



CHURCHES TAKE A CORNER, INC.

PERFORMANCE AUDIT
SEPTEMBER 1, 2023 - JULY 31, 2024



**State of Delaware
Office of Auditor of Accounts**

**Lydia E. York
State Auditor**

October 20, 2025

Rev. Tyrone Johnson, President
Churches Take A Corner, Inc.
2701 N. West Street
Wilmington, DE 19802

The attached report provides the results of our performance audit of Churches Take A Corner, Inc., with respect to the Prescription Opioid Settlement grant program in accordance with the criteria set forth in Delaware Code, the grant application and grant agreement.

We conducted this performance audit in accordance with *Government Auditing Standards* as issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

This report is intended for the information and use of Churches Take A Corner, Inc., the Prescription Opioid Settlement Distribution Commission and the Office of Auditor of Accounts. Under 29 Del. C. §10002(o), this report is a matter of public record, and its distribution is not limited. This report, as required by statute, will be provided to the Office of the Governor, General Assembly, Office of the Controller General, Office of the Attorney General, and Office of the Management and Budget.

This report can be accessed online through the State Auditor's website at <https://auditor.delaware.gov>.

Lydia E. York
Auditor of Accounts
Dover, Delaware

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Abbreviations:

Table with 2 columns: Abbreviation and Full Name. Rows include AOA (Delaware Office of the Auditor of Accounts), BHC (Behavioral Health Consortium), DHR (Department of Human Resources), FSF (First State Financials), GAGAS (Generally Accepted Government Auditing Standards), LGC (Local Government Committee), NARR (National Association of Recovery Residences), OUD (Opioid Use Disorder), POSDC (Prescription Opioid Settlement Distribution Commission), RFI (Request for Information), and SUD (Substance Use Disorder).

For further information on this release, please contact:

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Audit Objectives

We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The objectives established for the performance audit of Churches Take A Corner, Inc. (the Organization) were to:

1. Determine whether grant expenditures were consistent and in compliance with Phase 1A of the signed grant agreement (known as the ‘Opioid Abatement and Remediation Grant’).
2. Determine whether grant expenditures had a demonstrable direct correlation with the related performance measures, scope of work and grant budget as noted in the grant application and signed grant agreement.
3. Determine whether grant expenditures were in compliance with allowable costs and permitted uses of grant funds and that grant reporting deliverables have been met.

Audit Scope

We were engaged to perform this performance audit and conducted our engagement in accordance with the standards applicable to performance audits contained in Government Auditing Standards issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported.

The period covered by the Performance Audit was September 1, 2023, through July 31, 2024. We sampled and examined transactions from the populations of expenditures and receipts of grant funds for the period from September 1, 2023, through July 31, 2024. In sampling these transactions, we relied on documentation provided by the Organization, the Delaware Department of Justice, the Prescription Opioid Settlement Distribution Commission (POSDC) and the State of Delaware’s financial accounting system (FSF).

Findings

The performance audit conducted on the Organization contained two findings that were identified during the engagement. The Organization did not meet the quarterly deliverables due to a lack of documentation demonstrating the metrics used to evaluate its program. Also, Churches Take A Corner’s grant expenditures did not have a demonstrable direct correlation with the related performance measures, scope of work, and grant budget as noted in the grant application and signed grant agreement. Refer to the Schedule of Findings and Recommendations for details of the deficiencies identified and related recommendations.

Conclusions

Based on the work performed in connection with this performance audit, we concluded the following:

1. That grant expenditures were not consistent and in compliance with Phase 1A of the signed Grant Agreement (known as the ‘Opioid Abatement and Remediation Grant’).
2. That grant expenditures lacked adequate documentation and as a result did not have a demonstrable direct correlation with the related performance measures, scope of work and grant budget as noted in the grant application and signed Grant Agreement.
3. Expenditures were not in compliance with allowable costs and permitted uses of grant funds and the grant reporting deliverables were not met.

Performance Audit Overview

The United States Government Accountability Office develops and promulgates Government Auditing Standards that provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to provide accountability and to help improve government operations and services. These standards are referred to as Generally Accepted Government Auditing Standards (GAGAS).

Performance audits are audits that provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Government programs are subject to many provisions of laws, regulations, contracts, and grant agreements. Auditors identify any provisions of laws, regulations, contracts, and grant agreements that are significant within the context of the audit objectives and assess the risk that noncompliance with provisions of laws, regulations, contracts, and grant agreements could occur. Based on that risk assessment, we have designed and performed procedures to obtain reasonable assurance of detecting instances of noncompliance with provisions of laws, regulations, contracts, and grant agreements that are significant within the context of the audit objectives.

We conducted this performance audit in accordance with the GAGAS applicable to performance audits issued by the Comptroller General of the United States. These standards require that we plan and perform our audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We are required to be independent of the granting and recipient organizations to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to this performance audit engagement. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Authority

The Office of the Auditor of Accounts (AOA) is authorized under 29 Del. C. § 2906(a) to conduct audits of all the financial transactions of all state agencies. 16 Del. C. § 5196B authorizes the Behavioral Health Consortium (BHC) to distribute money in the Prescription Opioid Settlement Fund and the Prescription Opioid Impact Fund based on the recommendations of the Prescription Opioid Settlement Distribution Commission by awarding grants. In addition, in accordance with the signed grant agreement “Any entity that applies for and receives (“Recipient”) a grant award or other disbursement of Opioid Funds

expressly acknowledges that it is receiving restricted State funds from the Prescription Opioid Impact Fund (the “Impact Fund”) established under 16 Del. C. § 4803B and/or the Prescription Opioid Settlement Fund (the “Settlement Fund,” and together with the Impact Fund, the “Opioid Funds”) established under 16 Del. C. § 4808B.”

AOA has selected for audit certain grant recipients based on various risk factors. These risk factors include, but are not limited to, constituent referrals, materiality-based selection and random selection. This report has been prepared as part of this performance audit project.

Program Overview

Pharmaceutical manufacturers and distributors have reached a settlement agreement with the State of Delaware, along with a broad coalition of States, to resolve legal claims. The agreements provide for approximately \$50 billion in payments over 18 years to be disbursed to all participating States. Funding will be distributed to States according to the allocation agreements reached among each State’s Attorney’s General. The State of Delaware is expected to receive approximately \$250 million over 18 years. Distribution within Delaware began during the 3rd quarter of 2023 and is administered by the Delaware Behavioral Health Consortium. The distributions are to be used to support a wide variety of strategies to fight the opioid crisis.

On October 14, 2021, Senate Bill 166 was signed into law and created the POSDC and vested it with the responsibility for:

- (a) establishing a coordinated and consensus-driven effort to repair the harm done to communities in Delaware by the opioid crisis and
- (b) making recommendations to the BHC regarding the distribution of money in the Impact Fund established under 16 Del. C. § 4803B and the Settlement Fund established under 16 Del. C. § 4808B.

The POSDC is a subcommittee of the BHC and is charged with providing funding recommendations to the BHC to abate and remediate the Delaware opioid crisis.

The work of the POSDC is supported by its co-chairs and six standing committees:

1. Behavioral Health Resources Committee
2. Budget and Reporting Committee
3. Equity Committee
4. Governance Committee
5. Local Governments Committee
6. Public Outreach and Community Input Committee

The purpose of the POSDC is to abate and remediate the opioid epidemic throughout the State of Delaware through financial support from the Fund in the form of grant awards for efforts to treat, prevent, and reduce opioid use disorder and the misuse of opioids.

Pursuant to the above noted legislation and 16 Del. C. § 5196A, the General Assembly created a Local Government Committee (the “LGC”), which has statutory authority to make recommendations to the Commission regarding the distribution of money from the Impact Fund and the Settlement Fund. The Commission, with the recommendation of the LGC, approved grants to 78 non-profit and governmental organizations in 2 phases, totaling \$13,006,135 (Phase 1A: \$3,656,039 & Phase 1B:\$9,350,096).

The Impact Fund and each respective grant award was meant to increase access to treatment, reduce unmet treatment needs and reduce opioid overdose related deaths by providing prevention, treatment, and recovery activities for ‘Opioid Use Disorder’ (OUD), including prescription opioids and illicit drugs such as heroin.

Grant Agreement – This Performance Audit is prescribed by the ‘Mandatory Terms and Conditions for the Prescription Opioid Impact Fee Fund and Prescription Opioid Settlement Fund’ grant agreement.

Organization Background

The Organization is a non-profit organization located in Wilmington, Delaware, and was founded in 1998. The organization’s mission is to create and develop the “Man and Mom on the Block” (MMOTB) program to provide outreach and intervention services. The objective of the program is to establish neighborhood residents as points of contact for people in crisis as a result of drug use caused by mental and physical abuse. Other traumas plaguing the community have created a hostile and debilitating environment within the neighborhoods in their geography, mainly the 25 city blocks in Wilmington's 19802 zip code. By empowering “ambassadors”, the men and women on their blocks, the Organization will be able to make a greater impact in rebuilding safer communities.

The Organization's response to the abatement and remediation is described as aerial and tactical. The aerial methodology is a means of altering the way young people view opioids and opioid misuse by creating creative commercials and disseminating them to specific peer groups via social media and television broadcasts. The tactical approach is the personal engagement of the Organization’s leadership and ambassadors/volunteers to assist with safety, trauma, and mental health challenges. The commercials utilize multi-generational individuals to speak to those trapped in opioid misuse and addiction in their demographics.

The Organization requested and received \$100,000 of grant 1A fund distributions for phase one (1) of the program identified above. The program team consists of a Program Director, Assistant Director, Executive Assistant, Accountant, IT Manager/Evaluator, Volunteer Coordinator, and Volunteers to conduct and collect survey information to identify participant needs.

Audit Methodology and Results

To address the audit objectives of this performance audit, we performed the following procedures:

- A. Planning Phase: The audit relied on various sources of information and methods to properly plan the audit and to obtain an understanding of, and assess processes for the Organization, including the following:
 - 1. We reviewed the applicable sections of the Federal Prescription Opioid Settlement Distribution legislation to gain an understanding of the legal and policy requirements governing the ‘Prescription Opioid Settlement Distribution’ grants.
 - 2. We inquired whether there were any previous audits that relate to the objectives of this audit and whether there were findings and recommendations and whether any recommendations have been implemented.
 - 3. We inquired if there were written board minutes for the Organization.
 - 4. We identified and reviewed contracts, agreements, and other important documents.
 - 5. We performed risk assessment procedures such as:
 - a. Obtained and documented an understanding of the Organization and its environment and identified risks.
 - b. Completed engagement team discussions, including discussions about the possibility of error or fraud involving opioid grant funds.
 - c. Made inquiries of management and others about risks (including fraud risks, related-party transactions, unusual transactions, and compliance with laws, regulations, contracts, and grant agreements).
 - d. Inquired as to the existence of the Organization’s internal control system over grant fund receipts and expenditures.
- B. Performance Assessment: Based on the information gathered, we developed the following risk-based approach of the grant funds with respect to the audit objectives.
 - 1. To determine the compliance of the grant disbursements, we sampled and tested transactions from the population of expenditures from opioid grant funds to determine that the transactions were properly documented, authorized, and properly recorded; that products and services were received; and that the transactions complied with opioid grant requirements.
 - 2. We sampled and tested transactions from a population of grant disbursements to determine whether the disbursements were consistent and in compliance with Phase 1 of the Prescription Opioid Impact Fee Settlement Fund.
 - 3. We sampled and tested transactions from a population of grant disbursements to determine whether the disbursements had a demonstrable direct correlation with the expected performance measures, scope of work, and grant agreement and budget.

4. We compared the grant application and grant agreement to the grant disbursements and reported results to assess whether the grant deliverables had been met with respect to the grant agreement.

Objective 1

Determine whether grant expenditures were consistent and in compliance with Phase 1A of the signed grant agreement (known as the ‘Opioid Abatement and Remediation Grant’).

Methodology – To assess the Organization’s compliance with opioid grant expenditures, we tested 37 payroll expense transactions, 35 other expense transactions, and 12 grant agreement compliance transactions.

Results – We tested 37 payroll expense transactions, paid to four (4) program team members, totaling \$39,459. The Organization utilized four (4) staff members and one (1) contractor to fulfill six (6) positions, which were budgeted.

We also tested 35 other expense transactions totaling \$32,601. The testing results show four (4) of 35 transactions, or 11 percent, were not consistent and/or were not in compliance with Phase 1A of the signed grant agreement. The total amount tested was \$32,601, of which \$6,745 (or 21 percent) of the items selected were not in compliance.

See *the Schedule of Findings and Recommendations* for details of the findings identified and related recommendations.

Objective 2

Determine whether grant expenditures had a demonstrable direct correlation with the related performance measures, scope of work, and grant budget as noted in the grant application and signed grant agreement.

Methodology - To determine if each of the expenditures selected for testing had a demonstrable direct correlation with the performance measures and scope of work, we reconciled each disbursement to the opioid abatement program and budget and reviewed supporting documentation for the disbursement. We also compared the purpose of the disbursement to the performance measures and scope of work included in the grant agreement. We compared the purpose of the expenditure to the budget categories to determine if the expenditure aligned with one of the budget categories.

Results – We found that all 35 grant expenditures were directly correlated with the opioid abatement program as established by the Opioid Abatement and Remediation Grant Agreement.

Objective 3

Determine whether grant expenditures were in compliance with allowable costs and permitted uses of grant funds and that grant reporting deliverables have been met.

Methodology - To determine if each of the items tested complied with the signed grant agreement, grant application, and any periodic reports prepared for the Commission to determine if each disbursement was relevant and consistent with Opioid Abatement grant legislation and guidance, and that the information appeared reasonable considering the amount and nature of each expenditure.

Results – Based on our audit procedures for compliance testing, six (6) of the 12 items tested complied with allowable costs and permitted uses of grant funds. However, reporting deliverables were not met. The organization was unable to provide client-specific reports or documentation as required in the terms and conditions of the grant agreement because they do not provide direct services.

See *the Schedule of Findings and Recommendations* for details of the findings identified and related recommendations.

Schedule of Findings and Recommendations

There were findings identified as a result of this performance audit of Churches Take A Corner, Inc.:

Finding #1: Grant expenditures were not consistent and/or in compliance with the signed grant agreement (known as the ‘Opioid Abatement and Remediation Grant’).

Criteria: State of Delaware; Office of the Lieutenant Governor; Agreement Governing Distributions of Prescription Opioid Impact Fee Funds and Prescription Opioid Settlement Funds, Audit and Inspection Provision 2(a) and 2(b).

Condition: Churches Take A Corner was unable to provide documentation to support the services identified in the grant agreement and were not in compliance with the expenditure of grant funds according to the program’s proposed budget for the following:

1. Expenditures of “services” as identified in the grant agreement.

Cause: Insufficient understanding of grant deliverables, terms and conditions, and the lack of records management.

- Expenditures charged against the grant program indicate that the Organization used grant funds to accommodate needs and/or services outside of the grant agreement scope.

Effect: The organization was not in compliance with the general provisions of the grant agreement, which requires the expenditure of grant funds according to the program’s proposed budget. We were unable to determine the Organization’s extent of providing wrap-around services, which resulted in:

- **Inability to Measure Outcomes:** Without proper documentation, it is impossible to obtain accurate metrics to evaluate the effectiveness and impact of the program.
- **Uncertainty of Program Success:** The success and efficacy of the wrap-around services provided by Churches Take A Corner, Inc. cannot be determined, potentially undermining stakeholder confidence.
- **Risk of Funding Issues:** Non-compliance with grant requirements may jeopardize current and future funding opportunities, affecting the organization’s ability to sustain and expand its services.
- **Accountability Concerns:** The absence of documentation raises concerns about accountability and transparency, which are critical for maintaining trust with funders, partners, and the community.

Recommendation: Churches Take A Corner, Inc. should develop, implement, and/or enforce administrative and accounting policies and procedures, including but not limited to organizational operations structures to provide relevant, up-to-date records and reports to support the organization’s deliverables, and enforce accountability and consider the following:

- Ensure that program managers are well-informed of the grant requirements, metrics and deliverables, and other requirements defined in the grant agreement and routinely complete and report the program’s measures of success.
- Develop and revise internal policies and procedures to ensure those responsible for the operational responsibilities of the programs have a clear understanding of the Organization’s requirements and obligations.
- Develop and follow standardized procedures for documenting and managing records for the Organization’s transactions, activities, and deliverables.
- Utilize technology solutions, such as a centralized database or documentation management system, to streamline the documentation process and ensure records are easily accessible and securely stored.
- Conduct regular internal reviews of documentation practices to ensure compliance with terms and conditions of signed agreements, identify areas for improvement, and update organizational procedures as necessary.
- Establish oversight mechanisms, such as periodic management reviews and performance metrics, to monitor documentation practices and ensure consistency and compliance.

Finding #2: Grant expenditures did not have a demonstrable direct correlation with the related performance measures, scope of work and grant budget as noted in the grant application and signed grant agreement.

Criteria: State of Delaware; Office of the Lieutenant Governor; Agreement Governing Distributions of Prescription Opioid Impact Fee Funds and Prescription Opioid Settlement Funds, Audit and Inspection Provision.

Condition: Churches Take A Corner, Inc. was unable to provide documentation related to program details identified in the grant agreement for the following deliverables:

- Screening/Intake Documentation
- Provide services to at least 10 participants per cohort, per quarter

- Individualized Service Plan (ISP): Client Progress Reports
- Develop tools to identify, develop, and utilize skill sets to connect with potential job opportunities and implement client employment assistance tool(s).
- Ambassador and Volunteer Training: Train and teach volunteers how to recognize and treat affected individuals.
- Referrals to substance use treatment services, also including transportation, housing, food, childcare, job training and other professional behavioral health services, including documenting the number of referrals given and the number of participants who were referred to other service providers.

Cause:

- The Organization has not provided services defined in the signed grant agreement.
- Documentation to support modifications to the agreement could not be provided.
- Churches Take A Corner, Inc. did not maintain records required for the deliverables detailed in the terms and conditions of the grant agreement.
- Expenditure transactions were not recorded or captured with sufficient detail or supported by proper documentation.

Effect: The Organization was not in compliance with the terms and conditions of the grant agreement, which required the expenditure of grant funds according to the program’s proposed budget. We were unable to determine the Organization’s extent of providing the wrap-around service deliverables stated in the grant agreement, resulting in:

- An inability to measure outcomes. Without proper documentation, it is impossible to obtain accurate metrics to evaluate the effectiveness and impact of the program.
- Uncertainty of Program Success: The success and efficacy of the wrap-around services provided by Churches Take A Corner, Inc. cannot be determined, potentially undermining stakeholder confidence.
- Risk of Funding Issues: Non-compliance with grant requirements may jeopardize current and future funding opportunities, affecting the organization’s ability to sustain and expand its services.
- Accountability Concerns: The absence of documentation raises concerns about accountability and transparency, which are critical for maintaining trust with funders, partners, and the community.

Recommendation: Churches Take A Corner, Inc. should ensure the terms and conditions of the grant agreement are aligned with the Organization’s programs, services, and objectives and consider the following:

- Review agreement terms and conditions to ensure the requirements align with the organization’s program objectives and/or capabilities.
- Submit proposed changes to the scope of work for review and approval and maintain records of the change in scope.

- Ensure all program managers understand the terms and conditions of the grant agreement, the metrics and deliverables, the scope, and other requirements defined in the grant agreement.
- Develop and/or enforce internal policies and procedures to ensure that program deliverables are satisfied.
- Develop and follow standardized procedures for documenting all activities and deliverables, including receipt, inventory, and distribution of naloxone, training records, event attendance, referrals, transportation logs, etc.
- Utilize technology solutions, such as a centralized database or documentation management system, to streamline the documentation process and ensure records are easily accessible and securely stored.

Churches Take A Corner, Inc. Management Response



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Performance Audit Responses

Prescription Opioid Settlement Grant Program

September 1, 2023, through July 31, 2024

CTAC RESPONSE SUMMARY

Churches Take A Corner (hereinafter referred to as CTAC) is grateful to have had the opportunity to participate in receiving the assistance of the Prescription Opioid Settlement Commission to have the ability to be innovative and non-traditional in our approach to recovery and harm reduction of opioid use disorders within our communities. We partnered with different local and state agencies to have proven methods of effective communication within our training modules for volunteer engagement on the streets. CTAC was able to create an effective way to help children by establishing a therapeutic drama model that focused on children and youth to understand the ills of opioid misuse. This grant gave CTAC the time to eliminate ineffective measures, while allowing CTAC to create the comprehensive 4 R's with the help of Dr. Sheldon Nix, MSW. This grant opportunity and its ability to help CTAC bring lasting change into the lives of many families within the households of 19802. (See Appendix C)

CTAC categorically refutes the defaming words within the findings of the performance audit report. The report uses absolute language that suggests CTAC did not provide any documentation, proper delineation, or direct correlations between CTAC's operations and grant expenditure, as prescribed by POSDC. This direct wording leaves a very negative connotation of CTAC's work within the community and threatens our years of hard work, our statewide respected reputation, and valued integrity within the State as a trusted vendor. Findings presented in the recent performance audit regarding our administration of the Prescription Opioid Settlement Distribution Commission's Grant Program (POSDC), CTAC is asking that the examples provided herein as appendix A-C be considered as findings that demonstrate CTAC's commitment to helping the 19802 community and following the original and modified grant agreements.

CTAC has operated with integrity, transparency, and a steadfast commitment to compliance throughout the duration of this grant. During the audited period, we successfully mobilized youth, families, and community-based partners—particularly within Wilmington's 19802 zip code—to deliver targeted opioid misuse prevention, education, and recovery services. These efforts included over 20 Narcan trainings, trauma-informed care initiatives, collaborative work with Warner Elementary School, public service announcements, and transportation support for residents in underserved neighborhoods.

Our senior leadership team holds certifications as Narcan trainers, trauma trainers, and Stop The Bleed Ambassadors through the U.S. Department of Defense and the American College of Surgeons—demonstrating our proactive investment in evidence-based, life-saving interventions.

CTAC fulfilled all grant requirements by filing monthly reports and uploading all supporting documentation into the POSDC database. We met quarterly, in person, with the assigned grant Monitor to ensure accountability and alignment with the grant’s goals. When program needs shifted due to rising overdose rates, CTAC responsibly requested—and received—approval for modifications and reallocations. These changes were made with full transparency and in coordination with POSDC, allowing us to adapt quickly and effectively to emerging challenges on the ground.

At no point was there ambiguity regarding the scope of work, deliverables, or metrics. CTAC’s monthly progress reports, budget submissions, and the licensed Evaluator’s final assessment consistently affirmed our performance, impact, and full adherence to the grant’s terms and conditions.

While we acknowledge that certain documentation processes could have been more robust, we have since implemented stronger internal controls. These improvements include enhanced receipt tracking, revised standard operating procedures, and updated technology systems to ensure even greater accuracy and accountability moving forward.

CTAC remains a mission-driven organization dedicated to serving the most vulnerable with transparency, measurable outcomes, and full compliance. The facts, documentation, and external evaluations support this position unequivocally.

Overall, the POSDC Monitor’s oversight ensured that CTAC's effectiveness and impact were measurable, recorded effectively, and there was never any uncertainty of the scope of work, the required measurables, or the clarity of the program outcomes. CTAC reported monthly progress and uploaded all documentation for every activity, submitted the organization’s monthly budget spreadsheet, met quarterly with the POSDC Monitor, and the licensed Evaluator’s final report and other verifiable reports show the agreement terms and conditions in the POSDC grant aligned with CTAC’s program objectives and deliverables.

The findings have been analyzed, reviewed, and refuted by:

Rev. Tyrone Johnson, CEO

Dr. Rubenna Brown, COO,

Elder Carvella Jackson, CRO, and

Elder Katherine Russell, CFO

Submitted by email and mail on May 9, 2025, as granted by Kathy Johnson-Friendly’s email dated April 21, 2025, with the correction dated April 29, 2025.

Auditor of Accounts Response**Finding 1**

We acknowledge the efforts of the Organization in supporting the community affected by the opioid crisis. However, the Organization must be able to demonstrate that the expenses were related to the efforts with proper supporting documentation. Supporting documentation for the selected transactions was not available for AOA's review. Therefore, AOA recommends that the Organization improve its documentation and retention process.

Finding 2

AOA acknowledges management's adherence to the terms of the grant agreement as verbally updated by the POSDC's grant monitor. However, for audit purposes, AOA must rely on official, written legal agreements. Because there was no documentation showing that the POSDC, as a commission, officially approved this verbal change, AOA cannot accept it as the governing standard for the audit. While the Organization demonstrated its compliance with the verbally agreed-upon changes, we must ultimately rely on the written legal agreement as there was no formal evidence that the POSDC Commission officially consented to those changes. Therefore, our findings stand as the Organization did not comply with the original grant agreement. We recommend that any modifications or amendments to an official legal agreement be executed in an official written capacity and formally approved by the POSDC.

Sampling Methodology

Expenditure Sampling: Payroll Expenditures

Payroll Population:

- Overall population: The total amount of grant funds disbursed to date is \$100,000. The total payroll expenditures charged to the opioid grant award during the audit period totaled \$39,459.
- Sampling frame for salaries and wages: All payroll reports and related documentation for employees charged the grant during the audit period (September 1, 2023, to July 31, 2024).

Sampling Method:

- Initial Selection: Judgmental sampling was used to identify key areas of expenditure based on the budget-to-actual expenditure report. The budget categories with the highest dollar totals were chosen, with salaries having the largest amount. This approach focuses on areas of highest risk or potential impact.
- Salaries and Wages Testing: Non-statistical (targeted review) sampling was employed for the salaries and wages component. This method focuses on specific transactions based on the auditor's judgment and experience rather than mathematical probability.

Sample Selection/Sample Size:

- Initial Selection: Based on the budget to actual expenditure report, salaries and benefits were identified as a key area representing a significant percentage of the grant expenditures.
- Salaries and Wages Selection/Sample Size:
 - Employees: Four (4) employees were selected for testing based on the information documented in the payroll report.
 - Pay Periods: Pay periods were selected haphazardly (i.e., without a predetermined pattern or bias) from 11 months within the audit scope.
 - Payroll Transactions Sample Size: Transactions were selected haphazardly (i.e., without a predetermined pattern or bias) from the 11 months totaling \$39,459 within the audit scope.
 - Total Payroll Dollar Amount Tested: The total payroll expenditures tested were 100% of payroll expenditures for the audit period.
 - Rationale: Since the salaries paid were consistent throughout all the pay periods, this selection aimed to confirm that transactions were processed consistently over time.

Expenditure Sampling: Other Expenditures

Other Expenditure Testing Population:

- Overall population: Total expenditures charged to the \$100,000 opioid grant award during the audit period. Total grant funds disbursed to date are \$100,000. The total amount of expenditures identified for testing was \$32,601.
- Sampling frame for other expenditures: All expenditures other than payroll charged to the opioid grant during the audit period (September 1, 2023, to July 31, 2024).

Sampling Method:

- Initial Selection: Judgmental sampling was used to identify key areas of expenditure based on the budget-to-actual expenditure report. The budget categories with the highest dollar totals were chosen. This approach focuses on areas of highest risk or potential impact.
- Non-Payroll-Other Expenditures: Non-statistical (targeted review) sampling was employed for the non-payroll other expenditures component. This method focuses on specific transactions based on the auditor's judgment and experience rather than mathematical probability.

Sample Selection/Sample Size:

- Initial Selection: Based on the budget-to-actual expenditure report, direct client services were identified as the key areas representing a significant percentage of the other grant expenditures.
- Other Expenditures Selection:
 - 35 other expense transactions related to the client support services of \$32,601 were selected.
 - The sample size consisted of financial documents, bank statements, and other expenditure documentation that represented the total dollar amount charged to the grant budget category.
- Rationale: We selected the transactions based on materiality and the grant terms and conditions.