

Finance Audit Committee Meeting Minutes

Thursday, May 15, 2025

MEMBERS PRESENT: Eric J.T. Caballero, Patricia Usherwood Fitzpatrick
MEMBERS EXCUSED: Robert T. Tackman
MEMBERS ABSENT: None
STAFF PRESENT: Kathleen O'Brien, Nancy Turo, Carolyn Brown
GUESTS PRESENT: Keeley Hines and Shelby Reeves of Bonadio Group

CALL TO ORDER

The May 15, 2025 Finance Committee Meeting was called to order at 4:03 PM by Eric Caballero. It was noted for the record that a quorum was present.

APPROVAL OF PREVIOUS MINUTES

Patricia Usherwood Fitzpatrick made a motion to approve the April 2025 Finance Committee Meeting minutes; the motion was seconded by Eric Caballero, and unanimously approved.

FINANCE REPORT

Kathleen O'Brien, CFO, discussed the monthly financial statements for April 30, 2025.

Ms. O'Brien stated that net income before depreciation year to date presented on page 3 is (\$91,286) vs a budget of \$86,879. The net income after depreciation is (\$240,335).

The net income from normal operations presented on page 7 is \$65,727. This number is the net of "timing differences" of fixed asset purchases, revenue recognition grants and donation cost centers.

The line of credit balance at April 30, 2025 is \$0.

The indirect rate as of April 30, 2025 is 22.8%.

The current ratio as of April 30, 2025 is 179%, which presents current assets \$1,567,105 over current liabilities.

The Supplemental Financial Information has been forwarded to the Finance Committee.

ANALYSIS OF SELF INSURANCE RESERVE

The reserve balance at April 30, 2025 is \$412,013 vs a target amount of \$447,000.

THE AUDITORS (THE BONADIO GROUP) PRESENTATION OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDING JANUARY 31, 2025

Keeley Hines and Shelby Reeves of Bonadio Group, presented the audited financial statements for the fiscal year ending January 31, 2025.

There were no findings, and no Management Letter Comment.

A motion, to accept and approve the draft of the Audited Financial Statement FY 2/1/2024-1/31/2025 was made by Patricia Usherwood Fitzpatrick, seconded by Eric Caballero. The motion passed.

A copy of the approved audit will be provided to the entire Board and it will be presented at the June 23, 2025 Board of Directors meeting.

OLD BUSINESS:

None

NEW BUSINESS:

None

FINANCE COMMITTEE EXECUTIVE SESSION

At 4:35 PM, after the Auditors presentation and in accordance with the GAAP standards, staff were excused from the meeting so the Finance Committee could meet privately with the auditors.

ADJOURNMENT

The meeting was adjourned at 4:56 PM.

PEACE CFO
12 MTH AVG PREMIUM
USE CURRENT RATES

NOTE FOR NEXT PLAN YEAR - IDENTIFY COMPONENTS FROM HAYLOR
 ALERA ACTUARIAL AMOUNT 197,000.00

ADMIN FEE
 STOP LOSS

BASED ON NO INCREASE FOR TOTAL PREMIUM, EMPLOYEE PORTION
 OR EMPLOYER PORTION

RESERVE CALCULATION:

X 3 MONTHS PER HF&C
 ADM FEE MVP 3 MO @ 9,800

TARGET

TARGET REVISED BY ACTUARY 12/27/24

197,201.10
19,554.70
15,765.90
147,000.00

134

PROJECTED

	PREMIUM	CLAIMS & NON-CLAIMS	STOP LOSS	MVP TPA FEES	PCORI	HAYLOR FEE	ACTUAL CLAIMS & NON-CLAIMS	STOP LOSS	MVP TPA FEE	VARIANCE OVER (UNDER)

ESTIMATED BEGINNING BALANCE

10/24	NEW PLAN YEAR	(148,030)	103,466	31,266	9,550	535	7,500	(157,080)	163,406	30,194	7,149	(370,646)
11/24		(148,030)	103,466	31,266	9,550			(158,027)	95,392	30,553	9,581	(326,977)
12/24		(148,030)	103,466	31,266	9,550			(158,893)	207,400	32,799	11,866	(349,477)
1/25		(148,030)	103,466	31,266	9,550			(162,329)	130,217	33,248	10,318	(256,306)
2/25		(148,030)	103,466	31,266	9,550			(157,462)	165,144	34,237	11,276	(444,851)
3/25		(148,030)	103,466	31,266	9,550			(155,243)	118,977	33,519	10,023	(391,655)
4/25		(148,030)	103,466	31,266	9,550			(154,170)	83,845	32,890	9,802	(384,379)
5/25		(148,030)	103,466	31,266	9,550							(412,013)
6/25		(148,030)	103,466	31,266	9,550							(34,987,322)
7/25		(148,030)	103,466	31,266	9,550							
8/25		(148,030)	103,466	31,266	9,550							
9/25		(148,030)	103,466	31,266	9,550							
		(1,776,360)	1,241,592	375,192	114,600	535	7,500					
												88,761.20

ESTIMATED RESERVE OVER TARGET

P.E.A.C.E., INC.
MONTHLY FINANCIAL STATEMENTS
APRIL 30, 2025

PAGE #	
1	Statement of Financial Position
3	Statement of Activities
6	Current Ratio
7	Comments
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People's Equal Action and Community Effort, Inc.
Statement of Financial Position
As of April 30, 2025

As of
April 30, 2025

ASSETS		
CURRENT ASSETS		
Cash		\$ 1,251,840
Receivables		1,892,759
Prepaid Expenses		100,508
Inventory		311,039
Other Assets		3,549
Total CURRENT ASSETS		<u><u>3,559,695</u></u>
LONG TERM ASSETS		
Long Term Deposits		97,413
Long Term Right of Use Leases		2,508,544
Total LONG TERM ASSETS		<u><u>2,605,957</u></u>
PROPERTY		
Land		352,153
Buildings		3,138,059
Leasehold Improvements		6,274,496
Vehicles		3,100,607
Equipment		1,430,955
Construction in Progress		2,500
Accumulated Depreciation		(10,953,383)
Total LONG TERM ASSETS		<u><u>3,345,387</u></u>
Total ASSETS		<u><u>\$ 9,511,040</u></u>

People's Equal Action and Community Effort, Inc.
Statement of Financial Position
As of April 30, 2025

As of
April 30, 2025

LIABILITIES & NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable Trade	7,093
Short Term Borrowings	
Accrued Payroll & Related Liabilities	426,633
Accrued Compensated Absences	226,341
Accrued Expenses	238
Deferred Revenue	790,535
Short Term Lease Liability	541,350
Deposits	400
TOTAL CURRENT LIABILITIES	1,992,590
LONG TERM LIABILITIES	
Lease Liability	1,976,847
	1,976,847
NET ASSETS	
Without Donor Restrictions	5,371,221
With Donor Restrictions	170,382
Total LONG TERM ASSETS	5,541,603
Total LIABILITIES AND NET ASSETS	9,511,040

People's Equal Action and Community Effort, Inc.
Statement of Activities
For Three Months Ending April 30, 2025

NOTE: Blackbaud budget module not working - included total amounts below.

	Annual Budget	Year To Date Budget	Current Year Year To Date	Prior Year Actual Year To Date
REVENUE:				
Direct Contributions & Fundraising	\$ 200,028	\$ 50,007	\$ 71,861	\$ 72,808
Government Agencies	26,010,600	6,502,650	4,812,230	4,836,523
Rental Income	11,328	2,832	1,200	2,832
Service Fees	124,564	31,141	23,912	25,127
Service Fees - Energy & Housing Fee for Service	223,952	55,988	12,867	10,484
In-Kind Revenue	3,626,157	906,539	1,222,707	1,097,152
Dividend, Interest & Other Income			425	992
Total	30,196,629	7,549,157	6,145,202	6,045,917
EXPENSES				
Salaries	13,801,977	3,450,494	2,709,542	2,660,046
Payroll Taxes & Fringe Benefits	3,734,744	933,686	878,561	847,606
Professional Fees & Contract Services	1,964,761	491,190	143,883	115,809
Conferences & Travel	333,017	83,254	68,331	52,668
Occupancy Costs	1,591,231	397,808	443,096	405,281
Consumable Supplies	3,460,493	865,123	437,982	464,520
Equipment Expense	378,170	94,543	90,500	70,628
Insurance	425,439	106,360	107,263	97,317
Telephone	184,280	46,070	40,608	37,973
Printing, Postage & Dues	99,858	24,964	35,228	20,389
Vehicle Maintenance	243,916	60,979	44,518	55,823
Interest Expense	145	36		
Other Costs & Loss on Disposals	4,924	1,231	14,271	38,620
In-Kind	3,626,157	906,539	1,222,707	1,097,152
Total	29,907,736	7,462,278	6,236,488	5,963,833
NET SURPLUS (DEFICIT)	288,893	86,879	(91,286)	82,084
DEPRECIATION				
Buildings & Leasehold Improvements	(264,161)	(66,040)	(78,535)	(73,051)
Equipment, Vehicles, \	(235,210)	(58,802)	(70,514)	(76,463)
Total	(440,747)	(124,843)	(149,049)	(149,513)
CHANGE IN NET ASSETS	\$ (151,853)	\$ (37,963)	\$ (240,335)	\$ (67,429)

People's Equal Action and Community Effort, Inc.
Statement of Activities
For Three Months Ending April 30, 2025

	Fundraising	Non-Allocable	Indirect Pool	Trans & Maint
REVENUE:				
Direct Contributions & Fundraising	37,537			
Government Agencies				
Rental Income				
Service Fees				
Service Fees - Energy & Housing Fee for Service			7,838	11,322
In-Kind Revenue				
Dividend, Interest & Other Income				
Total	37,537	-	7,838	11,322
EXPENSES				
Salaries			342,821	
Payroll Taxes & Fringe Benefits		9	89,619	
Professional Fees & Contract Services		482	7,882	600
Conferences & Travel			10,535	44
Occupancy Costs			32,434	1,452
Consumable Supplies		64	5,398	2,556
Equipment Expense	0		14,743	1,130
Insurance			6,073	4,678
Telephone			4,114	1,561
Printing, Postage & Dues			12,367	
Vehicle Maintenance			516	(14,373)
Interest Expense				
Other Costs & Loss on Disposals	139	2,302	(526,503)	
In-Kind	139	2,857	7,838	11,323
NET SURPLUS (DEFICIT)	37,398	(2,857)	-	2,351
DEPRECIATION				
Buildings & Leasehold Improvements		(64,388)		(1,950)
Equipment, Vehicles, and Software		(68,177)		(402)
Total	-	(132,565)	-	(2,352)
CHANGE IN NET ASSETS	37,398	(135,422)	-	(0)

People's Equal Action and Community Effort, Inc.
Statement of Activities
For Three Months Ending April 30, 2025

	Grants	Rental Properties	Other
REVENUE:			
Direct Contributions & Fundraising	27,266		7,057
Government Agencies	4,812,230		
Rental Income		1,200	
Service Fees			23,912
Service Fees - Energy & Housing Fee for Service			12,867
In-Kind Revenue	1,199,332		4,215
Dividend, Interest & Other Income			425
Total	6,038,828	1,200	48,476
EXPENSES			
Salaries	2,236,175	226	130,321
Payroll Taxes & Fringe Benefits	727,965	39	60,929
Professional Fees & Contract Services	130,053		4,866
Conferences & Travel	56,579		1,172
Occupancy Costs	376,820	1,389	31,000
Consumable Supplies	646,160		(216,197)
Equipment Expense	73,425		1,201
Insurance	91,061	166	5,286
Telephone	33,784		1,150
Printing, Postage & Dues	22,668		192
Vehicle Maintenance	53,951		4,425
Interest Expense			
Other Costs & Loss on Disposals	508,590	51	29,690
In-Kind	1,199,332		4,215
	6,156,563	1,871	58,250
NET SURPLUS (DEFICIT)	(117,735)	(671)	(9,774)
DEPRECIATION			
Buildings & Leasehold Improvements			(12,197)
Equipment, Vehicles, and Software			(1,935)
Total	-	-	(14,132)
CHANGE IN NET ASSETS	(117,735)	(671)	(23,906)

PEACE, INC.
CURRENT RATIO
AS OF APRIL 30, 2025

	CURRENT ASSETS	CURRENT LIABILITIES	CURRENT RATIO	DIFFERENCE IN DOLLARS
1/31/05	2,029,803	2,184,993	92.90%	(155,190)
1/31/10	3,286,876	3,284,011	100.09%	2,865
1/31/16 FINAL	2,678,027	2,135,917	125.43%	543,110
1/31/20 FIRST CLOSE	2,283,412	1,826,420	125.02%	456,992
1/31/21 - FIRST CLOSE	2,694,357	1,556,977	173.05%	1,137,380
1/31/22 - FIRST CLOSE	3,062,677	2,138,931	143.19%	923,746
1/31/23 FIRST	4,156,698	1,676,201	247.63%	2,477,497
1/31/24 FIRST	3,680,291	2,379,027	149.65%	1,181,264
1/31/25 FIRST CLOSE	3,330,749	2,183,416	152.55%	1,147,333
2/28/25	NOT COMPLETED AS 1/31/25 NOT CLOSED AS YET			
3/31/25	3,724,407	2,049,601	181.71%	1,674,806
4/30/25	3,559,695	1,992,590	178.65%	1,567,105

AS OF:

PEACE, INC.
FINANCIAL STATEMENT NOTES AND COMMENTS
AS OF APRIL 30, 2025

CURRENT RATIO STATUS

The current ratio is an analysis of current assets divided by current liabilities. The goal is to have at least 100%, to ensure we have enough current assets to cover our current liabilities.

The current ratio for April 30, 2025 is 179%, which equates to current assets \$1,567,105 higher than current liabilities.

NET SURPLUS (DEFICIT) BEFORE DEPRECIATION

The budgeted net income before depreciation year to date is \$86,379 and actual is (\$91,286). The change in net assets after depreciation is (\$240,335). The Ordinary Operating Income is \$65,727.

An overview of the components making up this (\$91,286) is:

From Normal Operations:

Senior Nutrition
Fundraising
Transportation & Maintenance
Rental Properties
Energy & Housing Fee for Service
Other
Indirect Cost not allowed on grant
Non Allocable

52,617
37,398
2,352
(671)
3,117
(5,418)
(20,811)
(2,857)

65,727

From "Timing Differences" (over period of more than one year the net effect is \$0)

Fixed Asset Purchases
Revenue Recognition
Revenue Based on Head Count
Special Donation Accounts

(149,100)
(7,914)

(157,014)

(91,286)

TOTAL FUNDRAISING REVENUE:
COST CENTER #100 FUNDRAISING (WITH TRANSFERS)
SPECIAL DONATION ACCOUNTS
MEAL CONTRIBUTIONS

39,287
7,057
27,266
<u>73,611</u>

LINE OF CREDIT

BALANCE BEGINNING OF MONTH

\$

BALANCE AT END OF MONTH

\$

Current month interest expense

NA

Date interest paid

NA

CAPITAL IMPROVEMENT/REPAIR CASH ACCOUNT

Balance at Beginning of Month

\$

269,430

Balance at End of Month

\$ 269,430

INDIRECT RATE

The final rate for year ending 1/31/24 is 23.3%
The provisional rate for 2/1/24 - 1/31/26 is 26.00%

4/30/24 24.16%
4/30/25 22.78%

ANALYSIS OF IN-KIND AND HEAD START ADMINISTRATIVE RATES:
Unless otherwise stated, the booked In-Kind includes entries are through the previous month, due to the quick close of financial statements each month. Therefore, the In-Kind below includes an estimate for the current month based on actual for the prior month.

IN-KIND (MAJOR GRANTS)

NOTE: THIS IS THE FIRST MONTH OF THE NEW FISCAL YEAR. FISCAL IS IN PROCESS OF CLOSING 1/31/25, AND WILL POST IN-KIND IN FUTURE MONTHS.

	IN-KIND	EXPENDITURES	%	REQUIRED
2412 Head Start	950,006	2,792,309	0.34	0.2234
6193 CSBG	246,849	628,443	0.39	NOT REQUIRED

NOTE: CAN ALSO USE UPK FUNDING AS IN-KIND, NOT INCLUDED ABOVE.

In-Kind is posted in the subsequent month. The In-Kind reported above includes an estimated amount based on the current month.

ADMINISTRATIVE RATE

2412 Head Start

HEAD START ADMIN. RATE	(NOT TO EXCEED) REQUIRED
0.09	0.15

WEATHERIZATION FEE FOR SERVICE PROGRAMS

Net Income for Fee for Service programs is:

9126 Empower New York
9310 DEHS Fee for Service

Current Month	Year To Date
3,117	3,117
3,117	3,117

ACCRUAL ACCOUNTING

We are accruing invoices for not only the indirect pool, but also any projects that are not cash basis.
This includes projects such as the rental locations and temporarily restricted accounts.
waiting for year end.

DEPRECIATION

Purchases with grant funds - we recognize the revenue when we purchase the fixed asset.
Then in subsequent years, we must reflect the depreciation as an expense that hits
our "Change in Net Assets".

PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF APRIL 30, 2025

	REVENUE			NET		
	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
CC						
BBBS						
3574 BBBS OSWEGO	5,000	1,250	5,874	(1,115)	(279)	(1,191)
3664 BBBS ONONDAGA CO.	15,000	3,750	3,573	(2,880)	(720)	(515)
6192-554 CSBG	304,302	76,075				
6193-554 CSBG			58,934			
9146 BBBS UNITED WAY	11,000	2,750				
9147 BBBS UNITED WAY			10,218			
	335,302	83,825	78,599	(3,995)	(999)	(1,707)
CAPTIAL IMPROVEMENT						
152 CAPITAL IMPROVE/REPAIR				(5,000)	(4,250)	
			-	(5,000)	(4,250)	-
CENTRO						
9082 CENTRO - DISCONTINUED						(4,864)
			-			(4,864)
COMMUNITY SERVICE & OTHER						
3006 AEI	84,878	21,220	10,275			
6192-502 CSBG	288,894	72,223				
6193-502			208,542			
6192-513 CSBG	72,379	18,095				
6193-513			2,870			
6192-530 CSBG	6,559	1,640				
6193-530			109			
6192-532 CSBG	221,455	55,364				
6193-532			41,120			

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PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF APRIL 30, 2025

CC	REVENUE			NET		
	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
10823 CSFRC						
10824 CWFRC						(170)
10826 PREGNANT MOMS						
10829 BOWL BBBS						(1,049)
10830 EASTWOOD SENIOR CENTER						
10831 FGP			280			280
10832 COMMUNITY DEVELOP			1,250			1,130
10834 CS CROP WALK						
10835 CW EMERGENCY						
10838 SENIOR SERVICES			20			20
10839 SSFRC COORD SPECIAL						
10841 WS COORDINATOR'S SPECIAL			40			40
10842 COUNTY WEST KIDZ RULE						(345)
10844 ESFRC COORD SPECIAL						
10849 HS MERRICK						
10850 EASTWOOD SENIOR CENTER						
10852 EHS HOME BASE			1,781			720
10854 BBBS OTHER						
10855 BERSKSHIRE BANK TRAIN			825			(6,055)
10856 CSFRC						(2,665)
10857 IT TECH PROGRAM						
10858 MAINT. DONATIONS						(202)
10869 EITC PROGRAM						926
10860 GIVE A HOLIDAY			926			
10861 CAMP FUNDS/SUMMER ACT						
10864 DONATION PROG/KIDS						
10866 TRANSPORTATION						

PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF APRIL 30, 2025

CC

10867 FSD LUNCH & LEARN
10868 EMPLOYEE EMERG
10869 EITC PROGRAM
10871 SSFRC YOUTH ADVISORY
10875 SSFRC SENIORS
10876 HOLIDAY APPEAL
10877 BBBS COUNTRY RUN
10878 BBBS SCHOLARSHIP
10879 CSFRC DOMESTIC VIOL
10880 CWFRC COORD SPECIAL
10881 A CAUSE TO CELEBRATE
10882 VOLL FOUND
10883 BBBS GOLF TOURN
10884 GEAR FOR GOOD F&CD
10885 BBBS BACK TO SCHOOL
10886 COMMUNITY ENGAGE

E&H FEE FOR SERVICE
3131 DHCR LANDLORD CONTR
9125 EMPOWER
9310 DEHS FEE FOR SERVICE

EASTWOOD
3906 ECC OFA

REVENUE

ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
		100
		7,057
		1,000
95,604	23,901	
128,348	32,087	12,867
223,952	55,988	13,867
25,000	6,250	20,881

NET

ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
		(3)
		(351)
		(300)
		98
		(7,914)
(2,835)	(709)	(114)
23,059	5,765	3,117
20,224	5,056	3,004

PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF APRIL 30, 2025

CC

6192-584 CSBG
6193-584 CSBG

FOSTER GRANDPARENTS

3349 FGP CNCS
3367 NYS OFFICE FOR THE AGING

FOOD SERVICE

1700 FOOD SERVICES
3242 FSD OFA
3243 FSD OFA
9380 FSD CATERING

FUNDRAISING

100 FUNDRAISING

ENERGY & HOUSING

3101 HTFC - P PLUS
3104 HTFC
3193 HCR
3196 HCR

REVENUE

ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
211,031	52,758	35,361			
236,031	59,008	56,242			
467,759	116,940	117,809			
5,778	1,445	141			
473,537	118,384	117,950			
1,120,328	280,082	257,705	148,965	29,741	52,617
124,564	31,141	22,912			
1,244,892	311,223	280,617	148,965	29,741	52,617
82,724	20,681	37,537	53,740	13,435	37,398
82,724	20,681	37,537	53,740	13,435	37,398
213,500	54,625	8,786	44,055	11,014	(424)
644,080	161,000	8,690			(16)
338,147	84,537	486,405	145,959	36,490	42
3,692,731	923,183	503,882	190,016	47,503	(18,420)
4,893,378	1,223,344				(18,818)

PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF APRIL 30, 2025

CC

HEAD START

2302 CACFP
2412 HEAD START
2462 HS T&TA
2562 EHS T&TA
2611 SYRACUSE UPK
2911 ***LIVERPOOL UPK

INDIRECT POOL

1010 MAIN OFFICE
1014 SUPPLEMENTAL COSTS
1020 EXECUTIVE OFFICE
1030 HR
1040 FISCAL
1070 MIS
1080 PROGRAM OVERSIGHT
1090 BOARD OF DIRECTORS
1095 INDIRECT POOL ALLOCATION

NON-ALLOCABLE

150 NON-ALLOCABLE
153 NON-ALLOCABLE DEPREC

PROJECT CONNECTION

REVENUE

ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
557,961	139,490	132,095
18,130,786	4,532,697	3,742,316
106,150	26,538	16,799
70,651	17,663	9,069
1,175,450	293,865	376,114
81,000	20,250	27,900
20,122,008	5,030,502	4,304,293

6,544

1,294

7,838

NET

ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
(210,240)	(52,560)	(52,623)
(78,737)	(19,684)	(63,229)
(355,677)	(88,919)	(111,096)
(605,730)	(151,433)	(195,039)
(1,016,524)	(256,124)	(59,819)
(319,604)	(79,901)	(60,490)
(346,949)	(86,737)	(112)
(12,294)	(3,073)	542,407
2,945,805	736,451	-
(8,000)	(2,000)	(2,857)
(440,747)	(110,187)	(132,565)
(448,747)	(112,187)	(135,422)

PEACE, INC.
COMPARATIVE INFORMATION BY PROGRAM
AS OF APRIL 30, 2025

CC	REVENUE			NET		
	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
3760 OPWDD	81,234	20,309				
3761 OPWDD			12,522			
6192-552 CSBG	16,599	4,150				
6193-552			5,850			
	97,833	24,458	18,372			-
SENIOR SERVICES						
1700 FOOD SERVICES			4,215			
3504 OFA EISEP	54,500	13,625	11,776			
3505 OFA EISEP			2,061			
6192-311 CSBG	5,827	1,457				
6193-311 CSBG			1,466			
	60,327	15,082	19,519			-
RENTALS						
7020 TULLY	4,800	1,700	1,200	592	138	(671)
7042 TULLY - ARISE	6,528	1,632		4,549	1,137	
	11,328	2,832	1,200	5,141	1,285	(671)
TRANSPORTATION AND MAINTENANCE						
1500 TRANSPORTATION						
1600 MAINTENANCE			11,323			
			11,323			-
SALE AND PURCHASE PROPERTIES						

19

8

3199 PURCHASE 717 ERIE BLVD W

INSURANCE PROCEEDS
9951 INSURANCE PROCEEDS

YEAR END ACCRUALS
9822 YEAR END ACCRUALS

MINOR DIFF

REVENUE			NET		
ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL	ANNUAL BUDGET	YTD BUDGET	YTD ACTUAL
		-	(49,216)	(12,304)	(12,304)
		425	(49,216)	(12,304)	(12,304)
		425			(1,828)
					(1,828)
		(49,365)			
		(49,365)			-
30,196,629	7,549,157	6,145,202	(151,853)	(37,963)	(240,335)

PEACE, INC.
SUPPLEMENTAL FINANCIAL INFORMATION
PREPARED FOR FINANCE COMMITTEE
AS OF APRIL 30, 2025

FILE: CONTROLLER/FINANCIALS/SUPPLEMENTAL
FINANCIAL INFORMATION

NOTE: All cost center Statement of Activities are available for all Finance Committee and Board Meetings
A copy of the Fiscal Policy and Procedure manuals is present at all Finance Committee and Board Meetings.
Note - there are no Finance Committee or Board meetings during the months of July and August.
Finance Committee members can attend meetings either via zoom or in person.

UNRELATED BUSINESS INCOME (TO BE UPDATED PERIODICALLY)

OUTSIDE OF COUNTY:

BBBS OSWEGO CO. GRANT
MULTIFAMILY PERFORMANCE PROGRAM

NOT UNRELATED BUSINESS PER AUDITORS

OUTSIDE OF LOW INCOME GUIDE:

ASSISTED HOME PERFORMANCE

TOTAL REVENUE

6,145,202

GUIDE - % OF ALL REVENUE

15% - 30%

1

BANK ACCOUNTS

BANK	DESCRIPTION	G/L ACCT #	BALANCE AT MONTH END	MONTH LAST RECONCILED
KEY BANK	Operating	01-1000-00000	903,965	4/25
KEY BANK	DHCR Landlord Contr.	01-1004-00000	41,465	4/25
M&T	Operating for HS	01-1010-00000	23,019	4/25
KEY BANK	Capital Improvement/Repair Account	01-1012-00000	269,430	4/25
KEY BANK	Health Captive Account	01-1015-00000	5,636	4/25
All Petty Cash			8,325	
			<u>1,261,841</u>	

NOTE: The main operating account for Key Bank is reconciled before statements are released for the month. The remaining account reconciliations are due by the end of the subsequent month. Petty cash are reconciled quarterly.

CREDIT CARD STATEMENTS:

THE FOLLOWING ACCOUNT RECONCILIATIONS ARE REVIEWED BY A FINANCE COMMITTEE MEMBER AS AVAILABLE

KEY BANK - OPERATING
GENERAL PURCHASES
HOME DEPOT
USED BY E&H, MAINTENANCE
WEGMANS
USED BY HEAD START, FOOD SERVICES
WEX
USED BY VARIOUS DIRECTORS - OIL CHANGES

The above credit card statements are signed by a Finance Committee member when available. The credit card statements are for the prior month as we close the books quickly.

2

AGED ACCOUNTS RECEIVABLE AS OF MARCH 31, 2025

NOTE: NOT PRESENTED FOR 2/28/25, AS THE YEAR ENDING 1/31/25 HAD NOT BEEN COMPLETED AT THE 2/28/25 CLOSE

	TOTAL	CURRENT	1-30	31-60	61-90	OVER 90
See statement attached.	1,788,833 100%	992,203 56%	256,343 14%	27,310 2%	68,487.89 4%	444,510 25%

Description of items over 90 days old - see attached for information

Note: The amounts shown are for the prior month, as the reconciliations are not due until the end of the month after the month reported.

ACCOUNTS PAYABLE AS OF APRIL 30, 2025

KEY BANK

%

Description of items over 90 days old:

None

of invoices over 90 days old 0

	TOTAL	CURRENT	1-30	31-60	61-90	OVER 90
--	-------	---------	------	-------	-------	---------

(3)

ACCOUNTING AND FINANCIAL POLICIES AND PROCEDURES MANUAL and TRAINING

BONADIO PRESENTATION OF THE AUDITED FINANCIAL STATEMENT FOR YEAR END 1/31/25

The auditors will present the audited statements to the Fiscal Committee, and meet privately with the committee at the end of the meeting.

LEGAL

We received a letter dated 10/24/24 from Stanley Law regarding and incident on 10/9/24 involving a Head Start child who fell and was injured. It occurred on the premises of a property we lease. The information has been forwarded to our insurance carrier on the date we were notified.

We received a DMV Statement of Charges and offer of Settlement of \$28,000 regarding Centro drivers. We have engaged Barclay Damon to assist in responding to DMV. A response was submitted to the DMV regarding the statement of charges on February 10, 2025.

TRIAL BALANCE AS OF APRIL 30, 2025

Balance of Trial Balance at month end (should be \$0)

Verified by CFO is \$0

4

FISCAL VOUCHERING FOR ALL GRANTS

The CFO maintains a list of due dates for all grant vouchers.

All grant vouchers have been sent during the month

Yes

VOUCHERING FOR ALL OTHER BILLINGS (RENTS, , ETC)

The CFO maintains a list of due dates for all vouchers.

All other vouchers have been sent during the month

Yes

REQUIRED TAX FILINGS

The CFO has reviewed that all required tax filings have been submitted on time (payroll and corporate)

Yes

CASH FORECAST

There is a biweekly meeting held to discuss cash position and issued. Standing Attendees are:

Executive Director
CFO
VP Finance
HR Director
VP Operations and Strategy
Senior Accountant

MEAL COUNTS - APRIL 2025

	APRIL 2025
Breakfast	5,442
Lunch	5,646
Snack	5,038
Total Attended	5,698

5

**PEACE, INC.
ACCOUNTS RECEIVABLE
AS OF MARCH 31, 2025**

2

WAITING FOR JOBS TO BE COMPLETED IN JUNE
WAITING FOR JOBS TO BE COMPLETED AROUND SEP

PEACE, INC.
ACCOUNTS RECEIVABLE
AS OF MARCH 31, 2026

ACCT #	PROJECT	ACCT DESCRIPTION	INCLUDE IN				
			A/R	CURRENT	1-30	31-60	61-90
			BALANCE AT 3/31/25				OVER 90
010-1100-00000	4259	MAGNARELLI FREE TAX PREP	13,760.98	13,760.96			
01-1100-0000	4262	ESFRC SCSD ALTERN PROGRAM	54,668.01	10,302.56	44,365.45		
01-1100-00000	4265	FREE TAX PREP UNITED WAY	39,931.96	14,461.97	8,483.33	8,483.33	
01-1100-00000	4267	KEY BANK FREE TAX PREP					
01-1100-00000	9125	EMPOWER NY	12,598.16	11,088.96	1,509.20		
01-1100-00000	9146	UNITED WAY					
01-1100-00000	9147	BBBS UNITED WAY					
01-1100-0000	9310	DEHS FEE FOR SERVICE	8,068.40	5,318.39	916.67	916.67	
01-1100-00000	9380	FOOD SERVICE DIVISON					
01-1100-00000	9822	INV ACCRUAL FOR 1/31/25	9,522.73	9,522.73			
01-1100-00830	2411	HEAD START					
01-1100-00835	2411	HEAD START					
01-1100-00835	2481	HS T&T					
01-1100-00835	2561	EHS T&T					
01-1103-00000	1040	A/R MISC FISCAL	13,756.97	13,756.97			
01-1215-00000		PAYROLL SUSPENSE	490.90		490.90		
			1,766,833.48	892,203.27	256,342.84	27,309.57	66,467.89
			1,766,833.00				444,509.91
			0.48				

7



Audit Practice

Report to the Finance Committee
2025 Audit Results

*People's Equal Action and
Community Effort, Inc.*

877.917.3077 | bonadio.com | [f](#) [x](#) [in](#) [@](#)

Bonadio & Co., LLP
Accounting, Consulting & More

Senado & Co. LLP

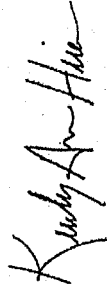
May 15, 2025

Dear Members of the Finance Committee:

We are pleased to submit our Report to the Finance Committee related to the results of our 2025 audit of People's Equal Action and Community Effort, Inc. (or the "Organization"). Our report includes a summary of the results of our audit work and other required communications. We have also included sections on trending topics.

We look forward to presenting this report, addressing your questions and discussing any other matters of interest. Please feel free to contact me at 315-214-2769.

Very truly yours,



Keeley Hines, CPA

Engagement Partner

Albany Office
6 Wembley Court
Albany, NY 12205
p (518) 464-4080
f (518) 464-4087

Buffalo Office
100 Corporate Parkway, Suite 200
Amherst, NY 14226
p (716) 250-6600
f (716) 250-6605

Dallas Office
7557 Rambler Road, Suite 600
Dallas, TX 75231
p (214) 346-0750
f (214) 346-0784

East Aurora Office
100 Riley Street
East Aurora, NY 14052
p (716) 652-1042
f (716) 652-1292

New York City Office
1040 Avenue of the Americas, 3rd Floor
New York, NY 10018
p (212) 600-2854

Rochester Office
171 Sully's Trail
Pittsford, NY 14534
p (585) 381-1000
f (585) 381-3131

Rutland, Vermont Office
135 North Main Street, Suite 10
Rutland, VT 05701
p (802) 775-8970
f (802) 775-0863

Syracuse Office
432 North Franklin Street, #60
Syracuse, NY 13204
p (315) 476-4004
f (315) 254-2384

Utica Office
7936 Seneca Turnpike
Clinton, NY 13323
p (315) 797-7781
f (315) 797-0305

Virginia Beach Office
301 Bendix Road
Virginia Beach, VA 23452
p (757) 448-3988

Wilmington Office
2711 Centerville Road,
Suite 100
Wilmington, DE 19808
p (302) 656-6632
f (302) 656-1811

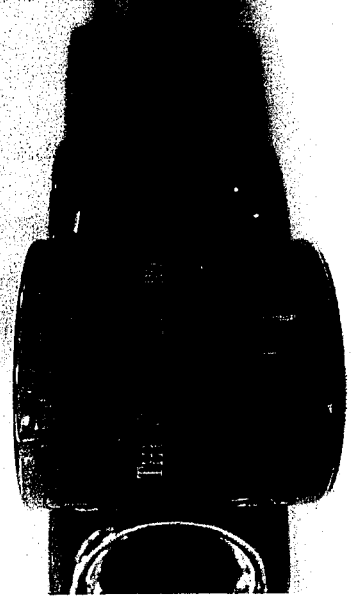
www.bonadio.com

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Other Information	23

*provide
Opportunity
strengthen
Community*

*Inspire
Growth*



01

Executive Summary

Executive Summary

Audit Results

Financial Statement Audit

- Pending your acceptance and receipt of signed rep letter related to the audit of the fiscal year ending January 31, 2025.
- Auditor's Results (page 26):
 - Unmodified opinion on F/S
 - No material weaknesses or significant deficiencies

Single Audit

- Major Programs:
 - 93.600 (Head Start)
 - 93.569 (CSBG)
 - 81.042 (Weatherization)
 - 93.568 (Low-Income Home Energy Assistance Program)
- Auditor's Results (page 26):
 - No material weaknesses or significant deficiencies
 - No findings under 2CFR 200.516(a)
 - No non-compliance / unmodified opinion

Executive Summary (Cont'd)

The following table includes observations from our audit

Observation	Known and/or Potential Future Impact	Suggested Action
Increase in Federal expenditures (up 22% since FYE 19)	Audit Impact: - Historically testing during interim (December) - Major programs historically 1-2* 4 major programs in FYE 25 - Increased volume, scope	- Management and Bonadio to revisit audit timeline for continued completion in May - Bonadio to consider change in scope and volume of service - Management to evaluate roles, responsibilities and potential needs
	Management Impact: Increased volume and oversight required	
CSBG Intake Forms not consistently used or complete	*93,568 & 81,042 combined with duplicative requirements	- Management to review the current design of internal controls over compliance - Management to design and implement a monitoring process
	Known Impact: - No noncompliance - No internal control over compliance findings - Increased time and effort to gather necessary audit support	
	Potential Future Impact: Increased risk for noncompliance	

Identified Misstatements, Recorded and Unrecorded

- Uncorrected misstatement: None
- Adjustments proposed by Bonadio and recorded by management: None

Internal Control Findings

- None

Our Continued Commitment

- Proactively advised management on new accounting pronouncements
- Executed audit procedures timely
- Utilized innovative technology, including SafeSend and MyPortal



02

Audit Results

Audit Results

Status of Our Audit

Remaining Items To Complete

We are in the process of completing the audit procedures in accordance with our audit plan to address the identified risks. The key remaining items to complete are:

- Receipt of signed management representation letter
- Preparation of Federal Form 990

We expect to issue our unmodified report on the financial statements of People's Equal Action and Community Effort, Inc. on May 15, 2025.

Significant Changes To The Audit Plan

We presented our planned audit approach, including our preliminary risk assessment, and related scoping considerations for 2025 on December 10, 2024. Throughout the audit, we continuously evaluated the appropriateness of our audit strategy. Changes to the initial plan communicated include the following major program(s):

- 93.568 – Low Income Home Energy Assistance Program
- 81.042 - Weatherization

Audit Risks and Results

Fraud And Significant Risks

Risk	Significant Findings
Fraud Risk —Fraud in management override of controls	No exceptions noted 
Fraud Risk —Fraud in revenue recognition ¹	No exceptions noted 
<i>1 – Presumed fraud risk</i>	
 Low Risk	
 Moderate Risk	
 Significant Risk	

Significant Accounting Policies and Practices

The following table summarizes the Organization's significant accounting policies or practices:

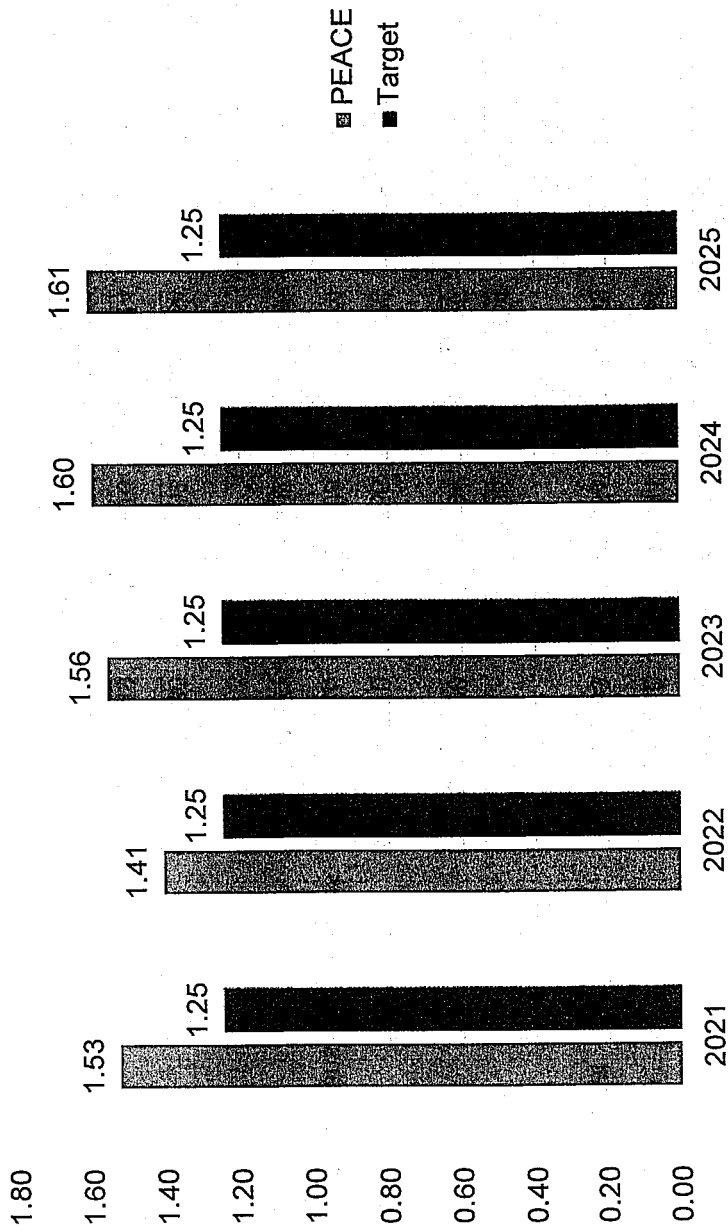
Significant Accounting Policy or Practice	Effect On Financial Statements or Disclosures	Audit Result
<i>Liquidity</i>	Footnote 3	We believe the disclosure is neutral, consistent and clear
<i>Self-Insurance</i>	Footnote 2	We believe the disclosure is neutral, consistent and clear and estimates associated with this should continue to be monitored and changes measured using approved methodology from an actuary.

Statement of Financial Position

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Cash	\$ 887,944	\$ 1,104,230	\$ 2,358,050	\$ 1,575,216	\$ 1,063,517
Fees and grants receivable	1,532,340	2,100,794	2,220,554	2,854,981	3,024,288
Property and equipment, net	2,890,563	2,606,364	3,407,469	3,735,821	3,494,435
Right-of-use asset	-	-	-	1,717,699	2,508,544
Other assets	-	321,706	1,911,254	380,047	404,983
Total assets	<u>5,794,498</u>	<u>6,133,094</u>	<u>9,897,327</u>	<u>10,263,764</u>	<u>10,495,767</u>
Accounts payable	\$ 180,610	288,756	642,520	611,320	279,254
Accrued payroll and compensated absences	1,246,928	1,087,509	1,140,474	1,147,991	1,323,736
Deferred revenue	273,831	1,048,402	717,366	670,836	499,388
Lease liabilities	-	-	-	1,729,572	2,518,198
Other liabilities	142,280	5,309	1,655,254	37,666	93,257
Total liabilities	<u>1,843,649</u>	<u>2,429,976</u>	<u>4,155,614</u>	<u>4,197,385</u>	<u>4,713,833</u>
Net assets	<u>\$ 3,950,848</u>	<u>\$ 3,703,119</u>	<u>\$ 5,741,713</u>	<u>\$ 6,066,379</u>	<u>\$ 5,781,934</u>

- Cash decreased \$512k due to general timing of cash disbursements and cash receipts.
- ROU Asset and Liabilities increased \$790k due to a new rental agreement for the Head Start Baldwinville location and renewal of the Liverpool Head Start lease.
- Accounts Payables decreased \$332k due to several larger accruals for ZeroDraft in the prior year balance.

Current Ratio

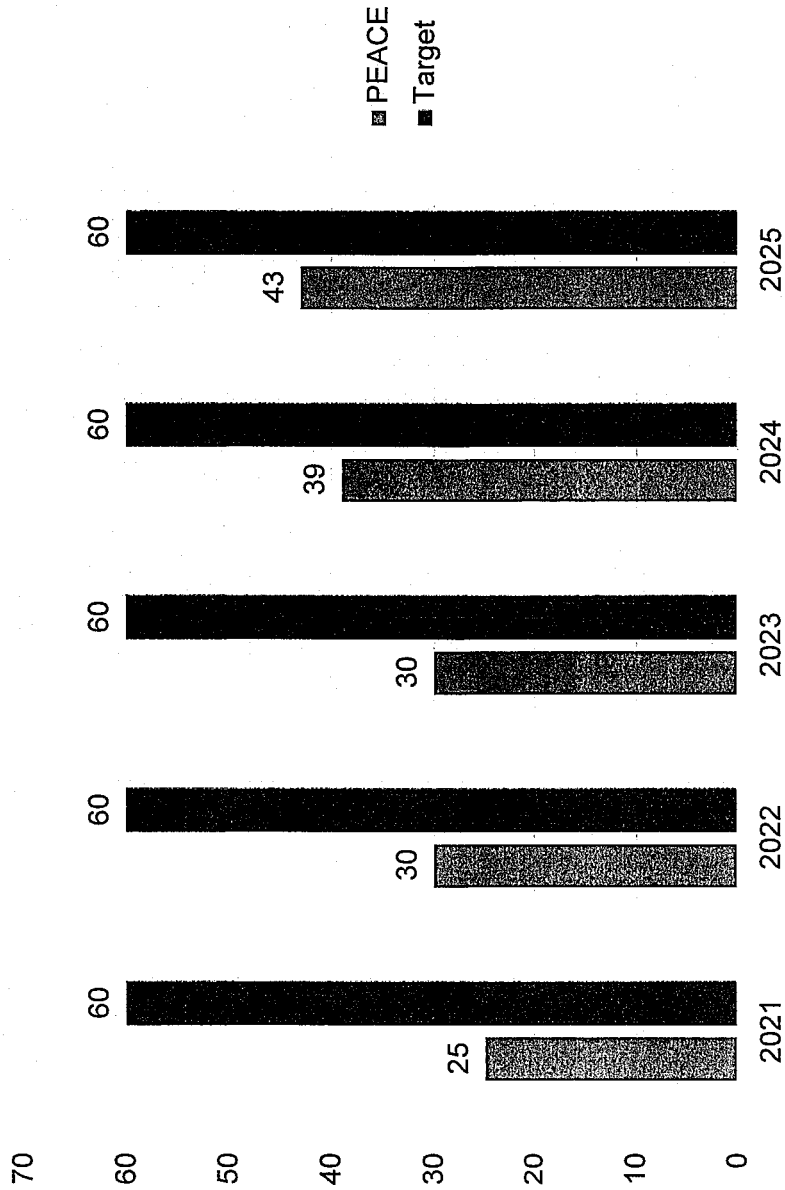


Description

Target: > 1.25

- The current ratio is calculated by dividing current assets by current liabilities.
- This ratio is a measure of liquidity – the Organization's ability to pay current liabilities utilizing current assets.

Days' Revenue in Accounts Receivable

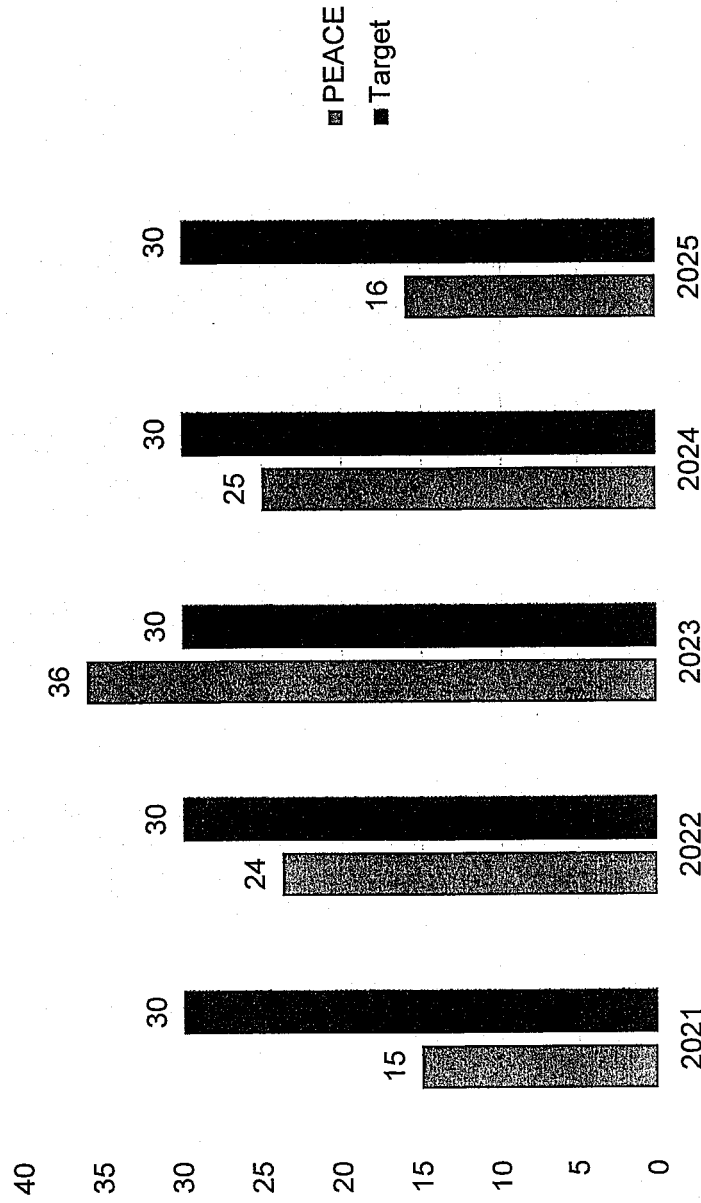


Description

Target: < 60 Days

Days' revenue in accounts receivable is a measure of the effectiveness in collection of accounts receivable.

Days' Operating Cash on Hand

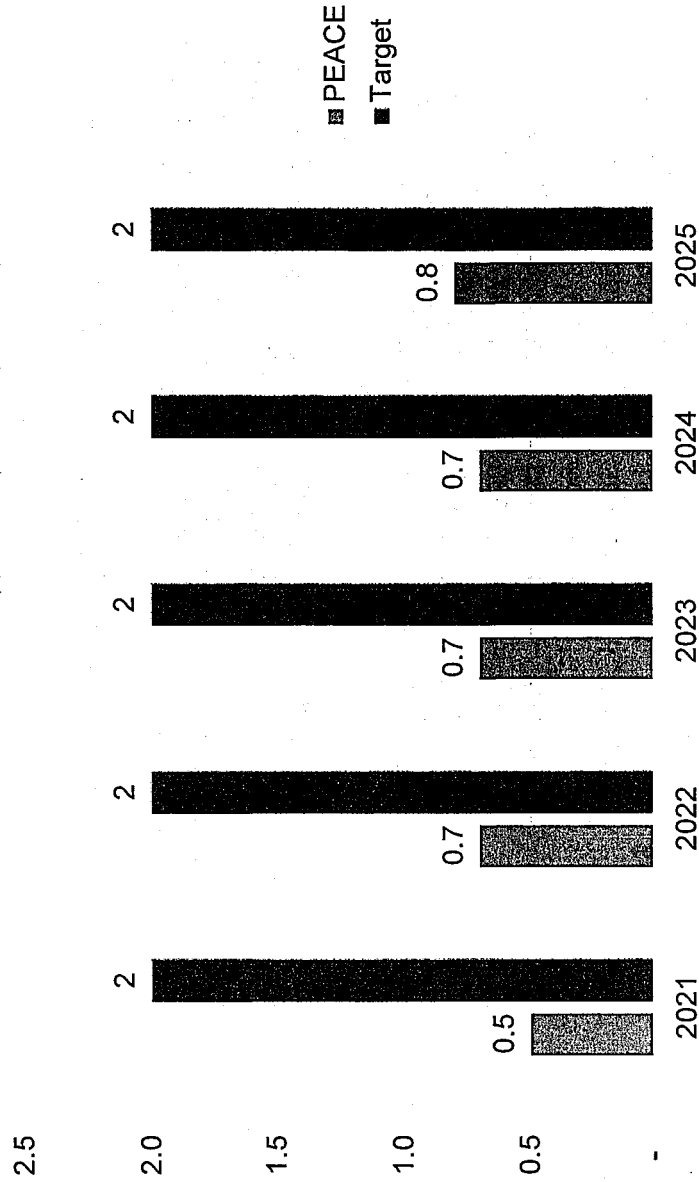


Description

Target: > 30 Days

Days' cash and investments on hand is a measure of how many days the Organization can operate without converting other assets to cash.

Total Liabilities to Net Assets



Description

Target: < 2:1

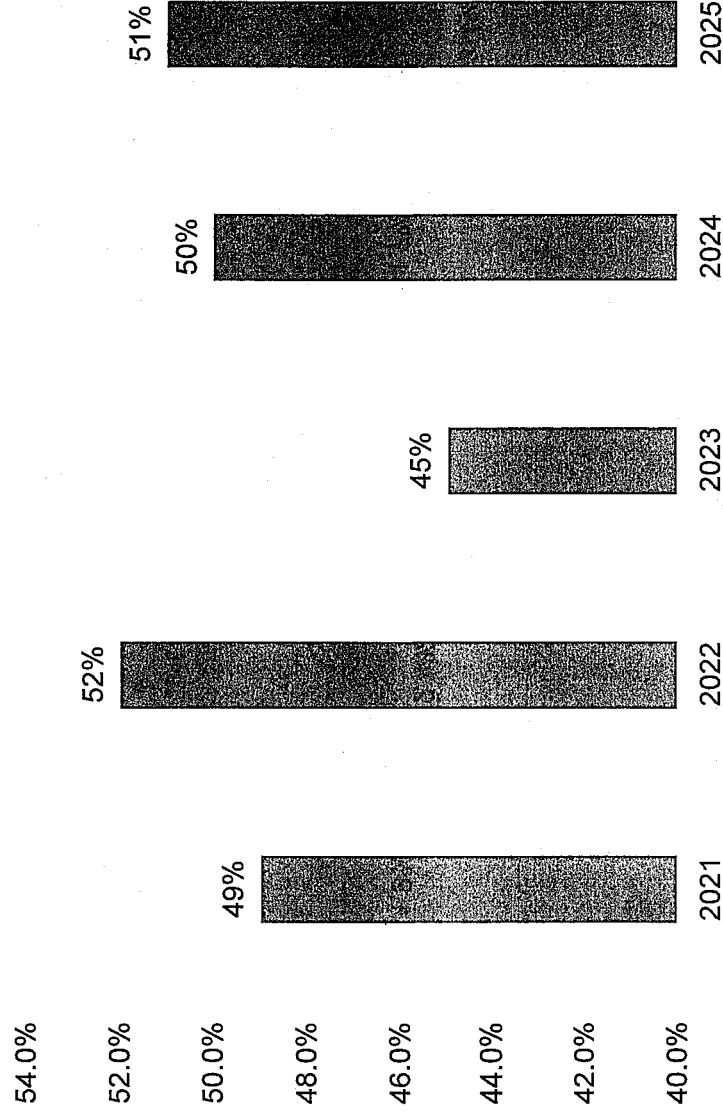
Total liabilities to net assets is a measure of how assets have been acquired and an indication of capacity to incur additional debt.

Statement of Activities

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Revenue:					
Direct contributions	\$ 109,050	\$ 116,361	\$ 149,614	\$ 192,226	\$ 176,223
In-kind contributions	1,726,534	4,961,985	1,705,729	1,827,278	1,349,716
Fundraising	34,995	58,923	54,579	31,112	97,685
Governmental agencies	20,045,397	20,055,480	22,392,228	23,889,014	23,556,779
Program service fees	740,298	727,235	772,477	478,470	506,124
Other income	15,426	12,629	2,285,155	25,818	37,029
Total revenue and support	<u>22,671,700</u>	<u>25,932,613</u>	<u>27,359,782</u>	<u>26,443,918</u>	<u>25,723,556</u>
Expenses -					
Program services	20,967,170	19,601,831	23,258,093	22,343,252	22,485,049
Management and general	2,833,332	2,783,424	2,912,883	2,967,436	3,488,733
Fundraising	30,753	6,218	9,416	10,503	34,217
Total expenses	<u>23,831,255</u>	<u>22,391,473</u>	<u>26,180,392</u>	<u>25,321,191</u>	<u>26,007,999</u>
Change in net assets	\$ <u>(1,159,555)</u>	\$ <u>3,541,140</u>	\$ <u>1,179,390</u>	\$ <u>1,122,727</u>	\$ <u>(284,443)</u>

- In-kind contributions decreased \$478k due to a general decrease in supplies donations compared to the prior year.
- Governmental agencies revenue decreased \$332k due to Stabilization funding and Head Start ARP Funding that has ended in the prior year. This was offset by an increase in general funding from Head Start
- Overall expenses increased \$687k due to a 2.35% COLA increase for employees, increases in premiums for health, dental and vision coverage. These were offset by decreases in consumable supplies which is directly correlated to the decrease in donated supplies.

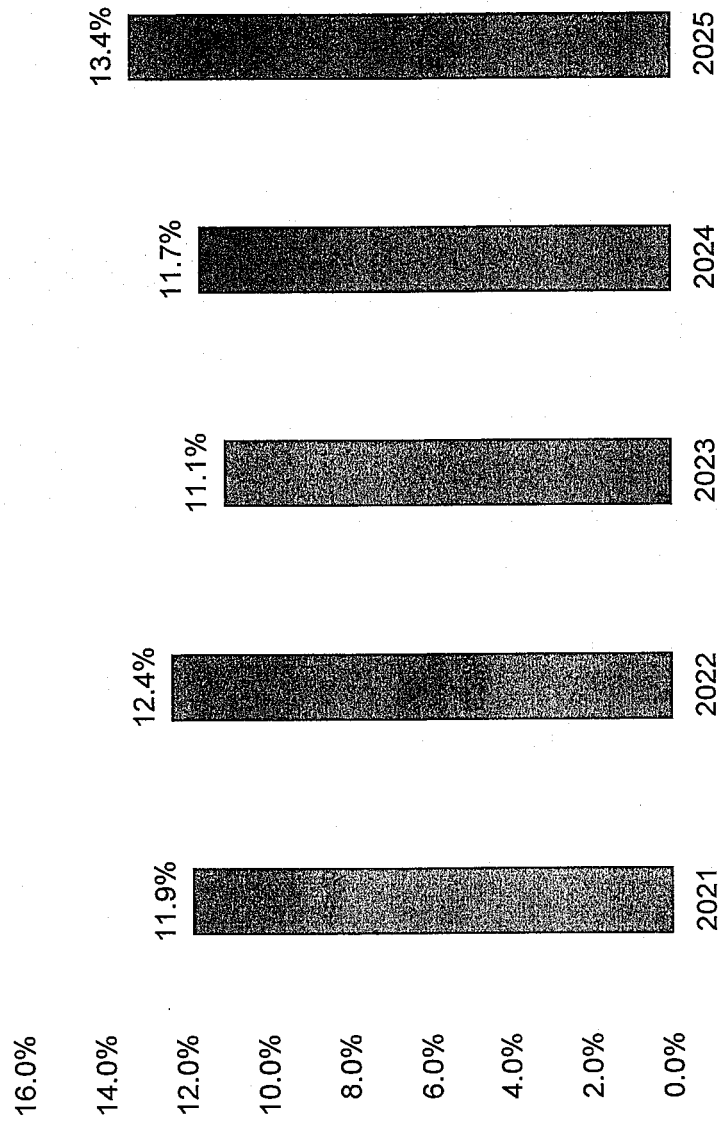
Salaries and Fringe Expenses to Total Expenses



The above percentages show the percentage of the Organization's expenses that were paid in salaries and related fringes.

Description

Administrative Percentage of Expenses

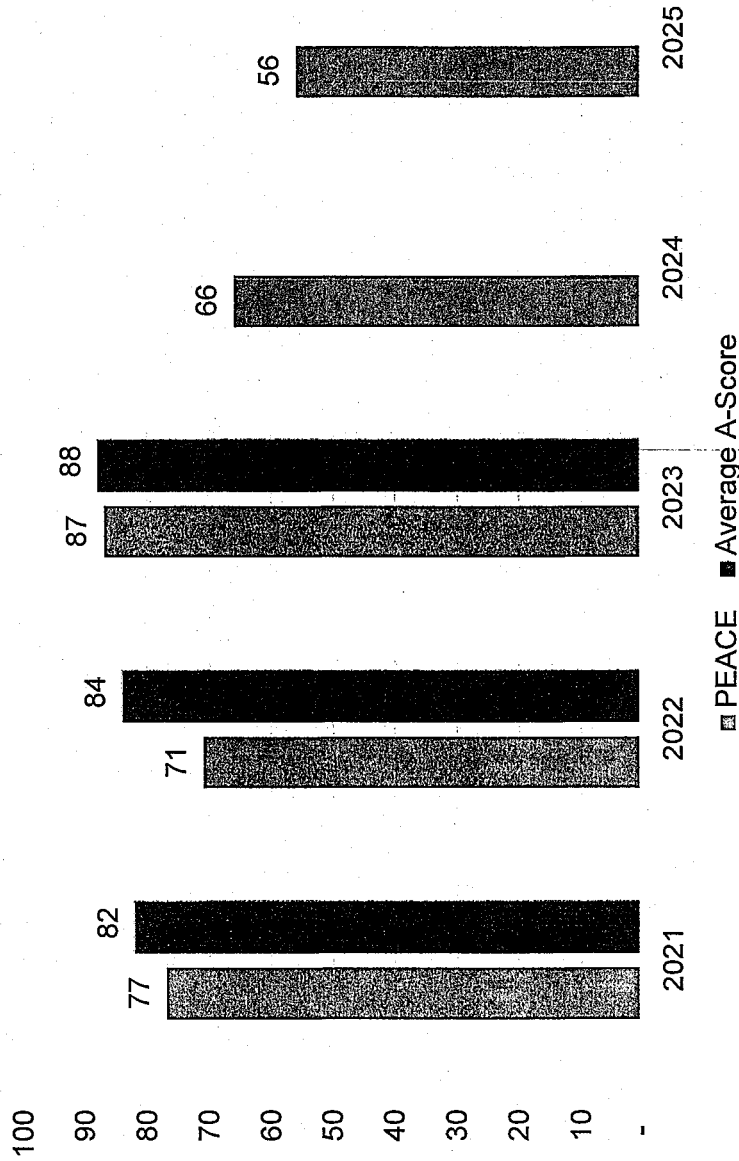


Our target is 10 to 12% of every dollar spent on administrative expenses. The above percentages were calculated from the Organization's financial statements. It should be noted, however, that there are various ways to compute administrative expenses. Three of those methods are as follows:

- > Financial Statements
- > Form 990
- > Consolidated Fiscal Report

Description

A-Score



The A-Score is a financial analysis model for non-profit organizations to analyze and communicate their overall financial condition and relative financial stability. It employs 12 readily available financial ratios to develop a "score". Each ratio is assigned a weight in the calculation. The resulting score is based on a 100-point scale.

Ratios used: Days cash on hand; Days accounts receivable outstanding; Current ratio; Debt service ratio; Net income to total revenue; Days accounts payable outstanding; Liabilities to net assets; Line of credits balance as a percentage of current assets; Diversification; Revenue as a percentage of total assets; Administrative expense to total expense; Fundraising revenue to total revenue

Description

03

Other Required Communications

Other Required Communications

Independence Re-evaluation

There were no independence matters that occurred or were identified subsequent to December 10, 2024, the date of our most recent independence communication to the Organization.

Material Uncertainties Related to Events And Conditions (Specifically Going Concern)

There were no conditions or events that we identified indicating there is substantial doubt about the Organization's ability to continue as a going concern.

Disagreements With Management

There were no disagreements with management.

Consultation With Other Accountants

We are not aware of any consultations management has had with other accountants about significant accounting or auditing matters.

Difficulties Encountered During The Audit

There were no significant difficulties encountered during the audit.

Other Material Written Communications

We will obtain a copy of the management representation letter.

Significant Unusual Transactions

There were no significant unusual transactions, other than previously mentioned, that are outside the normal course of business for the Organization (or that otherwise appear to be unusual due to their timing, size or nature) during the current year.

Fraud

We did not identify any potential or known fraud.

Illegal Acts

We did not identify any potential or known illegal acts.

Non-compliance with Laws and Regulations

We did not identify any instances of non-compliance with laws and regulations.

Alternative Accounting Treatments

We did not identify any alternative treatments permissible under US GAAP for accounting policies and practices related to material items, including recognition, measurement, and presentation and disclosure.

Other Information In Documents Containing Audited/Reviewed Financial Statements

We did not identify any information that was materially inconsistent with the information in the financial statements.

Other Required Communications

Quality of Financial Reporting

We have performed an evaluation of whether the presentation of the financial statements and the related disclosures are in conformity with the applicable financial reporting framework, including our consideration of the form, arrangement and content of the financial statements (including the accompanying notes). We did not identify any instances of non-conformity.

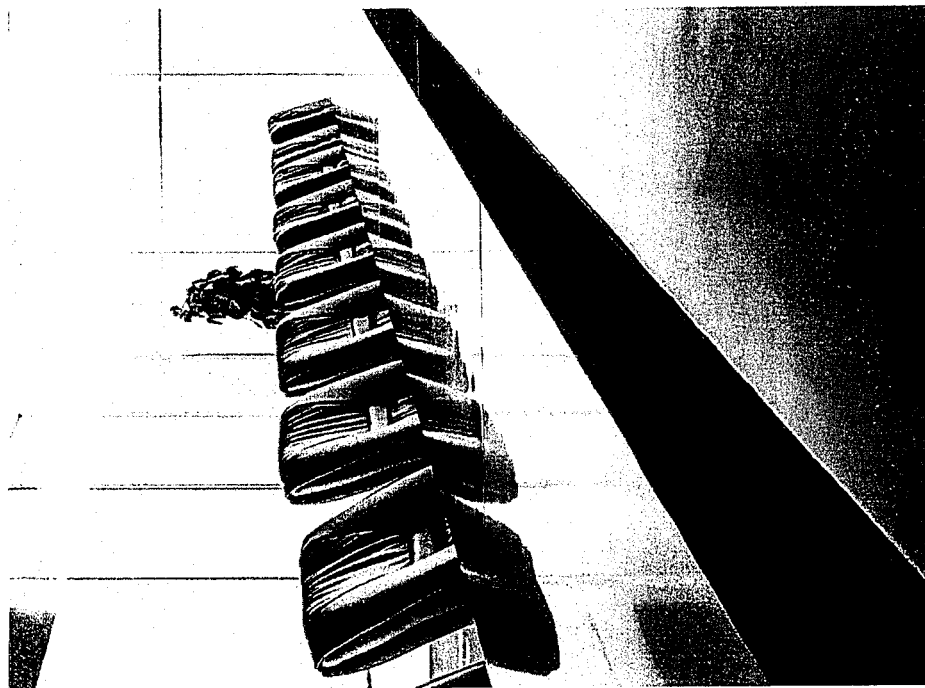
We have evaluated whether the difference between estimates best supported by the audit evidence and estimates included in the financial statements, which are individually reasonable, indicate a possible bias on the part of the Organization's management. We did not identify any areas of possible bias. In our judgment, management's accounting estimates are appropriate and reasonable.

Related Parties

We noted no related parties or related-party relationships or transactions that were previously undisclosed to us or lack business purpose.

Other Matters

The previous GAAP for recognizing credit losses used an "incurred loss" methodology, which required a loss to be probable before it could be recognized. This approach was criticized, especially in light of the global financial crisis, for delaying the recognition of expected credit losses, leading financial statement users to make their own forward-looking estimates. The main goal of ASU 2016-13 is to provide users of financial statements with more useful information by replacing the incurred loss methodology with one that reflects expected credit losses. This new approach mandates the consideration of a wider array of reasonable and supportable information to inform credit loss estimates, aiming to align accounting practices more closely with the information needs of users. There were no other matters arising from the audit that are significant to the oversight of the Organization's financial reporting process.



04

Other Information

We recognize that Board members and organization leaders have tremendous responsibilities today, facing increasingly complex demands in all areas of their operations as well as navigating uncertain futures. The Bonadio Group offers a broad range of consulting solutions to help Board Members and Leadership Teams achieve their organizations' goals. From analysis to execution, we deliver focused advisory services that drive growth and profitability and mitigate risk. The following are a few select areas for which we have provided advisory services to organizations just like yours.

Operational Efficiencies: An efficiency study provides the insight to achieve goals; whether increasing profitability, mitigating risk, updating policies and procedures or analyzing cash flow.

Profitability Analysis: Our analysis helps stabilize revenues and identify new growth opportunities to increase profitability. It often provides a new perspective and encourages development of even stronger relationships with your A-list customers and your service lines.

Cash Flow Management: We calculate and review targeted forecasts, cash ratios, quick ratios, and current ratios to create various scenarios to provide the business intelligence to make strategic decisions.

Compliance Requirements: We review, assess, train and develop compliance programs in accordance with the regulations of your industry, from HIPAA to corporate compliance, including a virtual Compliance Officer for your entity.

Outsource Accounting & Finance: Our Outsource Accounting Team has helped hundreds of businesses across multiple industries achieve their goals and financial peace of mind. Take the weight of finance and accounting off your team's shoulders and give it to us, connect with me today. For assistance please contact Gregg Genovese, Partner, at 585.249.2878.

Fraud and Forensics: Our certified fraud examiners help businesses and organizations protect themselves against, or identify, quantify, and mitigate fraud and white-collar crime through our forensic accounting, fraud investigations and risk mitigation services.

Our team collaborates with you to develop tailored strategies that improve your operational performance, mitigate risk and deliver actionable insights to accomplish your strategic initiatives. If you would like a 30-minute, complimentary, confidential consultation or assistance of any nature with these or related topics please contact your Bonadio relationship manager, or Tim Ball, Executive Vice President tball@bonadio.com or call 585.249.2756.

Penetration and Vulnerability Testing: The testing team "acts" as a malicious individual simulating sophisticated real-world attacks. This identifies and remediates weaknesses by hunting and uncovering hidden threats and risks.

Cybersecurity / IT / Audit / Risk Assessment: Our cybersecurity / IT / Audit/Risk Assessment projects range from comprehensive assessments to auditing and testing of the complete infrastructure. We also offer virtual Chief Information Security Officers (vCISO). For assistance with cybersecurity, please contact Charlie Wood, Executive Vice President, 585.249.2757.

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

**Financial Statements as of
January 31, 2025 and 2024
Together with
Independent Auditor's Report
and Single Audit Reports**

Draft- Subject to Change

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

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JANUARY 31, 2025 AND 2024**

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INDEPENDENT AUDITOR'S REPORT

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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. (the Agency) (a nonprofit organization), which comprise the statements of financial position as of January 31, 2025 and 2024, 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, 2025 and 2024, 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.

(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 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 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.

(Continued)

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 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 [REDACTED] 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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,063,517	\$ 1,535,216
Grants receivable	3,003,164	2,821,445
Program service fees receivable	20,509	32,442
Inventory	139,713	133,032
Other current assets	168,472	150,727
Total current assets	4,395,375	4,712,832
DEPOSITS	97,413	97,413
OPERATING LEASE RIGHT-OF-USE ASSETS	2,508,544	1,717,699
PROPERTY:		
Land	352,153	352,153
Buildings	3,138,059	3,138,059
Leasehold improvements	6,274,496	6,251,802
Vehicles	3,204,498	3,204,478
Equipment	1,444,689	1,607,424
Construction in progress	2,500	-
Total	14,416,395	14,553,916
Less: Accumulated depreciation	(10,921,960)	(10,818,096)
Property, net	3,494,435	3,735,820
Total assets	10,495,767	10,263,764
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable	279,254	611,320
Accrued payroll and related liabilities	1,097,395	905,888
Accrued compensated absences	226,341	242,104
Deferred revenue	499,388	670,836
Operating lease liability - current portion	541,350	476,053
Custodial accounts, deposits, and other current liabilities	93,258	37,667
Total current liabilities	2,736,986	2,943,868
OPERATING LEASE LIABILITY, net of current portion	1,976,847	1,253,519
Total liabilities	4,713,833	4,197,387
NET ASSETS:		
Without donor restrictions	5,603,773	5,872,543
With donor restrictions	178,161	193,834
Total net assets	5,781,934	6,066,377
Total liabilities and net assets	\$ 10,495,767	\$ 10,263,764

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, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT:			
Direct contributions	\$ 113,097	\$ 63,126	\$ 176,223
Contribution of nonfinancial assets	1,349,716	-	1,349,716
Fundraising	71,554	26,131	97,685
Net assets released from restrictions	106,230	(106,230)	-
Total support	1,640,597	(16,973)	1,623,624
REVENUE:			
Governmental agencies	23,555,479	1,300	23,556,779
Program service fees	506,124	-	506,124
Rental income	11,328	-	11,328
Other	25,701	-	25,701
Total revenue	24,098,632	1,300	24,099,932
Total support and revenue	25,739,229	(15,673)	25,723,556
EXPENSES:			
Program services	22,485,049	-	22,485,049
Management and general	3,488,733	-	3,488,733
Fundraising	34,217	-	34,217
Total expenses	26,007,999	-	26,007,999
CHANGE IN NET ASSETS	(268,770)	(15,673)	(284,443)
NET ASSETS - beginning of year	5,872,543	193,834	6,066,377
NET ASSETS - end of year	\$ 5,603,773	\$ 178,161	\$ 5,781,934

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, 2024**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
SUPPORT:			
Direct contributions	\$ 121,740	\$ 70,736	\$ 192,476
Contribution of nonfinancial assets	1,827,278	-	1,827,278
Fundraising	17,977	12,885	30,862
Net assets released from restrictions	267,101	(27,101)	-
Total support	2,234,096	(183,380)	2,050,616
REVENUE:			
Governmental agencies	23,887,349	1,665	23,889,014
Program service fees	478,470	-	478,470
Rental income	11,936	-	11,936
Other	13,879	-	13,879
Total revenue	24,391,634	1,665	24,393,299
Total support and revenue	26,625,730	(181,815)	26,443,915
EXPENSES:			
Program services	22,867,128	-	22,867,128
Management and general	3,244,496	-	3,244,496
Fundraising	7,626	-	7,626
Total expenses	26,119,250	-	26,119,250
CHANGE IN NET ASSETS	506,480	(181,815)	324,665
NET ASSETS - beginning of year	5,366,063	375,649	5,741,712
NET ASSETS - end of year	\$ 5,872,543	\$ 193,834	\$ 6,066,377

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, 2025**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 11,466,115	\$ 1,762,348	\$ 3,154	\$ 13,231,617
Payroll taxes and fringe benefits	3,325,995	613,237	515	3,939,747
Consumable supplies	3,189,627	35,956	26,911	3,252,502
Occupancy costs	1,667,211	158,611	-	1,825,822
Professional fees and contract services	1,394,717	80,695	-	1,475,412
Depreciation	64,345	510,808	-	575,153
Equipment expense	256,952	44,592	3,000	304,544
Insurance	418,039	35,710	-	453,749
Telephone	81,960	15,344	-	97,304
Conferences and travel	272,386	34,786	-	307,172
Vehicle maintenance	242,989	4,599	-	247,988
Advertising, printing, postage, and dues	83,053	5,036	138	118,227
Other	7,144	156,611	491	164,246
Program service fee overhead	14,516	-	-	14,516
Total expenses	<u>\$ 22,485,049</u>	<u>\$ 3,488,733</u>	<u>\$ 34,217</u>	<u>\$ 26,007,999</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, 2024**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries	\$ 11,223,214	\$ 1,709,785	\$ -	\$ 12,933,000
Payroll taxes and fringe benefits	3,056,401	388,851	-	3,445,252
Consumable supplies	3,809,622	24,447	4,284	3,838,353
Occupancy costs	1,774,570	161,247	-	1,935,817
Professional fees and contract services	1,320,700	85,387	-	1,406,087
Depreciation	48,398	560,721	-	609,119
Equipment expense	318,912	55,661	3,000	377,573
Insurance	396,529	32,304	-	428,833
Telephone	210,942	14,709	-	225,651
Conferences and travel	286,663	31,190	-	317,853
Vehicle maintenance	300,862	4,168	-	305,030
Advertising, printing, postage, and dues	96,241	2,449	-	128,690
Other	4,307	143,577	342	148,226
Program service fee overhead	19,767	-	-	19,767
Total expenses	<u>\$ 22,867,128</u>	<u>\$ 3,244,496</u>	<u>\$ 7,626</u>	<u>\$ 26,119,250</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, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (284,443)	\$ 2,665
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	575,153	609,119
Loss on disposal of property	25,852	20,761
Changes in operating assets and liabilities:		
Grants receivable	(181,119)	(664,738)
Program service fees receivable	11,503	31,435
Inventory	(6,681)	8,910
Other current assets	(17,745)	(84,010)
Accounts payable	(332,066)	(31,200)
Accrued payroll and related liabilities	191,507	13,715
Accrued compensated absences	(15,763)	(6,198)
Deferred revenue	(171,448)	(46,530)
Lease liability	(2,220)	(503)
Custodial accounts, deposits, and other current liabilities	55,591	-
Net cash from operating activities	<u>(152,079)</u>	<u>175,426</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Acquisitions of property	<u>(359,620)</u>	<u>(958,230)</u>
Net cash flow from investing activities	<u>(359,620)</u>	<u>(958,230)</u>
CHANGE IN CASH	(511,699)	(782,804)
CASH - beginning of year	<u>1,575,216</u>	<u>2,358,050</u>
CASH - end of year	<u>\$ 1,063,517</u>	<u>\$ 1,575,216</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, 2025 AND 2024

1. THE ORGANIZATION

People's Equal Action and Community Effort, Inc. (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 programs for 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; 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 bank 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 governments. Unconditional grants and restricted grants are recognized as revenue in the period in which all barriers to revenue recognition are overcome. 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.

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. There were no current expected credit losses as of January 31, 2025 and 2024. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Grants Receivable and Revenue (Continued)

Conditional grants that have not yet been recognized as revenue were awarded from the following sources as of January 31:

	<u>2025</u>	<u>2024</u>
Federal grants	\$ 12,321,947	\$ 6,040,028
Other than federal grants	<u>1,910,208</u>	<u>1,110,629</u>
	<u>\$ 14,232,155</u>	<u>\$ 7,150,657</u>

Program Service Fees Receivable and Revenue

Program service fees revenue is related to fee for service contracts with customers to provide consultation services and nutrition services. 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. Management has determined there are no allowance for expected credit losses associated with the program service fees receivable at January 31, 2025 and 2024.

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 were no implicit price concessions at January 31, 2025 and 2024.

Inventory

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

Property and Depreciation

Property additions in excess of \$5,000 are capitalized and stated at cost if purchased, or fair 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 placed into service.

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 purchased with grant funds was \$1,881,804 and \$2,009,500 as of January 31, 2025 and 2024, respectively.

Leases

The Agency determines if an arrangement is a lease at inception. Right-of-use (ROU) assets represent the Agency's right to use an underlying asset for the lease term and lease liabilities represent an obligation to make lease payments arising from the lease. Lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The lease may include renewal and termination options, which are included in the lease term when the Agency is reasonably certain to exercise these options.

For all underlying classes of assets, the Agency has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the Agency is reasonably certain to exercise.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lease (Continued)

The Agency recognizes fixed short-term lease costs on a straight-line basis over the lease term and variable lease costs in the period in which the obligation is incurred.

The Agency elected for all classes of underlying assets, to use the risk-free rate as the discount rate if the implicit rate in the lease contract is not readily determinable and to not separate the lease and non-lease components of a contract and to account for them as a single lease component.

Variable lease costs paid to or on behalf of the lessor, consisting of maintenance, services, and supplies, are excluded from the measurement of the ROU and lease liability, and are expensed in the period incurred.

In evaluating contracts to determine if they qualify as a lease, the Agency considers factors such as if the Agency obtained substantially all of the rights to the underlying asset through exclusivity, if it can direct the use of the asset by making decisions about how and for what purpose the asset will be used, and if the lessor has substantive substitution rights. This evaluation may require significant judgment.

Deferred Revenue

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

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 claimant through policy years ended June 30, 2016 through September 30, 2021, and \$75,000 per claimant through policy years ended September 30, 2025. 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 future claims incurred but not reported. The total accrued liability for self-insurance costs was \$444,850 and \$394,636 as of January 31, 2025 and 2024, 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.

Contributed Nonfinancial Assets

The Agency recognizes contributed nonfinancial assets within support as in-kind contributions, including services, consumable supplies, and space. All in-kind contributions are without donor restriction and used to support and further the Agency's objectives.

Contributions of services are recognized as revenues when they create or enhance non-financial assets, or require specialized skills provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Agency received in-kind contributions from outside parties that do not meet the recognition requirement, which management estimated a value of \$4,119,881 and \$4,004,545 for the years ended January 31, 2025 and 2024, respectively. The Agency receives services from volunteers within the community. However, no amounts have been recognized in the accompanying statements of activities for these contributed services because the criteria for recognition of such volunteer efforts have not been satisfied.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Nonfinancial Assets (Continued)

In-kind contribution values are estimated using the Salvation Army guidelines when available or if unavailable, internet research is performed to determine a conservative valuation. Donated space is recorded based on estimated fair value of the leased space as determined by professional appraisals and third party published sources.

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, the U.S. Department of Health and Human Services, to apply a provisional indirect cost rate not to exceed 26.0% and 24.0% for the years ended January 31, 2025 and 2024, respectively. 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

The Agency 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.

3. LIQUIDITY

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

	<u>2025</u>	<u>2024</u>
Cash	\$ 1,063,517	\$ 1,575,216
Grants receivable	3,003,164	2,821,845
Program service fees receivable	20,509	32,012
Other receivables	<u>15,025</u>	<u>1,195</u>
	4,102,215	4,430,268
Less: Those unavailable for general expenditure within one year, due to donor restrictions	<u>(178,161)</u>	<u>(193,834)</u>
	<u>\$ 3,924,054</u>	<u>\$ 4,236,434</u>

3. LIQUIDITY (Continued)

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, which it could draw upon in the event of an unanticipated liquidity need.

4. CONTRIBUTED NONFINANCIAL ASSETS

Contributed nonfinancial assets consisted of the following for the years ended January 31:

	2023	2024
Family services:		
Donated space	\$ 57,735	\$ 58,109
Donated supplies	789,658	1,282,796
Head start and early head start:		
Donated space	198,550	207,292
Donated professional and contracted services	231,376	223,027
Donated supplies	14,053	1,530
Senior services:		
Donated space	19,863	17,284
Free tax prep:		
Donated space	5,603	5,852
Big Brothers Big Sisters		
Donated supplies	645	-
Energy and housing services:		
Donated space	165	165
Management and general:		
Donated space	31,459	31,223
Donated professional and contracted services	609	-
	<u>\$ 1,349,716</u>	<u>\$ 1,827,278</u>

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>2025</u>	<u>2024</u>
Head Start/Early Head Start	\$ 21,793	\$ 15,848
Family Resource Centers	29,719	37,411
Big Brothers Big Sisters	82,585	96,148
Foster Grandparents	6,969	8,868
Community Development	3,576	1,722
Senior Services	450	450
Employee emergency	1,600	1,600
Food services	3,327	3,171
Weatherization	2,657	1,367
Frank DeFrancisco Eastwood Community Center	225	2,878
Foundation for the future	1,500	1,500
Maintenance	30	30
Camp fund	8,094	8,094
Crop walk	-	34
Give-a-holiday	-	-
	<u>13,626</u>	<u>16,001</u>
	<u>\$ 178,161</u>	<u>\$ 193,834</u>

Net assets with donor restrictions were released from restrictions by incurring expenses satisfying the following activities during the years ending January 31:

	<u>2025</u>	<u>2024</u>
Head Start/Early Head Start	\$ 6,048	\$ 154,590
Family Resource Centers	20,657	25,819
Big Brothers Big Sisters	66,976	61,499
Foster Grandparents	1,626	1,183
Community Development	1,646	-
Food services	1,355	3,547
Weatherization	1,367	10,596
Camp fund	-	747
Give-a-holiday	3,390	2,153
Frank DeFrancisco Eastwood Community Center	4,498	6,967
Crop walk	34	-
	<u>106,230</u>	<u>267,101</u>

6. LINE OF CREDIT

The Agency has a \$2,000,000 revolving line of credit with a bank. Borrowings bear interest at the prime rate (7.50% and 8.50% as of January 31, 2025 and 2024, respectively) and are not collateralized. There were no borrowings on the line of credit as of January 31, 2025 and 2024.

7. 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, 2024 and 2023.

Retirement plan expense was \$290,380 and \$222,135 for 2025 and 2024, respectively.

8. LEASES

The Agency leases certain buildings and equipment under operating leases that expire between June 2024 and August 2034. These leases have various extension terms, but none of the options are considered reasonably certain of exercise and are therefore not recognized as part of the ROU asset and lease liability.

The components of total lease cost were as follows for the years ended January 31:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 597,721	\$ 577,974
Variable lease expense	<u>121,208</u>	<u>114,070</u>
	<u>\$ 718,929</u>	<u>\$ 692,044</u>

Supplemental cash flow information related to operating leases were as follows for the years ended January 31:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in the measurement of operating lease liabilities	<u>\$ 591,494</u>	<u>\$ 576,386</u>
ROU assets obtained in exchange for operating lease obligations	<u>\$ 1,319,099</u>	<u>\$ 658,779</u>

Other information related to operating leases were as follows as of January 31:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term	5.86 years	4.29 years
Weighted-average discount rate	3.31%	2.79%

8. LEASES (Continued)

Maturities of operating lease liabilities are as follows for the years ending January 31:

2026	\$ 614,902
2027	511,495
2028	492,923
2029	434,711
2030	209,599
Thereafter	<u>524,413</u>
	2,788,043
Less: Present value discount	<u>(269,846)</u>
Total present value of lease liability	2,518,197
Less: Current portion	<u>(541,350)</u>
	<u>\$ 1,976,847</u>

9. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Agency's 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 would have 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 \$14,671,000 and \$13,750,000 for the years ended January 31, 2025 and 2024, respectively. Grants receivable related to this grant were approximately \$1,404,000 and \$1,550,000 at January 31, 2025 and 2024, respectively.

10. CONTINGENCIES

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 require 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 to the accompanying financial statements.

11. SUBSEQUENT EVENTS

Subsequent events have been evaluated through [REDACTED], 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**

██████████
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 (the Agency) (a nonprofit organization), which comprise the statement of financial position as of January 31, 2025, 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 ██████████.

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.

(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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Draft- Subject to Change

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

██████████
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, 2025. 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, 2025.

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 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.

(Continued)

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 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 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 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.

(Continued)

**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.

Draft- Subject to Change

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JANUARY 31, 2025**

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health and Human Services</u>		
Head Start Cluster:		
Head Start	93.60	<u>14,670,902</u>
Total Head Start Cluster		<u>14,670,902</u>
Pass-through from:		
New York State Department of State		
Community Services Block Grant	3.569	<u>1,742,800</u>
Total Community Services Block Grant		<u>1,742,800</u>
NYS Division of Housing and Community Renewal		
Low-Income Home Energy Assistance	93.568	<u>832,517</u>
Total Low-Income Home Energy Assistance		<u>832,517</u>
Aging Cluster:		
Onondaga County Department of Aging and Youth		
Special Programs for the Aging - Title III, Part B -		
Grants for Supportive Services and Senior Centers	93.044	<u>128,778</u>
Total Special Programs for the Aging - Title III, Part B		<u>128,778</u>
Onondaga County Department of Aging and Youth		
Special Programs for the Aging - Title III, Part C		
Nutrition Services	93.045	<u>953,385</u>
Total Special Programs for the Aging - Title III, Part C		<u>953,385</u>
Total Aging Cluster		<u>1,082,163</u>
Total - U.S. Department of Health and Human Services		<u>18,328,382</u>
<u>The Corporation for National Service</u>		
Foster Grandparent/Senior Companion Cluster:		
Foster Grandparent Program	94.011	<u>476,571</u>
Total - The Corporation for National Service, Total Foster Grandparent/Senior Companion Cluster		<u>476,571</u>

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JANUARY 31, 2025 (Continued)

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture</u>		
Pass-through from:		
NYS Department of Health		
Child and Adult Care Food Program	10.55	<u>444,911</u>
Total - U.S. Department of Agriculture, Total NYS Department of Health		<u>444,911</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	<u>1,681,692</u>
Total - U.S. Department of Energy		<u>1,681,692</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 Grant/Entitlement Grant	14.218	<u>31,595</u>
Subtotal - U.S. Department of Housing & Urban Renewal		<u>31,595</u>
<u>U.S. Department of Justice</u>		
Pass-through from:		
Vera House		
Consolidated And Technical Assistance Grant Program to Address		
Children and Youth Experiencing Domestic and Sexual Violence		
and Engage Men and Boys as Allies	16.888	<u>3,193</u>
Total - U.S. Department of Justice		<u>3,193</u>
		<u>\$ 20,966,344</u>

PEOPLE'S EQUAL ACTION AND COMMUNITY EFFORT, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JANUARY 31, 2025

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) presents the activity of federal financial assistance programs administered by People's Equal Action and Community Efforts, Inc. (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% 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 Agency 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, 2025**

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

81.042

Weatherization Assistance for Low-Income Persons

93.568

Low-Income Home Energy Assistance

93.569

Community Service Block Grant

93.600

Head Start Cluster

Dollar threshold used to distinguish between Type A and
Type B programs:

\$750,000

Auditee qualified as low-risk auditee

☐ yes

☒ no

SECTION II - FINANCIAL STATEMENT AUDIT FINDINGS

None noted.

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

None noted.

