

CRISIS SERVICES OF NORTH ALABAMA, INC.  
FINANCIAL STATEMENTS

December 31, 2022

**Dyer & Smith, LLC**

Certified Public Accountants

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Huntsville, Alabama 35801

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**CRISIS SERVICES OF NORTH ALABAMA, INC.  
FINANCIAL STATEMENTS**

**December 31, 2022**

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# Dyer & Smith, LLC

## Certified Public Accountants

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### Independent Auditor's Report

Members of the Board of Directors  
Crisis Services of North Alabama, Inc. (CSNA)  
Huntsville, Alabama

#### Opinion

We have audited the financial statements of Crisis Service of North Alabama, Inc (CSNA) which comprises the statement of financial position as of December 31, 2022, and the related statements of activities, cash flows, functional expenses for the year ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CSNA, as of December 31, 2022, and the results of operations and cash flows for the year then ended in conformity 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit for the Financial Statements section of our report. We are required to be independent of CSNA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

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

In preparing these financial statements, management is required to evaluate whether these are conditions or events, considered in the aggregate, that raise substantial doubt about CSNA's ability to continue as a going concern for a time period of at least one year past the date of the auditor's report.

#### Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with Generally Accepted Auditing standards (GAAS) and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

--Continued--

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of CSNA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CSNA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control – related matters that we identified during the audit.

#### Supplementary Information

#### Reporting Required by The Uniform Guidance

Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Requirements, and Audit Requirements of Federal Awards (Uniform Guidance) and is also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole. 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.

#### Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2023 on our consideration of Crisis Services of North Alabama, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of Crisis Services of North Alabama, Inc.'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 Crisis Services of North Alabama, Inc.'s internal control over financial reporting and compliance.



Dyer & Smith, LLC  
Huntsville, Alabama  
August 15, 2023

CRISIS SERVICES OF NORTH ALABAMA, INC.  
STATEMENT OF FINANCIAL POSITION  
December 31, 2022

ASSETS

CURRENT ASSETS

Cash	\$ 185,324
Cash - Board Reserved	335,313
Grants and Contracts Receivable - net of allowance of \$-0-	433,380
Prepaid Insurance	<u>10,218</u>
Total Current Assets	<u>964,235</u>

PROPERTY AND EQUIPMENT

Land	241,500
Buildings and Improvements	1,475,669
Equipment	<u>525,486</u>
	2,242,655
Less: Accumulated Depreciation & Amortization	<u>(1,518,785)</u>
Net Property and Equipment	<u>723,870</u>

OTHER ASSETS

Deposits	<u>6,468</u>
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TOTAL ASSETS	<u><u>\$ 1,694,573</u></u>
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The accompanying notes are an integral part of these financial statements.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts Payable	\$ 7,058
Client Deposits	547
Accrued Compensated Absences	47,674
Accrued Liabilities	<u>8,030</u>

Total Current Liabilities	<u>63,309</u>
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TOTAL LIABILITIES	<u>63,309</u>
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NET ASSETS

Without Restrictions	1,631,264
With Restrictions	<u>-</u>

TOTAL NET ASSETS	<u>1,631,264</u>
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TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,694,573</u>
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The accompanying notes are an integral part of these financial statements.

CRISIS SERVICES OF NORTH ALABAMA, INC.  
STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2022

	Without Restrictions	With Restrictions	Total
<b>SUPPORT AND REVENUE</b>			
Support:			
Entitled Support	\$ 1,823,420	\$ -	\$ 1,823,420
United Way	321,965	-	321,965
Contributions	150,684	-	150,684
Non-cash Contributions	7,203	-	7,203
Fundraising	118,201	-	118,201
Miscellaneous Grants	-	113,621	113,621
Program Service Fees	148,702	-	148,702
Miscellaneous Revenue	10	-	10
Released from Restrictions	113,621	(113,621)	-
<b>Total Support</b>	<u>2,683,806</u>	<u>-</u>	<u>2,683,806</u>
Revenue and gains:			
Realized interest, dividends and gains	7,545	-	7,545
Unrealized losses	(64,882)	-	(64,882)
<b>Total gains</b>	<u>(57,337)</u>	<u>-</u>	<u>(57,337)</u>
<b>Total Support and Revenue</b>	<u>2,626,469</u>	<u>-</u>	<u>2,626,469</u>
<b>FUNCTIONAL EXPENSES</b>			
Program Services	2,267,525	-	2,267,525
Support Services	233,121	-	233,121
Fund Raising	56,641	-	56,641
<b>TOTAL EXPENSES</b>	<u>2,557,287</u>	<u>-</u>	<u>2,557,287</u>
<b>CHANGE IN NET ASSETS</b>	69,182	-	69,182
<b>NET ASSETS AT BEGINNING OF YEAR</b>	<u>1,562,082</u>	<u>-</u>	<u>1,562,082</u>
<b>NET ASSETS AT END OF YEAR</b>	<u>\$ 1,631,264</u>	<u>\$ -</u>	<u>\$ 1,631,264</u>

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



CRISIS SERVICES OF NORTH ALABAMA, INC.  
STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2022

CHANGE IN NET ASSETS	\$ <u>69,182</u>
Adjustments to Reconcile Decrease in Net Assets to Net Cash	
Provided By Operating Activities:	
Depreciation	63,934
Change in Receivables	7,671
Change in Accrued Absences	15,763
Change in Accrued Liabilities	(85,887)
Change in Accounts Payable	<u>(30,513)</u>
Total Adjustments	<u>(29,032)</u>
Net Cash Provided By Operating Activities	<u>40,150</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of Equipment	<u>(87,265)</u>
Net Cash Provided By Investing Activities	<u>(87,265)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal Payments on Long-Term Debt & Leases	<u>-</u>
Net Cash Used By Financing Activities	<u>-</u>
NET CHANGE IN CASH	(47,115)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>567,752</u>
CASH AND CASH EQUIVALENTS - End of Year	<u>\$ 520,637</u>
SUPPLEMENTAL DISCLOSURE:	
Cash Paid for Interest During the Year	<u>\$ 647</u>
DETAIL OF CASH AND CASH EQUIVALENTS:	
Cash	\$ 185,324
Board Reserved Cash	<u>335,313</u>
Total	<u>\$ 520,637</u>

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

CRISIS SERVICES OF NORTH ALABAMA, INC.  
STATEMENT OF FUNCTIONAL EXPENSES  
For the Year Ended December 31, 2022

	Program Services	Support Services	Fund Raising	Total
EXPENSES:	88.50%	10.00%	1.50%	
Salaries	\$ 1,409,041	\$ 159,214	\$ 23,882	\$ 1,592,137
Employee Benefits	183,265	20,708	3,106	207,079
Payroll Taxes	136,522	15,426	2,314	154,262
Insurance	64,035	7,236	1,085	72,356
Business Expenses	7,742	875	131	8,748
Contract Services	171,864	-	-	171,864
Telephone	27,822	3,144	472	31,437
Postage	1,916	217	32	2,165
Equipment Maintenance	28,772	3,251	488	32,511
Occupancy	78,969	8,923	1,338	89,230
Printing and Publications	3,592	406	61	4,059
Supplies	17,976	2,031	305	20,312
Travel and Meetings	2,475	275	-	2,750
Conferences	571	63	-	634
Direct Victim's Assistance	25,280	-	-	25,280
Non-cash Victim's Assistance	7,203	-	-	7,203
Fund Raising	-	-	21,724	21,724
Non-capitalized Small Equipment	38,344	4,333	650	43,327
Interest	573	65	10	647
Miscellaneous	4,982	563	84	5,629
Depreciation	56,582	6,393	959	63,934
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$ 2,267,525	\$ 233,121	\$ 56,641	\$ 2,557,288

The auditors' report and accompanying notes are an integral part of these financial statements.

CRISIS SERVICES OF NORTH ALABAMA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Crisis Services of North Alabama, Inc. (CSNA) was founded in 1999 in a merger of two other organizations, Hope Place Inc. and Helpline, Inc.. The purpose of CSNA is to respond to individuals and families in crisis by providing services to victims of domestic violence, sexual assault and individuals temporarily unable to cope due to life crises. The services offered include emergency shelter for victims of domestic violence, crisis counseling, case management and prevention education. The service area covers four northeast Alabama counties. The accounting policies of the organization conform to accounting principles generally accepted in the United States of America. The more significant accounting policies of the organization are described below:

Basis of Accounting

CSNA prepares its financial statements on the accrual basis of accounting. Accordingly, revenues are recognized when earned and expenses are recognized when incurred.

Financial Statement Presentation

CSNA has adopted Statement of Financial Accounting Standards “Financial Statement of Not-for-Profit Organization.” The organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without restrictions and net assets with restrictions. In addition, the organization is required to present a statement of cash flows and statement of functional expenses.

Contributions

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted net assets. Amounts received that are restricted by the donor, the investment income from which is to be used for specified purposes is recorded as permanently restricted net assets.

Cash Equivalents

The organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents, unless held for reinvestment as part of the investment portfolio, pledged to secure loan agreements or otherwise reserved or encumbered.

Concentrations of Credit Risk

CSNA receives a substantial amount of funds in the form of entitlements under contract from various federal, state and local agencies. All of these contracts are subject to the continued availability of funds from these agencies.

CRISIS SERVICES OF NORTH ALABAMA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Income Taxes

The organization is exempt from federal and Alabama income taxes under section 501 (c)(3) of the Internal Revenue Code.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and functional expenses. Functional expenses are allocated based upon estimates made by management. Actual results could vary from the estimates that were assumed in preparing the financial statements.

NOTE 2 – ACCOUNTS RECEIVABLE

Accounts receivable at December 31, 2022 are due principally from governmental units and other nonprofit agencies, are deemed to be collectible in full, as follows:

VOCA	\$ 232,512
DV Trust	49,827
FVPSA	46,080
SASP	13,341
ERAP	1,158
ESG	12,838
RPE	6,964
ACADV	15,912
CAC	817
United Way	6,755
VAWA	8,474
ACVCC	20,850
Miscellaneous	<u>17,852</u>
Total	\$ <u>443,380</u>

NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment is stated at cost. Capitalization policy is \$5,000. Additions, improvements, and expenditures for repairs and maintenance that significantly add to the productivity or extend the useful life of the asset are capitalized. Other expenses for repairs and maintenance are charged to operations when incurred. Depreciation is calculated using the straight line method based on estimated useful lives of three to thirty years. When assets are retired, the assets and related accumulated depreciation are removed from the respective accounts and any profit or loss due to the disposition is credited or charged to income. Depreciation and amortization expense charged to functional expenses during the year was \$63,934.

CRISIS SERVICES OF NORTH ALABAMA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 4 – BOARD RESERVED CASH

Investments in marketable securities with readily determinable fair values are reported at their fair market values in the statement of financial position. At December 31, 2022, investments are as follows:

<u>Description</u>	<u>Market Value</u>	<u>Cost</u>
Cash – Merrill Lynch	\$ 8,382	\$ 8,382
The Community Foundation - Mutual Funds	10,087	12,309
Merrill Lynch - Mutual funds	316,844	335,451
Total	<u>\$ 335,313</u>	<u>\$ 356,142</u>

At December 31, 2022, \$64,882 of unrealized loss is reported in the accompanying statement of activities.

The Board of Directors and have set aside \$335,313 of cash for a future shelter, unforeseen program shortfalls and emergency needs.

NOTE 5 – ALLOCATION COMMITMENT – UNITED WAY OF MADISON COUNTY, INC.

CSNA entered into an allocation agreement with United Way of Madison County, Inc. in June 2023. Allocation commitment is subject to the availability of funds, the discretion of the Board of Directors of United Way of Madison County, Inc. and other terms in the allocation commitment agreement. At December 31, 2022 the unpaid allocation commitment from United Way of Madison County, Inc. is \$51,060 for the allocation year ending June 30, 2023 and \$2,024 from the Combined Federal Campaign for the allocation year ending February 28, 2023. These allocation commitments are not reflected as receivables in the accompanying financial statements.

NOTE 6 – LINE OF CREDIT

Line of Credit – Regions Bank - \$100,000. Interest accrued at an initial rate of 9.85% per annum and is payable monthly. The credit line was renewed and matured in May 2023 and is secured by accounts receivable, fixtures, furniture and equipment owned by CSNA. As of the date of the audit report the Board of Directors is negotiating for renewal of the Line of credit At December 31, 2022, the principal balance outstanding was \$-0-.

CRISIS SERVICES OF NORTH ALABAMA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 7 – ACCRUED COMPENSATED ABSENCES

Substantially all full time employees may earn up to and carryover 80 hours of accumulated leave based upon their status and years of service to CSNA. Payment is made to employees, up to 80 hours, for unused annual leave at separation or retirement from service.

NOTE 8 – 403(B) RETIREMENT PLAN

CSNA has adopted a trustee pension plan for the benefit of qualified eligible employees. All employees are eligible to participate and CSNA contributes 3% of salaries to the Plan. Employees may match 2% of their base wages. \$49,928 of CSNA funds were transferred to the Plan during the year ended December 31, 2022. During the year ended December 31, 2022 employees contributed \$64,609 to the Plan. CSNA expects to continue the Plan indefinitely; however, it reserves the right to modify, amend or terminate the plan as deemed necessary or appropriate in the circumstances.

NOTE 9 – DONATED SUPPLIES

Significant amounts of supplies are donated to CSNA. These items include, but are not limited to, paper products, non-prescription medical supplies, toys, small appliances, furniture and on occasion a used motor vehicle. It is CSNA's policy for the donor to establish value. Each donation is recorded in a log concurrently at the date of its receipt. During the year ended December 31, 2022 \$7,203 of donated supplies was received.

NOTE 10 – ENTITLED SUPPORT

Entitled support recognized during the year ended December 31, 2022 is summarized as follows:

VOCA	\$ 950,245
VAWA	60,266
SASP	28,292
FVPSA	341,521
ACAR – RPE	38,534
PUBLIC HEALTH - RPE	4,365
FEMA	33,800
SAIL	49,297
CDD- ESG	<u>92,350</u>
Total Federal	<u>1,598,670</u>
ACADV – State General Funds	17,265
CAC – Cullman contract	7,023
DV - Trust	<u>200,462</u>
Total Non-Federal Entitled	<u>224,750</u>
Total Entitled	<u>\$ 1,823,420</u>

CRISIS SERVICES OF NORTH ALABAMA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 11 – LIQUIDITY MANAGEMENT

CSNA's financial assets available within one year of the balance sheet date for general expenditures are as follows:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 185,324
Accounts receivable, net	433,380
Investment cash available	<u>335,313</u>
Total liquid assets	\$ 954,017

CSNA'S budget goal for 2022 was \$2,613,466. Social services contracts, that have been renewed into 2023, were \$1,823,420 and represents approximately 69% of the budget. Management does not anticipate liquidity issues beyond December 31, 2022. Management and the Board of Directors are closely monitoring revenue streams and program services expenses.

NOTE 12 – LEASE COMMITMENTS

Under the terms of a lease agreement that lapses in October 2023, CSNA pays \$200 per month for certain office equipment. \$2,400 has been charged to rental expense.

Under terms of month to month rental agreement, CSNA pays \$300 per month for two facilities. The rent paid during 2022 for these facilities aggregated to \$7,200 and is reported as part of occupancy costs.

NOTE 13 – UNCERTAINTY - IMPACT OF COVID -19

Management evaluated the recent introduction of the COVID – 19 virus and its impact on CSNA's liquidity management and has concluded that while it is reasonably possible that the virus had a negative impact on budget and mission objectives, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 14 – CONCENTRATION OF CREDIT RISK

CSNA maintains its cash accounts in several Alabama commercial banks. The cash balances are insured by the FDIC up to \$250,000 per account. Investments balances are insured by the SIPC up to \$500,000 per account. A summary of the total insured amounts at December 31, 2022 is as follows:

	<u>2022</u>
Cash and cash equivalents	\$ 520,637
Outstanding checks	28,831
Deposits in transit	( -0- )
Petty Cash	<u>( 450 )</u>
	549,018
Cash insured by FDIC & SIPC	<u>549,018</u>
Uninsured cash balance	\$ -0-

CRISIS SERVICES OF NORTH ALABAMA, INC.  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

NOTE 15 - TAX RELATED UNCERTAINTIES

CSNA has adopted the provisions of ASC topic 740 - 10 (FASB Interpretation 48), "Accounting for Uncertainty in Income Taxes." The standard provides clarification on accounting for uncertainty in income taxes and prescribes a recognition threshold and measurement attribute for the financial statement recognition, measurement and disclosure of a tax position taken or expected to be taken in a tax return. Examples of uncertainties under the standard are: 1) Tax exempt status, 2) Disallowance or redetermination of various positions related to sources of unrelated business taxable income (UBIT), 3) Penalties for failure to provide required disclosure regarding *quid pro quo* contributions over \$75. There are no unrecognized tax benefits reflected in the accompanying financial statements or positions taken in the tax returns that are believed to be uncertain.

Tax years open to examination by the taxing authorities are the years ended December 31, 2022, 2021 and 2020.

NOTE 16 - SUBSEQUENT EVENTS

In preparing these financial statements, CSNA evaluated events and transactions for potential recognition or disclosure through the date of the auditor's report, August 15, 2023, which was the date the financial statements were available and issued. There are no subsequent events to be recorded or disclosed in the financial statements for the fiscal year ended December 31, 2022.



# Dyer & Smith, LLC

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## 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 Officers and Directors  
Crisis Services of North Alabama, Inc.  
Huntsville, Alabama

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 of the United States, the financial statements of Crisis Services of North Alabama, Inc. which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon.

### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered Crisis Services of North Alabama, 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 Crisis Services of North Alabama, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Crisis Services of North Alabama, 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 in a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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.

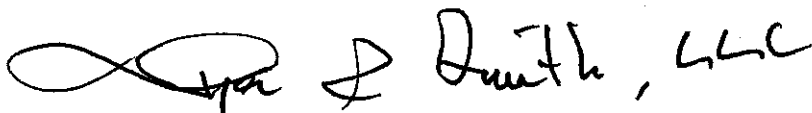
Our consideration of internal controls over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal controls over financial reporting that might be material and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control that should be reported under *Government Auditing Standards*.

### Compliance and Other Matters

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

### Purpose of this Report

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

A handwritten signature in black ink, appearing to read "Dyer & Smith, LLC", is written over a horizontal line.

Dyer & Smith, LLC  
August 15, 2023

# Dyer & Smith, LLC

Certified Public Accountants

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE.**

To The Officers and Directors  
Crisis Services of North Alabama, Inc. (CSNA)  
Huntsville, Alabama

### Report on Compliance for Each Major Federal Program

#### Opinion on Each Major Federal Program

We have audited Crisis Services of North Alabama, Inc.'s (CSNA) 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 CSNA's major federal programs for the year ended December 31, 2022. CSNA's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, CSNA 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 Auditor's responsibilities for the Audit of compliance section of our report.

We are required to be independent of CSNA 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 with the compliance requirements referred to above.

#### Responsibility of Management for Compliance

Management is responsible for 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 agreement applicable to CSNA's federal programs.

#### Auditor's 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 CSNA'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 for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about CSNA'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 CSNA'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 CSNA'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 CSNA's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A significant deficiency in internal control over compliance is a deficiency or combination of deficiencies in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above, and was not designed identify all deficiencies in the 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.



Dyer & Smith, LLC  
August 15, 2023

CRISIS SERVICES OF NORTH ALABAMA, INC.  
SCHEDULE OF FEDERAL AWARDS  
For the Year Ended December 31, 2022

Federal Grantor/ Pass-Through Grantor/ Program Title	CFDA Number	Pass Through Grant Number	Pass Through Sub-Grantee	Expenses
<b>MAJOR FEDERAL PROGRAMS</b>				
Department of Justice				
Passed through ADECA				
Crime Victim Assistance	16.575	2022-VA-SA-156	-	215,129
Crime Victim Assistance	16.575	2022-VA-SH-157	-	735,116
Total Crime Victim Assistance			-	950,245
Total Major Programs			-	950,245
<b>NONMAJOR FEDERAL PROGRAMS</b>				
Department of Justice				
Passed through ADECA				
Violence Against Women Formula Grant	16.588	2022-WF-VS-164	-	60,266
Passed through ACAR				
Sexual Assault Services Program (SASP)	16.588	0	-	
Total Violence Against Women			-	28,292
Total -Non-Major passed through Department of Justice			-	88,558
Department of Health & Human Services				
Passed through -				
Department of Human Resources				
Alabama Coalition Against Domestic Violence	93.558	782	-	49,297
Total Department of Human Resources			-	49,297
Passed through				
Center for Disease Control				
Passed through Alabama Public Health (RPE)				
Rape Prevention Education	93.136	5NUF2C002461-02-00	-	4,365
Passed through ACAR				
Rape Prevention Education	93.136		-	38,534
Passed through ADECA				
Family Violence Prevention & Services / Grants for				
Battered Womens Shelters Grants	93.671	2022-FV-AR-165	-	187,715
Battered Womens Shelters Grants	93.671	2022-FV-VS-99	-	153,806
Total Family Violence Prevention			-	341,521
Department of HUD				
Passed through the City of Huntsville CDD				
Emergency Rental Assistance Program	14.231			26,081
Emergency Shelter Grant - CV	14.231			4,407
Emergency Shelter Grant	14.231	HESG - 19 - 009	-	61,862
Total HUD			-	92,350
Department of Homeland Security				
Passed through United Way Worldwide				
FEMA - Emergency Food and Shelter	97.024	12200004 & 06	-	33,800
Total Federal Programs			\$ -	\$ 1,598,670

See auditors' report and accompanying notes to schedule of federal awards.

CRISIS SERVICES OF NORTH ALABAMA, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Crisis Services of North Alabama, Inc. (CSNA) under programs of the federal government for the year ended December 31, 2022. 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). Because the Schedule presents only a selected portion of the operations of CSNA, it is not intended to and does not present the financial position, changes in net assets, or cash flows of CSNA.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principle contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement.

CSNA has elected to forgo the 10% de minimis indirect cost rate, as allowed under the Uniform Guidance.

**CRISIS SERVICES OF NORTH ALABAMA, INC.**  
**Schedule of Findings and Questioned Costs - Continued**  
**For the Year Ended December 31, 2022**

**Section II - Financial Statement Findings**

None

**Section III - Federal Award Findings and Questioned Costs**

There were no findings or questioned costs in the current year.