

LIFTING UP WESTCHESTER, INC.  
FINANCIAL STATEMENTS  
Including SINGLE AUDIT REPORTS

YEARS ENDED DECEMBER 31, 2017 AND 2018

**LIFTING UP WESTCHESTER, INC.**  
**YEAR ENDED DECEMBER 31, 2018**

| <u>TABLE OF CONTENTS</u>   | <u>PAGE</u> |
|--|-------------|
| Unqualified Opinion on Financial Statements and Supplementary<br>Schedule of Expenditures of Federal Awards  | 1           |
| Financial Statements:  |             |
| Statements of Financial Position   | 2           |
| Statements of Activities   | 3           |
| Statements of Functional Expenses  | 4           |
| Statements of Changes in Cash Flows  | 5           |
| Notes to Financial Statements  | 6-15        |
| Supplemental Information:  |             |
| Schedule of Federal Financial Awards   | 16          |
| Notes to Schedule of Federal Financial Awards  | 17          |
| Report on Compliance and on Internal Control over Financial<br>Reporting Based on an Audit of Financial Statements performed<br>In Accordance with Government Auditing Standards | 18          |
| Report on Compliance with Requirements Applicable to each<br>Major Program and Internal Control over Compliance in<br>Accordance with Uniform Guidance                           | 19-20       |
| Schedule of Findings and Questioned Costs  | 21          |



# **Berard & Associates** CPA'S P.C. Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Lifting Up Westchester, Inc.  
White Plains, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Lifting Up Westchester, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, 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.

### ***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 Lifting Up Westchester, Inc. as of December 31, 2018, 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2019, on our consideration of Lifting Up Westchester, 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 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 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 Lifting Up Westchester, Inc.'s internal control over financial reporting and compliance.

*Berard & Associates CPAs PC*

Berard & Associates CPAs PC  
Suffern, NY 10901

May 31, 2019

September 24, 2019 (for SEFA audit)

**LIFTING UP WESTCHESTER, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2018 AND 2017**

**Assets**

|  | 2018                 | 2017                 |
|--|----------------------|----------------------|
| <b>Current Assets</b>  |                      |                      |
| Cash and Cash Equivalents  | \$ 360,550           | \$ 172,929           |
| Cash Restricted - OA reserves  | 45,222               | 30,148               |
| Cash Board Restricted  | 172,549              | -                    |
| Investments-Restricted   | -                    | 168,739              |
| Accounts Receivable-net of allowance<br>of \$196,359 and \$259,112, respectively | 2,395,698            | 2,513,813            |
| Promises to Give   | 43,297               | 28,716               |
| Prepaid Expenses   | 16,862               | 16,151               |
| <b>Total Current Assets</b>  | 3,034,178            | 2,930,496            |
| Property and Equipment, Net  | 7,272,263            | 7,388,592            |
| <b>Other Assets</b>  |                      |                      |
| Security Deposits  | 35,588               | 70,397               |
| <b>Total Assets</b>  | <u>\$ 10,342,029</u> | <u>\$ 10,389,485</u> |

**Liabilities and Net Assets**

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| <b>Current Liabilities</b>          |                  |                  |
| Accounts Payable                    | \$ 159,403       | \$ 138,418       |
| Accrued Expenses                    | 592,498          | 389,719          |
| Accrued Payroll                     | 25,478           | 537,462          |
| Deferred Revenue                    | 169,416          | 118,854          |
| Line of Credit                      | -                | 99,936           |
| Current Portion of Notes Payable    | 170,505          | 79,979           |
| Current Portion of Mortgage Payable | 46,839           | 58,863           |
| <b>Total Current Liabilities</b>    | 1,164,139        | 1,423,231        |
| <b>Long-term Liabilities</b>        |                  |                  |
| Note Payable                        | -                | 97,330           |
| Mortgage Payable                    | 1,209,344        | 1,052,388        |
| <b>Total Long-term Liabilities</b>  | 1,209,344        | 1,149,718        |
| <b>Total Liabilities</b>            | <u>2,373,483</u> | <u>2,572,949</u> |

**Net Assets**

**Without Donor Restriction**

|   |           |           |
|---|-----------|-----------|
| Board Designated- operating reserve                 | 1,762,459 | 1,424,224 |
| Board Designated-Open Arms Building Reserve         | 45,222    | 30,148    |
| Board Designated-Orchard Street Building Reserve    | 36,000    | 30,000    |
| Board Designated-Special Reserve                    | 172,549   | 168,739   |
| Board Designated-Investment in Property & Equipment | 5,845,575 | 6,100,032 |
| <b>Total Unrestricted</b>                           | 7,861,805 | 7,753,143 |

**With Donor Restrictions**

|   |                      |                      |
|---|----------------------|----------------------|
| <b>Total Net Assets</b>                 | <u>7,968,546</u>     | <u>7,816,536</u>     |
| <b>Total Liabilities and Net Assets</b> | <u>\$ 10,342,029</u> | <u>\$ 10,389,485</u> |

See Notes to Financial Statements and Independent Auditor's Report

**LIFTING UP WESTCHESTER, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

|                                       | <b>2018</b>                                   |  |                     | <b>2017</b>         |
|---------------------------------------|---|--|---------------------|---------------------|
|                                       | <b><u>With<br/>Donor<br/>Restrictions</u></b> | <b><u>Without<br/>Donor<br/>Restrictions</u></b> | <b><u>Total</u></b> | <b><u>Total</u></b> |
| <b>SUPPORT AND REVENUE</b>            |   |  |                     |                     |
| Support:                              |   |  |                     |                     |
| Government Grants                     | \$ 5,021,406                                  | \$ 153,422                                       | \$ 5,174,828        | \$ 5,078,196        |
| Contributions and Grants              | 480,476                                       | 103,309  | 583,785             | 461,844             |
| Fund Raising Events Revenue           | 311,610                                       | 24,270   | 335,880             | 266,395             |
| Fund Raising Events Expense           | (11,480)                                      | -  | (11,480)            | (37,723)            |
| Inkind Contributions                  | 258,648                                       | -  | 258,648             | 76,649              |
| Total Support                         | 6,060,660                                     | 281,001  | 6,341,661           | 5,845,361           |
| Revenue:                              |   |  |                     |                     |
| Program Service Fees                  | 7,278,446                                     | -  | 7,278,446           | 6,292,336           |
| Investment Income                     | 6,846   | -  | 6,846               | 23,253              |
| Other                                 | 8,043   | -  | 8,043               | 12,095              |
| Total Revenue                         | 7,293,335                                     | -  | 7,293,335           | 6,327,684           |
| Revenue released from restrictions    | 237,653                                       | (237,653)  | -                   | -                   |
| Total Support & Revenue               | \$ 13,591,648                                 | \$ 43,348  | \$ 13,634,996       | \$ 12,173,045       |
| <b>EXPENSES</b>                       |   |  |                     |                     |
| Program Services                      | 12,266,179                                    | -  | 12,266,179          | 11,199,907          |
| Management and General                | 889,530                                       | -  | 889,530             | 937,184             |
| Fund Raising                          | 327,277                                       | -  | 327,277             | 267,038             |
| Total expenses                        | 13,482,986                                    | -  | 13,482,986          | 12,404,129          |
| <b>CHANGE IN OPERATING NET ASSETS</b> | 108,662                                       | 43,348   | 152,010             | (231,084)           |
| Net Assets - Beginning of Year        | 7,753,143                                     | 63,393   | 7,816,536           | 8,047,620           |
| Net Assets - End of Year              | \$ 7,861,805                                  | \$ 106,741                                       | \$ 7,968,546        | \$ 7,816,536        |

See Notes to Financial Statements and Independent Auditor's Report

**LIFTING UP WESTCHESTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

|   | <u>Program</u><br><u>Services</u> | <u>Management</u><br><u>General</u> | <u>Fund</u><br><u>Raising</u> | <u>2018</u><br><u>Total</u><br><u>Expenses</u> | <u>2017</u><br><u>Total</u><br><u>Expenses</u> |
|---|-----------------------------------|-------------------------------------|-------------------------------|--|--|
| Salaries  | \$ 7,104,932                      | \$ 514,683                          | \$ 171,266                    | \$ 7,790,881                                   | \$ 6,730,696                                   |
| Payroll taxes   | 519,647                           | 36,736                              | 17,604                        | 573,987  | 544,254  |
| Employee benefits                                       | 865,824                           | 42,503                              | 27,279                        | 935,606  | 968,137  |
| <b>Total Salaries and<br/>Related Expenses</b>          | <b>8,490,403</b>                  | <b>593,922</b>                      | <b>216,149</b>                | <b>9,300,474</b>                               | <b>8,243,087</b>                               |
| <br>Food and Consumable Supplies                        | <br>83,652                        | <br>-                               | <br>-                         | <br>83,652                                     | <br>92,851                                     |
| Client Assistance Payments - Net of<br>check repayments | 2,080,647                         | -                                   | -                             | 2,080,647                                      | 2,089,038                                      |
| In kind Program Supplies & Assistance                   | 109,593                           | -                                   | -                             | 109,593  | 54,496   |
| Program Activities                                      | 119,970                           | -                                   | -                             | 119,970  | 101,373  |
| Transportation  | 76,477                            | 10                                  | -                             | 76,487   | 78,159   |
| Repairs and Maintenance                                 | 96,309                            | 14,532                              | -                             | 110,841  | 99,075   |
| Occupancy   | 68,020                            | 79,500                              | -                             | 147,520  | 152,074  |
| Utilities   | 62,447                            | 17,335                              | -                             | 79,782   | 118,445  |
| Telephone   | 47,210                            | 14,968                              | 634                           | 62,812   | 71,850   |
| Professional Fees & Contract Services                   | 298,982                           | 70,352                              | 48,234                        | 417,568  | 400,680  |
| Staff Recruitment & Training                            | 32,528                            | 4,605                               | 393                           | 37,526   | 23,784   |
| Office Expenses   | 63,397                            | 57,133                              | 58,165                        | 178,695  | 283,861  |
| Interest Expense  | 102,910                           | 19,516                              | -                             | 122,426  | 96,102   |
| Health Facility Assessment                              | 23,431                            | -                                   | -                             | 23,431   | 21,461   |
| Insurance   | 56,206                            | 9,469                               | 1,061                         | 66,736   | 68,541   |
| Postage   | 6,077                             | 5,188                               | 1,076                         | 12,341   | 15,985   |
| Community Outreach                                      | -                                 | -                                   | 65                            | 65   | 700  |
| Bad Debt Expense  | 152,449                           | -                                   | -                             | 152,449  | 110,000  |
| <br><b>Total Expenses Before Depreciation</b>           | <br><b>11,970,708</b>             | <br><b>886,530</b>                  | <br><b>325,777</b>            | <br><b>13,183,015</b>                          | <br><b>12,121,562</b>                          |
| <br>Depreciation  | <br>295,471                       | <br>3,000                           | <br>1,500                     | <br>299,971                                    | <br>282,567                                    |
| <br><b>Total Expenses</b>                               | <br><b>\$ 12,266,179</b>          | <br><b>\$ 889,530</b>               | <br><b>\$ 327,277</b>         | <br><b>\$ 13,482,986</b>                       | <br><b>\$ 12,404,129</b>                       |

See Notes to Financial Statements and Independent Auditor's Report

**LIFTING UP WESTCHESTER, INC.**  
**STATEMENT OF CHANGES IN CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

|  | <u>2018</u> | <u>2017</u>  |
|--|-------------|--------------|
| Cash Flow from Operating Activities                        |             |              |
| Increase (decrease) in net assets                          | \$ 152,010  | \$ (231,084) |
| Adjustments to reconcile                                   |             |              |
| Increase in net assets to                                  |             |              |
| net cash provided by operating activities                  |             |              |
| Depreciation   | 299,971     | 282,567      |
| Changes in operating assets and liabilities                |             |              |
| Decrease (Increase) in Accounts Receivable                 | 118,115     | (351,844)    |
| Decrease (Increase) in HHAP Receivable                     | -           | 161,794      |
| Decrease (Increase) in Promises to Give                    | (14,581)    | (12,996)     |
| Decrease (Increase) in Prepaid Expenses                    | (711)       | (3,790)      |
| Decrease (Increase) in Security Deposits                   | 34,809      | 39           |
| Increase (Decrease) in Accounts Payable & Accrued Expenses | 223,764     | (114,511)    |
| Increase (Decrease) in Accrued Payroll                     | (511,984)   | 171,024      |
| Increase (Decrease) in Deferred Revenue                    | 50,562      | 45,302       |
| Net Cash Provided by Operating Activities                  | 351,955     | (53,499)     |
| Cash Flows from Financing Activities:                      |             |              |
| Proceeds from Debt   | 3,262,319   | 705,000      |
| Repayment of Debt  | (3,224,127) | (837,842)    |
| Net(Decrease) Increase in Financing Activities             | 38,192      | (132,842)    |
| Cash Flows from Investing Activities                       |             |              |
| (Purchase) of property and equipment                       | (183,642)   | (21,160)     |
| Sale (Purchase) of Investments                             | 168,739     | 683          |
| Net cash Provided by Investing Activities                  | (14,903)    | (20,477)     |
| Net Increase (decrease) in Cash and Cash Equivalents       | 375,244     | (206,818)    |
| Cash and Cash Equivalents - Beginning of Year              | 203,077     | 409,895      |
| Cash and Cash Equivalents - End of Year                    | \$ 578,321  | \$ 203,077   |
| Noncash Disclosure   |             |              |
| Contributions In Kind                                      | \$ 258,648  | \$ 76,649    |
| Supplemental Information                                   |             |              |
| Interest Paid  | \$ 122,426  | \$ 96,102    |
| Taxes Paid   | \$ -        | \$ -         |

See Notes to Financial Statements and Independent Auditor's Report



**LIFTING UP WESTCHESTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

Lifting Up Westchester assists those struggling to overcome the challenges of poverty, homelessness and hunger. They work with men, women, and children as they create their own unique path to a more fulfilling, healthy, and independent life. Striving to never turn anyone away, they enlist the generosity of a caring community through donations and volunteerism.

**Recently Issued Accounting Standards**

In 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities. Lifting Up Westchester adopted the provisions of this new standard during the year ended December 31, 2018. In addition to changes in terminology used to describe categories of net assets throughout the financial statement, new disclosures were added regarding liquidity and the availability of resources, and disclosures related to functional allocation of expenses was expanded.

**Reclassifications**

Certain financial statement and footnote information from the prior year financial statements has been reclassified to conform with current year presentation format.

**Classes of Net Assets**

*Net Assets with Donor Restrictions*

Net assets with Donor Restrictions is donations subject to donor restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expire, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

*Net Assets without Donor Restrictions*

Net assets without donor restrictions are available for use in operations and are not subject to donor restrictions. The Board's designations could be drawn upon if the Board approves that action.

**Basis of Accounting**

The accompanying financial statements of the Agency have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

**LIFTING UP WESTCHESTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Promise to Give**

Unconditional promises to give are recognized as contribution revenue in the period received as assets, decreases of liabilities or expenses depending on the form of the benefits received. Promises to give are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. All current promises to give are short term and undiscounted.

**Allowance Method for Accounts Receivable**

The Agency uses the allowance method for recording bad debt expense relating to their accounts receivable. The expense is computed based on a historical percentage of uncollected receivables. Actual write-offs are then applied to the allowance account. During 2018 and 2017, bad debt expense was \$152,449 and \$110,000 respectively.

**Cash Equivalents**

For purposes of the Statement of Cash Flows, The Agency considers all cash and other highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**Support and Revenue**

The Agency received 42% of its total support and revenue from federal, state and local government agencies including but not limited to the federal Department of Housing and Urban Development, New York State Departments of Community Mental Health and Office for People with Developmental Disabilities, and the Westchester County Departments of Social Services and Community Mental Health. Support received from those grants and contracts is recognized when the services are provided and are subject to audit by the providing agency.

The Agency received 52% of its total support and revenue primarily from program service fees related to the Neighbors Program.

**Estimates**

Management used estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

**Functional Allocation of Expenses**

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Organization. Depreciation, operations and maintenance of buildings are allocated based on square footage. Costs of all other categories were allocated on estimates of time and effort.

**LIFTING UP WESTCHESTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**  
**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Income Taxes**

The Agency is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose maybe subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deductions under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

**Comparative Financial 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with The Agency's financial statements for the year ended December 31, 2017, from which the summarized information was derived. Client and third-party repayments revenue have been reclassified to net against client assistance payments expense.

**Uncertainty in Income Taxes**

The Agency recognizes the tax benefit associated with tax positions taken for tax return purposes when it is more likely than not the position will be sustained upon examination by a taxing authority. The Agency does not believe they have taken any material uncertain tax positions and, accordingly they have not recorded any liability for unrecognized tax benefits. The Agency has filed for and received income tax exemptions in the jurisdictions where required to do so.

**NOTE 2 – PROGRAMS**

**Emergency Services**

**Grace's Kitchen** – The largest soup kitchen in White Plains, serves meals at the Grace Church Parish Hall every Monday to Friday and on all Holidays. Clients received over 17,500 meals including 3,700 holiday meals. In addition, to better address the needs of its clients; the Charlie Bevier Outreach Program now operates out of the soup kitchen.

**Open Arms:** In 2018, the Open Arms 38-bed shelter for single homeless men provided 188 men with almost 5,200 nights of shelter and 16,000 meals. Through its Drop In Emergency Center, it assisted 549 individuals providing approximately 9,200 nights of shelter and 17,000 meals.

**Samaritan House:** This year, the 17-bed women's shelter provided approximately 2,200 overnight stays to 76 residents and served approximately 13,000 meals. Through its Emergency Drop-In Center, Samaritan House assisted 213 women with 2,900 nights of shelter and served 3,800 meals.

**LIFTING UP WESTCHESTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 2 – PROGRAMS (CONT'D)**

**Housing Stabilization**

**Housing Services** – Provides housing stabilization assistance for individuals living with issues of homelessness, substance addiction, mental illness and HIV/AIDS. The Housing Programs support clients in their apartment search and provides them with full or partial rent subsidies for up to 24 months. All participants receive ongoing case management and support following their placement to ensure a more successful transition. Those eligible for the subsidy include the mentally ill, particularly those who are resistant to treatment, individuals in recovery from substance and alcohol abuse, individuals whose length of stay in a shelter has exceeded 120 days and those who have had multiple shelter stays in a single year. This year the program helped 230 individuals secure and maintain housing.

**Vocational and Employment Services**

**Neighbors Home Care Services** – Program provides its uniquely compassionate and individualized home care to the elderly and disabled. Services are provided on both an hourly and live-in basis. In 2018, the Neighbors Program provided over 294,000 hours of service to approximately 225 elderly and disabled patients in Westchester County. The program also offers free home health aide training and guaranteed employment to primarily low-income minority women.

**Rainbow Outreach** – Provides social and educational programs and case management services to developmentally disabled individuals and their families from traditionally underserved communities and minority groups. In the past year, the program served 50 developmentally disabled individuals.

**Next Generation Educational Opportunities**

**Summer Camp** – Program that provides a stimulating recreational program for homeless and disadvantaged children for four weeks each summer. Activities include swimming, arts and crafts, sports, dance, music, journal writing, field trips and reading instruction. The camp also provides job opportunities through the counselor in training and counselor programs, 90 campers ages 5-13 participated in the program in 2018.

**Mentoring** – Program which provides after school tutoring sessions, college preparation, weekend sports activities, and enriching field trips to homeless and disadvantaged children. High school students are taken on college tours, provided with SAT tutoring and assisted with the college application process. Scholarships are available to help with college tuition and books; 424 youth ages 9-19 participated in the program in 2018.

**NOTE 3 – INVESTMENTS**

Investments are presented in the financial statements at fair market value. Investments at December 31, 2018 and 2017 consisted of the following:

|                   | <u>2018</u>       |      | <u>2017</u>       |           |
|-------------------|-------------------|------|-------------------|-----------|
|                   | Fair Market Value | Cost | Fair Market Value | Cost      |
| Cash              | \$ -              | \$ - | \$ 2,597          | \$ 2,597  |
| Mutual Funds      |                   |      |                   |           |
| Fixed Income/Bond | -                 | -    | 42,052            | 37,118    |
| Capital Equity    | -                 | -    | 58,928            | 49,183    |
| Other             | -                 | -    | 65,162            | 56,859    |
| Total             | \$ -              | \$ - | \$ 168,739        | \$145,757 |

**LIFTING UP WESTCHESTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 4- EMPLOYEE BENEFIT PLANS**

The Agency has a tax deferred annuity retirement plan available for all employees. All full-time employees are eligible to enter the plan upon hire. All full-time employees are eligible for employer contributions upon completion of one year of service in which they have worked a minimum of 1,000 hours per year. The Agency matches up to \$1,500 of employee voluntary salary reduction contributions. Employer retirement plan contributions for the years ended December 31, 2018 and 2017 were \$30,457 and \$34,216, respectively.

On January 1, 2018 the Agency established a special retirement plan for its Home Health Aides to which the Agency makes employer contributions as part of its compliance with NYS wage parity requirements. Home Health Aides are eligible for this benefit immediately upon hire and receive an employer contribution to the plan per wage parity qualifying hour worked. Employer contributions for the year ended December 31, 2018 was \$632,127.

**NOTE 5- IN-KIND CONTRIBUTIONS**

The Organization received donated salary and goods for consumers of \$258,648 in 2018 and donated goods for consumers of \$76,649 in 2017.

**NOTE 6 – CONCENTRATION OF RISK**

The Agency maintains several bank accounts which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash balances were in excess of the insured amounts at year end at one bank by \$307,161. Management believes this is a reputable bank and does not believe there is any risk of loss.

**NOTE 7- FAIR VALUE MEASUREMENT**

Lifting Up Westchester did not have any investments at December 31, 2018.

Fair values of assets measured on a recurring basis at December 31, 2017 are as follows:

|              | <u>Fair Value</u> | <u>Quoted Prices in<br/>Active Markets<br/>For Identical<br/>Assets (Level 1)</u> | <u>Significant<br/>Other<br/>Observable<br/>Inputs (Level 2)</u> | <u>Significant<br/>Unobservable<br/>Inputs (Level 3)</u> |
|--------------|-------------------|---|--|--|
| Cash         | \$ 2,597          | \$ 2,597  | \$ -   | \$ -   |
| Mutual Funds | 166,141           | 166,141   | -  | -  |
| Total        | <u>\$ 168,739</u> | <u>\$ 168,739</u>   | <u>\$ -</u>  | <u>\$ -</u>  |

The Agency follows Financial Accounting Standards Board (FASB) guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

**LIFTING UP WESTCHESTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 8- RELATED ENTITIES**

The Agency has a Limited Liability Corporation, GCCC Orchard Street, LLC. The LLC is one hundred percent owned by Lifting Up Westchester, Inc. As a single-member entity, it is considered a "disregarded entity" by the Internal Revenue Code. GCCC Orchard Street, LLC owns the building purchased in 2007 located at 35 Orchard St. White Plains, NY. Intercompany rent of \$137,498 was eliminated in the consolidation. Additionally, Open Arms Housing Development Fund Company, Inc. was created to own 86 East Post Road. The HDFC is 100% owned by Lifting Up Westchester, Inc. and is consolidated into these financial statements. Intercompany rent of \$96,000 was eliminated in the consolidation.

**NOTE 9 – PROPERTY AND EQUIPMENT**

The agency follows the practice of capitalizing all expenditures for land, buildings, and equipment in excess of \$3,000. Depreciation is computed by the straight-line method at rates based on the following estimated useful lives:

|                              | <u>Years</u> |
|------------------------------|--------------|
| Furniture and Fixtures       | 3-10         |
| Office and Program Equipment | 3-5          |
| Transportation and Equipment | 5-10         |
| Building Improvements        | 5-19         |
| Building                     | 40           |

In 2007, the agency purchased the building located at 35 Orchard Street, White Plains, NY which serves as its administrative and housing services headquarters. During 2014, 86 East Post Road was purchased for \$2,004,190, improvements of \$4,248,598 was spent in 2014-2016. The agency also leases property in White Plains which houses Samaritan House, the Soup Kitchen, and Neighbors.

At December 31, 2018, the costs and related accumulated depreciation of buildings, property and equipment consisted of the following:

| <u>Account</u>                  | <u>Cost</u>         | <u>Accum Depr</u>     | <u>Net</u>          |
|---------------------------------|---------------------|-----------------------|---------------------|
| Furniture, Fixtures & Equipment | \$ 170,461          | \$ (41,325)           | \$ 129,136          |
| Transportation Equipment        | 104,086             | (76,239)              | 27,848              |
| Land                            | 255,000             | -0-                   | 255,000             |
| Building & Improvements         | <u>8,742,268</u>    | <u>(1,881,988)</u>    | <u>6,860,280</u>    |
|                                 | <u>\$ 9,271,815</u> | <u>\$ (1,999,552)</u> | <u>\$ 7,272,263</u> |

Depreciation expense for 2018 and 2017 was \$299,971 and 282,567, respectively. Additions for the year ended December 31, 2018 and 2017 was \$183,642 and \$21,160, respectively. Disposals for the years ended December 31, 2018 and 2017 was \$38,110 and \$0, respectively.

**NOTE 10- NET ASSETS WITH DONOR RESTRICTIONS**

Donor restricted net assets were \$106,741 in 2018 and \$63,393 in 2017. The funds are set aside for:

|                   | <u>2018</u>       | <u>2017</u>      |
|-------------------|-------------------|------------------|
| Scholarship       | \$ 55,250         | \$ -             |
| Mentoring         | 20,833            | 5,562            |
| Samaritan House   | 30,658            | 44,256           |
| Open Arms Program | -                 | 13,575           |
|                   | <u>\$ 106,741</u> | <u>\$ 63,393</u> |

**LIFTING UP WESTCHESTER, INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 11- BOARD DESIGNATED NET ASSETS**

The Agency had a Board restricted endowment funds with a balance at December 31, 2017 of \$168,739. In August 2018, the Board of Directors authorized the transfer of its Board restricted endowment into a Board designated special reserve fund with a balance of \$172,549.

**NOTE 12- COMMITMENTS**

The organization has rental agreements as follows:

Two Copier leases –payments total \$3,337/month expiring 2020

Managed Service Contract-payments total \$5,400/month with a 90-day notification period

| <u>Rental Leases</u>           | <u>Expires</u> | <u>Monthly amount</u> |
|--------------------------------|----------------|-----------------------|
| Samaritan House                | Dec. 2019      | \$6,760               |
| 148 Hamilton Ave. White Plains | monthly        | \$1,700               |
| Grace's Kitchen                | Dec. 2019      | \$2,900               |

**NOTE 13- NOTES PAYABLE**

The Agency has a line of credit with JP Morgan Chase for \$700,000, with interest payable at a rate of 3.993 percentage points over LIBOR. At December 31, 2018 the Agency's loan balance was \$0. In February 2019, the Agency replaced this with a new line of credit from The Westchester Bank for \$1,000,000, with interest payable at a rate of prime plus 0.5%.

The Agency had a commercial loan with JP Morgan Chase for \$250,000, over 60 months with interest payable at a rate of 4.49 percent. At December 31, 2018 the Agency's loan balance was \$45,505 which was refinanced in February 2019, the Agency obtained a term loan with The Westchester Bank for \$60,000, with interest payable at a rate of 4.49%.

The Agency had a loan with Leviticus 25:23 Alternative Fund Inc. for \$133,000 over 60 months with interest payable at a rate of 6% percent. This loan was paid off and consolidated into the new mortgage loan disclosed in Note 14 below. At December 31, 2018 the Agency's loan balance was \$0.

In September 2018, the Agency obtained a six-month term loan with the Contact Fund for \$325,000, with interest payable at the rate of 6%. At December 31, 2018 the Agency's loan balance was \$125,000. This loan was paid off in February 2019.

Maturities of these loans, in each of the next five years and thereafter, are as follows:

|            |                   |
|------------|-------------------|
| 2019       | \$ 170,505        |
| 2020       | -0-               |
| 2021       | -0-               |
| 2022       | -0-               |
| 2023       | -0-               |
| Thereafter | -0-               |
| Total      | <u>\$ 170,505</u> |

**LIFTING UP WESTCHESTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 14- MORTGAGE**

The Agency had a mortgage with Chase Bank for \$1,040,000 with payments payable over 240 months of \$7,402 per month at an interest rate of 5.83%. The mortgage was secured by the property on Orchard Street, White Plains, New York. The balance at December 31, 2018 was \$0.

The Agency had a mortgage on the building at 35 Orchard St. with Autumn Properties IV, LLC originally in the amount of \$430,000. This mortgage term was \$3,155.19 per month and was paid off in 2018. Interest was payable at 8%. This mortgage had a second position to Chase on the Orchard Street building as collateral.

The two above mortgages as well as the Leviticus 25:23 Alternative Fund Inc. loan from Note 13 above, were paid off October 2018 and consolidated into one mortgage with Leviticus 25:23 Alternative Fund Inc. for \$1,260,000. This mortgage term is \$9,309.28 per month with payments to be made over 204 months with interest payable at a rate of 5.25% percent. At December 31, 2018 the Agency's loan balance was \$1,256,183 .

Maturities of this mortgage, in each of the next five years and thereafter are as follows:

|            |                     |
|------------|---------------------|
| 2019       | \$ 46,839           |
| 2020       | 49,358              |
| 2021       | 52,012              |
| 2022       | 54,809              |
| 2023       | 57,757              |
| Thereafter | 995,408             |
| Total      | <u>\$ 1,256,183</u> |

**NOTE 15- BUILDING RESERVE**

The agreement between New York State Homeless Housing and Assistance Corporation (HHAC), contains an annual replacement and operating reserve requirement of \$15,074 per year for the Open Arms building. The funds deposited in the Operating Reserve Account, along with the interest earned on such funds, shall be withdrawn and used only to meet costs directly connected with the operation of the Open Arms building, unless another use is approved in writing by HHAC, upon the written application of Lifting Up Westchester, Inc.

The Board created a building reserve fund for the Orchard street property with an annual deposit of \$6,000. The funds shall be used only to meet costs directly connected to the property.

**NOTE 16- SUBSEQUENT EVENTS**

The Agency evaluated subsequent events through May 17, 2019, the date the financial statements are available to be issued.



**LIFTING UP WESTCHESTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 17- LIQUIDITY AND FUNDS AVAILABLE**

The following table reflects the Agency's financial assets as of December 31, 2018, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year, assets held for others, perpetual endowments, or because the Board has set aside the funds for specific reserve or long-term investments as Board designated. The Board designations could be drawn upon if the Board approves that action.

Financial Assets:

|                               |    |               |
|-------------------------------|----|---------------|
| Cash and cash equivalents     | \$ | 578,321       |
| Accounts Receivable           |    | 2,395,698     |
| Promises to Give              |    | <u>43,397</u> |
| Financial assets, at year-end |    | 3,017,316     |

Less those unavailable for general expenditure within one year due to:

Board Designated for:

|                                 |                |
|---------------------------------|----------------|
| Open Arms Building Reserve      | 45,222         |
| Orchard Street Building Reserve | 36,000         |
| Special Reserve                 | <u>172,549</u> |

Financial assets available to meet cash needs for general expenditure within one year \$ 2,763,545

lifting Up Westchester  
Schedule of Expenditures of Federal Awards By Grant  
For the Year Ended December 31, 2018

| <i>Federal Grantor/Program or Cluster Title</i>                       | <i>Federal<br/>CFDA<br/>Number</i> | <i>Pass-through<br/>Grantor and<br/>Number</i> | <i>Name of<br/>Grant -<br/>Grant ID<br/>No.</i> | <i>Federal<br/>Expenditures(<br/>\$)</i> | <i>payments<br/>to<br/>subrecipients</i> |
|---|------------------------------------|--|---|--|--|
| <b>Other Programs</b>   |                                    |  |   |  |  |
| <b>Department of Health and Human Services</b>                        |                                    |  |   |  |  |
| HIV Emergency Relief Project Grants                                   | 93.914                             | City of New York                               | Ryan White 16-HOT-995                           | 621,350                                  | -0-                                      |
| Block Grants for Community Mental Health Services                     | 93.958                             | City of New York                               |   | 128,668                                  | -0-                                      |
| <i>Total Department of Health and Human Services</i>                  |                                    |  |   | 750,018                                  |  |
| <b>Department of Housing and Urban Development</b>                    |                                    |  |   |  |  |
| Supportive Housing Program  | 14.235                             | New York City                                  | Turning Point                                   | 562,285                                  | -0-                                      |
| Shelter Plus Care   | 14.238                             | State of New York                              | RAP   | 537,943                                  | -0-                                      |
| Housing Opportunities for Persons with AIDS Continuum of Care Program | 14.241                             | New York City                                  | 16-RWC-995                                      | 1,127,702                                | -0-                                      |
| Continuum of Care Program   | 14.267                             | Direct City of Yonkers                         | another way home Muni housing                   | 130,899                                  | -0-                                      |
| Continuum of Care Program   | 14.267                             |  |   | 61,931                                   | -0-                                      |
| Total Continuum of Care Program                                       |                                    |  |   | 192,830                                  |  |
| <i>Total Department of Housing and Urban Development</i>              |                                    |  |   | 2,420,760                                |  |
| <b>Total Expenditures of Federal Awards</b>                           |                                    |  |   | <u><u>\$ 3,170,778</u></u>               |  |

The accompanying notes are an integral part of this schedule

**LIFTING UP WESTCHESTER, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2018**

**NOTE A- BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Lifting Up Westchester, Inc. under programs of the federal government for the year ended December 31 2018. The information in the 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 Lifting Up Westchester, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Lifting Up Westchester, Inc.

**NOTE B – SUMMARY OF ACCOUNTING POLICIES**

General

The accompanying Schedule of Expenditures of Federal Awards presents all activity of all federal award programs for the year ended December 31, 2018. Federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included on the Schedule.

Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

Lifting Up Westchester, Inc. allocates indirect costs as limited by the grant requirements and granting sources.

Matching Requirement

The Shelter plus program CFDA # 14.238 has a matching requirement that was met



# Berard & Associates CPA'S P.C. Certified Public Accountants

## 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

Board of Directors,  
Lifting Up Westchester, Inc.  
White Plains, NY

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 Lifting Up Westchester, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 31, 2019.

### Internal Control over Financial Reporting

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

### Purpose of this Report

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

*Berard & Associates CPA's PC*

Berard & Associates CPA's PC

Suffern, NY

May 17, 2019

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# **Berard & Associates** CPA'S P.C. **Certified Public Accountants**

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

Board of Directors  
Lifting Up Westchester, Inc.  
White Plains, NY

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

We have audited Lifting Up Westchester, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Lifting Up Westchester, Inc.'s major federal programs for the year ended December 31, 2018. Lifting Up Westchester, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Lifting Up Westchester, Inc.'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 Lifting Up Westchester, Inc.'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 Lifting Up Westchester, Inc.'s compliance.

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

In our opinion, Lifting Up Westchester, Inc. 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 December 31, 2018.

## **Report on Internal Control over Compliance**

Management of Lifting Up Westchester, Inc. 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 Lifting Up Westchester, Inc.'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 Lifting Up Westchester, Inc.'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.



Berard & Associates CPA's PC  
Suffern, NY  
September 24, 2019

**LIFTING UP WESTCHESTER, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2018**

**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on the financial statements of Lifting Up Westchester, Inc.
2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statement performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of Lifting Up Westchester, Inc. were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal award programs are reported in the Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Lifting Up Westchester, Inc. expresses an unmodified opinion on all major federal programs.
6. No audit findings relative to the major federal award programs for Lifting Up Westchester, Inc. are reported in this Schedule.
7. The programs tested as major programs included:  
CFDA #, 14.238 Shelter care plus, 14.267 Continuum of care
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Lifting Up Westchester, Inc. did qualify as a low-risk auditee.

**FINDINGS-FINANCIAL STATEMENT AUDIT**

There were no findings or questioned costs.

**FINDINGS-PRIOR YEAR**

There were no findings or questioned costs.