

**EPWORTH CHILDREN & FAMILY SERVICES, INC.**

**FINANCIAL STATEMENTS  
WITH SUPPLEMENTARY INFORMATION AND  
INDEPENDENT AUDITORS' REPORT,  
AND UNIFORM GUIDANCE  
REPORTS AND SCHEDULES**

**YEAR ENDED DECEMBER 31, 2022**

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## Independent Auditors' Report

Board of Directors  
Epworth Children & Family Services, Inc.  
St. Louis, Missouri

### ***Opinion***

We have audited the accompanying financial statements of Epworth Children & Family Services, Inc. (a not-for-profit organization), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Epworth Children & Family Services, Inc. as of December 31, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Basis for Opinion***

We conducted our 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Epworth Children & Family Services, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Epworth Children & Family Services, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### **Supplementary Information**

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 17, 2023, on our consideration of Epworth Children & Family Services, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Epworth Children & Family Services, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Epworth Children & Family Services, Inc.'s internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Anders Munkler Heber & Helms LLP". The signature is written in a cursive style.

September 17, 2023

**Epworth Children & Family Services, Inc.**  
**Statement of Financial Position**  
**December 31, 2022**

**Assets**

Current Assets	
Cash and cash equivalents	\$ 1,068,920
Accounts receivable, net	2,737,720
Grants receivable	630,517
Prepaid and other assets	<u>179,417</u>
Total Current Assets	4,616,574
Investments, at fair value	5,469,738
Property and Equipment, net	10,413,949
Beneficial Interest in Trusts, at fair value	2,865,558
Investment in Partnership	<u>260,707</u>
Total Assets	<u><u>\$ 23,626,526</u></u>

**Liabilities and Net Assets**

Current Liabilities	
Current portion of notes payable	\$ 87,624
Accounts payable	211,087
Accrued expenses and other liabilities	<u>416,284</u>
Total Current Liabilities	714,995
Notes Payable	<u>1,953,538</u>
Total Liabilities	2,668,533
Net Assets	
Without donor restrictions	
Undesignated	11,928,456
Board designated	<u>2,209,781</u>
Total Without Donor Restrictions	14,138,237
With donor restrictions	<u>6,819,756</u>
Total Net Assets	<u>20,957,993</u>
Total Liabilities and Net Assets	<u><u>\$ 23,626,526</u></u>

**Epworth Children & Family Services, Inc.**  
**Statement of Activities**  
**Year Ended December 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains and Other Support			
Contributions	\$ 623,572	\$ -	\$ 623,572
Grants	1,801,415	547,183	2,348,598
In-kind contributions	86,295	-	86,295
Program fees	8,242,309	-	8,242,309
Investment loss	(1,018,363)	-	(1,018,363)
Change in Value of beneficial interest in trusts, net	(595,904)	-	(595,904)
Income on investment in partnership, net	310,537	-	310,537
Employee retention tax credit	1,873,499	-	1,873,499
Other	361,006	-	361,006
	<u>11,684,366</u>	<u>547,183</u>	<u>12,231,549</u>
Gross special events revenue	312,301	-	312,301
Less cost of direct benefits to donors	<u>(178,937)</u>	<u>-</u>	<u>(178,937)</u>
Net special events revenue	133,364	-	133,364
Net assets released from restrictions:			
Satisfaction of time and usage restrictions	<u>2,213,199</u>	<u>(2,213,199)</u>	<u>-</u>
Total Revenues, Gains and Other Support	<u>14,030,929</u>	<u>(1,666,016)</u>	<u>12,364,913</u>
Expenses			
Residential Treatment	3,314,733	-	3,314,733
Supportive Housing	1,888,446	-	1,888,446
Emergency Shelter	738,455	-	738,455
Foster Care	2,562,451	-	2,562,451
Older Youth Services	1,323,102	-	1,323,102
Family Support Services	724,089	-	724,089
Psychological Services	380,810	-	380,810
Total Program Services	<u>10,932,086</u>	<u>-</u>	<u>10,932,086</u>
Supporting Activities			
Management and general	2,870,108	-	2,870,108
Fundraising	<u>367,954</u>	<u>-</u>	<u>367,954</u>
Total Supporting Activities	<u>3,238,062</u>	<u>-</u>	<u>3,238,062</u>
Total Expenses	<u>14,170,148</u>	<u>-</u>	<u>14,170,148</u>
Change in Net Assets	(139,219)	(1,666,016)	(1,805,235)
Net Assets, Beginning of Year	<u>14,277,456</u>	<u>8,485,772</u>	<u>22,763,228</u>
Net Assets, End of Year	<u>\$14,138,237</u>	<u>\$ 6,819,756</u>	<u>\$20,957,993</u>

**Epworth Children & Family Services, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2022**

	Program Services							Total
	Residential Treatment	Supportive Housing	Emergency Shelter	Foster Care	Older Youth Services	Family Support Services	Psychologic al Services	
Salaries	\$ 1,959,475	\$ 599,164	\$ 458,707	\$ 824,160	\$ 620,030	\$ 443,904	\$ 229,683	\$ 5,135,123
Employee benefits and payroll taxes	<u>459,477</u>	<u>139,572</u>	<u>94,643</u>	<u>275,053</u>	<u>119,767</u>	<u>126,309</u>	<u>50,518</u>	<u>1,265,339</u>
Total salaries and related expenses	2,418,952	738,736	553,350	1,099,213	739,797	570,213	280,201	6,400,462
Professional fees	23,845	46,109	11,234	786,285	16,345	33,660	5,547	923,025
Supplies	109,673	19,803	5,433	8,695	9,475	16,009	11,465	180,553
Food services	238,697	28,524	21,047	1,199	12,293	77	82	301,919
Telephone	50,553	20,242	13,071	22,204	21,173	14,337	5,786	147,366
Utilities	50,442	63,693	13,979	20,689	20,133	9,141	10,067	188,144
Repairs and maintenance	86,208	69,957	24,874	35,276	33,142	15,407	16,571	281,435
Training, travel, meetings and memberships	2,039	21,083	328	28,673	3,669	5,516	706	62,014
Automobile expenses	17,605	5,592	4,072	7,357	5,493	3,981	2,011	46,111
Client assistance	44,836	757,100	19,098	439,414	359,416	2,981	141	1,622,986
Insurance	68,945	21,360	16,061	29,018	21,664	15,703	7,930	180,681
Interest	-	63,343	-	-	-	-	-	63,343
Miscellaneous	<u>1,500</u>	<u>1,748</u>	<u>85</u>	<u>1,807</u>	<u>100</u>	<u>562</u>	<u>102</u>	<u>5,904</u>
Total Expenses Before Depreciation	3,113,295	1,857,290	682,632	2,479,830	1,242,700	687,587	340,609	10,403,943
Depreciation	<u>201,438</u>	<u>31,156</u>	<u>55,823</u>	<u>82,621</u>	<u>80,402</u>	<u>36,502</u>	<u>40,201</u>	<u>528,143</u>
Total Expenses	<u>\$ 3,314,733</u>	<u>\$ 1,888,446</u>	<u>\$ 738,455</u>	<u>\$ 2,562,451</u>	<u>\$ 1,323,102</u>	<u>\$ 724,089</u>	<u>\$ 380,810</u>	<u>\$10,932,086</u>
Percent of Total	23.39 %	13.33 %	5.21 %	18.08 %	9.34 %	5.11 %	2.69 %	77.15 %



**Epworth Children & Family Services, Inc.**  
**Statement of Functional Expenses**  
**Year Ended December 31, 2022**

	Supporting Activities			Total Expenses
	Management and General	Fundraising	Total	
Salaries	\$ 844,505	\$ 247,468	\$ 1,091,973	\$ 6,227,096
Employee benefits and payroll taxes	<u>304,729</u>	<u>33,924</u>	<u>338,653</u>	<u>1,603,992</u>
Total salaries and related expenses	1,149,234	281,392	1,430,626	7,831,088
Professional fees	1,006,365	28,388	1,034,753	1,957,778
Supplies	20,676	17,825	38,501	219,054
Food services	17,919	3,032	20,951	322,870
Telephone	21,643	6,496	28,139	175,505
Utilities	36,437	1,007	37,444	225,588
Printing and postage	4,882	1,008	5,890	5,890
Repairs and maintenance	63,687	10,327	74,014	355,449
Training, travel, meetings and memberships	8,361	510	8,871	70,885
Automobile expenses	7,398	2,257	9,655	55,766
Client assistance	-	-	-	1,622,986
Insurance	29,178	8,903	38,081	218,762
Interest	-	-	-	63,343
Bad debt	350,915	-	350,915	350,915
Miscellaneous	<u>7,902</u>	<u>2,789</u>	<u>10,691</u>	<u>16,595</u>
Total Expenses Before Depreciation	2,724,597	363,934	3,088,531	13,492,474
Depreciation	<u>145,511</u>	<u>4,020</u>	<u>149,531</u>	<u>677,674</u>
Total Expenses	<u>\$ 2,870,108</u>	<u>\$ 367,954</u>	<u>\$ 3,238,062</u>	<u>\$ 14,170,148</u>
Percent of Total	20.25 %	2.60 %	22.85 %	100.00 %

**Epworth Children & Family Services, Inc.**  
**Statement of Cash Flows**  
**Year Ended December 31, 2022**

Cash Flows From Operating Activities	
Change in net assets	\$ (1,805,235)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation	677,674
Change in value of beneficial interest in trusts	595,904
Change in value of investment in partnership	48,316
Net unrealized gains on investments	(268,135)
Net realized losses on investments	1,534,880
Changes in operating assets and liabilities:	
Accounts receivable, net	(1,582,535)
Grants receivable	183,363
Prepaid and other assets	268
Accounts payable	175,337
Accrued expenses	<u>(22,284)</u>
Net Cash Used in Operating Activities	<u>(462,447)</u>
 Cash Flows From Investing Activities	
Purchases of investments	(717,988)
Proceeds from sales of investments	1,140,176
Purchases of property and equipment	<u>(117,619)</u>
Net Cash Provided by Investing Activities	<u>304,569</u>
 Cash Flows From Financing Activities	
Payments on notes payable	<u>(82,605)</u>
Net Cash Used in Financing Activities	<u>(82,605)</u>
 Net Decrease in Cash and Equivalents	(240,483)
 Cash and Cash Equivalents, Beginning of Year	<u>1,309,403</u>
 Cash and Cash Equivalents, End of Year	<u>\$ 1,068,920</u>
 Supplemental Disclosures of Cash Flow Information	
Cash paid for	
Interest	\$ 63,343

**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

**1. Nature of Operations and Basis of Presentation**

**Organization**

Epworth Children & Family Services, Inc. (the "Organization") is a not-for-profit charitable corporation that provides a wide array of services to children, youth and families in need, strengthening the capacity of each to thrive in society. For more than 150 years, the Organization has provided the community with essential youth development services that have helped thousands of children overcome severe emotional and behavioral challenges. The Organization's innovative, holistic, and comprehensive treatment approach helps youth focus on solutions, build on inherent strengths and communicate more effectively. Youth and families turn to the Organization for foster care, emergency shelter, residential treatment, transitional living services, educational day treatment services, family support services, prevention services and psychological services each year. The Organization's revenue and support are derived primarily from local, state and federal agencies, along with public contributions.

In addition, the Organization is a member of the Children's Permanency Partnership, LLC, a for-profit LLC, which provides foster care case management services to youth in the custody of the State of Missouri.

**Description of Program Services**

The Organization's programs empower youth who have experienced trauma to realize their unique potential by meeting essential needs, cultivating resiliency, and building community. Programs and activities include:

From the Psychological Services Program to the Family Support Services Program to housing foster youth on their Webster Groves campus through their Residential Program, the Organization's mental health services provide care, guidance, and support from initial assessment to diagnosis and treatment from qualified and devoted mental health professionals.

The Organization's Supportive Housing Program and Older Youth Services Program helps teenagers and young adults in the region find semi-permanent, stable, and safe housing on their path to independence and self-sufficiency. The Organization has more than 75 apartments all over the St. Louis area for youth who have aged out of foster care to participate in the transitional living services.

The Organization's Emergency Shelter Program provides St. Louis at-risk youth, teens, and families with access to basic needs and emergency resources.

The Organization's Foster Care Program works with children, teens, and those who have aged out of the foster care system to find stable, permanent homes, learn life skills, and transition to self-sufficiency and independence, while maintaining a support system.

**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

**Basis of Presentation**

The accompanying financial statements have been prepared in accordance with the provisions of the Financial Accounting Standards Board ("FASB"), Accounting Standards Codification (the "FASB ASC"), which is the source of authoritative, non-governmental accounting principles generally accepted in the United States of America ("GAAP"). All references to authoritative accounting guidance contained in our disclosures are based on the general accounting topics within the FASB ASC.

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified into two categories of net assets, as applicable, and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations. Board designated funds are established by the Board of Directors and represent net assets without donor restrictions that have been set aside to help ensure the long-term financial stability of the Organization.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may be satisfied by specific activities or the passage of time, or are required to be maintained in perpetuity by the Organization. The income earned on any related investments may be subject to donor-imposed restrictions.

**2. Summary of Significant Accounting Policies**

**Use of Estimates**

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

**Fair Value Measurements**

The Organization follows guidance issued by the FASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The three general valuation techniques used to measure fair value are the market approach, cost approach, and income approach.

**Cash and Cash Equivalents**

The Organization considers all short-term investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

**Investments**

The Organization carries investments at fair value with unrealized holding gains and losses included in earnings. Realized gains and losses are included in earnings and are derived using the specific identification method for determining the cost of securities sold. Dividend and interest income is recognized when earned.

**Accounts Receivable**

Accounts receivable are uncollateralized client obligations due under normal trade terms generally requiring payment within 30 days of the invoice date.

The Organization provides an allowance for doubtful accounts equal to the estimated losses that will be incurred in the collection of accounts receivable, if any. When necessary, this estimate is based on historical experience coupled with a review of the current status of existing receivables. The allowance and associated accounts receivable are reduced when the receivables are determined to be uncollectible. The allowance for doubtful accounts was determined to be \$375,721 at December 31, 2022.

**Grants Receivable**

Grants receivable include amounts due from various funding sources under binding contracts with the Organization for services rendered prior to year-end.

**Property and Equipment**

Property and equipment in excess of \$1,000 is recorded at cost or, if received by gift or bequest, at the fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose or period of time. When assets are sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts. Any gain or loss arising from such disposition is included as income or expense in the year of disposition.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets.

The estimated lives for computing depreciation on property and equipment are:

<u>Classification</u>	<u>Years</u>
Buildings and improvements	3-50
Furniture and Fixtures	1-30
Computer Hardware/Software	3-10
Automobile	1-5

**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

**Long-Lived Asset Impairment**

The Organization evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2022.

**Beneficial Interest in Trusts**

The Organization is a beneficiary of trusts in which the donors have established trusts and/or fund perpetual trusts administered by trustees. The Organization has the irrevocable right to receive the income earned on the trust assets in perpetuity. The fair value of the perpetual trusts held by a third party is measured using the fair value of the Organization's proportionate share of the assets contributed to the trust.

**Investment in Partnership**

The Organization accounts for investment in partnership under the equity method. Under the equity method, any investment is recorded at cost, and the carrying amount of the investment is increased or decreased as the Organization recognizes its proportionate share of income or losses. The Organization's proportionate share of income or losses are included in changes in net assets for the year.

The Organization became a member of the Children's Permanency Partnership, LLC ("CPP") in 2005 which entitles the Organization to a percentage of the overall earnings based on their case load. As of December 31, 2022, the Organization was a 35% member of CPP.

**Support and Revenue**

Contributions are recorded as received, and unconditional promises to give are recorded as the promise is made. All contributions are available for general activities unless specifically restricted by the donor. When a restriction expires, 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. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions with donor restrictions in which the restrictions are met within the same year as received are reported as contributions without donor restrictions in the accompanying financial statements.

**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award. Grants that qualify as contributions are recorded when awarded. Grant awards that qualify as an exchange transaction reimburse a predetermined amount based on services performed without regard to expenses. Contractual program service fees are billed for services performed in the previous month, in accordance with agreed-upon contractual terms, either at periodic intervals or upon achievement of contractual milestones. The Organization recognizes revenue for these arrangements over time as services are performed. The transaction price is set by the agreement for services.

Program fees represent per unit costing with agencies which is recognized when the satisfaction of the contractual performance obligation is met. The performance obligation is met over time as a unit of service is provided to client, as defined by the agency or other funding source. Fees for service received in advance are deferred to the applicable period in which the related services are performed. Fees for service rendered represents the estimated realizable amounts from clients and others for services rendered.

**Donated Materials and Services**

Donated noncash assets are recorded as contributions at their fair values at the date of donation.

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. There were no such services during the year ended December 31, 2022. Volunteers provided various services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

**Functional Expense Allocation**

The costs of program services and supporting activities have been summarized on a functional basis in the statement of activities. The statement of activities presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

**Income Taxes**

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the "Code"), except on net income derived from unrelated business activities as defined in the Code. Accordingly, the Organization files as a tax exempt organization.

**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

The Organization follows guidance issued by the FASB on accounting for income taxes and has evaluated its tax positions, expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings, and believes that no provision for income taxes is necessary to cover any uncertain tax positions. The Organization's returns for tax years 2019 and later remain subject to examination by taxing authorities.

**Subsequent Events**

The Organization has evaluated subsequent events through September 17, 2023, the date the financial statements were available to be issued.

**3. Fair Value Measurements**

The framework for measuring fair value establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into Levels 1, 2, and 3. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- |         |  |
|---------|--|
| Level 1 | Inputs to the valuation methodology are unadjusted quoted prices for identical instruments in active markets.  |
| Level 2 | Inputs to the valuation methodology to include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, inputs other than quoted prices that are observable for the instrument, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. |
| Level 3 | Inputs to the valuation methodology are unobservable and significant to the fair value measurement.  |

The instruments' 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 maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for instruments measured at fair value:

- |         |   |
|---------|---|
| Level 1 | Instruments consist of mutual funds and pooled investment funds. These securities are traded on national exchanges and are stated at the last reported sales price on the day of valuation.   |
| Level 3 | Consists of beneficial interest in trusts that are measured at fair value on a recurring basis using significant third-party trust valuations and management's estimate of the value of the Organization's share of the investment. |



**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

The following table presents the fair value measurements of instruments recognized in the accompanying statements of financial position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements are categorized at December 31, 2022:

	Fair Value Measurements			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:				
Mutual funds:				
Equity	\$ 2,404,976	\$ 2,404,976	\$ -	\$ -
Fixed income	<u>1,089,434</u>	<u>1,089,434</u>	<u>-</u>	<u>-</u>
	3,494,410	3,494,410	-	-
Pooled investment funds	<u>1,975,328</u>	<u>-</u>	<u>1,975,328</u>	<u>-</u>
Total Investments	<u>5,469,738</u>	<u>3,494,410</u>	<u>1,975,328</u>	<u>-</u>
Other Assets:				
Beneficial interest in trusts	<u>2,865,558</u>	<u>-</u>	<u>-</u>	<u>2,865,558</u>
	<u>\$ 8,335,296</u>	<u>\$ 3,494,410</u>	<u>\$ 1,975,328</u>	<u>\$ 2,865,558</u>

**4. Investments**

A summary of the cost and fair value of the Organization's investments as of December 31, 2022 is as follows:

	<u>Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>
Mutual funds	\$ 3,311,330	\$ 183,080	\$ -	\$ 3,494,410
Pooled investment funds	<u>2,473,735</u>	<u>249,575</u>	<u>(747,982)</u>	<u>1,975,328</u>
	<u>\$ 5,785,065</u>	<u>\$ 432,655</u>	<u>\$ (747,982)</u>	<u>\$ 5,469,738</u>

Investment income for the years ended December 31, 2022 is summarized as follows:

Interest and dividend income	\$ 248,383
Net realized and unrealized gains (losses) on investments reported at fair value	<u>(1,266,746)</u>
Total Investment Income (Loss)	<u>\$ (1,018,363)</u>

**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

**5. Grants Receivable**

Grants receivable at December 31, 2022 are as follows:

United Way	\$ 542,183
Berges	83,334
Experience Fresh	<u>5,000</u>
	<u>\$ 630,517</u>

**6. Property and Equipment**

Property and equipment at December 31, 2022, is as follows:

Land	\$ 1,654,000
Buildings and Improvements	16,701,554
Furniture and Fixtures	715,387
Computer Hardware/Software	79,560
Automobile	<u>236,301</u>
	19,386,802
Less accumulated depreciation	<u>8,972,853</u>
	<u>\$ 10,413,949</u>

Depreciation expense for the year ended December 31, 2022 totaled \$677,674.

**7. Notes Payable**

Long-term debt at December 31, 2022 is as follows:

Note payable to St. Louis Bank due in monthly installments of \$11,955 including annual interest at 2.79% through December 16, 2025, at which time all outstanding principal and accrued interest is due. Note is collateralized by the land and building at 4117-4119 Magnolia Avenue.	\$ 2,041,162
Less current maturities	<u>87,624</u>
	<u>\$ 1,953,538</u>

Maturities of long-term debt are as follows:

<u>December 31,</u>	
2023	\$ 87,624
2024	90,100
2025	<u>1,863,438</u>
	<u>\$ 2,041,162</u>

**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

**8. Liquidity and Availability of Financial Assets**

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

Cash and cash equivalents	\$ 1,068,920
Accounts receivable, net	2,737,720
Grants receivable	630,517
Estimated distributions from beneficial interests in assets held by others	135,000
Board-designated investment spending-rate distributions and appropriations (5%)	110,489
Endowment spending-rate distributions and appropriations (5%)	64,231
Contractual or donor-imposed restrictions:	
Donor restrictions	<u>(632,267)</u>
Financial Assets Available to Meet Cash Needs for Expenditures Within One Year	<u>\$ 4,114,610</u>

The Organization's endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes. The Organization has adopted a 5% spending policy for the endowment based on the prior calendar year's ending investment balance.

The Organization has a board-designated investment fund with an annual spending rate of 5% based on the prior calendar year's ending investment balance. Although we do not intend to exceed the spending policy rate, these amounts could be made available if necessary.

**9. Net Assets with Donor Restrictions**

Net assets with donor restrictions are available for the following purposes or periods as of December 31, 2022:

Purpose restrictions	\$ 677,074
Time restrictions	625,517
Investment in perpetuity	<u>5,517,165</u>
	<u>\$ 6,819,756</u>

**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

Assets released from donor restrictions for the year ended December 31, 2022 are as follows:

Released from restrictions of time	\$	894,249
Released from restrictions of purpose		723,046
Released from investment in perpetuity (change in value)		<u>595,904</u>
	\$	<u><u>2,213,199</u></u>

**10. Endowment Funds**

The Organization's endowment consists of several individual funds established for a variety of purposes. Its endowment includes only donor-restricted endowment funds. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's endowment consists only of donor-designated funds; there were no board designated endowment funds during 2022. The named endowment funds are for general operating purposes except for the Odom funds, the earnings of which are restricted for building maintenance and improvements. The endowment funds as of December 31, 2022 are as follows:

Gambril funds	\$	250,000
Adams funds		102,288
Hart funds		232,611
Odom funds		1,620,565
Beneficial Interest in trusts		2,865,558
Other		<u>446,143</u>
Total original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor		5,517,165
Accumulated investment earnings		<u>670,324</u>
	\$	<u><u>6,187,489</u></u>

Changes in endowment net assets for the year ended December 31, 2022 are as follows:

Endowment net assets, beginning of year	\$	7,667,142
Investment loss, net		(673,427)
Change in value of perpetual trusts		(595,904)
Amounts released for expenditure		<u>(210,322)</u>
Endowment net assets, end of year	\$	<u><u>6,187,489</u></u>

**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

The Organization has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to the Organization, while also maintaining the purchasing power of those endowment assets over the long-term. Disbursements that would exceed the spending policies require the approval of the Board of Directors. The Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1) The duration and preservation of the fund
- 2) The purposes of the Organization and the donor-restricted endowment fund
- 3) General economic conditions
- 4) The possible effect of inflation and deflation
- 5) The expected total return from income and the appreciation of investments
- 6) Other resources of the Organization
- 7) The investment policies of the Organization

The State of Missouri enacted the State Prudent Management of Institutional Funds Act ("SPMIFA") effective August 28, 2009. The Organization follows FASB guidance on accounting for the net assets classification of restricted endowment funds for a not-for-profit organization that is subject to the enacted version of the SPMIFA. The Organization has determined that the assets with donor restrictions meet the definition of endowment funds under SPMIFA.

The Organization has interpreted the SPMIFA as requiring the preservation of the original gift amount. As a result of this interpretation, the Organization classifies as permanently restricted net assets the original value of gifts donated to the permanent endowment. The remaining portion of funds are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by SPMIFA.

From time to time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). The Organization has interpreted SPMIFA to permit spending from underwater endowments in accordance with prudent measures required under law. There were no such deficiencies as of December 31, 2022.

**11. Retirement Plan**

The Organization maintains a contributory retirement savings plan under Section 401(k) of the Code covering substantially all employees who meet certain eligibility requirements. Employer contributions to the plan totaled \$33,588 for the year ended December 31, 2022.

**Epworth Children & Family Services, Inc.**  
**Notes to Financial Statements**  
**December 31, 2022**

**12. Contributed Nonfinancial Assets**

For the year ended December 31, 2022, contributed nonfinancial assets recognized within the statements of activities and functional expenses included:

Supplies	\$ 83,455
Food Pantry goods	<u>2,840</u>
	<u>\$ 86,295</u>

The Organization recognized contributed nonfinancial assets within revenue as in-kind contributions. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions. The Organization estimated the fair value of the donated goods by comparing to similar supplies on retailers websites near the time of donation. The contributed nonfinancial assets were used for the Organization's programs during the year.

**13. Risks and Uncertainties**

**Concentrations**

Grants from three sources were 69 percent of the Organization's grant revenue for the year ended December 31, 2022. Grants receivable from one source was 86 percent of the Organization's grants receivable at December 31, 2022. Accounts receivable from three sources were 91 percent of the Organization's accounts receivable at December 31, 2022.

**Concentration of Credit Risk**

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash and investments. The Organization maintains its cash primarily with one financial institution. Deposits at this bank is insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2022, there were cash balances of \$732,389 in excess of FDIC limits at the bank. The Organization performs ongoing credit evaluations of its donors and maintains allowances, as needed, for potential credit losses. Although the Organization is directly affected by the financial stability of its customer and donor base, management does not believe significant credit risk exists at December 31, 2022. The Organization maintains its investments primarily with five institutions. Securities held at these firms are not insured. As of December 31, 2022, there were uninsured investment balances of \$8,467,931.

**Epworth Children & Family Services, Inc.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2022**

<u>Federal Grantor/Program title</u>	<u>Federal Assistance Listing Number</u>	<u>Agency or Pass-through Identifying Number</u>	<u>Pass Through to Subrecipient</u>	<u>Federal Expenditures</u>
<b>US Department of Agriculture - Child Nutrition Cluster</b>				
Pass-through programs from the Missouri Department of Elementary and Secondary Education				
School Breakfast Program	10.553	820-002	\$ -	\$ 6,160
National School Lunch Program	10.555	820-002	-	13,601
Afterschool Snack Program	10.555	820-002	-	4,894
			<u>-</u>	<u>24,655</u>
Total US Department of Agriculture				
<b>Department of Health and Human Services</b>				
Pass-through programs from the Missouri Department of Health and Senior Services				
Affordable Care Act Personal Responsibility Education Program				
	93.092	DH220051589	-	51,213
Pass-through programs from the Family and Youth Services Bureau				
Transitional Living for Homeless Youth				
	93.550	90CX7313-01-00	-	178,062
Education and Prevention Grants to Reduce Sexual Abuse of Runaway, Homeless and Street Youth				
	93.557		-	111,985
Basic Center Grant	93.623		-	156,278
			<u>-</u>	<u>446,325</u>
Total Department of Health and Human Services				
			<u>-</u>	<u>497,538</u>
<b>Department of Housing and Urban Development</b>				
Pass-through programs from the St. Louis County Department of Human Services				
Emergency Solutions Grant Program				
	14.231	HS2021-2302	-	117,127
Continuum of Care Program	14.267	HS2022-2401	-	231,347
			<u>-</u>	<u>348,474</u>
Pass-through programs from the MO Housing Development Commission				
Emergency Solutions Grant Program				
	14.231	22-762-E	-	77,050
		22-761-E	-	-
Pass-through programs from the City of St. Louis				
Emergency Solutions Grant Program	14.231	E-20-MC-29-0006	-	22,472
Total Department of Housing and Urban Development				
			<u>-</u>	<u>447,996</u>
Total Expenditures of Federal Awards				
			<u>\$ -</u>	<u>\$ 970,189</u>

**Epworth Children & Family Services, Inc.**  
**Notes to the Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2022**

**1. Basis of Presentation**

The schedule of expenditures of federal awards (the "Schedule") includes the federal grant award activity of Epworth Children & Family Services, Inc. under programs of the federal government for the year ended December 31, 2022. The information in the Schedule is presented in accordance with the requirements of the Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

**2. Summary of Significant Accounting Policies**

Expenditures reported in 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 reimbursement.

**3. Indirect Cost Rate**

The Organization has elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**4. Relationship to Basic Financial Statements**

Federal awards included in the accompanying Schedule are reported as grants in the Organization's basic financial statements.



**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  
Epworth Children & Family Services, Inc.  
St. Louis, Missouri

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 Epworth Children & Family Services, Inc. (the "Organization"), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 17, 2023.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Organization'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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

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

As part of obtaining reasonable assurance about whether the Organization's 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 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 Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Anders Minkler Heber & Helms LLP". The signature is written in a cursive style.

September 17, 2023

## **Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors  
Epworth Children & Family Services, Inc.  
St. Louis, Missouri

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

#### ***Opinion on Each Major Federal Program***

We have audited Epworth Children & Family Services, Inc.'s (the "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 the Organization's major federal programs for the year ended December 31, 2022. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

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

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

## ***Responsibilities of Management for Compliance***

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

## ***Auditors' Responsibilities for the Audit of Compliance***

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

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

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

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

## **Report on Internal Control Over Compliance**

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

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Anders Minkler Heber & Helms LLP".

September 17, 2023

**Epworth Children and Family Services, Inc.  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2022**

**Summary of Auditors' Results**

***Financial Statements***

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weaknesses identified? **No**

Significant deficiencies identified not considered to be a material weakness? **None reported**

Noncompliance material to the financial statements noted? **No**

***Federal Awards***

Internal control over major programs:

Material weaknesses identified? **No**

Significant deficiencies identified not considered to be a material? **None reported**

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

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

Major programs:

Housing and Urban Development - Emergency Solutions Grant - 14.231

Housing and Urban Development - Continuum of Care Program - 14.267

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

Auditee qualified as a low-risk auditee? **No**

**Findings Required to be Reported by *Government Auditing Standards***

Year ended December 31, 2022: None

Year ended December 31, 2021: Yes

**Findings Required to be Reported by the Uniform Guidance**

None noted

**Epworth Children & Family Services, Inc.  
Summary Schedule of Prior Audit Findings  
Year Ended December 31, 2022**

**FINDING 2021-001: Accounting Records**

Current Status: Corrective action was taken during 2022. No similar findings were noted in the 2022 audit.

**FINDING 2021-002: Review and Reporting of Grant Expenses**

Current Status: Corrective action was taken during 2022. No similar findings were noted in the 2022 audit.

**FINDING 2021-003: Review of Performance and Financial Reporting**

Current Status: Corrective action was taken during 2022. No similar findings were noted in the 2022 audit.

**FINDING 2021-004: Compliance over Federal Financial Reporting**

Current Status: Corrective action was taken during 2022. No similar findings were noted in the 2022 audit.

**FINDING 2021-005: Internal Control to Review Adjustments to Grant Budgets**

Current Status: Corrective action was taken during 2022. No similar findings were noted in the 2022 audit.

**FINDING 2021-006: Internal Control to Monitor Days of Services**

Current Status: Corrective action was taken during 2022. No similar findings were noted in the 2022 audit.