

ACCORD CORPORATION

Financial Statements and
Supplementary Information

February 28, 2019

(With Independent Auditors' Report Thereon)

ACCORD CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
ACCORD Corporation:

Report on the Financial Statements

We have audited the accompanying financial statements of ACCORD Corporation (the Corporation) (a nonprofit organization), which comprise the statement of financial position as of February 28, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements 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 Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ACCORD Corporation as of February 28, 2019, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We previously audited the Corporation's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 25, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended February 28, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated July 11, 2019, on our consideration of the Corporation'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 Corporation'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 Corporation's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
July 11, 2019

ACCORD CORPORATION
Statement of Financial Position
February 28, 2019
with comparative totals for 2018

<u>Assets</u>	<u>2019</u>	<u>2018</u>
Current assets:		
Cash	\$ 70,122	145,968
Receivables, net of allowance for doubtful accounts of \$16,400 in 2019 and 2018	810,462	768,460
Total current assets	880,584	914,428
Restricted deposits:		
Security deposits	2,824	2,822
Replacement and operating reserves	10,481	8,714
Total restricted deposits	13,305	11,536
Property and equipment, at cost:		
Buildings and improvements	1,726,839	1,662,689
Furniture and equipment	99,467	83,328
	1,826,306	1,746,017
Less accumulated depreciation	(524,854)	(448,529)
Net property and equipment	1,301,452	1,297,488
Total assets	\$ 2,195,341	2,223,452
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	228,902	216,408
Accrued expenses	164,642	155,681
Deferred revenue	163,926	242,552
Line of credit	-	139,000
Total current liabilities	557,470	753,641
Security deposits	2,824	2,822
Total liabilities	560,294	756,463
Net assets:		
Without donor restrictions	1,574,069	1,403,485
With donor restrictions	60,978	63,504
Total net assets	1,635,047	1,466,989
Contingency (note 9)		
Total liabilities and net assets	\$ 2,195,341	2,223,452

See accompanying notes to financial statements.

ACCORD CORPORATION
 Statement of Activities
 Year ended February 28, 2019
 with comparative totals for 2018

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>	
			<u>2019</u>	<u>2018</u>
Revenue:				
Grant income	\$ 6,854,138	-	6,854,138	6,587,097
In-kind revenue	776,906	-	776,906	966,755
Management fees	104,650	-	104,650	117,931
Program revenue	25,543	-	25,543	19,814
Other	45,568	-	45,568	46,646
Net assets released from restrictions through satisfaction of program restrictions	<u>2,526</u>	<u>(2,526)</u>	<u>-</u>	<u>-</u>
Total revenue	<u>7,809,331</u>	<u>(2,526)</u>	<u>7,806,805</u>	<u>7,738,243</u>
Expenses:				
Program services:				
Housing development	801,739	-	801,739	625,386
Youth services	277,267	-	277,267	721,838
Child care services	641,219	-	641,219	734,022
Infant and child care services	4,205,695	-	4,205,695	4,072,342
Business and community development	201,798	-	201,798	267,715
Family development	31,908	-	31,908	26,093
Domestic violence	<u>570,965</u>	<u>-</u>	<u>570,965</u>	<u>450,324</u>
Total program services	6,730,591	-	6,730,591	6,897,720
Management and general	<u>908,156</u>	<u>-</u>	<u>908,156</u>	<u>832,931</u>
Total expenses	<u>7,638,747</u>	<u>-</u>	<u>7,638,747</u>	<u>7,730,651</u>
Change in net assets	170,584	(2,526)	168,058	7,592
Net assets at beginning of year	<u>1,403,485</u>	<u>63,504</u>	<u>1,466,989</u>	<u>1,459,397</u>
Net assets at end of year	<u>\$ 1,574,069</u>	<u>60,978</u>	<u>1,635,047</u>	<u>1,466,989</u>

See accompanying notes to financial statements.

ACCORD CORPORATION
Statement of Functional Expenses
Year ended February 28, 2019
with comparative totals for 2018

	Program Services									Total	
	Housing	Youth	Child care	Infant and	Business and	Family	Domestic	Total	Management	Total	
	<u>development</u>	<u>services</u>	<u>services</u>	<u>services</u>	<u>development</u>	<u>development</u>	<u>violence</u>	<u>services</u>	<u>and</u>	<u>2019</u>	<u>2018</u>
Salaries	\$ 195,469	159,998	200,925	1,923,766	100,196	3,048	224,646	2,808,048	436,093	3,244,141	3,401,164
Payroll taxes and employee benefits	<u>58,716</u>	<u>43,714</u>	<u>65,394</u>	<u>602,851</u>	<u>38,112</u>	<u>1,251</u>	<u>74,636</u>	<u>884,674</u>	<u>131,192</u>	<u>1,015,866</u>	<u>1,033,102</u>
Total salaries and related expenses	254,185	203,712	266,319	2,526,617	138,308	4,299	299,282	3,692,722	567,285	4,260,007	4,434,266
Professional fees	8,431	8,459	-	34,446	405	4,510	117,224	173,475	21,023	194,498	369,765
Participant expenses	438,489	-	295,826	176	13,047	6,537	2,115	756,190	10,311	766,501	627,110
Contractual	6,639	773	1,617	79,057	2,284	-	4,912	95,282	20,340	115,622	91,376
Food	-	14,164	46	95,647	-	12,845	3,278	125,980	-	125,980	112,756
Travel	10,127	5,130	12,831	100,638	1,184	223	10,477	140,610	26,219	166,829	190,900
Occupancy	32,824	12,000	21,530	73,568	10,800	-	34,202	184,924	89,531	274,455	179,084
Utilities	4,573	892	403	25,252	704	900	7,849	40,573	1,089	41,662	25,542
Supplies	13,635	12,299	24,697	156,912	5,157	119	27,070	239,889	33,955	273,844	233,258
Repairs and maintenance	18,840	1,324	60	161,478	-	-	7,452	189,154	-	189,154	63,448
Telephone and networking	6,492	14,553	8,976	136,211	4,590	1,600	7,914	180,336	18,326	198,662	142,260
Insurance	2,453	1,200	-	67,052	-	500	1,918	73,123	2,247	75,370	80,417
Copying and printing	1,092	1,271	3,132	4,399	400	75	3,751	14,120	7,041	21,161	19,881
Advertising	758	1,490	1,256	9,982	-	100	3,579	17,165	2,118	19,283	21,791
Dues and subscriptions	3,201	-	4,526	22,215	-	200	-	30,142	26,640	56,782	80,241
Interest	-	-	-	-	-	-	-	-	5,706	5,706	3,972
In-kind expense non-professional	-	-	-	704,312	24,919	-	39,942	769,173	-	769,173	966,755
In-kind expense professional	-	-	-	7,733	-	-	-	7,733	-	7,733	-
Bad debt expense	-	-	-	-	-	-	-	-	-	-	6,400
Other	-	-	-	-	-	-	-	-	-	-	5,580
Total expenses before depreciation	801,739	277,267	641,219	4,205,695	201,798	31,908	570,965	6,730,591	831,831	7,562,422	7,654,802
Depreciation	-	-	-	-	-	-	-	-	76,325	76,325	75,849
Total expenses	<u>\$ 801,739</u>	<u>277,267</u>	<u>641,219</u>	<u>4,205,695</u>	<u>201,798</u>	<u>31,908</u>	<u>570,965</u>	<u>6,730,591</u>	<u>908,156</u>	<u>7,638,747</u>	<u>7,730,651</u>

See accompanying notes to financial statements.

ACCORD CORPORATION
Statement of Cash Flows
Year ended February 28, 2019
with comparative totals for 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 168,058	7,592
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	76,325	75,849
Increase in provision for doubtful accounts	-	6,400
Changes in:		
Receivables	(42,002)	(311,051)
Accounts payable	(13,356)	4,296
Accrued expenses	8,961	(8,964)
Deferred revenue	<u>(78,626)</u>	<u>44,823</u>
Net cash provided by (used in) operating activities	<u>119,360</u>	<u>(181,055)</u>
Cash flows from investing activities:		
Increase in restricted deposits	(1,767)	(4,874)
Additions to property and equipment	<u>(54,439)</u>	<u>(9,970)</u>
Net cash used in investing activities	<u>(56,206)</u>	<u>(14,844)</u>
Cash flows from financing activities:		
Proceeds from line of credit	200,000	-
Repayment of line of credit	<u>(339,000)</u>	<u>139,000</u>
Net cash provided by (used in) financing activities	<u>(139,000)</u>	<u>139,000</u>
Net change in cash	(75,846)	(56,899)
Cash at beginning of year	<u>145,968</u>	<u>202,867</u>
Cash at end of year	<u>\$ 70,122</u>	<u>145,968</u>
Supplemental schedule of cash flow information:		
Cash paid for interest	<u>\$ 5,706</u>	<u>3,972</u>
Disposal of fully depreciated property and equipment	<u>\$ -</u>	<u>773,077</u>
Property and equipment financed through accounts payable	<u>\$ 25,850</u>	<u>-</u>

See accompanying notes to financial statements.

ACCORD CORPORATION
Notes to Financial Statements
February 28, 2019

(1) Summary of Significant Accounting Policies

(a) Nature of Activities

ACCORD Corporation (the Corporation) is a not-for-profit Community Action Agency. Its mission is to encourage the development of programs designed to minimize poverty and promote self-sufficiency in Allegany County as well as to provide programs to improve housing and to serve the needs of families. The Corporation's support comes primarily from governmental agencies and in-kind contributions.

(b) Basis of Accounting

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

(c) Basis of Presentation

The Corporation reports information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Accordingly, net assets of the Corporation and changes therein are classified and reported as follows:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be used for any purpose designated by the Corporation's Board of Directors.

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

(d) Estimates

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

(e) Cash

For purposes of the statement of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash.

(f) Concentration of Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of cash accounts in financial institutions. Although amounts may, at times, exceed the federally insured limit, management does not anticipate nonperformance by the financial institutions.

ACCORD CORPORATION
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable. Changes in the valuation allowance have not been material to the financial statements.

(h) Capitalization and Depreciation

Property and equipment are recorded at cost or fair market value at the date of the gift in the case of donated property. If donors stipulate how long the assets must be used, the contributions are recorded as restricted support. In the absence of such stipulations, contributions of property are recorded as unrestricted support. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated service lives using the straight-line method. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property and equipment, the appropriate property and equipment accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities.

(i) Long-Lived Assets

The Corporation reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. In determining whether there is an impairment of long-lived assets, the Corporation compares the sum of the expected future net cash flows (undiscounted and without interest charges) to the carrying amount of the assets. At February 28, 2019, no impairment in value has been recognized.

(j) Accounts Payable

Certain of the Corporation's grant contracts require that all accounts payable related to their program be liquidated within ninety days of the contract's year-end. All such requirements have been met.

(k) Deferred Revenue and Revenue Recognition

Grant awards accounted for as exchange transactions are recorded as revenue when expenditures have been incurred in compliance with the grant restrictions. Amounts unspent are recorded in the statement of financial position as deferred revenue.

ACCORD CORPORATION
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(l) Donated Materials, Food, Supplies and Personal Services

The financial statements include in-kind resources and expenditures applicable to the Corporation during the year. In-kind contributions include personal services and physical facilities that are recognized as revenue and are valued in accordance with guidelines determined by the cognizant oversight agency for the program. In-kind contributions are reflected in these financial statements as expenses as the project objectives are fulfilled. All grantor requirements for an in-kind match have been met for the years ended February 28, 2019 and 2018. The value of donated goods and services included in the financial statements and the corresponding expenses for the years ended February 28, 2019 and 2018 amounted to \$776,906 and \$966,755, respectively.

(m) Promises to Give

Contributions are recognized when the donor makes an unconditional promise to give to the Corporation. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

(n) Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Allocation of building and related expenses are based on square footage, remaining expenses are based on employee level of effort.

(o) Indirect Cost Rate

The Corporation uses an indirect cost rate for the purpose of allocating indirect costs. The methodology used to develop the indirect cost rate was approved by the U.S. Department of Health and Human Services.

(p) Subsequent Events

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

ACCORD CORPORATION
Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(q) Income Taxes

The Corporation is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code); therefore, no provision for income taxes is reflected in the financial statements. The Corporation has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Corporation presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Corporation has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Corporation are subject to examination by taxing authorities.

(r) Recent Accounting Standards Issued

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, "Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities." ASU 2016-14 contains several provisions that change the presentation of and disclosures within the financial statements of a not-for-profit entity. These changes include an updated net asset classification scheme from three classes to two classes, quantitative and qualitative disclosures regarding liquidity, and a requirement to report expenses by function, nature, and an analysis showing the relationship between function and nature and the removal of the requirement for a reconciliation for statements of cash flows done on the direct basis. This guidance is effective for fiscal years beginning after December 15, 2017. These financial statements and notes reflect adoption of this new standard.

(2) Liquidity

The Corporation has approximately \$816,568 of financial assets available within one year of the statement of financial position consisting of \$29,896 operating cash and \$786,672 of receivables. None of these financial assets are subject to donor or contractual restrictions that make them unavailable for general expenditure within one year of the 2019 statement of financial position. As discussed in note 6, the Corporation has a committed line of credit in the amount of \$300,000, which it could draw upon in the event of an unanticipated liquidity need.

(3) Concentrations of Credit Risk

The Corporation provides social services primarily in Allegany County, New York. A substantial portion of the Corporation's receivables are due from Federal and New York State governmental agencies.

ACCORD CORPORATION
Notes to Financial Statements, Continued

(3) Concentrations of Credit Risk, Continued

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 disallowance would not be material.

(4) Restricted Deposits

Restricted deposits at February 28, 2019 and 2018 are as follows:

	<u>2019</u>	<u>2018</u>
Security deposits as required per the regulatory agreement with New York State Homeless Housing and Assistance Corporation (NYSHHAC).	\$ 2,824	2,822
Reserve for replacement in accordance with the regulatory agreement with NYSHHAC, the reserve is to be funded by 3.5% of rental income annually. As of February 28, 2019, the reserve for replacements was adequately funded.	2,461	2,035
Operating reserve in accordance with the regulatory agreement with NYSHHAC, the reserve is to be funded by 11% of rental income annually. As of February 28, 2019, the operating reserve was adequately funded.	<u>8,020</u>	<u>6,679</u>
Total restricted deposits	\$ <u>13,305</u>	<u>11,536</u>

(5) Deferred Revenue

Deferred revenue amounted to \$163,926 and \$242,552 at February 28, 2019 and 2018, respectively. These amounts represent cash provided to the Corporation in advance of the period to be benefited in order to provide working capital for the operation of the various programs of the Corporation.

(6) Line of Credit

The Corporation has a line of credit with Steuben Trust Company with a maximum borrowing capacity of \$300,000. The line bears interest at prime plus 1.5% (7% at February 28, 2019). The line is guaranteed by the Genesee Valley Improvement Corporation (GVIC). At February 28, 2019, there was no outstanding balance. As of February 28, 2018, the outstanding balance was \$139,000.

ACCORD CORPORATION
Notes to Financial Statements, Continued

(7) Retirement Plan

The Corporation maintains a defined contribution plan (the Plan) as permitted under Section 403(b) of the Internal Revenue Code (IRC). All employees who work 20 hours or more per week are eligible to participate in the Plan. Employees who have attained the age of 21 and complete 1 year of service are eligible to participate in employer contributions.

Participants may make contributions up to the annual amount allowed by Section 402(g) of the IRC. Employer contributions are determined by the Plan agreement and allow for discretionary matching contributions. Participants are immediately 100% vested in their accounts. Employer contributions charged to employee benefits expense for the years ended February 28, 2019 and 2018 amounted to \$100,098 and \$72,710, respectively.

(8) Management Services

For the years ended February 28, 2019 and 2018, GVIC paid \$26,482 and \$24,544, respectively, to ACCORD Corporation related to an agreement for management services. In addition, during the years ended February 28, 2019 and 2018, ACCORD Corporation guaranteed \$207,528 and \$225,710, respectively, of debt for GVIC. ACCORD Corporation leases various properties from GVIC. Rental expense related to these leases amounted to \$260,120 and \$166,160 for the years ended February 28, 2019 and 2018, respectively.

(9) Contingency

The Corporation has assumed a contract in the amount of \$444,000 from the New York State Homeless Housing Assistance Corporation (HHAC) related to the Alfred Almond House (the Project), a project previously developed by another organization. The contract has been amended by HHAC to provide additional funding up to a total of \$1,127,850 for the continued development and expansion of the 8 unit apartment building for the specified use of assisting the eradication of homelessness in the local community. The mortgage is for 25 years at no interest, with no schedule of payments, and will be forgiven at the end of the term which shall commence upon the issuance of a Certificate of Occupancy. Under the term of the agreement, the property must be used to provide housing for homeless people for 25 years and may not be sold or transferred without prior written consent of HHAC. If the Project does not comply with the terms of the agreement, the amount provided will be considered to be in default and the original amount shall be immediately due and payable. The amount provided under the agreement totaled \$839,981 as of February 28, 2019 and 2018.

ACCORD CORPORATION
Notes to Financial Statements, Continued

(10) Economic Condition

A material part of the Corporation's funding is dependent upon one grant, the loss of this grant would have a material adverse effect on the Corporation. During the years ended February 28, 2019 and 2018, 49% and 44%, respectively, of the Corporation's total revenue was derived from one grant.

(11) Net Assets With Donor Restrictions

Net assets with donor restrictions consisting of \$60,978 and \$63,504 at February 28, 2019 and 2018, respectively, were in support of the revolving loan fund program.

ACCORD CORPORATION
Schedule of Expenditures of Federal Awards
Year ended February 28, 2019

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantors' Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
Department of Health and Human Services:				
Head Start Cluster:				
Head Start	93.600	02CH3122-04	\$ 2,014,986	-
Early Head Start	93.600	02CH3122-04	1,791,218	-
Passed through the New York State Office of Children and Family Services:				
Child Care and Development Block Grant	93.575	C026631	80,230	-
Child Care and Development Block Grant	93.575	C028246	32,697	-
Child Care and Development Block Grant	93.575	C028246	62,716	-
Child Care and Development Block Grant	93.575	2195-18	92,573	-
Child Care and Development Block Grant	93.575	2195-19	13,312	-
Family Violence Prevention and Services	93.671	C027478-18	18,007	-
Family Violence Prevention and Services	93.671	C027478-19	78,480	-
Temporary Assistance for Needy Families	93.558	TANF (2018)	12,521	-
Temporary Assistance for Needy Families	93.558	TANF (2018)	12,500	-
Temporary Assistance for Needy Families	93.558	TANF (2019)	1,557	-
Temporary Assistance for Needy Families	93.558	TANF (2017-2018)	19,081	-
Passed through the New York State Department of State:				
Community Services Block Grant - Workforce Development	93.569	C1000746-18	199,555	-
Community Services Block Grant - Workforce Development	93.569	C1000746-19	76,529	-
Community Services Block Grant - Workforce Development	93.569	T1001225	<u>24,000</u>	<u>-</u>
Total Department of Health and Human Services			<u>4,529,962</u>	<u>-</u>
Department of Agriculture:				
Passed through the New York State Department of Health:				
Child and Adult Care Food Program	10.558	1145-18	52,237	-
Child and Adult Care Food Program	10.558	1145-19	48,586	-
Child and Adult Care Food Program	10.558	1900-18	225,018	-
Child and Adult Care Food Program	10.558	1900-19	<u>160,305</u>	<u>-</u>
Total Department of Agriculture			<u>486,146</u>	<u>-</u>

(Continued)

See accompanying notes to schedule of expenditures of federal awards.

ACCORD CORPORATION
Schedule of Expenditures of Federal Awards, Continued

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Grantors' Number</u>	<u>Federal Expenditures</u>	<u>Expenditures to Subrecipients</u>
Department of Justice:				
Violence Against Women Formula Grants	16.588	2017-WR-AX-0001	\$ 231,214	-
Legal Assistance for Victims - Office on Violence Against Women	16.524	2015-WL-AX-0027	3,483	-
Passed through the New York State Division of Criminal Justice Services:				
Violence Against Women Formula Grants	16.588	C652100	4,268	-
Violence Against Women Formula Grants	16.588	SV17-1060-D00	<u>30,771</u>	<u>-</u>
Total Department of Justice			<u>269,736</u>	<u>-</u>
Department of Housing and Urban Development:				
Supportive Housing Program	14.235	C011600-18	36,823	-
Supportive Housing Program	14.235	C011600-19	71,669	-
HOME Investment Partnership Program	14.239	20153090	116,392	-
Passed through New York State Housing Trust Fund Corporation:				
Housing Counseling Assistance Program	14.169	HC170321061	17,422	-
Housing Counseling Assistance Program	14.169	HC180321059	<u>1,977</u>	<u>-</u>
Total Department of Housing and Urban Development			<u>244,283</u>	<u>-</u>
Total Federal Awards			<u>\$ 5,530,127</u>	<u>-</u>

See accompanying notes to schedule of expenditures of federal awards.

ACCORD CORPORATION
Notes to Schedule of Expenditures of Federal Awards
February 28, 2019

(1) Basis of Presentation

(a) Reporting Entity

The accompanying schedule of expenditures of federal awards presents the activity of Federal financial assistance programs administered by ACCORD Corporation (the Corporation).

(b) Pass-Through Programs

When the Corporation receives funds from a government entity other than the Federal government (pass-through), the funds are accumulated based upon the Catalog of Federal Domestic Assistance (CFDA) number advised by the pass-through grantor.

Identifying numbers, other than CFDA numbers, which may be assigned by pass-through grantors are not maintained in the Corporation's financial management system. When the Corporation has identified pass-through identifying numbers, they are included in the schedule of expenditures of federal awards.

(2) Basis of Accounting

The schedule of expenditures of federal awards is presented on the accrual basis of accounting and the amounts presented are derived from the Corporation's general ledger. For programs with funding ceilings and caps, federal expenditures are only recorded and presented in the schedule of expenditures of federal awards up to such amounts.

(3) Indirect Costs

Indirect costs are included in the reported expenditures to the extent such costs are included in the Federal financial reports used as the source for the data presented. The Corporation uses an approved federal rate for indirect costs.

(4) Matching Costs

Matching costs, i.e., the Corporation's share of certain program costs, are not included in the schedule of expenditures of federal awards.

(5) Subrecipients

The Corporation did not provide any funding to subrecipients during the year ended February 28, 2019.

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
ACCORD Corporation:

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 ACCORD Corporation (the Corporation), which comprise the statement of financial position as of February 28, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated July 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the 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 Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 may exist that have not been identified.

Compliance and Other Matters

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

EFPR Group, CPAs, PLLC

Williamsville, New York
July 11, 2019

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

The Board of Directors
ACCORD Corporation:

Report on Compliance for Each Major Federal Program

We have audited ACCORD Corporation's (the Corporation) compliance with the types of compliance requirements described in the OMB Compliance Supplement, that could have a direct and material effect on each of the Corporation's major federal programs for the year ended February 28, 2019. The Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Corporation's major federal programs based on our audit of the types of compliance requirements referred to above. 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 (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, ACCORD Corporation 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 February 28, 2019.

Report on Internal Control Over Compliance

Management of the Corporation is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Corporation's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

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 11, 2019

ACCORD CORPORATION
 Schedule of Findings and Questioned Costs
 Year ended February 28, 2019

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 not considered to be material weakness(es)?

___ 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 not considered to be material weakness(es)?

___ 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 Corporation's major programs audited were:

Name of Federal Programs

CFDA Number

Head Start

93.600

Early Head Start

93.600

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

\$750,000

9. Auditee qualified as low-risk auditee?

x Yes ___ No

Part II - FINANCIAL STATEMENT FINDINGS SECTION

No reportable findings.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No reportable findings.

ACCORD CORPORATION
Status of Prior Year Audit Findings
Year ended February 28, 2019

There were no audit findings with regard to the prior year financial statements (February 28, 2018).