

The Crenulated Company, Ltd.

**Financial Statements,
Schedule of Expenditure of Federal Awards, Internal
Control and Compliance,
and Independent Auditor's Reports**

June 30, 2025



The Crenulated Company, Ltd.

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Independent Auditor's Report

To the Board of Directors
The Crenulated Company, Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Crenulated Company, Ltd., which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Crenulated Company, Ltd. as of June 30, 2025, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The Crenulated Company, Ltd.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Crenulated Company, Ltd.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about The Crenulated Company, Ltd.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2026, on our consideration of The Crenulated Company, Ltd.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of The Crenulated Company, Ltd.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The Crenulated Company, Ltd.'s internal control over financial reporting and compliance.

CohnReznick LLP

New York, New York
March 26, 2026

The Crenulated Company, Ltd.

Statement of Financial Position
June 30, 2025

Assets

Current assets	
Cash	\$ 676,495
Grants receivable	1,825,703
Prepaid expenses and other assets	<u>135,884</u>
Total current assets	<u>2,638,082</u>
Due from affiliates	560,291
Interest receivable	289,640
Note receivable	893,000
Intangible asset, net of accumulated amortization of \$80,723	51,850
Furniture and equipment, net of accumulated depreciation of \$453,238	<u>253,355</u>
Total assets	<u>\$ 4,686,218</u>

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 560,610
Accrued liabilities	356,525
Deferred revenue	<u>8,489</u>
Total current liabilities	925,624
Due to affiliates	<u>1,095,626</u>
Total liabilities	<u>2,021,250</u>
Net assets	
With donor restrictions	1,044,948
Without donor restrictions	<u>1,620,020</u>
Total net assets	<u>2,664,968</u>
Total liabilities and net assets	<u>\$ 4,686,218</u>

See Notes to Financial Statements.

The Crenulated Company, Ltd.

**Statement of Activities and Changes in Net Assets
Year Ended June 30, 2025**

	Without donor restriction	With donor restriction	Total
Operating revenue and support			
Grant revenue	\$ 5,808,033	\$ -	\$ 5,808,033
Private foundation grants	-	2,202,804	2,202,804
Net assets released from restriction	2,091,862	(2,091,862)	-
In-kind contributions	748,494	-	748,494
Tuition and members' dues	453,093	-	453,093
Contribution from affiliate	265,000	-	265,000
Miscellaneous income	664,081	-	664,081
Interest income - note	32,184	-	32,184
	<u>10,062,747</u>	<u>110,942</u>	<u>10,173,689</u>
Total operating revenue and support			
Operating expenses			
Program services			
Community services	10,254,138	-	10,254,138
Supporting services			
General and administrative	771,532	-	771,532
Fundraising	314,541	-	314,541
	<u>11,340,211</u>	<u>-</u>	<u>11,340,211</u>
Total operating expenses			
Change in net assets	(1,277,464)	110,942	(1,166,522)
Net assets, beginning of year	<u>2,897,484</u>	<u>934,006</u>	<u>3,831,490</u>
Net assets, end of year	<u>\$ 1,620,020</u>	<u>\$ 1,044,948</u>	<u>\$ 2,664,968</u>

See Notes to Financial Statements.

The Crenulated Company, Ltd.

**Statement of Functional Expenses
Year Ended June 30, 2025**

	Community services	Supporting services		Total
		General and administrative	Fundraising	
Salaries	\$ 5,673,693	\$ 178,780	\$ 227,049	\$ 6,079,522
Payroll taxes	462,988	15,501	18,449	496,938
Employee benefits	504,321	118,815	20,799	643,935
Grants and stipends	485,022	5,879	107	491,008
Accounting, legal and other professional fees	546,317	169,486	13,833	729,636
Repairs and maintenance	30,484	3,712	-	34,196
Insurance	238,265	(2,090)	-	236,175
Utilities	178,428	8,964	-	187,392
Supplies	681,786	61,418	25,134	768,338
Advertising	3,906	8,830	-	12,736
Postage	6,010	317	534	6,861
Stationery and printing	4,015	1,598	1,583	7,196
Conferences and meetings	76,040	25,711	113	101,864
Space rental	87,676	-	-	87,676
Travel and transportation	191,558	32,919	85	224,562
Food and refreshments	108,389	22,031	385	130,805
Telephone	65,423	20,807	1,920	88,150
Miscellaneous	66,257	45,702	4,550	116,509
Depreciation	89,322	6,397	-	95,719
Amortization	-	26,515	-	26,515
Bad debt	25,834	150	-	25,984
Contributed non-financial assets	728,404	20,090	-	748,494
	<u>\$ 10,254,138</u>	<u>\$ 771,532</u>	<u>\$ 314,541</u>	<u>\$ 11,340,211</u>

See Notes to Financial Statements.

The Crenulated Company, Ltd.

**Statement of Cash Flows
Year Ended June 30, 2025**

Cash flows from operating activities	
Change in net assets	\$ (1,166,522)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	95,719
Amortization	26,515
Write-off of noncollectible grant receivable	25,984
(Increase) decrease in certain assets	
Interest receivable - note	(32,148)
Grants receivable	1,073,906
Prepaid expense	(44,107)
Increase (decrease) in certain liabilities	
Accounts payable	(171,134)
Accrued liabilities	142,650
Deferred revenue	8,489
Net cash provided by operating activities	<u>(40,648)</u>
Cash flows from investing activities	
Purchase of furniture and equipment	<u>(99,555)</u>
Net cash used in investing activities	<u>(99,555)</u>
Cash flows from financing activities	
Advances to affiliates	<u>379,627</u>
Net cash used in financing activities	<u>379,627</u>
Net increase in cash	239,424
Cash, beginning	<u>437,071</u>
Cash, end	<u><u>\$ 676,495</u></u>

See Notes to Financial Statements.

The Crenulated Company, Ltd.

Notes to Financial Statements June 30, 2025

Note 1 - Organization

The Crenulated Company, Ltd. (the "Company" or "Crenulated") was incorporated in the State of New York on April 21, 1989, for the purposes of providing a wide range of community programs and services, many focused on the youth and young adults, and undertaking community organizing campaigns to build local power for community improvements.

On June 28, 2016, the Company ceased real estate operations when it sold its operating assets to NSA 2015 Owner LLC ("NSA"), a company affiliated through common board control of its parent/sponsor, Settlement Housing Fund, Inc. ("SHF"), a nonprofit organization that provides affordable housing and social service programs for low-income individuals and families in the City of New York.

Note 2 - Financial dependency

As the Company has historically not generated sufficient cash flow to support its operations, affiliated entities have indicated they intend to continue to provide financial support when required; however, in the event they cannot provide financial support or the Company loses some of its grant funding, management would need to make strategic decisions regarding which of the most heavily subsidized service programs to curtail or suspend.

Note 3 - Summary of significant accounting policies

Basis of presentation

In accordance with the accounting guidance for financial statements of not-for-profit organizations, the Company is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets With Donor Restrictions - net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resource be maintained in perpetuity. The Company reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities and changes in net assets as net assets released from restrictions.

Net Assets Without Donor Restrictions - net assets available for use in general operations and not subject to donor-imposed restrictions.

Furthermore, information is required to segregate program service expenses from management and general expenses.

The Company conforms to accounting guidance on revenue recognition for nonprofit entities. Under this guidance, contributions received, if any, are recorded as support without or with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and

The Crenulated Company, Ltd.

Notes to Financial Statements June 30, 2025

assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Furniture and equipment

Furniture and equipment are carried at cost. Depreciation is computed primarily using the straight-line method over five years. The Company capitalizes costs over \$1,000 with future benefit to the Company.

Software

Software is amortized over the estimated useful life using the straight-line method and is included in intangible assets on the accompanying statement of financial position. Amortization expense for the year ended June 30, 2025 was \$26,515. As of June 30, 2025, accumulated amortization was \$80,723.

Grants receivable

Grants receivable represent outstanding expense reimbursements from various granting agencies for expenses incurred under the Company's programs. Grants receivable are charged to bad debt expense when they are determined to be uncollectible based on a periodic review of the accounts by management. GAAP requires that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Revenue recognition

Program service fees and membership revenue

Tuition, camp fees and members' dues are reported at the amount that reflects the consideration to which the Company expects to be entitled in exchange for providing various services. These amounts are due from participants. Generally, the Company bills the participants before the services are provided. Revenue is recognized as performance obligations are satisfied. Payments received in advance are deferred until earned.

Performance obligations are determined based on the nature of the services provided by the Company. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred in relation to total expected (or actual) charges. The Company believes that this method provides a faithful depiction of the transfer of services over the term of the performance obligations based on the inputs needed to satisfy the obligation. Generally, performance obligations satisfied over time relate to participants receiving services in our programs. The Company measures the performance obligation from the commencement of a program, to the point when it is no longer required to provide services to that participant, which is generally at the time of completion of the program. Revenue for performance obligations satisfied at a point in time is generally recognized when services are provided to the Company's participants and the Company does not believe it is required to provide additional goods or services related to that sale.

Because all of its performance obligations relate to contracts with a duration of less than one year, the Company has elected to apply the optional exemption provided in Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 606-10-50-14 and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The Company's performance obligations consist primarily of providing program

The Crenulated Company, Ltd.

Notes to Financial Statements June 30, 2025

services that occur within a fiscal year, thus, there were no unsatisfied or partially unsatisfied obligations at the end of the reporting period.

The Company determines the transaction price based on standard charges for goods and services provided, reduced by contractual adjustments and discounts provided to program participants in accordance with the Company's policy. The Company determines its estimates of contractual adjustments and discounts based on contractual agreements, its discount policies and historical experience.

Tuition and members' dues are recognized as revenue during the period in which the respective program is held. Recognition of tuition and membership dues received in advance are deferred until earned.

Grant revenue

Revenue from grants and contracts with resource providers such as the government and its agencies, other organizations and private foundations are accounted for either as exchange transactions or as contributions. When the resource provider receives commensurate value in return for the resources transferred to the Company, the revenue from the grant or contract is accounted for as an exchange transaction. For purposes of determining whether a transfer of asset is a contribution or an exchange, the Company deems that the resource provider is not synonymous with the general public, i.e., indirect benefit received by the public as a result of the assets transferred is not deemed equivalent to commensurate value received by the resource provider. Moreover, the execution of a resource provider's mission or the positive sentiment from acting as a donor is not deemed to constitute commensurate value received by a resource provider. Revenue from grants and contracts that are accounted for as exchange transactions is recognized when performance obligations have been satisfied. Grants and contracts awarded for the acquisition of long-lived assets are reported as nonoperating revenue, in the absence of donor stipulations to the contrary, during the fiscal year in which the assets are acquired. Cash received in excess of revenue recognized is recorded as deferred revenue.

Grant revenue is derived from cost-reimbursable federal and state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when we have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Contribution revenue

The Company recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

Contributed non-financial assets

In-kind contributions of supplies and services to be used by the Company's programs are recorded as in-kind contributions. Upon the use of these supplies and services by the Company's programs, a related in-kind expense is recorded.

Advertising

Advertising costs are expensed as incurred. Advertising costs amounted to \$12,736 for the year ended June 30, 2025.

The Crenulated Company, Ltd.

Notes to Financial Statements June 30, 2025

Income taxes

The Company has applied for and received a determination letter from the Internal Revenue Service ("IRS") to be treated as a tax-exempt entity pursuant to Section 501(c)(3) of the Internal Revenue Code and did not have any unrelated business income for the year ended June 30, 2025. Due to its tax-exempt status, the Company is not subject to income taxes. The Company is required to file and does file informational returns with the IRS and other taxing authorities. Accordingly, these financial statements do not reflect a provision for income taxes. Management has analyzed the tax positions taken by the Company and has concluded that, as of June 30, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. Informational returns filed by the Company are subject to examination by the IRS for a period of three years. While no informational returns are currently being examined by the IRS, tax years since 2022 remain open.

Note 4 - Liquidity and availability

The Company regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. As of June 30, 2025, the Company's liquid resources and financial assets available within one year for general expenditure, such as operating expenses, were as follows:

Financial assets at fiscal year-end	
Cash	\$ 676,495
Grants receivable	<u>1,825,703</u>
Total financial assets	2,502,198
Less amounts not available to be used within one year	
Net assets with donor restriction	<u>1,044,948</u>
Financial assets available to meet expenditures over the next 12 months	<u>\$ 1,457,250</u>

Management believes the Company will have sufficient liquidity to fund its operations and meet its obligations as they become due for at least the 12-month period beginning on March 26, 2026.

Note 5 - Contributed non-financial assets

The Company is entitled to receive in-kind matching contributions in the amount of \$375,000 from the New York City Department of Education ("DOE") as part of the YouthBuild program administrated by the Company. The in-kind contributions represent 25% matching contributions of the total grant awarded to the YouthBuild program from the New York State Department of Labor. During the year ended June 30, 2025, the Company received \$748,494 of in-kind contributions of supplies, materials, time and services, in relation to the YouthBuild program operations. Donated time and services are recognized as an equity transfer if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Company. The Company recognizes in-kind contributions revenue and a corresponding expense in amounts equal to the salaries incurred as determined by DOE. In valuing contributed supplies and material, the Company used amounts provided by DOE.

The Crenulated Company, Ltd.

Notes to Financial Statements June 30, 2025

Note 6 - Related party transactions

Notes receivable

On June 28, 2016, the Company sold its real estate operations, consisting of 14 buildings, to NSA for \$84,500,000, the proceeds of which consisted of a seller's note for \$61,765,000 with \$22,735,000 paid in cash and used to pay the following: approximately \$343,000 of closing taxes, fees and charges, satisfaction of the New York City Department of Housing Preservation and Development Article 8A loan of \$225,000 and approximately \$18,280,000 to fund the liquidity reserve account, with the remaining balance of \$3,887,000 advanced to Settlement Housing Fund, Inc. for additional rehabilitation costs of the property sold to NSA. The Company simultaneously executed a seller's reserve loan for \$893,000 to fund required reserves under NSA's mortgage obligations with New York State Housing Finance Agency. The terms of the Seller's Notes Receivable provide for interest to accrue at 3.6% per annum, with all principal and accrued interest maturing in October 2048. Repayment of the Seller's Notes Receivable is subordinated to NSA's Multifamily Note to Fannie Mae in the original amount of \$24,640,000. During the year ended June 30, 2025, deferred interest income on the seller's note was \$2,223,540. As of June 30, 2025, the balance of the principal and interest receivable on the seller's note is \$61,765,000 and \$20,033,182, respectively. During the year ended June 30, 2025, interest income recognized on the seller's reserve loan totaled \$32,184. As of June 30, 2025, the balance of the principal and interest receivable on the seller's reserve note was \$893,000 and \$289,640, respectively.

The Seller's Notes Receivable are presented net of \$61,765,000 deferred gain from the excess of the sale price for the real estate operation over its carrying value immediately prior to such sale. The deferred excess and interest income on the notes are recognized proportionately as payments are received on the note. During the year ended June 30, 2025, no amounts were recognized.

The net balances of the above loans are summarized below:

<u>Loan</u>	<u>Receivable at June 30, 2025</u>	<u>Deferred at June 30, 2025</u>	<u>Net at June 30, 2025</u>
Seller Note	\$ 61,765,000	\$ (61,765,000)	\$ -
Seller's Reserve Loan	893,000	-	893,000
Seller Note - Interest	20,033,182	(20,033,182)	-
Seller's Reserve Loan - Interest	289,640	-	289,640

Reimbursable costs

The Company is reimbursed for overhead expenses from New Settlement Community Campus Corporation ("NSCCC"), an affiliate of the Sponsor, including custodial services, supplies, property insurance and professional fees. During the year ended June 30, 2025, \$794,245 of overhead expenses were reimbursed by NSCCC. The reimbursed costs were offset against the related operating expenses.

Advances

The Company has been advanced noninterest-bearing funds from NSCCC that are due on demand. As of June 30, 2025, the balance of these funds are \$612,116, and are included in due to affiliates on the statement of financial position.

The Company has advanced noninterest-bearing funds to NSA that are due on demand for rehabilitation of assets. As of June 30, 2025, the balance of these funds is \$560,291 and is included in due from affiliates on the statement of financial position.

The Crenulated Company, Ltd.

**Notes to Financial Statements
June 30, 2025**

Contributions from SHF

The Company received total contributions of \$265,000 from SHF during the year ended June 30, 2025.

Note 7 - Net assets with donor restrictions

As of June 30, 2025, net assets with donor restrictions is comprised of grant revenue from private foundations of \$1,044,948, restricted to be used for certain programs or over future periods. During the year ended June 30, 2025, net assets of \$2,091,862 were released from restrictions by satisfying restricted purposes.

Note 8 - Benefit plans

The Company sponsors a 401(a) pension plan covering all employees who completed a minimum of one year of service. Employees can contribute up to a maximum amount allowable by law. The Company matches its employees' contributions up to 3% of each covered employee's salary. Pension expense was \$101,254 for the year ended June 30, 2025 and is included in employee benefits in the statement of functional expenses.

The health plan and other welfare plans provide health and other general benefits to eligible participants under the terms of the respective plan agreement. The health plan is administered by a board of trustees. The health plan and other welfare plans receive contributions in accordance with the respective plan agreement, which generally provides that the employer contributes to the health plan and other welfare plans at fixed rates on behalf of each covered employee. Contributions made by the Company to the benefit plans for the year ended June 30, 2025 are as follows:

Pension plan	\$	101,254
Health plan		438,314
Other welfare plans		104,367
		<hr/>
	\$	<u>643,935</u>

Note 9 - Concentration of credit risk

The Company maintains cash in multiple commercial banks that, at times, may exceed federally insured limits. The cash accounts are insured by the Federal Deposit Insurance Company up to \$250,000. The Company has not experienced any losses with respect to its bank balances in excess of government provided insurance. Management believes that no significant concentration of credit risk exists with respect to the balance as of June 30, 2025.

Note 10 - Subsequent events

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions after the statement of financial position date require disclosure in the accompanying notes. Management evaluated activity of the Company as of March 26, 2026 (the date the financial statements were available to be issued) and concluded that there are no subsequent events occurred that would require recognition in the financial statements or disclosure is required in the notes to the financial statements.

Supplemental Information

The Crenulated Company, Ltd.

**Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025**

<u>Federal grantor/pass-through grantor/program or cluster title</u>	<u>Assistance listing number</u>	<u>Pass-through entity identifying number</u>	<u>Passed through to subrecipients</u>	<u>Federal expenditures</u>
Department of Labor YouthBuild Program	17.274			<u>\$ 611,987</u>
Total Department of Labor				<u>611,987</u>
Department of Education Passed through New York State Education Department Twenty-First Century Community Learning Centers	84.287C	C403949		<u>344,463</u>
Total Department of Education				<u>344,463</u>
U.S. Department of Agriculture Passed through The Bronx is Blooming Urban and Community Forestry Program	10.675	24-DG-11094200-382		<u>1,105</u>
Total U.S. Department of Agriculture				<u>1,105</u>
United States Department of Homeland Security Passed through United Way of New York City Emergency Food and Shelter National Board Program	97.024	631400-873		<u>3,485</u>
Total United States Department of Homeland Security				<u>3,485</u>
U.S Environmental Protection Agency Passed through Hudson River Foundation National Estuary Program	66.456	791722485		25,000
Passed through Bronx River Alliance Environmental and Climate Justice Community Change Grants Program	66.616	96272300		<u>16,648</u>
Total U.S Environmental Protection Agency				<u>41,648</u>
Total Expenditures of Federal Awards				<u><u>\$ 1,002,688</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

The Crenulated Company, Ltd.

**Notes to Schedule of Expenditures of Federal Awards
June 30, 2025**

Note 1 - Basis of presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of the Company under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Because the Schedule presents only a selected portion of the operations of the Company, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Company.

Note 2 - Summary of significant accounting policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect cost rate

The Company has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

Independent Auditor's Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
The Crenulated Company, Ltd.

We have audited 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, the financial statements of The Crenulated Company, Ltd., which comprise the statement of financial position as of June 30, 2025, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Crenulated Company, Ltd.'s internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Crenulated Company, Ltd.'s internal control. Accordingly, we do not express an opinion on the effectiveness of The Crenulated Company, Ltd.'s internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

CohnReznick LLP

New York, New York
March 26, 2026

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

To the Board of Directors
The Crenulated Company, Ltd.

Report on Compliance for Each Major Federal Program

Opinion on Major Federal Program

We have audited The Crenulated Company, Ltd.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on The Crenulated Company, Ltd.'s major federal program for the year ended June 30, 2025. The Crenulated Company, Ltd.'s major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, The Crenulated Company, Ltd. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of The Crenulated Company, Ltd. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of The Crenulated Company, Ltd.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to The Crenulated Company, Ltd.'s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on The Crenulated Company, Ltd.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about The Crenulated Company, Ltd.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding The Crenulated Company, Ltd.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of The Crenulated Company, Ltd.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of The Crenulated Company, Ltd.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not

identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

New York, New York
March 26, 2026

The Crenulated Company, Ltd.

Schedule of Findings and Questioned Costs
June 30, 2025

Section I - Summary of Auditor's Results

Financial Statements:

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? __ yes X no
- Significant deficiency(ies) identified? __ yes X none reported

Noncompliance material to financial statements noted? __ yes X no

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified? __ yes X no
- Significant deficiency(ies) identified? __ yes X 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 section 200.516(a)? __ yes X no

Identification of major programs:

Federal Agency Grantor/ Pass-through Grantor/Program or Cluster Title

Assistance Listing Number

Department of Labor
YouthBuild Program

17.274

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

Auditee qualified as low-risk auditee? __ yes X no

The Crenulated Company, Ltd.

**Schedule of Findings and Questioned Costs
June 30, 2025**

Section II - Financial Statement Findings

None reported.

Section III - Federal Awards Findings and Questioned Costs

None reported.



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