

**CATHOLIC CHARITIES LEGAL SERVICES,
ARCHDIOCESE OF MIAMI, INC.**

Financial Statements

June 30, 2019

(With Independent Auditor's Report Thereon)

INDEPENDENT AUDITOR'S REPORT



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Sanson, Kline, Jacomino, Tandoc & Gamarra, LLP
5805 Blue Lagoon Drive | Suite 220 | Miami, FL 33126
Tel: (305) 269-8633 | Fax: (305) 265-0652 | www.SKJT&Gtg-cpa.com

Independent Auditor's Report

The Board of Directors
Catholic Charities Legal Services
Archdiocese of Miami, Inc.:

We have audited the accompanying financial statements of Catholic Charities Legal Services, Archdiocese of Miami, Inc. (the "Organization"), a non-profit organization, which comprise the statement of financial position as of June 30, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred above present fairly, in all material respects, the financial position of the Organization as of June 30, 2019, and the change 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.

Sanson Kline Jacomino Tandoc & Gamarra, LLP

Miami, Florida
August 15, 2019

BASIC FINANCIAL STATEMENTS

Catholic Charities Legal Services, Archdiocese of Miami, Inc.

STATEMENT OF FINANCIAL POSITION

June 30, 2019

Assets

Current assets:

Cash	\$ 479,492
Accounts receivable, net of allowance for doubtful accounts of \$50,337	50,337
Grants receivable	478,215
Prepays	5,853
Security deposit	24,567
Total current assets	<u>1,038,464</u>

Property and equipment, net	22,458
Total assets	<u>\$ 1,060,922</u>

Liabilities and net assets

Current liabilities:

Accounts payable and accrued expenses	\$ 245,750
Notes payable	394,327
Compensated absences	120,803
Total current liabilities	<u>760,880</u>

Net assets:

Without donor restrictions	108,298
With donor restrictions	191,744
Total net assets	<u>300,042</u>
Total liabilities and net assets	<u>\$ 1,060,922</u>

The accompanying notes are an integral part of the financial statements.

Catholic Charities Legal Services, Archdiocese of Miami, Inc.

STATEMENT OF ACTIVITIES

For the year ended June 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and other revenue:			
Support:			
Grants	\$ 2,433,920	458,988	\$ 2,892,908
Client fees	569,626	-	569,626
Fundraising	138,803	2,775	141,578
Contributions	128,044	-	128,044
Net assets released from restriction	438,360	(438,360)	-
Total support and other revenue	<u>3,708,753</u>	<u>23,403</u>	<u>3,732,156</u>
Expenses:			
Program services:			
Immigration services	<u>3,246,643</u>	<u>-</u>	<u>3,246,643</u>
Total program services	<u>3,246,643</u>	<u>-</u>	<u>3,246,643</u>
Supporting services:			
Management and general	480,997	-	480,997
Fundraising	<u>36,138</u>	<u>-</u>	<u>36,138</u>
Total supporting services	<u>517,135</u>	<u>-</u>	<u>517,135</u>
Total expenses	<u>3,763,778</u>	<u>-</u>	<u>3,763,778</u>
Change in net assets	(55,025)	23,403	(31,622)
Net assets - beginning of year	<u>163,323</u>	<u>168,341</u>	<u>331,664</u>
Net assets - end of year	<u>\$ 108,298</u>	<u>\$ 191,744</u>	<u>\$ 300,042</u>

The accompanying notes are an integral part of the financial statements.

Catholic Charities Legal Services, Archdiocese of Miami, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2019

	Program Services	Supporting Services			Grand Total
	Immigration Services	Management and General	Fundraising	Total	
Compensation and related expenses:					
Salaries	\$ 1,986,896	\$ 296,892	\$ -	\$ 296,892	\$ 2,283,788
Employee benefits	358,897	53,628	-	53,628	412,525
Payroll taxes	147,186	21,993	-	21,993	169,179
	<u>2,492,979</u>	<u>372,513</u>	<u>-</u>	<u>372,513</u>	<u>2,865,492</u>
Accounting Fees	18,270	2,730	-	2,730	21,000
Bad Debt	4,943	739	-	739	5,682
Bank Service Charges	626	93	-	93	719
Client Costs	6,382	954	-	954	7,336
Depreciation Expense	7,529	1,125	-	1,125	8,654
Donations	5,171	773	-	773	5,944
Employee Meals	4,632	692	-	692	5,324
Equipment Rental	10,916	1,631	-	1,631	12,547
Fundraising Events	-	-	36,138	36,138	36,138
Interest Expense	14,588	2,180	-	2,180	16,768
Liability Insurance	44,880	6,706	-	6,706	51,586
Licenses and Taxes	1,480	221	-	221	1,701
Memberships and Subscriptions	18,739	2,800	-	2,800	21,539
Merchants Fees	7,988	1,194	-	1,194	9,182
Miscellaneous	5,980	894	-	894	6,874
Occupancy Expenses	200,679	29,987	-	29,987	230,666
Office Supplies	27,056	4,043	-	4,043	31,099
Other Professional Services	98,949	14,786	-	14,786	113,735
Postage and Shipping	34,583	5,168	-	5,168	39,751
Printing	5,472	818	-	818	6,290
Special Events	27,665	-	-	-	27,665
Tech and Professional Contractors	148,178	22,141	-	22,141	170,319
Telephone	16,397	2,450	-	2,450	18,847
Travel and Entertainment	42,561	6,359	-	6,359	48,920
Total expenses	<u>\$ 3,246,643</u>	<u>\$ 480,997</u>	<u>\$ 36,138</u>	<u>\$ 517,135</u>	<u>\$ 3,763,778</u>

The accompanying notes are an integral part of the financial statements.

Catholic Charities Legal Services, Archdiocese of Miami, Inc.

STATEMENT OF CASH FLOWS

For the year ended June 30, 2019

Reconciliation of change in net assets to net cash provided by operating activities

Change in net assets	\$ (31,622)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	8,654
(Increase) decrease in assets:	
Account receivables	(7,217)
Grant receivables	(2,731)
Security deposit	5,787
Increase (decrease) in liabilities:	
Accounts payable and accrued expenses	17,187
Compensated absences	10,015
Net cash provided by operating activities	<u>73</u>

Cash flows from investing activities

Purchases of property and equipment	<u>(4,608)</u>
Net cash used in investing activities	<u>(4,608)</u>

Cash flows from financing activities

Payments on notes payable	<u>(17,870)</u>
Net cash used in financing activities	<u>(17,870)</u>

Net decrease in cash (22,405)

Cash - beginning of year 501,897

Cash - end of year \$ 479,492

Supplemental disclosures of cash flow information:

Cash paid during the year for interest	<u>\$ 16,418</u>
--	------------------

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2019

NOTE 1 – NATURE OF ORGANIZATION

Catholic Charities Legal Services, Archdiocese of Miami, Inc. (the "Organization") is a non-profit organization. Its initial and current member is The Most Reverend Thomas G. Wenski, Archbishop of the Archdiocese of Miami. The organization's mission is to promote the principle of equal access to the system of justice, provide legal services to persons and groups in special need, inform immigrants of their legal rights, as well as inform and advise community groups and health and social service providers about the legal problems and rights of immigrants and about legal services provided by this entity, and provide legal services to facilitate the reunification of families and access to employment and human services.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of the Organization's significant accounting policies is presented to assist the reader in interpreting the financial statements. The policies are considered essential and should be read in conjunction with the financial statements.

A. Basis of presentation

The financial statements have been prepared on the accrual basis of accounting. Classification of the Organization's net assets, its revenue and expenses, and gains and losses are based on the existence or absence of donor/grantor-imposed restrictions. Net assets can be classified in the following categories:

- (i) *Net assets without donor restrictions* – consists of net assets that are not subject to donor/grantor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization, at the discretion of management and the board of directors.
- (ii) *Net assets with donor restrictions* – represent net assets subject to stipulations imposed by donors and/or grantors. Some donor/grantor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor/grantor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor/grantor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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.

B. Property and equipment

Property and equipment purchased by the Organization are capitalized and recorded at cost. Donated assets are capitalized and recorded at fair market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenses for maintenance and repairs are charged to expense when incurred.

Donations of property and equipment are reported as support without donor restrictions; unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions. Without donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated assets are placed in service, reclassifying net assets with donor restrictions to net assets without donor restrictions, at that time.

Catholic Charities Legal Services, Archdiocese of Miami, Inc.

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Concentration of credit risk

The Organization maintains cash balances in one bank, which is insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Management continually reviews the bank institution for deposit risk and believes the risk associated with the current banking institutions is minimal.

D. Public support

A significant portion of the Organization's revenues are received through a single grant, and under a voluntary fee-for-service program. The primary funding source is the U.S. Department of Health and Human Services, passed through the Florida Department of Children & Families.

The Organization is the ultimate sub-recipient of such contract funding. Generally, the funding agreements expire on an annual basis and is mostly a fixed price contract, with a small portion on a cost reimbursement basis.

E. Legal service fees and accounts receivable

The Organization provides immigration legal services to clients at significantly reduced fixed fee amounts. Due to the nature of the clients served and lengthy legal proceedings, the Organization does not enforce payment of services preceding inception of work. Instead, fees must be paid prior to closing of the client's case and may be paid over the length of the legal proceeding, which in some cases may extend over the period of several fiscal years. As such, the Organization periodically evaluates the accounts receivables for each type of legal service provided, as well as the status of any significant past due accounts, to determine an allowance for doubtful accounts. When management determines that a receivable is uncollectible, the balance is removed from accounts receivable and charged against the allowance. Any subsequent recoveries of amounts previously written-off are charged to income.

F. Fundraising events and grant revenues

Fundraising events revenue is recognized when received. Grant revenues are recognized when the requirements under the grant have been fulfilled. Grant revenues whose restrictions are met in the same reporting period are reported as unrestricted support.

G. Contributions

Contributions received are recognized as revenues when the donor's commitment is received. All contributions are considered to be available for use unless specifically restricted by the donor. When donor restrictions expire, that is, when a stipulated time restriction ends or 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. Contributions whose restrictions are met in the same reporting period are reported as support without donor restrictions.

H. Donated goods and services

Donated goods and services are reflected as in-kind contributions and expensed in the statement of activities. These donations are recorded at fair market value when received and when there is an objective basis for determining such values. During 2019, the Organization recorded in-kind contributions for professional services totaling \$47,500.

Catholic Charities Legal Services, Archdiocese of Miami, Inc.

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Functional allocation of expenses

The cost of providing various programs and other activities are summarized on a functional basis in the statement of activities and the statement of functional expenses. Accordingly, certain costs are allocated among the programs and supporting services benefited.

J. Income taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is properly listed under a group exemption with the Archdiocese of Miami. As a result, no income tax provision or liability has been provided in the accompanying financial statements.

In accordance with FASB issued FASB ASC 740-10, *Accounting for Uncertainty in Income Taxes*, in the unlikely event an uncertain tax position exists in which the Organization could incur income taxes, the Organization would evaluate whether there is a probability that the uncertain tax position taken would be sustained upon examination by a taxing authority. Reserves for uncertain tax positions would then be recorded if the Organization determined that it is probable that either a position would not be sustained upon examination or if a payment would have to be made to a taxing authority and the amount was reasonably estimable. As of June 30, 2019, the Organization does not believe it has any uncertain tax positions that would result in the Organization having a liability to a taxing authority. The Organization is subject to federal and state tax examinations for tax years 2015 through 2017.

K. Use of estimates

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 the amounts reported in the financial statements and accompanying notes. Although these estimates are based on management's knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results.

L. Retirement and health plan

The Organization sponsors retirement and health plans administered through the Archdiocese of Miami. The retirement plan was a non-contributory defined benefit plan through December 31, 2012. Effective January 1, 2014, the Archdiocese of Miami changed the retirement plan to a contributory defined benefit plan, whereby the Organization will match 50% of employee contributions up to 6% of eligible pay. The health plan requires a portion of the monthly obligation to be contributed by each employee. Total pension costs and health and welfare costs incurred by the Organization during the fiscal year ended June 30, 2019 totaled \$146,168 and \$266,357, respectively.

M. New accounting pronouncement

On August 18, 2016, Financial Accounting Standards Board issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented the update.

Catholic Charities Legal Services, Archdiocese of Miami, Inc.

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE 3 – AVAILABILITY AND LIQUIDITY

The following reflects the Organization's financial assets at December 31, 2019, reduced by amounts that are not available to meet general expenses within one year of the statement of financial position date:

	<u>Amount</u>
Financial assets at year-end:	
Cash	\$ 479,492
Accounts receivable	50,337
Grants receivable	<u>478,215</u>
Total financial assets	1,008,044
Less amounts not available to be used within one year:	
Net assets with donor restrictions	<u>191,744</u>
Financial assets available to meet general obligations over the next twelve months	<u>\$ 816,300</u>

The Organization regularly monitors the availability of resources required to meet its operating needs, and manages its liquidity by operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. In addition, the Organization anticipates, on an annual basis, collecting sufficient revenue to cover general expenses not covered by donor/grantor-restricted resources.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at June 30, 2019 consist of the following:

	<u>Amount</u>
Computer equipment	\$ 62,612
Furniture and equipment	10,404
Leasehold improvements	<u>11,495</u>
Total	84,511
Less accumulated depreciation	<u>(62,053)</u>
Property and equipment, net	<u>\$ 22,458</u>

Depreciation expense for the year ended June 30, 2019 totaled \$8,654.

NOTE 5 – NOTES PAYABLE

Notes payable at June 30, 2019 consist of the following:

	<u>Amount</u>
\$180,000 revolving note: Iberia Bank; interest only payments at variable interest plus 1.5% (3.94% at June 30, 2019), maturing annually, originated on September 2004, secured by the Organization and The Most Reverend Thomas G. Wenski. Interest paid during fiscal year 2019 was \$7,180.	\$ 172,751

Catholic Charities Legal Services, Archdiocese of Miami, Inc.

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2019

NOTE 5 – NOTES PAYABLE (Continued)

\$356,900 non-revolving note: SunTrust Bank; fixed monthly principal payments of \$1,487, bearing interest at one-month Libor rate plus 1.5% (3.94% at June 30, 2019), maturing on August 30, 2019, secured by the Organization and The Most Reverend Thomas G. Wenski. Interest paid during fiscal year 2019 was \$8,999.

Total notes payable

	221,576
\$	<u>394,327</u>

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2019, total net assets with donor restrictions in the amount of \$191,744 consist of grants contributions restricted for special purposes totaling \$188,969, and fundraising monies restricted for special events totaling \$2,775.

NOTE 7 – OPERATING LEASES

The Organization has operations located at three facilities (Miami, Broward and Doral) under separate operating lease agreements, expiring on various dates through fiscal year 2022. The Organization also has office equipment under three operating lease agreements expiring on various dates through fiscal year 2022. During the fiscal year ended June 30, 2019, the Organization's facilities rent expense for all three facilities and equipment rent expense totaled \$230,366 and \$12,547, respectively.

Future minimum lease payments under these operating lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 224,374
2021	230,852
2022	127,059
2023	21,900
2024	4,296

NOTE 8 – RELATED PARTY TRANSACTIONS

The Organization operates under the direction and guidance of the incumbent Archbishop of Miami, The Most Reverend Thomas G. Wenski. Acting as corporate sole for the organization, he appoints the Organization's Board of Directors and its Officers. The Archdiocese of Miami provides the Organization health and welfare participation, acts as guarantee on debt, and is listed with the Organization under a group exemption with the IRS.

NOTE 9 – SUBSEQUENT EVENTS

The Organization evaluated subsequent events through August 15, 2019, the date the financial statements were available to be issued, and does not believe that there are any such events or transactions that require disclosure.



SKJT&G
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**Catholic Charities Legal Services,
Archdiocese of Miami, Inc.**

2019 Audit Results and Required Communications

Report to Those Charged With Governance



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Sanson, Kline, Jacomino, Tandoc & Gamarra, LLP
5805 Blue Lagoon Drive | Suite 220 | Miami, FL 33126
Tel: (305) 269-8633 | Fax: (305) 265-0652 | www.SKJT&Gtg-cpa.com

August 15, 2019

Management and Members of the Board
Catholic Charities Legal Services Archdiocese of Miami, Inc.
150 SW 2nd Avenue, 2nd Floor
Miami, Florida 33131

Dear Management and Members of the Board:

We are pleased to present the results of our audit of the financial statements of Catholic Charities Legal Services, Archdiocese of Miami, Inc. (the "Organization") for the year ended June 30, 2019.

This report summarizes our audit, the scope of our engagement, and key observations and findings from our audit procedures for the year ended June 30, 2019. This report also contains the communications required by our professional standards.

The audit was designed to express an opinion on the Organization's 2019 financial statements. In accordance with professional standards, we obtained a sufficient understanding of internal control to plan the audit and to determine the nature, timing, and extent of tests to be performed. However, we were not engaged to and we did not perform an audit of internal control over financial reporting.

This report is intended solely for the information and use of management and the Board, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate this opportunity to meet with you to discuss the contents of this report, and to answer any questions that you may have about this report or any other audit-related matters. If you have any questions, please contact Richie C. Tandoc at (305) 269-8633, ext. 8016.

Very truly yours,

Sanson Kline Jacomino Tandoc & Gamarra, LLP

**Catholic Charities Legal Services,
Archdiocese of Miami, Inc.**

2019 Audit Results and Required Communications

Generally Accepted Auditing Standards ("GAAS") require the auditor to communicate certain matters to those charged with governance that may assist in overseeing management's financial reporting and disclosure process. Below is a summary of these required communications, and our response to each, as they apply to Catholic Charities Legal Services, Archdiocese of Miami, Inc. (the "Organization") as of and for the fiscal year ended June 30, 2019.

Required Communication	Response
<p>Auditors' Responsibilities Under Generally Accepted Auditing Standards</p> <p>Our responsibility is to express an opinion on the Organization's financial statements based on our audit conducted in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.</p>	<p>We have issued an unmodified opinion on the Organization's financial statements for the year ended June 30, 2019.</p> <p>Our opinion is dated August 15, 2019.</p>
<p>Significant Accounting Policies</p> <p>Initial selection of and changes in significant accounting policies or their application and new accounting and reporting standards during the year must be reported.</p> <p>In addition, we must discuss our judgments about the quality, not just the acceptability, of the accounting policies as applied in the Organization's financial reporting.</p>	<p>The Organization's significant accounting policies are described in Note 2 to the financial statements.</p> <p>Accounting principles selected by management are consistent with those prescribed by accounting standards, and the Organization's financial statements and related disclosures are clearly presented in a complete manner.</p>
<p>Accounting Estimates</p> <p>The preparation of the financial statements requires the use of accounting estimates. We are required to inform those charged with governance of such accounting estimates and about our conclusions regarding the reasonableness of those estimates.</p>	<p>For fiscal year ended June 30, 2019, management's judgment was called upon to establish the useful lives of fixed assets and to allocate expenses on a functional basis. We have determined that such estimates are reasonable.</p>
<p>Methods of Accounting for Significant Unusual Transactions and for Controversial or Emerging Areas</p> <p>We are required to inform those charged with governance about the methods used to account for significant unusual transactions and the effects of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p>	<p>We did not identify any significant unusual transactions by the Organization or any significant accounting policies used by the Organization related to controversial or emerging areas for which there is a lack of authoritative guidance.</p>
<p>Significant and/or Unadjusted Audit Adjustments</p> <p>We are required to inform those charged with governance about auditor adjustments arising from the audit that could, in our judgment, have a significant effect, individually or in the aggregate, on the Organization's financial statements.</p>	<p>There were no auditor adjustments arising from the audit for the current year that could in our judgment, have a significant effect, individually or in the aggregate, on the Organization's financial statements.</p>

**Catholic Charities Legal Services,
Archdiocese of Miami, Inc.**

2019 Audit Results and Required Communications

Required Communication	Response
<p>Fraud and Illegal Acts</p> <p>We are required to inform those charged with governance about any and all fraud and illegal acts involving senior management and any fraud and illegal acts (whether caused by management or other employees) that cause a material misstatement of financial resources.</p>	<p>We are not aware of any fraud or illegal acts that occurred during the fiscal year involving senior management, or any fraud or illegal acts involving any employee that would cause a material misstatement of the financial statements.</p>
<p>Disagreements or Difficulties with Management</p> <p>We are required to inform those charged with governance about any significant disagreements or difficulties encountered with management.</p>	<p>We did not encounter any significant disagreements or difficulties with management during the course of the audit.</p>
<p>Major Issues Discussed with Management Prior to Retention</p> <p>We are required to inform those charged with governance about any major issues discussed with management prior to retaining us as auditors.</p>	<p>We did not discuss any major issues with management prior to retaining us as your auditors.</p>
<p>Independence</p> <p>We are required to communicate with those charged with governance, at least annually, the following:</p> <ol style="list-style-type: none"> 1. Disclose, in writing, all relationships between us and the Organization that, in our professional judgment, may reasonably be thought to impede our independence; 2. Confirm in writing that, in our professional judgment, we are independent of the Organization in accordance with generally accepted auditing standards; and 3. Disclose any non-audit services performed for the Organization. 	<ol style="list-style-type: none"> 1. There are no relationships between us and the Organization that, in our professional judgment, may reasonably be thought to impede our independence. 2. With regards to our audit of the Organization as of June 30, 2019, we are independent in accordance with Rule 101 of the American Institute of Certified Public Accountants' Code of Professional Conduct, its interpretations and rulings. 3. Non-audit services include the preparation of the financial statements for the current fiscal year.
<p>Deficiencies in Internal Controls</p> <p>We are required to inform those charged with governance about any significant deficiencies and/or any material weaknesses in internal control that we observed during our audit.</p>	<p>We did not report any such deficiencies for the fiscal year ended June 30, 2019.</p>
<p>Single Audit Reports</p> <p>We are required to inform those charged with governance about the results of the Single Audit.</p>	<p>The Organization did not meet the threshold for a Single Audit for the fiscal year ended June 30, 2019.</p>
<p>Management Representations</p> <p>We are required to communicate with those charged with governance about representations requested from management.</p>	<p>We requested certain representations from management that are included in the management representation letter dated August 15, 2019.</p>