Metrocrest Services

Financial Statements
with Supplementary Information and Compliance Reports
September 30, 2022 and 2021

Sutton Frost Cary LLP
Certified Public Accountants

Metrocrest Services
Contents

Independent Auditors' Report

To the Board of Directors
Metrocrest Services

Opinion

We have audited the accompanying financial statements of Metrocrest Services (Organization), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years 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 Metrocrest Services as of September 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the 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 the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 GAAS 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, including omissions, 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 GAAS 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 the Organization'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 the Organization'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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purpose 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 GAAS. In our opinion, such 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 December 22, 2022 on our consideration of Metrocrest Services' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Metrocrest Services' internal control over financial reporting and compliance.

Sutton Frost Cary

Limited Liability Partnership

Arlington, Texas
December 22, 2022

Metrocrest Services
Statements of Financial Position
September 30, 2022 and 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	$ 3,296,003	$ 3,359,546
Grants receivable	177,612	225,469
Inventory	555,822	497,265
Prepaid expenses	42,765	14,915
Total current assets	4,072,202	4,097,195
Noncurrent assets:		
Security deposits	97,467	20,819
Property and equipment, net	297,877	2,472,732
Assets restricted for capital campaign:		
Cash and cash equivalents	1,467,509	1,330,159
Pledges receivable, net	2,330,691	1,207,457
Property	7,667,926	592,353
Assets restricted for endowment:		
Beneficial interest in assets held by others	377,783	458,369
Total other assets	12,239,253	6,081,889
Total assets	$ 16,311,455	$ 10,179,084
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 1,436,747	$ 129,810
Payroll and related liabilities	135,779	105,956
Refundable advances	-	283,731
Deferred revenue	32,245	129,555
Total current liabilities	1,604,771	649,052
Note payable	-	2,150,000
Total liabilities	1,604,771	2,799,052
Net assets:		
Without donor restrictions	2,069,225	3,226,240
With donor restrictions	12,637,459	4,153,792
Total net assets	14,706,684	7,380,032
Total liabilities and net assets	$ 16,311,455	$ 10,179,084

See notes to financial statements.

Metrocrest Services
Statement of Activities
Year Ended September 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Contributions and grants	$ 2,611,334	$ 10,127,301	$ 12,738,635
Contributions of nonfinancial assets	6,715,974	-	6,715,974
Government grants - federal	1,004,763	475,000	1,479,763
Retail sale of donated goods	986,131	-	986,131
Program service revenue	19,753	-	19,753
Special event revenue, net of direct costs of $142,433	164,679	-	164,679
Loss from beneficial interest in assets held by others, net	-	(80,586)	(80,586)
Interest income	7,007	-	7,007
Net assets released from restrictions	2,038,048	(2,038,048)	-
Total revenue and other support	13,547,689	8,483,667	22,031,356
Expenses:			
Program - resale store operations	1,612,538	-	1,612,538
Program - other	11,492,943	-	11,492,943
Total program services	13,105,481	-	13,105,481
Management and general	734,268	-	734,268
Fundraising	864,616	-	864,616
Total expenses	14,704,365	-	14,704,365
Excess (deficit) of revenue and other support over expenses	(1,156,676)	8,483,667	7,326,991
Non-operating activity:			
Loss on disposal of property and equipment	(339)	-	(339)
Change in net assets	(1,157,015)	8,483,667	7,326,652
Net assets beginning of year	3,226,240	4,153,792	7,380,032
Net assets end of year	$ 2,069,225	$ 12,637,459	$ 14,706,684

Metrocrest Services
Statement of Activities
Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Contributions and grants	$ 3,499,025	$ 5,040,253	$ 8,539,278
Contributions of nonfinancial assets	6,049,516	-	6,049,516
Government grants - federal	1,026,595	98,660	1,125,255
Retail sale of donated goods	891,016	-	891,016
Program service revenue	24,415	-	24,415
Special event revenue, net of direct costs of $6,103	77,551	-	77,551
Income from beneficial interest in assets held by others, net	-	69,368	69,368
Interest income	10,960	-	10,960
Net assets released from restrictions	2,070,152	(2,070,152)	-
Total revenue and other support	13,649,230	3,138,129	16,787,359
Expenses:			
Program - resale store operations	1,510,605	-	1,510,605
Program - other	10,503,462	-	10,503,462
Total program services	12,014,067	-	12,014,067
Management and general	678,237	-	678,237
Fundraising	657,006	-	657,006
Total expenses	13,349,310	-	13,349,310
Change in net assets	299,920	3,138,129	3,438,049
Net assets beginning of year	2,926,320	1,015,663	3,941,983
Net assets end of year	$ 3,226,240	$ 4,153,792	$ 7,380,032

See notes to financial statements.

Metrocrest Services
Statement of Functional Expenses
Year Ended September 30, 2022

	Program - Resale Store Operations	Program - Other	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 392,805	$ 1,392,834	$ 1,785,639	$ 347,201	$ 409,206	$ 2,542,046
Payroll taxes	29,023	101,902	130,925	22,734	29,985	183,644
Benefits	54,223	142,027	196,250	113,989	75,411	385,650
Contract services	-	107,556	107,556	46,077	120,523	274,156
Supplies	11,534	25,026	36,560	29,057	19,684	85,301
Postage and shipping	446	1,465	1,911	214	37,692	39,817
Vehicle	28,209	61,355	89,564	1,053	2,043	92,660
Client assistance	-	3,574,831	3,574,831	-	-	3,574,831
In-kind	982,484	5,669,359	6,651,843	-	-	6,651,843
Occupancy	108,794	290,387	399,181	8,701	14,764	422,646
Telephone and internet	2,435	23,015	25,450	2,623	2,153	30,226
Equipment	790	44,520	45,310	80,870	18,125	144,305
Depreciation	-	55,905	55,905	35,869	-	91,774
Insurance	-	-	-	30,848	-	30,848
Interest	-	-	-	-	39,253	39,253
Marketing	391	639	1,030	3,264	179,071	183,365
Bank and credit card fees	1,404	43	1,447	7,652	49,749	58,848
Other	-	2,079	2,079	4,116	9,390	15,585
Total functional expenses	1,612,538	11,492,943	13,105,481	734,268	1,007,049	14,846,798
Less expenses included with revenues on the statement of activities						
Direct costs of special events	-	-	-	-	(142,433)	(142,433)
Total expenses included in the expense section on the statement of activites	$ 1,612,538	$ 11,492,943	$ 13,105,481	$ 734,268	$ 864,616	$ 14,704,365

See notes to financial statements.

Metrocrest Services
Statement of Functional Expenses
Year Ended September 30, 2021

	Program - Resale Store Operations	Program - Other	Total Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 414,289	$ 1,208,296	$ 1,622,585	$ 287,648	$ 270,511	$ 2,180,744
Payroll taxes	30,677	88,634	119,311	20,049	18,258	157,618
Benefits	55,885	143,066	198,951	97,949	37,150	334,050
Contract services	-	58,199	58,199	37,613	126,862	222,674
Supplies	12,873	71,656	84,529	37,787	15,316	137,632
Postage and shipping	3,177	1,335	4,512	947	29,103	34,562
Vehicle	32,777	60,920	93,697	400	1,068	95,165
Client assistance	-	3,043,298	3,043,298	-	-	3,043,298
In-kind	844,670	5,406,566	6,251,236	-	-	6,251,236
Occupancy	102,116	303,147	405,263	18,978	15,122	439,363
Telephone and internet	3,839	24,230	28,069	2,423	2,227	32,719
Equipment	249	46,227	46,476	40,909	9,765	97,150
Depreciation	-	26,427	26,427	18,931	-	45,358
Insurance	-	-	-	44,389	-	44,389
Interest	-	-	-	59,181	-	59,181
Marketing	3,225	19,534	22,759	6,731	71,331	100,821
Bank and credit card fees	6,828	15	6,843	3,105	53,941	63,889
Other	-	1,912	1,912	1,197	12,455	15,564
Total functional expenses	1,510,605	10,503,462	12,014,067	678,237	663,109	13,355,413
Less expenses included with revenues on the statement of activities						
Direct costs of special events	-	-	-	-	(6,103)	(6,103)
Total expenses included in the expense section on the statement of activites	$ 1,510,605	$ 10,503,462	$ 12,014,067	$ 678,237	$ 657,006	$ 13,349,310

See notes to financial statements.

Metrocrest Services
Statements of Cash Flows
Years Ended September 30, 2022 and 2021

	2022	2021
Cash flows from operating activities:		
Change in net assets	$ 7,326,652	$ 3,438,049
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	91,774	45,358
Loss on disposal of property and equipment	339	-
Discount on long-term pledges	(51,604)	82,346
Change in beneficial interest in assets held by others	80,586	(69,368)
Contributions restricted for capital campaign	(8,876,906)	(3,186,813)
Changes in assets and liabilities:		
Grants receivable	47,857	(79,151)
Inventory	(58,557)	208,735
Prepaid expenses	(27,850)	(4,481)
Security deposits	(76,648)	42,000
Accounts payable	1,306,937	55,800
Payroll and related liabilities	29,823	16,239
Refundable advances	(283,731)	(542,102)
Deferred revenue	(97,310)	129,555
Net cash provided (used) by operating activities	(588,638)	136,167
Cash flows from investing activities:		
Purchases of property and equipment	(5,007,831)	(811,692)
Proceeds from sale of property and equipment	15,000	-
Redemptions of certificates of deposit	-	25,513
Net cash used by investing activities	(4,992,831)	(786,179)
Cash flows from financing activities:		
Collections of contributions restricted for capital campaign	7,805,276	1,897,010
Payment of note payable	(2,150,000)	-
Net cash provided by financing activities	5,655,276	1,897,010
Net increase in cash and cash equivalents	73,807	1,246,998
Cash and cash equivalents, beginning of year	4,689,705	3,442,707
Cash and cash equivalents, end of year	$ 4,763,512	$ 4,689,705
Reconcilation of cash and restricted cash reported within the statement of financial position to the statement of cash flows:		
Cash and cash equivalents	$ 3,296,003	$ 3,359,546
Restricted cash and cash equivalents	1,467,509	1,330,159
Cash and cash equivalents and restricted cash and cash equivalents reported on the statement of cash flows	$ 4,763,512	$ 4,689,705
Supplemental schedule of noncash operating and investing activity:		
Construction in progress accrued in accounts payable at year end	$ 1,303,618	$ -

During the year ended September 30, 2021, the Organization acquired property through the issuance of a note payable totaling $2,150,000.

See notes to financial statements.

1. Organization

Metrocrest Services (Organization) was established in 1977 as a Texas nonprofit corporation that provides emergency assistance to low-income individuals and families as well as supportive services, information and advocacy for residents 60 and older and their families. The Organization is a United Way service provider. Specific assistance, as reflected on the statements of functional expenses, includes distribution of food, clothing, household products, baby products, medical costs, rent and utility payments, transportation and employment. The program goals include supporting the independent functioning and quality of life of older adults. These goals are accomplished through direct services to individuals and education activities directed at the community as a whole. The Organization operates a resale store containing donated merchandise that is sold to the public. The Organization's primary sources of revenue include contributions and donated supplies from various donors and special events. The Organization also receives support from the municipal governments of Addison, Carrollton, Coppell, and Farmers Branch, Texas as well as certain other governmental entities.

2. Summary of Significant Accounting Policies

Basis of Accounting

The Organization prepares the financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence and nature or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

> *Net assets without donor restrictions* - Net assets not subject to donor or grantor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.
>
> *Net assets with donor restrictions* - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time. 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.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law. Expirations of donor restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets. The Organization chooses to show contributions with donor restrictions whose restrictions are met in the same reporting period as contributions without donor restrictions. Donor restrictions on contributions of property and equipment or contributions restricted for the purchase or construction of property expire when the assets are placed in service unless the donor explicitly stipulated otherwise.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit and market risk consist principally of cash and cash equivalents, certificates of deposit and pledges and grants receivable.

The Organization maintains cash at various financial institutions located in Texas. Management has placed these funds with high credit quality financial institutions to minimize risk. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At September 30, 2022, the Organization's uninsured balances totaled $3,932,961.

Pledges and grants receivable are unsecured and are due from various donors and grantors. The Organization continually evaluates the collectability of these receivables for potential losses. No allowance was considered necessary at September 30, 2022. Two grantors represented 72% and one grantor represented 24% of grants receivable at September 30, 2022 and 2021, respectively. Two donors represented 40% and one donor represented 17% of net pledges receivable at September 30, 2022 and 2021, respectively.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and all highly liquid investments purchased with an initial maturity of three months or less.

Fair Value Measurements

Under the Fair Value Measurements and Disclosures topic of the Codification, ASC 820, disclosure are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

Level 1	Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;
Level 2	Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies;
Level 3	Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Inventory

The Organization receives contributions of goods and materials and processes these contributions as merchandise available for sale in its resale store. The merchandise available for sale in its resale store consists mainly of clothing and household items.

The Organization also receives contributions of food, hygiene items, cleaning products and household supplies which are distributed without charge to qualifying clients.

Financial accounting standards require that contributions received be recognized as revenues or gains in the period received and as assets, and decreases of liabilities or expenses depending on the form of the benefits received. Contributions should be measured at their fair value. The Organization believes that the inventory of contributed goods and materials does not possess an attribute that is easily measurable or verifiable with sufficient reliability to determine an inventory value at the time of donation. It is only through the value-added processes that prepare the donated inventory for sale that the donated inventory has value. Accordingly, contributed goods and materials inventory are valued at zero prior to being offered for sale. The Organization considers the costs associated with bringing the donated inventory to sale (i.e., donation collection, sorting and retail management) in its estimate of the fair value of inventories.

The estimate of the inventory value of donated goods and materials in the Organization's retail store is based on a 12-month rolling average of retail sales, less cost of sales multiplied by the estimated shelf life of inventory on hand at September 30.

Assets Restricted for Capital Campaign

During the year ended September 30, 2020 the Organization initiated a capital campaign to purchase and remodel an additional facility. At September 30, 2022 and 2021, net assets restricted for the capital campaign include:

	2022	2021
Cash and cash equivalents	$ 1,467,509	$ 1,330,159
Pledges receivable, net	2,330,691	1,207,457
Property	7,667,926	592,353
	$ 11,466,126	$ 3,129,969

Property and Equipment

Property and equipment in excess of $1,000 is capitalized at cost or estimated fair market value of donated assets at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance charges are expensed as incurred. Repairs that materially extend the life of an asset are capitalized.

The estimated useful lives of property and equipment are as follows:

	Estimated Useful Lives
Trucks and vans	5 years
Computers and equipment	3-5 years
Furniture and fixtures	5-7 years
Leasehold improvements	7 years

Revenue Recognition

The Organization recognizes contributions when cash, securities, other assets or an unconditional promise to give is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Conditional promises to give, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Amounts received prior to meeting measurable performance or other barriers are reported as refundable advances, which totaled $0 and $283,731 at September 30, 2022 and 2021, respectively.

A portion of the Organization's revenue is derived from cost-reimbursable federal contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. The Organization was awarded cost reimbursable grants of $1,453,215 that have not been recognized as revenue at September 30, 2022, because qualifying expenditures have not yet been incurred. The Organization's costs incurred under its government grants and contracts are subject to audit by government agencies. Management believes that disallowance of costs, if any, would not be material to the financial position or changes in net assets of the Organization.

Donated goods are reflected as contributions at their estimated fair values at date of receipt. Contributions of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation. Donated facilities are reflected as contributions in the period of use at their estimated fair value.

Revenue from retail sales of donated good is recognized at the point of sale.

Program service fees are recognized as revenue when the related services are provided. Revenue from special events is recognized when the event occurs. Amounts received in advance of the event are recorded as deferred revenue.

Advertising Expense

Advertising and marketing costs are expensed as incurred. Marketing expense for the years ended September 30, 2022 and 2021 were $183,365 and $94,716, respectively.

Federal Income Taxes

The Organization is recognized by the Internal Revenue Service (IRS) as exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code (IRC) and is not a private foundation as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization did not have a material unrelated business income tax liability as of September 30, 2021. Therefore, no tax provision or liability has been reported in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax returns and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Organization and has concluded that as of

September 30, 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Allocation of Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs including benefits, contract services and professional fees are allocated on the basis of time and effort. The expenses that are allocated based on square footage include occupancy, depreciation, insurance, communications and information technology.

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.

Reclassification

Certain items in the 2021 financial statements have been reclassified for comparative purposes to conform with the presentation of the 2022 financial statements. These reclassifications had no effect on previously reported results of operations or net assets.

Accounting Pronouncements Adopted

The Organization adopted ASU 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (ASU 2020-07). ASU 2020-07 increases transparency of contributed nonfinancial assets for not-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in ASU 2020-07 address stakeholders’ concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP’s programs and other activities. ASU 2020-07 requires NFPs to present contributed nonfinancial assets (gifts-in-kind) as a separate line item in the statement of activities. The Organization has adopted this ASU on the retrospective basis as of and for the year ended September 30, 2022.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes gifts-in-kind, and therefore, no changes were required to net assets as of October 1, 2020. The presentation and disclosures of gifts-in-kind have been enhanced in accordance with the standard.

New Accounting Pronouncements

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification.

The Organization considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Organization's financial position and changes in net assets.

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases* for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. For not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2021.

The Organization is currently assessing the impact that adopting this new guidance will have on the financial statements.

3. Beneficial Interest in Assets Held by Others

The Organization has a beneficial interest in assets held by The Dallas Foundation (TDF) valued at $377,783 and $458,369 as of September 30, 2022 and 2021, respectively. These consist of funds (Funds) contributed by the Organization and donors and include earnings thereon, net of distributions received. Distributions of the income earned from beneficial interests and principal amounts thereof are received at various times throughout the year based on the spending policy adopted by the board of directors of TDF.

Fair value of the Organization's beneficial interest in assets held by TDF is based on the value of the Organization's portion of the underlying investments in the Funds using valuation methods that are appropriate for those investments as determined by third-party trustees. These values are based on unobservable inputs and are considered Level 3 assets in the fair value hierarchy.

Withdrawals are permitted from the Funds as requested by the Organization. Any funds unspent in one year may remain in the portfolio and may be appropriated in the following fiscal year. The board of directors may also make special appropriations in addition to the annual provision.

The following table presents a rollforward of activity for assets held by TDF at fair value for the years ended September 30:

	2022	2021
Beginning balance	$ 458,369	$ 389,001
Total net investment income (loss) included in change in net assets	(80,586)	69,368
Ending balance	$ 377,783	$ 458,369
The amount of total gains or losses for the period included in change in net assets attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	$ (111,927)	$ 26,313

The net income (loss) from beneficial interest in assets held by others consisted of the following for the years ended September 30:

	2022	2021
Dividends and interest	$ 10,071	$ 8,256
Realized gains	26,163	39,734
Unrealized gains (losses)	(111,927)	26,313
Less: investment fees	(4,893)	(4,935)
	$ (80,586)	$ 69,368

4. Inventory

Inventory consists of the following as of September 30:

	2022	2021
Resale store	$ 109,981	$ 85,104
Food pantry	387,535	333,019
Holiday toys	58,306	79,142
	$ 555,822	$ 497,265

5. Pledges Receivable

Pledges receivable consist of the following as of September 30:

	2022	2021
Due in one year	$ 2,018,119	$ 599,565
Due in two to five years	313,151	650,238
Due in six to ten years	30,163	40,000
	2,361,433	1,289,803
Less discount	(30,742)	(82,346)
	$ 2,330,691	$ 1,207,457

At September 30, 2022 and 2021, the discount rate utilized in computing the net present value of long-term pledges was 5% and 3.25%, respectively.

6. Property and Equipment

Property and equipment consist of the following as of September 30:

	2022	2021
Vehicles	$ 497,688	$ 367,267
Computers and equipment	473,264	459,544
Furniture and fixtures	43,144	42,159
Land and building	2,533,993	2,533,993
Construction in progress	5,031,716	208,360
Leasehold improvements	62,211	62,211
	8,642,016	3,673,534
Less accumulated depreciation	(676,213)	(608,449)
	$ 7,965,803	$ 3,065,085

Depreciation expense totaled $91,774 and $45,358 for the years ended September 30, 2022 and 2021, respectively.

7. Commitments

The Organization leases various buildings and equipment under noncancelable operating agreements through 2026. Future minimum lease payments required under these agreements are as follows:

2023	$	231,212
2024		101,174
2025		94,390
2026		70,344

Rent expense totaled $218,186 and $222,636 for the years ended September 30, 2022 and 2021, respectively.

During the year ended September 30, 2021, the Organization entered into a contract for construction services. At September 30, 2022 unpaid commitments under this contract totaled $6,408,161. These commitments are expected to be paid within one year.

8. Note Payable

During the year ended September 30, 2021, the Organization obtained a note payable with a financial institution totaling $2,150,000, with a variable interest rate that is subject to change based on the Prime Rate. Principal plus all accrued interest is due upon maturity on December 1, 2023. The loan is collateralized by real property. During the year ended September 30, 2022, the Organization paid the loan in full.

The Organization obtained a construction loan in January 2022 with available funds totaling $12,000,000. The loan bears interest at the greater of 3.25% or 0.75% per annum less than the Prime Rate with a ceiling of 5%. Interest is payable monthly and all unpaid principal and accrued interest is due at maturity on January 13, 2025. As of September 30, 2022 no amounts were outstanding on this loan.

9. Net Assets With Donor Restrictions

Net assets restricted by donors were designated for the following purposes at September 30:

	2022	2021
Endowment restricted in perpetuity	$ 313,350	$ 313,350
Capital campaign	11,466,126	3,129,969
Medical transportation	157,725	156,683
Medical assistance	12,967	12,215
Meals program	116,837	178,310
Endowment earnings	64,433	145,019
United Way (time restricted)	70,625	129,375
Seniors program	5,073	-
Disaster relief	400,000	32,462
Utilities assistance	30,323	56,409
	$ 12,637,459	$ 4,153,792

10. Contributions of Nonfinancial Assets

The Organization received the following contributions of nonfinancial assets during the year ended September 30, 2022:

	Program Services	Management and General	Fundraising	Total
Resale goods	$ 1,007,361	$ -	$ -	$ 1,007,361
Food	5,697,383	-	-	5,697,383
Holiday toys	11,230	-	-	11,230
	$ 6,715,974	$ -	$ -	$ 6,715,974

The Organization received the following contributions of nonfinancial assets during the year ended September 30, 2021:

	Program Services	Management and General	Fundraising	Total
Resale goods	$ 891,025	$ -	$ -	$ 891,025
Food	5,152,026	-	-	5,152,026
Holiday toys	2,880	-	-	2,880
Warehouse space	3,585	-	-	3,585
	$ 6,049,516	$ -	$ -	$ 6,049,516

Donated resale goods are valued based on the actual sale price of the items and the cost to bring the item to sale.

Donated food is valued at a set price per pound based on the type of food.

Donated holiday toys and warehouse space are valued based on current fair market value.

For the years ended September 30, 2022 and 2021, numerous volunteers contributed time with a value of $1,087,325 and $1,130,896 to the Organization in the resale store, food pantry, and special programs. These volunteer hours did not meet the criteria for recording in the financial statements.

11. Defined Contribution Retirement Plan

The Organization has a 401(k) defined contribution retirement plan covering all eligible employees. The plan features automatic enrollment of employees at a deferral rate of 6% of eligible wages. The Organization contributes 50% of employee elective deferral contributions up to the employee contribution of 6%. Employer contributions were $56,121 and $45,821 for the years ended September 30, 2022 and 2021, respectively.

12. Endowment Net Assets

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.

Description of Relevant Law –

The Organization has interpreted the Texas State Uniform Prudent Management of Institutional Funds Act (TUPMIFA) as requiring the preservation of the fair value of the original gift, as of the gift date, of donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanent endowment (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) any accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The earnings from the original gift are classified as net asset with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Organization, in making a determination to appropriate or accumulate donor-restricted endowment funds acts in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and considers if relevant, the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration of preservation of the funds
2. The purposes of the Organization and the endowment funds
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 Organization's investment policy

Return Objectives and Risk Parameters –

The Organization has adopted an investment policy for endowment assets that attempts to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the principal of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity. Under this policy, as approved by the board of directors, the primary objective is to maximize current income, net of fees and expenses, and achieve a total return in excess of the broad index indicated for each investment asset class.

Strategies Employed for Achieving Objectives –

To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through both capital appreciation, realized and unrealized, and current yield, such as interest and dividends. The Organization has adopted an investment policy that attempts to maximize total return while keeping risk levels in a moderate range. The Organization targets a diversified asset allocation among stocks, mutual funds, bonds and cash or cash equivalents.

Spending Policy and How the Investment Objectives Relate to the Spending Policy –

The Organization has a policy of appropriating for distributions the net interest and dividends of its endowment funds. In establishing this policy, the Organization considers the long-term expected return on its endowment. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts.

All endowment funds are categorized as net assets with donor restrictions as of September 30, 2022 and 2021.

Changes in donor-restricted endowment funds for the years ended September 30, 2022 and 2021 are summarized as follows:

	2022		
	Accumulated gains (losses) and other	Restricted in perpetuity	Total
Endowment net assets, beginning of year	$ 145,019	$ 313,350	$ 458,369
Investment return, net	5,178	-	5,178
Net depreciation	(85,764)	-	(85,764)
Endowment net assets, end of year	$ 64,433	$ 313,350	$ 377,783

	2021		
	Accumulated gains (losses) and other	Restricted in perpetuity	Total
Endowment net assets, beginning of year	$ 75,651	$ 313,350	$ 389,001
Investment return, net	3,320	-	3,320
Net appreciation	66,048	-	66,048
Endowment net assets, end of year	$ 145,019	$ 313,350	$ 458,369

13. Liquidity and Availability of Resources

The Organization's financial assets available to meet cash needs for general expenditures within one year of the statement of financial position date are as follows:

	2022	2021
Cash and cash equivalents	$ 3,296,003	$ 3,151,186
Grants receivable	177,612	225,469
Beneficial interests in assets held by others	377,783	458,369
Total financial assets	3,851,398	3,835,024
Less amounts not available for general expenditures within one year:		
Donor restricted for specific purpose	(400,000)	(32,462)
Endowment earnings to be designated	(64,433)	(145,019)
Endowment to be retained in perpetuity	(313,350)	(313,350)
Financial assets not available for general expenditures	(777,783)	(490,831)
Financial assets available to meet cash needs for general expenditures within one year	$ 3,073,615	$ 3,344,193

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year. The Organization has a goal to maintain financial assets on hand to meet 30 days of normal operating expenses, which are, on the average, approximately $600,000. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

14. Subsequent Events

Management has evaluated subsequent events through the date the financial statements were available to be issued and concluded that no additional disclosures are required.

Metrocrest Services
Schedule of Expenditures of Federal Awards
Year Ended September 30, 2022

Federal Agency/Cluster/ Pass-through Grantor/Program Title	Assistance Listing #	Pass-through Grantor's #	Federal Expenditures
U.S. Department of Agriculture:			
Food Distribution Cluster			
North Texas Food Bank			
Emergency Food Assistance Program - Commodities	10.569	-	$ 855,908
Total Food Distribution Cluster			855,908
Total U.S. Department of Agriculture			855,908
Department of Health and Human Services			
North Texas Food Bank			
Temporary Assistance for Needy Families (TANF)	93.558	2201TXTTANF	227,065
Total U.S. Department of Health and Human Services			227,065
U.S. Department of Housing and Urban Development:			
Dallas County			
Emergency Solutions Grant Program	14.231	-	695,408
CDBG - Entitlement Grants - Cluster			
City of Carrolton			
Community Development Block Grants/ Entitlement Grants	14.218	-	9,228
Total CDBG - Entitlement Grants - Cluster			9,228
Total U.S. Department of Housing and Urban Development			704,636
U.S. Department of the Treasury:			
City of Coppell			
COVID-19 Coronavirus Relief Fund	21.019	-	15,725
United Way Dallas County			
COVID-19 Coronavirus Relief Fund	21.019	OCS-2021-00015590	107,218
United Way Dallas County			
Emergency Rental Assistance Program	21.023	-	350,000
Total U.S. Department of the Treasury			472,943
U.S. Department of Homeland Security:			
United Way			
Emergency Food and Shelter National Board Program	97.024	-	75,000
North Texas Food Bank			
COVID -19 Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	-	234,283
Total U.S. Department of Homeland Security			309,283
Total expenditures of federal awards			$ 2,569,835

See notes to schedule of expenditures of federal awards.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (Schedule) includes the federal grant activity of Metrocrest Services (Organization). The information in this Schedule is presented in accordance with 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). Because the Schedule only presents a selected portion of the operations of the Organization, it is not intended and does not present the financial position, changes in net assets or cash flows of the Organization.

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 reimbursement. The Organization has not elected to use the 10 percent de minimis indirect cost rate and continues to use the cost allocation plan negotiated individually with its grantors, as applicable.

Non-monetary assistance is reported in the Schedule at the fair market value of the commodities received and distributed. At September 30, 2022, the Organization had food commodities totaling $392,014 in inventory.

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Metrocrest Services

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 Metrocrest Services (a nonprofit organization), which comprise the statements of financial position as of September 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 22, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Metrocrest Service's (Organization) 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.

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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.

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
December 22, 2022

Certified Public Accountants

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

Board of Directors
Metrocrest Services

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Metrocrest Service's (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 September 30, 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 September 30, 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 (GAAS); 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 the Organization 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.

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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 the Organization'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 GAAS, *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 the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 the Organization's compliance with the compliance requirements referred to above and preforming such other procedures as we consider necessary in the circumstances.

- Obtain an understanding of the Organization'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 the Organization'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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
December 22, 2022

Metrocrest Services
Schedule of Findings and Questioned Costs
Year Ended September 30, 2022

<u>Section I – Summary of Auditors' Results</u>

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weaknesses identified?	No
• Significant deficiencies identified?	No
Type of auditors' report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance 2 CFR 200.516(a)?	No

Identification of major federal programs:

ALN 14.231 Emergency Solutions Grant Program

Dollar threshold used to distinguish between type A and B programs:	$750,000
Auditee qualified as low-risk auditee?	Yes

<u>Section II – Financial Statement Findings</u>

None

<u>Section III – Federal Award Findings and Questioned Costs</u>

None

<u>Section IV – Summary of Prior Year Audit Findings</u>

None