



**CRA**

Computing Research  
Association

**The Computing Research Association, Inc.  
Audited Financial Statements and Supplementary Information  
As of and for the Year Ended June 30, 2022  
With Independent Auditor's Report**



**VASQUEZ**  
+ COMPANY LLP

**The Computing Research Association, Inc.**  
**Audited Financial Statements and Supplementary Information**  
***As of and for the Year Ended June 30, 2022***  
***With Independent Auditor's Report***

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## Independent Auditor's Report

To the Board of Directors  
The Computing Research Association, Inc.

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of The Computing Research Association, Inc. ("CRA"), which comprise the statement of financial position as of June 30, 2022, the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of CRA as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *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 (*Government Auditing Standards*). 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 CRA 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 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 the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CRA's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 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, 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 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 CRA'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 CRA'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 of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. 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 GAAS. In our opinion, the accompanying schedule of expenditures of federal awards 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 June 27, 2024 on our consideration of the Organization'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 CRA'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 CRA's internal control over financial reporting and compliance.

**Glendale, California  
June 27, 2024**

**The Computing Research Association, Inc.**  
**Statement of Financial Position**  
**June 30, 2022**

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**ASSETS**

Cash and cash equivalents	\$	709,771
Grants and other receivables, net		6,262,257
Investments, at fair value		2,981,078
Prepaid expenses		109,739
Property and equipment, net		104,219
Security deposits		22,037
<b>Total Assets</b>	<b>\$</b>	<b><u>10,189,101</u></b>

**LIABILITIES AND NET ASSETS**

Liabilities:		
Accounts payable and accrued expenses	\$	4,843,256
Contract liabilities:		
Deferred membership dues		1,258,154
Deferred revenue		1,156
Deferred rent and leasehold incentive		173,127
<b>Total Liabilities</b>		<b><u>6,275,693</u></b>
Net Assets:		
Without donor restrictions		3,272,037
With donor restrictions		641,371
<b>Total Net Assets</b>		<b><u>3,913,408</u></b>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b><u>10,189,101</u></b>

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

**The Computing Research Association, Inc.**  
**Statement of Activities**  
**Year ended June 30, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Revenue and support</b>			
Grants	\$ 16,691,489	\$ -	\$ 16,691,489
Membership dues	1,268,450	-	1,268,450
Contributions	384,528	6,500	391,028
Conferences	266,793	-	266,793
Conference news/communications	765,388	-	765,388
Miscellaneous income	28,233	-	28,233
Net assets released from restrictions:			
Satisfaction of purpose restriction	17,075	(17,075)	-
<b>Total revenue and support</b>	<u>19,421,956</u>	<u>(10,575)</u>	<u>19,411,381</u>
 <b>Expenses</b>			
Program services	16,620,122	-	16,620,122
Management and general	2,424,270	-	2,424,270
<b>Total expenses</b>	<u>19,044,392</u>	<u>-</u>	<u>19,044,392</u>
 <b>Change in net assets from operations</b>	377,564	(10,575)	366,989
 <b>Net investment loss</b>	<u>(435,715)</u>	<u>-</u>	<u>(435,715)</u>
<b>Change in net assets</b>	(58,151)	(10,575)	(68,726)
 <b>Net assets</b>			
Beginning of year	3,330,188	651,946	3,982,134
Ending of year	<u>\$ 3,272,037</u>	<u>\$ 641,371</u>	<u>\$ 3,913,408</u>

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

**The Computing Research Association, Inc.**  
**Statement of Functional Expenses**  
**Year ended June 30, 2022**

	<u>Program Services</u>				<u>Total Program Services</u>	<u>General and Administrative</u>	<u>Total</u>
	<u>Community</u>	<u>Information</u>	<u>Policy</u>	<u>Talent</u>			
Subcontract/subawards	\$ 11,492,928	\$ -	\$ -	\$ 389,507	\$ 11,882,435	\$ -	\$ 11,882,435
Salaries and benefits	623,204	197,480	132,170	1,039,963	1,992,816	1,339,392	3,332,208
Travel and meetings	291,855	-	-	977,228	1,269,083	119,550	1,388,633
Participant stipends and expenses	192,225	-	-	758,058	950,283	-	950,283
Consultants	102,648	3,406	300	119,419	225,773	440,955	666,728
Occupancy	-	-	-	-	-	264,625	264,625
Supplies, repairs, and maintenance	3,276	-	2,436	89,713	95,425	132,212	227,637
Printing and publications	38,075	36,412	-	43,560	118,047	7,883	125,930
Telephone, fax and internet	97	12,215	1,303	610	14,224	32,588	46,812
Finance charges	46	-	-	97	142	36,329	36,471
Depreciation	-	-	-	-	-	33,152	33,152
Awards	-	-	3,000	25,000	28,000	-	28,000
Dues and subscriptions	70	-	19,506	3,251	22,826	773	23,599
Postage and delivery	637	-	-	14,571	15,208	1,582	16,790
Insurance	-	-	-	-	-	9,268	9,268
Bad debt expense	-	-	-	-	-	4,038	4,038
Miscellaneous	-	-	-	5,860	5,860	1,923	7,783
	<u>\$ 12,745,061</u>	<u>\$ 249,512</u>	<u>\$ 158,714</u>	<u>\$ 3,466,835</u>	<u>\$ 16,620,122</u>	<u>\$ 2,424,270</u>	<u>\$ 19,044,392</u>

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

The Computing Research Association, Inc.  
**Statement of Cash Flows**  
Year ended June 30, 2022

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**Cash flows from operating activities:**

Change in net assets	\$	(68,726)
Adjustments to reconcile change in net assets to net cash flows used in operating activities:		
Depreciation		33,152
Unrealized loss on investments, net		372,741
Bad debt expense		4,038
Change in certain operating assets and liabilities:		
(Increase) decrease in:		
Grants and other receivables		(3,787,313)
Prepaid expenses		441,221
Increase (decrease) in:		
Accounts payable and accrued expenses		2,222,040
Contract liabilities - deferred revenue and membership dues		709,629
Deferred rent and leasehold incentive		<u>(17,682)</u>
<b>Net cash flows used in operating activities</b>		<u><u>(90,900)</u></u>

**Cash flows from investing activities:**

Purchases of property and equipment		(20,000)
Proceeds from sale of investments		612,678
Purchase of investments		<u>(926,339)</u>
<b>Net cash flows used in investing activities</b>		<u><u>(333,661)</u></u>

Net decrease in cash and cash equivalents (424,561)

<b>Cash and cash equivalents, beginning of year</b>		<u>1,134,332</u>
<b>Cash and cash equivalents, end of year</b>	\$	<u><u>709,771</u></u>

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

**NOTE 1      NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

The Computing Research Association, Inc. ("CRA" or the "Organization") is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code ("IRC"). CRA was organized to consider and act on general problems regarding computer science and computer engineering research and graduate education; to foster interaction between the university and non-university computer science and computer engineering research communities; and to interact with and inform public and private groups about computing research and education. These services are funded primarily by grants from the National Science Foundation ("NSF"), membership dues, fees from conferences, corporate contributions, and advertising fees derived from newsletter employment notifications.

**Basis of Presentation**

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 (U.S. GAAP). Under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*, the Organization is required to report information regarding its financial position and activities according to the following net asset classifications:

*Net Assets Without Donor Restrictions* – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of CRA. These net assets may be used at the discretion of CRA's management and the Board of Directors.

*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 CRA or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

**Cash and Cash Equivalents**

All highly liquid investments with a maturity of three months or less have been considered as cash equivalents on the financial statements.

**Grants and Other Receivables**

Grants and other receivables are valued at management's estimate of the amount that will ultimately be collected. Receivables are carried at the original amount less an estimate made for doubtful receivables based on a review of all outstanding amounts. Management determines the allowance for doubtful accounts by regularly evaluating individual receivables and considering payment history and current economic conditions.

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Grants and Other Receivables (Continued)**

Receivables are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. The allowance for doubtful accounts amounted to \$9,247 as of June 30, 2022.

**Investments**

CRA has adopted the *Investments-Debt and Equity Securities for Not-for-Profit Entities Topic* of the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”). Under this topic, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law. Realized gains on securities sold during the year and held at the beginning of the year are recognized to the extent sales proceeds exceed the security’s fair market value at the beginning of the year. Donated securities are recorded at their fair market value on the date of donation.

**Fair Market Valuation**

CRA adopted the provisions of the *Fair Value Measurements and Disclosure Topic* (“Fair Value Topic”) of FASB ASC as its valuation methodology. The Fair Value Topic provides the framework for measuring fair value of assets and liabilities. The Fair Value Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability. It also establishes a hierarchy to help maximize the use of observable inputs when measuring fair values.

These measurements are then classified by how observable or unobservable the inputs used to reach fair market value are. The three levels of the fair value hierarchy are:

- Level 1* Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date. The type of investments included in Level 1 includes unrestricted securities listed in active markets.
- Level 2* Inputs to the valuation methodology are quoted prices outside of the active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies.
- Level 3* Inputs to valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

**NOTE 1 NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Market Valuation (Continued)**

The financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following are descriptions of CRA's valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy:

*Mutual Funds Including Stocks and Bonds* – These investments are valued at the closing price reported on the New York Stock Exchange Composite Listing or other active market on which these securities are traded. These securities are classified within Level 1 of the valuation hierarchy.

*Fixed Income Securities Including Corporate Bonds, Municipal Bonds, and Government Bonds* – These investments are not traded on an active market and are valued based on inputs other than quoted prices that are either directly or indirectly observable. These securities are classified within Level 2 of the valuation hierarchy.

*Income Fund* – This represents an investment in a private lending fund of diversified senior secured loans. The fair market value is determined based on the annual return provided by the Fund manager. There is a monthly redemption frequency with a 12-month lock-up period. This security is classified within Level 3 of the valuation hierarchy.

**Fair Market Value**

CRA's significant financial instruments are cash, investments, grants and other receivables, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value. See Note 6 for fair value disclosures.

**Property and Equipment**

Property and equipment are capitalized at cost. It is CRA's policy to capitalize expenditures for these items in excess of \$5,000. Lesser amounts are expensed. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of 3 to 10 years.

**Deferred Rent and Leasehold Incentive**

Rent expense is being recognized on a straight-line basis over the life of the lease. The difference between rent expense recognized and rental payments, as stipulated in the lease, is reflected as deferred rent in the statements of financial position. In addition, deferred rent also includes the landlord incentive on a portion of the leasehold improvement cost, which is being amortized over the life of the lease. As of June 30, 2022, the leasehold improvement cost amounted to \$43,250 and is included within deferred rent and leasehold incentive on the statement of financial position.

**NOTE 1      NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue and Support**

Contributions received are recorded as without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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 as net assets released from restrictions. Unconditional contributions are recognized as revenues when donor commitments are received. Unconditional contributions are recognized at the estimated net present value, net of an allowance for uncollectible amounts, and are classified in the appropriate net asset class. Management determines the allowance for uncollectible contributions using historical experience with collectability of past contributions and the amount is recorded as a reduction in contribution revenue.

CRA reports gifts of equipment as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of equipment are reported at their fair value at the date of the gift.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return and release, are not recognized until such time as the conditions are substantially met. As of and for the year ended June 30, 2022, there were no conditional contributions.

Revenues related to federal contracts and grants are received on a cost reimbursement basis, billed as eligible expenses are incurred. Unbilled amounts represent administrative timing differences. This funding is subject to contractual restrictions, which must be met through incurring qualifying expenses for particular programs. Accordingly, based on the guidance of Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, CRA's federal grants are nonreciprocal transactions which fall under the guidance of ASC 958. The federal grants have limited discretion inherent in the requirements of federal cost principals and are restricted for the purpose of the grant. As such, government grants are considered conditional until the point in time when expenses related to the purpose of the project are incurred.

The federal contracts and grant expenditures are subject to review by the funding agencies. Costs can be questioned or disallowed upon audit. Management believes such adjustment for the current period, if any, would not have a material effect on net assets.

**NOTE 1      NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

CRA has adopted FASB ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)* (“ASU 2014-09”) and its related amendments. ASU 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services.

CRA streams of revenue are as follows:

*Membership Dues* – Membership dues are recognized as revenue ratably over the period of membership covered by the dues. The portion of member dues relating to future periods is deferred to the appropriate period.

*Conference Revenue* – Conference revenue is recognized when the event is completed. Amounts received in advance of an event are reported as deferred revenue.

*Conference News/Communications* – Conference News revenue is recognized when the advertisement is included in the newsletter immediately following the receipt of payment.

Contract assets result from revenue that has been earned in advance of billing. Contract liabilities are amounts received in advance of performing the services. There were no contract assets as of June 30, 2022. As of June 30, 2022, contract liabilities totaled \$1,259,310.

**Functional Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated between the programs and services benefited. Direct identifiable expenses are charged to program services and general and administrative. Expenses related to more than one function are allocated to the program and supporting services based on time and effort.

**NOTE 1      NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (CONTINUED)**

**Functional Expenses (Continued)**

CRA categorizes their organization's program service activities into the following categories:

*Community* – Activities which bring the computing research community to vision research futures, reward exceptional service to the computing research community, or provide opportunities for the leadership of the computing research community to discuss activities and processes that enhance computing research.

*Information* – Activities that provide trusted sources of information concerning computing researchers and communicate all aspects of computing research to a broad audience.

*Policy* – Activities that engage with political and agency leadership to further computing research.

*Talent* – Activities that seek to develop diverse, highly qualified, and prepared computing researchers.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Income Taxes**

CRA is exempt from the payment of income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and California Revenue and Taxation Code Section 23701d. Accordingly, a provision for federal or state income taxes is not recorded in the accompanying consolidated financial statements. The organization is classified as an organization that is not a private foundation pursuant to Section 509(a)(2) of the IRC.

Generally Accepted Accounting Principles (GAAP) prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. CRA has evaluated its tax positions and the certainty as to whether those positions will be sustained in the event of an audit by taxing authorities and the federal and state levels. The primary tax positions evaluated relate to the organization's continued qualification as a tax-exempt organization and whether there are unrelated business income activities that would be taxable. Management has determined that all income tax positions, based on the technical merits of the position, will more-likely-than-not be sustained upon potential audit or examination. Therefore, no disclosures of uncertain income tax positions are required.

CRA's income tax returns remain subject to examination generally for three and four years after they were filed for federal and state, respectively.

**NOTE 1            NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**New Accounting Pronouncement Adopted**

In September 2020, FASB issued Accounting Standard Update (ASU) 2020-07, Not-For-Profit Entities (Topic 958): *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This ASU addresses presentation and disclosure requirements for not-for-profit entities for contributed nonfinancial assets. The ASU is effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. CRA adopted this ASU in fiscal year 2022 and did not have a significant impact on its financial statements.

In February 2016, FASB issued ASU 2016-02, *Leases*. This accounting standard requires organizations that lease assets to recognize a right-of-use asset and a liability, initially measured at the present value of the lease payments, in its balance sheet. Lessor accounting is largely unchanged from that applied under current U.S. GAAP. This accounting standard will also require additional disclosure about the amount, timing, and uncertainty of cash flows arising from leases. This accounting standard is effective for fiscal years beginning after December 15, 2021, and interim periods in fiscal years beginning after December 15, 2022. CRA has not yet adopted this ASU and does not expect a significant impact on CRA's financial statements upon its adoption.

**NOTE 2            LIQUIDITY AND AVAILABILITY**

Financial assets available for general expenditures within one year at June 30, 2022 are as follows.

Financial assets at year-end:

Cash and cash equivalents	\$	709,771
Grants and other receivables, net		6,262,257
Investments, at fair market value		<u>2,981,078</u>
<b>Total financial assets</b>		<u>9,953,106</u>

Less amounts not available to be used for general expenditures within one year:

Restricted by donor with time or purpose restrictions		<u>641,371</u>
Financial assets available to meet general expenditures within one year	\$	<u><u>9,311,735</u></u>

General expenditures include general and administrative expenses expected to be paid in the subsequent year. As part of CRA's liquidity management plan, cash in excess of monthly expenditures is held available for future expenditures, specifically as a reserve account for net assets without donor restrictions.

**NOTE 3 FINANCIAL INSTRUMENTS**

CRA places its cash and cash equivalents on deposit with financial institutions in the United States. The Federal Deposit Insurance Corporation (“FDIC”) covers \$250,000 for substantially all depository accounts. CRA from time to time may have amounts on deposit in excess of insured limits. Cash held within government money market accounts are not insured or guaranteed by the FDIC. As of June 30, 2022, CRA’s cash balances in excess of FDIC-insured amounts totaled \$459,771. CRA does not anticipate any losses on its funds.

**NOTE 4 GRANTS AND OTHER RECEIVABLES**

Grants and other receivables, net consist of the following at June 30, 2022:

Grants	\$ 5,439,665
Other	831,839
Less allowance for doubtful accounts	<u>(9,247)</u>
	<u>\$ 6,262,257</u>

**NOTE 5 PROPERTY AND EQUIPMENT**

The following is a summary of property and equipment, net at June 30, 2022:

Furniture and fixtures	\$ 54,298
Leasehold improvements	373,913
Website and rebranding	<u>297,348</u>
	725,559
Less accumulated depreciation	<u>(621,340)</u>
	<u>\$ 104,219</u>

Depreciation expense for the year ended June 30, 2022 was \$33,152.

**NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS**

The following tables set forth by level, within the fair value hierarchy, CRA’s investments at fair value as of June 30, 2022:

	Level 1	Level 2	Level 3	Total
Mutual funds:				
Common stock	\$ 2,293,185	\$ -	\$ -	\$ 2,293,185
Fixed income securities	-	457,816	-	457,816
Enhanced income fund	-	-	230,077	230,077
Total investments, at fair value	<u>\$ 2,293,185</u>	<u>\$ 457,816</u>	<u>\$ 230,077</u>	<u>\$ 2,981,078</u>

**NOTE 6 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)**

The activity for assets measured at fair value on a recurring basis using significant unobservable inputs is as follows:

Balance at June 30, 2021	\$	210,680
Contributions		-
Unrealized gain		19,397
Balance at June 30, 2022	\$	<u>230,077</u>

The following table shows the detail of investment return for the year ended June 30, 2022:

Interest and dividends	\$	28,653
Unrealized loss		(372,741)
Realized loss		(91,627)
	\$	<u>(435,715)</u>

**NOTE 7 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions subject to purpose consisted of the following as of June 30, 2022:

Subject to purpose restriction:		
CRA-W giving campaign	\$	156,788
Travel grants		13,660
Distinguished lecture series		4,498
Intelligent infrastructure		42,500
Grad cohort		423,925
	\$	<u>641,371</u>

During the year ended June 30, 2022, net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows at June 30, 2022:

CRA-W giving campaign	\$	5,092
Grad cohort		11,983
	\$	<u>17,075</u>

**NOTE 8 FEDERAL AWARDS AND CONCENTRATION**

CRA performs services under multiple grants from the NSF. Several of these awards were used as funding for CRA's conference and information services. Other grants provided funding for stipends to undergraduate female computer science and computer engineering students and funding for information technology recruitment and retention studies. The total grant revenue received from NSF for the year ended June 30, 2022 amounted to \$16,515,331, which made up approximately 85%, of CRA's total revenue in 2022. Receivables from NSF were \$5,292,856 as of June 30, 2022, which made up approximately 85% of CRA's total receivables as of June 30, 2022.

**NOTE 9 OPERATING LEASE COMMITMENT**

CRA signed an office lease agreement that commenced July 1, 2010. It required monthly rental payments of \$18,049, with scheduled annual increases over the term of the lease. CRA also paid, as an additional charge, its proportionate share of real estate taxes and operating expenses. The lease term was 10 years and one month, with an option to extend the lease for an additional five years. In May 2019, CRA extended the lease for a new lease term of seven years and six months, through January 2027. The extension requires monthly rental payments of \$22,587, with scheduled annual increases over the term of the lease. The lease included a leasehold incentive where the landlord would pay up to \$226,665 towards the construction cost of CRA's improvements. CRA may use up to \$25,185 of any unused portion of the leasehold incentive towards rent abatement. As of June 30, 2022, the leasehold incentive amounted to \$43,250 and deferred rent amounted to \$129,877. The rent expense for the year ended June 30, 2022 amounted to \$264,625.

The future minimum rental payments due under the current lease agreement are as follows:

<u>Years ending June 30.</u>		
2023	\$	284,213
2024		291,302
2025		298,589
2026		306,078
2027		182,738
	\$	<u>1,362,920</u>

**NOTE 10 RETIREMENT PLAN**

CRA has a defined-contribution retirement plan under Section 403(b) of the IRC covering substantially all of its employees. Contributions are calculated at 6% of eligible compensation. In addition, CRA will match employee contributions up to 4% of eligible compensation. The total retirement plan contribution for the year ended June 30, 2022 amounted to \$200,830.

**NOTE 11      COMMITMENT AND CONTINGENCIES**

CRA enters into agreements with various hotels for meetings up to three years in advance of using the facility. These contracts contain contingency clauses, whereby CRA is liable for cancellations. The monetary penalty varies among contracts but is generally based on expenses incurred by the vendor up to the date of cancellation and additional contracted cancellation fees.

Billings under cost-reimbursable government grants are calculated using provisional rates that permit the recovery of indirect costs. These rates are subject to audit on an annual basis by NSF.

**NOTE 12      SUBSEQUENT EVENTS**

Subsequent events have been evaluated through June 27, 2024 which is the date the financial statements were available to be issued and determined that no subsequent events require disclosure or adjustment to the accompanying financial statements.

**SUPPLEMENTAL SCHEDULES REQUIRED BY THE UNIFORM GUIDANCE**



**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***

**To the Board of Directors  
The Computing Research Association, Inc.**

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 The Computing Research Association, Inc. ("CRA"), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May, 2024.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered CRA'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 CRA's internal control. Accordingly, we do not express an opinion on the effectiveness of CRA'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 the 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 weakness. However, material weaknesses or significant deficiencies may exist that were not identified.



## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether CRA'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 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*.

### **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.

**Glendale, California**  
**June 27, 2024**



## **Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance**

**To the Board of Directors  
The Computing Research Association, Inc.**

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

#### ***Opinion on Each Major Federal Program***

We have audited The Computing Research Association, Inc.'s ("CRA") 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 CRA's major federal program for the year ended June 30, 2022. CRA's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, CRA complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 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 (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 CRA 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 for each major federal program. Our audit does not provide a legal determination of CRA's compliance with the compliance requirements referred to above.



### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with 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 agreements applicable to CRA'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 CRA'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 GAAS, *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 CRA's compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with GAAS, *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 CRA'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 CRA'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 CRA'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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in 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.

Glendale, California  
June 27, 2024

**The Computing Research Association, Inc.**  
**Schedule of Expenditures of Federal Awards (SEFA)**  
**Year ended June 30, 2022**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Grant Number</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>	<u>Passed-through to Sub-recipients</u>
National Science Foundation:				
<i>Direct Awards:</i>				
Research and Development Cluster				
Computing Community Consortium III	CCF-1734706	ALN 47.070	\$ 950,604	\$ 9,600 *
EAGER: CRA-W Programs for Partnerships	CNS-1841271	ALN 47.070	119,787	-
Novel Pathways to CS Research Careers	CNS-1840724	ALN 47.070	774,186	-
Computing Innovation Fellows 2020 Project	CCF-2030859	ALN 47.070	6,648,034	6,431,285
Career Workshops for Teaching Track Faculty	CNS-1933380	ALN 47.070	7,767	-
BPCnet: Scaling Up the Impact of NSF CISE Broadening Participation Activities	CNS-1940460	ALN 47.070	371,340	184,574
BPC Plan Workshop Series	CNS-2032231	ALN 47.070	69,102	-
CISE REU Evaluations	CNS-2036717	ALN 47.070	38,083	-
Computing Innovation Fellows Project 2021	CNS-2127309	ALN 47.070	4,982,317	4,868,270
CSGrad4US Mentoring Program	CNS-2123180	ALN 47.070	256,392	88,205
BPC-DP Developing Shared Measures Among the BPC Community	CNS-2137842	ALN 47.070	55,739	36,724
Developing Evidence-Based Best Practices	DUE-1821136	ALN 47.076	259,810	80,004
<i>Passed-through from UC San Diego</i>				
Scaling the Early Research Scholars Program	DUE-1821521	ALN 47.070	56,601 **	-
<b>Total National Science Foundation programs</b>			<u>14,589,762</u>	<u>11,698,662</u>
<b>Total Research and Development Cluster</b>			<u>14,589,762</u>	<u>11,698,662</u>
 <b>U.S Department of Energy</b>				
<i>Direct Awards:</i>				
Under represented Populations	DE-SC0021238	ALN 81.049	<u>172,780</u>	<u>-</u>
<b>Total U.S. Department of Energy programs</b>			<u>172,780</u>	<u>-</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 14,762,542</u>	<u>\$ 11,698,662</u>

\* Includes adjustment due to returned fund reported in prior year SEFA.

\*\* Catch up adjustment. See Note 3 for details.

See accompanying notes to the schedule of expenditures of federal awards.

**NOTE 1           BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of The Computing Research Association, Inc. ("CRA") under programs of the federal government for the year ended June 30, 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 CRA, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of CRA.

**NOTE 2           INDIRECT COST RATE**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Uniform Guidance requires that the Schedule reflect total expenditures for each federal financial assistance program as identified by the federal assistance listing number.

CRA did not elect to use the 10% de minimis rate to determine indirect costs.

**NOTE 3           CATCH UP ADJUSTMENT**

In the subsequent year, CRA noted that the pass-through grant costs were underreported in years ended June 30, 2019 through June 30, 2021 for DUE-1821521. The costs amounting to \$56,601 reported in the schedule under DUE-1821521 include \$7,873 incurred in 2019, \$3,017 in 2020 and \$22,941 in 2021. The inclusion of these funds in June 30, 2022 schedule did not alter programs tested as major in the prior years nor the current year.

**Section I – Summary of Auditor's Result**

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with U.S. GAAP:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	No
Type of auditor's report issued on compliance for major federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)?	No

Identification of Major Federal Programs:

Assistance Listing Number (ALN)  
47.070

Assistance Listing Program Title  
National Science Foundation – Research and  
Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as a low-risk auditee?	No

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**Section II – Financial Statement Findings**

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No matters were reported.

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

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No matters were reported.

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Section IV – Prior Year Findings

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**Finding:** Material Weakness: 2021-001 – Appropriate recording of accrued expenses, accounts receivable, and the corresponding revenue and expenses

**Condition:** Cherry Bekaert noted multiple instances where accrued expenses, accounts receivable, revenue, and expenses incurred in a period other than FY21 were recorded in FY21.

- During our testing performed over the compliance requirements for activities allowed or unallowed and allowable costs/cost principles, we found multiple instances where expenses incurred in fiscal year 2020 or fiscal year 2022 were recorded in fiscal year 2021 erroneously. Known error of \$9,599.70 of expenses recorded in fiscal year 2021 related to services performed in fiscal year 2020, with likely questioned costs of \$74,144. Known error of \$1,637.64 related to expenses paid in fiscal year 2021 but related to services performed in fiscal year 2022, with likely questioned costs of \$12,648.
- During our testing performed over accrued expenses, we found multiple instances where expenses paid to subrecipients incurred in fiscal year 2022 were recorded in fiscal year 2021 erroneously. Known error of \$35,613 of expenses recorded in fiscal year 2021 related to services performed in fiscal year 2022, with likely questioned costs of \$64,123.
- During our testing performed over accounts receivable, we found multiple instances where account receivable/revenue earned in fiscal year 2022 was recorded in fiscal year 2021 erroneously. Known error of \$35,613 of revenue recorded in fiscal year 2021 related to services performed in fiscal year 2022, with likely questioned costs of \$38,489.

**Current Status:** No instances of this occurrence were noted in the current year testing. Finding is resolved.

**Finding:** Material Weakness: 2021-002 – National Science Foundation programs, Research and Development Cluster, Assistance Listing # 47.070.

**Compliance Requirement:** Allowable Costs/Cost Principles

**Condition:** The cost principles in 2 CFR Part 200, Subpart E states costs must meet the general criteria in order to be allowable under federal awards including that they must be determined in accordance with generally accepted accounting principles.

**Context:** Cherry Bekaert noted multiple instances where accrued expenses and expenses incurred in a period other than fiscal year 2021 were recorded in fiscal year 2021. Each of the errors noted below impacted either federal expenditures or federal grant revenue. Due to the prevalent nature of the errors noted, Cherry Bekaert considered the overarching control deficiency to be a material weakness, despite the dollar value of the errors.

**The Computing Research Association, Inc.**  
**Summary Schedule of Prior Audit Findings**  
**Year ended June 30, 2022**

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- During our testing performed over the compliance requirements for activities allowed or unallowed and allowable costs/cost principles, we found multiple instances where expenses incurred in fiscal year 2020 or fiscal year 2022 were recorded in fiscal year 2021 erroneously. Known error of \$9,599.70 of expenses recorded in fiscal year 2021 related to services performed in fiscal year 2020, with likely questioned costs of \$59,944. Known error of \$1,637.64 related to expenses paid in fiscal year 2021 but related to services performed in fiscal year 2022, with likely questioned costs of \$10,226.
- During our testing performed over accrued expenses, we found multiple instances where expenses paid to subrecipients incurred in fiscal year 2022 were recorded in fiscal year 2021 erroneously. Known error of \$35,613 of expenses recorded in fiscal year 2021 related to services performed in fiscal year 2022, with likely questioned costs of \$100,346.

**Current Status:** No instances of this occurrence were noted in the current year testing. Finding is resolved.

**Finding:** Significant Deficiency: 2021-003 – National Science Foundation programs, Research and Development Cluster, Assistance Listing # 47.070.

**Compliance Requirement:** Activities Allowed or Unallowed

**Condition:** During our testing performed over the compliance requirements for activities allowed or unallowed and allowable costs/cost principles, we noted one instance where a charge card transaction was in excess of \$20,000 and was not approved by the Treasurer, in accordance with CRA's policy.

**Context:** Cherry Bekaert found a charge card expense with a known amount of \$77,071 that was not approved by James Allen, Treasurer. This accounts for the entire population; no likely questioned costs calculated. CRA had attempted to correct this approval path in their system in the prior year; however, the workflow had not been set up properly. Alternative approvals were set up; therefore, there were no disruptions in the approval process to signify that the Treasurer's approval was set up incorrectly.

**Current Status:** No instances of this occurrence were noted in the current year testing. Finding is resolved.



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