is generally at the time of completion of the outpatient services.

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 CLINICAL SERVICE REVENUE (CONTINUED)

CrescentCare determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments provided to third-party payors or the established rates of the government entities, discounts provided to uninsured patients in accordance with CrescentCare's policy, and/or implicit price concessions provided to uninsured patients. CrescentCare determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policy, and historical experience. CrescentCare determines its estimate of implicit price concessions based on its historical collection experience with patients.

Agreements with third-party payors provide for payments that may differ from established rates. A summary of the payment arrangements with major third-party payors follows:

Private Insurance Companies

Services rendered to patients with commercial insurance policies are reimbursed at the contracted rate determined by the patient's policy.

Medicare

Services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Where no fee schedule has been developed, services are paid based on a cost reimbursement methodology. CrescentCare is paid for cost reimbursable items at a tentative rate with final settlement determined after submission of annual cost reports by CrescentCare.

Medicaid

Services rendered to Medicaid program beneficiaries are reimbursed based on the prospective payment system (PPS) rate.

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

NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 2 CLINICAL SERVICE REVENUE (CONTINUED)

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

Generally patients who are covered by third-party payors are responsible for related deductibles and coinsurance, which vary in amount. CrescentCare estimates the transaction price for patients with deductibles and coinsurance based on historical experience and current market conditions. The initial estimate of the transaction price is determined by reducing the standard charge by any contractual adjustments, discounts, and implicit price concessions. Subsequent changes to the estimate of the transaction price are generally recorded as adjustments to clinical service revenue in the period of the change. Additional revenue recognized due to changes in its estimates of implicit price concessions, discounts, and contractual adjustments were not considered material for the years ended June 30, 2021 and 2020. Subsequent changes that are determined to be the result of an adverse change in the patient's ability to pay are recorded as bad debt expense.

CrescentCare has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the following factors:

- Payors (for example, Medicare, Medicaid, managed care or other insurance, patient) have different reimbursement/payment methodologies
- Length of the patient's service of care
- Method of reimbursement (fee for service, PPS or percent of charges)
- Organization's line of business that provided the service (medical, dental or behavioral health)
- Demographics of the patient

Consistent with CrescentCare's mission and requirements as a FQHC, care is provided to patients regardless of their ability to pay. Therefore, CrescentCare has determined it has provided implicit price concessions to uninsured patients and other uninsured balances (for example, copays and deductibles). The implicit price concessions included in estimating the transaction price represents the difference between amounts billed to patients and the amounts CrescentCare expects to collect based on its collection history with those patients. Explicit price concessions are also provided under a sliding fee discount policy with specified discounts for patients based on certain demographic traits and ability to pay.

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 CLINICAL SERVICE REVENUE (CONTINUED)

CrescentCare has determined that the nature, amount, timing and uncertainty of revenue and cash flows are affected by the factors in the payor contract. For example, Medicare, Medicaid, managed care or other insurance have different reimbursement/payment methodologies.

Financing Component

CrescentCare has elected the practical expedient allowed under FASB ASC 606-10-32-18 and does not adjust the promised amount of consideration from patients and third-party payors for the effects of a significant financing component due to CrescentCare's expectation that the period between the time the service is provided to a patient and the time that the patient or a third-party payor pays for that service will be one year or less. However, CrescentCare does, in certain instances, enter into payment agreements with patients that allow payments in excess of one year. For those cases, the financing component is not deemed to be significant to the contract.

Contract Costs

CrescentCare has applied the practical expedient provided by FASB ASC 340-40-25-4 and all incremental customer contract acquisition costs are expensed as they are incurred as the amortization period of the asset that CrescentCare otherwise would have recognized is one year or less in duration.

NOTE 3 INVESTMENTS

Investments consisted of the following at June 30:

	<u>2021</u>	<u>2020</u>
Mutual Funds and Corporate Obligations	<u>\$ 6,597,775</u>	<u>\$ 3,224,894</u>

NOTE 4 PROPERTY AND EQUIPMENT

Property and equipment are summarized as follows at June 30:

	<u>2021</u>	<u>2020</u>
Computer Equipment and Software	\$ 3,108,621	\$ 3,568,765
Office Furniture, Fixtures, and Equipment	293,140	311,616
Leasehold Improvements	2,988,925	2,977,457
Mobile Medical Unit	210,000	210,000
Building	17,065,689	16,897,245
Land	1,500,001	1,500,001
Total Property and Equipment	<u>25,166,376</u>	<u>25,465,084</u>
Less: Accumulated Depreciation and Amortization	<u>6,269,595</u>	<u>4,982,471</u>
Property and Equipment, Net	<u>\$ 18,896,781</u>	<u>\$ 20,482,613</u>

During the years ended June 30, 2021 and 2020, depreciation was \$1,896,189 and \$1,909,900, respectively.

NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 5 LINE OF CREDIT

CrescentCare had two secured lines of credit with financial institutions, decreasing to one line of credit effective February 4, 2021. The secured lines of credit have maximum borrowing of up to \$3,930,000 and \$3,180,000 as of June 30, 2021 and 2020, respectively, and are secured by CrescentCare's investments portfolio. For the year ended June 30, 2021 and 2020, the secured lines of credit have a balance of \$-0- and carry an interest rate of 1.85% and 1.91%, respectively.

NOTE 6 NEW MARKET TAX CREDIT

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

NOTE 7 RELATED-PARTY TRANSACTION

Transactions between CrescentCare and Holdings are considered related-party transactions. CrescentCare loaned approximately \$14.0 million to a financial institution which in turn, loaned \$20.5 million to Holdings. During the year-end June 30, 2019, approximately \$492,000 of excess funds were transferred from Holdings to CrescentCare. CrescentCare and Holdings entered into a rental agreement in which CrescentCare rents the new facility from Holdings for \$277,313 per year from January 1, 2019 through December 31, 2023, increasing to \$610,359 for the year ended December 31, 2024, increasing to \$1,076,625 per year from January 1, 2025 through December 31, 2046, and decreasing to \$628,031 for the year ended December 31, 2047. The payments between CrescentCare and Holdings are eliminated on the consolidated statements of activities and changes in net assets.

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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NOTE 8 LONG-TERM LIABILITIES

Notes Payable

During the year ended June 30, 2018, CrescentCare obtained a loan totaling \$10.0 million from a financial institution to in turn loan to CrescentCare Holdings. The loan matures July 12, 2024 and carries a 6.25% interest rate. The balance of the loan as of June 30, 2021 and June 30, 2020 is \$9,319,718 and \$9,604,613, respectively. As explained in Note 6, Holdings participates in the NMTC program and has obtained loans of \$7,760,000, \$9,700,000, and \$3,000,000 payable to certified community development entities (CDE) (the Agreements). Quarterly payments of interest are required for the first seven years. Beginning September 1, 2024, principal and interest payments will be due in quarterly installments through the maturity date. The stated interest rate is 1%, and the loan matures July 13, 2047. These loans are secured by the property and equipment and other assets of Holdings and CrescentCare and are also subject to certain financial and other covenants as specified under the agreements.

The Agreements were structured as 30-year debt financing with a seven-year NMTC compliance period, at the end of the seven year compliance period, Holdings will have the option to acquire all membership rights of the investment fund and forgive the related debt.

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

Required principal payments under the various debt agreements are payable during the years ending June 30 as follows:

<u>Year Ending June 30,</u>	<u>Notes Payable</u>
2022	\$ 303,220
2023	322,723
2024	459,497
2025	9,123,768
2026	804,188
Thereafter	<u>18,766,322</u>
Total	29,779,718
Less: Unamortized Debt Issuance Costs	<u>(542,011)</u>
Total, Net Unamortized Debt Issuance Costs	<u><u>\$ 29,237,707</u></u>

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Capital Lease Obligations

CrescentCare leases computers under capital leases. The following is a schedule of the future minimum lease payments together with the present value thereof:

<u>Year Ending June 30,</u>	<u>Capital Leases</u>
2022	\$ 142,642
2023	29,905
2024	9,563
Less: Amount Representing Interest	<u>(6,188)</u>
Present Value of Net Minimum Lease Payments	175,922
Current Portion	<u>(137,496)</u>
Long-Term Obligation under Capital Leases	<u><u>\$ 38,426</u></u>

The capital lease obligation is collateralized by the related property. The net book value of the property under the capital leases as of June 30 is summarized as follows:

	<u>2021</u>	<u>2020</u>
Capital Lease	511,428	\$ 479,490
Less: Accumulated Depreciation	<u>(338,424)</u>	<u>(197,689)</u>
Net Book Value	<u><u>\$ 173,004</u></u>	<u><u>\$ 281,801</u></u>

NOTE 9 COMMITMENTS AND CONTINGENCIES

Operating Leases

CrescentCare leased its administrative headquarters which also serves as an operational facility under a noncancelable operating lease. In March 2014, CrescentCare entered into a 60-month operating lease for a new operational facility. Monthly rent payments begin at \$26,024 and increase annually until the fifth year when they increase to \$28,895. CrescentCare entered into an extension on this lease for an additional three-year option. The monthly rent payments increased to \$33,907.

Future minimum lease payments under operating leases with an initial term of one year or more were as follows at June 30, 2021:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 299,041
2023	27,789
2024	9,263
Total Minimum Lease Payments	<u><u>\$ 336,093</u></u>

NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 9 COMMITMENTS AND CONTINGENCIES (CONTINUED)

Operating Leases (Continued)

Rental expense relating to these leases was approximately \$437,000 and \$444,000 for the years ended June 30, 2021 and 2020, respectively. The lease payments are included in occupancy in the accompanying consolidated statements of functional expenses.

Legal Matters

From time to time, CrescentCare may become involved in various legal matters. Management of CrescentCare believes that there are no legal matters as of June 30, 2021 whose resolution could have a material effect on the consolidated financial statements.

Concentrations

Grants received require the fulfillment of certain conditions as set forth in the grant instruments. CrescentCare intends to fulfill the conditions of all grants, recognizing that failure to fulfill the conditions could result in the return of the funds to donors. CrescentCare, by accepting the grants and their terms, has agreed to the conditions of the donors. Government grants and support represented approximately 83% and 89% of CrescentCare's total support and revenue for fiscal 2021 and 2020, respectively, including approximately \$30.6 million and \$32.7 million, respectively, of revenues for years ended June 30, 2021 and 2020, from the 340B Program.

In addition, the balance of reimbursements receivable is comprised primarily of government grants and support at both June 30, 2021 and 2020.

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

NOTE 10 RETIREMENT SAVINGS PLAN

As of January 1, 2017 CrescentCare has offered a defined contribution 401(k) plan (the plan) to its employees. Beginning January 1, 2017, eligibility into the plan was allowed after the 90 day waiting period with quarterly entry; beginning January 1, 2018, the waiting period was one full calendar month of employment. Effective January 1, 2019, the Plan was amended and the waiting period was changed from one month to six months, with entry dates of January 1 and July 1 of each year. CrescentCare makes a qualified matching contribution and may elect to make a non-elective profit sharing contribution for eligible employees. The company matching contribution was 100% of the first 1% of compensation that an employee defers plus 50% of the next 5% for the years ended December 31, 2021 and 2020. The Company also made a non-elective profit sharing contribution of 1.5% of compensation for eligible employees for 2021 and 2020. Contributions to the Plan were \$607,662 and \$569,978 for the years ended June 30, 2021 and 2020, respectively.

NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 11 FAIR VALUE MEASUREMENTS

The fair value measurement standards establish a framework for measuring fair value, and expand disclosure about fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and lowest priority to unobservable inputs (Level 3 Measurements).

The three levels of the fair value hierarchy under the standards are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that CrescentCare has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than; quoted prices that are, observable for the asset or liability
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Valuation methodology inputs are unobservable and significant to fair value measurement.

Following is a description of the valuation methodologies used for assets measured at fair value. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values.

Mutual Funds – Valued at the closing price reported on the active market on which the individual securities are traded or at the net asset value (NAV) of shares held at year-end as applicable.

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 11 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2021 and 2020 by fair value measurements valuation hierarchy:

	2021			Total
	Level 1	Level 2	Level 3	
Debt and Equity Fund:				
Conservative Allocation	\$ 6,572,597	\$ -	\$ -	\$ 6,572,597
Fixed Income Funds:				
Real Estate Investment Trusts	-	25,178	-	25,178
Total	<u>\$ 6,572,597</u>	<u>\$ 25,178</u>	<u>\$ -</u>	<u>\$ 6,597,775</u>
	2020			Total
	Level 1	Level 2	Level 3	
Debt and Equity Fund:				
Conservative Allocation	\$ 3,210,796	\$ -	\$ -	\$ 3,210,796
Fixed Income Funds:				
Real Estate Investment Trusts	-	14,098	-	14,098
Total	<u>\$ 3,210,796</u>	<u>\$ 14,098</u>	<u>\$ -</u>	<u>\$ 3,224,894</u>

NOTE 12 LIQUIDITY AND AVAILABILITY

CrescentCare invests cash in excess of short-term requirements in short-term investments.

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

	2021	2020
Financial Assets at Year-End:		
Cash	\$ 6,923,620	\$ 6,145,759
Reimbursements Receivable	10,532,644	10,108,681
Deposits	53,330	50,371
	<u>\$ 17,509,594</u>	<u>\$ 16,304,811</u>

CrescentCare has assets limited as to use for debt service. These assets limited as to use are not available for general expenditure within the next year and are not reflected in the amounts above.

NO/AIDS TASK FORCE DBA: CRESCENTCARE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 13 SUBSEQUENT EVENTS

Management has evaluated events through the date that the consolidated financial statements were available to be issued, January 3, 2022, and determined the following items required disclosure:

Purchase Agreement

On November 3, 2021 CrescentCare entered into a purchase agreement for the acquisition of a building located on Canal Street in New Orleans for \$3,235,000. Management plans to renovate and update the building and use it for future program expansion. In accordance with the purchase agreement CrescentCare has a period of 90 days to perform due diligence on the property to determine if it is suitable for its intended purposes. If it is determined the building is not suitable for its intended purposes CrescentCare will not be obligated to purchase the property and will receive a refund of the \$50,000 deposit that was paid to initiate the purchase agreement.

Debt Refinancing

On December 27, 2021 CrescentCare refinanced the outstanding Promissory Note with the Primary Care Development Corporation (PCDC) in the original amount of \$10,000,000 with National Cooperative Bank, N.A. Under the refinancing agreement payments will be due monthly beginning February 1, 2022 through January 1, 2032 with the unpaid balance bearing interest at 4.94% fixed interest rate. CrescentCare incurred costs of approximately \$123,000 as part of the refinancing agreement.

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021**

	NO/AIDS Task Force dba: CrescentCare	CrescentCare Holdings, Inc.	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash	\$ 6,823,945	\$ 99,675	\$ -	\$ 6,923,620
Reimbursements Receivable	10,649,241	81,576	(198,173)	10,532,644
Prepaid Expenses	566,521	11,269	-	577,790
Deposits	53,330	-	-	53,330
Total Current Assets	<u>18,093,037</u>	<u>192,520</u>	<u>(198,173)</u>	<u>18,087,384</u>
ASSETS LIMITED AS TO USE				
Held by Trustee for Reserve Fund	-	87,602	-	87,602
INVESTMENTS AND OTHER ASSETS				
Investments	6,597,775	-	-	6,597,775
Receivable for 1631 Elysian Fields Project	14,027,240	-	-	14,027,240
Investment in Housing Partnership	400,108	-	-	400,108
Total Investments	<u>21,025,123</u>	<u>-</u>	<u>-</u>	<u>21,025,123</u>
PROPERTY AND EQUIPMENT, NET OF DEPRECIATION AND AMORTIZATION				
	<u>2,049,245</u>	<u>16,847,536</u>	<u>-</u>	<u>18,896,781</u>
Total Assets	<u>\$ 41,167,405</u>	<u>\$ 17,127,658</u>	<u>\$ (198,173)</u>	<u>\$ 58,096,890</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current Portion of Capital Lease Obligations	\$ 137,496	\$ -	\$ -	\$ 137,496
Current Portion of Notes Payable	303,220	-	-	303,220
Accounts Payable	3,185,492	3,801	(69,418)	3,119,875
Accrued Payroll	694,332	-	-	694,332
Accrued Compensated Absences	920,470	-	-	920,470
Accrued Interest	49,419	-	-	49,419
Accrued Liabilities - Other	12,158	130,630	(128,755)	14,033
Total Current Liabilities	<u>5,302,587</u>	<u>134,431</u>	<u>(198,173)</u>	<u>5,238,845</u>
CAPITAL LEASE OBLIGATIONS, NET OF CURRENT PORTION				
	38,426	-	-	38,426
NOTES PAYABLE, NET OF CURRENT PORTION AND DEFERRED FINANCING COSTS				
	<u>9,016,498</u>	<u>19,917,989</u>	<u>-</u>	<u>28,934,487</u>
Total Liabilities	14,357,511	20,052,420	(198,173)	34,211,758
NET ASSETS				
Without Donor Restrictions	<u>26,809,894</u>	<u>(2,924,762)</u>	<u>-</u>	<u>23,885,132</u>
Total Liabilities and Net Assets	<u>\$ 41,167,405</u>	<u>\$ 17,127,658</u>	<u>\$ (198,173)</u>	<u>\$ 58,096,890</u>

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2020**

	NO/AIDS Task Force dba: CrescentCare	CrescentCare Holdings, Inc.	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash	\$ 6,064,942	\$ 80,817	\$ -	\$ 6,145,759
Reimbursements Receivable	10,096,394	74,426	(62,139)	10,108,681
Prepaid Expenses	508,039	1,184	-	509,223
Deposits	50,371	-	-	50,371
Total Current Assets	<u>16,719,746</u>	<u>156,427</u>	<u>(62,139)</u>	<u>16,814,034</u>
ASSETS LIMITED AS TO USE				
Held by Trustee for Reserve Fund	-	106,149	-	106,149
INVESTMENTS AND OTHER ASSETS				
Investments	3,224,894	-	-	3,224,894
Receivable for 1631 Elysian Fields Project	14,027,240	-	-	14,027,240
Investment in Housing Partnership	400,108	-	-	400,108
Total Investments	<u>17,652,242</u>	<u>-</u>	<u>-</u>	<u>17,652,242</u>
PROPERTY AND EQUIPMENT, NET OF DEPRECIATION AND AMORTIZATION				
	<u>2,395,609</u>	<u>18,087,004</u>	<u>-</u>	<u>20,482,613</u>
Total Assets	<u>\$ 36,767,597</u>	<u>\$ 18,349,580</u>	<u>\$ (62,139)</u>	<u>\$ 55,055,038</u>
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current Portion of Capital Lease Obligations	\$ 141,005	\$ -	\$ -	\$ 141,005
Current Portion of Notes Payable	1,965,418	-	-	1,965,418
Accounts Payable	3,330,294	5,555	-	3,335,849
Accrued Payroll	584,151	-	-	584,151
Accrued Compensated Absences	774,583	-	-	774,583
Accrued Interest	50,144	-	-	50,144
Accrued Liabilities - Other	7,452	64,014	(62,139)	9,327
Total Current Liabilities	<u>6,853,047</u>	<u>69,569</u>	<u>(62,139)</u>	<u>6,860,477</u>
CAPITAL LEASE OBLIGATIONS, NET OF CURRENT PORTION				
	145,677	-	-	145,677
NOTES PAYABLE, NET OF CURRENT PORTION AND DEFERRED FINANCING COSTS				
	<u>11,460,650</u>	<u>19,897,143</u>	<u>-</u>	<u>31,357,793</u>
Total Liabilities	18,459,374	19,966,712	(62,139)	38,363,947
NET ASSETS				
Without Donor Restrictions	<u>18,308,223</u>	<u>(1,617,132)</u>	<u>-</u>	<u>16,691,091</u>
Total Liabilities and Net Assets	<u>\$ 36,767,597</u>	<u>\$ 18,349,580</u>	<u>\$ (62,139)</u>	<u>\$ 55,055,038</u>

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2021**

	NO/AIDS Task Force dba: CrescentCare	CrescentCare Holdings, Inc.	Eliminations	Total
REVENUES AND OTHER SUPPORT				
CLINICAL SERVICE FEES AND REIMBURSEMENTS	\$ 5,673,078	\$ -	\$ -	\$ 5,673,078
PUBLIC SUPPORT AND REVENUE:				
Grants and Contracts	51,617,487	-	-	51,617,487
Pledges and Contributions	182,233	-	-	182,233
Fundraising Events, Net	147,344	-	-	147,344
Investment Gain, Net	527,770	29	-	527,799
Other Support and Revenue	4,062,804	277,313	(339,138)	4,000,979
Total Public Support and Revenue	<u>56,537,638</u>	<u>277,342</u>	<u>(339,138)</u>	<u>56,475,842</u>
Total Revenues and Other Support	62,210,716	277,342	(339,138)	62,148,920
EXPENSES				
Program Services	48,764,462	1,302,940	(277,313)	49,790,089
Supporting Services	4,944,583	282,032	(61,825)	5,164,790
Total Expenses	<u>53,709,045</u>	<u>1,584,972</u>	<u>(339,138)</u>	<u>54,954,879</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	8,501,671	(1,307,630)	-	7,194,041
Net Assets - Beginning of Year	<u>18,308,223</u>	<u>(1,617,132)</u>	<u>-</u>	<u>16,691,091</u>
NET ASSETS - END OF YEAR	<u>\$ 26,809,894</u>	<u>\$ (2,924,762)</u>	<u>\$ -</u>	<u>\$ 23,885,132</u>

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2020**

	NO/AIDS Task Force dba: CrescentCare	CrescentCare Holdings, Inc.	Eliminations	Total
REVENUES AND OTHER SUPPORT				
CLINICAL SERVICE FEES AND REIMBURSEMENTS	\$ 4,519,673	\$ -	\$ -	\$ 4,519,673
PUBLIC SUPPORT AND REVENUE:				
Grants and Contracts	48,992,172	-	-	48,992,172
Pledges and Contributions	791,025	-	-	791,025
Fundraising Events, Net	51,369	-	-	51,369
Investment Gain, Net	307,964	366	-	308,330
Other Support and Revenue	523,915	277,313	(334,383)	466,845
Total Public Support and Revenue	<u>50,666,445</u>	<u>277,679</u>	<u>(334,383)</u>	<u>50,609,741</u>
Total Revenues and Other Support	55,186,118	277,679	(334,383)	55,129,414
EXPENSES				
Program Services	49,884,597	-	(334,383)	49,550,214
Supporting Services	3,100,498	1,575,384	-	4,675,882
Total Expenses	<u>52,985,095</u>	<u>1,575,384</u>	<u>(334,383)</u>	<u>54,226,096</u>
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	2,201,023	(1,297,705)	-	903,318
Net Assets - Beginning of Year	<u>16,107,200</u>	<u>(319,427)</u>	<u>-</u>	<u>15,787,773</u>
NET ASSETS - END OF YEAR	<u>\$ 18,308,223</u>	<u>\$ (1,617,132)</u>	<u>\$ -</u>	<u>\$ 16,691,091</u>

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO CHIEF EXECUTIVE OFFICER
JUNE 30, 2021**

AGENCY HEAD NAME: NOEL TWILBECK, CHIEF EXECUTIVE OFFICER

PURPOSE

Salary	\$ 211,152
Benefits - Insurance	14,549
Benefits - Retirement	<u>10,557</u>
Total	<u>\$ 236,258</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***

Board of Directors
NO/AIDS Task Force
dba: CrescentCare
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of NO/AIDS Task Force dba: CrescentCare (CrescentCare) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2021, the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 3, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered CrescentCare'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of CrescentCare's internal control. Accordingly, we do not express an opinion on the effectiveness of CrescentCare's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether CrescentCare’s consolidated 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 determination of consolidated 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2021-002.

CrescentCare’s Response to Findings

CrescentCare’s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. CrescentCare’s response was not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

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



CliftonLarsonAllen LLP

Minneapolis, Minnesota
January 3, 2022



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER
COMPLIANCE, AND REPORT ON THE SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors
NO/AIDS Task Force
dba: CrescentCare
New Orleans, Louisiana

Report on Compliance for Each Major Federal Program

We have audited NO/AIDS Task Force dba: CrescentCare's (CrescentCare) (a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CrescentCare's major federal programs for the year ended June 30, 2021. CrescentCare's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of CrescentCare'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 Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance)*. Those standards and the Uniform Guidance 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 CrescentCare'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 CrescentCare's compliance.

Opinion on Each Major Federal Program

In our opinion, CrescentCare 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 CrescentCare is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered CrescentCare'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 in 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 CrescentCare's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. 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.

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.

Board of Directors
NO/AIDS Task Force
dba: CrescentCare

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the consolidated financial statements of CrescentCare as of and for the year ended June 30, 2021, and have issued our report thereon dated January 3, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
January 3, 2022

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor	Pass-Through Entity Identifying Number	Federal Expenditures
Department of Housing and Urban Development				
Community Development Block Grants/Entitlement Grants	14.218	Louisiana Department of Health and Hospitals	2000153419	\$ 88,817
Housing Opportunities for Persons with AIDS	14.241	City of New Orleans Office of Housing Policy and Community Development	HOPWA-028F	2,409,499
COVID-19. Housing Opportunities for Persons with AIDS	14.241	City of New Orleans Office of Housing Policy and Community Development	HOPWA CARES Act, NO/AIDS Ta	508,533
COVID-19. Housing Opportunities for Persons with AIDS	14.241	Louisiana Department of Health and Hospitals	2000374889	15,714
Housing Opportunities for Persons with AIDS	14.241	Louisiana Department of Health and Hospitals	2000324061, 2000544883	93,902
Housing Opportunities for Persons with AIDS	14.241	Louisiana Department of Health and Hospitals	2000374889	174,343
Housing Opportunities for Persons with AIDS	14.241	Unity of Greater New Orleans, Inc	LA-H190014	194,130
Housing Opportunities for Persons with AIDS	14.241	Unity of Greater New Orleans, Inc.	LA-H15-001	<u>111,407</u>
Total Housing Opportunities for Persons with AIDS				3,508,528
				433,609
Continuum of Care Program	14.267	Unity of Greater New Orleans, Inc	LA0223L6H031906	<u>1,235,428</u>
Continuum of Care Program	14.267	Unity of Greater New Orleans, Inc.	LA0250L6H031904	1,668,037
Total Continuum of Care Program				1,668,037
				5,268,382
Federal Communications Commission				
COVID-19: Telehealth Program	32.006	Federal Communications Commission	GRA0000426	242,028
Total Federal Communications Commission				<u>242,028</u>
Department of Health and Human Services				
Acquired Immunodeficiency Syndrome (AIDS) Activity	93.118	The Center for Black Health & Equity (NAATPN)	PS004987-05-SC02	17,032
COVID-19. Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	N/A	N/A	55,682
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	N/A	N/A	1,097,465
Coordinated Services and Access to Research for Women, Infants, Children, and Youth	93.153	N/A	N/A	<u>62,827</u>
Total Coordinated Services and Access to Research for Women, Infants, Children, and Youth				1,215,974
Consolidated Health Centers	93.224	N/A	N/A	2,492,848
Consolidated Health Centers	93.224	N/A	N/A	314,109
COVID-19: Consolidated Health Centers	93.224	N/A	N/A	782,785
COVID-19. Consolidated Health Centers	93.224	N/A	N/A	<u>307,339</u>
Total Consolidated Health Centers Program				3,897,061
Substance Abuse and Mental Health Services Projects of Regional and National Significance	93.243	N/A	N/A	721,412
Grants for New and Expanded Services under the Health Center Program	93.527	N/A	N/A	17,825
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	Louisiana State University Health Sciences Center-New Orleans	PH-21-111-011	12,500
COVID-19. HIV Emergency Relief Project Grants	93.914	City of Baton Rouge	Ryan White COVID-19	4,330

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**NO/AIDS TASK FORCE DBA: CRESCENTCARE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Grantor	Pass-Through Entity Identifying Number	Federal Expenditures
COVID-19, HIV Emergency Relief Project Grants	93.914	City of New Orleans Office of Health Policy & Aids Funding	COVID-19	\$ 10,943
HIV Emergency Relief Project Grants	93.914	City of Baton Rouge	8-3731	68,206
HIV Emergency Relief Project Grants	93.914	City of New Orleans Office of Health Policy & Aids Funding	3611-02343	3,241,127
HIV Emergency Relief Project Grants	93.914	AIDS United	U69HA310670100	<u>130,835</u>
Total HIV Emergency Relief Project Grants				3,455,441
COVID-19, HIV Care Formula Grants	93.917	Louisiana Department of Health and Hospitals	2000374889	33,059
HIV Care Formula Grants	93.917	Louisiana Department of Health and Hospitals	2000441493	295,132
HIV Care Formula Grants	93.917	Louisiana Department of Health and Hospitals	2000374889	<u>639,304</u>
Total HIV Care Formula Grants				967,495
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	University Medical Center	EIS	11,705
COVID-19 Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	N/A	N/A	54,431
COVID-19 Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	N/A	N/A	30,396
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	N/A	N/A	413,941
Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease	93.918	N/A	N/A	<u>348,022</u>
Total Grants to Provide Outpatient Early Intervention Services with Respect to HIV Disease				858,495
Special Projects of National Significance	93.928	N/A	N/A	399,468
HIV Prevention Activities Non Governmental Organization	93.939	N/A	N/A	347,585
HIV Prevention Activities Non Governmental Organization	93.939	N/A	N/A	<u>400,554</u>
Total HIV Prevention Activities Non Governmental Organization				748,139
HIV Prevention Activities Health Department Based	93.940	Louisiana Department of Health and Hospitals	2000399493	102,060
HIV Prevention Activities Health Department Based	93.940	Louisiana Department of Health and Hospitals	2000418593	148,350
HIV Prevention Activities Health Department Based	93.940	Louisiana Department of Health and Hospitals	2000489571	350,724
HIV Prevention Activities Health Department Based	93.940	Louisiana Department of Health and Hospitals	2000524779	<u>101,300</u>
				702,434
HIV Demonstration, Research, Public and Professional Education Projects	93.941	RTI International	3-312-0214934-62563L	14,544
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance	93.944	Louisiana Department of Health and Hospitals	2000471817	450,735
Block Grants for Prevention and Treatment of Substance Abuse	93.959	Metropolitan Human Services District	21146	273,097
Total Department of Health and Human Services				<u>13,751,652</u>
Total Expenditures of Federal Awards				<u>\$ 19,260,062</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

CRESCENTCARE NO/AIDS TASK FORCE
NOTES TO SCHEDULE EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2021

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of CrescentCare under programs of the federal government for the year ended June 30, 2021 for which CrescentCare is considered a subrecipient of federal awards. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of CrescentCare, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CrescentCare. CrescentCare reporting entity is defined in Note 1 to the consolidated financial statements for the year ended June 30, 2021. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through other government agencies, as applicable.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to CrescentCare's consolidated financial statements for the year ended June 30, 2021. Such expenditures are recognized following the cost principles contained in accordance with the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Therefore, some amounts presented in this Schedule may differ from amounts presented, or used in the preparation of, the basic consolidated financial statements.

NOTE 3 RELATIONSHIP TO CONSOLIDATED FINANCIAL STATEMENTS

Federal awards are included in the consolidated financial statements of CrescentCare as follows:

Expenditure of Federal Awards	\$ 19,260,062
340B Drug Pricing Program (Nonfederal)	30,564,831
Other (Nonfederal and Fee-for-Service Contracts)	<u>1,792,594</u>
Total Grants and Contracts	<u><u>\$ 51,617,487</u></u>

NOTE 4 DE MINIMIS COST RATE

During the year ended June 30, 2021, CrescentCare did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance related to federal grants due to differing funder requirements.

**CRESCENTCARE NO/AIDS TASK FORCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness(es) identified? x yes no
 - Significant deficiency(ies) identified? yes x none reported
3. Noncompliance material to financial statements noted? yes x no

Federal Awards

1. Internal control over major federal programs:
- Material weakness(es) identified? yes x no
 - Significant deficiency(ies) identified? yes x none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes x no

Identification of Major Federal Programs

CFDA Number(s)	Name of Federal Program or Cluster
14.241	Housing Opportunities for Persons with AIDS
93.914	HIV Emergency Relief Project Grants
93.917	HIV Care Formula Grants

- Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000
- Auditee qualified as low-risk auditee? yes x no

**CRESCENTCARE NO/AIDS TASK FORCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section II – Consolidated Financial Statement Findings

2021 – 001

Type of Finding:

- Material Weakness in Internal Control over Financial Reporting

Condition: A properly designed system of internal control over financial reporting includes the preparation of an entity's consolidated financial statements and accompanying notes to the consolidated financial statements by internal personnel of the entity. Management is responsible for establishing and maintaining internal control over financial reporting and procedures related to the fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Criteria or specific requirement: The board of directors and management share the ultimate responsibility for CrescentCare's internal control system. While it is acceptable to outsource various accounting functions, the responsibility for internal control cannot be outsourced.

CrescentCare has taken steps to improve both its internal finance department infrastructure as well as processes and procedures within the finance department over the past few years. However, as of the audit date CrescentCare is still preparing its internal financial statements on the cash basis of accounting, and specifically is not recording accounts receivable for both medical and dental services on a monthly basis. As a result CrescentCare is not maintaining its financial statements in accordance with U.S. GAAP. During the audit process, management did provide the necessary adjustment to reflect accounts receivable for medical and dental services in the financial statements, but this adjustment had a material impact on the consolidated financial statements as a whole. As represented by management, CrescentCare has not yet moved to accrual basis of accounting due to lack of staffing and bandwidth with existing staff, but is striving to accomplish this.

Effect: The combination of financial statements being recorded on a cash basis, material adjustments necessary to convert them to U.S. GAAP at year-end, limited staffing and limited capacity of existing staff raises additional concerns about the Organizations ability to keep pace with the number of evolving new accounting pronouncements. The combination of these factors creates an environment with elevated levels of risk for potential additional material errors and/or omissions in the financial statements due to new standards not being reflected timely in the interim financial reporting. It is the responsibility of CrescentCare's management and those charged with governance to make the decision whether to accept the degree of risk associated with this condition because of cost or other considerations.

Cause: CrescentCare has not been able to hire and retain sufficient staffing both in numbers of staff and staff with the requisite technical knowledge in the finance department to enable full adoption of U.S. GAAP accounting on a monthly basis.

Recommendation: We recommend management continue to pursue qualified individuals to hire in the finance department area, including staff accountants and department leadership that have the level of expertise necessary to maintain financial statements in accordance with U.S. GAAP and keep pace with emerging accounting and reporting requirements.

**CRESCENTCARE NO/AIDS TASK FORCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section II – Consolidated Financial Statement Findings (Continued)

Views of responsible officials and planned corrective actions: CrescentCare management agrees with this finding and is working diligently to ensure we have the staff capacity to do accrual accounting on a monthly basis.

**CRESCENTCARE NO/AIDS TASK FORCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section II – Consolidated Financial Statement Findings

2021 – 002

Type of Finding: Required Finding by the Louisiana Legislative Auditor for Misappropriation of Assets

#	ELEMENT OF FINDING	RESPONSE
1	A general statement describing the fraud or misappropriation that occurred.	Misappropriation of assets took place in CrescentCare's revenue cycle department. An employee deposited checks into her own personal bank account that were made out to CrescentCare. The employee also created fictitious credit balances on patient accounts and deposited these fictitious patient refund checks into her personal bank account.
2	A description of the funds or assets that were the subject of the fraud or misappropriation (ex., utility receipts, petty cash, computer equipment).	Cash from payments for patient refunds and services provided to patients.
3	The amount of funds or approximate value of assets involved.	Estimated value of misappropriated funds was \$50,000.
4	The department or office in which the fraud or misappropriation occurred.	Revenue cycle departments.
5	The period of time over which the fraud or misappropriation occurred.	July 1, 2019 through May 24, 2021
6	The title/agency affiliation of the person who committed or is believed to have committed the act of fraud or misappropriation.	Denials Management Specialist
7	The name of the person who committed or is believed to have committed the act of fraud or misappropriation, if formal charges have been brought against the person and/or the matter has been adjudicated.	The formal investigation is ongoing.
8	Is the person who committed or is believed to have committed the act of fraud still employed by the agency?	Employee is no longer employed by CrescentCare.
9	If the person who committed or is believed to have committed the act of fraud is still employed by the agency, do they have access to assets that may be subject to fraud or misappropriation?	Employee is no longer employed by CrescentCare.
10	Has the agency notified the appropriate law enforcement body about the fraud or misappropriation?	A police report was filed on May 25, 2021. Notification to the Office of Inspector General for the Department of Health and Human Services was made on Friday June 11, 2021.
11	What is the status of the investigation at the date of the auditor's/accountant's report?	To the best of our knowledge, the investigation is ongoing at the date of the auditor's report.
12	If the investigation is complete and the person believed to have committed the act of fraud or misappropriation has been identified, has the agency filed charges against that person?	CrescentCare is working closely with law enforcement officials at the Office of Inspector General for the Department of Health and Human Services.
13	What is the status of any related adjudication at the date of the auditor's/accountant's report?	To date there has not been any adjudication in this matter.

**CRESCENTCARE NO/AIDS TASK FORCE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

14	Has restitution been made or has an insurance claim been filed?	An insurance claim has not been filed.
15	Has the agency notified the Louisiana Legislative Auditor and the District Attorney in writing, as required by Louisiana Revised Statute 24:523 (Applicable to local governments only)	CrescentCare notified the Louisiana Legislative Auditor on May 28, 2021.
16	Did the agency's internal controls allow the detection of the fraud or misappropriation in a timely manner?	CrescentCare's internal controls identified the fraudulent activity.
17	If the answer to the last question is "no," describe the control deficiency/significant deficiency/material weakness that allowed the fraud or misappropriation to occur and not be detected in a timely manner.	Even though internal controls identified the fraudulent activity, CrescentCare changed its procedures for patient refund checks. When patient refund checks are generated they are no longer returned to the patient accounts representative. They are distributed to patients directly from accounts payable, like other invoices CrescentCare pays.
18	Management's plan to ensure that the fraud or misappropriation does not occur in the future	CrescentCare has instituted additional internal controls and internal auditing functions related to checks and patient refunds. CrescentCare has also worked to ensure that checks are directly deposited rather than mailed.

Section III – Findings and Questioned Costs – Major Federal Programs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

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