JOINT COUNCIL FOR ECONOMIC OPPORTUNITY
OF CLINTON AND FRANKLIN COUNTIES, INC.

Financial Statements and
Supplemental Information

January 31, 2023 and 2022

(With Independent Auditors' Report Thereon)

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Joint Council for Economic Opportunity of
Clinton and Franklin Counties, Inc.:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Joint Council for Economic Opportunity of Clinton and Franklin Counties, Inc. (the Organization), which comprise the statements of financial position as of January 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Joint Council for Economic Opportunity of Clinton and Franklin Counties, Inc. as of January 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Change in Accounting Principle

As discussed in notes 2(u) and 14 to the financial statements, the Organization adopted ASC 842 Leases. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

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

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

Supplemental Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 18, 2023 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Organization's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
July 18, 2023

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.
Statements of Financial Position
January 31, 2023 and 2022

Assets	2023	2022
Current assets:		
Cash	$ 1,484,998	1,463,813
Grants receivable	861,280	895,700
Contracts receivable	155,899	134,060
Inventory	42,764	42,764
Prepaid expenses	45,507	46,913
Total current assets	2,590,448	2,583,250
Right-of-use asset - operating lease	73,379	-
Property and equipment, at cost	4,818,279	4,689,370
Less accumulated depreciation	(3,194,022)	(3,082,261)
	1,624,257	1,607,109
Other asset - investments	1,188,637	1,167,613
Total assets	$ 5,476,721	5,357,972

(Continued)

See accompanying notes to financial statements.

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.
Statements of Financial Position, Continued

Liabilities and Net Assets	2023	2022
Current liabilities:		
Accounts payable	$ 189,633	354,319
Accrued pension contribution	90,623	102,140
Accrued expenses	80,198	62,823
Accrued payroll	209,182	137,691
Compensated absences	117,677	116,323
Deferred revenue	402,063	379,811
Current installments of long-term debt	5,130	4,904
Current installments of operating lease liabilities	21,637	-
Total current liabilities	1,116,143	1,158,011
Long-term debt, excluding current installments and unamortized debt issuance costs	122,349	126,684
Operating lease, net of current installments	51,742	-
Total liabilities	1,290,234	1,284,695
Net assets:		
Without donor restrictions	2,601,225	2,755,866
With donor restrictions	1,585,262	1,317,411
Total net assets	4,186,487	4,073,277
Total liabilities and net assets	$ 5,476,721	5,357,972

See accompanying notes to financial statements.

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.
Statements of Activities
Years ended January 31, 2023 and 2022

	2023	2022
Revenue:		
Governmental grants	$ 6,735,921	6,832,686
Grant income - paycheck protection program	-	729,753
Program income	1,176,074	1,028,102
Contributions	34,236	259,739
United Way	14,040	10,352
Rental income	5,119	4,000
Contributed nonfinancial assets	405,423	738,800
Investment loss	(53,821)	(613)
Net assets released from restrictions - satisfaction of program restrictions	210,149	95,041
Total revenue	8,527,141	9,697,860
Expenses:		
Program services	8,024,571	8,172,141
Management and general	623,718	667,822
Fundraising	33,493	25,561
Total expenses	8,681,782	8,865,524
Change in net assets without donor restrictions	(154,641)	832,336
Change in net assets with donor restrictions:		
Program income and contributions	478,000	1,259,250
Net assets released from restrictions - satisfaction of program restrictions	(210,149)	(95,041)
Change in net assets with donor restrictions	267,851	1,164,209
Total change in net assets	113,210	1,996,545
Net assets at beginning of year	4,073,277	2,076,732
Net assets at end of year	$ 4,186,487	4,073,277

See accompanying notes to financial statements.

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.
Statement of Functional Expenses
Year ended January 31, 2023
with comparative totals for 2022

	Program Services											
	Community Outreach	Day Care	Head Start	Food and Nutrition	Senior Outreach	Weatherization	General Community Services	Total	Management and General	Fundraising	Total 2023	Total 2022
Expenses:												
Salaries	559,442	141,944	1,936,758	144,562	148,834	373,748	307,909	3,613,197	397,422	-	4,010,619	4,036,880
Fringe benefits	107,902	25,908	433,762	34,749	52,725	128,987	134,331	918,364	113,630	-	1,031,994	1,074,636
Travel	11,659	615	38,731	7,137	9,436	8,662	509,634	585,874	985	-	586,859	541,382
Weatherization materials	-	-	-	-	-	161,458	70	161,528	-	-	161,528	136,075
Subcontracted services	-	2,176	-	-	-	1,197	-	3,373	-	-	3,373	37,212
Tools and equipment	95	15,358	5,043	4,166	-	12,086	5,075	41,823	-	-	41,823	41,075
Repairs and maintenance	168,521	38,868	115,774	18,042	995	4,243	3,256	349,699	18,042	-	367,741	213,317
Office supplies	16,603	3,470	40,766	4,741	484	2,317	9,410	77,791	9,525	-	87,316	120,487
Program supplies	29,721	87,509	263,908	14,432	550	83,454	16,963	496,537	1,853	8,181	506,571	478,409
Program consultants	-	-	10,032	322	-	-	-	10,354	-	-	10,354	6,022
Advertising	1,772	1,131	11,244	1,350	-	192	739	16,428	1,028	10	17,466	23,485
Beneficiary expense - CSBG	69,044	-	-	954	38,461	-	57,348	165,807	-	-	165,807	214,920
Dues and subscriptions	1,442	42	4,269	-	36	1,712	506	8,007	15,647	-	23,654	28,842
Utilities	11,935	-	44,170	30,344	-	789	50,280	137,518	5,192	-	142,710	134,467
Telephone	12,490	3,085	44,909	2,145	4,893	10,593	22,720	100,835	10,454	-	111,289	103,371
Training	1,577	-	18,585	-	-	6,044	677	26,883	16,706	-	43,589	49,524
Parent activities and trips	-	-	2,070	-	-	-	-	2,070	-	-	2,070	2,277
Postage	403	843	1,013	81	258	845	575	4,018	814	-	4,832	6,423
Legal and professional	2,144	1,117	43,458	2,108	713	1,823	2,420	53,783	12,802	-	66,585	69,072
Insurance	8,012	-	20,620	10,601	-	12,769	63,891	115,893	15,819	-	131,712	115,852
Interest	-	-	-	-	-	-	6,906	6,906	-	-	6,906	8,471
Food	19,612	306,074	123,283	75,139	-	-	13,712	537,820	-	25,029	562,849	496,264
Rentals	70,346	16,020	264,703	6,416	13,001	6,874	32,322	409,682	29,451	-	439,133	442,961
Contributed nonfinancial assets	176,619	-	227,467	-	-	1,337	-	405,423	-	-	405,423	738,800
Service charges	-	-	-	-	-	-	-	-	3,645	-	3,645	3,850
Miscellaneous	918	403	2,957	5,050	428	619	9,009	19,384	23,902	273	43,559	32,847
Total expenses before allocations and depreciation	1,270,257	644,563	3,653,522	362,339	270,814	819,749	1,247,753	8,268,997	676,917	33,493	8,979,407	9,156,921
Space allocation	(68,197)	(15,524)	(180,865)	(5,382)	(12,917)	(6,493)	(9,800)	(299,178)	(45,155)	-	(344,333)	(349,704)
Telephone allocation	(9,644)	(3,085)	(15,272)	-	(3,297)	(8,480)	(10,097)	(49,875)	(11,736)	-	(61,611)	(55,254)
Copier allocation	(97)	(2,202)	(726)	(89)	(158)	(1)	(99)	(3,372)	(70)	-	(3,442)	(3,547)
Depreciation	-	-	88,601	8,719	-	10,679	-	107,999	3,762	-	111,761	117,108
Total expenses	$ 1,192,319	623,752	3,545,260	365,587	254,442	815,454	1,227,757	8,024,571	623,718	33,493	8,681,782	8,865,524

See accompanying notes to financial statements.

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.
Statement of Functional Expenses
Year ended January 31, 2022

	Program Services										
	Community Outreach	Day Care	Head Start	Food and Nutrition	Senior Outreach	Weatherization	General Community Services	Total	Management and General	Fundraising	Total
Expenses:											
Salaries	$ 629,589	85,881	1,919,555	224,971	143,913	323,724	293,244	3,620,877	416,003	-	4,036,880
Fringe benefits	117,054	12,934	471,302	53,559	45,088	137,153	107,868	944,958	129,678	-	1,074,636
Travel	12,040	185	35,031	8,158	6,423	8,232	470,921	540,990	392	-	541,382
Weatherization materials	-	-	-	2,500	-	133,575	-	136,075	-	-	136,075
Subcontracted services	500	3,863	-	2,090	-	5,237	25,522	37,212	-	-	37,212
Tools and equipment	4,093	-	4,047	6,914	-	19,145	5,956	40,155	920	-	41,075
Repairs and maintenance	14,738	694	93,412	10,156	758	3,618	43,702	167,078	46,239	-	213,317
Office supplies	24,482	2,182	70,995	1,000	398	4,292	8,099	111,448	9,039	-	120,487
Program supplies	27,615	4,601	274,851	20,706	153	93,925	28,614	450,465	3,222	24,722	478,409
Program consultants	-	-	5,007	-	-	-	-	5,007	1,015	-	6,022
Advertising	2,377	276	17,401	522	76	533	841	22,026	1,459	-	23,485
Beneficiary expense - CSBG	138,433	-	-	5,231	7,185	-	63,745	214,594	326	-	214,920
Dues and subscriptions	413	145	7,392	20	74	1,750	265	10,059	18,783	-	28,842
Utilities	7,236	-	33,380	41,714	-	1,165	46,468	129,963	4,504	-	134,467
Telephone	11,753	2,835	39,142	2,408	4,326	9,821	23,801	94,086	9,285	-	103,371
Training	6,927	1,665	16,975	-	144	14,369	284	40,364	9,160	-	49,524
Parent activities and trips	-	-	2,277	-	-	-	-	2,277	-	-	2,277
Postage	688	906	1,441	125	315	1,353	672	5,500	923	-	6,423
Legal and professional	5,097	925	42,262	762	586	1,615	2,453	53,700	15,372	-	69,072
Insurance	6,100	-	19,234	10,499	-	8,855	56,340	101,028	14,824	-	115,852
Interest	164	34	800	-	25	72	7,223	8,318	153	-	8,471
Food	5,853	285,139	139,729	44,690	-	-	20,377	495,788	-	476	496,264
Rentals	54,560	11,300	281,171	1,110	8,932	23,102	49,769	429,944	13,017	-	442,961
Contributed nonfinancial assets	540,092	-	198,708	-	-	-	-	738,800	-	-	738,800
Service charges	-	-	-	20	-	-	176	196	3,654	-	3,850
Miscellaneous	340	48	317	2,973	-	1,091	16,230	20,999	11,485	363	32,847
Total expenses before allocations and depreciation	1,610,144	413,613	3,674,429	440,128	218,396	792,627	1,272,570	8,421,907	709,453	25,561	9,156,921
Space allocation	(52,646)	(1,025)	(194,283)	-	(8,806)	(22,627)	(22,399)	(301,786)	(47,918)	-	(349,704)
Telephone allocation	(7,437)	(2,835)	(13,659)	-	(2,835)	(7,791)	(11,686)	(46,243)	(9,011)	-	(55,254)
Copier allocation	(206)	(1,592)	(1,408)	(73)	(291)	(15)	199	(3,386)	(161)	-	(3,547)
Depreciation	-	-	82,251	8,719	-	10,679	-	101,649	15,459	-	117,108
Total expenses	$ 1,549,855	408,161	3,547,330	448,774	206,464	772,873	1,238,684	8,172,141	667,822	25,561	8,865,524

See accompanying notes to financial statements.

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.
Statements of Cash Flows
Years ended January 31, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 113,210	1,996,545
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	111,761	117,108
Amortization	709	709
Forgiveness of promissory note - Paycheck Protection Program	-	(729,753)
Unrealized loss on investments	53,976	613
Changes in:		
Grants receivable	34,420	(298,752)
Contracts receivable	(21,839)	89,742
Inventory	-	(4,468)
Prepaid expenses	1,406	(5,232)
Accounts payable	(164,686)	188,663
Accrued pension contribution	(11,517)	3,417
Accrued expenses	17,375	(16,108)
Accrued payroll	71,491	16,408
Compensated absences	1,354	(29,939)
Deferred revenue	22,252	(61,771)
Net cash provided by operating activities	229,912	1,267,182
Cash flows from investing activities:		
Additions to property and equipment	(128,909)	-
Purchase of investments	(75,000)	(1,057,249)
Net cash used in investing activities	(203,909)	(1,057,249)
Cash flows from financing activities - principal payments of long-term debt	(4,818)	(74,613)
Net change in cash	21,185	135,320
Cash at beginning of year	1,463,813	1,328,493
Cash at end of year	$ 1,484,998	1,463,813
Supplemental schedule of cash flow information:		
Cash paid during the year for interest	$ 6,197	7,762
Cash paid for amounts included in measurement of lease liability - operating lease payments	$ 20,845	-
Lease assets obtained in exchange for lease liabilities - operating leases	$ 94,224	-

See accompanying notes to financial statements.

(1) Nature of Activities

Organization

The Joint Council for Economic Opportunity of Clinton and Franklin Counties, Inc. (the Organization) is a private non-profit corporation operating programs in both Clinton and Franklin counties. As a Community Action Agency (CAA), the Organization is dedicated to providing resources and services which promote people's dignity and self-sufficiency. The Organization operates the following programs:

Community Outreach Program - The Community Outreach Program (COP) is dedicated to meeting the needs of the economically disadvantaged, the handicapped and the elderly. COP provides families and individuals with basic necessities such as food and clothing, resource and referral services to required services and application for assistance for such services such as HEAP, Christmas Bureau, Child Health Plus, Lifeline, etc.

Day Care Program - The Day Care Program is dedicated to meeting the increasing availability and utilization of registered in-home day care providers within Clinton County. The Day Care Program provides individuals, seeking to become registered providers, free training and technical assistance, as well as funds that are used to meet health and safety requirements. The Day Care Program also acts as the local agent of the Child and Adult Care Food Program (CACFP).

Head Start/Early Head Start Program - The Head Start/Early Head Start Program is a comprehensive Early Childhood Education program providing services to income eligible and/or disabled children and their families. Services provided include: mental health services, nutrition education/services, social services/parent involvement and health related services.

Food and Nutrition Program - The Nutrition Program provides outreach and education on Federal food programs. Among the services provided are confidential pre-screening for Food Stamp eligibility and assistance with applications and documentation. The Nutrition Program also provides information, applications and technical assistance for the Summer Food Service Program and School Meal Programs. The Hunger Prevention and Nutrition Assistance Program (HPNAP) provides needy families and individuals with nutritious food preventing the condition of hunger and improving community health. Consumers are provided with locally grown fresh fruits and vegetables. Proper freshness and nutrients are maintained through a process of cleaning, steaming/blanching, freezing and vacuum packaging. The Organization distributes the produce throughout the region. The Nutrition Outreach and Education Program (NOEP) offers free and confidential services to connect hungry New Yorkers with nutrition assistance programs.

(1) Nature of Activities, Continued

Organization, Continued

Senior Outreach Program - The Senior Outreach Program provides an array of services to senior citizens of Clinton County. Program services are designed to assist seniors in maintaining their independence and include: friendly visitor/telephone assurance, older worker link to employment, rural transportation, home visits and resource and referral.

Weatherization Assistance Program - The Weatherization Assistance Program (WAP) is an energy conservation program that helps low-income households conserve energy and educates the client on how to conserve. The WAP, by making repairs or improvements to a home, an apartment or a heating system, results in energy savings for households receiving services. For accounting purposes, Empower, Adirondack Energy Technical Group (AETG) and Home Energy Assistance Program (HEAP) are classified as weatherization programs.

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

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

(b) Basis of Presentation

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

(c) Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Cash

For purposes of reporting cash flows, cash includes money market accounts and any highly liquid debt instruments purchased with a maturity of three months or less.

(e) Inventory

Inventory is recorded at cost under the first-in, first-out method. Inventory consists of Weatherization and Empower materials on hand as of January 31, 2023 and 2022.

(2) Summary of Significant Accounting Policies, Continued

(f) Capitalization and Depreciation

Property and equipment are recorded at cost. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of activities.

(g) Long-Lived Assets

The Organization reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. For assets held and used, if the undiscounted cash flows estimated to be generated by those assets are less than their carrying amounts, an impairment loss has occurred. The amount of the impairment loss is equal to the asset's carrying value over its estimated fair value. At January 31, 2023 and 2022, no impairment loss has been recognized by the Organization.

(h) Debt Issuance Costs

Debt issuance costs which represent the cost of obtaining certain financing, net of accumulated amortization, are being amortized on the straight-line method over the term of the debt and are reported as a direct deduction from the face amount of the note payable to which such costs relate. Amortization expense amounted to $709 for the years ended January 31, 2023 and 2022, and is included as a component of interest expense on the statements of functional expenses.

(i) Restricted and Unrestricted Revenue and Support

Contributions received are recorded as with donor restrictions or without donor restrictions based upon the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a stipulated time restriction ends or a purpose restriction is accomplished, restricted net assets are classified to net assets without donor restrictions and reported in the statements of activities as net assets released from restriction.

The Organization reports gifts of land, buildings and equipment as net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used.

(2) Summary of Significant Accounting Policies, Continued

(j) Grants and Contracts Receivable and Revenue

The Organization receives substantially all of its revenue from grants and contracts with Federal, State and local agencies. Revenue is recognized to the extent expenses have been incurred. Revenues received but not yet spent are reflected as deferred revenue on the statements of financial position. Grants and contracts receivable represent amounts due from expenditures incurred prior to the year end. Noncompliance on the part of the Organization with grant or contract terms could result in repayment to the grantor of any questioned expenses. The amounts reported on the statements of financial position as grants receivable and contracts receivable were received in full subsequent to year end.

(k) Deferred Revenue and Revenue Recognition

Contracts awarded are accounted for as exchange transactions and recorded as revenue when expenditures have been incurred in compliance with the grant restrictions. Amounts unspent are recorded in the statements of financial position as deferred revenue.

(l) Contracts with Customers

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

1. Medicaid Transportation services are provided by the Organization for multiple towns throughout the Counties. Fees consist of a single performance obligation and revenue is typically recognized when services occur.

   Fees are generally nonrefundable and billed monthly at the budgeted rate per day, per actual transportation services that were provided for. Payment is typically due within 30 days of the invoice date. Fees billed or received in advance are deferred and recognized when earned.

2. Senior Outreach Program services are provided by the Organization for multiple towns throughout the Counties. Revenue for these programs is recognized from various sources, some over time and some when services occur.

   Fees are generally nonrefundable and billed biannually, quarterly, or over the contract term. Payment is typically due within 30 days of the invoice date. Fees billed or received in advance are deferred and recognized when earned.

(2) Summary of Significant Accounting Policies, Continued

(l) Contracts with Customers, Continued

Billings, cash collections and timing of revenue recognition can result in contract assets and liabilities on the balance sheet. The Organization receives payments from customers, before revenue is recognized, resulting in deferred revenue. These deposits are liquidated when revenue is recognized.

Accounts receivable from contracts with customers were as follows at January 31, 2023, 2022 and 2021:

	2023	2022	2021
Receivables:			
Medicaid Transportation	$ 103,744	99,483	104,900
NY Connects	11,958	8,481	35,438
Rural Transportation	6,821	4,012	7,109
Town contracts	12,750	-	21,747
Senior Outreach Program	20,626	22,084	54,608
Total	$ 155,899	134,060	223,802

(m) Contributed Nonfinancial Assets

Contributed nonfinancial assets are used by the Organization to satisfy the cost sharing requirements of certain contracts, including the U.S. Department of Health and Human Services.

(n) Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on a proportional basis.

(o) Indirect Costs

In accordance with the Uniform Guidance, the Organization has adopted an indirect rate methodology to allocate indirect costs to its programs for reimbursement purposes. Indirect costs included allowable administrative costs that benefit all the Organization's programs.

Indirect costs are allocated using a base of total salaries and fringe benefits. The indirect costs were $673,111 and $663,005 for the years ended January 31, 2023 and 2022, respectively. The indirect cost rate was 15.0% and 14.3% for 2023 and 2022, respectively, as approved by the U.S. Department of Health and Human Services.

(2) Summary of Significant Accounting Policies, Continued

(p) Income Taxes

The Organization is exempt from federal income taxes on related income under Section 501(a) of the Internal Revenue Code (IRC) of 1986, as amended, as an organization described in IRC Section 501(c)(3). Further, the Organization has been classified as an organization that is not a private foundation under IRC Section 509(a) and, as such, contributions to the Organization qualify for deduction as charitable contributions. However, income generated from activities unrelated to the Organization's exempt purpose is subject to tax under IRC Section 511. The Organization did not have any material unrelated business income tax liability for the years ended January 31, 2023 and 2022. The Organization presently discloses or recognizes income tax position based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Organization has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Organization are subject to examination by taxing authorities.

(q) Advertising

The Organization's policy is to expense advertising costs as the costs are incurred. Advertising expense was $17,466 and $23,485 for the years ended January 31, 2023 and 2022, respectively.

(r) Subsequent Events

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

(s) Reclassifications

Reclassifications have been made to certain 2022 balances in order to conform them to the 2023 presentation.

(t) Recent Accounting Standards Issued

In September 2020, the Financial Accounting Standards Board (FASB) issued ASU 2020-07, "Presentation and Disclosures for Not-for-Profit Entities for Contributed Nonfinancial Assets." ASU 2020-07 requires new presentation and disclosures for gift-in-kind donations to improve transparency on how those assets are used and valued. These financial statements and notes reflect retroactive adoption of this new standard.

(2) Summary of Significant Accounting Policies, Continued

(u) Changes in Accounting Principle

In 2023, the Organization adopted ASC 842 Leases. ASC 842 establishes a right-of-use (ROU) model that requires a lessee to record a ROU asset and a lease liability on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statements of activities. The Organization elected to apply this standard on a modified retrospective transition approach for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. Entities have the option to continue to apply historical accounting under Topic 840, including its disclosure requirements, in comparative periods presented in the year of adoption.

The adoption had a material impact on the Organization 's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. The accounting for finance leases remained substantially unchanged. Adoption of the standard required the Organization to restate amounts as of February 1, 2022, resulting in an increase in operating lease ROU assets and operating lease liabilities of $94,224.

(3) Liquidity

The Organization has $2,502,177 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures, consisting of $1,484,998 of cash and $1,017,179 of receivables. $590,022 of these financial assets are subject to donor restrictions that make them unavailable for general expenditure within one year of the 2023 statement of financial position. Additionally the Organization’s main source of revenue is from government grant agreements which limit the spending of those funds to the agreed upon budgets.

(4) Concentration of Credit Risk

The Organization maintains all cash balances in one financial institution, NBT Bank in Plattsburgh, New York. Accounts are insured by the Federal Deposit Insurance Corporation up to $250,000. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution as of January 31, 2023.

(5) Grants and Contracts Receivable

Grants and contracts receivable consist of the following at January 31, 2023 and 2022:

	2023	2022
Grants receivable:		
U.S. Department of Health and Human Services	$ 681,180	642,643
NYS Department of Health	50,423	30,479
NYS Homes and Community Renewal	78,908	128,270
NYS Department of State	11,654	46,988
Other	39,115	47,320
Total grants receivable	$ 861,280	895,700
Contracts receivable:		
Town contracts	12,750	-
Clinton County Office for the Aging	39,405	34,577
NYS Department of Health - Medicaid	103,744	99,483
Total contracts receivable	$ 155,899	134,060

(6) Investments

The following tables set forth by level, within the fair value hierarchy, the Organization's assets at fair value as of January 31, 2023 and 2022:

	2023			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 215,560	-	-	215,560
Exchange traded funds	239,883	-	-	239,883
Mutual funds	253,033	-	-	253,033
Fixed income	-	478,088	-	478,088
Common stock	2,073	-	-	2,073
	$ 710,549	478,088	-	1,188,637

	2022			
	Level 1	Level 2	Level 3	Total
Money market funds	$ 124,037	-	-	124,037
Mutual funds	581,182	-	-	581,182
Fixed income	-	459,708	-	459,708
Common stock	2,686	-	-	2,686
	$ 707,905	459,708	-	1,167,613

(6) Investments, Continued

Fair Value Measurements

A framework has been established for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(7) Property and Equipment

Property and equipment as of January 31, 2023 and 2022 consists of the following:

	2023	2022
Land	$ 335,457	335,457
Buildings	2,021,633	2,021,633
Building improvements	148,302	148,302
Equipment	1,681,542	1,552,633
Leasehold improvements	612,622	612,622
Software	18,723	18,723
Total property and equipment	4,818,279	4,689,370
Less accumulated depreciation	(3,194,022)	(3,082,261)
Net property and equipment	$ 1,624,257	1,607,109

Depreciation expense was $111,761 and $117,108 for the years ended January 31, 2023 and 2022, respectively.

(8) Long-Term Debt

	2023	2022
Note payable in monthly installments of $913 including interest of 4.53%. The first six months of payments are interest only with payments of $887. The note matures July 5, 2040. Secured by real property. After July 2025, the interest rate is subject to change based on the changes in the five year Federal Home Loan Bank of New York fixed rate advance indicator index.	$ 132,310	137,128
Less current installments	(5,130)	(4,904)
Long-term debt, excluding current installments	127,180	132,224
Less unamortized debt issuance costs	(4,831)	(5,540)
Long-term debt, excluding current installments and unamortized debt issuance costs	$ 122,349	126,684

(8) Long-Term Debt, Continued

The aggregate maturity of the long-term debt for the five years following January 31, 2023 and thereafter is as follows:

2024	$ 5,130
2025	5,367
2026	5,616
2027	5,875
2028	6,147
Thereafter	104,175
	$ 132,310

(9) Line of Credit

At January 31, 2023, the Organization had a $150,000 revolving line of credit with NBT Bank. The rate of interest was prime plus 1% or 8.5% at January 31, 2023. There was no outstanding balance on this line of credit as of January 31, 2023 and 2022. The Organization also maintains a $5,000 revolving line of credit with NBT Bank to satisfy the payment amount on the letter of credit described in note 11.

(10) Letter of Credit

In October 2013, the Organization obtained a $5,000 irrevocable letter of credit to fulfill a requirement of its weatherization program. The beneficiary is the New York State Department of State Division of Code Enforcement and Administration Manufactured Housing Unit. The rate of interest is prime plus 1%, or 8.5% at January 31, 2023. A condition of the letter of credit is it shall be automatically renewed and extended for additional terms of one year each. At January 31, 2023 and 2022, there was no amount outstanding on the letter of credit.

(11) Retirement Plan

The Organization has a defined contribution plan covering substantially all employees. The plan provides that employees who have attained age 21, completed one year of service, and are in a defined eligible class can voluntarily contribute from 1 to 20% of their earnings to the plan. Employer contributions are discretionary and are determined and authorized by the Board of Directors each plan year. Employer contributions related to the plan were $83,791 and $96,950 for the years ended January 31, 2023 and 2022, respectively.

(12) Compensated Absences

The Organization allows full-time employees to carry over accumulated vacation leave. These amounts are required to be accrued as a liability in accordance with generally accepted accounting principles. The compensated absence liability was $117,677 and $116,323 at January 31, 2023 and 2022, respectively.

(13) Lease

The Organization entered into a lease with White Pine Commons I Housing Development Fund Corp. and White Pine Commons I LLC, collectively the lessor. The lessor is renting the Organization's land located at Wallace Hill Road, Plattsburgh, New York. The term of the lease is 99 years commencing January 1, 2008. The rent consists of an initial payment of $120,000 due and paid at the commencement of the lease. In subsequent years, on the first day of each January during the lease term, the lessor shall pay rent in the amount of $1.

(14) Right-of-Use Assets - Lease Liabilities

The Organization leases office equipment in Plattsburgh, NY under operating leases and has elected the practical expedient not to separate lease and nonlease components for all lease transactions. The Organization also has certain leases for other office equipment and property that contain variable lease payments and lease with terms less than 12 months. The Organization has elected to recognize these lease expenses on the straight-line basis or when incurred. The leases provide for monthly payments of various amounts through April 2026. The lease inception or period of adoption, unless explicitly stated, is in accordance with the Organization's accounting policies. Additional information about the Organization's leases are as follows:

Operating leases - program services - office equipment	$ 24,013
Short term leases - program services - rent	82,523
Total lease expense	$ 106,536
Weighted Averages:	
Remaining lease term - operating leases	3.25 years
Discount rate - operating leases	3.74%

(14) Right-of-Use Assets - Lease Liabilities, Continued

The aggregate maturity of the lease payments under ASC 842 for the years following January 31, 2023 is as follows:

	Operating
2024	$ 24,013
2025	24,013
2026	24,013
2027	6,006
	78,045
Less unamortized discount	(4,666)
Total lease liabilities	$ 73,379
Leases liabilities - operating leases:	
Current installments	$ 21,637
Noncurrent installments	51,742
Total lease liabilities	$ 73,379

The aggregate maturity of the lease payments under ASC 840 for the years following January 31, 2022 is as follows:

	Operating
2023	$ 24,013
2024	24,013
2025	24,013
2026	24,013
2027	6,006
	$ 102,058

(15) Economic Dependence

The Organization, as is typical of community action agencies, is largely dependent upon the Federal and New York State governments for its funding. Therefore, the program services and administrative support provided by the Organization are dependent on the levels of funding received and any changes therein. A material part of the Organization’s funding is dependent upon a few grants, the loss of any one could have an adverse effect on the Organization. For the years ended January 31, 2023 and 2022, the Head Start grant from the U.S. Department of Health and Human Services accounted for 42% and 34%, respectively, of the Organization’s total revenue.

(16) Labor Concentration

Employees of the Head Start program are organized under a collective bargaining agreement. It covers all full-time and regular part-time employees employed in the Head Start program including all teachers, teacher assistants, family workers, cooks, bus drivers, bus aides, temporary bus aides, computer aides, social services/parent involvement assistants, center support staff, center support assistants and home base visitor positions. It excludes confidential employees, managerial employees, all other employees and guards, professional employees and supervisors as defined in the National Labor Relations Act. The agreement is renegotiated every three years.

(17) Government Grants

Grants from government agencies for the years ended January 31, 2023 and 2022 are summarized as follows:

	2023	2022
U.S. Department of Health and Human Services	$ 5,113,339	5,374,800
U.S. Department of Agriculture	481,991	349,473
U.S. Department of Energy	354,030	419,503
U.S. Department of Homeland Security	-	19,242
Clinton County	505,382	457,429
Other	281,179	212,239
Total	$ 6,735,921	6,832,686

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

(18) Grant Income - Paycheck Protection Program

On April 20, 2020 the Organization received a Small Business Administration (SBA) loan under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) in the amount of $729,753 with a 1% interest rate.

Pursuant to the terms of the CARES Act rules and regulations, the Organization applied for the loan to be forgiven by the SBA. On May 5, 2021, the Organization was notified by the SBA that the original loan has been forgiven in its entirety and, accordingly, has recorded loan forgiveness/grant revenue of $729,753 for the year ended January 31, 2022.

(19) Contributed Nonfinancial Assets

For the years ended January 31, 2023 and 2022, contributed nonfinancial assets recognized within the statements of activities included the following:

		2023	2022
Contributed professional services	$	102,597	55,243
Contributed assets		186,982	574,167
Contributed space		115,844	109,390
Total	$	405,423	738,800

Contributed assets are reflected upon receipt and are recorded at cost or estimated cost, where practicable, as expenses and are allocated between program and management and general. Contributions of professional services are recognized if the goods received create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed space represents the Organization's share of buildings in which the Organization operates. For the years ended January 31, 2023 and 2022, the Organization also received various non-GAAP volunteer services, including assistance with various program activities that the Organization would ordinarily need to pay for if not for the strength of the Organization's volunteers.

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.

Schedule of Expenditures of Federal Awards

Year ended January 31, 2023

Federal Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Health and Human Services:				
Head Start	93.600	02CH012147	$ 3,477,168	-
Head Start - CARES Act	93.600	02HE000214-01-01	199,007	-
			3,676,175	-
Passed through New York State Office of Children and Family Services and the Child Care Coordinating Council of the North Country:				
Child Care and Development Block Grant	93.575	21-22	19,293	-
Child Care and Development Block Grant	93.575	22-23	49,735	-
			69,028	-
Passed through New York State Department of State:				
Community Services Block Grant	93.569	C1001458 2021-2022	349,584	-
Community Services Block Grant	93.569	C1001458 2022-2023	246,873	-
Community Services Block Grant - CARES Act	93.569	T10011791	301,185	-
Community Services Block Grant - Discretionary	93.569	T1002248	45,000	-
Community Services Block Grant - Office for New Americans	93.569	C1001837 2021-2022	36,439	-
			979,081	-
Passed through New York State Division of Housing and Community Renewal:				
Low Income Home Energy Assistance	93.568	C093220-21	57,765	-
Low Income Home Energy Assistance	93.568	C095220-22	331,290	-
			389,055	-
Total U.S. Department of Health and Human Services			5,113,339	-

(Continued)

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.

Schedule of Expenditures of Federal Awards, Continued

Federal Grantor/Program Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures	Expenditures to Subrecipients
U.S. Department of Agriculture - passed through New York State Department of Health:				
Child and Adult Care Food Program	10.558	C2176 (21-22)	$ 251,812	-
Child and Adult Care Food Program	10.558	C2176 (22-23)	130,033	-
Child and Adult Care Food Program - Head Start	10.558	C2171	100,146	-
Total U.S. Department of Agriculture			481,991	-
U.S. Department of Energy - passed through New York State Division of Housing and Community Renewal:				
Weatherization Assistance Program	81.042	C093220-21	84,423	-
Weatherization Assistance Program	93.568	C095220-22	269,607	-
Total U.S. Department of Energy			354,030	-
Total federal expenditures			$ 5,949,360	-

See accompanying notes to schedule of expenditures of federal awards.

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.

Notes to Schedule of Expenditures of Federal Awards

January 31, 2023

(1) Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes all federal and award programs administered by Joint Council for Economic Opportunity of Clinton and Franklin Counties, Inc. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

(2) Basis of Accounting

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

The Organization has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance and instead uses a rate approved by the U.S. Department of Health and Human Services.

(3) Matching Costs

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

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

The Board of Directors
Joint Council for Economic Opportunity of
Clinton and Franklin Counties, 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 Joint Council for Economic Opportunity of Clinton and Franklin Counties, Inc. (the Organization), which comprise the statement of financial position as of January 31, 2023, and the related statements of activities, changes in net assets and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated July 18, 2023.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

EFPR Group, CPAs, PLLC

Williamsville, New York
July 18, 2023

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

The Board of Directors
Joint Council for Economic Opportunity of
Clinton and Franklin Counties, Inc.:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Joint Council for Economic Opportunity of Clinton and Franklin Counties, Inc.'s (the Organization) compliance with the types of compliance identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Organization's major federal programs for the year ended January 31, 2023. The Organization's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Joint Council for Economic Opportunity of Clinton and Franklin Counties, Inc. 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, 2023.

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 Auditors' Responsibilities for the Audit of Compliance section of our report.

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

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

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

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

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

EFPR Group, CPAs, PLLC

Williamsville, New York
July 18, 2023

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.

Schedule of Findings and Questioned Costs

Year ended January 31, 2023

Part I - SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of auditors' report issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
1. Material weakness(es) identified?	_____ Yes __x__ No
2. Significant deficiency(ies) identified?	_____ Yes __x__ None reported
3. Noncompliance material to financial statements noted?	_____ Yes __x__ No

Federal Awards:

Internal control over major programs:	
4. Material weakness(es) identified?	_____ Yes __x__ No
5. Significant deficiency(ies) identified?	_____ Yes __x__ None reported
Type of auditors' report issued on compliance for major programs:	Unmodified
6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a) (Uniform Guidance)?	_____ Yes __x__ No

7. The Organization's major programs audited were:

Name of Federal Program	Assistance Listing Number
Head Start/Early Head Start	93.600
Child and Adult Care Food Program	10.558

8. Dollar threshold used to distinguish between Type A and Type B programs was $750,000.

9. Auditee qualified as low-risk auditee?	_____ Yes __x__ No

Part II - FINDINGS - FINANCIAL STATEMENTS AUDIT

No reportable findings.

Part III - FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

No reportable findings or questioned costs.

JOINT COUNCIL FOR ECONOMIC OPPORTUNITY OF
CLINTON AND FRANKLIN COUNTIES, INC.

Status of Prior Year Audit Findings

January 31, 2023

There were no audit findings for the prior year (January 31, 2022) financial statements.