

ST. LAWRENCE COUNTY COMMUNITY  
DEVELOPMENT PROGRAM, INC.

Financial Statements

December 31, 2018

(With Independent Auditors' Report Thereon)

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
St. Lawrence County Community  
Development Program, Inc.:

### Report on the Financial Statements

We have audited the accompanying financial statements of St. Lawrence County Community Development Program, Inc. (the Organization) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 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 the 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 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 Organization'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 Organization'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 financial statements referred to above present fairly, in all material respects, the financial position of St. Lawrence County Community Development Program, Inc. as of December 31, 2018, 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.

## Other Matters

### Report on Summarized Comparative Information

We have previously audited the Organization's 2017 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated April 25, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

## Other 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 (CFR) 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 14, 2019, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization'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 Organization's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 14, 2019

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.  
Statement of Financial Position  
December 31, 2018  
with comparative totals for 2017

	<u>Assets</u>	<u>2018</u>	<u>2017</u>
Current assets:			
Cash and equivalents		\$ 277,454	315,405
Receivables		293,319	230,127
Prepaid expenses		7,938	27,317
Inventory		<u>35,542</u>	<u>30,257</u>
Total current assets		<u>614,253</u>	<u>603,106</u>
Property and equipment		2,177,011	2,177,716
Less accumulated depreciation		<u>(1,369,734)</u>	<u>(1,442,540)</u>
Net property and equipment		<u>807,277</u>	<u>735,176</u>
Total assets		<u>\$ 1,421,530</u>	<u>1,338,282</u>
 <u>Liabilities and Net Assets</u> 			
Current liabilities:			
Accounts payable		111,725	197,500
Accrued payroll		191,086	121,631
Compensated absences		48,762	56,222
Deferred revenue		3,375	60,000
Other liabilities		<u>102,216</u>	<u>104,142</u>
Total current liabilities		457,164	539,495
Net assets without donor restrictions		964,366	798,787
Contingencies and commitments (note 11)		<u>                    </u>	<u>                    </u>
Total liabilities and net assets		<u>\$ 1,421,530</u>	<u>1,338,282</u>

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Statement of Activities

Year ended December 31, 2018

with comparative totals for 2017

	<u>2018</u>	<u>2017</u>
Revenue:		
Grant income	\$ 4,500,603	4,220,913
Program income	589,260	477,447
In-kind donations	991,772	1,091,839
Local donations	110,462	143,802
Interest and dividend income	124	92
Net gain on sale/disposal of assets	15,017	20,500
Fundraising	3,132	3,598
Miscellaneous	<u>10,730</u>	<u>7,837</u>
Total revenue	<u>6,221,100</u>	<u>5,966,028</u>
Expenses:		
Program services:		
Head Start	4,219,977	4,067,220
Weatherization	653,965	625,795
Rental Assistance	231,882	190,961
Neighborhood Centers	<u>538,348</u>	<u>612,364</u>
Total program services	5,644,172	5,496,340
Management and general	<u>411,349</u>	<u>350,730</u>
Total expenses	<u>6,055,521</u>	<u>5,847,070</u>
Change in net assets without donor restrictions	165,579	118,958
Net assets without donor restrictions at beginning of year	<u>798,787</u>	<u>679,829</u>
Net assets without donor restrictions at end of year	<u>\$ 964,366</u>	<u>798,787</u>

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Statement of Functional Expenses

Year ended December 31, 2018

with comparative totals for 2017

	Program Services				Total Program Services	Management and general	Total	
	Head Start	Weatherization	Rental Assistance	Neighborhood Centers			2018	2017
Salaries and wages	\$ 1,859,750	256,146	145,018	141,127	2,402,041	236,395	2,638,436	2,335,303
Payroll taxes and employee benefits	620,120	111,338	42,524	28,893	802,875	44,249	847,124	889,136
Total salaries and related expenses	2,479,870	367,484	187,542	170,020	3,204,916	280,644	3,485,560	3,224,439
Office supplies	6,876	7	1,317	139	8,339	4,437	12,776	7,216
Consumable supplies	97,471	4,618	4,379	18,001	124,469	10,561	135,030	113,071
Space costs and utilities	92,820	10,315	-	22,027	125,162	7,218	132,380	125,446
Telephone	23,091	3,874	6,182	6,040	39,187	13,159	52,346	44,966
Advertising	7,132	119	809	380	8,440	4,111	12,551	5,618
Insurance	13,830	3,586	487	1,579	19,482	8,487	27,969	31,296
Postage	2,370	372	4,812	747	8,301	2,984	11,285	11,476
Transportation	192,218	19,413	6,699	5,153	223,483	2,530	226,013	256,625
Repairs and maintenance	9,052	1,504	86	2,919	13,561	12,281	25,842	29,792
Materials	-	142,789	-	-	142,789	-	142,789	104,404
Subcontractors	-	60,195	-	-	60,195	-	60,195	94,326
Tools and equipment	77,926	9,799	1,875	6,261	95,861	6,223	102,084	111,312
Staff training and recruitment	36,892	13,465	8,725	5,741	64,823	1,214	66,037	55,656
Professional fees	62,864	10,089	8,969	19,064	100,986	23,198	124,184	83,482
Parent activities	1,078	-	-	-	1,078	-	1,078	958
Nutrition services	154,854	-	-	76,532	231,386	-	231,386	213,092
Emergency housing and shelter	-	-	-	25,652	25,652	-	25,652	33,968
In-kind	832,833	-	-	158,939	991,772	-	991,772	1,091,839
Programs expenses funded locally	-	-	-	16,749	16,749	10,952	27,701	30,386
Miscellaneous	2,523	1,913	-	1,238	5,674	10,753	16,427	17,192
Total expenses before depreciation	4,093,700	649,542	231,882	537,181	5,512,305	398,752	5,911,057	5,686,560
Depreciation	126,277	4,423	-	1,167	131,867	12,597	144,464	160,510
Total expenses	\$ 4,219,977	653,965	231,882	538,348	5,644,172	411,349	6,055,521	5,847,070

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Statement of Cash Flows

Year ended December 31, 2018  
with comparative totals for 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 165,579	118,958
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	144,464	160,510
Net gain on sale/disposal of assets	(15,017)	(20,500)
Changes in:		
Receivables	(63,192)	(93,208)
Prepaid expenses	19,379	(10,545)
Inventory	(5,285)	4,550
Accounts payable	(85,775)	21,477
Accrued payroll	69,455	17,089
Compensated absences	(7,460)	3,151
Deferred revenue	(56,625)	(36,618)
Other liabilities	<u>(1,926)</u>	<u>93,175</u>
Net cash provided by operating activities	<u>163,597</u>	<u>258,039</u>
Cash flows from investing activities:		
Purchases of property and equipment	(234,800)	(288,151)
Proceeds from sale/disposal of equipment	<u>33,252</u>	<u>20,500</u>
Net cash used in investing activities	<u>(201,548)</u>	<u>(267,651)</u>
Change in cash	(37,951)	(9,612)
Cash and equivalents at beginning of year	<u>315,405</u>	<u>325,017</u>
Cash and equivalents at end of year	<u>\$ 277,454</u>	<u>315,405</u>
Supplemental schedule of cash flow information - disposal of fully depreciated fixed assets	<u>\$ 200,955</u>	<u>192,625</u>

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Notes to Financial Statements

December 31, 2018

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

St. Lawrence County Community Development Program, Inc. (the Organization) is a private non-profit corporation serving St. Lawrence County and is organized under the laws of the State of New York. The Organization's purpose is to initiate, strengthen, supplement and coordinate efforts to eliminate poverty by making opportunities available to the low-income for education and training, employment and other services designed to aid them in their struggle to attain self-sufficiency.

The Organization operates the following programs to aid the people of St. Lawrence County:

- Head Start is a comprehensive school readiness program providing education, health, mental health, nutrition, parent involvement and social services to preschool children in St. Lawrence County. This program helps the child and the family, economically disadvantaged families, rural families and families and children with special needs. The program derives most of its funding from government grants.
- Weatherization Program helps homeowners and renters make their homes more energy efficient. Some services provided by this program are as follows: furnace efficiency testing; distribution system balancing; weather-stripping; caulking; glass replacement; insulation; window and door replacement; and repairs to protect and preserve weatherization measures. The major source of revenue for this program is from government grants.
- Rental Assistance is provided through the U.S. Department of Housing and Urban Development's (HUD) Housing Choice Voucher Program. The program provides rental assistance to low-income renters to help them attain decent, safe and affordable housing. The Organization is the authorized administrator of this program for the County of St. Lawrence.
- Neighborhood Centers - Six major centers provide services and programs for low-income families and make referrals to other agencies as needed. These services are provided through an intake process to assess needs and then utilize a variety of funding sources to provide benefits. These benefits include assistance with food, fuel, utilities and shelter. The Neighborhood Centers are funded through local and governmental grants, as well as by donations at the local center level. These expenses primarily consist of food, client services, holiday expenses and transportation. The Organization works with families in the area of family development to assist them in attaining self-sufficiency.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(b) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

(c) Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets without donor restrictions represents resources available for the general support of the Organization's activities. Net assets with donor restrictions are those whose use has been limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled by actions of the Organization and donor restricted endowment funds. The Organization had only net assets without donor restrictions in 2018 and 2017.

(d) Estimates

The preparation of financial statements in accordance 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.

(e) Cash and Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less, including overnight repurchase agreements, to be cash equivalents.

(f) Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash accounts in financial institutions. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution.

(g) Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to receivables. Changes in the valuation allowance have not been material to the financial statements.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(h) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated property and equipment. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the financial statements.

(i) Contributions

Contributions are recognized when the donor makes an unconditional promise to give to the Organization. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(j) Deferred Revenue and Revenue Recognition

Grant awards accounted for as exchange transactions are recorded as revenue when expenditures have been incurred in compliance with the grant restrictions. Amounts unspent are recorded in the statement of financial position as deferred revenue.

(k) Donated Materials, Food, Supplies and Personal Services

The Organization receives donations of various goods and services from outside parties. The donations include, but are not limited to, equipment, clothing, services, and food. All donations are unrestricted and used to support and further the Organization's objectives. The donations are reflected in the accompanying statements at their estimated fair market value at the date of receipt. In addition, many skilled and unskilled individuals have contributed significant amounts of time to the activities of the Organization without compensation. Contributed services are recognized as in-kind support and expense by the Organization when certain provisions are met. In-kind support and expenses of \$991,772 and \$1,091,839 for the years ended December 31, 2018 and 2017, respectively, have been recognized as in-kind support and expense by the Organization.

(l) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocation of expenses is based on direct usage.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(m) Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. For the years ended December 31, 2018 and 2017, advertising costs amounted to \$12,551 and \$5,618, respectively.

(n) Compensated Absences

Compensated absences consist of unpaid accumulated vacation time. Employees are granted vacation in varying amounts, based primarily on length of service. Vacation time can be accrued up to thirty days and paid on resignation provided employees give a 14 day written notice. For the years ended December 31, 2018 and 2017, compensated absences amounted to \$48,762 and \$56,222, respectively.

(o) Subsequent Events

The Organization has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(p) Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code), therefore, no provision for income taxes is reflected in the financial statements. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Organization presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Organization has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Organization are subject to examination by taxing authorities.

(q) Recent Accounting Standards Issued

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities." ASU 2016-14 contains several provisions that change the presentation of and disclosures within the financial statements of a not-for-profit entity. These changes include an updated net asset classification scheme from three classes to two classes, quantitative and qualitative disclosures regarding liquidity, and a requirement to report expenses by function, nature, and an analysis showing the relationship between function and nature and the removal of the requirement for a reconciliation for statements of cash flows done on the direct basis. This guidance is effective for fiscal years beginning after December 15, 2017. These financial statements and notes reflect adoption of this new standard.

(r) Reclassifications

Reclassifications have been made to certain 2017 balances in order to conform them to the 2018 presentation.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Notes to Financial Statements, Continued

(2) Liquidity

The Organization has approximately \$570,773 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$277,454 of cash and \$293,319 of receivables. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2018 statement of financial position.

(3) Receivables

Receivables consist of the following at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Accounts receivable:		
Weatherization	\$ 17,635	3,065
Housing Choice	61,916	33,592
Emergency Food and Shelter Program	-	10,158
Grants receivable:		
Weatherization	51,392	94,090
Head Start	152,233	29,136
Community Services Block Grant	10,143	-
Neighborhood Centers	<u>-</u>	<u>60,086</u>
	\$ <u>293,319</u>	<u>230,127</u>

(4) Property and Equipment

Property and equipment at December 31, 2018 and 2017 are summarized as follows:

	<u>2018</u>	<u>2017</u>
Building	\$ 737,269	729,418
Land	48,815	48,815
Equipment	321,972	295,880
Vehicles	<u>1,068,955</u>	<u>1,103,603</u>
	2,177,011	2,177,716
Less accumulated depreciation	<u>(1,369,734)</u>	<u>(1,442,540)</u>
Net property and equipment	\$ <u>807,277</u>	<u>735,176</u>

Depreciation expense totaled \$144,464 and \$160,510 for the years ended December 31, 2018 and 2017, respectively.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Notes to Financial Statements, Continued

(5) Deferred Revenue

At December 31, 2018 and 2017, deferred revenue totaled \$3,375 and \$60,000, respectively, consisting of grant funds received relating to the Weatherization Program.

(6) Grant Income

The Organization was primarily funded through the following grants during the years ended December 31, 2018 and 2017:

<u>Funding Source</u>	<u>Grant Name</u>	<u>2018</u>	<u>2017</u>
Development Authority of the North Country	HUD - HOME Program	\$ 7,145	75,552
NYS Housing and Community Renewal	Weatherization Assistance	607,168	519,551
NYS Department of State	CSBG	274,658	226,161
U.S. Department of Health and Human Services	Head Start	3,440,585	3,214,418
U.S. Department of Agriculture	CACFP	144,865	141,658
U.S. Department of Homeland Security	Emergency Food and Shelter Program	21,029	32,386
Food Bank of Central New York		<u>5,153</u>	<u>11,187</u>
		\$ <u>4,500,603</u>	<u>4,220,913</u>

(7) In-Kind Donations

The total value of donated services recognized for the years ended December 31, 2018 and 2017 are as follows:

	<u>2018</u>	<u>2017</u>
Head Start - Professional fees and transportation	\$ 832,833	873,929
Neighborhood Centers - Services, food, supplies, clothing, etc.	<u>158,939</u>	<u>217,910</u>
Total in-kind donations	\$ <u>991,772</u>	<u>1,091,839</u>

(8) Employee Pension Plan

The Organization contributes to a defined contribution pension plan covering employees having completed at least one year of service and having attained twenty-one years of age. A monthly contribution of 6% of the participants' compensation is made. Contributions for the years ended December 31, 2018 and 2017 amounted to \$99,461 and \$101,365, respectively, and are included in other liabilities in the statement of financial position.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.  
Notes to Financial Statements, Continued

(9) Leases

The Organization leases various facilities and premises in Brasher Falls, Canton, Gouverneur, Massena, Potsdam, Ogdensburg and Norwood, New York. Total rent expense for the years ended December 31, 2018 and 2017 amounted to \$101,203 and \$106,624, respectively.

The following is a schedule of estimated future minimum rental payments required under the above operating leases at December 31:

2019	\$ 79,776
2020	52,286
2021	34,020
2022	24,150
2023	<u>11,000</u>
	\$ <u>201,232</u>

(10) Economic Dependency

A material part of the Organization's funding is dependent upon a few grants, the loss of any one would have a material adverse effect on the Organization. The U.S. Department of Health and Human Services accounted for 55% and 54% of the Organization's total revenue in 2018 and 2017, respectively.

(11) Contingencies and Commitments

The Organization has received grants which are subject to audit by agencies of the State and Federal government. Such audits may result in disallowances and a request for return of funds. Based on prior years' experience, the Organization's administration believes disallowances, if any, will be immaterial.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.  
Schedule of Expenditures of Federal Awards  
Year ended December 31, 2018

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
U.S. Department of Health and Human Services:				
Head Start (1)	93.600	02CH1035/51	\$ 351,137	-
Head Start (1)	93.600	02CH1035/52	3,089,448	-
Passed through New York State Department of State:				
Community Services Block Grant 18-19	93.569	C1000782	68,605	-
Community Services Block Grant 17-18	93.569	C1000782	190,105	-
Technology Grant	93.569		15,948	-
Passed through New York State Division of Housing and Community Renewal:				
Low-Income Home Energy Assistance	93.568	C092060-18	312,390	-
Low-Income Home Energy Assistance	93.568	C092060-17	100,212	-
Total U.S. Department of Health and Human Services			4,127,845	-
U.S. Department of Homeland Security - Emergency Food and Shelter National Board Program (1)				
	97.024	625400-001	21,029	-
U.S. Department of Agriculture - Child and Adult Care Food Program (1)				
	10.558		144,865	-
U.S. Department of Housing and Urban Development - passed through New York State Development Authority of the North County - HOME Investment Partnership Program				
	14.239		7,145	-
U.S. Department of Energy:				
Passed through New York State Division of Housing and Community Renewal:				
Weatherization Assistance for Low-Income Persons	81.042	C092060-18	147,785	-
Weatherization Assistance for Low-Income Persons	81.042	C092060-17	46,781	-
Total Federal Awards			\$ 4,495,450	-

(1) Direct Federal Award

See accompanying notes to schedule of expenditures of federal awards.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Notes to Schedule of Expenditures of Federal Awards

December 31, 2018

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes all federal award programs administered by St. Lawrence County Community Development Program, Inc. 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).

(2) Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

St. Lawrence County Community Development Program, Inc. has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

(3) Matching Costs

Matching costs, i.e. St. Lawrence County Community Development Program, Inc.'s share of certain program costs, are not included in the reported expenditures.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors  
St. Lawrence County Community  
Development Program, Inc.:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of St. Lawrence County Community Development Program, Inc. (the Organization) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated June 14, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the 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 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 Organization'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. 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 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 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

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 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.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 14, 2019

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

The Board of Directors  
St. Lawrence County Community  
Development Program, Inc.:

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

We have audited St. Lawrence County Community Development Program, Inc.'s (the Organization) compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on the Organization's major federal program for the year ended December 31, 2018. The Organization's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) 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 the 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, St. Lawrence County Community Development Program, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2018.

### 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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.

### Purpose of this Report

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.

EFPR Group, CPAs, PLLC

Williamsville, New York  
June 14, 2019

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Schedule of Findings and Questioned Costs

Year ended December 31, 2018

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

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

Unmodified

Internal control over financial reporting:

- |   |       |     |              |               |
|---|-------|-----|--------------|---------------|
| 1. Material weakness(es) identified?  | _____ | Yes | <u>  x  </u> | No            |
| 2. Significant deficiency(ies) identified not considered to be material weakness(es)? | _____ | Yes | <u>  x  </u> | None reported |
| 3. Noncompliance material to financial statements noted?                              | _____ | Yes | <u>  x  </u> | No            |

Federal Awards:

Internal control over major programs:

- |   |       |     |              |               |
|---|-------|-----|--------------|---------------|
| 4. Material weakness(es) identified?  | _____ | Yes | <u>  x  </u> | No            |
| 5. Significant deficiency(ies) identified not considered to be material weakness(es)? | _____ | Yes | <u>  x  </u> | None reported |

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

Unmodified

- |  |       |     |              |    |
|--|-------|-----|--------------|----|
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)? | _____ | Yes | <u>  x  </u> | No |
|--|-------|-----|--------------|----|

7. The Organization's major program audited was:

<u>Name of Federal Program</u>	CFDA Number
Head Start	93.600

8. Dollar threshold used to distinguish between Type A and Type B programs.	\$750,000
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- |   |              |     |       |    |
|---|--------------|-----|-------|----|
| 9. Auditee qualified as low-risk auditee? | <u>  x  </u> | Yes | _____ | No |
|---|--------------|-----|-------|----|

Part II - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

No reportable findings or questioned costs.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.  
Schedule of Prior Year Audit Findings  
December 31, 2018

There were no audit findings with regard to the prior year consolidated financial statements (December 31, 2017).