

**ST. ANNE'S FAMILY SERVICES  
AND  
AFFILIATES**

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**SINGLE AUDIT REPORTS**

**JUNE 30, 2021**

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### Independent Auditors' Reports

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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***

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To the Board of Directors  
St. Anne's Family Services and Affiliates

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of St. Anne's Family Services and Affiliates (a nonprofit organization), which comprise the Consolidated Statement of Financial Position as of June 30, 2021, and the related Consolidated Statements of Activities, Functional Expenses and Cash Flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 20, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered St. Anne's Family Services and Affiliates' 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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of St. Anne's Family Services and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of St. Anne's Family Services and Affiliates' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the 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 and significant deficiencies may exist that have not been identified.

**Compliance and Other Matters**

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

**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***  
continued

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**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Harrington Group*

Pasadena, California  
April 20, 2022

**Independent Auditors' Report on Compliance for Each Major Program;  
Report on Internal Control Over Compliance; and Report on the Schedule of  
Expenditures of Federal and Non-federal Awards in Accordance with the Uniform Guidance**

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To the Board of Directors  
St. Anne's Family Services and Affiliates

**Report on Compliance for Each Major Federal Program**

We have audited St. Anne's Family Services and Affiliates, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of St. Anne's Family Services and Affiliates' 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 St. Anne's Family Services and Affiliates' 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 St. Anne's Maternity Home, St. Anne's Foundation, and St. Anne's Beverly Terrace, LLC'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 St. Anne's Family Services and Affiliates' compliance.

**Opinion on Each Major Federal Program**

In our opinion, St. Anne's Family Services and Affiliates 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 June 30, 2021.

**Independent Auditors' Report on Compliance for Each Major Program;  
Report on Internal Control Over Compliance; and Report on the Schedule of  
Expenditures of Federal and Non-federal Awards in Accordance with the Uniform Guidance**  
continued

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**Report on Internal Control Over Compliance**

Management of St. Anne's Family Services and Affiliates is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered St. Anne's Family Services and Affiliates' internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of St. Anne's Family Services and Affiliates' 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

**Independent Auditors' Report on Compliance for Each Major Program;  
Report on Internal Control Over Compliance; and Report on the Schedule of  
Expenditures of Federal and Non-federal Awards in Accordance with the Uniform Guidance**  
continued

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**Report on Schedule of Expenditures of Federal and Non-federal Awards Required by the Uniform  
Guidance**

We have audited the consolidated financial statements of St. Anne's Family Services and Affiliates as of and for the year ended June 30, 2021, and have issued our report thereon dated April 20, 2022, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal and non-federal awards is presented for the purpose of additional analysis as required by 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) and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, schedule of expenditures of federal and non-federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

*Harrington Group*

Pasadena, California  
April 20, 2022

**ST. ANNE'S FAMILY SERVICES AND AFFILIATES**

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS  
For the year ended June 30, 2021

<u>Federal Grantor Agency/Pass-through Grantor/Program Title</u>	<u>Contract Number</u>	<u>Federal Assistance Listing Number</u>	<u>Contract Term</u>	<u>Program Award</u>	<u>Federal</u>	<u>Non-federal</u>	<u>Total Program Expenditures</u>	<u>Pass-through to Sub-recipients</u>
<b>Federal Awards</b>								
U.S. Department of Agriculture ("USDA"):								
Pass-through State of California Department of Education ("CDE"):								
Child Nutrition Cluster:								
National School Lunch Program	N/A	10.555	N/A	\$ -	\$ 19,122	\$ -	\$ 19,122	\$ -
Child and Adult Care Food Program	N/A	10.558	N/A		72,401		72,401	
<b>Total USDA</b>				<u>-</u>	<u>91,523</u>	<u>-</u>	<u>91,523</u>	<u>-</u>
U.S. Department of Health and Human Services ("DHHS"):								
Direct award from Administration for Children and Families:								
Transitional Living for Homeless Youth	90CX7150-03-00	93.550	09/30/19 - 09/29/20	245,355	67,238		67,238	
Transitional Living for Homeless Youth	90CX7150-04-00	93.550	09/30/20 - 09/29/21	226,377	147,794		147,794	
Child Care Development Fund ("CCDF") Cluster:								
Pass-through CDE:								
Child Care and Development Block Grant - General Center Child Care	CCTR-0124	93.575	07/01/20 - 06/30/21	1,042,935	28,432	265,847	294,279	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - General Center Child Care	CCTR-0124	93.596	07/01/20 - 06/30/21	219,201	61,851		61,851	
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - California State Preschool	CSPP-0264	93.596	07/01/20 - 06/30/21	481,105		481,105	481,105	
Pass-through, LACOE:								
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - General Center Child Care	C-20332	93.596	07/01/20 - 06/30/21	1,072,446	151,834		151,834	
<b>Sub-total CCDF Cluster</b>				<u>2,815,687</u>	<u>242,117</u>	<u>746,952</u>	<u>989,069</u>	<u>-</u>

See independent auditors' report and notes to the Schedule of Expenditures of Federal and Non-federal Awards.



ST. ANNE'S FAMILY SERVICES AND AFFILIATES

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS

For the year ended June 30, 2021

continued

Federal Grantor Agency/Pass-through Grantor/Program Title	Contract Number	Federal Assistance Listing Number	Contract Term	Program Award	Federal	Non-federal	Total Program Expenditures	Pass-through to Sub-recipients
Head Start Cluster:								
Pass-through, LACOE:								
Head Start Basic	C-20332	93.600	07/01/20 - 06/30/21	3,032,873	3,046,628	252,484	3,299,112	
Head Start Extended Duration Dosage	C-20332	93.600	07/01/20 - 06/30/21	232,638	223,210	1,955	225,165	
HS Expansion Basic	C-20332	93.600	07/01/20 - 06/30/21	863,940	781,681	4,444	786,125	
HS Quality Improvement	C-20332	93.600	07/01/20 - 06/30/21	71,500	39,248		39,248	
Head Start - T & TA	C-20332	93.600	07/01/20 - 06/30/21	8,580	5,553		5,553	
Head Start Cares OTS	C-20332	93.600	07/01/20 - 06/30/21	491,694	428,301		428,301	
Head Start Expansion Start Up	C-20332	93.600	07/01/20 - 06/30/21	80,017	46,222		46,222	
Head Start Basic Carry Over	C-20332	93.600	07/01/20 - 06/30/21	93,211	38,868		38,868	
Early Head Start Basic	C-20332	93.600	07/01/20 - 06/30/21	3,987,501	3,199,263	23,667	3,222,930	
Early Head Start Quality Improvement	C-20332	93.600	07/01/20 - 06/30/21	83,300	38,706		38,706	
Early Head Start Partnership	C-20332	93.600	07/01/20 - 06/30/21	3,775,062	3,552,120	306,952	3,859,072	
EHS Partnership Quality Improvement	C-20332	93.600	07/01/20 - 06/30/21	75,250	31,880		31,880	
EHS Partnership Cares OTS	C-20332	93.600	07/01/20 - 06/30/21	172,000	172,000		172,000	
EHS CC Partnership Carry Over	C-20332	93.600	07/01/20 - 06/30/21	748,415	748,415		748,415	
<b>Sub-total Head Start Cluster</b>				<b>13,715,981</b>	<b>12,352,095</b>	<b>589,502</b>	<b>12,941,597</b>	<b>-</b>
Pass-through, LADCF:								
Foster Care Title IV-E - Short-Term Residential Therapeutic Program	19-05-11	93.658	07/01/20 - 06/30/21		936,775	2,641,810	3,578,585	
Foster Care Title IV-E - Transitional Housing Placement plus Non-Minor Dependent	13-001-09	93.658	07/01/20 - 06/30/21		448,493	67,016	515,509	
Direct award from Health Resources and Services Administration:								
Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution								
- COVID-19 Provider Relief Fund		93.498		484,260	484,260		484,260	-
<b>Total DHHS</b>				<b>17,487,660</b>	<b>14,678,772</b>	<b>4,045,280</b>	<b>18,724,052</b>	<b>-</b>
<b>Total Federal Awards</b>				<b>17,487,660</b>	<b>14,770,295</b>	<b>4,045,280</b>	<b>18,815,575</b>	<b>-</b>

See independent auditors' report and notes to the Schedule of Expenditures of Federal and Non-federal Awards.

**ST. ANNE'S FAMILY SERVICES AND AFFILIATES**

SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS

For the year ended June 30, 2021

continued

Federal Grantor Agency/Pass-through Grantor/Program Title	Contract Number	Federal Assistance Listing Number	Contract Term	Program Award	Federal	Non-federal	Total Program Expenditures	Pass-through to Sub-recipients
<b>Non-federal Awards</b>								
County of Los Angeles Department of Mental Health ("LADMH"):								
Medical Assistance Program	MH122047		07/01/20 - 06/30/21	8,432,450		8,432,450	8,432,450	-
Los Angeles Homeless Services Authority ("LAHSA")								
Independent Living Program	2017ILP26		07/01/20 - 06/30/21	219,897		219,897	219,897	
Measure H Program	2017CNGFHH188		07/01/20 - 06/30/21	934,401		901,565	901,565	
Transitional Housing Program - SPA 4	2017CESSAY46		07/01/20 - 06/30/21	233,600		196,988	196,988	
Intensive Case Management Service	H-707946		07/01/20 - 06/30/21	280,800		274,300	274,300	
<b>Total LAHSA</b>				<u>1,668,698</u>	-	<u>1,592,750</u>	<u>1,592,750</u>	-
California Department of Social Services:								
Transitional Housing Program - Plus	12-067-08		07/01/20 - 06/30/21	184,800		171,281	171,281	
Para Los Ninos ("PLN"):								
Partnership for Families	17-001-07		07/01/20 - 06/30/21	133,000		125,201	125,201	
Innovations	N/A		07/01/20 - 06/30/21			150,151	150,151	
Central Youth Source System	C-133548-L19		07/01/20 - 06/30/21	91,300		14,297	14,297	
<b>Total PLN</b>				<u>224,300</u>	-	<u>289,649</u>	<u>289,649</u>	-
State of California Department of Education:								
Prekindergarten and Family Literacy Program	CPKS-7039		07/01/19 - 06/30/20	7,500			-	
United LA:								
Transition Age Youth (TAY) Collaborative Program	CPKS-0039		07/01/20 - 06/30/21	58,575		57,488	57,488	
<b>Total Non-federal Awards</b>				<u>10,576,323</u>	-	<u>10,543,618</u>	<u>10,543,618</u>	-
<b>Total Federal and Non-federal Awards</b>				<u>\$ 28,063,983</u>	<u>\$ 14,770,295</u>	<u>\$ 14,588,898</u>	<u>\$ 29,359,193</u>	<u>\$ -</u>

See independent auditors' report and notes to the Schedule of Expenditures of Federal and Non-federal Awards.

## ST. ANNE’S FAMILY SERVICES AND AFFILIATES

### NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AND NON-FEDERAL AWARDS FOR THE YEAR PERIOD ENDED JUNE 30, 2021

#### 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and Non-federal Awards (“the Schedule”) includes the federal award activity of St. Anne’s Family Services and Affiliates, collectively referred to as (“St. Anne’s”) under programs of the federal government for the year ended June 30, 2021. The 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 St. Anne’s, it is not intended to and does not present the financial position, changes in net assets, or cash flows of St. Anne’s.

#### 2. Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in 2 CFR 200, Subpart E (Cost Principles), wherein certain types of expenditures are not allowable or are limited as to reimbursement. St. Anne’s did not elect to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

#### 3. Pass-through to Sub-recipients

St. Anne’s did not provide any federal awards to sub-recipients.

#### 4. Local Share In-kind Contributions (Non-federal Share)

			<u>Non-Federal Share</u>			
			<u>Required</u>	<u>Generated</u>	<u>Waiver Request</u>	<u>Total</u>
		<u>Contract Year</u>				
Head Start – LACOE	C-20332	7/1/20 – 6/30/21	\$ -	\$ 258,883	\$ -	\$ 258,883
Early Head Start – LACOE	C-20332	7/1/20 – 6/30/21	<u>-</u>	<u>330,619</u>	<u>-</u>	<u>330,619</u>
			<u>\$ -</u>	<u>\$589,502</u>	<u>\$ -</u>	<u>\$589,502</u>

#### 5. Other Information

St. Anne’s did not receive federal insurance, loans, or non-cash assistance during the year ended June 30, 2021.

**ST. ANNE'S FAMILY SERVICES AND AFFILIATES**  
**Schedule of Findings and Questioned Costs**  
For the year ended June 30, 2021

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**Section I – Summary of Auditors' Results**

Consolidated Financial Statements:

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiencies identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards:

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiencies identified? None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516 Audit Findings of the Uniform Guidance? No

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

Identification of Major Programs:

U.S. Department of Health and Human Services:

Head Start 93.600

Foster Care Title IV-E 93.658

**Section II – Consolidated Financial Statements Findings**

No matters reported.

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

No matters reported.

**Section IV – Summary Schedule of Prior Year Findings**

No matters reported.