

Annual Financial Report

Cornerstone Advocacy Service (a Nonprofit Organization)

Bloomington, Minnesota

For the Years Ended
December 31, 2017 and 2016

Cornerstone Advocacy Service
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cornerstone Advocacy Service
Bloomington, Minnesota

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Cornerstone Advocacy Service (the Organization), a Minnesota not-for-profit corporation, which comprise the consolidated statement of financial position as of December 31, 2017, 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.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2017, 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.

Prior Period Consolidated Financial Statements

The consolidated financial statements of the Organization as of December 31, 2016 were audited by other auditors whose report dated May 3, 2017 expressed an unmodified opinion on those statements.

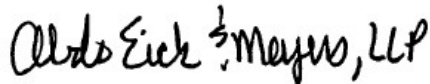
Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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, the information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2018, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
May 14, 2018

CONSOLIDATED FINANCIAL STATEMENTS

Cornerstone Advocacy Service
Consolidated Statements of Financial Position
December 31, 2017 and 2016

	2017	2016
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,411,723	\$ 2,045,666
Accounts and pledges receivable, current	717,725	736,225
Investments	848,450	-
Prepaid expenses	93,919	85,857
Total Current Assets	3,071,817	2,867,748
Property and Equipment, Net	4,457,601	4,635,996
Other Assets		
Unemployment trust, net	46,389	30,083
Accounts and pledges receivable, noncurrent	3,953	12,483
Investments designated for long-term purposes	2,071,306	1,793,595
Security deposit	3,300	3,300
Total Other Assets	2,124,948	1,839,461
Total Assets	\$ 9,654,366	\$ 9,343,205
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	\$ 58,810	\$ 68,218
Accrued payroll and related expenses	241,679	190,105
Funds held for others	-	299,908
Deferred revenues	44,559	3,616
Notes payable, current portion	-	33,350
Total Current Liabilities	345,048	595,197
Noncurrent Liabilities		
Security deposits	7,419	9,568
Notes payable	510,037	492,376
Equity participation in facility	450,000	450,000
Total Noncurrent Liabilities	967,456	951,944
Total Liabilities	1,312,504	1,547,141
Net Assets		
Unrestricted		
Undesignated	1,442,588	1,004,191
Designated for reserves	4,263,573	4,066,585
Total unrestricted	5,706,161	5,070,776
Temporarily Restricted	2,635,701	2,725,288
Total Net Assets	8,341,862	7,796,064
Total Liabilities and Net Assets	\$ 9,654,366	\$ 9,343,205

See Independent Auditor's Report and Notes to the Financial Statements.

Cornerstone Advocacy Service
Consolidated Statements of Activities
For the Years Ended December 31, 2017 and 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support and Revenue						
Public Support and Revenue						
Government grants	\$ 3,826,307	\$ -	\$ 3,826,307	\$ 2,950,078	\$ -	\$ 2,950,078
Contributions	772,052	116,670	888,722	716,752	51,851	768,603
In-kind contributions	100,921	-	100,921	156,966	-	156,966
Special fundraising events, net of expenses of \$13,486 and \$10,583, respectively	112,018	-	112,018	82,203	17,796	99,999
Other Revenue						
Program, registration and user fees	33,347	-	33,347	67,390	-	67,390
Rental revenue and subsidy	37,163	-	37,163	48,857	-	48,857
Investment Income	294,801	-	294,801	124,821	-	124,821
Miscellaneous income	93,941	-	93,941	138,845	-	138,845
Subtotal	<u>5,270,550</u>	<u>116,670</u>	<u>5,387,220</u>	<u>4,285,912</u>	<u>69,647</u>	<u>4,355,559</u>
Net Assets Released From Restrictions	<u>206,257</u>	<u>(206,257)</u>	<u>-</u>	<u>267,586</u>	<u>(267,586)</u>	<u>-</u>
Total Support and Revenue	<u>5,476,807</u>	<u>(89,587)</u>	<u>5,387,220</u>	<u>4,553,498</u>	<u>(197,939)</u>	<u>4,355,559</u>
Expenses						
Program services	4,008,412	-	4,008,412	3,462,413	-	3,462,413
Management and general	575,349	-	575,349	533,414	-	533,414
Fundraising	257,661	-	257,661	314,579	-	314,579
Total Expenses	<u>4,841,422</u>	<u>-</u>	<u>4,841,422</u>	<u>4,310,406</u>	<u>-</u>	<u>4,310,406</u>
Change In Net Assets	635,385	(89,587)	545,798	243,092	(197,939)	45,153
Beginning Net Assets	<u>5,070,776</u>	<u>2,725,288</u>	<u>7,796,064</u>	<u>4,827,684</u>	<u>2,923,227</u>	<u>7,750,911</u>
Ending Net Assets	<u>\$ 5,706,161</u>	<u>\$ 2,635,701</u>	<u>\$ 8,341,862</u>	<u>\$ 5,070,776</u>	<u>\$ 2,725,288</u>	<u>\$ 7,796,064</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Cornerstone Advocacy Service
Consolidated Statements of Functional Expenses
For the Year Ended December 31, 2017

	Program Services							Support Services			Total	
	Emergency Services	Community and Economic Empowerment Services	Victim Advocacy Services	Clinical Services	Children, Youth and Families	Volunteer	Day One Minnesota	Total Program Services	Management and General	Fundraising		Total Support Services
Salaries and Related Expenses												
Salaries and wages	\$ 569,103	\$ 276,087	\$ 447,181	\$ 179,525	\$ 425,468	\$ 26,739	\$ 507,358	\$ 2,431,461	\$ 338,962	\$ 187,047	\$ 526,009	\$ 2,957,470
Payroll taxes	42,602	20,747	33,707	13,673	32,332	2,042	38,428	183,531	24,330	14,105	38,435	221,966
Employee benefits	63,508	38,282	45,305	11,177	27,269	1,669	49,190	236,400	44,852	21,569	66,421	302,821
In-kind salaries	8,343	1,635	-	-	-	-	-	9,978	-	-	-	9,978
Staff development	675	86	500	1,082	4,076	-	647	7,066	12,645	280	12,925	19,991
Contract labor	3,930	3,248	6,389	3,564	6,107	211	57,558	81,007	39,098	2,782	41,880	122,887
Total Salaries and Related Expenses	<u>688,161</u>	<u>340,085</u>	<u>533,082</u>	<u>209,021</u>	<u>495,252</u>	<u>30,661</u>	<u>653,181</u>	<u>2,949,443</u>	<u>459,887</u>	<u>225,783</u>	<u>685,670</u>	<u>3,635,113</u>
Direct Program Expenses	<u>107,346</u>	<u>56,349</u>	<u>139,252</u>	<u>7,409</u>	<u>40,341</u>	<u>1,285</u>	<u>163,776</u>	<u>515,758</u>	<u>20,895</u>	<u>11,211</u>	<u>32,106</u>	<u>547,864</u>
Other Program Expenses												
Supplies	1,265	784	2,697	964	1,903	122	2,299	10,034	3,871	907	4,778	14,812
Printing	381	1,212	1,981	338	3,011	168	6,628	13,719	1,279	5,307	6,586	20,305
Dues and subscriptions	935	898	36	3,913	1,135	2	54	6,973	4,995	512	5,507	12,480
Professional fees	-	-	-	-	-	-	-	-	23,890	-	23,890	23,890
Postage	83	254	366	58	514	29	363	1,667	285	1,530	1,815	3,482
Interest	1,897	9,885	1,120	618	1,435	75	1,695	16,725	805	364	1,169	17,894
Other	790	247	360	3,432	462	24	905	6,220	29,143	617	29,760	35,980
Total Other Program Expenses	<u>5,351</u>	<u>13,280</u>	<u>6,560</u>	<u>9,323</u>	<u>8,460</u>	<u>420</u>	<u>11,944</u>	<u>55,338</u>	<u>64,268</u>	<u>9,237</u>	<u>73,505</u>	<u>128,843</u>
Facilities Expenses												
Rental	-	50,525	19,456	20,887	4,404	-	21,640	116,912	-	-	-	116,912
Utilities	13,654	26,096	8,271	4,930	10,118	526	13,900	77,495	5,726	2,568	8,294	85,789
Telephone	5,397	3,469	4,833	1,269	3,562	151	19,027	37,708	2,596	1,039	3,635	41,343
Repairs and maintenance	7,243	38,582	2,410	1,110	3,661	198	3,140	56,344	2,018	968	2,986	59,330
Equipment rental and other	12,007	1,953	3,391	187	226	12	1,249	19,025	3,043	61	3,104	22,129
Depreciation and amortization	32,787	38,200	19,351	10,676	24,795	1,289	31,095	158,193	13,908	6,294	20,202	178,395
Insurance	4,305	5,711	1,694	3,745	1,971	102	4,668	22,196	3,008	500	3,508	25,704
Total Facilities Expenses	<u>75,393</u>	<u>164,536</u>	<u>59,406</u>	<u>42,804</u>	<u>48,737</u>	<u>2,278</u>	<u>94,719</u>	<u>487,873</u>	<u>30,299</u>	<u>11,430</u>	<u>41,729</u>	<u>529,602</u>
Total Expenses	<u>\$ 876,251</u>	<u>\$ 574,250</u>	<u>\$ 738,300</u>	<u>\$ 268,557</u>	<u>\$ 592,790</u>	<u>\$ 34,644</u>	<u>\$ 923,620</u>	<u>\$ 4,008,412</u>	<u>\$ 575,349</u>	<u>\$ 257,661</u>	<u>\$ 833,010</u>	<u>\$ 4,841,422</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Cornerstone Advocacy Service
Consolidated Statements of Functional Expenses
For the Year Ended December 31, 2016

	Program Services							Support Services				Total
	Emergency Services	Community and Economic Empowerment Services	Victim Advocacy Services	Clinical Services	Children, Youth and Families	Volunteer	Day One Minnesota	Total Program Services	Management and General	Fundraising	Total Support Services	
Salaries and Related Expenses												
Salaries and wages	\$ 588,067	\$ 248,217	\$ 364,202	\$ 203,475	\$ 402,327	\$ 24,182	\$ 230,214	\$ 2,060,684	\$ 325,524	\$ 171,702	\$ 497,226	\$ 2,557,910
Payroll taxes	44,143	18,758	27,306	14,820	30,435	1,849	16,823	154,134	24,211	12,957	37,168	191,302
Employee benefits	67,425	32,528	49,465	26,829	48,141	1,502	30,177	256,067	46,397	20,089	66,486	322,553
In-kind salaries	13,130	1,283	-	-	-	-	-	14,413	-	-	-	14,413
Staff development	1,432	3,899	556	316	229	5	165	6,602	4,479	1,023	5,502	12,104
Contract labor	5,414	9,280	5,946	4,862	15,551	200	14,558	55,811	53,337	1,119	54,456	110,267
Total Salaries and Related Expenses	<u>719,611</u>	<u>313,965</u>	<u>447,475</u>	<u>250,302</u>	<u>496,683</u>	<u>27,738</u>	<u>291,937</u>	<u>2,547,711</u>	<u>453,948</u>	<u>206,890</u>	<u>660,838</u>	<u>3,208,549</u>
Direct Program Expenses	118,701	87,729	16,696	10,735	23,799	2,712	128,545	388,917	10,697	29,451	40,148	429,065
Other Program Expenses												
Supplies	669	1,096	1,656	966	1,334	96	1,362	7,179	2,244	701	2,945	10,124
Printing	167	1,556	1,453	673	2,097	205	4,418	10,569	1,037	7,097	8,134	18,703
Dues and subscriptions	2,072	3,272	35	15	1,212	2	262	6,870	4,395	947	5,342	12,212
Professional fees	-	-	-	-	-	-	-	-	19,775	-	19,775	19,775
Postage	36	486	434	236	738	167	271	2,368	345	2,243	2,588	4,956
Interest	10,873	1,147	1,466	662	1,432	79	502	16,161	709	410	1,119	17,280
Other	7,479	375	484	252	508	29	183	9,310	19,719	54,016	73,735	83,045
Total Other Program Expenses	<u>21,296</u>	<u>7,932</u>	<u>5,528</u>	<u>2,804</u>	<u>7,321</u>	<u>578</u>	<u>6,998</u>	<u>52,457</u>	<u>48,224</u>	<u>65,414</u>	<u>113,638</u>	<u>166,095</u>
Facilities Expenses												
Rental	46,728	2,992	12,922	34,833	9,440	-	2,333	109,248	-	-	-	109,248
Utilities	18,246	25,123	10,238	4,707	10,006	552	3,709	72,581	4,952	2,866	7,818	80,399
Telephone	4,451	2,984	3,323	2,327	3,355	117	28,081	44,638	1,913	723	2,636	47,274
Repairs and maintenance	28,563	9,247	3,989	1,748	5,072	343	2,068	51,030	2,764	1,678	4,442	55,472
Equipment rental and other	7,455	248	89	425	734	7	9,601	18,559	189	33	222	18,781
Depreciation and amortization	68,152	15,254	24,803	11,190	24,241	1,340	10,178	155,158	8,259	6,943	15,202	170,360
Insurance	9,370	1,613	2,208	3,899	2,029	112	2,883	22,114	2,468	581	3,049	25,163
Total Facilities Expenses	<u>182,965</u>	<u>57,461</u>	<u>57,572</u>	<u>59,129</u>	<u>54,877</u>	<u>2,471</u>	<u>58,853</u>	<u>473,328</u>	<u>20,545</u>	<u>12,824</u>	<u>33,369</u>	<u>506,697</u>
Total Expenses	<u>\$ 1,042,573</u>	<u>\$ 467,087</u>	<u>\$ 527,271</u>	<u>\$ 322,970</u>	<u>\$ 582,680</u>	<u>\$ 33,499</u>	<u>\$ 486,333</u>	<u>\$ 3,462,413</u>	<u>\$ 533,414</u>	<u>\$ 314,579</u>	<u>\$ 847,993</u>	<u>\$ 4,310,406</u>

See Independent Auditor's Report and Notes to the Financial Statements.

Cornerstone Advocacy Service
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
Cash Flows From Operating Activities		
Change in net assets	\$ 545,798	\$ 45,153
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	178,395	170,360
Gain on sale of fixed assets	-	6,640
Amortization of debt, present value discount	17,662	17,034
Forgiveness of note payable	(18,000)	-
Change in fair value of investments	(271,271)	(57,121)
Changes in assets:		
Accounts and pledges receivable	27,030	(122,953)
Prepaid expenses	(8,062)	(19,584)
Unemployment trust	(16,306)	24,407
Security deposits	-	(800)
Changes in liabilities:		
Accounts payable	(9,408)	15,985
Accrued payroll and related expenses	51,574	34,212
Funds held for others	(299,908)	(7,689)
Deferred revenues	40,943	(4,419)
Security deposits	(2,149)	-
Net Cash Provided by Operating Activities	236,298	101,225
 Cash Flows From Investing Activities		
Purchase of investments	(2,847,269)	(64,842)
Proceeds from sale of investments	1,992,379	17,361
Purchase of equipment	-	(109,988)
Net Cash Used by Investing Activities	(854,890)	(157,469)
 Cash Flows From Financing Activities		
Payments on notes payable	(15,351)	-
 Change In Cash and Cash Equivalents	(633,943)	(56,244)
 Beginning Cash and Cash Equivalents	2,045,666	2,101,910
 Ending Cash and Cash Equivalents	\$ 1,411,723	\$ 2,045,666
 Supplemental Disclosures of Cash Flow Information:		
Cash paid during the year for:		
Interest	\$ 232	\$ 246
Income Taxes	\$ -	\$ -
 Supplemental Disclosure of Non-Cash Transactions		
Disposal of fully depreciated equipment	\$ 108,090	\$ -

See Independent Auditor's Report and Notes to the Financial Statements.

Cornerstone Advocacy Service
Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

Note 1: Summary of Significant Accounting Policies

A. Nature of Activities

Cornerstone Advocacy Service (the Organization) is a Minnesota not-for-profit corporation formed to provide a continuum of service to victims of domestic and sexual violence, human trafficking and their children. The Organization's services address the immediate crisis, the aftermath and the long term needs of women, children, and families struggling to obtain safety, security and long term social and emotional health. The Organization's primary service areas include: Minneapolis, Bloomington, Eden Prairie, Edina, Richfield, St. Louis Park, Robbinsdale, Crystal, Brooklyn Center, Brooklyn Park, and Maple Grove. In addition, Cornerstone manages the program, Day One, which supports a network of 82 Minnesota domestic violence and sexual assault agencies by facilitating the statewide toll free crisis line and the secure website that tracks in real-time available bed space and services.

National Day One, LLC, a wholly owned subsidiary of the Organization, was established in April 2008 as a Minnesota limited liability company. National Day One, LLC supports bringing the Day One model beyond the borders of Minnesota to other states in the country. For purposes of the consolidated financial statements, "the Organization" refers to both Cornerstone Advocacy Service and National Day One, LLC.

B. Basis of Accounting and Presentation

The accompanying consolidated financial statements include the accounts of the Organization and National Day One, LLC. All intercompany transactions have been eliminated. These consolidated financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

C. Use of Estimates

The preparation of consolidated financial statements in conformity 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.

D. Cash and Cash Equivalents

For purposes of the consolidated statements of cash flows, the Organization considers short-term, highly liquid investments and investments purchased with a maturity of three months or less to be cash equivalents. The Organization's cash balances held in bank depositories may exceed federally insured limits at times.

E. Accounts Receivable

Accounts receivable consist primarily of amounts billed on contracts negotiated with governmental agencies and commitments from foundations. Historically, all governmental contracts and foundation receivables have been collected, therefore no allowance is considered necessary. Approximately 4% of the Organization's accounts receivables are large individual pledges from annual fundraising events. Large pledges are defined as those which have an outstanding balance greater than \$500. The point in time that delinquency becomes apparent for large pledges is a matter of Organization policy. In addition to other considerations, the policy includes a review of the Organization's relationship with the donor. Once a large pledge is considered delinquent they are sent a final pledge reminder. The most recent pledge reminders were sent out in March 2018. Once a large pledge is determined to be uncollectible, it is written off.

F. Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in fixed income securities at fair value using quoted market prices. Unrealized gains and losses are included in the change in net assets in the Consolidated Statements of Activities.

The Organization's investments are exposed to various risks, such as interest rate and overall market volatility. However, the Organization's Investment Policy is designed to manage investment risk while optimizing returns.

Note 1: Summary of Significant Accounting Policies (Continued)

G. Property and Equipment

Property and equipment are capitalized at cost if purchased or fair market value at date of the gift if donated. All acquisitions of property and equipment and all expenditures for betterments that materially prolong the useful lives of assets are capitalized. The Organization considers items with a cost greater than \$5,000 and a useful life greater than one year to be property and equipment. Maintenance, repairs and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property and equipment are depreciated using the straight-line method over the estimated useful lives as follows:

Furniture and equipment	3-15 years
Building and improvements	15-40 years
Website	5 years
Database	5 years

Intellectual property consists of a trademark for Day One. Intangible assets are amortized over a 15 year period.

H. Classification of Net Assets

Net assets and revenue, expenses, gains, and losses are classified based on the existence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net asset and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they may be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. As of December 31, 2017 and 2016, the Organization does not have any permanently restricted net assets.

I. Revenue Recognition

Contributions, including unconditional promises to give (pledges), are recognized when the donor makes a promise to give to the Organization. Conditional promises are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. If the restriction is met on a contribution in the year the contribution is received, the contribution is reported as unrestricted revenue.

The Organization's policy is to imply a time restriction on gifts for land, buildings and equipment that expire over the useful life of the asset.

J. Government Grants Receivable and Revenue

Grants are recorded as receivables in the year made. Government grants are typically restricted for use on a specific program and/or are conditional upon uncertain future events. Advances and/or revenue from such grants are deferred until such conditions are met or services are rendered.

Cornerstone Advocacy Service
Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

Note 1: Summary of Significant Accounting Policies (Continued)

K. Donated Services, Materials and Goods

Donated goods and materials are recorded at fair value at the date of donation. The Organization receives products and supplies including, but not limited to, water, food, temporary housing and goods from other businesses.

Donated services are recognized only if they would typically need to be purchased, require specialized skill, and are performed by an individual possessing that skill, or if they create or enhance a nonfinancial asset. The Organization has recorded donated professional services that met the recognition criteria. The services of some volunteers have not been reflected in the statements as donated services, since such services do not meet the recognition criteria.

L. Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is also exempt from Minnesota franchise and income taxes for related business activities.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination of the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more-likely-than-not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions. Federal returns for the years ended 2014 and beyond remain subject to examination by the Internal Revenue Service.

M. Expense Allocation

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statements of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

N. Reclassification

Certain accounts relating to the prior year have been reclassified to conform to the current year presentation with no effect on previously reported net income.

O. Subsequent Events

The Organization has evaluated subsequent events through May 14, 2018, which is the date that the consolidated financial statements were approved and available to be issued.

Note 2: Accounts and Pledges Receivable

Unconditional promises to give and other receivables were as follows for December 31:

	2017	2016
Unconditional promises to give	\$ 87,769	\$ 83,400
Governmental contracts receivable	615,208	665,308
Other contracts receivable	18,701	-
Total	\$ 721,678	\$ 748,708

Cornerstone Advocacy Service
Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

Note 2: Accounts and Pledges Receivable (Continued)

Collection of unconditional promises to give and accounts receivable is expected as follows:

	2017	2016
Due in one year	\$ 717,725	\$ 736,225
Due in two to five years	4,034	12,747
Total promises to give	721,759	748,972
Less: present value discount	(81)	(264)
Unconditional promises to give, net	\$ 721,678	\$ 748,708

Note 3: Fair Value Measurement

The Organization measures the fair value of its financial instruments using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to significant unobservable inputs (level 3 measurements). The Organization determines fair value by:

Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active market that Tree Trust has the ability to access, and where transactions occur within.

Level 2 inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs, other than quoted prices, that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 inputs to the valuation methodology reflect management's assumptions about significant unobservable inputs that market participants would use in pricing the asset or liability.

The asset's and liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Assets and liabilities that are measured at fair value on a recurring basis are as follows at December 31:

	Level 1	
	2017	2016
Money market	\$ 30,926	\$ 49,496
Equity	918,732	1,169,123
Bonds	920,249	574,976
Exchange-traded funds	1,049,849	-
Total	\$ 2,919,756	\$ 1,793,595

Cornerstone Advocacy Service
Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

Note 4: Property and Equipment

A summary of property and equipment as of December 31 is summarized as follows:

	2017	2016
Land	\$ 1,646,910	\$ 1,646,910
Building and improvements	4,255,842	4,255,843
Furniture and equipment	763,092	871,182
Website	125,137	125,137
Intellectual property	1,435	1,435
Database	177,570	177,570
Total Property and Equipment	6,969,986	7,078,077
Less: Accumulated Depreciation	(2,512,385)	(2,442,081)
Property and Equipment, Net	\$ 4,457,601	\$ 4,635,996

Depreciation and amortization expense are summarized as follows for the years ended December 31:

	2017	2016
Depreciation	\$ 178,299	\$ 170,264
Amortization	96	96
Total	\$ 178,395	\$ 170,360

Note 5: Unemployment Trust

The Organization self-insures for Minnesota unemployment via the Unemployment Services Trust. The Unemployment Trust balance per contract would be fully refunded to the Organization upon payment of all outstanding unemployment claims. The balance of the Unemployment Trust is based on an estimate of actual claims. The net recorded balance at December 31, 2017 was \$46,389 which consists of a gross balance of \$56,191 less estimated claim liability of \$9,802. The net recorded balance at December 31, 2016 was \$30,083 which consisted of a gross balance of \$46,479 less estimated claim liability of \$16,396.

Note 6: Funds Held for Others

The Organization had a funds transfer agreement with another charitable organization that was in process of closing down operations. Per the agreement, the Organization was acting as fiduciary agent and disbursed funds related to the dissolution of the organization as the costs were incurred. At the end of the fiduciary period, any remaining funds were distributed to several named beneficiaries, including 25% to the Organization.

Funds held for others at December 31, 2017 and 2016 were \$0 and \$299,908, respectively.

Note 7: Long-Term Debt

Included in long-term debt are debts which are payable at the end of their term but at a low or no interest rate. Most of this indebtedness was discounted to reflect the market interest rate and present value of the debt. The effective interest rate at the date of the loan was used to discount the debt and ranges from 3.00% to 4.50%.

The discounts are amortized over the life of the loan and the regularly scheduled amortization is included in interest expense. Accelerated amortization relates to discounted loans that were paid off prior to the original due date and represents the remaining unamortized balance at the time the loan is paid. Accelerated amortization is presented separately with other changes in net assets.

Cornerstone Advocacy Service
Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

Note 7: Long-Term Debt (Continued)

Long-term debt consists of the following at December 31:

	2017	2016
Mortgage loan payable, Minnesota Housing Finance Agency, Housing Trust Fund Program, face value of \$18,000, due April 2017, collateralized by certain houses.	\$ -	\$ 18,000
Mortgage loan payable, Minnesota Housing Finance Agency, McKinney Transitional Housing Program, face value of \$190,027, due September 2023, collateralized by a certain building.	152,486	145,920
Note payable, Hennepin County, State of Minnesota, face value of \$94,151, due December 2027, collateralized by land and houses.	65,722	63,402
Note payable, Minnesota Housing Finance Agency, Housing Trust Fund Program, face value of \$100,000, due October 2036, collateralized by a certain building.	57,722	55,986
Note payable, Minnesota Housing Finance Agency, Housing Trust Fund Program, face value of \$218,377, due October 2036, collateralized by a certain building.	129,960	126,052
Note payable, Hennepin County Housing and Redevelopment Authority, Trust Fund Program, face value of \$75,000, due October 2035, collateralized by a certain building.	44,635	43,293
Note payable, Family Housing Fund of Minneapolis and St. Paul, face value of \$100,000, due October 2035, collateralized by a certain building.	59,512	57,723
Note payable, City of Eden Prairie, rehabilitation grant of \$15,350. Within 5 years of March 2012, if the rehabilitated property is sold, transferred or otherwise conveyed, the grant must be repaid with interest calculated at 5%.	-	15,350
Total Debt	510,037	525,726
Less: current portion	-	(33,350)
Total Long-Term Debt, Net	\$ 510,037	\$ 492,376

Discount amortization is as follows for the years ended December 31:

	2017	2016
Interest expense	\$ 17,662	\$ 17,034

Cornerstone Advocacy Service
Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

Note 7: Long-Term Debt (Continued)

The following schedule of debt reflects the current values of the outstanding loans at December 31:

Years Ending December 31,	Amount
2018	\$ -
2019	-
2020	-
2021	-
2022	-
Thereafter	<u>510,037</u>
Total	<u>\$ 510,037</u>

Note 8: Line of Credit

The Organization has an unsecured line of credit with a maximum of \$100,000 and a 10.00% interest rate which automatically renews annually. The line of credit was unused during 2017 and 2016 had no balance due at December 31, 2017 and 2016.

Note 9: Equity Participation Agreement

During 2000, the Organization entered into an equity participation agreement with the Housing and Redevelopment Authority in and for the City of Bloomington (BHRA) through conversion of a previous financing agreement in the amount of \$250,000. The BHRA has equity in the building based on terms of the equity participation agreement and will be repaid upon sale of the building.

During 2004, the Organization entered into an equity participation agreement with the City of Bloomington, by way of a grant in the amount to \$200,000. The City has equity in the building based on terms of the equity participation agreement and will be paid upon sale of the building.

Note 10: Net Assets

Unrestricted net assets are composed of the following at December 31:

	2017	2016
Undesignated	\$ 1,442,588	\$ 1,004,191
Designated for operating and capital reserve	<u>4,263,573</u>	<u>4,066,585</u>
Total	<u>\$ 5,706,161</u>	<u>\$ 5,070,776</u>

Temporarily restricted net assets were available for the following purposes:

	2017	2016
Program activities	\$ 276,982	\$ 256,231
Capital campaign/time restriction	2,091,201	2,183,878
Debt present value discount	<u>267,518</u>	<u>285,179</u>
Total	<u>\$ 2,635,701</u>	<u>\$ 2,725,288</u>

Cornerstone Advocacy Service
Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

Note 11: Governmental Agency Revenue

Revenue from governmental agencies includes the following funding sources for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Federal	\$ 1,559,059	\$ 846,434
State	1,316,086	1,167,264
County, city, and other	<u>951,162</u>	<u>936,380</u>
Total	<u>\$ 3,826,307</u>	<u>\$ 2,950,078</u>

Note 12: In-Kind Contributions

In-kind contributions were as follows for the years ended December 31:

	<u>2017</u>	<u>2016</u>
Contributed services	\$ 9,979	\$ 14,412
Housing	52,882	68,516
Marketing research	-	18,000
Other	<u>38,060</u>	<u>56,038</u>
Total	<u>\$ 100,921</u>	<u>\$ 156,966</u>

In addition to the amounts above, approximately 6,900 and 9,506 hours were volunteered during 2017 and 2016, respectively, that did not meet the criteria for recognition.

Note 13: Concentrations

The Organization contracts with the Minnesota Department of Public Safety to provide room and board and other services based on actual expenditures. Revenue from these activities and other service revenues are recognized as the services are provided. The Organization received approximately 48% and 42% of its support and revenue from the Minnesota Department of Public Safety for 2017 and 2016, respectively.

Cornerstone Advocacy Service
Notes to the Consolidated Financial Statements
December 31, 2017 and 2016

Note 14: Operating Lease Agreements

The Organization entered into an operating lease agreement in 2016 for office space which began on November 1, 2016, for a term of 25 months. The landlord abated the first month's lease payment. Lease payments will be \$3,333 per month for the first year and will increase to \$3,438 for the remaining lease term. The Organization will have an option to renew the lease after the initial term for a three year-period.

The Organization also entered into other various operating leases for a vehicle, office equipment, and housing. Future minimum lease payments required under the leases is as follows:

<u>Years Ending December 31,</u>	<u>Amount</u>
2018	\$ 89,919
2019	83,684
2020	81,607
2021	79,289
2022	80,564
Thereafter	<u>75,675</u>
Total	<u>\$ 490,738</u>

Note 15: Retirement Plan

The Organization contributes to a defined contribution retirement plan which covers substantially all employees after a specified period of service. Discretionary contributions are determined annually by the Board and are allocated to participants based on percentages of their eligible compensation. Contributions made under the plan for 2017 and 2016 were \$52,042 and \$59,068, respectively.

Note 16: Financial Awards from Grantors

Financial awards from federal, state and local governments in the form of grants are subject to an agency audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time.

SUPPLEMENTARY INFORMATION

Cornerstone Advocacy Service
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2017

Federal Grantor/Program Title Pass-Through Grantor/Pass-Through Entity Identifying Number	Federal Domestic Assistance Number	Pass-Through Identification Number	Pass- Through Federal Expenditures
U.S. Department of Housing and Urban Development:			
Passed-Through the Hennepin County Housing Consortium: Home Investment Partnerships Program	14.239	None Noted	<u>\$ 94,151</u>
U.S. Department of Justice:			
Passed-Through the Minnesota Department of Public Safety: Education, Training, and Enhanced Services to End Violence Against and Abuse of Women with Disabilities	16.529	OVW 2013; OVW 2016	155,435
Crime Victim Assistance	16.575	A-SVGC-2017-CORNERST-00004; A-GCHS-2017-CORNERST-00003; A-CVS-2017-CORNERST-00018; A-CVS-2018-CORNERST-00036	1,318,768
<i>Total U.S. Department of Justice:</i>			<u>1,474,203</u>
U.S. Department of Health and Human Services:			
Passed-Through the Minnesota Center for Crime Victim Services: Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	None Noted	80,862
<i>Total U.S. Department of Health and Human Services:</i>			<u>80,862</u>
U.S. Department of Homeland Security:			
Passed-Through the United Way of Minneapolis Area: Emergency Food and Shelter National Board Program	97.024	None Noted	3,994
<i>Total U.S. Department of Homeland Security:</i>			<u>3,994</u>
Total Federal Expenditures			<u>\$ 1,653,210</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards.

Cornerstone Advocacy Service
Notes to the Schedule of Expenditures of Federal Awards
December 31, 2017

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Organization under programs of the federal government for the year ended December 31, 2017. The information in this schedule is presented in accordance with the requirement of the Uniform Guidance, and *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2: Summary of Significant Accounting Policies for Expenditures

Expenditures reported on this 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.

Note 3: Pass-Through Entity Identifying Numbers

Pass-through entity identifying numbers are presented where available.

Note 4: Subrecipients

No federal expenditures presented in this schedule were provided to subrecipients.

Note 5: Indirect Cost Rate

During the year ended December 31, 2017, the Organization did not elect to use the 10% de minimis indirect cost rate.

Note 6: Loan or Loan Guarantee Programs

The full amount and unamortized outstanding balance on the loan guarantee program under the Home Investment Partnerships Program was \$94,151 as of December 31, 2017. The total federal expenditures shown in this schedule represents the full amount of the loan balance as of January 1, 2016. No new loans were made under this program during 2017, and there were no interest subsidies, cash, or administrative cost allowances made under this program in 2017.

OTHER REPORTS



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

Board of Directors
Cornerstone Advocacy Service
St. Paul, Minnesota

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 Cornerstone Advocacy Service (the Organization), a Minnesota not-for-profit corporation, which comprise the statement of financial position as of December 31, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 14, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

This 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.

Abdo Eick & Meyers, LLP

ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
May 14, 2018



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

Board of Directors
Cornerstone Advocacy Service
St. Paul, Minnesota

Report on Compliance for Each Major Federal Program

We have audited Cornerstone Advocacy Service's (the Organization), a Minnesota not-for-profit corporation, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2017. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *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 the Organization'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 the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

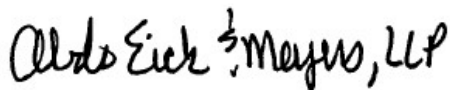
Report on Internal Control over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's 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 the Organization's 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.



ABDO, EICK & MEYERS, LLP
Minneapolis, Minnesota
May 14, 2018

Cornerstone Advocacy Service
 Schedule Of Findings And Questioned Costs
 For The Year Ended December 31, 2017

Section I - Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance?	No

**Federal
CFDA
Number**

Identification of Major Programs:

Crime Victim Assistance	16.575
Dollar threshold used to distinguish between Type A and Type B Programs:	\$ 750,000
Auditee qualified as low-risk auditee pursuant to the Uniform Guidance	No

Section II - Findings - Financial Statement Audit

There are no significant deficiencies, material weaknesses, or instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards.

Section III - Findings and Questioned Costs - Major Federal Award Programs Audit

There are no significant deficiencies, material weaknesses, or instances of material noncompliance including questioned costs that are required to be reported in accordance with the Uniform Guidance.

Other Issues

A Corrective Action Plan is not required because there were no current year findings required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance.