

**COMMUNITY SERVICES OF
NORTHEAST TEXAS, INC.**
Linden, Texas

Independent Auditors' Report and
Financial Statements with
Supplementary Information

For the Year Ended September 30, 2016

COMMUNITY SERVICES OF NORTHEAST TEXAS, INC.
Linden, Texas

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. The combining schedule of activities (presented on Pages 14 to 17) is prepared for 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 12, 2017, on our consideration of Community Services of Northeast Texas, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Services of Northeast Texas, Inc.'s internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

Chanute, Kansas
May 12, 2017

COMMUNITY SERVICES OF NORTHEAST TEXAS, INC.

Linden, Texas

Statement of Activities

For the Year Ended September 30, 2016

CHANGES IN NET ASSETS

Unrestricted Net Assets

Revenues and Gains

Contributions	\$ 7,177,236.03
Program Revenue	1,012,825.67
Gain (Loss) on Sale of Assets	600.00
Miscellaneous Revenue	19,762.85
Total Revenue and Gains	<u>8,210,424.55</u>

Expenses

Program Services

Early Childhood Development	4,434,399.92
Nutrition Services	869,026.66
Community Services	141,830.22
Emergency Assistance	1,540,419.60

Supporting Activities

Management and General	1,039,868.39
Fundraising	3,031.80
Total Expenses	<u>8,028,576.59</u>

Net Assets Released From Restrictions

through Satisfaction of Program Restrictions	<u>6,937.39</u>
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Increase (Decrease) in Unrestricted Net Assets

188,785.35

Temporarily Restricted Net Assets

Contributions	3,977.81
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Net Assets Released From Restrictions

Through Satisfaction of Program Restrictions	<u>(6,937.39)</u>
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Increase (Decrease) in Temporarily Restricted Net Assets

(2,959.58)

Net Increase(Decrease) In Net Assets

185,825.77

NET ASSETS, September 30, 2015

365,958.36

NET ASSETS, September 30, 2016

\$ 551,784.13

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

COMMUNITY SERVICES OF NORTHEAST TEXAS, INC.

Linden, Texas

Statement of Cash Flows

For the Year Ended September 30, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 185,825.77
Adjustments to Reconcile Change in Net Assets to Net Cash Used in Operating Activities	
Depreciation Expense	71,077.70
(Gain) Loss on Sale of Assets	(600.00)
(Increase) Decrease in Receivables	747.09
(Increase) Decrease in Prepaid Expense	(4,190.84)
Increase (Decrease) in Accounts Payable	271,422.28
Increase (Decrease) in Accrued Salary and Fringe	31,902.13
Increase (Decrease) in Accrued Annual Leave	9,437.08
Increase (Decrease) in Advances from Grantor	13,915.87
	<hr/>
Net cash provided by (used in) operating activities	579,537.08

CASH FLOWS FROM INVESTING ACTIVITIES

Payments for the Purchase of Capital Assets	(254,521.13)
Proceeds from the Sale of Assets	600.00
	<hr/>
Net cash provided by (used in) investing activities	(253,921.13)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from Line of Credit	239,435.81
Principal Payments on Line of Credit	(224,877.87)
	<hr/>
Net cash provided by (used in) financing activities	14,557.94

Net Increase (Decrease) in Cash and Cash Equivalents 340,173.89

Cash, September 30, 2015 301,637.16

Cash, September 30, 2016 \$ 641,811.05

Supplemental Information

Cash Paid During the Period for:

Interest Expense \$ 571.11

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

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Allowance for Doubtful Accounts

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of their grantors to meet their obligations. Receivables are considered impaired if full payments are not received in accordance with the contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Capital Assets

It is the Organization's policy to capitalize capital assets with a useful life of more than one year and a value over \$5,000.00. Capital assets are stated at cost, if purchased, and at fair value at the date of donation, if donated. Such items acquired under grants from Federal and state sources are considered to be owned by the Organization while used in the programs for which they are purchased or in programs authorized in the future. However, the funding source has a reversionary interest in the property. Property and equipment purchased or donated to the corporate account are depreciated based on estimated useful lives using the straight-line method as follows:

Buildings and Improvements	5-30 Years
Furniture and Equipment	5-7 Years
Vehicles	5 Years

Net Assets

The Organization's net assets are classified as follows:

Unrestricted net assets: Unrestricted net assets represent those net assets whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net assets arising from exchange transaction are included as well as resources derived from gifts and contributions. These resources are used at the discretion of the governing board to meet current expenses for any purpose.

Temporarily restricted net assets: Temporarily restricted net assets consist of those net assets whose use by the Organization has been limited by donors to later periods of time or after specified dates or to specified purposes.

Permanently restricted net assets: Permanently restricted net assets consist of funds in which donors or other outside sources have stipulated, as a condition of the gift instrument, that the principal is to be maintained inviolate and in perpetuity, and invested for the purpose of producing present and future income, which may either be expended or added to principal.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Restricted contributions are required to be reported as temporarily restricted support and are then reclassified to unrestricted net assets upon expiration of the donor restrictions. If a restriction is satisfied in the same period the contribution is received, the contribution is reported as unrestricted.

5. CAPITAL ASSETS, NET

Following are the changes in capital assets for the year ended September 30, 2016:

	Balance 9/30/2015	Additions	Retirements	Balance 9/30/2016
Capital Assets				
Land	\$ 22,610.00	\$ -	\$ -	\$ 22,610.00
Buildings	597,128.24	-	-	597,128.24
Equipment	169,139.90	190,037.00	-	359,176.90
Vehicles	684,932.11	64,484.13	29,983.37	719,432.87
Total Capital Assets	<u>1,473,810.25</u>	<u>254,521.13</u>	<u>29,983.37</u>	<u>1,698,348.01</u>
Accumulated Depreciation	(997,871.08)	(71,077.70)	(29,983.37)	(1,038,965.41)
Total Net Capital Assets	<u>\$ 475,939.17</u>	<u>\$ 183,443.43</u>	<u>\$ -</u>	<u>\$ 659,382.60</u>

6. REFUNDABLE GRANT ADVANCES

Refundable grant advances at September 30, 2016, consist of grant funds received in advance of expenditures in the following programs:

Comprehensive Energy Assistance Program (CEAP)	\$ 70,626.26
Community Services Block Grant (CSBG)	<u>8,143.01</u>
Total Refundable Grant Advances	<u>\$ 78,769.27</u>

7. LINE OF CREDIT

The Organization has obtained a line of credit with Capital One, National Association, Irving, Texas for operating expenses. The interest rate on the line of credit is 6.25%. The balance on the note at September 30, 2016 was \$14,557.94 and interest paid during the fiscal year ended September 30, 2016, was \$571.11.

8. OPERATING LEASES

As of September 30, 2016, the Organization has entered into a number of operating leases for space. Total payments for the year ended September 30, 2016, were \$177,102.82. Under the current lease agreements, the future minimum lease rentals are as follows:

2017	\$ 125,468.32
2018	86,687.85
2019	29,891.54
2020	9,990.00

11. IN-KIND CONTRIBUTIONS

Under the grant agreements, the Organization (grantee) receives a percentage of total estimated project funds from the Federal government. The balance of the project funds is contributed to the Organization from non-Federal sources in the form of "in-kind" contributions of services or goods from the Organization, delegated agencies, the community, or non-Federal governmental organizations. The services and goods donated are valued according to the grant guidelines. In-kind revenues and in-kind expenses that are allowable under generally accepted accounting principles (GAAP) have been recognized in the Head Start programs.

Head Start 06CH7174-01-03	Non-Professional Volunteers	\$	38,561.70
	Professional Services		141,638.29
	Supplies		8,702.23
	Travel		24,791.74
	Space		<u>86,726.00</u>
	Total In-Kind		300,419.96
	Non-GAAP		<u>(38,561.70)</u>
	In-Kind per GAAP	\$	<u>261,858.26</u>
Head Start 06CH7174-02-02	Non-Professional Volunteers	\$	98,937.24
	Professional Services		474,445.32
	Supplies		1,171.90
	Travel		64,690.41
	Space		<u>434,265.61</u>
	Total In-Kind		1,073,510.48
	Non-GAAP		<u>(98,937.24)</u>
	In-Kind per GAAP	\$	<u>974,573.24</u>

12. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.

13. CONCENTRATION OF RISK

The Organization receives substantial revenue in the form of Federal and State grants. The effect on the Organization's ability to continue operations if these funding sources were lost or cancelled is unknown.

SUPPLEMENTARY INFORMATION

COMMUNITY SERVICES OF NORTHEAST TEXAS, INC.

Combining Schedule of Activities
For the Year Ended September 30, 2016

	CSBG	CSBG DISCRETIONARY	CEAP	CEAP
Program Code	05	25	08	08
Grant Year End	3/31/2017	8/31/2016	7/31/2016	3/31/2017
CFDA No.	93.569	93.569	93.568	93.568
	Community Services	Community Services	Emergency Services	Emergency Services
Revenues and Gains				
Contributions				
Grant Revenue - Federal	\$ 260,497.80	\$ 10,075.32	\$ 420,486.67	\$ 1,171,673.50
Grant Revenue - Federal USDA	-	-	-	-
Local	-	-	-	-
Local Non-Cash	-	-	-	-
Program Revenue	-	-	-	-
Miscellaneous Revenue	-	-	-	-
Gain (Loss) on Sale of Assets	-	-	-	-
Transfers	-	-	-	-
Total Revenue and Gains	260,497.80	10,075.32	420,486.67	1,171,673.50
Administration				
Salaries	103,220.61	-	8,515.06	30,837.23
Salaries Non-Cash	-	-	-	-
Fringe Benefits	16,587.60	-	386.57	6,228.47
Fringe Benefits Non-Cash	-	-	-	-
Supplies	3,594.96	-	139.57	430.98
Small Equipment	338.40	-	(23.85)	212.87
Insurance	3,526.24	-	-	139.22
Professional Fees	1,754.19	500.00	179.42	6,547.58
Space	2,637.54	-	140.90	2,036.24
Space Non-Cash	-	-	-	-
Repairs and Maintenance	159.78	-	16.86	24.60
Travel	7,996.61	-	-	911.22
Travel Non-Cash	-	-	-	-
Utilities	4,320.66	-	22.54	537.00
Vehicle	887.48	-	0.76	-
Program Services	-	-	-	654.50
Food	19.37	-	-	7.81
Other	1,575.15	3,069.00	33.57	698.84
Depreciation	-	-	-	-
Program				
Salaries	21,647.14	-	16,111.36	108,749.81
Salaries Non-Cash	-	-	-	-
Fringe Benefits	4,661.90	-	1,257.97	14,893.14
Fringe Benefits Non-Cash	-	-	-	-
Supplies	21,485.75	6,506.32	-	774.77
Supplies Non-Cash	-	-	-	-
Small Equipment	44,271.75	-	16.80	1,585.86
Insurance	163.24	-	-	44.31
Professional Fees	-	-	-	-
Professional Fees Non-Cash	-	-	-	-
Space	1,947.55	-	12.00	6,531.70
Space Non-Cash	-	-	-	-
Repairs and Maintenance	1,225.37	-	53.98	6,883.96
Travel	3,647.28	-	137.40	911.37
Travel Non-Cash	-	-	-	-
Utilities	5,703.25	-	360.41	4,584.00
Vehicle	5,377.08	-	-	-
Utility Assistance	2,813.53	-	382,221.50	968,405.01
Program Services	-	-	10,903.85	7,795.93
Food	1.05	-	-	0.28
Other	934.32	-	-	1,246.80
Total Expenses	260,497.80	10,075.32	420,486.67	1,171,673.50
Increase (Decrease) in Net Assets	-	-	-	-
NET ASSETS, Beginning of Year	-	-	-	-
NET ASSETS, End of the Year	\$ -	\$ -	\$ -	\$ -

COMMUNITY SERVICES OF NORTHEAST TEXAS, INC.

Combining Schedule of Activities
For the Year Ended September 30, 2016

	Local Admin Program Code Grant Year End CFDA No.	20 9/30/2016 N/A Management and General	Combined Sub - Totals	Elimination Entries and GAAP Adjustments	Consolidated Totals
Revenues and Gains					
Contributions					
Grant Revenue - Federal	\$	-	\$ 5,798,305.68	\$ -	\$ 5,798,305.68
Grant Revenue - Federal USDA		-	132,285.94	-	132,285.94
Local		256,216.04	268,711.85	(254,521.13)	14,190.72
Local Non-Cash		-	1,373,930.44	(137,498.94)	1,236,431.50
Program Revenue		-	1,012,825.67	-	1,012,825.67
Miscellaneous Revenue		19,112.85	19,762.85	-	19,762.85
Gain (Loss) on Sale of Assets		600.00	600.00	-	600.00
Transfers		8,300.00	-	-	-
Total Revenue and Gains		284,228.89	8,606,422.43	(392,020.07)	8,214,402.36
Administration					
Salaries		9,437.08	660,258.21	-	660,258.21
Salaries Non-Cash		-	7,098.44	-	7,098.44
Fringe Benefits		(77.00)	115,415.53	-	115,415.53
Fringe Benefits Non-Cash		-	2,844.17	-	2,844.17
Supplies		1,392.77	20,223.14	-	20,223.14
Small Equipment		-	7,449.49	-	7,449.49
Insurance		(3,155.84)	13,181.19	-	13,181.19
Professional Fees		998.00	71,078.76	-	71,078.76
Space		1,229.17	22,066.32	-	22,066.32
Space Non-Cash		-	38,675.61	-	38,675.61
Repairs and Maintenance		-	5,665.44	-	5,665.44
Travel		(1,811.62)	12,252.22	-	12,252.22
Travel Non-Cash		-	1,941.24	-	1,941.24
Utilities		-	29,036.74	-	29,036.74
Vehicle		(20.00)	1,041.93	-	1,041.93
Program Services		-	654.50	-	654.50
Food		-	183.56	-	183.56
Other		3,669.91	21,308.36	-	21,308.36
Depreciation		71,077.70	71,077.70	-	71,077.70
Program					
Salaries		-	2,315,758.50	-	2,315,758.50
Salaries Non-Cash		-	559,364.64	(105,858.93)	453,505.71
Fringe Benefits		(6,934.51)	609,981.59	-	609,981.59
Fringe Benefits Non-Cash		-	164,647.30	(31,640.01)	133,007.29
Supplies		6,147.38	133,423.81	(14,140.00)	119,283.81
Supplies Non-Cash		-	9,874.13	-	9,874.13
Small Equipment		-	175,833.92	(128,471.13)	47,362.79
Insurance		-	12,472.78	-	12,472.78
Professional Fees		3,408.00	51,990.11	-	51,990.11
Professional Fees Non-Cash		-	19,628.00	-	19,628.00
Space		88.94	283,236.12	(111,910.00)	171,326.12
Space Non-Cash		-	482,316.00	-	482,316.00
Repairs and Maintenance		7.93	29,412.37	-	29,412.37
Travel		271.55	13,719.74	-	13,719.74
Travel Non-Cash		-	87,540.91	-	87,540.91
Utilities		(2.00)	129,758.98	-	129,758.98
Vehicle		494.89	110,499.81	-	110,499.81
Utility Assistance		746.37	1,363,474.59	-	1,363,474.59
Program Services		-	18,699.78	-	18,699.78
Food		-	700,152.03	-	700,152.03
Other		5,900.77	47,359.00	-	47,359.00
Total Expenses		92,869.49	8,420,596.66	(392,020.07)	8,028,576.59
Increase (Decrease) in Net Assets		191,359.40	185,825.77	-	185,825.77
NET ASSETS, Beginning of Year		434,551.35	365,958.36	-	365,958.36
NET ASSETS, End of the Year	\$	\$ 625,910.75	\$ 551,784.13	\$ -	\$ 551,784.13

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Community Services of Northeast Texas, Inc.
Linden, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Services of Northeast Texas, Inc. (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 12, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Services of Northeast Texas, 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 Community Services of Northeast Texas, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Services of Northeast Texas, Inc.'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 Organization'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 Community Services of Northeast Texas, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors
Community Services of Northeast Texas, Inc.
Linden, Texas

Report on Compliance for Each Major Federal Program

We have audited Community Services of Northeast Texas, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Community Services of Northeast Texas, Inc.'s major federal programs for the year ended September 30, 2016. Community Services of Northeast Texas, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Community Services of Northeast Texas, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Services of Northeast Texas, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Services of Northeast Texas, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Community Services of Northeast Texas, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2016.

COMMUNITY SERVICES OF NORTHEAST TEXAS, INC.
Linden, Texas

Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2016

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

The auditors' report expresses an unmodified opinion on the financial statements of Community Services of Northeast Texas, Inc.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported
Non compliance or other matters required to be reported under <i>Government Auditing Standards</i> ?	_____	Yes	<u> X </u>	No

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported

The auditors' report on compliance for the major federal award programs for Community Services of Northeast Texas, Inc. expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance _____ Yes X No

Identification of major programs:

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

Head Start	CFDA 93.600
Low-Income Home Energy Assistance Program	CFDA 93.568

The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee? X Yes _____ No

II. FINANCIAL STATEMENT FINDINGS

None

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None