



THE FOUNDATION FOR DELAWARE COUNTY

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
JUNE 30, 2022**

THE FOUNDATION FOR DELAWARE COUNTY

TABLE OF CONTENTS

| | <u>PAGE</u> |
|---|-------------|
| INDEPENDENT AUDITOR'S REPORT | 1 |
| FINANCIAL STATEMENTS: | |
| Statements of Financial Position | 4 |
| Statement of Activities | 5 |
| Statement of Functional Expenses | 6 |
| Statements of Cash Flows | 7 |
| Notes to Financial Statements | 8 |
| SINGLE AUDIT SUPPLEMENT | |
| Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 17 |
| Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance | 19 |
| Schedule of Expenditures of Federal Awards | 22 |
| Notes to Schedule of Expenditures of Federal Awards | 23 |
| Schedule of Findings and Recommendations | 24 |



INDEPENDENT AUDITOR'S REPORT

November 14, 2022

To the Board of Directors
The Foundation for Delaware County
Media, Pennsylvania

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Foundation for Delaware County, a nonprofit organization, which comprise the statement of financial position as of June 30, 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Foundation for Delaware County as of June 30, 2022, 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.

Basis of Opinion

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for

To the Board of Directors
The Foundation for Delaware County

the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

To the Board of Directors
The Foundation for Delaware County

Report on Summarized Comparative Information

We have previously audited The Foundation for Delaware County's June 30, 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 11, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 is presented for purposes of additional analysis as required by 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"), and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2022, on our consideration of The Foundation for Delaware 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 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 Foundation for Delaware County's internal control over financial reporting and compliance.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

**THE FOUNDATION FOR DELAWARE COUNTY
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021**

| | 2022 | 2021 |
|--|----------------------|----------------------|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash | \$ 3,027,730 | \$ 1,958,381 |
| Cash equivalents | 45,009 | 45,000 |
| Cash surrender value of life insurance | 291,585 | 260,941 |
| Pledges receivable | 9,500 | - |
| Grants receivable | 755,126 | 678,334 |
| Prepaid expenses | 192,255 | 140,079 |
| Other current assets | 5,100 | 5,100 |
| Total Current Assets | 4,326,305 | 3,087,835 |
| NONCURRENT ASSETS: | | |
| Investments | 64,124,698 | 73,097,606 |
| Beneficial interest in perpetual trusts | 1,693,522 | 2,091,948 |
| Property and equipment, net | 148,001 | 187,589 |
| Total Noncurrent Assets | 65,966,221 | 75,377,143 |
| TOTAL ASSETS | \$ 70,292,526 | \$ 78,464,978 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| CURRENT LIABILITIES: | | |
| Accounts payable and accrued expenses | \$ 220,724 | \$ 203,394 |
| Grants payable | 624,453 | 812,150 |
| Funds held for other organizations for agency endowments | 313,807 | - |
| Accrued payroll | 142,828 | 101,870 |
| Deferred revenue | 707,692 | 186,751 |
| Annuities payable, current | 19,205 | 19,645 |
| Environmental liabilities, current | 30,000 | 30,000 |
| Payroll Protection Program loan payable | - | 183,325 |
| Total Current Liabilities | 2,058,709 | 1,537,135 |
| NONCURRENT LIABILITIES: | | |
| Annuities payable, noncurrent | 148,380 | 156,218 |
| Environmental liabilities, noncurrent | 75,325 | 110,158 |
| Accrued paid time off | 216,833 | 188,575 |
| Insurance liabilities | 217,316 | 230,004 |
| Total Noncurrent Liabilities | 657,854 | 684,955 |
| NET ASSETS | | |
| Without donor restrictions: | | |
| Equity in property and equipment | 148,001 | 187,589 |
| Board-designated funds | 7,158,435 | 5,987,193 |
| Undesignated funds | 57,736,181 | 67,305,050 |
| Total Without Donor Restrictions | 65,042,617 | 73,479,832 |
| With donor restrictions | 2,533,346 | 2,763,056 |
| TOTAL NET ASSETS | 67,575,963 | 76,242,888 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 70,292,526 | \$ 78,464,978 |

The accompanying notes are an integral part of these financial statements.

**THE FOUNDATION FOR DELAWARE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022
(With Summarized Comparative Information for the Year Ended June 30, 2021)**

| | Without Donor Restrictions | With Donor Restrictions | Totals | |
|--|-------------------------------|----------------------------|----------------------|----------------------|
| | | | 2022 | 2021 |
| PUBLIC SUPPORT, REVENUES, AND GAINS (LOSSES) | | | | |
| Public support: | | | | |
| Contributions from public | \$ 3,409,195 | \$ 563,704 | \$ 3,972,899 | \$ 1,933,588 |
| Grants from government agencies | 4,833,365 | 171,655 | 5,005,020 | 4,699,115 |
| Other revenue and gains (losses): | | | | |
| Special events, net of expenses of \$113,537 and \$4,799, respectively | 187,048 | - | 187,048 | 50,288 |
| Gain on forgiveness of Paycheck Protection Program loan | 183,325 | - | 183,325 | - |
| Miscellaneous income | 84,590 | - | 84,590 | 15,195 |
| Changes in value of trusts | - | (398,426) | (398,426) | 405,764 |
| Investment income (loss) | (7,986,470) | (39,191) | (8,025,661) | 15,292,009 |
| Release of restrictions | (7,531,507) | (437,617) | (7,969,124) | 15,763,256 |
| | <u>527,452</u> | <u>(527,452)</u> | <u>-</u> | <u>-</u> |
| TOTAL PUBLIC SUPPORT, REVENUES, AND GAINS (LOSSES) | <u>1,238,505</u> | <u>(229,710)</u> | <u>1,008,795</u> | <u>22,395,959</u> |
| EXPENSES | | | | |
| Program services | 8,475,025 | - | 8,475,025 | 8,501,338 |
| Management and general: | | | | |
| Administration | 717,542 | - | 717,542 | 645,158 |
| Development | 398,067 | - | 398,067 | 396,224 |
| Transition costs | 85,086 | - | 85,086 | 108,905 |
| TOTAL EXPENSES | <u>9,675,720</u> | | <u>9,675,720</u> | <u>9,651,625</u> |
| CHANGE IN NET ASSETS | (8,437,215) | (229,710) | (8,666,925) | 12,744,334 |
| NET ASSETS, BEGINNING OF YEAR | <u>73,479,832</u> | <u>2,763,056</u> | <u>76,242,888</u> | <u>63,498,554</u> |
| NET ASSETS, END OF YEAR | <u>\$ 65,042,617</u> | <u>\$ 2,533,346</u> | <u>\$ 67,575,963</u> | <u>\$ 76,242,888</u> |

The accompanying notes are an integral part of these financial statements.

**THE FOUNDATION FOR DELAWARE COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(With Summarized Comparative Information for the Year Ended June 30, 2021)**

| | Program Services | Management and General | | | Total | Totals | |
|-------------------------------------|---------------------|------------------------|-------------------|------------------|---------------------|---------------------|---------------------|
| | | Administration | Development | Transition Costs | | 2022 | 2021 |
| Salaries | \$ 3,389,681 | \$ 309,208 | \$ 307,329 | \$ - | \$ 616,537 | \$ 4,006,218 | \$ 3,618,724 |
| Employee benefits and taxes | 923,032 | 57,319 | 57,930 | - | 115,249 | 1,038,281 | 1,015,922 |
| Total Salaries and Related Expenses | 4,312,713 | 366,527 | 365,259 | - | 731,786 | 5,044,499 | 4,634,646 |
| Bad debt expense | - | - | - | - | - | - | 59,042 |
| Bank and other fees | 1,422 | 755 | 883 | 11,626 | 13,264 | 14,686 | 17,114 |
| Board expenses | 638 | 3,300 | 376 | - | 3,676 | 4,314 | 424 |
| Depreciation | 29,138 | 10,450 | - | - | 10,450 | 39,588 | 38,727 |
| Direct client services | 585,284 | - | - | - | - | 585,284 | 387,267 |
| Development expenses | 906 | 112 | 1,190 | - | 1,302 | 2,208 | 4,149 |
| Dues and memberships | 52,203 | 11,234 | 2,451 | - | 13,685 | 65,888 | 46,574 |
| Equipment leases | 12,492 | 1,692 | - | - | 1,692 | 14,184 | 13,733 |
| Grants and charitable assistance | 2,335,389 | - | - | - | - | 2,335,389 | 3,030,552 |
| Insurance | 10,010 | 39,773 | - | 6,000 | 45,773 | 55,783 | 48,930 |
| Miscellaneous expenses | 2,164 | 359 | - | 1,081 | 1,440 | 3,604 | 2,789 |
| Occupancy | 459,372 | 100,039 | - | - | 100,039 | 559,411 | 559,468 |
| Postage | 9,562 | 1,372 | 2,070 | 17 | 3,459 | 13,021 | 19,510 |
| Printing and advertising | 200,738 | 5,534 | 18,438 | - | 23,972 | 224,710 | 146,557 |
| Professional services | 166,192 | 79,259 | 2,243 | 66,362 | 147,864 | 314,056 | 233,249 |
| Repairs and maintenance | 18,045 | 2,343 | - | - | 2,343 | 20,388 | 21,495 |
| Staff development | 50,405 | 13,258 | 2,602 | - | 15,860 | 66,265 | 35,991 |
| Supplies | 73,647 | 6,573 | 518 | - | 7,091 | 80,738 | 65,571 |
| Telephone and IT expenses | 145,336 | 73,871 | 1,905 | - | 75,776 | 221,112 | 282,975 |
| Travel and meals | 9,369 | 1,091 | 132 | - | 1,223 | 10,592 | 2,862 |
| TOTAL EXPENSES | \$ 8,475,025 | \$ 717,542 | \$ 398,067 | \$ 85,086 | \$ 1,200,695 | \$ 9,675,720 | \$ 9,651,625 |

The accompanying notes are an integral part of these financial statements.

**THE FOUNDATION FOR DELAWARE COUNTY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021**

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ (8,666,925) | \$ 12,744,334 |
| Adjustments to reconcile change in net assets to net cash provided (used) by operating activities: | | |
| Depreciation | 39,588 | 38,727 |
| Bad debt expense | - | 59,042 |
| Forgiveness of Paycheck Protection Program loan payable | (183,325) | - |
| Unrealized (gains) losses on investments | 11,320,881 | (4,270,132) |
| (Increase) Decrease in: | | |
| Cash surrender value of life insurance | (30,644) | (17,957) |
| Pledges receivable | (9,500) | 10,000 |
| Grants receivable | (76,792) | (7,612) |
| Prepaid expenses | (52,176) | 1,647 |
| Increase (Decrease) in: | | |
| Accounts payable and accrued expenses | 17,330 | 66,443 |
| Grants payable | (187,697) | 889,370 |
| Funds held for other organizations for agency endowments | 313,807 | - |
| Accrued payroll | 40,958 | 4,500 |
| Deferred revenue | 520,941 | 80,221 |
| Annuities payable | (8,278) | (6,134) |
| Accrued paid time off | 28,258 | 1,139 |
| Environmental liability | (34,833) | (37,050) |
| Insurance liabilities | 12,688 | 13,301 |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>3,044,281</u> | <u>9,369,839</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchase of investments | (30,278,465) | (73,665,253) |
| Sales of investments | 28,303,542 | 63,627,814 |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | <u>(1,974,923)</u> | <u>(10,037,439)</u> |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 1,069,358 | (667,600) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>2,003,381</u> | <u>2,670,981</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 3,072,739</u> | <u>\$ 2,003,381</u> |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS | | |
| Cash | \$ 3,027,730 | \$ 1,958,381 |
| Cash equivalents | 45,009 | 45,000 |
| | <u>\$ 3,072,739</u> | <u>\$ 2,003,381</u> |
| SUPPLEMENTAL INFORMATION: | | |
| Interest paid | \$ - | \$ - |
| Taxes paid | \$ - | \$ - |
| NONCASH FINANCING ACTIVITY: | | |
| Paycheck Protection Program loan forgiveness | <u>\$ 183,325</u> | <u>\$ -</u> |

The accompanying notes are an integral part of these financial statements.

THE FOUNDATION FOR DELAWARE COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE A THE FOUNDATION

The Foundation for Delaware County ("the Foundation") is an independent public foundation under 501(c)(3) of the Internal Revenue Code. The Foundation was created on July 1, 2016 with the merger of the former Crozer-Chester Foundation and the Delco Memorial Foundation, and was funded with the proceeds from the sale of Crozer-Keystone Health System ("CKHS") to Prospect Medical Holdings. The purpose of the Foundation is to serve as Delaware County's community foundation, encouraging philanthropy by creating impactful, efficient giving vehicles for donors, making grants to improve the health and well-being of Delaware County's residents, operating high quality community health programs and energizing participation and partnership across the county.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting.

Financial Statement Presentation

In accordance with the section of the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") regarding financial statements of not-for-profit organizations, the Foundation is required to report 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. In addition, the Foundation is required to present a statement of cash flows.

Cash Equivalents

For purposes of the statement of cash flows, the Foundation considers all highly liquid debt investments purchased with an original maturity of three months or less to be cash equivalents. At June 30, 2022, cash equivalents consist of certificates of deposit.

Investments

In accordance with the FASB ASC, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Fair values are estimated based on quoted market prices or other inputs, as described in Note D. Purchases are recorded on the trade date. Realized gains and losses are determined on the basis of first in, first out. All unrealized gains and losses arising from fluctuations in market values, sales, or other disposition of assets are accounted for in the class of net assets that owns the assets. Donated securities also are reported at fair market value as of the date of receipt.

THE FOUNDATION FOR DELAWARE COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Contributions

In accordance with the section of the FASB ASC regarding accounting for contributions received and contributions made, contributions received are recorded as support with or without donor restrictions, depending on the existence and/or nature of any donor restrictions.

Pledges and Other Receivables

Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Promises to make contributions which are expected to be paid over a period in excess of one year are discounted and recorded at their present value. Conditional promises to make contributions are recorded as support in the period the condition is met. Pledges are evaluated for collectability based on payment history and known information about the pledgor. Promises to give are charged to the allowance for uncollectible accounts when determined to be uncollectible by management.

Management's estimate of the allowance for uncollectible accounts receivable is based on historical collection rates and an analysis of the collectability of individual receivables. Management anticipates that all amounts are collectible and, therefore, has not recorded an allowance for uncollectible accounts as of June 30, 2022.

Recognition of Donor Restrictions

Donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires, net assets with donor restriction are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Tax-Exempt Status

No provision has been made for income taxes since the Foundation qualifies as a tax-exempt organization under the Internal Revenue Code, Section 501(c)(3), and its activities do not result in any income tax liability. In accordance with the FASB ASC section regarding accounting for uncertainty in income taxes, the Foundation is required to recognize the financial statement effects of a tax position if it is more likely than not that the position will not be sustained upon examination. The Foundation has no uncertain tax positions that qualify for recognition in the financial statements.

Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Foundation's tax returns will not be challenged by the taxing authorities and that the Foundation will not be subject to additional tax penalties and interest as a result of such challenge.

THE FOUNDATION FOR DELAWARE COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property and Equipment and Depreciation

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Expenditures for maintenance, repairs, minor renewals, and betterments which do not improve or extend the useful life of the respective asset are expensed. Equipment is stated at cost if purchased. Donated equipment is recorded at its fair market value at the date of receipt. When such assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from their respective accounts, and any gains or losses on such disposition are recognized in the statement of activities.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Furniture and equipment are depreciated over their estimated useful lives of five to ten years, and property is depreciated over its useful life of ten to twenty years. Depreciation expense for the year ended June 30, 2022 totaled \$39,588. Accumulated depreciation as of June 30, 2022 totaled \$452,114.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related costs have been allocated based on time studies. Shared occupancy costs have been allocated based on square footage. Professional services have been allocated based on the nature of the service provided.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in accordance with the FASB ASC requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reporting period. Actual results may differ from those estimates.

Summarized Comparative Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Certain items have been reclassified for conformity with the current year presentation. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2021, from which the summarized information was derived.

THE FOUNDATION FOR DELAWARE COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE C CONTRACTS AND GRANTS FROM GOVERNMENTAL AGENCIES

The Foundation, in the normal course of business, receives grants and enters into contracts for the performance of specific activities within certain budgetary constraints. Such projects are subject to various stipulations as to operating compliance and financial reporting. For substantially all of these programs, the expenditures are subject to review, audit, and final approval by the contracting agency.

NOTE D FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurement, defines fair value, sets out a framework for measuring fair value, and requires disclosures about fair value measurements. An asset's fair value is defined as the price at which the asset could be exchanged in an orderly transaction between market participants at the balance sheet date. A liability's fair value is defined as the amount that would be paid to transfer the liability to a market participant, not the amount that would be paid to settle the liability with the creditor. Fair value measurements are applied based on the unit of account, which determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated). In determining fair value, when practicable, the Foundation uses the market approach which utilizes prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

The Foundation's financial instruments carried at fair value have been classified based upon the fair value hierarchy as defined by FASB ASC 820. The hierarchy gives the highest ranking to fair values determined using unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest ranking to fair values determined using methodologies and models with significant unobservable inputs (Level 3). An asset's or a liability's classification is based on the lowest level input that is significant to its measurement. For example, a Level 3 fair value measurement may include inputs that are both observable (Levels 1 and 2) and unobservable (Level 3).

The levels of the fair value hierarchy are as follows:

Level 1 – Valuations based on quoted market prices in active markets for identical assets or liabilities that the entity has the ability to access.

Level 2 – Valuations based on quoted prices of similar products in active markets or identical products in markets that are not active or for which all significant inputs are observable, directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

THE FOUNDATION FOR DELAWARE COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE D FAIR VALUE MEASUREMENTS (cont'd)

Fair value of assets measured on a recurring basis at June 30, 2022 are as follows:

| | <u>Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|--|----------------------|----------------------|---------------------|---------------------|
| Money market funds | \$ 4,378,954 | \$ 4,378,954 | \$ - | \$ - |
| Certificates of deposit | 45,009 | - | 45,009 | - |
| Mutual funds: | | | | |
| Fixed income | 17,774,904 | 17,774,904 | - | - |
| Equities | 37,694,595 | 37,694,595 | - | - |
| Joint ventures | 4,276,245 | - | - | 4,276,245 |
| Beneficial interest in perpetual trusts | <u>1,693,522</u> | <u>-</u> | <u>1,693,522</u> | <u>-</u> |
| | <u>\$ 65,863,229</u> | <u>\$ 59,848,453</u> | <u>\$ 1,738,531</u> | <u>\$ 4,276,245</u> |

Fair value of liabilities measured on a recurring basis at June 30, 2022 are as follows:

| | <u>Fair Value</u> | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> |
|-------------------|-------------------|----------------|----------------|-------------------|
| Annuities payable | \$ 167,585 | \$ - | \$ - | \$ 167,585 |
| | <u>\$ 167,585</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 167,585</u> |

On an annual basis, the Foundation assesses the fair value hierarchy for each asset or liability measured at fair value. From time to time, assets or liabilities will be transferred within the fair value hierarchy as a result of changes in, among other things, inputs used, liquidity, or valuation methodologies. During the year ended June 30, 2022, there were no transfers in classification within the fair value hierarchy.

Investment income (loss) for the year ended June 30, 2022 consisted of the following:

| | |
|--|-----------------------|
| Interest and dividends | \$ 1,404,215 |
| Realized gains | 1,860,361 |
| Unrealized loss, net of investment fees | (11,320,881) |
| Change in value of life insurance policies | <u>30,644</u> |
| Total | <u>\$ (8,025,661)</u> |

The Foundation's life insurance policy is valued based on the cash surrender value of the policy. Changes in the cash surrender value of life insurance for the year ended June 30, 2022 are as follows:

THE FOUNDATION FOR DELAWARE COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE D FAIR VALUE MEASUREMENTS (cont'd)

| | |
|-------------------|-------------------|
| Beginning balance | \$ 260,941 |
| Change in value | <u>30,644</u> |
| Ending balance | <u>\$ 291,585</u> |

The Foundation's Life insurance policy is considered a Level 3 asset on the fair value hierarchy.

The Foundation estimates fair value of annuities payable based on the present value of expected future cash flows and estimates fair value of joint ventures using other unobservable market and investment-specific inputs. Changes in the annuities payable and joint ventures for the year ended June 30, 2022 are as follows:

| | <u>Annuities Payable</u> | <u>Joint Ventures</u> |
|--|------------------------------|---------------------------|
| Beginning balance | \$ 175,863 | \$ 2,628,806 |
| Purchases | - | 1,050,000 |
| Payments made | (19,205) | - |
| Change in present value of future cash flows | <u>10,927</u> | <u>597,438</u> |
| Ending balance | <u>\$ 167,585</u> | <u>\$ 4,276,244</u> |

NOTE E NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2022, certain assets were donor restricted for the following purposes:

| | |
|---|---------------------|
| Time restricted - beneficial interest in perpetual trusts | \$ 1,693,522 |
| Purpose restricted - program services | <u>839,824</u> |
| | <u>\$ 2,533,346</u> |

NOTE F LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation's financial assets as of June 30, 2022, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts not available include amounts set aside by the Board of Directors that could be drawn upon if the governing board approves that action.

THE FOUNDATION FOR DELAWARE COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE F LIQUIDITY AND AVAILABILITY OF RESOURCES (cont'd)

| | |
|--|---------------------|
| Financial assets, at year-end | \$69,947,170 |
| Less those unavailable for general expenditures within one year due to: | |
| Program services | 839,824 |
| Restricted in perpetual trusts | <u>1,693,522</u> |
| Financial assets available to meet cash needs for general expenditures within one year | <u>\$67,413,824</u> |

The Foundation's financial assets consist of cash and cash equivalents, the cash surrender value of life insurance, pledges receivable, grants receivable, and investments, and beneficial interests in perpetual trusts.

The Foundation has a goal to maintain financial assets on hand to meet 30 days of normal operating expenses excluding depreciation.

NOTE G BENEFICIAL INTEREST IN PERPETUAL TRUSTS

The Foundation is a beneficiary of eight trust agreements whereby bequeathed assets are held in trust by banks. These trusts are measured at fair value based on the fair value of the underlying assets which approximates the present value of expected cash flows. Income from the trust is to be paid to charitable organizations, including the Foundation. The fair market value of the Foundation's interest in the perpetual trusts was \$1,693,522 at June 30, 2022.

NOTE H CONCENTRATION OF CREDIT RISK

The Foundation maintains some of its cash in a bank deposit account with banks which, at times, may exceed the federally insured limit of \$250,000. As of June 30, 2022, the carrying amount of the Foundation's deposits in excess of the federally insured limits was \$2,468,494. The Foundation's remaining cash and its investments are unsecured and are managed by professional advisors subject to the Foundation's investment policy. The Foundation has not experienced any losses in such accounts.

NOTE I INSURANCE PROGRAM

As part of the proceeds from the sale of CKHS to Prospect Medical Holdings (see Note A), the Foundation absorbed certain liabilities previously held by CKHS. Specifically, the Foundation assumed certain outstanding insurance claims liabilities previously held by CKHS. The outstanding balance as of June 30, 2022 of \$217,316 represents management's estimate of the likely value of outstanding claims, including claims incurred but not reported.

THE FOUNDATION FOR DELAWARE COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE J ENVIRONMENTAL LIABILITIES

As part of the asset purchase agreement between CKHS and Prospect Crozer, LLC, the Foundation assumed responsibility for environmental monitoring on property sold to Prospect Crozer, LLC. Monitoring is to continue until environmental concerns are considered fully abated or Prospect Crozer, LLC develops the property. The outstanding balance of \$105,325 represents management's estimate of future monitoring costs.

NOTE K FUNDS HELD FOR OTHER ORGANIZATIONS FOR AGENCY ENDOWMENTS

FASB ASC establishes standards for transactions in which a recipient entity accepts a contribution from a donor and agrees to transfer those assets, the return on investment of those assets, or both, to an entity that is specified by the donor. This guidance specifically requires that if a not-for-profit organization establishes a fund at the recipient entity which owns its funds and specifies itself as the beneficiary of that fund, the recipient entity must account for the transfer of such assets as a liability. The Foundation refers to such funds as agency endowments.

The Foundation maintains variance power and legal ownership of agency endowment funds and, as such, continues to report the funds as assets of the Foundation. However, in accordance with FASB ASC, a liability has been established for the present value of the future payments expected to be made to the not-for-profit organizations, which is generally equivalent to the fair value of the funds.

At June 30, 2022, the Foundation held four agency endowment funds with a combined fair value of \$313,807.

NOTE L BOARD-DESIGNATED NET ASSETS

Board-designated net assets consist of donor-advised funds (\$1,866,568) and other funds for which the Foundation has variance power. While donors or other appropriate individuals may provide guidance on the use of these funds, these funds are not subject to donor-imposed restrictions.

NOTE M RETIREMENT PLAN

The Foundation has a tax deferred retirement plan available to substantially all of its employees. Any benefits-eligible employees may make voluntary contributions to this plan. For an employee who has attained 21 years of age, completed at least 3 months of service, and makes a voluntary contribution of at least 1 percent of annual compensation to the plan, the Foundation makes a contribution to the plan. The Foundation's contribution is a match of up to 4 percent. The plan is intended to qualify under Section 403(b) of the Internal Revenue Code and is subject to the provisions of the Employee Retirement Income Security Act. The Foundation's contributions to the plan totaled \$125,778 for the year ended June 30, 2022.

THE FOUNDATION FOR DELAWARE COUNTY

NOTES TO FINANCIAL STATEMENTS

NOTE N LEASES

The Organization has entered into leases to rent office space and program facility space throughout Delaware County, Pennsylvania, with varying terms through August 2030. Rent expense amounted to \$509,004 for the year ended June 30, 2022 and is included in occupancy on the statement of functional expenses.

The following payments are due under the leases in future years:

| <u>Year Ending June 30,</u> | |
|-----------------------------|---------------------|
| 2023 | \$ 486,020 |
| 2024 | 463,759 |
| 2025 | 316,382 |
| 2026 | 324,930 |
| 2027 | 267,376 |
| Thereafter | <u>819,264</u> |
| Total | <u>\$ 2,677,731</u> |

NOTE O SUBSEQUENT EVENTS

The Foundation has evaluated all subsequent events through November 14, 2022, the date the financial statements were available to be issued.

THE FOUNDATION FOR DELAWARE COUNTY
SINGLE AUDIT SUPPLEMENT



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

November 14, 2022

To the Board of Directors
The Foundation for Delaware County
Media, Pennsylvania

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 The Foundation for Delaware County ("the Foundation"), a nonprofit organization, which comprise the statement of financial position as of June 30, 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 November 14, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Foundation's internal control over financial reporting ("internal control") as a basis for designing 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 Foundation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foundation'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 Foundation'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.

To the Board of Directors
The Foundation for Delaware County

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foundation'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 Foundation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


BARBACANE, THORNTON & COMPANY LLP



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

November 14, 2022

To the Board of Directors
The Foundation for Delaware County
Media, Pennsylvania

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited The Foundation for Delaware County's ("the Foundation") 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 the Foundation's major federal program for the year ended June 30, 2022. The Foundation's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

In our opinion, the Foundation compiled, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on Major Federal Program

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

We are required to be independent of The Foundation for Delaware County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We

To the Board of Directors
The Foundation for Delaware County

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for its major federal program. Our audit does not provide a legal determination of the Foundation's compliance with the compliance requirements referred to above.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

To the Board of Directors
The Foundation for Delaware County

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

Report on Internal Control Over Compliance

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

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

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

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

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

**THE FOUNDATION FOR DELAWARE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2022**

| Federal Grantor/Pass-through Grantor Program or Cluster Title | Source Code | Federal CFDA Number | Pass-through Entity Identifying Number | Total Received For Year | Accrued (Unearned) Revenue 07/01/2021 | Revenue Recognized | Federal Expenditures | Accrued (Unearned) Revenue 6/30/2022 | Passed Through to Subrecipients |
|--|-------------|---------------------|--|-------------------------|---------------------------------------|---------------------|----------------------|--------------------------------------|---------------------------------|
| U.S. Department of Agriculture | | | | | | | | | |
| Passed through Commonwealth of Pennsylvania Department of Health | | | | | | | | | |
| Special Supplemental Nutrition Program for Women, Infants, and Children | I | 10.557 | 4100077915 | \$ 284,769 | \$ 284,769 | \$ - | \$ - | \$ - | \$ - |
| Special Supplemental Nutrition Program for Women, Infants, and Children | I | 10.557 | 4100077915 | 1,620,781 | - | 1,917,155 | 1,917,155 | 296,374 | - |
| Total CFDA #10.557 (Total WIC Cluster) | | | | <u>1,905,550</u> | <u>284,769</u> | <u>1,917,155</u> | <u>1,917,155</u> | <u>296,374</u> | <u>-</u> |
| Passed through Commonwealth of Pennsylvania Department of Agriculture | | | | | | | | | |
| WIC Farmers' Market Nutrition Program | I | 10.572 | N/A | 10,219 | - | 10,219 | 10,219 | - | - |
| Total U.S. Department of Agriculture | | | | <u>1,915,769</u> | <u>284,769</u> | <u>1,927,374</u> | <u>1,927,374</u> | <u>296,374</u> | <u>-</u> |
| U.S. Department of Treasury | | | | | | | | | |
| Passed through the Commonwealth of Pennsylvania Department of Community and Economic Development | | | | | | | | | |
| COVID-19 ARPA Local Fiscal Recovery Fund | I | 21.027 | N/A | 500,000 | - | - | - | (500,000) | - |
| Total U.S. Department of Treasury | | | | <u>500,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(500,000)</u> | <u>-</u> |
| U.S. Department of Health and Human Services | | | | | | | | | |
| Drug-Free Communities Support Program Grants | | | | | | | | | |
| Chester Drug Free Communities Mentoring Project | D | 93.276 | N/A | 8,569 | 3,400 | 5,169 | 5,169 | - | - |
| Total CFDA #93.276 | | | | <u>8,569</u> | <u>3,400</u> | <u>5,169</u> | <u>5,169</u> | <u>-</u> | <u>-</u> |
| Healthy Start Initiative - Healthy Start | | | | | | | | | |
| Healthy Start Initiative - Healthy Start | D | 93.926 | N/A | 104,728 | 104,728 | - | - | - | - |
| Total CFDA #93.926 | D | 93.926 | N/A | <u>1,051,228</u> | <u>-</u> | <u>1,172,750</u> | <u>1,172,750</u> | <u>121,522</u> | <u>-</u> |
| | | | | <u>1,155,956</u> | <u>104,728</u> | <u>1,172,750</u> | <u>1,172,750</u> | <u>121,522</u> | <u>-</u> |
| Passed through the Commonwealth of Pennsylvania Department of Human Services | | | | | | | | | |
| Maternal, Infant, and Early Childhood Home Visiting Program | I | 93.870 | 4100070302 | 62,501 | 62,501 | - | - | - | - |
| Maternal, Infant, and Early Childhood Home Visiting Program | I | 93.870 | 4100070302 | 290,203 | - | 324,995 | 324,995 | 34,792 | - |
| Total CFDA #93.870 | | | | <u>352,704</u> | <u>62,501</u> | <u>324,995</u> | <u>324,995</u> | <u>34,792</u> | <u>-</u> |
| Passed through the Commonwealth of Pennsylvania Department of Community and Economic Development | | | | | | | | | |
| COVID-19 Vaccine Outreach Grant Program | I | 93.011 | N/A | 16,654 | - | 16,654 | 16,654 | - | - |
| Passed through the Commonwealth of Pennsylvania Department Drug and Alcohol | | | | | | | | | |
| Substance Abuse Block Grant - Drug & Alcohol Services | I | 93.959 | N/A | 99,977 | - | 151,065 | 151,065 | 51,088 | - |
| Total U.S. Department of Health and Human Services | | | | <u>1,633,860</u> | <u>170,629</u> | <u>1,670,633</u> | <u>1,670,633</u> | <u>207,402</u> | <u>-</u> |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | | <u>\$ 4,049,629</u> | <u>\$ 455,398</u> | <u>\$ 3,598,007</u> | <u>\$ 3,598,007</u> | <u>\$ 3,776</u> | <u>\$ -</u> |

Source Codes:

D = Direct Funding
I = Indirect Funding

THE FOUNDATION FOR DELAWARE COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF ACCOUNTING

All expenditures included in the schedule of expenditures of federal awards are presented on the basis that expenditures are reported to the respective federal grantor agencies. Accordingly, expenditures are recorded when the federal obligation is determined.

NOTE B FEDERAL EXPENDITURES

The schedule of expenditures of federal awards reflects federal expenditures for all individual grants which were active during the fiscal year.

NOTE C INDIRECT COST RATES

The Foundation has elected not to use the 10 percent de minimis indirect cost rate.

**THE FOUNDATION FOR DELAWARE COUNTY
SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

THE FOUNDATION FOR DELAWARE COUNTY

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported
- Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None reported

Type of auditor's report issued on compliance for major program [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?

Yes No

Identification of major program:

CFDA Number
10.557

Name of Federal Program or Cluster
Special Supplemental Nutrition Program for Women, Infants, and Children

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

\$ 750,000

Auditee qualified as low-risk auditee?

Yes No

THE FOUNDATION FOR DELAWARE COUNTY

SCHEDULE OF FINDINGS AND RECOMMENDATIONS (CONT'D)

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.