

**Allegany County Human Resources
Development Commission, Inc.**

Financial Statements and Audit Report

September 30, 2020

TURNBULL, HOOVER, & KAHL, P.A.
Certified Public Accountants

Allegany County Human Resources
Development Commission, Inc.
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Board of Directors
Allegany County Human Resources
Development Commission, Inc.

Independent Auditors' Report

Report on the Financial Statements

We have audited the accompanying financial statements of Allegany County Human Resources Development Commission, Inc. (the "Commission") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allegany County Human Resources Development Commission, Inc. as of September 30, 2020, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Report on Summarized Comparative Information

We have previously audited the Allegany County Human Resources Development Commission, Inc.'s 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 6, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2021, on our consideration of Allegany County Human Resources Development Commission, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Jumbull Hoover & Kahl P.A.

Cumberland, Maryland
February 26, 2021

ALLEGANY COUNTY
HUMAN RESOURCES DEVELOPMENT COMMISSION, INC.
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2020 WITH SUMMARIZED
FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current Assets		
Cash and Cash Equivalents	\$ 2,764,376	\$ 2,849,218
Investments	781,373	741,580
Accounts Receivable-Unconditional Promise-Building Leases, Current Portion	201,244	249,994
Accounts Receivable	50,694	55,557
Grants Receivable, Net	895,361	1,025,938
Prepaid Expenses	128,637	198,887
Total Current Assets	<u>4,821,685</u>	<u>5,121,174</u>
Property and Equipment		
Construction in Progress	85,542	9,310
Property and Equipment	11,633,815	11,835,696
Less: Accumulated Depreciation	<u>(5,748,102)</u>	<u>(5,669,884)</u>
Net Property and Equipment	<u>5,971,255</u>	<u>6,175,122</u>
Other Assets		
Accounts Receivable-Unconditional Promise-Building Leases, Non-Current Portion	<u>35,090</u>	<u>194,100</u>
TOTAL ASSETS	<u><u>\$ 10,828,030</u></u>	<u><u>\$ 11,490,396</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts Payable	\$ 306,566	\$ 408,736
Accrued Payroll	179,554	121,085
Accrued Leave/Benefits Payable	322,651	313,205
Deferred Revenue	599,370	984,233
Current Portion of Long-Term Liabilities	68,209	66,092
Other Liabilities Payable	65,510	78,949
Total Current Liabilities	<u>1,541,860</u>	<u>1,972,300</u>
Long-term Liabilities		
Due to Governments, Net	<u>536,954</u>	<u>599,258</u>
Total Long-term Liabilities	<u>536,954</u>	<u>599,258</u>
Total Liabilities	<u>2,078,814</u>	<u>2,571,558</u>
Net Assets		
Net Assets Without Donor Restrictions		
Operating	7,807,445	7,756,055
Board Designated	941,611	1,139,925
Total Net Assets Without Donor Restrictions	<u>8,749,056</u>	<u>8,895,980</u>
Net Assets With Donor Restrictions	<u>160</u>	<u>22,858</u>
Total Net Assets	<u>8,749,216</u>	<u>8,918,838</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 10,828,030</u></u>	<u><u>\$ 11,490,396</u></u>

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

ALLEGANY COUNTY
HUMAN RESOURCES DEVELOPMENT COMMISSION, INC.
STATEMENT OF ACTIVITIES and CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2020 WITH SUMMARIZED
FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>Support and Revenue</u>	<u>Net Assets Without Donor Restrictions</u>	<u>Net Assets With Donor Restrictions</u>	<u>2020 Total</u>	<u>2019 Total</u>
Support				
Federal Revenue	\$ 9,862,885	\$ -	\$ 9,862,885	\$ 10,393,561
State Revenue	1,233,518		1,233,518	1,253,839
Local Government Revenue	744,946		744,946	744,946
Private Source Revenue	322,657		322,657	298,283
Donations	155,428	2,530	157,958	171,316
In-Kind Contributions	83,879		83,879	344,154
Total Support	<u>12,403,313</u>	<u>2,530</u>	<u>12,405,843</u>	<u>13,206,099</u>
Revenue				
Client Fees	4,365		4,365	14,325
State Fee for Service	74,920		74,920	8,490
Interest Income	3,296		3,296	4,223
Investment Income, net	39,793		39,793	44,842
Rental Income	36,723		36,723	49,999
Other Revenue	15,178		15,178	35,071
Gain/(Loss) on Disposal	(3,585)		(3,585)	-
Total Revenue	<u>170,690</u>	<u>-</u>	<u>170,690</u>	<u>156,950</u>
Net assets released from restrictions satisfied by payments	<u>25,228</u>	<u>(25,228)</u>	<u>-</u>	<u>-</u>
Total Support and Revenue	<u>12,599,231</u>	<u>(22,698)</u>	<u>12,576,533</u>	<u>13,363,049</u>
Expenses				
Program Services				
Community Welfare	411,962		411,962	416,234
Energy Services	1,467,639		1,467,639	2,159,457
Health & Nutrition	6,801,758		6,801,758	7,399,101
Housing Development	3,490,714		3,490,714	3,553,988
Total Program Services	<u>12,172,073</u>	<u>-</u>	<u>12,172,073</u>	<u>13,528,780</u>
Supporting Services				
Management & General	574,082		574,082	636,045
Total Supporting Services	<u>574,082</u>		<u>574,082</u>	<u>636,045</u>
Total Expenses	<u>12,746,155</u>	<u>-</u>	<u>12,746,155</u>	<u>14,164,825</u>
Changes in Net Assets	<u>(146,924)</u>	<u>(22,698)</u>	<u>(169,622)</u>	<u>(801,776)</u>
Net Assets, Beginning of Year	8,895,980	22,858	8,918,838	9,720,614
Net Assets, End of Year	<u>\$ 8,749,056</u>	<u>\$ 160</u>	<u>\$ 8,749,216</u>	<u>\$ 8,918,838</u>

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

ALLEGANY COUNTY HUMAN RESOURCES DEVELOPMENT COMMISSION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020 WITH SUMMARIZED
FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Program Services					Support Services		Total Expenses	
	Community Welfare	Energy Services	Health and Nutrition	Housing Development	Management and General	2020		2019	
						\$	\$	\$	\$
Salaries and Wages	112,749	160,075	2,692,282	124,451	475,486	3,565,043	3,565,043	3,740,087	\$
Payroll Taxes	14,254	22,595	347,741	14,484	54,674	453,748	453,748	518,358	
Employee Benefits	31,301	68,982	787,001	54,987	106,577	1,048,848	1,048,848	1,021,026	
Travel	3,302	200	44,776	-	2,501	50,779	50,779	90,278	
Vehicle Costs	211	-	200,181	1,817	2,336	204,545	204,545	272,475	
Insurances	1,330	2,488	34,925	19,272	7,796	65,811	65,811	63,162	
Training	1,498	536	27,043	-	5,225	34,302	34,302	41,907	
Dues & Subscriptions	258	-	2,235	-	13,669	16,162	16,162	15,973	
Program Expenses	181,025	1,103,101	1,198,312	3,181,546	113,283	5,777,267	5,777,267	6,437,504	
Taxes	71	-	162	3,712	1,505	5,450	5,450	8,613	
Interest Expense	-	-	-	-	18,350	18,350	18,350	21,038	
Office Supplies	3,405	6,903	29,488	1,291	10,085	51,172	51,172	69,881	
Board Expenses	-	-	-	-	1,114	1,114	1,114	576	
Advertising	5,507	7,918	49,407	-	7,856	70,688	70,688	71,824	
Printing	850	2,675	1,042	766	850	6,183	6,183	8,418	
Postage	23	8,748	904	440	6,657	16,772	16,772	20,057	
Communications	3,837	1,826	40,029	1,656	6,452	53,800	53,800	74,880	
Occupancy Costs	9,907	5,672	108,861	15,609	18,448	158,497	158,497	185,381	
Repairs and Maintenance	9,164	7,166	152,197	39,765	104,222	312,514	312,514	430,249	
Legal & Professional	-	-	-	-	35,138	35,138	35,138	33,787	
Contractual Services	18	-	9,020	-	7,497	16,535	16,535	29,805	
Bad Debt	-	-	37,944	713	-	38,657	38,657	24,390	
Depreciation	8,628	14,742	253,244	2,961	173,566	453,141	453,141	488,942	
In-Kind	-	-	290,196	-	1,443	291,639	291,639	496,214	
Administration Allocations	24,624	54,012	494,768	27,244	(600,648)	-	-	-	
TOTAL EXPENSES	\$ 411,962	\$ 1,467,639	\$ 6,801,758	\$ 3,490,714	\$ 574,082	\$ 12,746,155	\$ 12,746,155	\$ 14,164,825	

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

ALLEGANY COUNTY HUMAN RESOURCE DEVELOPMENT COMMISSION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2020 WITH SUMMARIZED
FINANCIAL INFORMATION FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2020</u>	<u>2019</u>
Change in Net Assets	\$ (169,622)	\$ (801,776)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	453,141	488,942
Bad Debts	38,657	24,390
(Gain)/loss on Disposal of Fixed Asset	3,585	-
Gain on Sale of Investments	(1,653)	(271)
Unrealized Gain on Investments	(13,408)	(20,227)
(Increase) Decrease in A/R-Unconditional Promise	207,760	151,983
(Increase) Decrease in Accounts Receivable	(33,794)	(51,345)
(Increase) Decrease in Grants Receivable	130,577	168,740
(Increase) Decrease in Prepaid Expenses	70,250	(47,348)
Increase (Decrease) in Accounts Payable	(102,170)	(30,899)
Increase (Decrease) in Accrued Payroll	58,469	10,006
Increase (Decrease) in Accrued Leave	9,446	32,276
Increase (Decrease) in Deferred Revenue	(384,863)	255,338
Increase (Decrease) in Other Liabilities Payable	(13,439)	27,026
	<hr/>	<hr/>
Net Cash Provided by Operating Activities	252,936	206,835
	<hr/>	<hr/>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Gross Proceeds from Disposal of Fixed Assets	215	-
Purchase of Property and Equipment	(253,074)	(51,063)
Proceeds from Sale of Investments	73,223	21,956
Purchase of Investments	(97,955)	(254,404)
	<hr/>	<hr/>
Net Cash (Used in) Investing Activities	(277,591)	(283,511)
	<hr/>	<hr/>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Payments on Due to Governments	(60,187)	(55,088)
	<hr/>	<hr/>
Net Cash (Used in) Financing Activities	(60,187)	(55,088)
	<hr/>	<hr/>
Net (Decrease) in Cash and Cash Equivalents	(84,842)	(131,764)
Cash and Cash Equivalents, Beginning of Fiscal Year	2,849,218	2,980,982
	<hr/>	<hr/>
Cash and Cash Equivalents, End of Fiscal Year	\$ 2,764,376	\$ 2,849,218
	<hr/>	<hr/>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	\$ 18,350	\$ 21,038
	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements

Allegany County Human Resources Development Commission, Inc.
Notes to Financial Statements
September 30, 2020

Note 1: Summary of Significant Accounting Principles

Organization

Allegany County Human Resources Development Commission, Inc. (Commission), a nonprofit Community Action Agency in Allegany County, Maryland, strives to eliminate social and economic barriers to promote individual and community stability through services, advocacy, and collaboration.

Financial Statement Presentation

The Commission is required to classify net assets, revenues, and gains and losses, based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Commission and changes therein are reported into two categories: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions - This class represents those net assets whose use is not restricted by the donor. These net assets generally result from providing services and receiving contributions and performing administrative functions. These net assets also include board designated net assets. The Commission's Board of Directors has set aside amounts received from various donors as designated net assets and has implemented an investment policy. These amounts are not subjected to donor restrictions.

Net assets with donor restrictions - This class represents those net assets whose use is restricted by the donor for specific stipulations imposed by the donor. These net assets generally result from contributions and other inflows of assets, the use of which is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the Commission pursuant to those stipulations. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Generally, the donors of these assets permit the Commission to use the income earned on related investments for general or specific purposes.

When a donor restriction expires as a result of a stipulated time restriction ending or purpose restriction being accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the accompanying statement of activities and changes in net assets as net assets released from restrictions.

Basis of Accounting

The Commission prepares its financial statements on the accrual basis of accounting, in accordance with generally accepted accounting principles (GAAP). Therefore, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Support is recognized when contributions are received. All contributions are considered available for unrestricted use unless specifically restricted by the donor or subject to other legal restrictions.

Revenues are recorded when earned rather than when received for the fiscal year. Therefore, related accounts receivables represent revenues earned but not yet received. Related deferred revenue represents grant funds received but not yet earned as of September 30, 2020.

Allegany County Human Resources Development Commission, Inc.
Notes to Financial Statements
September 30, 2020

Note 1: Summary of Significant Accounting Principles - Continued

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Commission considers all highly liquid assets (including restricted assets, if any) with maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable and Bad Debts Expense

The Commission reports accounts receivable net of an allowance for doubtful accounts. Under the allowance method of handling bad debts, an estimate of the total uncollectible accounts is calculated and periodically evaluated. Receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. The Commission recorded bad debt expense of \$38,657 and \$24,390 for the years ended September 30, 2020 and 2019, respectively.

Property and Equipment

The Commission follows the practice of capitalizing all expenditures for equipment and improvements in excess of \$1,000. Purchased assets are recorded at cost. Donated assets are recorded at their current or appraised value at the date they are donated. Maintenance and repairs are charged to expenses as incurred.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets that range from three to ten years for autos and equipment, and 30 years for buildings with no salvage value assigned. Leasehold improvements are amortized over the remaining life of the lease.

When fixed assets are retired or otherwise disposed of, the cost is removed from the asset account and the related depreciation is adjusted with the difference being charged to income as either a gain or loss.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the reporting period. Actual results could differ from those estimates.

Contributions

The Commission reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restricted net assets are reclassified to without donor restricted net assets and reported in the statement of activities as net assets released from restrictions.

Allegany County Human Resources Development Commission, Inc.
Notes to Financial Statements
September 30, 2020

Note 1: Summary of Significant Accounting Principles - Continued

Unconditional Promises to Give

Unconditional promises to give are recorded as receivables and revenue when received. The Commission distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Pledges are recorded after being discounted to the anticipated net present value of the future cash flows.

Functional Expenses

The Commission allocates its expenses on a functional basis among the various programs. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. Other expenses that are common to many programs are allocated in accordance with the Commission's approved indirect cost allocation plan.

Advertising

Advertising costs are expensed as incurred and included in expenses via allocation to programs and supporting services.

Income Tax Status

The Commission is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and did not conduct unrelated business activities. Therefore, the Board has not made any provisions for federal income taxes in the accompanying financial statements. Additionally, the Commission has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of section 509(a) of the Internal Revenue Code.

The Commission follows the provisions of FASB ASC 740-10-25 (formerly FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes ["FIN 48"]). Under FIN 48, an organization must recognize the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained. The implementation of FIN 48 had no impact on the Commission's financial statements. The Commission does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax liabilities. For the years ended September 30, 2020 and 2019, there were no interest or penalties recorded or included in its financial statements.

Management has reviewed the Commission's tax positions for all open tax years (tax years after September 30, 2017) and has determined that no provision for income taxes is required in the Commission's financial statements, in accordance with financial and accounting disclosure requirements for recognition and measurement of tax positions taken or expected to be taken on a U.S. income tax return.

Allegheny County Human Resources Development Commission, Inc.
Notes to Financial Statements
September 30, 2020

Note 1: Summary of Significant Accounting Principles – Continue

Description of Programs

The Commission's principal programs are as follows:

- Community Welfare - provides services such as, shelter and food for the poverty level residents of Allegheny County. Programs include Homeless Services, Earned Income Tax Credit Program, Work Experience and Family Asset Development Program

- Energy Services - provides supplemental payments for energy costs for low-income families. Programs include Office of Home Energy Program and Weatherization.

- Health & Nutrition - provides day care for mentally and physically handicapped adults and pre-school educational experiences for children of low-income families. Also, provides nutritious meals and transportation for low-income families and elderly residents. The programs include Head Start, Early Head Start, Adult Day Care, Older Americans Act, and Child Care and Family Programs.

- Housing Development - provides housing for low-income families and the elderly. The program includes Group Senior Assisted Housing and Section 8 programs.

- Mgmt & General - administers the entire commission program and various other duties. The special projects enhance client services through community supported activities. The program includes County, Corporate, Community Services Block Grant and Special Projects.

Nature of Prior Period Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with GAAP. Accordingly, such information should be read in conjunction with the Commission's financial statements for the year ended September 30, 2019, from which summarized information was derived.

Note 2: Deposits with Financial Institutions

At September 30, 2020 and 2019, the carrying amount of deposits was \$2,764,376 and \$2,849,218, respectively. The bank balance was \$2,920,318 and \$2,977,784 at September 2020 and 2019, respectively.

The Commission maintains a separate checking account as required under the Office of Home Energy Programs (OHEP). The checking account had a balance of \$280,981 and \$655,463 at September 30, 2020 and 2019, respectively.

The Commission's bank balance was either covered by Federal Deposit Insurance Corporation or was covered by collateral.

Allegany County Human Resources Development Commission, Inc.
Notes to Financial Statements
September 30, 2020

Note 3: Accounts Receivable

Accounts receivable at September 30, 2020 and 2019 is comprised of the following:

	<u>2020</u>	<u>2019</u>
Private source receivable	\$ 27,901	\$ 46,177
Due from employee	1,233	374
Due from program/source	21,560	9,006
	<u>\$ 50,694</u>	<u>\$ 55,557</u>

Grants receivable at September 30, 2020 and 2019 is comprised of the following:

	<u>2020</u>	<u>2019</u>
Federal receivable	\$ 599,895	\$ 677,735
State receivable	327,561	366,839
Grant receivable, gross	927,456	1,044,574
Less allowance for doubtful accounts	(32,095)	(18,636)
Grant receivable, net	<u>\$ 895,361</u>	<u>\$ 1,025,938</u>

Note 4: Unconditional Promises to Give In-Kind

Unconditional promises to give at September 30, 2020 and 2019, consists of the following:

	<u>2020</u>	<u>2019</u>
Building Leases (see Note 8 & 13)	\$ 236,334	\$ 444,094
Total	<u>\$ 236,334</u>	<u>\$ 444,094</u>
Amounts due in:		
Less than one year	\$ 201,244	\$ 249,994
One to five years	35,090	194,100
	<u>\$ 236,334</u>	<u>\$ 444,094</u>

Unconditional promises to give due in more than one year are recognized at fair value, when the donor makes an unconditional promise to give to the Commission.

Note 5: Investments

Investments in equity securities with readily determinable fair values are carried at fair value based on quoted prices in active markets (all level 1 measurements). Investments at September 30, 2020 and 2019, were comprised of mutual funds with a fair value of \$781,373 and \$741,580, respectively.

The following schedule summarizes the investment return in the statement of activities:

	<u>2020</u>	<u>2019</u>
Interest and dividend income	\$ 33,620	\$ 32,035
Net unrealized gains (losses)	13,408	20,226
Net realized gains (losses)	1,653	271
Investment fees	(8,888)	(7,690)
Net investment income	<u>\$ 39,793</u>	<u>\$ 44,842</u>

Allegany County Human Resources Development Commission, Inc.
Notes to Financial Statements
September 30, 2020

Note 6: Fair Value Investments

Fair values of assets measured on a recurring basis using quoted prices in active markets for identical assets (level 1) at September 30, 2020 and 2019, are as follows:

	<u>2020</u>	<u>2019</u>
Money Market Funds	\$ 37	\$ 6,974
Mutual Funds	781,336	734,606
Total	<u>\$ 781,373</u>	<u>\$ 741,580</u>

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described as follows:

- Level 1 inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.
- Level 2 inputs to the valuation methodology include the following:
 - Quoted prices for similar assets or liabilities in active markets
 - Quoted prices for identical or similar assets or liabilities in inactive markets
 - Inputs other than quoted prices that are observable for the asset or liability
 - Inputs that are derived principally from, or corroborated by, observable market data by correlation or other means

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

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

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

The following provides a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at September 30, 2020 and 2019.

Money markets and mutual funds are valued at the net asset value of shares held by the Commission at year end.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Allegany County Human Resources Development Commission, Inc.
Notes to Financial Statements
September 30, 2020

Note 7: Long-Term Liabilities

The Commission's long-term liabilities consist of the following:

Installment loan due in semi-annual installments of varying amounts through July 2028; variable interest	<u>\$ 570,000</u>
Installment loan due in monthly installments of varying amounts through July 2029; variable interest	<u>\$ 35,163</u>

Maturities of long-term liabilities as of September 30, 2020, are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 68,209
2022	68,324
2023	68,442
2024	73,564
2025	73,691
2026-2029	<u>252,933</u>
	<u>\$ 605,163</u>

The Commission has available a bank line of credit for any amount up to \$475,000 at September 30, 2020 and September 30, 2019. The line of credit is secured by the Organization's building. The line of credit bears interest at 4%. The Organization was obligated for \$0 and \$0 at September 30, 2020 and 2019, respectively.

Note 8: Donated Materials and Services

The value of donated building space, equipment and materials are reflected in the accompanying financial statements at fair market value for all programs. The Commission receives donated space from the Board of Education and Allegany College. The Commission is responsible for all operating costs. The following grant contracts require accounting for these donations: Head Start, Early Head Start, and Older Americans Act.

In accordance with generally accepted accounting principles, FASB *Accounting Standards Codification 958, Recognition* requires that donated building space be recorded at fair market value of the total lease at its inception as income and a related receivable (see Note 4), which is amortized over the life of the lease. These leases expire at various times between July 31, 2020 and June 30, 2024. The amount of donated building space and donated goods and materials for the fiscal years ended September 30, 2020 and 2019, was \$291,639 and \$496,214, respectively.

A difference exists between in-kind revenue and in-kind expenses. The difference is created when a long term lease is signed and recorded as an Unconditional Promise – Building Lease on the balance sheet. The unconditional promise is reduced annually which also creates a difference between in-kind revenue and in-kind expenses.

A significant amount of donated services are performed by unpaid volunteer officers and committees to manage and promote the Commission's programs and activities. The value of this contributed time is not reflected in the accompanying financial statements because it does not meet the criteria for recognition under generally accepted accounting standards.

Allegany County Human Resources Development Commission, Inc.
Notes to Financial Statements
September 30, 2020

Note 9: Property and Equipment

A summary of property and equipment at September 30, 2020, is as follows:

	Cost	Accumulated Depreciation
Construction in progress	\$ 85,542	\$ -
Land	279,695	-
Land improvements	569,711	257,723
Building and improvements	8,653,031	3,673,186
Equipment	830,241	671,778
Furnishings	23,051	9,908
Vehicles	<u>1,278,086</u>	<u>1,135,507</u>
TOTAL	\$ <u>11,719,357</u>	\$ <u>5,748,102</u>

Note 10: Retirement Plan

Effective October 1, 1999, the Commission enrolled in the United Food and Commercial Workers Unions and Participating Employers Pension Plan. Contributions are made by the Commission for regular and limited union employees at a rate of \$0.20 per hour up to a maximum of 40 hours per week. Union employees are eligible the first full payroll week following completion of 30 days of continuous employment retroactive to day one of employment.

The Commission added a 403(b) retirement plan in fiscal year (FY) 2002 for all eligible employees. Employees can contribute up to the maximum allowed by the 403(b) plan and the Commission matches \$.50 on the dollar up to a cap of six percent on the non-union employee contributions. There were no discretionary matches in FY 2020 or 2019. An employee is determined to be fully vested with five years of service. The total assets for the plan as of September 30, 2020 and 2019 were \$1,297,617 and \$1,121,906, respectively. The employee contribution for FY 2020 and 2019 was \$71,140 and \$66,882, respectively. The Commission's contribution was \$19,098 and \$19,465 for FY 2020 and 2019, respectively.

Note 11: Annual Leave Accrual

Annual vacation leave is earned by all full-time and all part-time employees who have been employed with the agency for one full calendar year and who work at least four hours a day, 20 hours a week. The leave is earned monthly during the current program year and computed and credited to the employee on the first day of the following program year. It is then available to the employee for use during that program year.

Sick leave is earned each pay period at a predetermined earning rate by all regular employees who have been employed by the agency for one full calendar year. Maximum levels exist for the number of hours available to be earned each year, as well as the total number hours available each year per employee. Sick leave balances can be carried from year to year. Upon an employee's

Allegany County Human Resources Development Commission, Inc.
Notes to Financial Statements
September 30, 2020

Note 11: Annual Leave Accrual – Continued

resignation or permanent furlough, the employee is eligible to be paid a maximum of five days of sick leave, if available, in the employee's account.

In addition, when an employee is terminated, one month of health insurance is provided to that employee. This amount for each employee has been accrued also.

Note 12: Home Energy Program

Currently, the Home Energy Program operates the Maryland Energy Assistance Program (MEAP) and the Maryland Office of Home Energy Program (OHEP). The Commission calculates the amount of assistance due for low-income persons entitled to receive benefits that heat with oil, kerosene, or wood. Payments are made by the Commission directly to these vendors using MEAP benefit funds.

These amounts are recorded in the financial statements as federal revenue and the corresponding MEAP benefit expense. Secondly, the Commission calculates the amount of assistance due for low-income persons entitled to receive benefits that heat with gas or electric. This information is sent to the State of Maryland who pays these vendors directly using OHEP funds. This amount is not included as revenue or expense on the financial statements of the Commission since the assistance is paid directly by the State of Maryland to the vendor.

Note 13: Designated Net Assets

Designated net assets consist of three parts: funds for adult day care, unconditional promises for rental spaces, and accrued benefits payable.

The Adult Day Care Centers were partially built with State of Maryland funding. That portion of the building paid with State of Maryland funding can be reclaimed by the State if the Commission does not use the building for adult day care centers for a total of 30 years. The Commission has designated net assets in the amount of \$382,626 in FY'20 and \$382,626 in FY'19 in order to cover the State portion until the 30 years are completed. Also, the amount of accounts receivable attributed to the unconditional promises to give (see Note 4) for access to free rental space was included as designated net assets in the amount of \$236,334 and \$444,094 at September 30, 2020 and 2019, respectively.

The final board designation on net assets is to cover the amount of accrued benefits payable. The amount of accrued benefits will be recalculated each year to account for benefits earned and benefits used.

The total amount of designated net assets at September 30, 2020 and 2019 is \$941,611 and \$1,139,925, respectively.

Note 14: Deferred Revenue

As of September 30, 2020 and 2019, a few grantors had advanced grant awards to the Commission before the revenue was earned, therefore, creating deferred revenue. The amount of deferred revenue is \$599,370 and \$984,233, respectively.

Allegany County Human Resources Development Commission, Inc.
Notes to Financial Statements
September 30, 2020

Note 15: Risk Management

Significant losses are covered by commercial insurance for all major programs. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or three prior years.

The Commission has not recorded an estimated liability for costs incurred in excess of insured coverage or torts, and other claims against the Commission. Based on historical experience, the Commission expects any such costs to be immaterial.

The COVID-19 pandemic in the United States has caused business disruption and a reduction in economic activity. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration and the impact it will have on the Commission's operations and financial position. Any financial impact to the Commission cannot be reasonably estimated at this time.

Note 16: Liquidity and Availability

The Commission manages its financial assets to provide sufficient liquidity for operations and to provide operating income through investments while safeguarding principal. The investment policy details the composition, objectives, and types of investments needed for the Commission's liquidity. The Commission invests in money market funds and mutual funds to enhance the Commission's liquidity (see Note 6).

Cash and other financial assets available within one year at September 30, 2020 and 2019 are as follows:

	2020	2019
Financial assets at year-end:		
Cash and cash equivalents	\$ 2,764,376	\$ 2,849,218
Accounts receivable	50,694	55,557
Grants receivable, net	895,361	1,025,938
Investments	781,373	741,580
Subtotal of financial assets at year end	4,491,804	4,672,293
Less amounts with limits on usage:		
Net assets with donor restrictions	(160)	(22,858)
Net assets with board designations	(941,611)	(1,139,925)
Total financial assets available for general use within one year	\$ 3,550,033	\$ 3,509,510

Note 17: Evaluation of Subsequent Events

The Commission has evaluated, for possible financial statement disclosure, subsequent events through February 26, 2021, the date which the financial statements were available to be issued, and has determined there were no such events.

**ALLEGANY COUNTY HUMAN RESOURCES
DEVELOPMENT COMMISSION, INC.**

SINGLE AUDIT

SEPTEMBER 30, 2020

David W. Turnbull, CPA
Richard J. Hoover, CPA
Bernard B. Kahl, CPA



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**Independent Auditors' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

To the Board of Directors
Allegany County Human Resources
Development Commission, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Allegany County Human Resources Development Commission, Inc. (the "Commission") (a nonprofit organization), which comprise the statement of financial position as of September 30, 2020, 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 February 26, 2021.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Jumbull Hoover & Kahl PA.

Cumberland, Maryland
February 26, 2021

David W. Turnbull, CPA
Richard J. Hoover, CPA
Bernard B. Kahl, CPA



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Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by Uniform Guidance

To the Board of Directors
Allegany County Human Resources
Development Commission, Inc.

Report on Compliance for Each Major Federal Program

We have audited Allegany County Human Resource Development Commission, Inc.'s (the "Commission") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended September 30, 2020. The Commission's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Commission's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

Report on Internal Control over Compliance

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

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

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

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.

Tumbull Hoover & Katz P.A.

Cumberland, Maryland
February 26, 2021

ALLEGANY COUNTY HUMAN RESOURCES DEVELOPMENT COMMISSION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT #	PROGRAM/ AWARD AMOUNT	PASS THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE:					
PASS THROUGH MARYLAND DEPARTMENT OF AGING:					
Food Distribution Cluster:					
Commodity Supplemental Food Program	10.565	1MD810822	\$ 21,870	\$ -	\$ 21,870
Total Food Distribution Cluster			<u>21,870</u>	<u>-</u>	<u>21,870</u>
PASS THROUGH MARYLAND DEPARTMENT OF EDUCATION:					
Child and Adult Care Food	10.558	n/a	249,799	-	249,799
TOTAL U.S. DEPARTMENT AGRICULTURE			<u>271,669</u>	<u>-</u>	<u>271,669</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:					
PASS THROUGH MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants-City	14.218	see tab grant #	60,000	-	24,787
COVID-19 - Community Development Block Grants-City	14.218	CV.20.003	200,000	-	-
COVID-19 - Community Development Block Grants-County	14.218	CV-1-1	223,750	-	-
Total CDBG - Entitlement Grants Cluster			<u>483,750</u>	<u>-</u>	<u>24,787</u>
Emergency Solutions Grant: Homelessness Solutions	14.231	E-19/20/21-DC-24-0001	150,213	-	59,326
COVID-19 ESG CV1 Homelessness Solutions	14.231	E-20-DW-24-0001	142,029	-	-
Subtotal Emergency Solutions Grant			<u>292,242</u>	<u>-</u>	<u>59,326</u>
Continuum of Care McKinney-Veto	14.267	see tab Grant #	164,066	-	76,712
Comprehensive Housing Counseling Program	14.316	HC190321041	22,314	-	18,242
Comprehensive Housing Counseling Program	14.316	HC200321003	24,637	-	-
Subtotal Comprehensive Housing Counseling Program			<u>46,951</u>	<u>-</u>	<u>18,242</u>
Housing Voucher Cluster:					
Section 8 Housing Choice Voucher Program	14.871	n/a	3,278,855	-	3,228,252
Section 8 Housing Family Unification Program	14.880	n/a	91,480	-	88,532
Total Housing Voucher Cluster			<u>3,370,335</u>	<u>-</u>	<u>3,316,784</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>4,357,344</u>	<u>-</u>	<u>3,495,851</u>
U.S. DEPARTMENT OF TRANSPORTATION:					
DIRECT FLOW-THROUGH:					
Transit Services Programs Cluster:					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	FY20/21-CS510	214,240	-	11,183
Total Transit Services Program Cluster			<u>214,240</u>	<u>-</u>	<u>11,183</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>214,240</u>	<u>-</u>	<u>11,183</u>
U.S. DEPARTMENT OF THE TREASURY:					
DIRECT FLOW-THROUGH:					
VITA Grant	21.009	n/a	15,000	-	15,000
TOTAL U.S. DEPARTMENT OF THE TREASURY			<u>15,000</u>	<u>-</u>	<u>15,000</u>
U.S. DEPARTMENT OF ENERGY:					
PASS THROUGH MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:					
Weatherization Assistance for Low-Income Persons	81.042	DE-EE 0007925	304,671	-	37,228
TOTAL U.S. DEPARTMENT OF ENERGY			<u>304,671</u>	<u>-</u>	<u>37,228</u>

ALLEGANY COUNTY HUMAN RESOURCES DEVELOPMENT COMMISSION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

PROGRAM TITLE	FEDERAL CFDA NUMBER	GRANT #	PROGRAM/ AWARD AMOUNT	PASS THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:					
DIRECT FLOW-THROUGH:					
Head Start Cluster:					
Head Start/Early Head Start	93.600	03CH010166-05-00/01	\$ 3,034,291	\$ -	\$ 2,748,149
Head Start/Early Head Start	93.600	03CH011781-01-00	2,755,709	-	-
COVID-19 Head Start	93.600	03CH010166-05 C3	278,582	-	54,192
Total Head Start Cluster			<u>6,068,582</u>	<u>-</u>	<u>2,802,341</u>
PASS THROUGH MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT:					
Special Programs for the Aging:					
Title VII, Chapter 2 Long Term Care Ombudsman					
Elder Abuse Prevention	93.041	2001MDOAEA	1,748	-	1,748
Ombudsman	93.042	2001MDOAOM	7,654	-	6,037
COVID-19 Ombudsman	93.042	6205210-01	1,547	-	-
Subtotal Ombudsman			<u>9,201</u>	<u>-</u>	<u>6,037</u>
Title III, Part D Disease Prevention and Health Promotion Services					
	93.043	2001MDOAPH	9,032	-	654
Aging Cluster:					
Title III, Part B Grants for Supportive Services and Senior Centers	93.044	2001MDOASS	96,210	7,331	93,372
COVID-19 CARES Act IIIB Supportive Services SSC3	93.044	2001MDSSC3-00	49,660	-	2,624
Title III, Part C Nutrition Services	93.045	2001MDOACM/HD	189,724	-	189,724
COVID-19 Title III CMC2: Congregate Meals	93.045	2001MDCMC2-00	10,001	-	1,753
COVID-19 Title III HDC2: Home-Delivered Meals	93.045	2001MDHDC2-00	50,845	-	38,190
COVID-19 CARES Act IIIC HDC3 Nutrition Services	93.045	2001MDHDC3-00	119,183	-	96,626
Title III, Nutrition Services Incentive Program	93.053	2001MDOANS	62,825	-	62,825
Total Aging Cluster			<u>578,448</u>	<u>7,331</u>	<u>485,114</u>
Senior Medicare Patrol	93.048	90MPPG0001-01-00	5,713	-	2,442
Title III, Part E NFCSP	93.052	2001MDOAFC	44,623	40,977	44,623
COVID-19 CARES Act IIIE Family Caregiver Support FCC3	93.052	2001MDFCC3-00	24,263	-	-
Subtotal Title III, Part E			<u>68,886</u>	<u>40,977</u>	<u>44,623</u>
Senior Health Insurance & Assistance	93.324	90SAPG0003-03-00	30,000	-	16,725
Medicare Improvement for Patients and Providers Act	93.071	1801MDMISH/AA/DR	8,397	-	6,620
Low-Income Home Energy Assistance	93.568	FIA/OHEP-15-001-A4	1,173,382	-	1,111,351
477 Cluster:					
Community Services Block Grant	93.569	n/a	306,841	-	306,841
COVID-19 CARES CSBG	93.569	n/a	304,846	-	14,542
Total 477 Cluster			<u>611,687</u>	<u>-</u>	<u>321,383</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>8,565,076</u>	<u>48,308</u>	<u>4,799,038</u>
CORPORATION FOR NATIONAL AND COMMUNITY SERVICE:					
DIRECT FLOW-THROUGH:					
Retired and Senior Volunteer Program	94.002	19SR217439	95,000	-	39,125
TOTAL CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			<u>95,000</u>	<u>-</u>	<u>39,125</u>
TOTAL FEDERAL AWARDS			<u>\$ 13,823,000</u>	<u>\$ 48,308</u>	<u>\$ 8,669,094</u>

**ALLEGANY COUNTY HUMAN RESOURCES
DEVELOPMENT COMMISSION, INC.
NOTES TO SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
SEPTEMBER 30, 2020**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Commission under programs of the federal government for the year ended September 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Commission, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Commission.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the schedule of expenditures of federal awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Oversight Agency

The United States Department of Health and Human Services has been designated as the oversight audit agency for the Commission.

Note 4. Pass-Through to Subrecipients

The Commission provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Amount Provided</u>
Allegany Law Foundation, Inc.	93.044	\$ 7,331
Allegany County Health Department	93.052	40,977
Total Amount Provided		\$ 48,308

Note 5. Indirect Cost Rate

The Commission has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

**ALLEGANY COUNTY HUMAN RESOURCES
DEVELOPMENT COMMISSION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

A. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor report issued on whether the financial statements audited were prepared in accordance with generally accepted accounting principles:

Unmodified

Internal control over financial reporting:

Material weakness identified?

 yes x no

Significant deficiencies identified?

 yes x no none reported

Noncompliance material to financial statements noted?

 yes x no

Federal Awards

Internal control over major programs:

Material weakness identified?

 yes x no

Significant deficiencies identified?

 yes x no none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)

 yes x no

Identification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.871	Housing Voucher Cluster: Section 8 - Housing Choice Vouchers/NED
14.880	Section 8 - Family Unification Program

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

\$750,000

Auditee qualified as low-risk auditee?

 x yes no

**ALLEGANY COUNTY HUMAN RESOURCES
DEVELOPMENT COMMISSION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2020**

B. FINDINGS - FINANCIAL STATEMENT AUDIT

None

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD
PROGRAMS AUDIT**

None