

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

**FAMILY SUPPORT ORGANIZATION
OF UNION COUNTY, INC.**

June 30, 2022



FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

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April 25, 2023

Board of Trustees
Family Support Organization of Union County, Inc.
Plainfield, New Jersey

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Family Support Organization of Union County, Inc.(a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the period from September 1, 2021 to June 30, 2022, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Family Support Organization of Union County, Inc as of June 30, 2022, and the changes in its net assets and its cash flows for the period from September 1, 2021 to June 30, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Family Support Organization of Union County, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Family Support Organization of Union County, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities 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 is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 the Family Support Organization of Union County, Inc.'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 the Family Support Organization of Union County, Inc.'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

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures, as required by New Jersey OMB Circular 15-08-OMB Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aids as and by the State of New Jersey, Department of Children and Families is presented for purposes of additional analysis and is not a required part of the 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 schedule of expenditures of state financial assistance 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 April 25, 2023 on our consideration of the Family Support Organization of Union County, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Family Support Organization of Union County, 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 Family Support Organization of Union County, Inc. Organization 's internal control over financial reporting and compliance.

Hill, Barth & King LLC

Certified Public Accountants

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

Statement of Financial Position

June 30, 2022

Assets	
Cash	\$ 45,302
Prepaid expenses	5,525
Security deposit	<u>3,750</u>
Total Assets	\$ <u><u>54,577</u></u>
Liabilities	
Accrued expenses	\$ <u>24,989</u>
Total Liabilities	<u>24,989</u>
Net Assets	
Without donor restrictions	29,482
With donor restrictions	<u>106</u>
Total Net Assets	<u>29,588</u>
Total Liabilities and Net Assets	\$ <u><u>54,577</u></u>

See accompanying notes to financial statements

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

**Statement of Activities and Changes in Net Assets
Period from September 1, 2021 to June 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
State of New Jersey Grant	\$ -	\$ 677,038	\$ 677,038
Donations	5,500	-	5,500
Net assets released due to satisfaction of purpose restrictions	<u>677,038</u>	<u>(677,038)</u>	<u>-</u>
Total Revenue and Support	<u>682,538</u>	<u>-</u>	<u>682,538</u>
Expenses			
Program services	521,880	-	521,880
Management and general	<u>160,792</u>	<u>-</u>	<u>160,792</u>
Total Expenses	<u>682,672</u>	<u>-</u>	<u>682,672</u>
Changes in Net Assets	(134)	-	(134)
Net Assets - Period	<u>29,616</u>	<u>106</u>	<u>29,722</u>
Net Assets - Period	<u>\$ 29,482</u>	<u>\$ 106</u>	<u>\$ 29,588</u>

See accompanying notes to financial statements

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

Statement of Functional Expenses

Ten Month Period from September 1, 2021 to June 30, 2022

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Compensation	\$ 333,663	\$ 116,798	\$ 450,461
Payroll taxes	30,535	10,689	41,224
Employee benefits	33,676	11,697	45,373
	<u>397,874</u>	<u>139,184</u>	<u>537,058</u>
Advertising	2,390	-	2,390
Community development	8,765	-	8,765
Computer expenses	11,659	-	11,659
Consultants and professional fees	4,648	13,881	18,529
Facility costs	29,402	3,267	32,669
Insurance	5,681	2,073	7,754
Materials and supplies	9,294	1,033	10,327
Telephone	9,320	1,036	10,356
Training and conferences	19,148	-	19,148
Travel and transportation	397	44	441
Utilities	2,468	274	2,742
Youth partnership	20,834	-	20,834
Total Expenses	<u>\$ 521,880</u>	<u>\$ 160,792</u>	<u>\$ 682,672</u>

See accompanying notes to financial statements

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

Statement of Cash Flows

Ten Month Period from September 1, 2021 to June 30, 2022

Cash Flows from Operating Activities

Adjustments to reconcile changes in net assets to
net cash provided by operating activities:

Changes in net assets	\$	(134)
Increase in:		
Prepaid expenses		(1,096)
Decrease in:		
Accrued expenses		(23,745)
Deferred income		(51,037)

Net Cash Used in Operating Activities (76,012)

Cash - Beginning of Period 121,314

Cash - End of Period \$ 45,302

See accompanying notes to financial statements

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

Notes to Financial Statements June 30, 2022

Note 1 - Nature of Activities

Family Support Organization of Union County, Inc. (the “Organization”) was incorporated in 2002 as a New Jersey nonprofit corporation. The bylaws of the corporation state that the Board of Trustees shall consist of no less than 5 members. Trustees are elected by the members and serve staggered terms of two years.

Family Support Organization of Union County, Inc. was organized to provide a comprehensive, response service system for families of children with special mental, emotional, and behavioral needs in Union County, New Jersey, as well as to increase public awareness of these children and their needs.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Change in Fiscal Year

Effective September 1, 2021, the fiscal year was changed from August 31 to June 30 at the request of the NJ Children’s System of Care.

Classification of Net Assets

Family Support Organization of Union County, Inc. reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not imposed by donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization’s management.

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

Revenue and Support Recognition

The Organization received a cost reimbursement contract from the State of New Jersey. This contract revenue has been allocated according to the terms of the agreement. Reimbursement under this contract is recognized to the extent that expenses have been incurred for the purpose specified by the grantor during the period. The governmental agency may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by the Organization with the terms of the contract. Unexpended contract funds are recorded as a refundable advance at the end of the contract period. Funds received in advance of their use are accounted for as deferred income. For the period from September 1, 2021 to June 30, 2022, there was no refundable advance due to the State of New Jersey.

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

Notes to Financial Statements (Continued)
June 30, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Contributions

Contributions received are recorded as without donor restrictions or with donor restrictions support depending on the existence or nature of any donor restrictions. Contributions that are restricted by the donor are reported as an increase in net assets with donor restrictions. When a restriction expires, 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 and changes in net assets as net assets released from restrictions.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less when acquired. The Organization places its temporary cash investments with high credit quality financial institutions. At times, such investments may exceed federally insured limits.

Property and Equipment

The Organization capitalizes property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is carried at cost, or, if donated, at approximate fair value at the date of donation. Depreciation is provided over the estimated useful lives of the assets as follows:

	<u>Method</u>	<u>Estimated Useful Life</u>
Automobiles	Straight-line	5 Years
Equipment	Straight-line	5 Years
Furniture and fixtures	Straight-line	7 Years

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When property and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in the statement of activities and changes in net assets.

Advertising

The Organization expenses advertising costs as incurred. Advertising expense for the ten month period from September 1, 2021 to June 30, 2022 was \$2,390.

Income Taxes

Family Support Organization of Union County, Inc. is exempt from federal income taxes under Internal Revenue Code Section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Organization has processes presently in place to ensure that maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. Accordingly, no provision for federal or state income taxes has been recorded in the statement of activities and changes in net assets.

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

Notes to Financial Statements (Continued)
June 30, 2022

Note 2 - Summary of Significant Accounting Policies (Continued)

Functional Allocation of Expenses

Expenses of providing the Organization’s program and supporting activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, a cost is charged directly to the program or supporting service it benefits, while facility costs, insurance costs for general liability , telephone and utilities have been allocated among programs and supporting services benefited based on square footage. Salaries, payroll taxes and benefits are allocated based on time and effort reporting.

Note 3 - Liquidity and Availability

The Organization manages its liquidity and reserves by operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs. The Organization has a goal to maintain financial assets to meet three months of normal operating expenditures (approximately \$169,250).

The following table reflects the Organization’s financial assets at June 30, 2022:

Financial assets at year end:		
Cash	\$	45,302
Less amounts not available to be used withing one year:		
Net assets with donor restrictions		<u>106</u>
Financial assets available to meet general expenditures over the next twelve months	\$	<u><u>45,196</u></u>

Note 4 - Concentrations

Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist of cash arising from its normal business activities. The Organization places its cash with high credit quality financial institutions. The amount on deposit in any one institution that exceeds federally insured limits is subject to credit risk. The Organization did not have any cash in excess of federally insured limits as of June 30, 2022.

Revenue Concentration

The Organization received 99% of its total revenue from the State of New Jersey’s Department of Children and Families grant for the period from September 1, 2021, to June 30, 2022. The grant is subject to the availability of funds and the Organization’s compliance with State rules and regulations.

Note 5 - Donated Services and Property

Significant amounts of the Organization’s functions are performed by trustees and committee members. Trustees and committee members do not receive compensation for their time but are reimbursed for out-of-pocket expenses incurred for travel, communication, and attendance fees at various meetings and conferences. The value of these contributed services is not reflected in the accompanying financial statements as they do not meet the criteria for recognition as contributed services.

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

Notes to Financial Statements (Continued) June 30, 2022

Note 6 - Property and Equipment

Property and equipment consist of the following at June 30, 2022:

Automobiles	\$	16,793
Equipment		13,184
Furniture and fixtures		3,305
		<u>33,282</u>
Less accumulated depreciation		<u>(33,282)</u>
Net property and equipment	\$	<u><u>-</u></u>

There was no depreciation expense as all assets are fully depreciated.

Note 7 - Employee Benefit Plan

The Organization has a 403(b) pension plan. Under the plan, an eligible employee can contribute the lesser of 100% of their annual salary or \$17,500 each year. The Organization determines annually how much it will contribute at year-end based on the final budget. As of June 30, 2022, the Organization contributed 4% of each eligible employee's salary, respectively. Total plan contributions for the period from September 1, 2021 to June 30, 2022, was \$13,890.

Note 8 - Operating Leases

The Organization entered into operating leases for the rental of an office facility and office equipment. The office facility lease expires September 2024, and the office equipment lease expires October 2023.

Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2023	\$ 36,215
2024	<u>36,215</u>
Total	\$ <u><u>72,430</u></u>

Rent expense for building and office equipment for the period from September 1, 2021 to June 30, 2022 was \$30,537.

Note 9 - Subsequent Events

Management has evaluated all activity of the Organization through April 25, 2023, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition or disclosure in the financial statements or notes.

SUPPLEMENTARY INFORMATION

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

**Schedule of Expenditures of State Financial Assistance
Period from September 1, 2021 to June 30, 2022**

<u>State Grantor/Program Title</u>	<u>Award Number</u>	<u>Award Period</u>	<u>Award Amount</u>	<u>Expenditures</u>	<u>Cumulative Expenditures</u>
New Jersey Department of Children and Families Family Support Services	21AMXR	9/1/21 - 6/30/22	\$ <u>677,038</u>	\$ <u>677,038</u>	\$ <u>677,038</u>

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

**Notes to Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2022**

Note 1 - General Information

The accompanying schedule of expenditures of state financial assistance presents the activities in all the state financial programs of Family Support Organization of Union County, Inc. All financial assistance received directly from state agencies, as well as financial assistance passed through any other governmental agency or nonprofit organization, is included on the schedule.

Note 2 - Basis of Accounting

The accompanying schedule of expenditures of state financial assistance is presented using the accrual basis of accounting. The information in the schedule is presented in accordance with the requirements of New Jersey OMB Circular 15-08-OMB *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*, as required by the State of New Jersey, Department of Children and Families. Family Support Organization of Union County, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Relationship to State Financial Reports

The amount of expenditures reported in the accompanying schedule agrees with the amount of expenditures reported in the related state financial reports.

Note 4 - Relationship to Basic Financial Statements

State financial assistance expenditures are reported as program expenses and management and general costs in the statement of functional expenses. In certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported in the schedule of expenditures of state financial assistance due to program expenditures exceeding grant or contract budget limitations, agency matching or in-kind contributions which are not included as state financial assistance or capitalization policies required under accounting principles generally accepted in the United States of America.

Note 5 - Subrecipients

There were no subrecipients during the period from September 1, 2021, to June 30, 2022.



April 25, 2023

Board of Trustees
Family Support Organization of Union County, Inc.
Plainfield, New Jersey

Independent Auditor's 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*

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 Family Support Organization of Union County, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the period from September 1, 2021 to June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated April 25, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Family Support Organization of Union County, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Family Support Organization of Union County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Family Support Organization of Union County, 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 entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item (finding number 2022-001) that we consider to be material weaknesses

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

**Notes to Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2022**

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Family Support Organization of Union County, 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 statements amount. 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item (finding number 2022-001).

Organization's Response to Findings

Family Support Organization of Union County, Inc.'s response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Family Support Organization of Union County, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Hill, Barth & King LLC

Certified Public Accountants

FAMILY SUPPORT ORGANIZATION OF UNION COUNTY, INC.

Summary Schedule of Audit Findings

Year Ended June 30, 2022

Finding No: 2022-001 Accounting Oversight and Review

Criteria: The Organization is required to maintain effective internal controls relevant to the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

Condition: During our audit, there were several journal entries proposed by the Independent Auditor which were considered to be normal closing entries that should have been recorded by the Organization's accounting department. We consider this deficiency to be a material weakness.

Cause: The Organization experienced turnover in the bookkeeping position during the current year, which lead to monthly and annual closing procedures not being performed properly. Additionally, the overall oversight and review of the Organization's books was not implemented properly in order to produce financial statements that are in accordance with accounting principles generally accepted in the United States of America.

Effect: Because of the failure to implement sound closing procedures, the Organization's books required several journal entries to produce financial statements in accordance with accounting principles generally accepted in the United States of America.

Recommendation: We recommend that the Organization implement and adhere to timely monthly and annual closing procedures and sound review procedures to be able to produce financial statements in accordance with accounting principles generally accepted in the United States of America.

Views of Responsible Officials:

The Family Support Organization of Union County's Board of Directors was advised by Spire Group CPAs to raise funds for the organization as a protective factor against any potential disallowable expenditures in the future. The segregated account for these funds was not included, merged or a part of the CSOC contract grant. Historically, there have always been "adjusted journal entries" as directed by the auditors.

The Organization believes that the finding noted above is reflective of the FSO-UC managing a 12 month contract and a 10-month contract simultaneously during the change in office manager. Management has added additional staffing, review, and year-end closing processes to address the finding and does not expect the finding to be a concern in the future.