



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

To the Board of Directors of  
Head Start of Eastern Orange County, Inc.

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

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

We have audited Head Start of Eastern Orange County, Inc.'s (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended April 30, 2023. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have direct and material effect on each of its major federal programs for the year ended April 30, 2023.

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance

with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### **Report on Internal Control Over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be

prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

*Wojeski & Company, CPAs, P.C.*

Albany, New York  
October 11, 2023

**HEAD START OF EASTERN ORANGE COUNTY, INC.**

**Schedule of Expenditures of Federal Awards**

**For the Year Ended April 30, 2023**

Federal Grantor/Pass-through Grantor/Program Title	Federal ALN Number	Agency or Pass-through Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
<i>Head Start Cluster</i>			
Head Start	93.600	02CH010869-04-00	\$ 2,611,596
Head Start - COVID-19	93.600	02HE000051-01-00	8,754
Head Start - COVID-19	93.600	02HE000051-01-01	<u>257,048</u>
<i>Total Head Start Cluster</i>			<u>2,877,398</u>
<i>Child Care and Development Fund Cluster</i>			
Passed through the New York State Office of Children and Family Services			
Child Care and Development Block Grant - COVID-19	93.575	A-11279	40,529
Child Care and Development Block Grant - COVID-19	93.575	GF-12794	<u>38,600</u>
<i>Total Child Care and Development Fund Cluster</i>			<u>79,129</u>
Total U.S. Department of Health and Human Services			<u>2,956,527</u>
<u>U.S. Department of Agriculture</u>			
Passed through New York State Health Department:			
Child and Adult Care Food Program	10.558	2438-0001	<u>133,932</u>
Total U.S. Department of Agriculture			<u>133,932</u>
Total Expenditures of Federal Awards			<u>\$ 3,090,459</u>

See accompanying notes to schedule of expenditures of federal awards.

## **HEAD START OF EASTERN ORANGE COUNTY, INC.**

### **Notes to Schedule of Expenditures of Federal Awards**

**Year Ended April 30, 2023**

#### **NOTE A--BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Head Start of Eastern Orange County, Inc. (a not-for-profit corporation) (the "Organization") under programs of the federal government for the year ended April 30, 2023. 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 Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

#### **NOTE B--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the applicable cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 230, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Pass-through entity identification numbers are presented where available.

##### Relationship to Basic Financial Statements

Federal award revenues are reported in the basic financial statements as federal government revenue. The basic financial statements are presented using the accrual basis of accounting.

#### **NOTE C--INDIRECT COST RATES**

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

#### **NOTE D--MATCHING CONTRIBUTIONS**

Required matching contributions for program costs related to the Head Start program were made by the Organization. The matching contributions totaled approximately \$767,000 for the program year May 1, 2022 to April 30, 2023. Included in that amount was approximately \$210,000 in volunteer services that are not recorded in the basic financial statements.

**HEAD START OF EASTERN ORANGE COUNTY, INC.**

**Notes to Schedule of Expenditures of Federal Awards--Continued**

**NOTE E--NONCASH ASSISTANCE**

There were no federal awards expended in the form of noncash assistance by the Organization during the year ended April 30, 2023, and accordingly, no amounts were reported on the Schedule.

**NOTE F--SUBRECIPIENTS**

The Organization provided no federal awards to subrecipients during the year ended April 30, 2023, and accordingly, no amounts were reported on the Schedule.

**NOTE G--REPORTING**

The final SF-425 report for the budget period ending April 30, 2023 was accurate and agreed with the Organization's financial records.

**HEAD START OF EASTERN ORANGE COUNTY, INC.**

**Summary Schedule of Prior Audit Findings**

**Year Ended April 30, 2023**

**FINDINGS--FINANCIAL STATEMENT AUDIT**

None.

**FINDINGS AND QUESTIONED COSTS--MAJOR FEDERAL AWARD PROGRAM AUDIT**

**2022-001--Allowable Costs/Cost Principles—Questioned Costs**

*Federal Agency:* U.S. Department of Health and Human Services

*Federal Program:* ALN 93.575 – Child Care and Development Block Grant – Passed through New York State Office of Children and Family Services

*Grant/Passthrough Number:* A-11279

*Grant Period:* Year ended April 30, 2022

*Condition:* The Organization expended Child Care Stabilization Grant funds on the resurfacing of a parking lot.

*Recommendation:* Procedures should be put in place to ensure that the Organization has confirmed the source of grant funds, as well as any limitation on allowable costs, prior to expending the funds.

*Current Status:* Corrective action plan was implemented. No similar findings were noted in the April 30, 2023 audit.

**HEAD START OF EASTERN ORANGE COUNTY, INC.**

**Schedule of Findings and Questioned Costs**

**Year Ended April 30, 2023**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
• Material weakness(es) identified?	<u>    </u>	Yes <u>  X  </u>	No
• Significant deficiencies identified?	<u>    </u>	Yes <u>  X  </u>	None reported
Noncompliance material to the financial statements noted?	<u>    </u>	Yes <u>  X  </u>	No

**Federal Awards**

Internal control over major programs:			
• Material weakness(es) identified?	<u>    </u>	Yes <u>  X  </u>	No
• Significant deficiencies identified?	<u>    </u>	Yes <u>  X  </u>	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 200.516(a)?	<u>    </u>	Yes <u>  X  </u>	No
Identification of major federal programs:			
<u>ALN Number:</u> 93.600		<u>Program Title:</u> Head Start Cluster	
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000		
Auditee qualified as low-risk auditee?	<u>  X  </u>	Yes <u>    </u>	No

**SECTION II – FINANCIAL STATEMENT AUDIT FINDINGS**

None.

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

None.