

CORNELL COOPERATIVE
EXTENSION ASSOCIATION
OF ST. LAWRENCE COUNTY

FINANCIAL STATEMENTS

December 31, 2022 and 2021

DRAFT

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Dermody, Burke & Brown, CPAs, LLC

INDEPENDENT AUDITORS' REPORT

BOARD OF DIRECTORS CORNELL COOPERATIVE EXTENSION ASSOCIATION OF ST. LAWRENCE COUNTY

Report on the Audited Financial Statements

Opinion

We have audited the accompanying financial statements of **CORNELL COOPERATIVE EXTENSION ASSOCIATION OF ST. LAWRENCE COUNTY**, which comprise the statements of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cornell Cooperative Extension Association of St. Lawrence County as of December 31, 2022 and 2021, and the changes in its net assets and its cash flow for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in the *Government Auditing Standards*, issued by the Comptroller 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 Cornell Cooperative Extension Association of St. Lawrence County and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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Responsibilities of Management for the Financial Statements – Continued

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Cornell Cooperative Extension Association of St. Lawrence County's ability to continue as a going concern within one year after the date that 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cornell Cooperative Extension Association of St. Lawrence County'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 Cornell Cooperative Extension Association of St. Lawrence County's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements – Continued

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 audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 September 21, 2023 on our consideration of Cornell Cooperative Extension Association of St. Lawrence County'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 Cornell Cooperative Extension Association of St. Lawrence County'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 Cornell Cooperative Extension Association of St. Lawrence County's internal control over financial reporting and compliance.



DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

September 21, 2023

AUDITED FINANCIAL STATEMENTS**STATEMENTS OF FINANCIAL POSITION**

December 31, 2022 and 2021

ASSETS		
	2022	2021
CURRENT ASSETS		
Cash	\$ 97,269	\$ 317,057
Government Support and Other Receivables	478,990	300,730
Contributions Receivable - Related Party	2,614	2,379
Prepaid Expenses and Other Current Assets	<u>16,329</u>	<u>10,478</u>
Total Current Assets	595,202	630,644
 PROPERTY AND EQUIPMENT, NET	 545,768	 485,791
OTHER ASSETS		
Deposits	<u>81,958</u>	<u>71,681</u>
 TOTAL ASSETS	 <u><u>\$ 1,222,928</u></u>	 <u><u>\$ 1,188,116</u></u>

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES		
Accounts Payable	\$ 150,934	\$ 89,608
Accounts Payable - Related Party	100,779	104,631
Accrued Liabilities	20,053	17,325
Refundable Advances	32,176	48,129
Deferred Revenue	<u>0</u>	<u>4,124</u>
Total Current Liabilities	303,942	263,817
LONG-TERM LIABILITIES		
Long-Term Debt	<u>0</u>	<u>50,000</u>
Total Liabilities	303,942	313,817
NET ASSETS		
Without Donor Restrictions	907,584	861,287
With Donor Restrictions	<u>11,402</u>	<u>13,012</u>
Total Net Assets	<u>918,986</u>	<u>874,299</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,222,928</u></u>	<u><u>\$ 1,188,116</u></u>

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2022 and 2021

	2022	2021
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Support and Revenue:		
Government Support and Contributions	\$ 1,742,360	\$ 1,759,471
In-Kind Donations	681,581	528,610
Program Service Fees	256,520	207,950
Interest	54	83
Enterprises	5,164	12,475
Fundraising Sales	1,833	2,693
Other Income	9,034	7,641
Rental Income	34,783	24,926
Net Assets Released from Restrictions	<u>1,610</u>	<u>2,958</u>
Total Support and Revenue	2,732,939	2,546,807
Expenses:		
Program Services:		
Agriculture and Food Systems	557,123	538,323
Nutrition and Food Safety	891,828	1,124,734
Youth Development	718,611	452,173
Other Programming	<u>136,239</u>	<u>121,337</u>
Total Program Services	2,303,801	2,236,567
Supporting Services:		
Management and General	<u>382,841</u>	<u>316,817</u>
Total Expenses	<u>2,686,642</u>	<u>2,553,384</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE NON-OPERATING ACTIVITY	<u><u>\$ 46,297</u></u>	<u><u>\$ (6,577)</u></u>

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

STATEMENTS OF ACTIVITIES

Years Ended December 31, 2022 and 2021

	2022	2021
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS BEFORE NON-OPERATING ACTIVITY	\$ 46,297	\$ (6,577)
NON-OPERATING ACTIVITY		
Loss on Sale of Property and Equipment	<u>0</u>	<u>(80,705)</u>
Change in Net Assets Without Donor Restrictions	46,297	(87,282)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	0	15,970
Net Assets Released from Restrictions	<u>(1,610)</u>	<u>(2,958)</u>
Change in Net Assets With Donor Restrictions	<u>(1,610)</u>	<u>13,012</u>
CHANGE IN TOTAL NET ASSETS	44,687	(74,270)
NET ASSETS		
Balance, Beginning of Year	<u>874,299</u>	<u>948,569</u>
Balance, End of Year	<u><u>\$ 918,986</u></u>	<u><u>\$ 874,299</u></u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2022 with Comparative Totals for Year Ended December 31, 2021

	Program Services		
	Agriculture and Food Systems	Nutrition and Food Safety	Youth Development
Salaries	\$ 218,784	\$ 340,246	\$ 356,692
In-Kind Payroll Taxes and Fringe Benefits	137,954	214,542	224,912
Unemployment Insurance	0	0	0
Workers' Compensation Insurance	0	0	0
Staff Development	1,146	0	2,414
Accrued Vacation Adjustment	0	0	0
Awards and Prizes	0	0	6,395
Postage	344	0	0
Supplies	4,147	5,448	8,527
Liability Insurance	0	0	3,409
Rent - Building	0	10,152	0
Equipment Leases	1,520	0	0
Travel and Mileage Reimbursement	2,284	13,826	13,609
Printing and Publications	7,041	4,166	69
Publicity and Advertising	7,390	4,295	3,473
Conferences and Conventions	2,023	0	1,272
Utilities	316	5,954	944
Association and SBN Services	0	0	0
Teaching and Classroom Supplies	5,458	2,137	61,629
Repairs and Maintenance	10,309	0	0
Miscellaneous	1,390	0	3,372
Enterprise	0	0	0
Contracted Services	115,231	283,720	5,386
Small Equipment	14,672	4,847	7,038
Fees, Licenses and Memberships	2,042	291	7,987
Total Expenses Before Depreciation	532,051	889,624	707,128
Depreciation	25,072	2,204	11,483
TOTAL FUNCTIONAL EXPENSES	\$ 557,123	\$ 891,828	\$ 718,611

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

		Supporting Services	Total Expenses	
Other Programming	Total	Management and General	2022	2021
\$ 20,701	\$ 936,423	\$ 144,508	\$ 1,080,931	\$ 966,708
13,053	590,461	91,120	681,581	528,610
0	0	6,897	6,897	1,615
0	0	7,239	7,239	7,635
0	3,560	1,134	4,694	7,774
0	0	2,136	2,136	(439)
0	6,395	1,077	7,472	7,398
0	344	1,101	1,445	2,197
0	18,122	483	18,605	53,948
0	3,409	19,413	22,822	21,209
0	10,152	0	10,152	11,839
2,155	3,675	1,320	4,995	2,674
50	29,769	889	30,658	15,419
206	11,482	2,757	14,239	9,127
100	15,258	1,477	16,735	9,222
0	3,295	1,289	4,584	2,416
19,649	26,863	16,339	43,202	34,737
0	0	8,157	8,157	8,164
3,992	73,216	0	73,216	59,238
63,296	73,605	5,633	79,238	57,176
0	4,762	3,011	7,773	3,559
0	0	4,194	4,194	1,380
8,443	412,780	48,865	461,645	661,470
0	26,557	5,986	32,543	25,679
4	10,324	1,660	11,984	9,083
131,649	2,260,452	376,685	2,637,137	2,507,838
4,590	43,349	6,156	49,505	45,546
<u>\$ 136,239</u>	<u>\$ 2,303,801</u>	<u>\$ 382,841</u>	<u>\$ 2,686,642</u>	<u>\$ 2,553,384</u>

See notes to financial statements.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended December 31, 2021

	Program Services		
	Agriculture and Food Systems	Nutrition and Food Safety	Youth Development
Salaries	\$ 203,837	\$ 337,913	\$ 265,154
In-Kind Payroll Taxes and Fringe Benefits	117,021	206,668	104,862
Unemployment Insurance	0	0	0
Workers' Compensation Insurance	0	0	0
Staff Development	6,736	0	963
Accrued Vacation Adjustment	0	0	0
Awards and Prizes	0	0	6,712
Postage	646	0	0
Supplies	4,731	37,100	6,428
Liability Insurance	0	0	5,959
Rent - Building	0	11,839	0
Equipment Leases	1,354	0	0
Travel and Mileage Reimbursement	1,928	8,387	4,399
Printing and Publications	1,998	5,381	0
Publicity and Advertising	6,562	1,005	980
Conferences and Conventions	1,218	0	292
Utilities	391	5,753	399
Association and SBN Services	0	0	0
Teaching and Classroom Supplies	16,016	9,286	31,007
Repairs and Maintenance	11,591	0	118
Miscellaneous	585	0	1,668
Enterprise	0	0	0
Contracted Services	133,868	499,147	3,501
Small Equipment	6,149	0	3,045
Fees, Licenses and Memberships	609	152	6,359
Total Expenses Before Depreciation	515,240	1,122,631	441,846
Depreciation	23,083	2,103	10,327
TOTAL FUNCTIONAL EXPENSES	<u>\$ 538,323</u>	<u>\$ 1,124,734</u>	<u>\$ 452,173</u>

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

		Supporting Services	
Other Programming	Total	Management and General	Total Expenses
\$ 32,778	\$ 839,682	\$ 127,026	\$ 966,708
20,047	448,598	80,012	528,610
0	0	1,615	1,615
0	0	7,635	7,635
0	7,699	75	7,774
0	0	(439)	(439)
0	6,712	686	7,398
0	646	1,551	2,197
133	48,392	5,556	53,948
0	5,959	15,250	21,209
0	11,839	0	11,839
0	1,354	1,320	2,674
211	14,925	494	15,419
0	7,379	1,748	9,127
400	8,947	275	9,222
0	1,510	906	2,416
13,967	20,510	14,227	34,737
0	0	8,164	8,164
2,864	59,173	65	59,238
41,418	53,127	4,049	57,176
0	2,253	1,306	3,559
0	0	1,380	1,380
95	636,611	24,859	661,470
4,736	13,930	11,749	25,679
98	7,218	1,865	9,083
116,747	2,196,464	311,374	2,507,838
4,590	40,103	5,443	45,546
<u>\$ 121,337</u>	<u>\$ 2,236,567</u>	<u>\$ 316,817</u>	<u>\$ 2,553,384</u>

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

STATEMENTS OF CASH FLOWS

Years Ended December 31, 2022 and 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Total Net Assets	\$ 44,687	\$ (74,270)
Adjustments to Reconcile Change in Total Net Assets to Net Cash Provided By Operating Activities:		
Depreciation	49,505	45,546
Loss on Disposal of Property and Equipment	0	80,705
(Increase) Decrease in Operating Assets:		
Government Support and Other Receivables	(178,260)	(50,458)
Contribution Receivables - Related Party	(235)	(154)
Prepaid Expenses and Other Current Assets	(5,851)	(2,588)
Deposits	(10,277)	(12,502)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	61,326	3,985
Accounts Payable - Related Party	(3,852)	7,068
Accrued Liabilities	2,728	3,808
Refundable Advances	(15,953)	48,129
Deferred Revenue	(4,124)	4,124
Net Cash Provided By (Used In) Operating Activities	(60,306)	53,393
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(109,482)	(6,004)
Net Cash Used In Investing Activities	(109,482)	(6,004)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from (Payments on) Long-Term Debt	(50,000)	50,000
Net Cash Provided By (Used In) Financing Activities	(50,000)	50,000
Net Change in Cash	(219,788)	97,389
Cash, Beginning of Year	317,057	219,668
Cash, End of Year	\$ 97,269	\$ 317,057

See notes to financial statements.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 1 – NATURE OF OPERATIONS

Cornell Cooperative Extension Association of St. Lawrence County (the Association) is a subordinate governmental agency consisting of an unincorporated organization of residents of St. Lawrence County in cooperation with Cornell University and the United States Department of Agriculture, and in accordance with subdivision 8(b) of Section 224 of NYS County Law, as amended.

The Association was formed to identify and find solutions to improve homes, families, farms, businesses and communities through education and research. The Association cooperates fully with Cornell University to provide the residents of St. Lawrence County with the educational programs of the New York State Colleges of Agriculture, Life Sciences and Human Ecology and subjects relating thereto.

The major program areas of the Association are Agriculture and Food Systems, Nutrition and Food Safety, and Youth Development.

The Association receives funding from local, state and federal government sources and must comply with the existing regulations of these funding sources.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Association's financial statements has been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Financial Statement Presentation

The financial statements of the Association have been prepared in accordance with U.S. generally accepted accounting principles, which require the Association to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association. These net assets may be used at the discretion of the Association's management and the board of directors. The board of directors has designated net assets in the amount of \$803,122 and \$745,105 as of December 31, 2022 and 2021, respectively. See Note 7.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Association or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. As of December 31, 2022 and 2021, donor restricted net assets restricted by time and purpose were \$11,402 and \$13,012, respectively. There are no donor restricted net assets held in perpetuity as of December 31, 2022 and 2021. See Note 7.

Cash and Cash Equivalents

The Association considers all bank demand deposit accounts, money market accounts, and all highly liquid investments purchased with maturities of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2022 and 2021.

The Association maintains its cash in bank accounts, which at times, may exceed federally insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk with respect to cash.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Property and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. It is the Association's policy to capitalize expenditures for these items equal to or in excess of \$5,000. Depreciation is computed using the straight-line method over the estimated economic useful lives of the assets.

When property and equipment are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is recorded in the statements of activities.

Expenditures for repairs and maintenance not considered to substantially lengthen property lives are charged to expense as incurred. Depreciation charged to expense for the years ended December 31, 2022 and 2021 was \$49,505 and \$45,546, respectively.

The components of property and equipment as of December 31 are as follows:

	2022	2021
Land	\$ 2,000	\$ 2,000
Buildings	748,549	705,674
Building Improvements	5,576	5,576
Furniture, and Fixtures	166,749	161,749
Machinery and Equipment	<u>139,304</u>	<u>77,697</u>
	1,062,178	952,696
Less: Accumulated Depreciation	<u>516,410</u>	<u>466,905</u>
Property and Equipment, Net	<u>\$ 545,768</u>	<u>\$ 485,791</u>

Impairment of Long-Lived Assets

The Association reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recovered. An impairment loss would be recognized when the estimated future cash flows for the use of the asset are less than the carrying amounts of that asset. The Association has determined that no impairment existed as of December 31, 2022 and 2021.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Accrued Vacation

Complying with policies established by Cornell University, an accrual for paid vacation earned but not taken at the statements of financial position date is recorded. Vacation accrual commences with the first day of continuous employment, and the maximum accrual of paid vacation may not exceed 5 days, unless approved by the board. The accrued vacation amounted to \$13,422 and \$11,285 as of December 31, 2022 and 2021, respectively and is included in accrued liabilities in the statements of financial position.

Refundable Advance

Assets received from conditional government support and contributions are accounted for as a refundable advance until the conditions have been substantially met.

Deferred Revenue

Deferred revenue represents advance payment of program service fees whose performance obligations were not satisfied prior to year-end.

Program Service Fees

The Association charges clients a fee based on the nature of the service provided. These amounts are due from clients and local governments. Clients are charged the day the service is provided or over time on a straight-line basis as indicated within the agreement. The Association utilizes the portfolio approach practical expedient for contracts related to fees for services. The Association accounts for contracts within each portfolio as a collective group, rather than individual contracts, based on the payment pattern expected in each portfolio category and the similar nature and characteristic of the clients within each portfolio. Revenue is recognized at a single point in time as performance obligations are satisfied. Revenue is reported at the estimated realizable amounts from clients in accordance with ASU No. 2014-09, *“Revenue from Contracts with Customers.”*

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Contributions

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received, which is then treated as cost. The gifts are reported as with donor restriction if they are received with donor stipulations that limit the use of the donated assets.

Contributions are considered available for general use unless specifically restricted by the donor and are recorded when received. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reflected as contributions without donor restriction in the accompanying financial statements.

Adoption of Contributed Nonfinancial Assets Standard

The Association has adopted FASB Accounting Standards Update (ASU) No. 2020-07, Not-for-Profit Entities (Topic 958): *“Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets”* for its year ended December 31, 2022. This guidance is intended to increase the transparency of contributed nonfinancial assets for not-for-profit entities through enhanced presentation and disclosure.

This ASU requires that contributions of nonfinancial assets are presented as separate line items in the statements of activities and disclosures including disaggregation of the amount contributed by category, a description of the donor restriction, and valuation techniques for the nonfinancial assets received. The adoption did not have a material impact on reported net assets as of January 1, 2021.

Nonfinancial Contributions

In-kind donations are recorded at fair market value. The value is calculated by using a percentage determined by New York State for fringe benefits and multiplying that percentage by the applicable salary expense. In-kind payroll taxes and fringe benefits are recorded as both revenue and expenses. In-kind payroll taxes and fringe benefits was \$681,581 and \$528,610 for the years ended December 31, 2022 and 2021, respectively.

No amounts have been reflected in the statements for donated services, as they do not meet the requirements for recognition; however, a substantial number of volunteers have donated significant amounts of their time to program services.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Adoption of Lease Standard

In February 2016, FASB issued ASU 2016-02, Leases (Topic 842). ASU 2016-02 requires the recognition of lease assets and lease liabilities by lessees for those leases currently classified as operating leases and makes certain changes to the accounting for lease expenses. The main difference between the guidance in ASU 2016-02 and current generally accepted accounting principles (GAAP) is the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under current GAAP. During 2022, the Association adopted ASU 2016-02 for its leasing arrangements, along with certain practical expedients. This required new accounting standard adoption had no current impact to the Association's statements of financial position and statements of activities and functional expenses.

Leases

The Association determines if an arrangement is or contains a lease at inception. Leases are included as right-of-use (ROU) lease assets and lease liabilities in the statements of financial position. ROU lease assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term. In determining the present value of lease payments, the Association uses a risk-free rate of a period comparable with that of the lease term. The Association does not report ROU assets and lease liabilities for its short-term leases (leases with a term of 12 months or less) or those leases with a present value of the lease payments less than \$5,000. The Association leases office space and outdoor equipment on a short-term basis. Operating lease expense is recognized on a straight-line basis over the expected lease term. Operating variable lease payments are expensed as incurred.

Operating short-term rent expense was \$10,152 for the year ended December 31, 2022, and is included in rent – building. Operating short-term equipment expense was \$4,995 and is included in equipment leases.

In 2021, rent – building and equipment lease expense was \$11,839 and \$2,674, respectively.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – Continued

Functional Allocation of Expenses

The costs of providing various programs and activities have been summarized on a functional basis in the statements of activities and statement of functional expenses. Management and general expenses are allocated to the various programs in the form of internal charges based on space occupied, time expended, budgeted allowable share of overhead, etc.

Income Tax Status

The Association is a not-for-profit corporation as described in Section 501(c)(3) of the Internal Revenue Code (Code) and is exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Association is part of a group tax exemption with Cornell University. Accordingly, no provision for federal income taxes is required in the financial statements. Management is unaware of any unrelated activities that may be subject to unrelated business income tax or any activities that would jeopardize the Association's exempt status.

Use of Estimates

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

Reclassifications

Certain 2021 amounts have been reclassified to conform to 2022 presentation. The reclassification had no impact on the total assets, liabilities, net assets or change in net assets.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 3 – LIQUIDITY AND AVAILABILITY

The Association's financial assets, reduced by amounts that are not available to meet general expenditures within one year of the statements of financial position date because of board or donor restrictions, consist of the following as of December 31:

	2022	2021
Financial Assets:		
Cash	\$ 97,269	\$ 317,057
Government Support and Other Receivables	478,990	300,730
Contributions Receivable - Related Party	2,614	2,379
Deposits	<u>81,958</u>	<u>71,681</u>
 Total Financial Assets	 660,831	 691,847
Financial Assets Not Available Within One Year:		
Financial Assets Related to Board Designated Net Assets	(245,630)	(259,314)
Net Assets with Donor Restrictions	<u>(11,402)</u>	<u>(13,012)</u>
 Total Financial Assets Not Available Within One Year	 <u>(257,032)</u>	 <u>(272,326)</u>
 Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	 <u><u>\$ 403,799</u></u>	 <u><u>\$ 419,521</u></u>
 Annual General Expenditures	 <u><u>\$ 1,955,556</u></u>	 <u><u>\$ 1,979,228</u></u>
 Approximate Days of Financial Assets Available to Meet Expenditures	 <u><u>75</u></u>	 <u><u>77</u></u>

The Association has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. If deemed necessary, the board of directors can release net assets from board designation. As more fully described in Note 9, the Association has a line-of-credit which can be drawn upon as needed.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 4 – PROGRAM SERVICE FEES

Program service fees by area for the year ended December 31 was:

	2022	2021
Afterschool Programming	\$ 116,535	\$ 91,501
4-H Farm Day Camp	82,142	64,717
Educational Services	30,000	32,375
Other Programs Service Fees	<u>27,843</u>	<u>19,357</u>
Total Program Service Fees	<u>\$ 256,520</u>	<u>\$ 207,950</u>

As of December 31, 2022 and 2021, the Association did not have any unpaid program services fees.

NOTE 5 – GOVERNMENT SUPPORT AND CONTRIBUTIONS

Government support and other receivables consists mainly of support from government agencies and other donors that has not been received by year-end. The Association reviews the collectability of the receivables on a monthly basis and has determined that no reserve for doubtful accounts needs to be established. If amounts become uncollectable, they will be charged to operations when that determination is made. The government support and other receivables are due within the next year.

The Association has \$1,590,612 and \$2,379,121 remaining on executed conditional federal and state grants as of December 31, 2022 and 2021, respectively. These balances are not recognized as assets and will be recognized as revenue as the conditions of the agreement are met.

Significant program budget cuts by government agencies could have a potential impact on the funding of program services.

NOTE 6 – DEPOSITS

Cornell University provides specified services to the Association including payment of the salaries of the Association's employees. Cornell University is reimbursed for these advances. However, to assist Cornell University with its cash flow, the Association must maintain a non-interest bearing deposit with Cornell University. The amount of the deposit is determined on an annual basis. The deposit was \$81,958 and \$71,681 for the years ended December 31, 2022 and 2021, respectively.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 7 – NET ASSETS

Net assets consist of the following as of December 31:

	2022	2021
Net Assets Without Donor Restrictions:		
Undesignated Net Assets	\$ 116,186	\$ 116,182
Board Designated Funds:		
RBDG Kitchen	12,600	12,500
Ag Academy BOCES	3,251	6,299
Rogers Scholarship	5,187	6,085
4-H Horticulture Club	225	225
4-H General	7,800	0
4-H Equine Program	2,083	2,156
4-H Rocketry Project	92	92
4-H Teen Council	65	65
4-H Maple Program	491	491
Contingency	68,263	68,263
Equipment	12,293	17,293
Administration General	51,322	74,164
Initial Payment	81,958	71,681
Plant	<u>545,768</u>	<u>485,791</u>
Total Board Designated Net Assets	<u>791,398</u>	<u>745,105</u>
Total Net Assets Without Donor Restrictions	<u>\$ 907,584</u>	<u>\$ 861,287</u>
Net Assets Restricted by Purpose or Time:		
Reginald Chester 4-H Outlook Scholarships	\$ 4,152	\$ 4,152
Chronic Disease Prevention	<u>7,250</u>	<u>8,860</u>
Total Net Assets With Donor Restrictions	<u>\$ 11,402</u>	<u>\$ 13,012</u>

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 8 – RELATED PARTY TRANSACTIONS

Cornell University

The Association has entered into an agreement with Cornell University, an educational Corporation of the State of New York. Cornell University has been designated an agent of the State of New York for the cooperative management of the Association. Services include the supervision and support of the professional staff employed, and the certification of the expenditure of state funds provided within St. Lawrence County to bring educational programs of its colleges to the people of St. Lawrence County.

Cornell University agrees to provide program and staff supervision, along with Cornell University staff assistance in the planning, development and conduct of the Association. Cornell University provides training, information and advice concerning Associational and business management, and coordinates the recruitment and selection process for educators employed by the Association.

The Association also agrees to employ staff selected from qualified candidates recommended by Cornell University. The Association will adopt and abide by appropriate personnel policies for educators and other employees, provide bonds for officers and employees of the Association, maintain adequate third party liability insurance, adhere to financial management policies as issued by Cornell University, and provide to Cornell University reimbursements for unemployment insurance and Association services.

Cornell University also provides the administration of payroll, in-kind payroll taxes and fringe benefits, unemployment insurance, and association services. Monthly transfers occur between Cornell University and the Association to reimburse the University for these costs. Cornell University bills the Association for the prior month's expenditures on the Association's behalf.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 8 – RELATED PARTY TRANSACTIONS – Continued

The following is a summary of transactions and balances as of December 31:

	2022	2021
Grant Revenue	<u>\$ 113,585</u>	<u>\$ 89,065</u>
Contributions Receivable	<u>\$ 2,614</u>	<u>\$ 2,379</u>
Salaries Reimbursed to Cornell	<u>\$ 1,080,931</u>	<u>\$ 966,708</u>
In-Kind Payroll Taxes and Fringe Benefits Provided by Cornell	<u>\$ 681,581</u>	<u>\$ 528,610</u>
Unemployment Insurance/Worker's Comp/ Association Services/Shared Business Network	<u>\$ 22,293</u>	<u>\$ 17,414</u>
Accounts Payable	<u>\$ 100,779</u>	<u>\$ 104,631</u>

NOTE 9 – LINE-OF-CREDIT

As of December 31, 2022 and 2021, the Association had a \$150,000 line-of-credit with a bank secured by all the assets of the Association. The terms of the line-of-credit provide for interest at prime plus 1%. The prime rate was 7.50% and 3.25% at December 31, 2022 and 2021, respectively. There was no outstanding balances as of December 31, 2022 and 2021.

In March 2023, the line-of-credit was increased to \$250,000. Interest was increased to prime rate plus 1.5% and the line of credit matures June 29, 2024. All remaining terms stayed the same.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 10 – LONG-TERM DEBT

In June 2021, the Association entered into a \$50,000 term note with St. Lawrence County Industrial Development Agency. Starting September 1, 2021, the note requires quarterly payments of interest only of 2.625%. The term note was paid in full in 2022.

Interest expense and cash paid for interest for the years ending December 31, 2022 and 2021 was \$1,413 and \$956, respectively.

NOTE 11 – EMPLOYEE BENEFITS

Retirement Plans

The Association participates in the New York State and Local Employees' Retirement System (NYSERS) and the Federal Employees' Retirement System (FERS). Cooperative Extension agents participate in the FERS and all other staff participates in the NYSERS. These systems are cost sharing multiple employer, public employee retirement systems. The systems offer a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability.

The payroll for employees covered by the systems is aggregated and reported with the payroll of Cornell University and all other Cooperative Extension Associations of New York State. Separate payroll calculations for the pension plans of the Cooperative Extension Associations are not maintained by Cornell University. For a more detailed explanation, refer to the plan's Summary Plan Description.

Health Insurance and Other Benefits

The Association provides health care cost assistance and life insurance to all of its eligible employees. Employees may elect to participate in the Association's plan, which sponsors an indemnity health insurance plan or health maintenance association and life insurance coverage.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2022 and 2021

NOTE 12 – RENTAL INCOME

In 2019, the Association entered into a 5 year lease with an unrelated entity. The lease requires monthly payments of \$1,750 that increase 2% annually through June 2024. The future minimum lease payments to be received are as follows:

2023	\$ 22,508
2024	<u>11,366</u>
Total	<u>\$ 33,874</u>

In addition, the Association rents space on a short-term basis. Total rental income for 2022 and 2021 was \$34,783 and \$24,926, respectively.

NOTE 13 – SUBSEQUENT EVENTS

In May 2023, the Association entered into a note with the St. Lawrence County Industrial Development Agency in the amount of \$25,000. The note requires monthly payments of principal and interest of 5.125% totaling \$1,098. The note must be paid in full by May 2025 and is secured by equipment.

Management has evaluated subsequent events through September 21, 2023, which is the date the financial statements were available to be issued.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

SINGLE AUDIT REPORT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended December 31, 2022

Federal Grantor/Pass Through Grantor/Program Title	Pass Through Contract Number	Assistance Listing Number	Federal Expenditures	Expenditures to Subrecipients
U.S. DEPARTMENT OF AGRICULTURE				
Farmers Market and Local Food Promotion Program		10.175	\$ 97,826	\$ 0
SNAP Cluster:				
Passed-Through New York State Office of Temporary and Disability Assistance: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	TDA01-C00563GG-3410000	10.561	641,421	233,385
Passed-Through Cornell University Rural Health and Safety Education Competitive Grants Program	139798-21243	10.516	17,915	0
Passed-Through Clarkson University Agriculture and Food Research Initiative (AFRI)	102486-1	10.310	<u>3,747</u>	<u>0</u>
Total U.S. Department of Agriculture			760,909	233,385
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
CCDF Cluster:				
Passed-Through State of New York Office of Children and Family Services: COVID-19 Child Care and Development Block Grant	*	93.575	<u>167,683</u>	<u>0</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 928,592</u></u>	<u><u>\$ 233,385</u></u>

* The Pass Through Entity did not provide a contract number to the Association.

See notes to schedule of expenditures of federal awards.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

December 31, 2022

NOTE 1 – BASIS OF PRESENTATION

The schedule of expenditures of federal awards includes the federal award activity of Cornell Cooperative Extension Association of St. Lawrence County and is presented on the accrual basis of accounting. 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 Cornell Cooperative Extension Association of St. Lawrence County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Association.

NOTE 2 – INDIRECT COSTS

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the date presented. Cornell Cooperative Extension Association of St. Lawrence County has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – BASIS OF ACCOUNTING

The amounts reported in the schedule of expenditures of federal awards are recorded using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Therefore, some amounts presented in this schedule may differ from the amounts presented in, or used in the preparation of, the basic financial statements.



Dermody, Burke & Brown, CPAs, LLC

**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***

**BOARD OF DIRECTORS
CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **CORNELL COOPERATIVE EXTENSION ASSOCIATION OF ST. LAWRENCE COUNTY**, which comprise the statement of financial position as of December 31, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 21, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Cornell Cooperative Extension Association of St. Lawrence County'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 Cornell Cooperative Extension Association of St. Lawrence County's internal control. Accordingly, we do not express an opinion on the effectiveness of Cornell Cooperative Extension Association of St. Lawrence County'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.

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Report on Internal Control Over Financial Reporting – Continued

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cornell Cooperative Extension Association of St. Lawrence County'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 Cornell Cooperative Extension Association of St. Lawrence County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Cornell Cooperative Extension Association of St. Lawrence County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

September 21, 2023



Dermody, Burke & Brown, CPAs, LLC

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

**BOARD OF DIRECTORS
CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

Report on Compliance for Each Major Federal Program

Opinion on the Each Major Federal Program

We have audited **CORNELL COOPERATIVE EXTENSION ASSOCIATION OF ST. LAWRENCE COUNTY'S** 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 Cornell Cooperative Extension Association of St. Lawrence County's major federal program for the year ended December 31, 2022. Cornell Cooperative Extension Association of St. Lawrence County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Cornell Cooperative Extension Association of St. Lawrence County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

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Basis for Opinion on the Major Federal Program – Continued

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

Auditor's Responsibilities for the Audit of Compliance – Continued

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Cornell Cooperative Extension Association of St. Lawrence County'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 Cornell Cooperative Extension Association of St. Lawrence County'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 Cornell Cooperative Extension Association of St. Lawrence County'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.

Report on Internal Control Over Compliance – Continued

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified. Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Dermody, Burke & Brown

DERMODY, BURKE & BROWN, CPAs, LLC

Syracuse, NY

September 21, 2023

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2022

SECTION 1 - SUMMARY OF AUDIT RESULTS

- A. Type of Auditors' Report Issued Unmodified
- B. Internal Control Over Financial Reporting:
- Material Weakness(es) Identified? _____ Yes X No
 - Significant Deficiency(ies) Identified? _____ Yes X No
- C. Noncompliance Material to Financial Statements Noted? _____ Yes X No
- D. Internal Control Over Major Programs:
- Material Weakness(es) Identified? _____ Yes X No
 - Significant Deficiency(ies) Identified? _____ Yes X No
- E. Type of Auditors' Report Issued on Compliance for Major Programs Unmodified
- F. Any Audit Findings Disclosed that are Required to be Reported in Accordance with 2 CFR Section 200.516(a)? _____ Yes X No
- G. Identification of Major Programs:
SNAP Cluster -
State Administrative Matching Grants for the
Supplemental Nutrition Assistance Program -
Assistance Listing Number 10.561
- H. Dollar Threshold Used to Distinguish Between Type A and Type B Programs: \$750,000
- I. Auditee Qualified as a Low-Risk Auditee? _____ Yes X No

See notes to schedule of expenditures of federal awards.

**CORNELL COOPERATIVE EXTENSION
ASSOCIATION OF ST. LAWRENCE COUNTY**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended December 31, 2022

SECTION II – FINDINGS – FINANCIAL STATEMENT AUDIT

None

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

None

**SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
AND CORRECTIVE ACTION**

The audit for the year ended December 31, 2021 disclosed no findings that were required to be reported under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Due to there being no audit findings in the current year or prior year, there is no corrective action plan to report.