



**Community Progress Council, Inc.**

**Financial Statements and  
Supplementary Information**

June 30, 2022 and 2021



# Community Progress Council, Inc.

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June 30, 2022 and 2021

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## Independent Auditor's Report

To the Board of Directors  
Community Progress Council, Inc.  
York, Pennsylvania

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Community Progress Council, Inc. (the Council), which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, changes in net assets, functional expenses - by natural classification, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Council as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Council and to meet our other ethical responsibilities, in accordance with the 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 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 raises substantial doubt about the Council's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

## **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 GAAS 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 GAAS 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 Council'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 Council'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.

## **Supplementary Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information, as listed in the table of contents, including the 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 accompanying supplementary information, including 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 January 18, 2023 on our consideration of the Council'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 Council'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 Council's internal control over financial reporting and compliance.

RKL LLP

January 18, 2023  
York, Pennsylvania

**Community Progress Council, Inc.**

## Statement of Financial Position

	June 30,	
	2022	2021
<b>Assets</b>		
<b>Current Assets</b>		
Cash	\$ 4,190,755	\$ 3,275,258
Accounts receivable	1,240,877	1,263,998
Promises to give	85,700	115,700
Prepaid expenses	153,315	34,399
<b>Total Current Assets</b>	<b>5,670,647</b>	<b>4,689,355</b>
<b>Property and Equipment, Net</b>	<b>524,241</b>	<b>503,306</b>
<b>Other Assets</b>		
Restricted cash	279,684	130,389
Promises to give	-	50,000
<b>Total Other Assets</b>	<b>279,684</b>	<b>180,389</b>
<b>Total Assets</b>	<b>\$ 6,474,572</b>	<b>\$ 5,373,050</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 267,274	\$ 386,582
Refundable advances	4,211,974	2,977,493
Accrued payroll and payroll taxes	200,576	156,407
<b>Total Liabilities</b>	<b>4,679,824</b>	<b>3,520,482</b>
<b>Net Assets</b>		
Without donor restrictions	1,429,364	1,556,479
With donor restrictions	365,384	296,089
<b>Total Net Assets</b>	<b>1,794,748</b>	<b>1,852,568</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 6,474,572</b>	<b>\$ 5,373,050</b>

**Community Progress Council, Inc.**

## Statement of Activities

	Year Ended June 30, 2022		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and Revenue</b>			
Grant revenue	\$ 35,377,654	\$ -	\$ 35,377,654
In-kind contributions	261,102	-	261,102
Contributions	22,395	123,001	145,396
Other income	11,402	-	11,402
Gain on sale of property and equipment	3,000	-	3,000
Net assets released from restrictions	53,706	(53,706)	-
	<u>35,729,259</u>	<u>69,295</u>	<u>35,798,554</u>
<b>Total Support and Revenue</b>			
	<u>35,729,259</u>	<u>69,295</u>	<u>35,798,554</u>
<b>Expenses</b>			
Program services	34,305,191	-	34,305,191
Supporting services			
Management and general	1,551,183	-	1,551,183
	<u>35,856,374</u>	<u>-</u>	<u>35,856,374</u>
<b>Total Expenses</b>			
	<u>35,856,374</u>	<u>-</u>	<u>35,856,374</u>
<b>Changes in Net Assets</b>	<u>\$ (127,115)</u>	<u>\$ 69,295</u>	<u>\$ (57,820)</u>

**Community Progress Council, Inc.**

## Statement of Activities (continued)

	Year Ended June 30, 2021		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and Revenue</b>			
Grant revenue	\$ 20,985,064	\$ -	\$ 20,985,064
In-kind contributions	290,923	-	290,923
Contributions	70,773	41,200	111,973
Other income	26,612	-	26,612
Gain on sale of property and equipment	-	-	-
Net assets released from restrictions	26,614	(26,614)	-
<b>Total Support and Revenue</b>	<u>21,399,986</u>	<u>14,586</u>	<u>21,414,572</u>
<b>Expenses</b>			
Program services	19,901,254	-	19,901,254
Supporting services			
Management and general	1,315,552	-	1,315,552
<b>Total Expenses</b>	<u>21,216,806</u>	<u>-</u>	<u>21,216,806</u>
<b>Changes in Net Assets</b>	<u>\$ 183,180</u>	<u>\$ 14,586</u>	<u>\$ 197,766</u>



**Community Progress Council, Inc.**

## Statement of Changes in Net Assets

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Net Assets at June 30, 2020</b>	\$ 1,373,299	\$ 281,503	\$ 1,654,802
Changes in net assets	<u>183,180</u>	<u>14,586</u>	<u>197,766</u>
<b>Net Assets at June 30, 2021</b>	1,556,479	296,089	1,852,568
Changes in net assets	<u>(127,115)</u>	<u>69,295</u>	<u>(57,820)</u>
<b>Net Assets at June 30, 2022</b>	<u>\$ 1,429,364</u>	<u>\$ 365,384</u>	<u>\$ 1,794,748</u>

**Community Progress Council, Inc.**

Statement of Functional Expenses - by Natural Classification

Year Ended June 30, 2022

	Program Services					Supporting Services	Totals	
	Head Start/ Early Head Start	Pre-K Counts	Women, Infants, and Children	Rental Assistance	Other Programs	Total Program Services		Management and General
Specific assistance	\$ 466	\$ -	\$ 17,683	\$ 21,953,746	\$ 94,589	\$ 22,066,484	\$ 6,790	\$ 22,073,274
Salaries and wages	3,554,080	1,589,465	759,666	507,664	867,531	7,278,406	888,651	8,167,057
Employee benefits and payroll taxes	1,109,177	425,070	208,057	129,077	207,053	2,078,434	207,370	2,285,804
Rent	156,518	-	62,263	-	209,019	427,800	32,283	460,083
Contracted services	129,117	578	518	35,599	155,186	320,998	119,732	440,730
Repairs and maintenance	140,626	366	25,854	9,945	64,399	241,190	954	242,144
Program supplies	255,921	39,991	-	-	3,125	299,037	-	299,037
Equipment purchases and maintenance	112,817	418	8,968	-	135,591	257,794	9,101	266,895
Staff development	115,855	35,947	5,245	1,306	36,174	194,527	61,113	255,640
Food	180,688	8,746	7,812	-	-	197,246	296	197,542
Supplies	60,635	1,900	60,979	14,305	39,702	177,521	16,656	194,177
Utilities	94,221	2,061	29,571	3,810	57,470	187,133	5,255	192,388
Transportation	113,568	3,124	5,657	22	3,743	126,114	509	126,623
Computer software and support	28,263	823	144	596	-	29,826	82,197	112,023
Enrollment costs	-	-	-	-	110,066	110,066	-	110,066
Advertising	50	-	19,666	37,693	7,898	65,307	37,993	103,300
Insurance	68,369	11,160	7,165	554	3,822	91,070	5,018	96,088
Depreciation	38,631	-	4,628	-	33,656	76,915	-	76,915
Professional services	-	-	-	3,750	-	3,750	51,025	54,775
Reproduction expense	12,672	167	3,291	1,134	5,435	22,699	7,119	29,818
Dues and memberships	4,596	2,794	-	-	190	7,580	9,797	17,377
Real estate taxes	14,063	-	-	-	-	14,063	-	14,063
Internet	10,142	-	-	-	613	10,755	495	11,250
Postage	484	11	3,447	2,293	2,763	8,998	948	9,946
Miscellaneous	-	-	-	81	2,479	2,560	6,876	9,436
Parent activity	4,958	-	-	-	-	4,958	-	4,958
Translation services	807	34	-	267	2,277	3,385	1,005	4,390
Field trips	-	309	-	-	-	309	-	309
Interest	-	-	-	-	266	266	-	266
	<u>\$ 6,206,724</u>	<u>\$ 2,122,964</u>	<u>\$ 1,230,614</u>	<u>\$ 22,701,842</u>	<u>\$ 2,043,047</u>	<u>\$ 34,305,191</u>	<u>\$ 1,551,183</u>	<u>\$ 35,856,374</u>

**Community Progress Council, Inc.**

Statement of Functional Expenses - by Natural Classification (continued)

Year Ended June 30, 2021

	Program Services					Supporting Services	Totals	
	Head Start/ Early Head Start	Pre-K Counts	Women, Infants, and Children	Rental Assistance	Other Programs	Total Program Services		Management and General
Specific assistance	\$ -	\$ -	\$ 5,332	\$ 8,296,264	\$ 85,042	\$ 8,386,638	\$ -	\$ 8,386,638
Salaries and wages	3,640,414	1,517,489	757,483	209,762	720,361	6,845,509	833,972	7,679,481
Employee benefits and payroll taxes	1,082,612	409,697	211,576	38,275	177,230	1,919,390	183,345	2,102,735
Rent	154,304	-	61,028	3,023	262,052	480,407	35,070	515,477
Contracted services	14,752	285	-	58,523	73,029	146,589	95,938	242,527
Repairs and maintenance	150,052	13	31,959	-	60,540	242,564	3,334	245,898
Program supplies	315,809	2,382	-	1,421	17,760	337,372	-	337,372
Equipment purchases and maintenance	31,128	-	26,514	-	19,978	77,620	10,431	88,051
Staff development	82,480	20,322	634	-	8,946	112,382	19,813	132,195
Food	95,807	837	8,242	-	-	104,886	-	104,886
Supplies	81,975	1,746	72,154	618	67,385	223,878	(31,940)	191,938
Utilities	99,547	2,265	26,503	1,327	42,376	172,018	6,177	178,195
Transportation	43,090	348	669	-	433	44,540	539	45,079
Computer software and support	210,711	3,132	-	10,648	42,466	266,957	72,279	339,236
Enrollment costs	-	-	-	-	186,419	186,419	-	186,419
Advertising	194	6	9,901	5,750	27,489	43,340	6,149	49,489
Insurance	64,545	9,535	5,804	474	3,981	84,339	4,576	88,915
Depreciation	43,770	-	4,628	-	34,019	82,417	-	82,417
Professional services	-	-	-	-	2,500	2,500	51,677	54,177
Reproduction expense	-	-	3,847	1,045	3,428	8,320	7,610	15,930
Dues and memberships	1,889	2,815	-	-	190	4,894	8,590	13,484
Real estate taxes	19,979	-	-	-	-	19,979	283	20,262
Internet	8,802	-	-	-	2,173	10,975	525	11,500
Postage	3,216	13	13,444	1,022	1,737	19,432	1,558	20,990
Miscellaneous	-	-	-	-	-	-	5,063	5,063
Parent activity	74,304	2,965	-	-	-	77,269	-	77,269
Translation services	-	-	-	-	-	-	-	-
Field trips	-	-	-	-	-	-	-	-
Interest	-	-	-	-	620	620	563	1,183
	<u>\$ 6,219,380</u>	<u>\$ 1,973,850</u>	<u>\$ 1,239,718</u>	<u>\$ 8,628,152</u>	<u>\$ 1,840,154</u>	<u>\$ 19,901,254</u>	<u>\$ 1,315,552</u>	<u>\$ 21,216,806</u>

# Community Progress Council, Inc.

## Statement of Cash Flows

	Years Ended June 30,	
	2022	2021
<b>Cash Flows from Operating Activities</b>		
Changes in net assets	\$ (57,820)	\$ 197,766
Adjustments to reconcile changes in net assets to net cash provided by operating activities		
Depreciation	76,915	82,417
In-kind contributions - contributed property and equipment	(30,000)	-
Gain on sale of property and equipment	(3,000)	-
Forgiveness of note payable	-	(130,839)
(Increase) decrease in assets		
Accounts receivable	23,121	94,894
Promises to give	80,000	44,300
Prepaid expenses	(118,916)	(14,447)
Increase (decrease) in liabilities		
Accounts payable	(119,308)	88,478
Refundable advances	1,234,481	2,911,239
Accrued payroll and payroll taxes	44,169	25,396
<b>Net Cash Provided by Operating Activities</b>	<b>1,129,642</b>	<b>3,299,204</b>
<b>Cash Flows from Investing Activities</b>		
Capital expenditures	(67,850)	-
Proceeds from disposal of property and equipment	3,000	-
<b>Net Cash Used in Investing Activities</b>	<b>(64,850)</b>	<b>-</b>
<b>Cash Flows from Financing Activities</b>		
Principal payments on note payable	-	(94,161)
<b>Net Cash Used in Financing Activities</b>	<b>-</b>	<b>(94,161)</b>
<b>Net Increase in Cash</b>	<b>1,064,792</b>	<b>3,205,043</b>
<b>Cash at Beginning of Year</b>	<b>3,405,647</b>	<b>200,604</b>
<b>Cash at End of Year</b>	<b>\$ 4,470,439</b>	<b>\$ 3,405,647</b>
<b>Cash is Comprised of the Following on the Statement of Financial Position</b>		
Cash	\$ 4,190,755	\$ 3,275,258
Restricted cash	279,684	130,389
	<b>\$ 4,470,439</b>	<b>\$ 3,405,647</b>
<b>Supplementary Cash Flows Information</b>		
Interest paid	\$ 266	\$ 1,183

See accompanying notes.

## **Community Progress Council, Inc.**

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### Notes to Financial Statements

June 30, 2022 and 2021

#### **Note 1 - Nature of Operations**

Community Progress Council, Inc. (the Council), a Pennsylvania nonprofit corporation, was established to provide assistance to low and moderate income individuals and families in York County, Pennsylvania. The Council operates a variety of programs, including but not limited to Head Start and Early Head Start; Pre-K Counts; Women, Infants, and Children; Rent Assistance; Foster Grandparents; Work Ready; Housing Counseling and Education; Wrap Around Child Care; Self-Sufficiency and Outreach and Referral Programs. The Council's programs are funded by various federal, state, and local grants and private donations. The Council's primary source of support and revenue is grant revenue.

#### **Note 2 - Summary of Significant Accounting Policies**

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

##### **Use of Estimates**

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

##### **Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. GAAP. Under the accrual basis, support and revenue are recognized when earned and expenses are recognized when incurred.

##### **Accounts Receivable**

Accounts receivable are stated at outstanding balances. The Council considers accounts receivable to be fully collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

##### **Promises to Give**

Promises to give are stated at outstanding balances. The Council considers promises to give to be fully collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Property and Equipment**

Property and equipment is stated at cost, if purchased, and at the fair value, if contributed. Depreciation is computed using the straight-line method of accounting over the estimated useful lives of the assets. Maintenance, repairs, and minor renewals which do not significantly improve or extend the lives of the respective assets are charged to operations when incurred.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as support with donor restrictions.

In some cases, the government will fund fixed asset purchases to be used in conjunction with government-funded programs. These fixed assets are capitalized at cost and depreciated using the straight-line method over the estimated useful life. The government could require that these assets be returned to them at the cessation of the program or denial of a contract up for renewal.

The Council's policy is to capitalize property and equipment of \$5,000 or more.

**Long-Lived Assets**

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Fair value estimates are based on assumptions concerning the amount and timing of the estimated future cash flows and discount rates reflecting varying degrees of perceived risk. The management of the Council concluded that no impairment adjustments were required during the years ended June 30, 2022 and 2021.

**Net Assets**

Net assets of the Council and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Council and/or the passage of time or must be maintained permanently by the Council.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Revenue Recognition**

**Contributions**

The Council recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

All contributions are considered to be available for operations unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or for specific purposes are reported as support with donor restrictions that increases that net asset class. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Council reports the support as without donor restrictions.

**Grants**

Grant revenue deemed to be a contribution is classified as with donor restrictions when received or receivable. Such grant revenue is not deemed to be in respect of exchange transactions since the proceeds thereof are non-reciprocal, unconditional, and voluntary.

The Council also receives grant revenue, which is deemed to be in respect of exchange transactions and is classified as revenue without donor restrictions or deferred revenue, as appropriate, when received or receivable. Such grant revenue is not deemed to be a contribution since the proceeds thereof are used to pursue objectives of the grantor.

**Donated or Contributed Investments, Services, or Materials**

Donated or contributed investments, services, or materials meeting the criteria for recognition, are reflected in the financial statements as in-kind contributions at their estimated value on the date of receipt. Contributed professional services are recognized if the services received (a) create or enhance long-lived assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributions of tangible assets are recognized at the fair value when received.

**Advertising Costs**

Advertising costs are expensed as incurred.

**Functional Allocation of Expenses**

The cost of providing the Council's various programs and supporting services have been summarized on a functional basis in the statement of activities and statement of functional expenses - by natural classification. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Supporting services consist of management and general and fundraising expenses. Management estimates fundraising expenses to be insignificant and, therefore, fundraising expenses have not been segregated from management and general expenses. Expenses require allocation on a reasonable basis that is consistently applied. Expenses are generally allocated on the basis of estimates of time and effort.

## **Community Progress Council, Inc.**

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Notes to Financial Statements

June 30, 2022 and 2021

### **Note 2 - Summary of Significant Accounting Policies (continued)**

#### **Change in Accounting Principles**

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which will require not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Also, this ASU will require disclosure of a disaggregation of the amount of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets as well as additional information around valuation and usage of the contributed nonfinancial assets. The amendments in this standard will be applied on a retrospective basis and are effective for annual periods beginning after June 15, 2021, and interim periods within annual periods beginning after June 15, 2022. During the year ended June 30, 2022, the Council implemented the provisions of this standard.

#### **Recent Accounting Pronouncement**

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, and subsequently amended in ASU 2019-10 and 2020-05. The guidance in these ASUs supersedes the leasing guidance in Topic 840, *Leases*, which sets out the principles for the recognition, measurement, presentation, and disclosure of leases for both parties to a contract (i.e. lessees and lessors). The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases, based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease, respectively. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. The new standard requires lessors to account for leases using an approach that is substantially equivalent to existing guidance for sales-type leases, direct financing leases, and operating leases. The new standard is effective for privately held companies for fiscal years beginning after December 15, 2021, including interim periods within fiscal years beginning after December 15, 2022. The Council is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

### **Note 3 - Tax-Exempt Status**

The Council is a not-for-profit entity described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from income taxes on related activities pursuant to 509(a) of the Code. In addition, it was organized under the Pennsylvania Nonprofit Corporation Law and is exempt from state income taxes.

Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Council, including whether the entity is exempt from income taxes. Management evaluated the tax positions taken and concluded that the Council had taken no uncertain tax positions that require recognition or disclosure in the financial statements. Therefore, no provision or liability for income taxes has been included in the financial statements. With few exceptions, the Council is no longer subject to income tax examinations by the U.S. Federal, state, or local tax authorities for years before June 30, 2019.



## Community Progress Council, Inc.

### Notes to Financial Statements

June 30, 2022 and 2021

#### Note 4 - Concentrations of Cash and Credit Risk

At times during the years ended June 30, 2022 and 2021, the Council's cash balances may have exceeded the federally insured limit of \$250,000.

The Council's contracts are generally with government agencies, and a majority of its revenue is derived from these sources. For the years ended June 30, 2022 and 2021, 88% and 80%, respectively, of total revenue recognized by the Council is attributed to federal monetary sources.

#### Note 5 - Liquidity and Availability

Financial assets available for general expenditures, that is, without donor restrictions or other designations limiting their use, within one year of the date of the statement of financial position, comprise the following as of June 30:

	<u>2022</u>	<u>2021</u>
<b>Financial Assets</b>		
Cash	\$ 4,190,755	\$ 3,275,258
Accounts receivable	1,240,877	1,263,998
Promises to give - current	85,700	115,700
Restricted cash	<u>279,684</u>	<u>130,389</u>
<b>Total Financial Assets</b>	<u>5,797,016</u>	<u>4,785,345</u>
<b>Less Amounts that are Internally Designated or Externally Restricted</b>		
Donor-imposed restrictions		
Self-sufficiency initiatives	(227,223)	(177,223)
Emergency Rental Assistance	(54,410)	(500)
Capacity building - fundraising	(50,360)	(50,360)
Apprenticeship program	(20,000)	-
Housing Counseling and Education	(6,727)	-
Other client support	(6,664)	-
Building maintenance	<u>-</u>	<u>(18,006)</u>
<b>Total Amounts Not Available to be Used within One Year</b>	<u>(365,384)</u>	<u>(246,089)</u>
<b>Financial Assets Available to be Used within One Year</b>	<u>\$ 5,431,632</u>	<u>\$ 4,539,256</u>

As part of the Council's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

The Council also has lines of credit available to meet short-term needs (refer to Note 8).

## Community Progress Council, Inc.

### Notes to Financial Statements

June 30, 2022 and 2021

#### Note 6 - Promises to Give

Promises to give - self-sufficiency represent funds raised to support self-sufficiency initiatives. No new promises to give - self-sufficiency were received during the year ended June 30, 2022. The due date of promises to give - self-sufficiency as of June 30, 2022 is less than one year.

Promises to give - capacity building - fundraising represents funds raised to build fundraising infrastructure and develop staffing needed to establish a sustainable fundraising capacity. No new promises to give - capacity building - fundraising were received during the year ended June 30, 2022.

Promises to give - United Way represents contributions received from the United Way in support of certain program services. The due date of promises to give - United Way as of June 30, 2022 is less than one year.

Promises to give consist of the following as of June 30:

	<u>2022</u>	<u>2021</u>
Promises to give - self-sufficiency	\$ 50,000	\$ 100,000
Promises to give - United Way	35,700	35,700
Promises to give - capacity building - fundraising	-	30,000
	<u>\$ 85,700</u>	<u>\$ 165,700</u>

#### Note 7 - Property and Equipment

Property and equipment consist of the following as of June 30:

	<u>Useful Lives</u>	<u>2022</u>	<u>2021</u>
Equipment	10 years	\$ 1,674,973	\$ 1,689,591
Buildings and improvements	10 - 40 years	367,371	299,521
Land *		<u>6,309</u>	<u>6,309</u>
		<b>2,048,653</b>	1,995,421
Accumulated depreciation		<u>(1,524,412)</u>	<u>(1,492,115)</u>
		<u>\$ 524,241</u>	<u>\$ 503,306</u>

\* Not depreciated

#### Note 8 - Lines of Credit

The Council has a revolving line of credit with Traditions Bank, which provides for borrowings up to \$1,200,000. Interest is charged at the highest prime rate published in the Wall Street Journal, which was 4.75% and 3.25% as of June 30, 2022 and 2021, respectively. There were no borrowings against the line of credit as of June 30, 2022 and 2021.

## Community Progress Council, Inc.

### Notes to Financial Statements

June 30, 2022 and 2021

#### Note 8 - Lines of Credit (continued)

The Council also has a contingent line of credit with Traditions Bank, which provides for borrowings up to \$2,000,000. Interest is charged at the bank's prime rate, which was 4.75% and 3.25% as of June 30, 2022 and 2021, respectively. There were no borrowings against the line of credit as of June 30, 2022 and 2021.

Lines of credit includes an agreement that also contains restrictive covenants which, among other things, requires the Council to maintain a minimum debt service coverage ratio. For the year ended June 30, 2022, the Council was in compliance with the covenant.

#### Note 9 - Refundable Advances

Refundable advances consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
York County, Pennsylvania - Emergency Rental Assistance	\$ 3,808,680	\$ 2,872,276
Pennsylvania Housing Finance Agency - Housing Counseling and Education program	173,863	-
Pennsylvania Department of Education - Head Start program	131,604	1,619
Other deposits and advances	97,827	7,363
United Way of America	-	58,162
Pennsylvania Department of Community and Economic Development - Community Services Block Grant	-	38,073
	<u>\$ 4,211,974</u>	<u>\$ 2,977,493</u>

#### Note 10 - Note Payable

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) which established the Paycheck Protection Program (the Program). The Program was created to assist small businesses in paying their employees and certain other expenses during the COVID-19 crisis (refer to Note 16). The Council applied for a loan under this Program and received from Traditions Bank a loan in the amount of \$1,500,000 on April 13, 2020. The loan was forgivable if the Council met certain criteria as established under the Program. The loan was unsecured and did not require personal guarantees.

On June 30, 2020, the Council repaid \$1,275,000 of the loan. As of June 30, 2020, the outstanding balance on the loan amounted to \$225,000. On May 28, 2021, the Council repaid \$94,161 of the loan, leaving an outstanding balance of \$130,839. On June 9, 2021, the Council was notified by their bank that the outstanding balance was forgiven in full by the Small Business Administration. Forgiveness of note payable is included in grant revenue in the statement of activities.

## Community Progress Council, Inc.

### Notes to Financial Statements

June 30, 2022 and 2021

#### Note 11 - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes or periods as of June 30:

	<u>2022</u>	<u>2021</u>
Subject to expenditure for a specified purpose		
Self-Sufficiency	\$ 141,523	\$ 91,523
Rent Assistance	54,410	500
Capacity building - fundraising	50,360	20,360
Apprenticeship program	20,000	-
Housing Counseling and Education	6,727	-
Other client support	6,664	-
Building maintenance	-	18,006
Subject to the passage of time		
Promises to give	<u>85,700</u>	<u>165,700</u>
	<u>\$ 365,384</u>	<u>\$ 296,089</u>

#### Note 12 - In-kind Contributions

In-kind contributions meeting the requirements for recognition in the statement of activities and changes in net assets consist of the following for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Donated rent	\$ 231,102	\$ 290,923
Donated property and equipment	<u>30,000</u>	<u>-</u>
	<u>\$ 261,102</u>	<u>\$ 290,923</u>

In-kind contributions by program consist of the following for the years ended June 30:

	<u>2022</u>	<u>2021</u>
Head Start program	<u>\$ 261,102</u>	<u>\$ 290,923</u>

Donated rent recognized is comprised of donated classroom space related to the Head Start program. The Council has various operating lease agreements with local schools and churches, which require either no or significantly reduced rent payments. There are no associated donor restrictions related to the donated rent. In valuing the donated rent, the Council estimated the fair value based on the fair rental value of comparable space as established by an independent appraisal of comparable space and facilities in the same locality.

## Community Progress Council, Inc.

### Notes to Financial Statements

June 30, 2022 and 2021

#### Note 12 - In-kind Contributions (continued)

Donated property and equipment recognized is comprised of a donation of a school bus to be used for program services. There are no associated donor restrictions related to the donation. In valuing the donated property and equipment, the Council estimated the fair value on the basis of comparable sales prices.

In addition to the in-kind contribution amounts recorded in the financial statements, during the years ended June 30, 2022 and 2021, a substantial number of individual volunteers have donated significant amounts of time to the Council's programs and supporting services. These services do not meet the criteria for recognition as contributed services, and are not reflected on the accompanying financial statements.

#### Note 13 - Contingent Liabilities

The Council participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their respective oversight agencies. The Council is potentially liable for any expenses, which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance, which would result in the disallowance of program expenses.

#### Note 14 - Retirement Plan

The Council sponsors a 401(k) defined contribution plan. Employees who meet certain eligibility requirements are eligible to participate in the plan. Under the terms of the plan, eligible employees are entitled to contribute up to the maximum amount permitted by law. The Council makes matching contributions equal to 100% of an employee's salary deferral, up to a maximum of 3% of their eligible compensation. Additionally, at the discretion of the Board of Directors, the Council may make a discretionary profit sharing contribution to the plan. Employer contributions to the plan for the years ended June 30, 2022 and 2021 amounted to \$188,479 and \$184,963, respectively.

#### Note 15 - Operating Leases and Commitments

The Council has various operating lease agreements with local schools and churches for Head Start facilities, which require either no or significantly reduced rent payments. The fair market value of the facilities has been recorded by the Council in the statement of activities as an in-kind contribution (see Note 12). The leases renew annually, unless otherwise provided.

The Council has entered into various other operating leases for facilities, which have varying monthly rental payments and terms.

Future minimum lease payments, assuming no changes in current terms, consist of the following for the remaining two years ending June 30:

2023	\$	115,933
2024		<u>33,519</u>
	\$	<u>149,452</u>

## **Community Progress Council, Inc.**

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### Notes to Financial Statements

June 30, 2022 and 2021

#### **Note 15 - Operating Leases and Commitments (continued)**

As of June 30, 2022, the Council has a contract related to a playground improvement project amounting to approximately \$240,000. As of June 30, 2022, the Council has not incurred any costs related to this project.

#### **Note 16 - Risks and Uncertainties**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. The actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economy, financial markets, public support, and the geographical area in which the Council operates. It is unknown how long these conditions will last and what the complete financial effect will be to the Council.

Additionally, it is reasonably possible that estimates made in the financial statements have been, or will be, materially and adversely impacted in the near term as a result of these conditions.

#### **Note 17 - Subsequent Events**

Management of the Council has evaluated subsequent events through January 18, 2023. This date is the date the financial statements were available to be issued. No material events subsequent to June 30, 2022 were noted.

**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  
Community Progress Council, Inc.  
York, Pennsylvania

We have audited, 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, the financial statements of Community Progress Council, Inc. (the Council), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, changes in net assets, functional expenses - by natural classification, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 18, 2023.

**Report on Internal Control over Financial Reporting**

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

## **Report on Compliance and Other Matters**

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

RKL LLP

January 18, 2023  
York, Pennsylvania



## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors  
Community Progress Council, Inc.  
York, Pennsylvania

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

#### ***Opinion on Each Major Federal Program***

We have audited Community Progress Council, Inc.'s (the Council) 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 Council's major federal programs for the year ended June 30, 2022. The Council'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 Council complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

#### ***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Council 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 Council'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 Council's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Council'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 GAAS, *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 Council's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Council'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 Council'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 Council'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.

RKL LLP

January 18, 2023  
York, Pennsylvania

**Community Progress Council, Inc.**

Schedule of Expenditures of Federal Awards

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Grantor's #	Year Ended June 30, 2022			
			Accrued (Deferred) Revenue as of July 1, 2021	Federal Funds Received (Returned)	Expenditures	Accrued (Deferred) Revenue as of June 30, 2022
<b>U.S. Department of Agriculture</b>						
Pass Through Programs from						
Pennsylvania Department of Health						
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	4100077910	\$ 240,657	\$ 1,289,270	\$ 1,305,269	\$ 256,656
Pennsylvania Department of Agriculture						
Farmer's Market Nutrition Program (FMNP)	10.572	4100078128	-	7,812	7,812	-
Pennsylvania Department of Education						
Child and Adult Care Food Program	10.558	300671380	15,593	156,066	204,122	63,649
COVID-19 - Child and Adult Care Food Program	10.558	300671380	-	39,500	39,500	-
<b>Total Child and Adult Care Food Program</b>			<u>15,593</u>	<u>195,566</u>	<u>243,622</u>	<u>63,649</u>
<b>Total U.S. Department of Agriculture</b>			<u>256,250</u>	<u>1,492,648</u>	<u>1,556,703</u>	<u>320,305</u>
<b>U.S. Department of Housing and Urban Development</b>						
Pass Through Programs from						
Pennsylvania Housing Finance Agency						
Housing Counseling Assistance Program	14.169	HC-19-03-41008	28,538	28,538	18,224	18,224
<b>Total U.S. Department of Housing and Urban Development</b>			<u>28,538</u>	<u>28,538</u>	<u>18,224</u>	<u>18,224</u>
<b>U.S. Department of the Treasury</b>						
Pass Through Programs from						
Pennsylvania Housing Finance Agency						
Homeowner Assistance Fund Program	21.026	Community Progress Council	-	400	1,530	1,130
York County, Pennsylvania						
Emergency Rental Assistance Program	21.023	06110000-540356	(2,872,276)	7,578,072	6,225,556	(4,224,792)
Emergency Rental Assistance Program	21.023	06110000-540355	-	16,137,132	16,553,244	416,112
Coronavirus State and Local Fiscal Recovery Funds	21.027	Community Progress Council	-	22,770	-	(22,770)
<b>Total U.S. Department of the Treasury</b>			<u>(2,872,276)</u>	<u>23,738,374</u>	<u>22,780,330</u>	<u>(3,830,320)</u>

**Community Progress Council, Inc.**

Schedule of Expenditures of Federal Awards (continued)

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA#	Pass-Through Grantor's #	Year Ended June 30, 2022			Accrued (Deferred) Revenue as of July 1, 2021	Accrued (Deferred) Revenue as of June 30, 2022
			Federal Funds Received (Returned)	Expenditures	Federal Funds Received (Returned)		
<b>U.S. Department of Health and Human Services</b>							
<b>Head Start Cluster</b>							
Head Start	93.600	03CH01064303	\$ 142,492	\$ 166,082	\$ 26,745	\$ 3,155	
Head Start	93.600	03CH01064304	40,966	3,444,095	3,490,616	87,487	
Head Start	93.600	03CH01064305	-	83,114	168,588	85,474	
COVID-19 - Head Start	93.600	03CH01064303C3	-	41,203	41,203	-	
COVID-19 - Head Start	93.600	03HE00071101C5	-	9,107	6,735	(2,372)	
COVID-19 - Head Start	93.600	03HE00071101C6	-	319,146	321,058	1,912	
Early Head Start	93.600	03CH01093402	31,342	48,983	17,641	-	
Early Head Start	93.600	03CH01093403	34,145	1,258,259	1,281,614	57,500	
Early Head Start	93.600	03CH01093404	-	52,209	86,668	34,459	
COVID-19 - Early Head Start	93.600	03CH01093402C3	-	11,920	11,920	-	
<b>Total Head Start Cluster</b>			<u>248,945</u>	<u>5,434,118</u>	<u>5,452,788</u>	<u>267,615</u>	
<b>Other Programs</b>							
Pass Through Programs from							
Pennsylvania Department of Community and Economic Development							
Community Services Block Grant	93.569	C000067070	324,685	943,086	618,401	-	
COVID-19 - Community Services Block Grant	93.569	C000067070	137,571	516,448	609,229	230,352	
Community Services Block Grant	93.569	C000082095	-	152,983	312,627	159,644	
<b>Total Community Services Block Grant</b>			<u>462,256</u>	<u>1,612,517</u>	<u>1,540,257</u>	<u>389,996</u>	
<b>Total U.S. Department of Health and Human Services</b>			<u>711,201</u>	<u>7,046,635</u>	<u>6,993,045</u>	<u>657,611</u>	
<b>Corporation for National and Community Services</b>							
<b>Foster Grandparent/Senior Companion Cluster</b>							
Foster Grandparent Program	94.011	19SFAPA004	33,629	198,460	190,147	25,316	
<b>Total Foster Grandparent/Senior Companion Cluster</b>			<u>33,629</u>	<u>198,460</u>	<u>190,147</u>	<u>25,316</u>	
<b>Total Corporation for National and Community Services</b>			<u>33,629</u>	<u>198,460</u>	<u>190,147</u>	<u>25,316</u>	
<b>U.S. Department of Homeland Security</b>							
Pass Through Programs from							
United Way of America							
Emergency Food and Shelter National Board Program	97.024	734200-007 PH 38	(8,162)	(6,652)	1,510	-	
COVID-19 - Emergency Food and Shelter National Board Program	97.024	734200-007 PH CARES	(50,000)	(50,000)	-	-	
<b>Total Emergency Food and Shelter National Board Program</b>			<u>(58,162)</u>	<u>(56,652)</u>	<u>1,510</u>	<u>-</u>	
<b>Total U.S. Department of Homeland Security</b>			<u>(58,162)</u>	<u>(56,652)</u>	<u>1,510</u>	<u>-</u>	
<b>Total Expenditures of Federal Awards</b>			<u>\$ (1,900,820)</u>	<u>\$ 32,448,003</u>	<u>\$ 31,539,959</u>	<u>\$ (2,808,864)</u>	

## **Community Progress Council, Inc.**

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Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2022

### **Note 1 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Progress Council, Inc. (the Council) under programs of the federal government for the year ended June 30, 2022. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Council it is not intended to and does not present the financial position, changes in unrestricted net assets, or cash flows of the Council.

### **Note 2 - Summary of Significant Accounting Policies**

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the schedule of expenditures of federal awards represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

### **Note 3 - Indirect Cost Rate**

The Council has elected not to use the ten-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Community Progress Council, Inc.**

Schedule of Findings and Questioned Costs  
Year Ended June 30, 2022

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**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) identified?  yes  none reported

Noncompliance material to financial statements noted?  yes  no

***Federal Awards***

Internal control over major federal programs:

Material weakness(es) identified?  yes  no

Significant deficiency(ies) 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:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
21.023	Emergency Rental Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs \$946,199

Auditee qualified as low-risk auditee  yes  no

**Community Progress Council, Inc.**

Schedule of Findings and Questioned Costs (continued)

Year Ended June 30, 2022

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**Section II - Financial Statement Findings**

No findings are reported.

**Section III - Federal Award Findings and Questioned Costs**

No findings are reported.



**Community Progress Council, Inc.**

Summary Schedule of Prior Year Findings and Questioned Costs  
Year Ended June 30, 2022

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**Section II - Financial Statement Findings Related to June 30, 2021**

No findings are reported.

**Section III - Federal Awards Findings and Questioned Costs Related to June 30, 2021**

No findings are reported.