

ST. LAWRENCE COUNTY COMMUNITY
DEVELOPMENT PROGRAM, INC.

Financial Statements

December 31, 2021 and 2020

(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 Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Lawrence County Community Development Program, Inc. (the Organization) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lawrence County Community Development Program, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 generally accepted auditing standards 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 generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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, 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 Organization'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 audits.

Other Matters

Other Information

Our audits were 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 October 19, 2022, 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
October 19, 2022

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.
 Statements of Financial Position
 December 31, 2021 and 2020

	<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets:			
Cash and equivalents		\$ 973,248	649,275
Receivables		529,063	538,625
Prepaid expenses		3,180	11,349
Inventory		<u>45,749</u>	<u>48,193</u>
Total current assets		<u>1,551,240</u>	<u>1,247,442</u>
Property and equipment		2,657,402	2,245,552
Less accumulated depreciation		<u>(1,745,264)</u>	<u>(1,582,973)</u>
Net property and equipment		<u>912,138</u>	<u>662,579</u>
Total assets		<u>\$ 2,463,378</u>	<u>1,910,021</u>
 <u>Liabilities and Net Assets</u> 			
Current liabilities:			
Accounts payable		300,612	169,697
Accrued payroll and taxes		70,569	19,698
Compensated absences		37,993	59,667
Deferred revenue		228,805	135,182
Other liabilities		<u>118,393</u>	<u>116,484</u>
Total current liabilities		756,372	500,728
Net assets without donor restrictions		1,707,006	1,409,293
Contingencies and commitments (note 11)		<u> </u>	<u> </u>
Total liabilities and net assets		<u>\$ 2,463,378</u>	<u>1,910,021</u>

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.
 Statements of Activities
 Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Revenue:		
Grant income	\$ 4,949,106	4,660,077
Program income	634,450	570,742
Contributed nonfinancial assets	1,085,060	990,092
Local donations	137,073	256,058
Interest and dividend income	249	138
Miscellaneous	<u>42,658</u>	<u>26,815</u>
Total revenue	<u>6,848,596</u>	<u>6,503,922</u>
Expenses:		
Program services:		
Head Start	4,533,014	4,395,655
Weatherization	682,188	569,312
Rental Assistance	315,727	316,954
Neighborhood Centers	<u>626,349</u>	<u>589,664</u>
Total program services	6,157,278	5,871,585
Management and general	<u>393,605</u>	<u>366,796</u>
Total expenses	<u>6,550,883</u>	<u>6,238,381</u>
Change in net assets without donor restrictions	297,713	265,541
Net assets without donor restrictions at beginning of year	<u>1,409,293</u>	<u>1,143,752</u>
Net assets without donor restrictions at end of year	<u><u>\$ 1,707,006</u></u>	<u><u>1,409,293</u></u>

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Statement of Functional Expenses

Year ended December 31, 2021

with comparative totals for 2020

	Program Services				Total Program Services	Management and general	Total	
	Head Start	Weatherization	Rental Assistance	Neighborhood Centers			2021	2020
Salaries and wages	\$ 2,063,484	273,161	195,190	149,500	2,681,335	215,503	2,896,838	2,815,827
Payroll taxes and employee benefits	731,740	123,338	39,947	44,982	940,007	51,857	991,864	1,006,345
Total salaries and related expenses	2,795,224	396,499	235,137	194,482	3,621,342	267,360	3,888,702	3,822,172
Office supplies	4,503	1,375	468	5	6,351	4,769	11,120	12,128
Consumable supplies	81,987	2,399	21,277	28,983	134,646	16,698	151,344	169,403
Space costs and utilities	103,781	4,207	-	36,936	144,924	12,231	157,155	140,580
Telephone	19,436	3,012	1,704	2,359	26,511	9,995	36,506	43,984
Advertising	7,341	514	2,481	620	10,956	21	10,977	14,045
Insurance	30,886	4,301	1,526	3,268	39,981	7,099	47,080	48,165
Postage	1,517	483	7,518	617	10,135	2,374	12,509	11,947
Transportation	176,973	19,358	8,808	5,593	210,732	1,076	211,808	240,581
Repairs and maintenance	32,634	707	15,196	4,278	52,815	24,870	77,685	58,535
Materials	-	115,234	-	-	115,234	-	115,234	79,930
Subcontractors	-	92,571	-	-	92,571	-	92,571	56,826
Tools and equipment	22,855	11,836	1,044	99	35,834	1,878	37,712	54,995
Staff training and recruitment	41,986	3,817	3,880	176	49,859	13,297	63,156	57,579
Professional fees	91,322	11,931	9,720	17,263	130,236	10,440	140,676	115,581
Parent activities	170	-	-	-	170	-	170	150
Nutrition services	86,531	-	-	36,000	122,531	-	122,531	123,139
Emergency housing and shelter	-	-	3,425	57,718	61,143	-	61,143	25,988
Contributed nonfinancial assets	891,507	-	-	193,551	1,085,058	-	1,085,058	990,092
Programs expenses funded locally	-	-	-	23,904	23,904	-	23,904	16,489
Miscellaneous	18,591	150	-	19,330	38,071	3,480	41,551	2,091
Total expenses before depreciation	4,407,244	668,394	312,184	625,182	6,013,004	375,588	6,388,592	6,084,400
Depreciation	125,770	13,794	3,543	1,167	144,274	18,017	162,291	153,981
Total expenses	\$ 4,533,014	682,188	315,727	626,349	6,157,278	393,605	6,550,883	6,238,381

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.
Statement of Functional Expenses
Year ended December 31, 2020

	Program Services				Total Program Services	Management and general	Total
	Head Start	Weatherization	Rental Assistance	Neighborhood Centers			
Salaries and wages	\$ 2,026,270	245,300	216,006	147,730	2,635,306	180,521	2,815,827
Payroll taxes and employee benefits	709,467	118,026	66,791	47,300	941,584	64,761	1,006,345
Total salaries and related expenses	2,735,737	363,326	282,797	195,030	3,576,890	245,282	3,822,172
Office supplies	5,272	1,525	1,042	422	8,261	3,867	12,128
Consumable supplies	111,147	2,774	2,580	35,501	152,002	17,401	169,403
Space costs and utilities	96,802	3,851	-	24,683	125,336	15,244	140,580
Telephone	27,247	2,660	1,892	1,863	33,662	10,322	43,984
Advertising	2,923	-	124	-	3,047	10,998	14,045
Insurance	31,771	4,585	1,563	3,495	41,414	6,751	48,165
Postage	2,421	344	6,169	626	9,560	2,387	11,947
Transportation	215,277	18,341	1,633	3,800	239,051	1,530	240,581
Repairs and maintenance	44,214	-	781	2,820	47,815	10,720	58,535
Materials	-	79,930	-	-	79,930	-	79,930
Subcontractors	-	56,826	-	-	56,826	-	56,826
Tools and equipment	42,325	1,767	3,888	5,751	53,731	1,264	54,995
Staff training and recruitment	42,553	9,552	981	292	53,378	4,201	57,579
Professional fees	63,144	12,727	7,288	14,343	97,502	18,079	115,581
Parent activities	150	-	-	-	150	-	150
Nutrition services	67,247	-	-	55,892	123,139	-	123,139
Emergency housing and shelter	-	-	2,673	23,315	25,988	-	25,988
Contributed nonfinancial assets	787,032	-	-	203,060	990,092	-	990,092
Programs expenses funded locally	-	-	-	16,489	16,489	-	16,489
Miscellaneous	242	-	-	1,115	1,357	734	2,091
Total expenses before depreciation	4,275,504	558,208	313,411	588,497	5,735,620	348,780	6,084,400
Depreciation	120,151	11,104	3,543	1,167	135,965	18,016	153,981
Total expenses	\$ 4,395,655	569,312	316,954	589,664	5,871,585	366,796	6,238,381

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.
 Statements of Cash Flows
 Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ 297,713	265,541
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	162,291	153,981
Changes in:		
Receivables	9,562	(270,721)
Prepaid expenses	8,169	3,978
Inventory	2,444	73
Accounts payable	130,915	64,000
Accrued payroll and taxes	50,871	(138,472)
Compensated absences	(21,674)	12,245
Deferred revenue	93,623	121,012
Other liabilities	<u>1,909</u>	<u>30,336</u>
Net cash provided by operating activities	735,823	241,973
Cash flows from investing activities - purchases of property and equipment	<u>(411,850)</u>	<u>(67,960)</u>
Change in cash and equivalents	323,973	174,013
Cash and equivalents at beginning of year	<u>649,275</u>	<u>475,262</u>
Cash and equivalents at end of year	<u>\$ 973,248</u>	<u>649,275</u>

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Notes to Financial Statements

December 31, 2021 and 2020

(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 2021 and 2020.

(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 statements 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) Long-Lived Assets

The Agency reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In determining whether there is an impairment of long-lived assets, the Agency compares the sum of the expected future net cash flows (undiscounted and without interest charges) to the carrying amount of the assets. At December 31, 2021, no impairment in value has been recognized.

(j) 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.

(k) Revenue Recognition and Deferred Revenue

Under Accounting Standards Update (ASU) No. 2014-09 (Topic 606) - Revenue from Contracts with Customers, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Association expects to be entitled in exchange for these goods or services. The Association utilizes a five-step framework as identified in ASU No. 2014-09.

Program revenue, is recognized upon sale or as earned. Deferred revenue is principally comprised of fees collected in advance for services and activities for which the Organization will incur expenses in the next fiscal year.

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) 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.

(m) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statements 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.

(n) Advertising

The Organization follows the policy of charging the costs of advertising to expense as incurred. For the years ended December 31, 2021 and 2020, advertising costs amounted to \$10,977 and \$14,045, respectively.

(o) 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. At December 31, 2021 and 2020, compensated absences amounted to \$37,993 and \$59,667, respectively.

(p) 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.

(q) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on the Organization and its future results and financial position is not presently determinable.

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

(1) Summary of Significant Accounting Policies, Continued

(r) 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.

(2) Liquidity

The Organization has \$1,502,311 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of \$973,248 of cash and equivalents and \$529,063 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 2021 statement of financial position.

(3) Receivables

Receivables consist of the following at December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Accounts receivable:		
Weatherization	\$ 6,792	3,295
Housing Choice	30,512	32,521
Grants receivable:		
Weatherization	140,696	47,242
Head Start	271,742	376,245
Community Services Block Grant	<u>79,321</u>	<u>79,322</u>
	<u>\$ 529,063</u>	<u>538,625</u>

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Notes to Financial Statements, Continued

(4) Property and Equipment

Property and equipment at December 31, 2021 and 2020 is summarized as follows:

	<u>2021</u>	<u>2020</u>
Land	\$ 48,815	48,815
Building	759,019	759,019
Equipment	555,832	389,932
Vehicles	<u>1,293,736</u>	<u>1,047,786</u>
	2,657,402	2,245,552
Less accumulated depreciation	<u>(1,745,264)</u>	<u>(1,582,973)</u>
Net property and equipment	\$ <u>912,138</u>	<u>662,579</u>

Depreciation expense totaled \$162,291 and \$153,981 for the years ended December 31, 2021 and 2020, respectively.

(5) Deferred Revenue

At December 31, 2021 and 2020, deferred revenue amounted to \$228,805 and \$135,182, 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, 2021 and 2020:

<u>Funding Source</u>	<u>Grant Name</u>	<u>2021</u>	<u>2020</u>
Development Authority of the North Country	HUD - HOME Program	\$ 89,373	31,444
NYS Division of Housing and Community Renewal	Weatherization Assistance	619,590	500,456
NYS Department of State	CSBG	355,869	304,089
U.S. Department of Health and Human Services	Head Start	3,780,439	3,729,496
U.S. Department of Agriculture	CACFP	94,740	77,642
U.S. Department of Homeland Security	Emergency Food and Shelter Program	5,000	-
Food Bank of Central New York		<u>4,095</u>	<u>16,950</u>
		\$ <u>4,949,106</u>	<u>4,660,077</u>

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Notes to Financial Statements, Continued

(7) Contributed Nonfinancial Assets

The total value of contributed nonfinancial assets recognized for the years ended December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Head Start - Professional fees and transportation	\$ 891,508	787,032
Neighborhood Centers - Services, food, supplies, clothing, etc.	<u>193,552</u>	<u>203,060</u>
	<u>\$ 1,085,060</u>	<u>990,092</u>

Contributed services recognized are comprised of professional services related to the operations of the Head Start Program. Amounts represent time worked in the classrooms. Food, supplies and clothing represent items received by the Organization at an estimated fair value.

(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, 2021 and 2020 amounted to \$115,165 and \$128,034, respectively, and are included in other liabilities in the statements of financial position.

(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, 2021 and 2020 amounted to \$100,363 and \$88,303, respectively.

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

2022	\$ 88,890
2023	69,480
2024	44,400
2025	<u>18,700</u>
	<u>\$ 221,470</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 57% of the Organization's total revenue in 2021 and 2020, respectively.

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

(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, 2021

<u>Program Title</u>	<u>Assistance Listing 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	02CH1035105	\$ 178,863	-
Head Start (1)	93.600	02H011880-01-03	3,556,683	-
Head Start CRSSA (1)	93.600	02HE000170K5	23,993	-
Head Start ARP (1)	93.600	02H00001701C6	20,900	-
			<u>3,780,439</u>	<u>-</u>
Passed through New York State Department of State:				
Community Services Block Grant 20-21	93.569	C1001487	244,146	-
Community Services Block Grant 21-22	93.569	C1001487	38,269	-
Community Services Block Grant CARES	93.569	C1001820	73,454	-
			<u>355,869</u>	<u>-</u>
Passed through New York State Division of Housing and Community Renewal:				
Low-Income Home Energy Assistance 20-21	93.568	C093600-20	98,428	-
Low-Income Home Energy Assistance 21-22	93.568	C092060-16	462,892	-
			<u>561,320</u>	<u>-</u>
Total U.S. Department of Health and Human Services			4,697,628	-
U.S. Department of Homeland Security - Emergency Food and Shelter National Board Program (1)	97.024	625400-001	5,000	-
U.S. Department of Agriculture - Child and Adult Care Food Program (1)	10.558	-	94,740	-
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	-	89,373	-
U.S. Department of Energy - passed through New York State Division of Housing and Community Renewal - Weatherization Assistance for Low-Income Persons	81.042	C092060-20	58,270	-
Total Federal Awards			<u>\$ 4,945,011</u>	<u>-</u>

(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, 2021

(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, 2021, 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 October 19, 2022.

Report on 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) 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 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 or significant deficiencies may exist that were not identified.

Report on 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 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 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
October 19, 2022

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR 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

Opinion on Each Major Federal Program

We have audited St. Lawrence County Community Development Program, Inc.'s (the Organization) 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 Organization's major federal program for the year ended December 31, 2021. The Project's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, St. Lawrence County Community Development Program, Inc.'s 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, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 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 Organization 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 Organization'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 Organization'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 Organization'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 generally accepted auditing standards, 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 Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, 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 Organization'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 Organization'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 Organization's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance,

such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

EFPR Group, CPAs, PLLC

Williamsville, New York
October 19, 2022

ST. LAWRENCE COUNTY COMMUNITY DEVELOPMENT PROGRAM, INC.

Schedule of Findings and Questioned Costs

Year ended December 31, 2021

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? | _____ | 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? | _____ | 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:

Name of Federal Program

Head Start

Assistance Listing

Number

93.600

8. Dollar threshold used to distinguish between Type A and Type B programs.

\$750,000

9. Auditee qualified as low-risk auditee?

 x 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, 2021

There were no audit findings with regard to the prior year financial statements (December 31, 2020).