

St. Ann's Corner of Harm Reduction, Inc.

**Financial Statements
and
Independent Auditors' Report**

June 30, 2021 and 2020

St. Ann's Corner of Harm Reduction, Inc.

June 30, 2021 and 2020

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Independent Auditors' Report

To the Board of Directors of
St. Ann's Corner of Harm Reduction, Inc.
Bronx, New York

Report on the Financial Statements

We have audited the accompanying financial statements of St. Ann's Corner of Harm Reduction Center, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Ann's Corner of Harm Reduction Center, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November xx, 2021, on our consideration of St. Ann's Corner of Harm Reduction Center, inc.'s internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering St. Ann's Corner of Har Reduction Center, Inc.'s internal control over financial reporting and compliance.

St. Ann's Corner of Harm Reduction, Inc.
 Statements of Financial Position
 June 30, 2021 and 2020

ASSETS	2021	2020
Current Assets		
Cash	\$ 840,212	\$ 861,303
Contract Receivables	1,235,561	1,170,726
Prepaid Expenses	106,416	46,391
Security Deposit	30,145	31,155
	<hr/>	<hr/>
Total Current Assets	2,212,334	2,109,575
	<hr/>	<hr/>
Fixed Assets		
Leasehold Improvements	69,407	37,129
Furniture and Fixtures	63,541	18,791
Machinery and Equipment	97,379	97,379
Office Equipment	143,770	111,349
	<hr/>	<hr/>
	374,097	264,648
Less: Accumulated Depreciation	(169,925)	(120,861)
	<hr/>	<hr/>
Total Fixed Assets	204,172	143,787
	<hr/>	<hr/>
Total Assets	\$ 2,416,506	\$ 2,253,362
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable and Accrued Expenses	\$ 35,051	\$ 28,341
Accrued Payroll Expenses	124,271	106,395
Contract - Advance Deposits	112,500	6,263
Deferred Rent	45,897	50,317
	<hr/>	<hr/>
Total Current Liabilities	317,719	191,316
Long-Term Liabilities		
Loan Payable (Note 3)	-	276,300
	<hr/>	<hr/>
Total Liabilities	317,719	467,616
Net Assets Without Donor Restrictions	2,098,787	1,785,746
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Total Liabilities and Net Assets	\$ 2,416,506	\$ 2,253,362
	<hr/> <hr/>	<hr/> <hr/>

See accompanying notes and independent auditors' report.

St. Ann's Corner of Harm Reduction, Inc.
 Statements of Activities
 For the years ended June 30, 2021 and 2020

PUBLIC SUPPORT AND REVENUE WITHOUT DONOR RESTRICTIONS	2021	2020
	<u> </u>	<u> </u>
Government Grants/Contracts	\$ 3,190,763	\$ 3,249,186
PPP Loan Forgiveness	276,300	-
Contributions	61,642	453,734
In-Kind Contributions	254,189	156,989
Interest Income	3,281	5,068
Miscellaneous Income	1,144	3,492
	<u> </u>	<u> </u>
Total Support and Revenue Without Donor Restrictions	<u>3,787,319</u>	<u>3,868,469</u>
EXPENSES		
Program Services	3,101,249	2,620,596
Management and General	233,740	278,731
Fund Raising	139,289	205,469
	<u> </u>	<u> </u>
Total Expenses	<u>3,474,278</u>	<u>3,104,796</u>
Change in Net Assets	313,041	763,673
Net Assets, Beginning of Year	<u>1,785,746</u>	<u>1,022,073</u>
Net Assets, End of Year	<u><u>\$ 2,098,787</u></u>	<u><u>\$ 1,785,746</u></u>

See accompanying notes and independent auditors' report.

St. Ann's Corner of Harm Reduction, Inc.
 Statements of Functional Expenses
 For the years ended June 30, 2021 and 2020

	2021				2020			
	Program	Management and General	Fund Raising	Total	Program	Management and General	Fund Raising	Total
Salaries	\$ 1,587,589	\$ 72,066	\$ 72,066	\$ 1,731,721	\$ 1,301,927	\$ 144,132	\$ 144,132	\$ 1,590,191
Payroll Taxes and Employee Benefits	242,281	30,285	30,285	302,851	199,910	24,989	24,989	249,888
Total Salaries and Related Expenses	1,829,870	102,351	102,351	2,034,572	1,501,837	169,121	169,121	1,840,079
Other than personnel services:								
Consultants	421,942	-	-	421,942	516,037	-	-	516,037
Professional Fees	-	39,618	-	39,618	-	15,350	-	15,350
Rent	238,661	13,259	13,259	265,179	173,412	21,918	3,826	199,156
Utilities	37,617	7,053	2,351	47,021	34,915	12,470	2,494	49,879
Postage and Delivery	134	623	134	891	110	515	110	735
Telephone and Internet Service	96,628	5,368	5,368	107,364	17,897	3,492	437	21,826
Insurance	-	40,573	-	40,573	-	9,313	-	9,313
Program Supplies (including In-Kind)	303,681	-	-	303,681	246,253	-	-	246,253
Syringe and Medical Disposal	4,363	-	-	4,363	4,143	-	-	4,143
Equipment Lease and Maintenance	7,257	1,361	454	9,072	6,377	1,472	1,962	9,811
Conferences and Meetings	160	34	34	228	26	65	39	130
Travel and Meals	7,091	886	886	8,863	16,560	5,520	5,520	27,600
Office Supplies and Expenses	91,119	15,344	12,148	118,611	54,843	28,375	18,917	102,135
Repairs and Maintenance	11,150	1,394	1,394	13,938	15,746	2,378	2,378	20,502
Payroll Service Charges and Other Fees	7,278	910	910	9,098	4,654	1,330	665	6,649
Interest Expense	140	60	-	200	2,609	1,118	-	3,727
Total OTPS Before Depreciation	3,057,091	228,834	139,289	3,425,214	2,595,419	272,437	205,469	3,073,325
Depreciation Expense	44,158	4,906	-	49,064	25,177	6,294	-	31,471
Total Expenses	\$ 3,101,249	\$ 233,740	\$ 139,289	\$ 3,474,278	\$ 2,620,596	\$ 278,731	\$ 205,469	\$ 3,104,796

St. Ann's Corner of Harm Reduction, Inc.
 Statements of Cash Flows
 For the years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 313,041	\$ 763,673
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	49,064	31,471
Changes in Assets and Liabilities		
(Increase) / Decrease in:		
Contract Receivables	(64,835)	(296,052)
Prepaid Expenses	(60,025)	(38,125)
Security Deposit	1,010	-
Increase / (Decrease) in:		
Accounts Payable and Accrued Expenses	6,710	(56,890)
Accrued Payroll Expenses	17,876	75,233
Contract - Advance Deposits	106,237	(1,763)
Deferred Rent	(4,420)	(3,169)
TOTAL ADJUSTMENTS	<u>51,617</u>	<u>(289,295)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>364,658</u>	<u>474,378</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	<u>(109,449)</u>	<u>(46,074)</u>
NET CASH USED IN INVESTING ACTIVITIES	<u>(109,449)</u>	<u>(46,074)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Loan Payable	-	20,000
Payments to Loan Payable	<u>(276,300)</u>	<u>236,300</u>
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	<u>(276,300)</u>	<u>256,300</u>
NET (DECREASE) INCREASE IN CASH	(21,091)	684,604
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>861,303</u>	<u>176,699</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 840,212</u>	<u>\$ 861,303</u>
SUPPLEMENTAL DISCLOSURE:		
Cash paid for interest	<u>\$ 200</u>	<u>\$ 3,727</u>

See accompanying notes and independent auditors' report.

St. Ann's Corner of Harm Reduction, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 1 - ORGANIZATION

St. Ann's Corner of Harm Reduction, Inc. ("SACHR"), a community based organization, is primarily engaged in community based education and family services with a focus on addressing the AIDS epidemic in the community. The services provided include, but are not limited to, needle exchange, HIV outreach, stress reduction, education workshop, support groups, condom distribution and literature distribution.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

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

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

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

Earnings related to restricted net assets will be included in net assets without donor restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law.

All net assets of SACHR at June 30, 2021 were considered to be net assets without donor restrictions.

Use of Estimates in the Preparation of Financial Statements

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

Cash and Cash Equivalents

For the purposes of the statement of cash flows, SACHR considers all highly liquid investments available for current use with an initial period of six months or less to be cash equivalents.

Functional Allocation

The costs of providing SACHR's various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of SACHR.

St. Ann's Corner of Harm Reduction, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tax Exempt Status

SACHR is a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code and applicable state regulations and, accordingly, is exempt from federal and state taxes on income. SACHR has filed for and received income tax exemptions in the jurisdictions where it is required to do so.

SACHR files the Form 990 in the U.S. federal jurisdiction. With few exceptions, as of June 30, 2021, SACHR is no longer subject to U.S. Federal income tax examinations by tax authorities for the year ended prior to June 30, 2018. The tax returns for the years ended June 30, 2018 through June 30, 2020 are still subject to potential audit by the IRS. Management believes it has no material uncertain tax positions and accordingly, it has not recognized any liability for unrecognized tax benefits.

Fixed Assets

Fixed assets are carried at cost less accumulated depreciation, which is provided on the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized over the lesser of the useful life of the improvement or the life of the lease. Assets acquired in excess of \$1,000 are capitalized. (Leasehold Improvements have a 10 year life, equipment, furniture and fixtures have a 3 to 10 year life). Expenditures for repairs and maintenance are expensed as incurred.

Public Support and Revenue Recognition

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Gifts of cash and other assets are reported with donor restricted support if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support.

Income from grants and contracts (up to the grant or contract ceiling) is recorded in the period when SACHR incurs the expenditures in compliance with the specific terms and conditions of the grant or contract. SACHR's revenue and support consists primarily of cost reimbursement and level of service contracts. All contract receivables are deemed to be fully collectible and are reflected at net realizable value.

Deferred Revenue

SACHR recognizes contract revenue in the period SACHR meets the conditions for revenue recognition, namely as reimbursable program expenses are incurred. Deferred revenue relates to program receipts from government agencies in advance of program performance.

Deferred Rent

Rent expense is recorded evenly over the life of the lease using a straight-line method. A deferred rent liability has been recorded to reflect differences between amounts paid and recognized as expense, primarily due to the benefit of incentives included in the lease. At the end of the lease term, deferred rent will be reduced to zero. Deferred rent amounted to \$45,897 and \$50,317 as of June 30, 2021 and 2020, respectively.

St. Ann's Corner of Harm Reduction, Inc.

Notes to the Financial Statements

June 30, 2021 and 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In-Kind Contributions

SACHR reports support for the fair value of contributed services received where the services required specialized skills, are provided by individuals possessing these skills and represent services that would have been purchased had they not been donated. In-kind contributions of supplies and other materials are recorded at the fair value of the items contributed. During the years then ended June 30, 2021 and 2020, \$254,189 and \$156,989, respectively, were recorded as in-kind contributions.

Credit Risk

SACHR maintains its cash in bank deposit accounts which at times may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At June 30, 2021 and 2020, the entity had approximately \$0 and \$1,000, respectively, in excess of FDIC-insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash.

NOTE 3 - LOAN PAYABLE

Line of Credit

SACHR has a line of credit agreement with a local bank which is secured by collateral of substantially all of SACHR's fixed assets. The total amount available on the line of credit is \$75,000, of which \$0 was outstanding as of June 30, 2021 and 2020. Payments of interest only are due each month at a rate of 6.50%, per annum. The line of credit has a maturity of June 1, 2025.

PPP Loan

On May 2, 2020, the Organization received loan proceeds in the amount of \$276,300 under the Paycheck Protection Program ("PPP"). Established as part of the Coronavirus Aid, Relief and Economic Security Act ("CARES Act"), the PPP provides for loans to qualifying businesses in amounts up to 2.5 times the business's average monthly payroll expenses. PPP loans and accrued interest are forgivable after a "covered period" (eight or 24 weeks) as long as the borrower maintains its payroll levels and uses the loan proceeds for eligible purposes, including payroll, benefits, rent, and utilities.

SACHR used the PPP loan proceeds for purposes consistent with the PPP and applied for forgiveness within 6 months of the end of the covered period. The Small Business Administration ("SBA") determined that the amount SACHR requested for forgiveness ("Forgiven Amount") on the PPP loan was fully approved and the SBA remitted the Forgiven Amount to Sterling National Bank. SACHR's PPP loan was paid in full (including applicable interest) on March 30, 2021.

NOTE 4 - COMMITMENTS

Occupancy Lease

SACHR has signed an operating lease agreement for office/program space in The Bronx, New York. The original lease expires in June 2023. The first amendment to lease agreement to provide for the demising of the additional premises was signed on September 27, 2018. Assuming the additional premises commencement date is December 1, 2018, the new expiration date is February 28, 2030.

St. Ann's Corner of Harm Reduction, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 4 – COMMITMENTS (continued)

Future commitments under the operating lease are as follows:

<u>Year</u>	<u>Original Lease</u>	<u>Additional Premises</u>	<u>Total</u>
2022	\$ 194,944	\$ 75,501	\$ 270,445
2023	199,818	77,388	277,206
2024	209,809	79,323	289,132
2025	215,054	81,306	296,360
2026	220,431	83,339	303,770
Thereafter	694,912	314,530	1,009,442
	<u>\$ 1,734,968</u>	<u>\$ 711,387</u>	<u>\$ 2,446,355</u>

SACHR leases equipment under one operating lease. Equipment rental expense under this operating lease was \$9,071 and \$9,810 for the years ended June 30, 2021 and 2020, respectively.

The minimum future lease payments under the operating lease at June 30, 2021 are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 7,050
	<u>\$ 7,050</u>

NOTE 5 - CONTINGENCIES

Audits by Funding Sources

SACHR receives a significant portion of its funding from government grant/contracts, all of which are subject to audit by the funding source. The ultimate determination of amounts received under these programs is generally based upon allowable costs reported to and audited by the funding source. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount received in excess of allowable costs. Management believes that any disallowed costs, which may result from these examinations, will not have a material effect on the financial statements for the current reporting periods.

Property Purchased with Government Grant Monies

Per certain government grant contracts, title to assets purchased with grant monies remains with the granting source. However, SACHR has chosen to capitalize these costs since the grantors have typically not reclaimed the assets at the end of the grant periods.

NOTE 6 - CONCENTRATIONS

SUPPORT - SACHR received a substantial amount of its support from state and city governmental grants/contracts. A reduction in the level of this support will have an effect on the organization's ability to carry out its program activities.

St. Ann's Corner of Harm Reduction, Inc.
Notes to the Financial Statements
June 30, 2021 and 2020

NOTE 7 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

At June 30, 2021, SACHR has \$2,075,773 of financial assets to meet needs for general expenditures consisting of cash of \$840,212 and contract receivables of \$1,235,561. None of the financial assets are subject to donor or other contractual restrictions. Accordingly all such funds are available to meet the cash needs of the organization in the next 12 months.

SACHR manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. In general, SACHR maintains sufficient financial assets on hand to meet 30 days worth of normal operating expenses. As discussed in Note 3, SACHR has a committed line of credit, which it could draw upon in the event of an unanticipated liquidity need.

NOTE 8 – SUBSEQUENT EVENTS

SACHR evaluates events occurring after the date of the financial statements to consider whether or not the impact of such events needs to be reflected or disclosed in the financial statements. Such evaluation is performed through the date the financial statements are available for issuance, which is November xx, 2021, for these financial statements, and concluded that no additional disclosures are required as stated herein except as follows:

In March 2020, the World Health Organization (“WHO”) declared the coronavirus (COVID 19), a global pandemic and public health emergency. The WHO has recommended containment and mitigation measures worldwide and domestically, self-isolation and shelter-in-place requirements have been or are being put in place.

At this point, SACHR cannot reasonably estimate the length or severity of this pandemic, or the extent to which this disruption may impact the SACHR’s financial statements and future results of operations. SACHR will continue to monitor and evaluate the nature and extent of the impact on our ongoing activities and the potential effect on future contributions or funding and expenses, financial condition and liquidity.



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

To the Board of Directors of
St. Ann's Corner of Harm Reduction, Inc.
Bronx, New York

We have audited, 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, the financial statements of St. Ann's Corner of Harm Reduction Center, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2021 and the related statement 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 November xx, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered St. Ann's Corner of Harm Reduction Center, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Ann's Corner of Harm Reduction Center, Inc.'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.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

New City, New York
November xx, 2021