

**PEOPLE'S EQUAL ACTION AND
COMMUNITY EFFORT, INC.**

**Financial Statements as of
January 31, 2022 and 2021
Together with
Independent Auditor's Report
And Single Audit Reports**

Bonadio & Co., LLP
Certified Public Accountants

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

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INDEPENDENT AUDITOR'S REPORT

May 12, 2022

To the Board of Directors of
People's Equal Action and Community Effort, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of People's Equal Action and Community Effort, Inc. (a nonprofit organization) (the Agency), which comprise the statements of financial position as of January 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency as of January 31, 2022 and 2021, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency 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 Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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(Continued)

INDEPENDENT AUDITOR'S REPORT

(Continued)

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 generally accepted 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, including omissions, 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 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 Agency'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 Agency'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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 May 12, 2022 on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

STATEMENTS OF FINANCIAL POSITION JANUARY 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,104,230	\$ 887,944
Grants receivable	1,969,893	1,404,343
Program service fees receivable	130,729	127,997
Inventory	187,165	184,504
Other current assets	<u>42,026</u>	<u>214,074</u>
Total current assets	<u>3,434,043</u>	<u>2,818,862</u>
LONG-TERM DEPOSITS	<u>92,688</u>	<u>85,072</u>
PROPERTY:		
Land	204,793	204,793
Buildings	2,742,270	2,742,270
Leasehold improvements	5,754,986	5,693,723
Vehicles	3,056,166	2,943,265
Equipment	1,072,056	997,533
Construction in progress	<u>13,000</u>	<u>26,862</u>
Total	12,843,271	12,608,446
Less accumulated depreciation	<u>10,236,908</u>	<u>9,717,882</u>
Property, net	<u>2,606,363</u>	<u>2,890,564</u>
Total assets	<u>\$ 6,133,094</u>	<u>\$ 5,794,498</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable - trade	\$ 288,756	\$ 180,610
Accrued payroll and related liabilities	819,214	969,353
Accrued compensated absences	268,296	277,575
Deferred revenue	1,048,402	273,831
Refundable advance	-	140,514
Custodial accounts, deposits, and other current liabilities	<u>5,307</u>	<u>1,766</u>
Total current liabilities	<u>2,429,975</u>	<u>1,843,649</u>
NET ASSETS:		
Without donor restrictions	3,265,429	3,696,433
With donor restrictions	<u>437,690</u>	<u>254,416</u>
Total net assets	<u>3,703,119</u>	<u>3,950,849</u>
Total liabilities and net assets	<u>\$ 6,133,094</u>	<u>\$ 5,794,498</u>

The accompanying notes are an integral part of these statements.

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JANUARY 31, 2022**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT:			
Direct contributions	\$ 76,212	\$ 40,149	\$ 116,361
In-kind contributions	4,961,985	-	4,961,985
Fundraising	33,393	25,530	58,923
Net assets released from restrictions	<u>101,510</u>	<u>(101,510)</u>	<u>-</u>
Total support	<u>5,173,100</u>	<u>(35,831)</u>	<u>5,137,269</u>
REVENUE:			
Governmental agencies	19,836,375	219,105	20,055,480
Program service fees	727,235	-	727,235
Interest income	125	-	125
Rental income	12,528	-	12,528
Other Income	<u>25</u>	<u>-</u>	<u>25</u>
Total revenue	<u>20,576,288</u>	<u>219,105</u>	<u>20,795,393</u>
Total support and revenue	<u>25,749,388</u>	<u>183,274</u>	<u>25,932,662</u>
EXPENSES:			
Program services	23,258,093	-	23,258,093
Management and general	2,912,883	-	2,912,883
Fundraising	<u>9,416</u>	<u>-</u>	<u>9,416</u>
Total expenses	<u>26,180,392</u>	<u>-</u>	<u>26,180,392</u>
CHANGE IN NET ASSETS	(431,004)	183,274	(247,730)
NET ASSETS - FEBRUARY 1, 2021	<u>3,696,433</u>	<u>254,416</u>	<u>3,950,849</u>
NET ASSETS - JANUARY 31, 2022	<u>\$ 3,265,429</u>	<u>\$ 437,690</u>	<u>\$ 3,703,119</u>

The accompanying notes are an integral part of these statements.

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JANUARY 31, 2021**

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
SUPPORT:			
Direct contributions	\$ 70,424	\$ 38,626	\$ 109,050
In-kind contributions	1,726,534	-	1,726,534
Fundraising	26,402	8,593	34,995
Net assets released from restrictions	<u>383,284</u>	<u>(383,284)</u>	<u>-</u>
Total support	<u>2,206,644</u>	<u>(336,065)</u>	<u>1,870,579</u>
REVENUE:			
Governmental agencies	20,000,376	45,021	20,045,397
Program service fees	740,299	-	740,299
Interest income	145	-	145
Rental income	<u>15,280</u>	<u>-</u>	<u>15,280</u>
Total revenue	<u>20,756,100</u>	<u>45,021</u>	<u>20,801,121</u>
Total support and revenue	<u>22,962,744</u>	<u>(291,044)</u>	<u>22,671,700</u>
EXPENSES:			
Program services	19,601,831	-	19,601,831
Management and general	2,783,424	-	2,783,424
Fundraising	<u>6,218</u>	<u>-</u>	<u>6,218</u>
Total expenses	<u>22,391,473</u>	<u>-</u>	<u>22,391,473</u>
CHANGE IN NET ASSETS	571,271	(291,044)	280,227
NET ASSETS - FEBRUARY 1, 2020	<u>3,125,162</u>	<u>545,460</u>	<u>3,670,622</u>
NET ASSETS - JANUARY 31, 2021	<u>\$ 3,696,433</u>	<u>\$ 254,416</u>	<u>\$ 3,950,849</u>

The accompanying notes are an integral part of these statements.

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JANUARY 31, 2022**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 10,104,970	\$ 1,563,184	\$ 42	\$ 11,668,196
Payroll taxes and fringe benefits	2,977,848	346,323	22	3,324,193
Consumable supplies	6,108,482	16,053	6,135	6,130,670
Occupancy costs	1,546,085	151,733	-	1,697,818
Professional fees and contract services	1,137,545	69,579	-	1,207,124
Depreciation	16,633	530,663	-	547,296
Equipment expense	320,091	50,950	3,000	374,041
Insurance	373,524	29,329	-	402,853
Telephone	163,676	13,082	-	176,758
Conferences and travel	186,429	24,302	-	210,731
Vehicle maintenance	188,276	2,581	-	190,857
Advertising, printing, postage and dues	92,142	35,548	-	127,690
Other costs	13,575	78,036	217	91,828
Program service fee overhead	28,817	-	-	28,817
Interest expense	-	1,520	-	1,520
	<u>-</u>	<u>1,520</u>	<u>-</u>	<u>1,520</u>
Total expenses	<u>\$ 23,258,093</u>	<u>\$ 2,912,883</u>	<u>\$ 9,416</u>	<u>\$ 26,180,392</u>

The accompanying notes are an integral part of these statements.

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JANUARY 31, 2021**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 10,200,599	\$ 1,505,059	\$ 93	\$ 11,705,751
Payroll taxes and fringe benefits	2,785,782	314,523	55	3,100,360
Consumable supplies	2,803,806	19,008	2,532	2,825,346
Occupancy costs	1,430,236	157,906	-	1,588,142
Professional fees and contract services	1,020,822	69,263	-	1,090,085
Depreciation	15,737	499,242	-	514,979
Equipment expense	417,624	54,470	2,889	474,983
Insurance	361,836	28,084	53	389,973
Telephone	177,581	13,878	-	191,459
Conferences and travel	134,055	23,197	-	157,252
Vehicle maintenance	123,556	3,722	-	127,278
Advertising, printing, postage and dues	77,989	33,665	250	111,904
Other costs	10,063	58,343	346	68,752
Program service fee overhead	30,401	-	-	30,401
Loss on disposal of property	11,744	1,642	-	13,386
Interest expense	-	1,422	-	1,422
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 19,601,831</u>	<u>\$ 2,783,424</u>	<u>\$ 6,218</u>	<u>\$ 22,391,473</u>

The accompanying notes are an integral part of these statements.

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED JANUARY 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (247,730)	\$ 280,227
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	547,296	514,979
Loss on disposal of property	-	13,386
Changes in operating assets and liabilities:		
Grants receivable	(565,550)	294,307
Program service fees receivable	(2,732)	40,554
Inventory	(2,661)	(36,385)
Other current assets	172,048	(59,789)
Long-term deposits	(7,616)	(29,333)
Accounts payable - trade	108,146	(162,896)
Accrued payroll and related liabilities	(150,139)	(313,255)
Accrued compensated absences	(9,279)	10,959
Deferred revenue	774,571	43,003
Refundable advance	(140,514)	140,514
Custodial accounts, deposits, and other current liabilities	<u>3,541</u>	<u>27</u>
Net cash from operating activities	<u>479,381</u>	<u>736,298</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisitions of property	<u>(263,095)</u>	<u>(539,444)</u>
Net cash from investing activities	<u>(263,095)</u>	<u>(539,444)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on short-term bank borrowings	-	(250,000)
Proceeds from short-term bank borrowings	<u>-</u>	<u>250,000</u>
Net cash from financing activities	<u>-</u>	<u>-</u>
NET CHANGE IN CASH	216,286	196,854
CASH - beginning of year	<u>887,944</u>	<u>691,090</u>
CASH - end of year	<u>\$ 1,104,230</u>	<u>\$ 887,944</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 1,520</u>	<u>\$ 1,422</u>

The accompanying notes are an integral part of these statements.

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

NOTES TO FINANCIAL STATEMENTS JANUARY 31, 2022 AND 2021

1. THE ORGANIZATION

The Agency provides community action programs primarily throughout Onondaga County. The programs of the Agency include senior citizen services; transportation services for elderly, disabled and isolated; activities and one-on-one interaction with a role model; programs and services covering prenatal care and early childhood education; family endeavors; emergency food needs; energy services; home weatherization; community health and social service introduction to families.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Reporting

The Agency reports its activities and the related net assets using the following categories:

- **Net Assets Without Donor Restrictions**

Net assets without donor restrictions include resources that are available for the support of the Agency's operating activities.

- **Net Assets With Donor Restrictions**

Net assets with donor restrictions include resources that have been donated to the Agency subject to restrictions as defined by the donor.

Cash

Cash includes demand deposit accounts. The Agency has collateral agreements with two separate banks insuring all cash deposits. The Agency has not experienced any losses in these accounts and believes it is not exposed to any significant risk with respect to cash.

Grants Receivable and Revenue

The Agency receives grants to assist in carrying out its programs from federal, state, and local government grants. Unconditional grants and restricted grants are recognized as revenues in the period received or promised. Conditional grants are not recognized as revenues until the conditions on which they depend are substantially met. The Agency has adopted a policy whereby all government and other contracts be recorded as without donor restrictions if the restriction expires in the same reporting period as received.

Conditional grants were received from the following sources as of January 31:

	<u>2022</u>	<u>2021</u>
Federal grants	\$ 11,891,357	\$ 12,816,051
Other than federal grants	<u>1,079,275</u>	<u>559,304</u>
	<u>\$ 12,970,632</u>	<u>\$ 13,375,355</u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable and Revenue (Continued)

Grants receivable represents amounts due to the Agency under grant agreements where conditions were substantially met at year end. Receivables are stated at the amount management expects to collect from outstanding balances. The Agency considers all receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded as of January 31, 2022 and 2021. If amounts become uncollectable, they will be charged to bad debt expense when the determination is made. Unpaid balances remaining after the stated payment terms are considered past due.

Program Service Fees Receivable and Revenue

The Agency recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Agency expects to be entitled in exchange for those goods or services. The Agency's accounting policies related to revenue recognition are set forth below.

Program Service Fees Receivable and Revenue

The Agency reviews individual contracts, at the time of performance, in order to determine estimated uncollectible amounts due from customers and records these implicit price concessions as a direct reduction to revenue. Based on this, the Agency determined there are no implicit price concessions.

Program service fees revenue is related to fee for service contracts with customers to provide training, consultation services and educational programs. Program service fees are set by contracts established with customers. Program service fees revenue is recognized at the point in time the program is provided for short-term programs and over time for long-term programs.

Other Current Assets

Included in other current assets are fee for service weatherization program costs related to projects that have not been completed. Revenue is recognized when projects have been finalized in accordance with grant agreements. These programs include Department of Energy and Housing Fee-For-Service and EmPower New York.

Deferred Revenue

Deferred revenue is recorded for program service fees revenue received from exchange transactions in which performance obligations have not been met.

Inventory

Inventory of supplies and materials is stated at the lower of cost or net realizable value, with cost being determined on a first-in, first-out method.

Property and Depreciation

Property \$5,000 and greater is capitalized and stated at cost if purchased or fair market value if donated. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets ranging from 3 to 40 years. Long-lived donated property and equipment is recognized as support without donor restrictions when received. Depreciation expense for the years ended January 31, 2022 and 2021 was \$547,296 and \$514,979, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Depreciation (Continued)

Property acquired with grant resources is owned by the Agency for use in authorized programs. The funding sources retain reversionary interest in property purchased with grant funds. Disposition of such assets, as well as any sale proceeds, are subject to a recorded Notice of Federal Interest. Property - net purchased with grant funds was \$1,751,225 and \$1,978,071 as of January 31, 2022 and 2021, respectively.

Self-Insurance

The Agency is self-insured for its employees' health care costs. The Agency was liable for losses on claims up to \$70,000 per claim through policy years ended June 30, 2016, through September 30, 2021 and \$75,000 per claim through policy years ended September 30, 2022. The Agency has third-party insurance coverage for any losses in excess of such amounts. Self-insurance costs are accrued based on claims reported as of the statements of financial position date as well as an estimated liability for claims incurred but not reported. The total accrued liability for self-insurance costs was \$473,885 and \$650,953 as of January 31, 2022 and 2021 respectively and is included in accrued payroll and related liabilities.

Direct Contributions

Contributions are recognized when a donor makes an unconditional promise to give to the Agency. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions as net assets released from restrictions.

In-kind Contributions

The Agency receives in-kind contributions from outside parties. The donations include, but are not limited to, services, vehicles, consumable supplies and space. All donations are without donor restriction and used to support and further the Agency's objectives. Estimated value as provided by the Salvation Army guidelines when available or if unavailable, internet research is performed to determine a conservative valuation for consumable supplies. Donated space is recorded based on estimated fair market value of the leased space as determined by professional appraisals and third party published sources. In addition, many skilled and unskilled individuals have contributed significant amounts of time to the activities of the Agency without compensation.

Contributed services are recognized as in-kind revenue and expense by the Agency when they meet the requirements of GAAP for the year ended January 31 as follows:

	<u>2022</u>	<u>2021</u>
In-kind contributions:		
Donated professional and contract services	\$ 194,380	\$ 128,899
Donated facilities	363,093	373,530
Donated supplies	<u>4,404,512</u>	<u>1,224,104</u>
Total in-kind contributions	<u>\$ 4,961,985</u>	<u>\$ 1,726,533</u>
In-kind expenses:		
Professional fees and contract services	\$ 194,380	\$ 128,899
Occupancy costs	363,093	373,530
Consumable supplies	<u>4,404,512</u>	<u>1,224,104</u>
Total in-kind expenses	<u>\$ 4,961,985</u>	<u>\$ 1,726,533</u>

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-kind Contributions (Continued)

In addition, the Agency received in-kind contributions from outside parties that do not meet the recognition requirement. Management estimates these in-kind contributions had a value of \$2,941,452 and \$2,462,455 for the years ended January 31, 2022 and 2021, respectively.

Allocation of Certain Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimate (salaries, fringes, commercial insurance, transportation, foodservice, maintenance and foodservice). Managements estimates utilize square footage, time spent and meals served. Other costs specifically identified to a program are charged directly to that program.

Indirect Cost Rate

The Agency has been approved by its cognizant agency, U.S. Department of Health and Human Services, to apply a provisional indirect cost rate not to exceed 24.0%. Indirect costs are allocated to all programs of the Agency. Total direct salaries are used as the base to calculate the Agency's indirect cost rate.

Income Taxes

People's Equal Action and Community Effort, Inc. is a New York not-for-profit corporation, exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. The Agency has been determined by the Internal Revenue Service not to be a private foundation.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions for the reporting period and as of the financial statement date. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from these estimates.

Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to a virus, commonly known as Novel Coronavirus (COVID-19). The overall consequences of COVID-19 on a national, regional and local level are unknown, but it has the potential to result in a significant economic impact. The future impact of this situation on the Agency and its results and financial position is not presently determinable.

3. LIQUIDITY

The following reflects the Agency's financial assets available within one year of the statements of financial position date for general expenditures at January 31 as follows:

	<u>2022</u>	<u>2021</u>
Cash	\$ 1,104,230	\$ 887,944
Grants receivable	1,969,893	1,404,343
Program service fees receivable	130,729	127,997
Other receivables	<u>13,832</u>	<u>120,529</u>
Financial assets, at year end	<u>3,218,684</u>	<u>2,540,813</u>

3. LIQUIDITY (Continued)

	<u>2022</u>	<u>2021</u>
Less those unavailable for general expenditure within one year, due to:		
Restricted by donor with time or purposes restrictions	<u>(437,690)</u>	<u>(254,416)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,780,994</u>	<u>\$ 2,286,397</u>

The Agency has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. The Agency's ability to meet its cash needs is dependent on timely collection of its grants and program service fees receivables. In addition, as part of its liquidity management, the Agency has a line of credit of \$2,000,000 (as described in Note 4), which it could draw upon in the event of an unanticipated liquidity need.

4. SHORT TERM BORROWINGS

The Agency has a \$2,000,000 revolving loan with Key Bank. Borrowings accrue interest at the prime rate (3.25% as of January 31, 2022) and are not collateralized. The outstanding balance on the line of credit was zero as of January 31, 2022 and 2021.

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions include donor restricted contributions and restricted program income to be used to support the following activities as of January 31:

	<u>2022</u>	<u>2021</u>
Head Start/Early Head Start	\$ 181,162	\$ 14,379
Family Resource Centers	54,905	51,875
Big Brothers Big Sisters	142,019	123,200
Foster Grandparents	7,295	7,201
Community Development	1,722	966
Senior Services	450	430
Free tax prep	165	3,643
Employee training	2,451	2,451
Employee emergency	1,100	1,100
Food services	4,252	3,956
Weatherization	2,805	18,204
Frank DeFrancisco Eastwood Community Center	4,962	4,190
Foundation for the future	1,500	1,500
Maintenance	30	30
Camp fund	16,512	16,137
Crop walk	234	477
Give-a-holiday	16,109	4,660
KIDS (Kids in Distressed Situations)	<u>17</u>	<u>17</u>
Total	<u>\$ 437,690</u>	<u>\$ 254,416</u>

5. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the following:

	<u>2022</u>	<u>2021</u>
Head Start/Early Head Start	\$ 3,650	\$ 280,409
Family Resource Centers	13,441	14,273
Big Brothers Big Sisters	59,698	63,636
Foster Grandparents	106	6
Community Development	144	8,771
Senior Services	-	140
Employee training	-	49
Food services	1,461	9,760
Weatherization	18,250	-
Camp fund	185	500
Give-a-holiday	708	5,715
Frank DeFrancisco Eastwood Community Center	106	-
Crop walk	243	-
Free tax prep	3,518	-
Information technology	<u>-</u>	<u>25</u>
Total	<u>\$ 101,510</u>	<u>\$ 383,284</u>

6. RETIREMENT PLAN

The Agency sponsors a 401(k) defined contribution profit sharing plan covering employees who have completed one year of service and are 18 years of age. Employees may contribute a percentage of their compensation on a pre-tax basis, subject to limitations by the Internal Revenue Service. Agency contributions to the plan are at the sole discretion of the Board of Directors. The Board elected to match up to 3% of employee deferred compensation for the plan years ended December 31, 2021 and 2020, respectively.

Retirement plan expense was \$210,100 and \$213,107 for 2022 and 2021, respectively.

7. OPERATING LEASES

The Agency leases space and equipment under arrangements accounted for as operating leases. Agreements require monthly payments expiring at various dates through May 2029.

Future minimum lease payments are as follows for the year ending January 31:

2023	\$ 1,302,677
2024	614,224
2025	472,897
2026	283,843
2027	178,027
Thereafter	<u>284,563</u>
Total	<u>\$ 3,136,231</u>

7. OPERATING LEASES (Continued)

Total lease expense for space and equipment included in occupancy costs, equipment and telephone expense was \$1,384,534 and \$1,360,062 for the years ended January 31, 2022 and 2021, respectively.

8. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Agency to credit risk consist principally of unsecured receivables.

A significant portion of the Agency's revenue is generated through Federal, New York State and County grants that are renewed annually, without which there would be an impact on the Agency's level of service and operation. The Agency derives a substantial portion of its revenues from one grant. Total revenues related to this grant were approximately \$12,400,000 for years ended January 31, 2022 and 2021. Accounts receivable related to this grant were approximately \$945,000 and \$752,000 at January 31, 2022 and 2021, respectively.

9. CONTINGENCIES

Grants

Under the terms of various grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such questioned costs could lead to reimbursement to the grantor agencies. Management believes that it would be able to provide support acceptable to the grantor and that any disallowances would not be material.

Paycheck Protection Program Arrangement

In April 2020, the Agency entered into an arrangement with a bank as part of the US. Small Business Administration's Paycheck Protection Program (PPP) under the Coronavirus Aid Relief, and Economic Security (CARES) Act and received \$322,290. This arrangement is evidenced by a loan agreement that includes provisions whereby the loan balance can be fully or partially forgiven based on the Agency's use of the funds, maintenance of its personnel complement, and compliance with certain reporting elements.

The Agency has elected to account for the PPP arrangement as a conditional contribution, where revenue is recorded as the conditions meeting the requirements for forgiveness are met. Through January 31, 2021, the Agency estimated that it has administered the PPP arrangement and managed its staff complement in a manner that met the conditions for forgiveness of the \$181,776. This amount is recorded in governmental agencies revenue on the statements of activities. The remaining \$140,514 has been recorded as a refundable advance in the statements of financial position as of January 31, 2021. In April 2021, the Agency's forgiveness application for \$181,776 was approved by the Small Business Administration. In May 2021, the Agency repaid the bank principal and interest of \$140,514 and \$1,520, respectively.

The Agency's PPP arrangement calls for the Agency to claim certain operating costs as support for its PPP forgiveness. The possibility exists that one or more of the Agency's recurring funders might view the funding received through the PPP arrangement as reducing their obligation to fund the Agency at previously planned or committed levels. Such funders may choose to retroactively modify funding amounts covering services rendered.

10. SUBSEQUENT EVENTS

Subsequent events have been evaluated through May 12, 2022, which is the date the financial statements were available to be issued.

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

May 12, 2022

To the Board of Directors of
People's Equal Action and Community Effort, 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 People's Equal Action and Community Effort, Inc.'s (a nonprofit organization) (the Agency), which comprise the statement of financial position as of January 31, 2022, and the related statements of activities, 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 May 12, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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. 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.

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(Continued)

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*

(Continued)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

May 12, 2022

To the Board of Directors of
People's Equal Action and Community Effort, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited People's Equal Action and Community Effort, Inc.'s (the Agency) 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 each of The Agency's major federal programs for the year ended January 31, 2022. The Agency's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Agency's complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended January 31, 2022.

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 Agency's 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 Agency'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 Agency's federal programs.

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

(Continued)

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 Agency'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 Agency'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 Agency'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 Agency'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 Agency'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, significant audit findings, and certain internal control-related matters 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.

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

Report on Internal Control over Compliance (Continued)

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.

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JANUARY 31, 2022**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant Period</u>	<u>Agency or Pass-through Number</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services					
Head Start Cluster:					
Head Start	93.600	02/01/21-01/31/22	02CH011394/02	\$ 14,009,177	\$ 12,240,440
COVID 19 - Head Start	93.600	02/01/20-01/31/22	02CH011394-02/C3	916,596	157,337
COVID 19 - Head Start - Coronavirus Response and Relief Supplemental Appropriations Act	93.600	04/01/21-03/31/23	02HE000125-01/C5	313,911	89,779
COVID 19 - Head Start - American Rescue Plan	93.600	04/01/21-03/31/23	02HE000125-01/C6	1,247,950	219,553
Total Head Start				<u>16,487,634</u>	<u>12,707,109</u>
Total Head Start Cluter				<u>16,487,634</u>	<u>12,707,109</u>
Pass-through from:					
NYS Department of State					
Community Services Block Grant	93.569	10/01/20-09/30/21	C1001476	1,827,786	999,312
Community Services Block Grant	93.569	10/01/21-09/30/22	C1001476	1,587,686	582,117
COVID-19 - Community Services Block Grant	93.569	04/01/20-09/30/22	T1001809	2,133,526	885,251
Total Community Services Block Grant				<u>5,548,998</u>	<u>2,466,680</u>
NYS Division of Housing & Community Renewal					
Low-Income Home Energy Assistance	93.568	04/01/19-03/31/21	C093490-19	3,148,854	448,975
Low-Income Home Energy Assistance	93.568	04/01/21-03/31/22	C093490-21	1,930,873	1,141,220
Total Low-Income Home Energy Assistance				<u>5,079,727</u>	<u>1,590,195</u>
Aging Cluster:					
Onondaga County Department of Aging & Youth					
Special Programs for the Aging - Title III, Part B -					
Grants for Supportive Services and Senior Centers	93.044	01/01/21-12/31/21	PEA220002	25,000	23,350
Grants for Supportive Services and Senior Centers	93.044	01/01/22-12/31/22	PEA220002	25,000	6,303
Total Special Programs for the Aging - Title III, Part B				<u>50,000</u>	<u>29,653</u>
Special Programs for the Aging - Title III, Part C -					
Nutrition Services	93.045	01/01/21-12/31/21	PEA220001	427,506	393,442
Special Programs for the Aging - Title III, Part C -					
Nutrition Services	93.045	01/01/22-12/31/22	PEA220001	33,952	33,952
Total Special Programs for the Aging - Title III, Part C				<u>461,458</u>	<u>427,394</u>
Total Aging Cluster				<u>511,458</u>	<u>457,047</u>
Total - U.S. Department of Health and Human Services				<u>27,627,817</u>	<u>17,221,031</u>

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

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JANUARY 31, 2022

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant Period</u>	<u>Agency or Pass-through Number</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
Foster Grandparent/Senior Companion Cluster:					
<u>The Corporation for National Service</u>					
Foster Grandparent Program	94.011	07/01/20-06/30/21	19SFANY006	451,105	186,821
COVID-19 - Foster Grandparent Program	94.011	07/01/20-06/30/21	19SFANY006	550	550
Foster Grandparent Program	94.011	07/01/21-06/30/22	19SFANY006	475,298	198,256
COVID-19 - Foster Grandparent Program	94.011	07/01/21-06/30/22	19SFANY006	<u>9,450</u>	<u>1,155</u>
Total - The Corporation for National Service, Total Foster Grandparent/Senior Companion Cluster				<u>936,403</u>	<u>386,782</u>
<u>U.S. Department of Agriculture</u>					
Pass-through from:					
NYS Department of Health					
Child and Adult Care Food Program (CACFP)	10.558	10/01/20-09/30/21	2139	234,938	171,875
Child and Adult Care Food Program (CACFP)	10.558	10/01/21-09/30/22	2139	90,571	90,571
Child and Adult Care Food Program (CACFP) - Emergency Costs	10.558	12/27/20-09/30/21	214NY204H1706	<u>73,349</u>	<u>73,349</u>
Total - U.S. Department of Agriculture				<u>398,858</u>	<u>335,795</u>
<u>U.S. Department of Energy</u>					
Pass-through from:					
NYS Division of Housing & Community Renewal					
Weatherization Assistance for Low-Income Persons	81.042	04/01/19-03/31/21	C093490-19	1,786,540	573
Weatherization Assistance for Low-Income Persons	81.042	04/01/20-03/31/22	C093490-21	<u>1,233,335</u>	<u>392,828</u>
Total - U.S. Department of Energy				<u>3,019,875</u>	<u>393,401</u>
<u>U.S. Department of Housing & Urban Renewal</u>					
Pass-through from:					
City of Syracuse Department of Neighborhood and Business Development					
Community Development Block Grants/Entitlement Grants	14.218	05/01/20-04/30/21	Year 46	<u>17,583</u>	<u>11,805</u>
Total - U.S. Department of Housing & Urban Renewal				<u>17,583</u>	<u>11,805</u>

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

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

FOR THE YEAR ENDED JANUARY 31, 2022

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant Period</u>	<u>Agency or Pass-through Number</u>	<u>Program or Award Amount</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Justice</u>					
Pass-through from:					
Vera House					
Enhanced Training and Services to End Violence and Abuse of Women Later in Life	16.528	03/09/21-09/30/22	2019-EW-AX-K001	<u>24,172</u>	<u>8,924</u>
Total - U.S. Department of Justice				<u>24,172</u>	<u>8,924</u>
Total				<u>\$ 32,024,708</u>	<u>\$ 18,357,738</u>

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

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JANUARY 31, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards presents the activity of federal financial assistance programs administered by the Agency, an entity as defined in the basic financial statements. The information in this schedule is presented on the accrual basis and in accordance with 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). Therefore, some amounts presented in this schedule may differ from amounts presented or used in the presentation of the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting in accordance with GAAP. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports for each program. The Agency has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. MATCHING COSTS

Matching costs, i.e., the Agency's share of certain program costs, are not included in the reported expenditures.

5. SUBRECIPIENTS

The Organization does not have any subrecipients of federal awards.

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JANUARY 31, 2022**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? yes no
Significant deficiencies identified? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:
Material weakness(es) identified? yes no
Significant deficiencies identified? yes none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes no

Identification of major federal programs:

Assistance Listing Number

Program Title

U.S. Department of Health and Human Services:

93.568 Low-Income Home Energy Assistance
96.569 Community Service Block Grant

U.S. Department of Energy:

81.042 Weatherization Assistance for Low-Income Persons

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

Auditee qualified as low-risk auditee yes no

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JANUARY 31, 2022**

SECTION II - FINANCIAL STATEMENT AUDIT FINDINGS

None noted.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL
AWARD PROGRAM AUDIT**

None noted.