CORE Community Organized Relief Effort

Consolidated Financial Statements
December 31, 2022

CONTENTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
CORE Community Organized Relief Effort and Affiliate

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of CORE Community Organized Relief Effort and Affiliate (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of CORE Community Organized Relief Effort and Affiliate (collectively, the Organization) 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 Consolidated 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 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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, 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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.

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

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, 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 consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2023, on our consideration of the Organization'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 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 Organization'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 the Organization's internal control over financial reporting and compliance.

Windes, Inc.

Long Beach, California
May 31, 2023

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATE
(A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

Cash and cash equivalents	$ 33,277,388
Accounts and contributions receivable, net	9,913,700
Prepaid expenses and other assets	1,974,583
Property, plant, and equipment, net	1,113,581
Operating lease right-of-use assets	680,831
TOTAL ASSETS	$ 46,960,083

LIABILITIES AND NET ASSETS

LIABILITIES	
Accounts payable	$ 1,050,339
Accrued wages and payroll taxes	3,169,251
Accrued expenses	2,721,911
Deferred revenue	2,655,393
Lease liabilities	696,061
	10,292,955
COMMITMENTS AND CONTINGENCIES (Note 9)	
NET ASSETS	
Without donor restrictions	30,563,816
With donor restrictions	6,103,312
	36,667,128
TOTAL LIABILITIES AND NET ASSETS	$ 46,960,083

The accompanying notes are an integral part of these consolidated financial statements.

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATE
(A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Without Restrictions	With Restrictions	Total
REVENUE AND SUPPORT			
Grants and contributions	$ 50,178,315	$ 9,246,756	$ 59,425,071
Event revenue	2,664,179	-	2,664,179
Contributed goods and services	1,062,394	-	1,062,394
Other revenue	193,792	-	193,792
Net assets released from restrictions	4,967,415	(4,967,415)	-
Total revenue and support	59,066,095	4,279,341	63,345,436
FUNCTIONAL EXPENSES			
Program services	48,843,859	-	48,843,859
General and administrative	19,878,435	-	19,878,435
Fundraising	4,468,515	-	4,468,515
Total expenses	73,190,809	-	73,190,809
CHANGE IN NET ASSETS	(14,124,714)	4,279,341	(9,845,373)
NET ASSETS, BEGINNNG OF YEAR	44,688,530	1,823,971	46,512,501
NET ASSETS, END OF YEAR	$ 30,563,816	$ 6,103,312	$ 36,667,128

The accompanying notes are an integral part of these consolidated financial statements.

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATE
(A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
PERSONNEL EXPENSES				
Personnel costs	$ 15,731,900	$ 5,931,593	$ 1,297,099	$ 22,960,592
Payroll taxes	1,364,388	1,339,969	139,447	2,843,804
Total personnel expenses	17,096,288	7,271,562	1,436,546	25,804,396
OTHER EXPENSES				
Bad-debt expense	251,337	-	10,000	261,337
Bank fees	281,484	64,660	10,132	356,276
Contract services	8,275,091	1,094,227	60,382	9,429,700
Dues and subscriptions	19,085	118,251	14,045	151,381
Employee and volunteer benefits	3,110,170	3,319,554	365,984	6,795,708
Equipment rental	333,331	13,347	14,601	361,279
Fundraising expenses	892,417	24,563	1,561,975	2,478,955
Fuel and vehicle maintenance	1,485,203	90,334	15,194	1,590,731
Grants to other organizations	2,507,261	5,449	5,044	2,517,754
Insurance	991	1,064,962	-	1,065,953
IT hardware and software	368,585	453,011	8,373	829,969
Materials and supplies	3,005,408	133,406	406,914	3,545,728
Office supplies	458,314	118,258	5,257	581,829
Other expenses	576,709	3,259,914	6,111	3,842,734
Permit and registration	5,060	7,107	62	12,229
Professional services	1,395,250	1,803,033	413,378	3,611,661
Program expenses	7,002,252	-	-	7,002,252
Rent and utilities	310,656	435,024	3,824	749,504
Repairs and maintenance	36,801	20,782	-	57,583
Staff training and meetings	73,606	13,591	2,074	89,271
Telephone and communication	237,933	191,097	7,300	436,330
Travel	1,070,969	288,262	121,319	1,480,550
Depreciation and amortization	49,658	88,041	-	137,699
Total other expenses	31,747,571	12,606,873	3,031,969	47,386,413
TOTAL FUNCTIONAL EXPENSES	$ 48,843,859	$ 19,878,435	$ 4,468,515	$ 73,190,809

The accompanying notes are an integral part of these consolidated financial statements.

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATE
(A NONPROFIT ORGANIZATION)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ (9,845,373)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation and amortization	137,699
Contributed assets	(345,420)
Noncash change in operating lease right-of-use assets	204,953
Change in operating assets and liabilities:	
Accounts and contributions receivable	1,236,386
Prepaid expenses and other current assets	(532,880)
Accounts payable	(1,541,421)
Accrued wages and payroll taxes	2,280,675
Accrued expenses	1,998,773
Deferred revenue	(150,089)
Lease liabilities	(189,723)
Net Cash Used In Operating Activities	(6,746,420)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property, plant, and equipment	(382,656)
Net Cash Used In Investing Activities	(382,656)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(7,129,076)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	40,406,464
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 33,277,388

The accompanying notes are an integral part of these consolidated financial statements.

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATE
(A NONPROFIT ORGANIZATION)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 – General

Organization and Business

CORE Community Organized Relief Effort (CORE or the Organization), formerly known as J/P Haitian Relief Organization, a 501(c)(3) organization, was founded on January 19, 2010, immediately after a 7.0 magnitude earthquake devastated Haiti. In response to this unprecedented disaster, CORE mobilized a network of doctors, emergency workers and government officials to take immediate action in Haiti. Since 2010, CORE has continued to work in Haiti with a team of Haitian employees working to rebuild communities every day. CORE has taken the experience gained in Haiti to expand its disaster relief and recovery efforts to other parts of the Caribbean and the U.S. CORE changed its name in March 2019 to reflect the expansion of its efforts, vision, and program activities.

CORE's mission is to save lives and strengthen communities affected by or vulnerable to crisis. CORE faces the realities of disaster fearlessly, working on the ground to not only rebuild communities in the face of emergency, but to also create programs that focus on preparedness and resilience.

Programs in Haiti include disaster response, youth education, community development, a dental clinic, construction, and redevelopment of neighborhoods. Its reforestation initiative, which began in 2016, has progressed from planning to implementation phases, supporting smallholder farmers to adapt to the effects of a changing climate and to reverse over 200 years of deforestation in Haiti.

Beginning in 2020, the COVID-19 global pandemic fundamentally impacted CORE's landscape and the evolution of the crisis prompted an immediate response for CORE to move into action in service of its mission. In its home base of Los Angeles, CORE pioneered community-based testing sites, testing over 5,085,000 people since March 2020 across southern California, and over 6,689,900 nationwide, and administered over 2,864,000 vaccines.

2022 was a year of transition for CORE, as the pandemic response work wound down, and CORE returned to responding to crises around the world. In February 2022, CORE was on the ground within days of Russia's invasion of Ukraine. Since then, CORE has provided relief to over 320,000 refugees and internally-displaced persons in Ukraine, Poland, and Romania. We also responded to flooding in Pakistan and Kentucky, as well as Hurricanes Fiona and Ian in Puerto Rico and Florida, respectively.

NOTE 1 – General (Continued)

Organization and Business (Continued)

Internally, CORE focused on building out the systems and processes to match its increase in size. CORE transitioned to a new payroll and HRIS system, Paychex, and began the implementation of a new ERP, Sage Intacct. We engaged a travel services provider, Milne Travel, and the Concur platform for travel booking. We transitioned to Airbase as a new purchase card program that better fit our organizational needs, and released and trained on revised procurement guidelines. Field Finance, Grants, HR, and Procurement Policies were released. CORE also began implementation of Salesforce for program and grants management.

CORE continues to build resilience of our partners in communities around the world. CORE implements emergency preparedness programming in North Carolina, Louisiana, California, and Florida, as well as strengthening public health, by providing vaccination and testing services, as well as resource coordination and benefits navigation in Georgia, California, Illinois, and Washington DC.

CORE consolidates the activities of its one affiliate: Haiti Takes Root.

Haiti Takes Root (HTR), a 501(c)(3) organization, was founded in April 2016. Its mission is to improve lives of Haitians through environmental and poverty-alleviating activities. HTR was established with an idea to pool resources and efforts of public and private sector partners to work toward this mission.

Funding

CORE raises funds primarily through contributions from foundations, corporations and individual donors and grants from governmental and nongovernmental organizations and foundations.

Principles of Consolidation

The consolidated financial statements include the assets, liabilities, revenue and support, and functional expenses of CORE and HTR. All significant intercompany transactions have been eliminated in consolidation. Collectively, the consolidated entity is referred to as the Organization.

NOTE 2 – Summary of Significant Accounting Policies

Use of Estimates and Assumptions

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

The consolidated financial statements are presented in accordance with standards generally accepted in the United States of America (U.S. GAAP).

The Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions based on the existence or absence of donor-imposed restrictions related to contributions.

> ***Without Donor Restrictions* -** Net assets are comprised of assets that are for operating purposes or assets that are not subject to donor-imposed restrictions and are general in nature.
>
> ***With Donor Restrictions* -** Net assets whose use by the Organization are subject to donor-imposed restrictions that are fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time. Other donor restrictions are perpetual in nature, where the donors of these assets permit the Organization to use all or part of the investment return on these assets for unrestricted purposes. As of December 31, 2022, the Organization had no net assets with donor restrictions that were perpetual in nature.

Revenue Recognition

Contributions, including unconditional promises to give, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend are substantially met.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

A significant portion of the Organization's revenue is derived from 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 or met performance requirements, in compliance with the specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures or meeting performance requirements are reported as deferred revenue in the statement of financial position.

In response to the COVID-19 pandemic, CORE began providing COVID-19 testing and reporting services. In order to provide these services, CORE receives grants from various private foundations and other funders, many of which contain stipulations in the agreements to utilize the grant funds for specific services. CORE also provides COVID-19 services for a charge to private entities in order to subsidize its charitable work.

When the general public is the primary beneficiary of the COVID-19 services, ASU 2018-08 guidance is followed, and contributions are recognized as revenue once any related conditions and barriers are fulfilled. When a private party is the primary beneficiary of the COVID-19 services, an exchange transaction exists, and ASC 606 guidance is followed.

The remainder of the Organization's grants and contribution revenue for the year ended December 31, 2022 is recognized as conditional and unconditional contributions. At December 31, 2022, the Organization is party to conditional grants with grant terms through 2024 and additional funding of approximately $20,500,000 that has not been recognized at December 31, 2022, because certain performance obligations have not yet been met.

In-kind Contributions

In-kind contributions are recorded at their estimated fair market value at the time services are pledged or rendered or goods are received. Contributed services are recognized by the Organization if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Event Revenue

Revenue from special events includes sponsorships, ticket sales and donations. Sponsorships and ticket sales are recognized in the period in which the event occurs.

Cash and Cash Equivalents

The Organization defines a cash equivalent as any investment with a purchased maturity of three months or less.

Accounts and Contributions Receivable

Accounts and contributions receivable include contributions receivable and other receivables earned from services performed. The Organization records contributions receivable whenever there is sufficient evidence in the form of verifiable documentation that an unconditional promise was made and received. The Organization determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. At December 31, 2022, the allowance for doubtful accounts was $10,000.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost or, for those assets acquired by gift or bequest, the estimated fair market value at the date of contribution. The Organization follows the policy of capitalizing expenditures that increase asset lives and expensing ordinary maintenance and repairs as incurred.

Depreciation and amortization is computed using the straight-line method over estimated useful lives as follows:

Computer and office equipment	2 – 3 years
Vehicles	5 years
Buildings	15 years
Furniture and medical equipment	5 years
Leasehold improvements	Shorter of estimated useful life or remaining lease period

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Impairment of Long-lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment loss is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques, including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary. The Organization determined that none of its long-lived assets were impaired during the year ended December 31, 2022.

Functional Expenses

The consolidated financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, which are allocated on the basis of estimates of time and effort.

Leasing Arrangements

The Organization determines if an arrangement contains a lease at inception based on whether the Organization has the right to control the asset during the contract period along with other facts and circumstances. For contracts that extend for a period greater than 12 months, the Organization recognizes a right-of-use asset and a corresponding liability. The exercise of these renewal options is at the sole discretion of the Organization, and only lease options that the Organization believes are reasonably certain to exercise are included in the measurement of the lease assets and liabilities. The present value of each lease is based on the future minimum lease payments in accordance with ASC 842 and is determined by discounting those payments using a risk-free discount rate with a period comparable with that of the lease term.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and Section 23701(d) of the California Revenue and Taxation Code. In addition, the Organization is classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code. Accordingly, a provision for federal or state income taxes has not been made in the accompanying consolidated financial statements.

The Organization recognizes the impact of uncertain tax positions in the consolidated financial statements if that position is more likely than not to be sustained on audit, based on the technical merits of the position. The Organization is subject to potential income tax audits on open tax years by any taxing jurisdiction in which it operates. The statute of limitations for federal and state purposes is generally three and four years, respectively.

Concentrations of Risk

Financial instruments that potentially expose the Organization to concentrations of credit risk consist primarily of cash and accounts receivable. The Organization places its cash and cash equivalents with high-credit, quality financial institutions, which may exceed amounts insured by the Federal Deposit Insurance Corporation. However, the Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

The Organization operates in Haiti, a foreign country, which does not have a history of a stable government or economy, as well as other foreign countries where relief efforts are needed. To the extent negative events occur in these countries or geographic areas, the Organization may not be able to recover its assets or remove its cash from these countries. The Organization held approximately $565,000 in Haitian cash accounts and $817,000 in net property, plant, and equipment located in Haiti as of December 31, 2022. The Organization also held cash totaling approximately $1,160,000 in Poland and $202,000 in Brazil as of December 31, 2022.

Contracts in one city represented 19% of the Organization's revenue for the year ended December 31, 2022 and represented approximately 41% of outstanding receivables at year-end. Other significant receivables at December 31, 2022 were due from various city, state, and private companies for COVID testing and vaccine work.

NOTE 2 – Summary of Significant Accounting Policies (Continued)

Recent Adopted Accounting Pronouncements

Effective January 1, 2022, the Organization adopted Accounting Standards Update (ASU) 2016-02 *Leases* (Topic 842) (ASU 2016-02), which modifies lease accounting for lessees to increase transparency and comparability by requiring the Organization to recognize a lease liability and related right-of-use assets for all leases (with the exception of short-term leases) at the commencement date of the lease and to disclose key information about leasing arrangements. The Organization elected the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed it to carry forward the historical lease classification.

The Organization adopted ASU 2016-02 utilizing the modified-retrospective transition method, through a cumulative-effect adjustment. The adoption of ASU 2016-02 as of January 1, 2022 resulted in the recognition of right-of-use assets and operating lease liabilities of $759,851. The adoption of ASU 2016-02 did not have a material impact on the Organization's results of operations or cash flows.

Effective January 1, 2022, the Organization adopted ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which requires a not-for-profit to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. Additionally, the standard requires a not-for-profit to disclose a disaggregation of the amount of contributed nonfinancial assets by category that depicts the type of nonfinancial assets and additional information related to the monetization, utilization, and valuation of the contributed nonfinancial assets. The Organization included any necessary presentation changes and disclosures herein.

Subsequent Events

Subsequent events have been evaluated through May 31, 2023, which is the date the consolidated financial statements were available to be issued.

NOTE 3 – Liquidity and Availability

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

Cash and cash equivalents	$ 33,277,388
Accounts and contributions receivable	9,913,700
	43,191,088
Less amounts unavailable for general expenditure within one year due to donor-imposed restrictions	(6,103,312)
	$ 37,087,776

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 4 – Accounts and Contributions Receivable, Net

Accounts and contributions receivable are expected to be received within one year and consist of the following at December 31, 2022:

Unconditional contributions	$ 438,504
Grants receivable	8,858,194
Accounts receivable from exchange transactions	627,002
	9,923,700
Allowance for doubtful accounts	(10,000)
Total	$ 9,913,700

NOTE 5 – Property, Plant, and Equipment

Property, plant, and equipment consisted of the following at December 31, 2022:

Computer and office equipment	$ 707,058
Vehicles	609,258
Buildings	698,806
Furniture and medical equipment	110,626
Leasehold improvements	356,058
	2,481,806
Less accumulated depreciation and amortization	(1,541,255)
	940,551
Work-in-progress	22,124
Land	150,906
Property, plant, and equipment, net	$ 1,113,581

NOTE 6 – Net Assets with Donor Restrictions

At December 31, 2022, net assets with donor restrictions are restricted for programming at the following locations:

	December 31, 2021	Additions	Releases	December 31, 2022
Bahamas hurricane relief	$ 227,134	$ 304,873	$ (110,138)	$ 421,869
Emergency response in Pakistan	-	734,000	(15,600)	718,400
Haiti earthquake recovery	1,363,307	31,961	(178,200)	1,217,068
Ukraine refugee response	-	7,849,851	(4,235,171)	3,614,680
Other	233,530	326,071	(428,306)	131,295
Total	$ 1,823,971	$ 9,246,756	$ (4,967,415)	$ 6,103,312

NOTE 7 – Lease Arrangements

The Organization is obligated under operating leases for the rental of office space in Haiti, Chicago, New Orleans, and Los Angeles, which extends through December 2026. The lease agreements provide for minimum lease payments and do not include any material residual value guarantees or restrictive covenants.

The following summarizes the cash flow information related to leases for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$	210,206
Noncash investing and financing activity:		
Right-of-use assets obtained in exchange for operating lease liabilities in adopting ASC 842	$	759,851
Right-of-use assets obtained in exchange for new operating lease liabilities	$	125,933

Weighted-average lease terms and discount rate as of December 31, 2022 were as follows:

Weighted-average remaining lease term	3.3 years
Weighted-average discount rate	1.51%

The maturities of lease liabilities as of December 31, 2022 are as follows:

Year Ending December 31,		Operating Leases
2023	$	246,533
2024		207,749
2025		127,935
2026		131,133
Total minimum lease payments		713,350
Less amount representing interest		(17,288)
Present value of minimum lease payments	$	696,062

NOTE 8 – In-kind Contributions

During the year ended December 31, 2022, in-kind contributions consisted of the following:

			Valuation Techniques and Inputs
Long-term assets	$	375,075	Estimated fair value of recent and comparable sales of similar assets
Supplies	$	687,319	Wholesale values that would be received for selling similar products

All donated services and goods were utilized by the Organization for program purposes. There were no donor-imposed restrictions associated with the in-kind contributions.

NOTE 9 – Commitments and Contingencies

Grants and Contracts

The Foundation receives a significant portion of its revenue from government grants and contracts, all of which are subject to governmental audit. The ultimate determination of amounts received under these programs is generally based upon allowable costs reported to and audited by the government. As of year-end, management does not expect any significant risk related to unallowable costs.

Litigation

The Organization is sometimes involved in various claims and lawsuits arising in the normal course of its operations. Management believes the Organization has adequate defenses and insurance coverage for these actions and the outcome of any such ongoing litigation will not have a material adverse effect on the Organization's financial position, results of operations, or liquidity. During 2022, the Organization was named a defendant in a class action lawsuit, which is expected to be settled in 2023. As of December 31, 2022, the Organization accrued approximately $2,000,000 based on management's estimate of related costs to be incurred.

SUPPLEMENTARY INFORMATION

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
CORE Community Organized Relief Effort and Affiliate

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of CORE Community Organized Relief Effort and Affiliate (the Organization), which comprise the consolidated statement of financial position as of December 31, 2022, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 31, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 consolidated 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 preceding paragraph 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. 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*.

The Organization's Response to Findings

Government Auditing Standards requires the auditors to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

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.

Windes, Inc.

Long Beach, California
May 31, 2023

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

To the Board of Directors of
CORE Community Organized Relief Effort and Affiliate

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited CORE Community Organized Relief Effort and Affiliate's (the Organization) compliance with the types of compliance requirements identified as subject to audit 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 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.

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 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 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 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 the Organization'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 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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. Our consideration of internal control over compliance was for the limited purpose described in the 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 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 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.

Windes, Inc.

Long Beach, California
May 31, 2023

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATE

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor / Program or Cluster Title	Grant Period	Assistance Listing Number	Agency or Pass-Through Number	Passed Through to Subrecipients	Program Award Amount	Current Year Expenditures
U.S. DEPARTMENT OF TREASURY						
Pass-through County of Los Angeles						
Capacity Building Community Outreach and Engagement	10/1/2021-9/30/2022	21.019	H-708627	$ -	$ 6,818,087	$ 1,300,938
Pass-through Los Angeles Regional Food Bank						
Food distribution services	5/11/2022-11/30/2022	21.019	N/A	-	34,937	15,371
Pass-through County of Fulton						
Contact Tracing and Resource Coordination	3/22/2021-10/31/2022	21.019	N/A	-	9,500,225	2,150,032
Contact Tracing and Resource Coordination	1/4/2021-10/28/2022	21.019	75D30121C10229	-	1,673,458	417,926
Pass-through Health Care Services Agency						
Alameda County SSA Community Testing Contract	8/1/2020-3/31/2022	21.019 / 97.048	901924-21040	-	3,354,812	2,541,711
School-based COVID-19 testing for teachers, staff, students	8/1/2021-10/21/2022	21.019	N/A	-	-	450,635
Pass-through DeKalb County Board of Health						
Vaccination and Resource Coordination	3/22/2021-9/30/2022	21.019	22-2602-C0006-00	-	1,240,272	531,073
Total - U.S. Department of Treasury				-	22,621,791	7,407,686
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES						
HRSA Communities Rise	7/31/2021-8/31/2022	93.011	G3242596	-	999,988	833,820
Pass-through HHS/Partners in Health						
Community-Based Workforce to Increase COVID-19 Vaccinations in Underserved Communities	6/1/2021-4/30/2022	93.011	G3242596	-	3,580,000	1,782,276
Subtotal - Assistance Listing # 93.011				-	4,579,988	2,616,096
Pass-through State of GA DPH						
Vaccination and Resource Coordination	8/1/2021-1/31/2023	93.268	40500-030-23234426	-	2,011,876	1,661,227
Vaccination and Resource Coordination	7/1/2021-6/30/2022	93.268	40500-047-23234392	-	7,626,139	5,383,589
Vaccination and Resource Coordination	1/1/2022-9/30/2022	93.268	40500-CVD19-72	-	78,301	67,573
Vaccination and Resource Coordination	7/1/2022-12/31/2022	93.268	40500-047-23234392	-	4,661,868	3,327,456
Pass-through Sierra Health Foundation						
California Department of Public Health	7/1/2022-4/30/2023	93.268	21-10417	-	400,000	400,000
Pass-through Sierra Health Foundation						
California Department of Public Health	7/1/2022-4/30/2023	93.268	22-10497	-	425,000	138,346
Subtotal - Assistance Listing # 93.268				-	15,203,184	10,978,191
Pass-through Heluna Health						
School-based COVID-19 testing for teachers, staff, students	8/23/2021-7/31/2023	93.323	0860.0101	-	2,500,000	1,829,537
Pass-through City of Chicago Department of Health						
Epidemiology and Laboratory Capacity for Infectious Diseases	5/1/2020-12/31/2022	93.323	6NU50CK000556-01-04	-	6,000,000	389,523
Subtotal - Assistance Listing # 93.323				-	8,500,000	2,219,060
Pass-through County of Fulton						
COVID-19 Outreach and Testing Services	8/1/2021-12/31/2022	93.351	N/A	-	2,681,114	1,748,959
Pass-through District of Columbia Department of Health						
Testing Site Services	12/1/2021-9/30/2023	93.354	290307-1	-	2,128,523	719,440
Pass-through State of GA DPH						
Vaccination and Resource Coordination	8/1/2021-7/31/2022	93.391	40500-CVD19-71	-	1,489,315	1,797,823
Total - U.S. Department of Health and Human Services				-	34,582,124	20,079,569
U.S. DEPARTMENT OF HOMELAND SECURITY						
Pass-through City of Chicago						
Covid-19 Vaccination Site Operations	3/15/2021-12/31/2023	97.036	79101734.20 / 169207	-	30,200,000	1,473,169
U.S. DEPARTMENT OF INTERNATIONAL DEVELOPMENT						
Pass-through USAID						
Haiti Earthquake shelter settlement	9/15/2021-8/14/2023	98.001	720BHAA21GR00398	-	5,000,000	3,680,475
Total Federal Awards				**$ -**	**$ 92,403,915**	**$ 32,640,899**

See accompanying notes to the schedule of expenditures of federal awards.

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATE

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of CORE Community Organized Relief Effort and Affiliate (the Organization) and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

NOTE 2 – Summary of Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in the notes to the consolidated financial statements of the Organization as of and for the year ended December 31, 2022.

The Organization has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION I – SUMMARY OF AUDITORS' RESULTS

Consolidated Financial Statements

The auditors' report expresses an unmodified opinion on whether the consolidated financial statements of CORE were prepared in accordance with general accepted accounting principles.

Internal control over financial reporting

1. Material weakness(es) identified? – No

2. Significant deficiencies identified? – No

3. Noncompliance material to financial statements noted? – No

Federal Awards

Internal control over major programs

1. Material weakness(es) identified? – No

2. Significant deficiencies identified? – No

3. Type of auditors' report issued on compliance for major programs – Unmodified

4. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? – No

5. Identification of major programs:

   Immunization Cooperative Agreement #93.268; Research Infrastructure Program #93.351; Vaccination and Resource Coordination #93.391; USAID Haiti Earthquake Shelter Settlement #98.001

6. Dollar threshold used to distinguish between Type A and Type B programs was $979,227.

7. Auditee qualified as low-risk auditee? – No

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATE

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION II – FINDINGS FINANCIAL STATEMENTS AUDIT

None noted.

SECTION III – FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS

None noted.

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATE

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

FINDINGS FINANCIAL STATEMENTS AUDIT

The following items were considered to be material weaknesses:

2021-01 Schedule of Expenditures of Federal Awards

Condition: The Organization tracks grants by individual cost-centers, which allows for total revenue and total expenditures by grant to be easily identifiable. In preparation of the Schedule of Expenditures of Federal Awards (SEFA), the Organization was not able to easily identify all federally sourced grants to be included in the SEFA or the appropriate Assistance Listing Number for certain grants. Significant auditor assistance was required to identify the grants and correct expenditure amounts to be included in the SEFA. Modifications to the original SEFA included the addition of three Assistance Listing programs, nine grants, and approximately $20 million in expenditures.

Criteria: Section 2 CFR 200.510(b) of the Uniform Guidance requires that an auditee prepare a schedule of expenditures of federal awards, which includes individual federal programs by federal agency and total federal awards expended for each individual federal program and Assistance Listing Number. Management is responsible for establishing and maintaining an effective system of internal control to allow for complete and accurate preparation of the SEFA.

Status: No similar finding was noted for 2022.

2021-02 Recognition of Revenue

Condition: The majority of the Organization's grants are considered conditional and reimbursement-based, where revenue is earned as expenses are incurred or as services are performed over a time period. As part of the audit, there were a number of contracts selected for testing and as a result, adjustments were recorded for nine grants to increase revenue by approximately $1.8 million and decrease revenue by approximately $3.6 million, resulting in a net reduction of revenue to the consolidated financial statements by approximately $1,800,000.

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting, which includes controls over existence and accuracy of revenue.

SECTION II – FINDINGS FINANCIAL STATEMENTS AUDIT (Continued)

2021-02 Recognition of Revenue (Continued)

Status: Due to improvement in support provided and mitigating controls that were shown to be in operation, no similar finding was reported in 2022.

2021-03 Documentation Retention

Condition: Management has established internal control procedures to process disbursements, payroll, invoices, and other significant transactions, which generally include review or approval of transactions to ensure they are authorized and accurate. During the course of the audit, we noted certain documentation was not maintained to support the review and approval process as follows:

- Authorization and approval for payroll – there was no available documented approval of payroll prior to processing for approximately 50 of the 100 samples tested.
- Authorization and approval of disbursements – there was no available documented approval of invoices for approximately 35 of the 100 samples tested.
- Authorization and approval of revenue invoices – there was no available documented approval of invoices for 37 of the 40 samples tested.
- Donated goods and services – not all donated goods and services had available backup documentation regarding nature and estimated value.
- Management oversight and review at month-end – documentation was not available to substantiate management's oversight and review of the monthly financials for several months of the year.

Criteria: Management is responsible for maintaining internal controls to ensure transactions are properly supported, authorized, and accurate. Strong internal controls provide for a controlled environment where errors and miscoded transactions are detected and corrected in a timely basis and documentation helps management substantiate that controls are operating as designed.

CORE COMMUNITY ORGANIZED RELIEF EFFORT AND AFFILIATE

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2022

SECTION II – FINDINGS FINANCIAL STATEMENTS AUDIT (Continued)

2021-03 Documentation Retention (Continued)

Status: Due to improvement in support provided and mitigating controls that were shown to be in operation, no similar finding was reported in 2022.

The following item was considered to be a significant deficiency:

2021-04 Year-End Close Process

Condition: There were several adjustments recorded as a result of audit procedures, which may indicate certain month-end close processes are not working as designed. These adjustments included a reduction of expenses by approximately $200,000 for an invoice booked twice, reduction of revenue of approximately $200,000 for artwork sold that was booked twice, and an adjustment of approximately $450,000 to reconcile balances between the US and Haiti divisions and the related expenses.

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting.

Status: No significant adjustments as part of audit procedures requiring recognition were noted in the current year.