

CRESCENT CITY FAMILY SERVICES, INC.

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

December 31, 2019

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

CRESCENT CITY FAMILY SERVICES, INC.

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CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of Crescent City Family Services, Inc. (a nonprofit corporation), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Crescent City Family Services, Inc. as of December 31, 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information which includes the statement of activities, statement of expenses by program and schedule of compensation, benefits and other payments to agency head or chief executive officer, is not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2020, on our consideration of Crescent City Family Services, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Crescent City Family Services, Inc.'s internal control over financial reporting and compliance.

Cassio + Schmidt, LLC

Metairie, Louisiana
December 18, 2020

CRESCENT CITY FAMILY SERVICES, INC.

STATEMENT OF FINANCIAL POSITION

December 31, 2019

ASSETS

Current Assets

Cash \$ 89,147
Grants and contracts receivable (Note C) 114,735

Total current assets \$ 203,882

Furniture and Equipment, Net (Notes A-5 and D) 3,878

Total assets \$ 207,760

LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable \$ 20,425
Accrued liabilities 52,373

Total current liabilities \$ 72,798

Total liabilities 72,798

Commitments (Note E) - -

Net Assets (Note A-2)

Without donor restrictions 134,962

Total net assets 134,962

Total liabilities and net assets \$ 207,760

The accompanying notes are an integral part of this statement.

CRESCENT CITY FAMILY SERVICES, INC.

STATEMENT OF ACTIVITIES

Year Ended December 31, 2019

	<u>WITHOUT DONOR RESTRICTIONS</u>	<u>WITH DONOR RESTRICTIONS</u>	<u>TOTAL</u>
Revenues			
Grant revenue	\$ -	\$ 858,345	\$ 858,345
Contract revenue	-	431,749	431,749
Other program	-	13,759	13,759
Contributions	6,820	-	6,820
Net assets released from restrictions	<u>1,303,853</u>	<u>(1,303,853)</u>	<u>-</u>
Total Revenues	<u>1,310,673</u>	<u>-</u>	<u>1,310,673</u>
Expenses			
Personnel services	779,189	-	779,189
Contractors and professional	159,731	-	159,731
Case management	37,157	-	37,157
Office expenses	18,701	-	18,701
General expenses	53,049	-	53,049
Insurance	1,336	-	1,336
Occupancy	129,227	-	129,227
Communication	22,822	-	22,822
Supplies	6,360	-	6,360
Travel	41,618	-	41,618
Depreciation	5,497	-	5,497
Other	<u>12,485</u>	<u>-</u>	<u>12,485</u>
Total Expenses	<u>1,267,172</u>	<u>-</u>	<u>1,267,172</u>
Increase (Decrease) in Net Assets	43,501	-	43,501
Net Assets, Beginning of Year	<u>91,461</u>	<u>-</u>	<u>91,461</u>
Net Assets, End of Year	\$ <u><u>134,962</u></u>	\$ <u><u>-</u></u>	\$ <u><u>134,962</u></u>

The accompanying notes are an integral part of this statement.

CRESCENT CITY FAMILY SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2019

	<u>Program Services</u>	<u>Management And General</u>	<u>Total</u>
Personnel services	\$ 779,061	\$ 128	\$ 779,189
Contract and professional	159,731	-	159,731
Case management	37,082	75	37,157
Office expenses	12,157	6,544	18,701
General expenses	53,049	-	53,049
Insurance	1,336	-	1,336
Occupancy	129,227	-	129,227
Communications	22,822	-	22,822
Supplies	6,360	-	6,360
Travel	41,618	-	41,618
Depreciation	5,497	-	5,497
Other	<u>12,485</u>	<u>-</u>	<u>12,485</u>
	<u>\$ 1,260,425</u>	<u>\$ 6,747</u>	<u>\$ 1,267,172</u>

The accompanying notes are an integral part of this statement.

CRESCENT CITY FAMILY SERVICES, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2019

Cash Flows from Operating Activities

Change in net assets		\$ 43,501
Adjustments		
Depreciation		5,497
Change in assets and liabilities		
(Increase) in receivables	(35,055)	
Increase in accounts payable and accrued liabilities	<u>14,154</u>	<u>(20,901)</u>
Net Cash Provided by Operating Activities		28,097
Net Increase in Cash		28,097
Cash, at beginning of year		<u>61,050</u>
Cash, at end of year		\$ <u>89,147</u>

The accompanying notes are an integral part of this statement.

CRESCENT CITY FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES

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

1. Nature of Activities

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

2. Presentation of Financial Statements

The Organization's statements have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The financial statements are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958 dated August 2016, and the provisions of the American Institute of Certified Public Accountants (AICPA) "Audit and Accounting Guide for Not-for-Profit Organizations" (the "Guide").

Under the provisions of the Guide, net assets and revenues, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Organization and changes therein are classified as follows:

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

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

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

3. Measure of Operations

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

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

4. Revenue Recognition

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

5. Property and Equipment

Property and equipment acquired by Crescent City Family Services, Inc. are considered to be owned by Crescent City Family Services, Inc. However, State and Federal funding sources may maintain an equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Leasehold improvements are capitalized and amortized over the life of the lease. Depreciation is computed using the double declining balance method over the useful lives of the assets, which is five years.

Depreciation amounted to \$5,497 for the year ended June 30, 2019.

6. Advertising Expense

Advertising expenses are expensed as incurred, none are capitalized. Advertising costs for the year ended December 31, 2019 was \$7,417.

7. Income Taxes

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

8. Estimates

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

CRESCENT CITY FAMILY SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

9. Cash Equivalents

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

10. Grants and Contracts Receivable

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

11. Functional Allocation of Expense

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

12. Subsequent Events

Management has evaluated subsequent events through December 18, 2020, which is the date the financial statements were available to be issued.

13. New Accounting Pronouncement:

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958)-Presentation of Financial Statements of Not-for Profit Entities*, which significantly amends the standards for the presentation and accompanying disclosures of the financial statements issued for fiscal years beginning after December 15, 2018. The update addresses the complexity and understandability of the net asset classifications, deficiencies in information about liquidity, availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The ASU has been applied by the Corporation for the year ended December 31, 2019.

NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization's financial assets available within one year of the balance sheet date for general expenditures are as follows:

Cash	\$ 89,147
Grants and Contract fees receivable	<u>114,735</u>
	<u>\$ 203,882</u>

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

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED

December 31, 2019

NOTE C - GRANTS AND CONTRACTS RECEIVABLES AND REVENUE

Grants and Contracts receivable, and revenue, at December 31, 2019, are as follows:

	<u>Receivables</u>	<u>Revenue</u>
Department of Health and Human Services Healthy Start Initiative	\$ 36,182	\$ 858,345
State of Louisiana Department of Health and Hospitals WIC Program	74,766	431,315
Other	<u>3,787</u>	<u>14,193</u>
	<u>\$ 114,735</u>	<u>\$ 1,303,853</u>

NOTE D - FURNITURE AND EQUIPMENT

Furniture and equipment consists of the following at December 31, 2019:

Furniture	\$ 17,731
Equipment	<u>40,362</u>
	58,093
Less accumulated depreciation	<u>54,215</u>
	<u>\$ 3,878</u>

Depreciation expense for the year amounted to \$5,497.

NOTE E - OPERATING LEASE COMMITMENTS

Crescent City Family Services, Inc. leases its facilities under four operating leases. Three have the following initial terms and monthly rates as follows:

	<u>Lease term</u>	<u>Monthly rate</u>
Bay 5 and 6	5/1/17 - 4/30/20	\$ 3,300
Bay 7	4/1/17 - 3/31/19	\$ 2,300
Suite F	6/1/19 - 5/31/22	\$ 1,400

These three leases each have two five year renewal options with cost of living adjustments.

The fourth lease is a month-to-month lease at \$750 per month.

As of December 31, 2019, future minimum lease payments are:

2020	\$ 30,000
2021	16,800
2022	<u>7,000</u>
	<u>\$ 53,800</u>

The total rent for the year 2019 amounts to \$85,400.

CRESCENT CITY FAMILY SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2019

NOTE F - PENSION AND RETIREMENT PLAN

The Organization maintains a 401(k) Qualified Retirement Plan for the benefit of its employees. Substantially all full-time employees are covered by the plan. Participating employees may elect to contribute, on a tax-deferred basis, a portion of their compensation in accordance with Section 401(k) of the Internal Revenue Code. The Organization's contribution, if any, is determined by the Organization on an annual basis. No matching contributions were made for the year ended December 31, 2019.

NOTE G - INCOME TAXES

Crescent City Family Services, Inc. is exempt from corporate income taxes under Section 501(c)(3) of the Internal Revenue Code.

FASB ASC 740, Income Taxes, requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. Management does not believe its financial statements include any uncertain tax positions.

NOTE H - BOARD OF DIRECTORS' COMPENSATION

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

NOTE I- ECONOMIC DEPENDENCY

The Organization received the majority of its revenue from funds provided through grants and contracts administered by the federal government and the State of Louisiana. The grant and contract amounts are appropriated each year by the federal and state governments. If significant budget cuts are made at the federal and/or state level, the amount of the funds the Organization receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the organization's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the Organization will receive in the next year.

Approximately 99% of the Organization's support for the year ended December 31, 2019 came from government grants and contracts.

SUPPLEMENTAL INFORMATION

CRESCENT CITY FAMILY SERVICES, INC.

STATEMENT OF ACTIVITIES BY PROGRAM

Year Ended December 31, 2019

	<u>Healthy Start</u>	<u>WIC</u>	<u>General and Administrative</u>	<u>Total</u>
Revenue				
Grant revenue	\$ 858,345	\$ -	\$ -	\$ 858,345
Contract revenue	-	431,315	434	431,749
Other program	-	-	13,759	13,759
Contributions	<u>-</u>	<u>-</u>	<u>6,820</u>	<u>6,820</u>
Total	<u>858,345</u>	<u>431,315</u>	<u>21,213</u>	<u>1,310,673</u>
Expenses				
Personnel expenses	469,323	300,422	9,444	779,189
Contractors and professional	138,714	21,017	-	159,731
Case management	30,811	1,002	5,344	37,157
Office expenses	9,963	8,663	75	18,701
General expenses	35,894	10,500	6,655	53,049
Insurance	891	445	-	1,336
Occupancy	91,704	37,523	-	129,227
Communications	18,957	3,865	-	22,822
Supplies	1,488	4,708	164	6,360
Travel	37,787	3,831	-	41,618
Depreciation	5,497	-	-	5,497
Other	<u>12,160</u>	<u>325</u>	<u>-</u>	<u>12,485</u>
Total	<u>853,189</u>	<u>392,301</u>	<u>21,682</u>	<u>1,267,172</u>
Increase (Decrease) in Net Assets	5,156	39,014	(669)	43,501
Transfers to General and Administrative	(5,156)	(39,014)	44,170	-
Net Assets, Beginning of Year	<u>-</u>	<u>-</u>	<u>91,461</u>	<u>91,461</u>
Net Assets, End of Year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>134,962</u>	\$ <u>134,962</u>

CRESCENT CITY FAMILY SERVICES, INC.

STATEMENT OF EXPENSES BY PROGRAM

Year Ended December 31, 2019

	<u>Healthy Start</u>	<u>WIC</u>	<u>General and Administrative</u>	<u>Total</u>
Personnel Expense				
Salaries and Wages	\$ 404,260	\$ 263,884	\$ 8,526	\$ 676,670
Payroll Taxes	29,386	19,354	544	49,284
Benefits	28,430	10,614	272	39,316
Payroll fees	<u>7,247</u>	<u>6,570</u>	<u>102</u>	<u>13,919</u>
	<u>469,323</u>	<u>300,422</u>	<u>9,444</u>	<u>779,189</u>
Contractors and Professional				
Accounting services	13,125	4,375	-	17,500
Nurse practitioner	46,730	-	-	46,730
Male involvement coordinators	21,250	-	-	21,250
Mental health specialist	18,988	-	-	18,988
Registered dietitian	1,869	16,632	-	18,501
Professional/Community development	1,912	-	-	1,912
Grant administrator	12,000	-	-	12,000
Human resources	8,675	-	-	8,675
CM Admin consulting & training	2,950	-	-	2,950
Data base system	4,600	-	-	4,600
Professional services	<u>6,615</u>	<u>10</u>	<u>-</u>	<u>6,625</u>
	<u>138,714</u>	<u>21,017</u>	<u>-</u>	<u>159,731</u>
Case Management				
Perinatal kits & supplies	18,110	-	-	18,110
Brochures, pamphlets and workbooks	9,621	-	2,481	12,102
Educational material	1,032	1,002	-	2,034
PERC supplies	2,048	-	-	2,048
Other	<u>-</u>	<u>-</u>	<u>2,863</u>	<u>2,863</u>
	<u>30,811</u>	<u>1,002</u>	<u>5,344</u>	<u>37,157</u>
Office Expense				
Postage and shipping	405	185	20	610
Printing	3,323	4,039	55	7,417
Dues and subscriptions	1,470	(731)	-	739
Furniture	1,665	-	-	1,665
Office supplies	<u>3,100</u>	<u>5,170</u>	<u>-</u>	<u>8,270</u>
	<u>9,963</u>	<u>8,663</u>	<u>75</u>	<u>18,701</u>
General Expenses				
Computer, supplies & IT support	19,734	5,330	-	25,064
Storage	2,701	1,798	-	4,499
Staff development	6,955	96	138	7,189
Event expenses	2,333	1,309	6,317	9,959
Uniforms	1,687	1,058	111	2,856
Bank service charges	81	73	-	154
Meeting costs	<u>2,403</u>	<u>836</u>	<u>89</u>	<u>3,328</u>
	<u>35,894</u>	<u>10,500</u>	<u>6,655</u>	<u>53,049</u>

CRESCENT CITY FAMILY SERVICES, INC.
STATEMENT OF EXPENSES BY PROGRAM - Continued
Year Ended December 31, 2019

	<u>Healthy Start</u>	<u>WIC</u>	<u>General and Administrative</u>	<u>Total</u>
Insurance				
Liability	789	343	-	1,132
Other	<u>102</u>	<u>102</u>	-	<u>204</u>
	<u>891</u>	<u>445</u>	-	<u>1,336</u>
Occupancy				
Rent	61,400	24,000	-	85,400
Building maintenance & repair	7,042	4,110	-	11,152
Building supplies	2,200	1,491	-	3,691
Utilities	10,588	3,668	-	14,256
Janitorial	<u>10,474</u>	<u>4,254</u>	-	<u>14,728</u>
	<u>91,704</u>	<u>37,523</u>	-	<u>129,227</u>
Communications				
Telephone	5,392	2,642	-	8,034
Cell phone expense	12,625	343	-	12,968
Internet	<u>940</u>	<u>880</u>	-	<u>1,820</u>
	<u>18,957</u>	<u>3,865</u>	-	<u>22,822</u>
Supplies				
Nutritional supplies	124	41	-	165
Medical supplies	185	4,667	-	4,852
Program cleaning supplies	-	-	164	164
CAN material & supplies	<u>1,179</u>	-	-	<u>1,179</u>
	<u>1,488</u>	<u>4,708</u>	<u>164</u>	<u>6,360</u>
Travel				
Travel	8,468	377	-	8,845
Airfare	10,223	178	-	10,401
Hotels	13,306	-	-	13,306
Meals & other	3,446	516	-	3,962
Ground transportation	<u>2,344</u>	<u>2,760</u>	-	<u>5,104</u>
	<u>37,787</u>	<u>3,831</u>	-	<u>41,618</u>
Deprecation	<u>5,497</u>	-	-	<u>5,497</u>
Other - Registration fees	<u>12,160</u>	<u>325</u>	-	<u>12,485</u>
Total	\$ <u>853,189</u>	\$ <u>392,301</u>	\$ <u>21,682</u>	\$ <u>1,267,172</u>

CRESCENT CITY FAMILY SERVICES, INC.
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS
TO AGENCY HEAD OR CHIEF EXECUTIVE OFFICER

For the year ended December 31, 2019

Agency Head Name: Mary Schultheis

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 139,955
Conference travel	6,486
Benefits - insurance	8,829
Reimbursements	50
Registration fees	712
Per diem	1,647

CRESCENT CITY FAMILY SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended December 31, 2019

<u>Federal Grantor/pass Through Grantors/program Title</u>	<u>Grantor Pass Through Contract #</u>	<u>Federal CFDA Number</u>	<u>Grant Year Ended</u>	<u>Federal Expenditures</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Direct Program				
Healthy Start Initiative	-	93.926	3/31/19	219,430
	-	93.926	3/31/20	<u>638,915</u>
Total Department of Health and Human Services				<u>858,345</u>
U.S. DEPARTMENT OF AGRICULTURE				
Pass-through Programs From:				
State of Louisiana Department of Health and Hospitals:				
Nutrition Program for Women, Infants and Children (WIC)	LAGov 2000277990	10.557	6/30/19	221,325
	LAGov 2000277990	10.557	6/30/20	<u>209,990</u>
Total Department of Agriculture				<u>431,315</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 1,289,660</u>

CRESCENT CITY FAMILY SERVICES, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - Continued

Year Ended December 31, 2019

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Crescent City Family Services, Inc. under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Par 200., Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Crescent City Family Services, Inc. it is not intended to and does not present the financial position, changes in net assets or cash flow of Crescent City Family Services, Inc.

2. Summary of Significant Accounting Policies

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

3. Indirect Cost Rate

Crescent City Family Services, Inc. has not elected to use the 10% de minimis indirect cost rate.

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Crescent City Family Services, Inc. (a nonprofit corporation) which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, and cash flows and for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 18, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Cassio + Schmidt, LLC.

Metairie, Louisiana
December 18, 2020

CASCIO & SCHMIDT, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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STEVEN A. SCHMIDT, CPA

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

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

Report on Compliance for Each Major Federal Program

We have audited Crescent City Family Services, Inc.'s compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of Crescent City Family Services, Inc.'s major federal programs for the year ended December 31, 2019. Crescent City Family Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Crescent City Family Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion Crescent City Family Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019

Report on Internal Control Over Compliance

Management of Crescent City Family Services, Inc. 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 Crescent City Family Services, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate to the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Crescent City Family Services, Inc.'s internal control over compliance.

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

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

Purpose of this Report

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

Carcio & Schmidt, LLC

Metairie, Louisiana
December 18, 2020

CRESCENT CITY FAMILY SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the year ended December 31, 2019

A. SUMMARY OF THE AUDIT RESULTS

Financial Statements

Type of auditor's report issued Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

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

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

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

Identification of major programs:

CFDA Number(s)

93.926

Name of Federal Program

U.S. Department of Health and Human Services

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

Auditee qualified as low-risk auditee? yes no

B. FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statements for the year ended December 31, 2019.

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

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

D. STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no prior year audit findings.