WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES

Consolidated Financial Statements and Audit Reports and Supplementary Information Related to Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* For the Years Ended July 31, 2018 and 2017 With Independent Auditor's Report

MITCHELL TITUS
ACHIEVING EXCELLENCE TOGETHER

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES
Years Ended July 31, 2018 and 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Westchester Community Opportunity
Program, Inc. and Affiliates

Report on the financial statements

We have audited the accompanying consolidated financial statements of Westchester Community Opportunity Program, Inc. and Affiliates (hereinafter collectively referred to as WestCOP and Affiliates), which comprise the consolidated statement of financial position as of July 31, 2018 and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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

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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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of WestCOP and Affiliates as of July 31, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

The consolidated financial statements of WestCOP and Affiliates for the year ended July 31, 2017 were audited by another auditor who expressed an unmodified opinion on those statements on April 11, 2018.

Other information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information shown on pages 23 to 25, and the accompanying Schedule of Expenditures of Federal Awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), are presented for purposes of additional analysis, and are not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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, except for that portion marked “unaudited”, on which we express no opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated April 30, 2019 on our consideration of WestCOP and Affiliates' 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 WestCOP and Affiliates' 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 WestCOP and Affiliates' internal control over financial reporting and compliance.

Mitchell & Titus, LLP

April 30, 2019

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES
Consolidated Statements of Financial Position
As of July 31, 2018 and 2017

	2018	2017
ASSETS		
Cash and cash equivalents (Notes 2 and 3)	$ 1,152,098	$ 798,101
Accounts receivable		
Grants and contracts (Note 4)	2,582,748	2,546,163
Note receivable (Note 5)	315,100	335,341
Other	122,845	54,783
Pledges receivable	36,300	69,600
Prepaid expenses and security deposits	254,753	207,889
Property and equipment, net (Note 6)	2,749,591	3,004,207
Total assets	$ 7,213,435	$ 7,016,084
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses (Note 7)	$ 2,131,486	$ 1,560,250
Accrued salaries, vacation and related payables (Note 8)	882,818	625,351
Due to Westchester County	-	48,440
Refundable advances (Note 9)	250,794	856,195
Line of credit payable (Note 10)	402,591	300,000
Mortgage payable (Note 11)	593,051	647,268
Total liabilities	4,260,740	4,037,504
Net assets		
Unrestricted	2,911,382	2,878,461
Temporarily restricted (Note 14)	41,313	100,119
Total net assets	2,952,695	2,978,580
Total liabilities and net assets	$ 7,213,435	$ 7,016,084

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

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES

Consolidated Statements of Activities

For the Years Ended July 31, 2018 and 2017

	2018			2017		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Revenue and support						
Contributions	$ 123,040	$ -	$ 123,040	$ 134,477	$ -	$ 134,477
Grants						
Federal	21,463,140	-	21,463,140	21,728,048	-	21,728,048
State	5,796,800	-	5,796,800	5,548,480	-	5,548,480
Local	6,633,009	-	6,633,009	7,114,768	-	7,114,768
Parents' fees	251,422	-	251,422	265,388	-	265,388
Rental income	133,979	-	133,979	126,980	-	126,980
In-kind contributions (Note 2)	3,681,977	-	3,681,977	3,704,530	-	3,704,530
Net assets released from restrictions	58,806	(58,806)	-	-	-	-
Total revenue and support	38,142,173	(58,806)	38,083,367	38,622,671	-	38,622,671
Income from other sources						
Interest income	12,897	-	12,897	13,839	-	13,839
Special event (net of direct benefit to donor expenses of $36,583 and $47,545, respectively)	59,819	-	59,819	29,171	-	29,171
Total income from other sources	72,716	-	72,716	43,010	-	43,010
Total revenue, support and income from other sources	38,214,889	(58,806)	38,156,083	38,665,681	-	38,665,681
Expenses						
Program services						
Early childhood	25,063,022	-	25,063,022	25,761,775	-	25,761,775
Foster grandparents	961,106	-	961,106	973,661	-	973,661
Victims assistance services	1,169,791	-	1,169,791	1,094,456	-	1,094,456
Energy	1,450,712	-	1,450,712	1,656,587	-	1,656,587
Community action partnerships	2,540,769	-	2,540,769	2,353,590	-	2,353,590
Employment and training	568,713	-	568,713	633,762	-	633,762
Veterans program	1,721,310	-	1,721,310	1,821,478	-	1,821,478
Other program	982,958	-	982,958	946,995	-	946,995
Total program expenses	34,458,381	-	34,458,381	35,242,304	-	35,242,304
Management and general	3,723,587	-	3,723,587	3,355,653	-	3,355,653
Total expenses	38,181,968	-	38,181,968	38,597,957	-	38,597,957
Change in net assets	32,921	(58,806)	(25,885)	67,724	-	67,724
Net assets, beginning of year	2,878,461	100,119	2,978,580	2,810,737	100,119	2,910,856
Net assets, end of year	$ 2,911,382	$ 41,313	$ 2,952,695	$ 2,878,461	$ 100,119	$ 2,978,580

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

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES

Consolidated Statements of Functional Expenses

For the Year Ended July 31, 2018

	Westchester Community Opportunity Program, Inc.								
	Program Services								
	Early Childhood	Foster Grandparents	Victims Assistance Services	Energy	Community Action Partnerships	Employment and Training	Veterans Program	Other Programs	Total Program Services
Salaries	$ 12,182,560	$ 160,029	$ 820,797	$ 489,289	$ 696,974	$ 354,018	$ 627,652	$ 624,062	$ 15,955,381
Participants' salaries and benefits	-	642,802	650	-	2,750	38,240	-	3,916	688,358
Payroll taxes and employee benefits	2,991,979	31,068	164,178	124,940	123,497	46,339	102,060	100,083	3,684,144
Total salaries and related expenses	15,174,539	833,899	985,625	614,229	823,221	438,597	729,712	728,061	20,327,883
Other than personnel cost									
Professional services (in-kind) (Note 2)	2,506,568	-	-	-	1,175,409	-	-	-	3,681,977
Travel expenses	17,488	69,303	15,624	2,159	8,642	13,873	6,492	1,103	134,684
Training and conferences	109,894	14,396	23,054	24,399	25,290	11,900	13,600	1,545	224,078
Contractual fees and payments	1,619,584	-	50	-	1,358	44,083	83,761	19,945	1,768,781
Delegate contracts	1,700,868	-	-	-	-	-	-	-	1,700,868
Space costs	1,826,719	12,074	71,481	81,152	291,779	3,500	78,093	44,329	2,409,127
Office supplies	111,837	938	19,869	5,272	38,825	1,163	16,924	42	194,870
Other program expenses	506,974	18,195	16,089	35,867	38,291	48,226	711,558	33,678	1,408,878
Weatherization materials/Services	-	-	-	605,286	-	-	-	82,043	687,329
Food	996,546	8,570	140	-	4,327	461	-	13,459	1,023,503
Equipment rental, maintenance and repairs	236,650	393	1,608	35,989	46,554	6,000	54,976	24,112	406,282
Communication	84,770	-	24,481	12,017	48,161	695	15,820	22,259	208,203
Insurance	151,005	1,756	1,127	31,868	32,803	215	10,353	-	229,127
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interests expenses	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-
Other	19,580	1,582	10,643	2,474	6,109	-	21	12,382	52,791
Total expenses	$ 25,063,022	$ 961,106	$ 1,169,791	$ 1,450,712	$ 2,540,769	$ 568,713	$ 1,721,310	$ 982,958	$ 34,458,381

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

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES

Consolidated Statements of Functional Expenses *(continued)*

For the Year Ended July 31, 2018

	Westchester Community Opportunity Program, Inc. Support Services			New Rochelle-Winthrop Housing Development Fund Corporation and 95 Winthrop Avenue Corporation	Westchester Community Holding Corporation	Aunt Bessle's Open Door, Inc.	
	Management and General	Total support Services	Total	Management and General	Management and General		Total
Salaries	$ 1,904,154	$ 1,904,154	$ 17,859,535	$ -	$ -	$ -	$ 17,859,535
Participants' salaries and benefits	3,100	3,100	691,458	-	-	-	691,458
Payroll taxes and employee benefits	419,130	419,130	4,103,274	-	-	-	4,103,274
Total salaries and related expenses	2,326,384	2,326,384	22,654,267	-	-	-	22,654,267
Other than personnel cost							
Professional services (in-kind) (Note 2)	-	-	3,681,977	-	-	-	3,681,977
Travel expenses	1,528	1,528	136,212	-	-	-	136,212
Training and conferences	34,899	34,899	258,977	-	-	-	258,977
Contractual fees and payments	300,092	300,092	2,068,873	5,795	500	-	2,075,168
Delegate contracts	-	-	1,700,868		-	-	1,700,868
Space costs	193,054	193,054	2,602,181	22,523	5,887	-	2,630,591
Office supplies	123,925	123,925	318,795	-	-	-	318,795
Other program expenses	49,057	49,057	1,457,935	491	-	-	1,458,426
Weatherization and materials/services	-	-	687,329	-	-	-	687,329
Food	5,433	5,433	1,028,936	-	-	-	1,028,936
Equipment rental, maintenance and repairs	63,252	63,252	469,534	-	-	-	469,534
Communication	37,553	37,553	245,756	-	-	-	245,756
Insurance	71,534	71,534	300,661	1,942	-	-	302,603
Depreciation and amortization	270,143	270,143	270,143	15,189	6,354	-	291,686
Interest expense	61,304	61,304	61,304	-	-	-	61,304
Bad debt expense	65,318	65,318	65,318	2,505	-	-	67,823
Other	54,156	54,156	106,947	4,719	50	-	111,716
Total expenses	$ 3,657,632	$ 3,657,632	$ 38,116,014	$ 53,164	$ 12,791	$ -	$ 38,181,968

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

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES

Consolidated Statements of Functional Expenses

For the Year Ended July 31, 2017

	Westchester Community Opportunity Program, Inc.								
	Program Services								
	Early Childhood	Foster Grandparents	Victims Assistance Services	Energy	Community Action Partnerships	Employment and Training	Veterans Program	Other Programs	Total Program Services
Salaries	$ 12,254,073	$ 172,663	$ 762,428	$ 539,994	$ 790,802	$ 319,469	$ 608,368	$ 531,440	$ 15,979,237
Participants' salaries and benefits	-	658,624	350	-	300	55,655	-	6,940	721,869
Payroll taxes and employee benefits	3,016,070	37,649	148,512	145,891	143,743	48,698	108,103	124,511	3,773,177
Total salaries and related expenses	15,270,143	868,936	911,290	685,885	934,845	423,822	716,471	662,891	20,474,283
Other than personnel cost									
Professional services (in-kind) (Note 2)	2,802,981	-	-	-	901,549	-	-	-	3,704,530
Travel expenses	17,219	44,956	13,223	131	5,538	11,866	8,828	31,147	132,908
Training and conferences	120,608	8,978	32,304	18,943	19,592	-	17,240	7,826	225,491
Contractual fees and payments	1,652,052	-	803	1,843	3,919	125,000	137,325	11,197	1,932,139
Delegate contracts	1,701,544	-	-	-	-	-	-	-	1,701,544
Space costs	1,800,522	17,443	63,259	90,761	222,680	500	79,648	83,667	2,358,480
Office supplies	60,174	5,494	6,908	7,833	103,517	492	11,282	2,193	197,893
Other program expenses	718,333	15,636	7,858	233	17,371	69,801	758,476	58,106	1,645,814
Weatherization and materials/services	-	-	-	764,664	-	-	-	11,436	776,100
Food	971,514	63	157	-	1,284	85	-	33,889	1,006,992
Equipment rental, maintenance and repairs	301,969	724	4,298	39,155	47,965	200	58,881	4,913	458,105
Communication	113,458	2,571	27,974	13,692	46,279	1,458	17,067	18,993	241,492
Insurance	188,151	4,227	1,554	32,096	43,632	538	16,206	1,101	287,504
Depreciation and amortization	-	-	-	-	-	-	-	-	-
Interests expenses	-	-	-	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-	-	-	-
Other	43,107	4,633	24,828	1,351	5,420	-	54	19,636	99,029
Total expenses	$ 25,761,775	$ 973,661	$ 1,094,456	$ 1,656,587	$ 2,353,590	$ 633,762	$ 1,821,478	$ 946,995	$ 35,242,304

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

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES

Consolidated Statements of Functional Expenses *(continued)*

For the Year Ended July 31, 2017

	Westchester Community Opportunity Program, Inc. Support Services			New Rochelle-Winthrop Housing Development Fund Corporation and 95 Winthrop Avenue Corporation	Westchester Community Holding Corporation	Aunt Bessle's Open Door, Inc.	
	Management and General	Total support Services	Total	Management and General	Management and General		Total
Salaries	$ 1,808,894	$ 1,808,894	$ 17,788,131	$ 45,040	$ -	$ -	$ 17,833,171
Participants' salaries and benefits	-	-	721,869	-	-	-	721,869
Payroll taxes and employee benefits	371,380	371,380	4,144,557	-	-	-	4,144,557
Total salaries and related expenses	2,180,274	2,180,274	22,654,557	45,040	-	-	22,699,597
Other than personnel cost							
Professional services (in-kind) (Note 2)	-	-	3,704,530	-	-	-	3,704,530
Travel expenses	1,419	1,419	134,327	-	-	-	134,327
Training and conferences	-	-	225,491	-	-	-	225,491
Contractual fees and payments	292,688	292,688	2,224,827	15,457	1,700	-	2,241,984
Delegate contracts	-	-	1,701,544	-	-	-	1,701,544
Space costs	156,254	156,254	2,514,734	25,684	3,029	-	2,543,447
Office supplies	52,364	52,364	250,257	-	-	-	250,257
Other program expenses	-	-	1,645,814	-	-	-	1,645,814
Weatherization and materials/services	-	-	776,100	-	-	-	776,100
Food	-	-	1,006,992	-	-	-	1,006,992
Equipment rental, maintenance and repairs	62,201	62,201	520,306	-	-	-	520,306
Communication	17,877	17,877	259,369	-	-	-	259,369
Insurance	43,154	43,154	330,658	2,773	1,330	-	334,761
Depreciation and amortization	287,517	287,517	287,517	15,189	6,215	-	308,921
Interests expenses	61,893	61,893	61,893	-	-	-	61,893
Bad debt expense	65,235	65,235	65,235	-	-	-	65,235
Other	9,082	9,082	108,111	8,375	903	-	117,389
Total expenses	$ 3,229,958	$ 3,229,958	$ 38,472,262	$ 112,518	$ 13,177	$ -	$ 38,597,957

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

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES
Consolidated Statements of Cash Flows
Years Ended July 31, 2018 and 2017

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ (25,885)	$ 67,724
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Bad debt expense	67,823	-
Depreciation and amortization	291,686	308,921
(Increase) decrease in assets		
Grants and contracts receivable	(71,108)	225,751
Note receivable	20,241	22,222
Accounts receivable - others	(68,062)	(17,835)
Pledges receivable	-	13,500
Prepaid expenses and security deposits	(46,864)	123,439
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	571,236	(49,450)
Accrued salaries, vacation and related payables	257,467	(217,830)
Due to Westchester County	(48,440)	(58,128)
Refundable advances	(605,401)	79,072
Net cash provided by operating activities	342,693	497,386
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment acquisitions	(37,070)	(63,690)
Net cash used in investing activities	(37,070)	(63,690)
CASH FLOWS FROM FINANCING ACTIVITIES		
Receipt of loan proceeds from line of credit payable	552,591	(120,000)
Payment of line of credit payable	(450,000)	-
Payments of mortgage principal	(54,217)	(51,546)
Net cash provided by (used in) financing activities	48,374	(171,546)
Net increase in cash and cash equivalents	353,997	262,150
Cash and cash equivalents, beginning of year	798,101	535,951
Cash and cash equivalents, end of year	$ 1,152,098	$ 798,101
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 61,304	$ 61,893

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

NOTE 1 NATURE OF THE ORGANIZATIONS

Westchester Community Opportunity Program, Inc. (WestCOP) was originally founded in the County of Westchester in 1965. WestCOP's mission is to mobilize and efficiently manage resources through partnerships and collaborations to help the low-income and at-risk populations in the Hudson Valley region to achieve greater self-sufficiency.

New Rochelle-Winthrop Housing Development Fund Corporation and 95 Winthrop Avenue Corporation (NR-Winthrop) were both incorporated in 1994. The principal purpose of NR-Winthrop is to develop a non-profit housing project for low-income persons.

Westchester Community Holding Corporation (Holding) was incorporated on November 13, 1979, under the Not-For-Profit Corporation Law of the State of New York and was formed solely to purchase and hold real estate for use by WestCOP.

Aunt Bessie's Open Door, Inc. (ABOD) was formed to hold and maintain real and personal property for the benefit of WestCOP. Properties obtained by ABOD are intended to be used as locations for the operations of WestCOP's various programs. A certificate of amendment filed on October 10, 1972, changed the name of Aunt Bessie’s Open Door, Inc., to Aunt Bessie’s Open Door Day Care Center, Inc. (also referred to herein as ABOD).

All entities are referred to as WestCOP and Affiliates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements as of July 31, 2018 and 2017 include the accounts of WestCOP and Affiliates. All intercompany transactions have been eliminated.

Basis of Presentation

The consolidated financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

WestCOP and Affiliates are required to report information regarding their consolidated financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, which are discussed below:

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Basis of Presentation *(continued)*

Unrestricted net assets - Consists of net assets that are neither permanently nor temporarily restricted by donor-imposed stipulations.

Temporarily restricted net assets - Consists of net assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization. The temporarily restricted assets include all revenues and contributions designated by donors for program activities.

Permanently restricted net assets - Consists of net assets whose use by the organization is subject to donor-imposed stipulations that the funds be maintained in perpetuity and only the income earned from the investment of such funds be released from restrictions and used in WestCOP's operations.

As of July 31, 2018, WestCOP and Affiliates have no permanently restricted net assets.

Revenue and Support

WestCOP and Affiliates receive federal, state and local government grants when eligible costs to be reimbursed are incurred and claimed in compliance with grantors' requirements or when performance requirements stipulated in the grants and contracts are achieved and the related amounts are claimed by WestCOP and Affiliates. Under certain government grants, WestCOP and Affiliates are reimbursed based on units of service multiplied by an established billing rate. Such rates are subject to change and adjustment based on review by the government agencies responsible for such funding. Refundable advances represent advances received for future services. Estimates of any potential audit disallowances or other funding adjustments are reflected as liabilities due to the funders.

Parents' fees and rental income are recorded as revenue in the period earned.

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending upon the existence and/or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

Unconditional promises to give cash or other assets that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. At July 31, 2018 and 2017, pledges receivable are expected to be collected within the next fiscal year.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed Services and Property

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period services are provided.

In-Kind Contributions

In-kind contributions represent contributed services, goods or property from non-federal sources, required as matches under government contracts. These contributions are recorded at their estimated fair value and are reflected in the consolidated financial statements as revenues and expenses in the period received. For the years ended July 31, 2018 and 2017, additional in-kind contributions for volunteer services totaling $615,040 and $1,030,424, respectively, were not reflected in the consolidated financial statements because they did not satisfy the recognition criteria in accordance with U.S. GAAP requirements.

Cash and Cash Equivalents

For financial statement purposes, WestCOP and Affiliates consider all cash and other highly liquid instruments with original maturities of three months or less to be cash equivalents.

Property and Equipment

Property and equipment are recorded at cost. Depreciation is recorded on the straight-line method over their estimated useful lives. Building and leasehold improvements are amortized over the shorter of the estimated useful lives of the improvements or the terms of the leases.

Functional Expenses Allocation

The costs of providing for WestCOP and Affiliates' programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services that benefited.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Vacation and Sick Leaves

Employees are granted vacation leave as per the policy of the WestCOP or as per the provisions of the grant agreements. WestCOP recognizes vacation pay when earned and sick pay when used as an expenditure.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

WestCOP, NR-Winthrop and ABOD are not-for-profit entitles that are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Holding is a not-for-profit entity that is exempt from income taxes under Section 501(c)(2) of the Internal Revenue Code.

WestCOP and Affiliates have evaluated the recognition requirements for uncertain income tax positions as required by U.S. GAAP, with no cumulative effect adjustment required. Income tax benefits are recognized for income tax positions taken or expected to be taken in a tax return, only when it is determined that the income tax position will more-likely-than-not be sustained upon examination by taxing authorities. Accordingly, WestCOP and Affiliates have not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions at July 31, 2018 and 2017.

WestCOP and Affiliates are subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Periods ended July 31, 2014 and subsequent years remain open to examination to applicable taxing authorities.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Recently Issued Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) - Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and "net assets with donor restrictions," (b) modifying the presentation of endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, (e) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources, (f) presenting investment return net of external and direct internal expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. The ASU is effective for WestCOP and Affiliates' consolidated financial statements for the year ending July 31, 2019. The provisions of the ASU must be applied on a retrospective basis for all years presented although certain optional practical expedients are available for periods prior to adoption. Management is currently evaluating the impact of this ASU on the consolidated financial statements.

The FASB issued its new lease accounting guidance in ASU No. 2016-02, *Leases (Topic 842)*. Under the new guidance, lessees will be required to recognize the following for all leases (with the exception of short-term leases) at the commencement date: (a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis; and (b) a right-of-use asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. Certain targeted improvements were made to align, where necessary, lessor accounting with the lessee accounting model and ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The amendments are effective for WestCOP and Affiliates’ fiscal year ending July 31, 2021, with early adoption permitted. This ASU will impact the accounting for lease arrangements when adopted.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Recently Issued Accounting Pronouncements *(continued)*

The FASB also issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires additional disclosures pertaining to qualitative and quantitative disaggregation of revenue into categories that explain how revenue and cash flows are impacted by economic factors, information about contract balances and discussion of remaining performance obligations. The scope of this ASU excludes contributions and collaborative arrangements since they are not viewed to be contracts with customers. The key principle of the guidance is to recognize revenue to reflect the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments are effective for WestCOP and Affiliates' fiscal year ending July 31, 2020, with early adoption permitted. This ASU is relevant the accounting for WestCOP and Affiliates' revenue other than contributions and investment income when it is adopted.

The FASB also issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides a more robust framework for determining whether a transaction should be accounted for as a contribution or exchange transaction. Organizations would have to evaluate whether the resource provider is receiving value in return for the resources transferred. If the resource provider is not itself receiving commensurate value for the resources provided, the organization would have to determine whether a transfer of assets represents a payment from a third-party payer on behalf of an existing exchange transaction between the recipient and an identified customer. In such circumstances, other guidance, such as the revenue recognition standard (Accounting Standards Codification 606) would apply. The amendments are effective for WestCOP and Affiliates' fiscal year ending July 31, 2020, with early adoption permitted.

NOTE 3 CASH AND CASH EQUIVALENTS

As of July 31, the account consists of:

	2018	2017
Petty cash	$ 7,940	$ 5,990
Checking and operating accounts	805,188	513,890
Other program cash accounts	338,970	278,221
	$ 1,152,098	$ 798,101

NOTE 3 CASH AND CASH EQUIVALENTS *(continued)*

As of July 31, 2018 and 2017, WestCOP and Affiliates maintained cash balances with financial institutions in excess of the Federal Deposit Insurance Corporation (FDIC) limit of $250,000 per bank, per depositor. Uninsured bank account cash balances as at July 31, 2018 and 2017 amounted to $500,516 and $154,111, respectively.

NOTE 4 ACCOUNTS RECEIVABLE - GRANTS AND CONTRACTS

As of July 31, the account consisted of:

	2018	2017
Government agencies		
Federal agencies	$ 232,307	$ 615,763
State of New York	612,123	352,864
Counties and municipalities	1,725,300	1,565,476
Subtotal	2,569,730	2,534,103
Parent's fees	13,018	12,060
	$ 2,582,748	$ 2,546,163

NOTE 5 NOTE RECEIVABLE

Note receivable represents a term loan receivable from the Hispanic Resource Center of Larchmont/Mamaroneck Inc. The borrower shall pay interest on the outstanding principal balance of this note at the rate per annum equal to 4%. Commencing on July 1, 2015 and continuing on the 1st day of each consecutive month, the borrower shall make 59 consecutive monthly payments of interest and principal in the amount of $2,773.83, with the then entire unpaid principal balance of this loan plus accrued interest due at maturity date of May 29, 2020.

NOTE 6 PROPERTY AND EQUIPMENT

As of July 31, the account consisted of:

	Estimated Useful Lives	2018	2017
Land	-	$ 285,400	$ 285,400
Buildings	30 to 40 years	3,521,492	3,521,492
Building improvements	30 to 40 years	731,070	731,070
Leasehold improvements	Lease terms	843,817	843,817
Vehicles	5 years	1,364,541	1,327,471
Furniture and fixtures	5 years	5,400	5,400
Equipment and computers	5 years	1,052,847	1,052,847
Total acquisition cost		7,804,567	7,767,497
Less: Accumulated depreciation		(5,054,976)	(4,763,290)
Property and equipment, net		$ 2,749,591	$ 3,004,207

NOTE 7 ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account represents unpaid obligations from operations as of July 31, 2018 and 2017 of $2,131,486 and $1,560,250, respectively. These obligations represent goods or services billed to and received by WestCOP and Affiliates as of the end of the fiscal years.

As of the date of this report, $1,755,123 and $1,201,140 of the liabilities as of July 31, 2018 and 2017 have been paid.

NOTE 8 ACCRUED SALARIES, VACATION AND RELATED PAYABLES

As of July 31, the account consisted of:

	2018	2017
Accrued compensation	$ 641,018	$ 388,545
Accrued vacation	240,250	231,081
Pension contributions	1,550	646
Other payroll liabilities	-	5,079
Total	$ 882,818	$ 625,351

NOTE 9 REFUNDABLE ADVANCES

WestCOP is the recipient of grants that require expenditure for specified activities before the organization is reimbursed by the grantor for the costs incurred. Documentation showing actual costs expended is included when submitting a monthly or quarterly report for reimbursement. Certain grantors pay in advance of incurring the specified costs. In those cases, the amount received in excess of amounts spent on reimbursable costs is reported as refundable costs. As at July 31, 2018 and 2017, respectively, refundable advances totaled $250,794 and $856,195, respectively.

NOTE 10 LINE OF CREDIT PAYABLE

As at July 31, 2018 and 2017, WestCOP had a business revolving line of credit of $800,000 with TD Bank. During the years ended July 31, 2018 and 2017, there were drawdowns made against the revolving credit line with TD Bank. The outstanding line of credit drawn with TD Bank as of July 31, 2018 and 2017 amounted to $402,591 and $300,000, respectively.

The terms under the TD Bank credit facility are as follows:

- Proceeds from credit line will be used to provide additional working capital. The facility is renewable each April with interest only due monthly. The interest rate shall be based on the Wall Street Journal Prime Rate.

- The first UCC-1 filing on the Business Assets of the Borrower, excluding all assets and equipment belonging to or associated with the Federal Head Start Program, was given as collateral to secure the performance and payment of all obligations respecting the Credit Accommodations.

- There were no required financial covenants with regards to the credit facility.

NOTE 11 MORTGAGES PAYABLE

On August 1, 2009, WestCOP obtained a mortgage on its Toddlers Park property in the amount of $361,353. The mortgage with Helen Belton is payable in monthly installments, which commenced September 1, 2009, with the final payment due on August 31, 2019. Monthly installments are applied first to interest at the rate of 4.5% and the balance thereof on the account of principal. As of July 31, 2018 and 2017, the outstanding mortgage balance was $47,431 and $89,211, respectively.

NOTE 11 MORTGAGES PAYABLE *(continued)*

On March 7, 2008, WestCOP obtained a mortgage on its Mount Vernon property in the amount of $640,000. The mortgage with the Community Preservation Corporation is payable in 360 monthly installments which commenced on May 1, 2008, with the final payment due on April 1, 2038. Monthly installments are applied first to interest calculated on the outstanding principal balance at the per annum rate of 6.97% and the remainder is applied toward the principal. As of July 31, 2018, and 2017, the outstanding mortgage balance was $545,620 and $558,057, respectively.

Principal payments remaining for the mortgages payable are as follows:

	Principal Payment Amounts		
Year Ending July 31,	**Toddler's Park Property**	**Mount Vernon Property**	**Total**
2019	$ 43,700	$ 13,331	$ 57,031
2020	3,731	14,291	18,022
2021	-	15,319	15,319
2022	-	16,422	16,422
2023	-	17,604	17,604
2024 and thereafter	-	468,653	468,653
	$ 47,431	$ 545,620	$ 593,051

NOTE 12 PENSION PLAN

WestCOP has a defined contribution pension plan covering those full-time employees 21 years of age and older who have completed at least one year of service. WestCOP's employer contribution to the plan was 4% of eligible salaries for the years ended July 31, 2018 and 2017. Pension expense for the years ended July 31, 2018 and 2017 was $356,739 and $374,185, respectively.

NOTE 13 OPERATING LEASE COMMITMENTS

WestCOP leases buildings for use in their programs under operating leases. Rental expense for the years ended July 31, 2018 and 2017 was $1,530,508 and $1,505,581, respectively.

NOTE 13 OPERATING LEASE COMMITMENTS *(continued)*

The minimum rental payments for leases expiring at various dates are as follows:

Year Ending July 31,	Amount
2019	$ 1,328,586
2020	617,117
2021	504,280
2022	325,795
2023	307,890
2024 and thereafter	267,394
	$ 3,351,062

NOTE 14 TEMPORARILY RESTRICTED NET ASSETS

As of July 31, temporarily restricted net assets are available for the following purposes:

	2018	2017
Community action program activities	$ -	$ 13,528
Early childhood activities	-	4,167
Victims' assistance	-	10,173
Various programs	41,313	72,251
	$ 41,313	$ 100,119

NOTE 15 CONTINGENT LIABILITIES

Potential for Government Reviews and Audits

Grants and revenues from services rendered are subject to audit by the government agencies.

In the past, WestCOP has been audited by the Department of Health and Human Services (DHHS), the New York State Department of State and the New York State Division of Housing and Community Renewal. Management indicated that there have been no reportable liabilities brought to its attention and that there exists no material liabilities outstanding at the current time. No provision for potential allowances is reflected in the accompanying consolidated financial statements.

NOTE 15 CONTINGENT LIABILITIES *(continued)*

Litigation

WestCOP and Affiliates are involved in several legal proceedings arising in the ordinary course of its business for which there is insurance coverage. Management believes that these legal proceedings will not have a material adverse effect on WestCOP and Affiliates' consolidated financial position, changes in net assets, or cash flows.

NOTE 16 CONCENTRATIONS OF CREDIT RISKS

Financial instruments that potentially subject WestCOP to a concentration of credit risk are cash accounts with major financial institutions in excess of FDIC insurance limits. These financial institutions have strong credit ratings and management believes that credit risk related to these accounts is minimal.

WestCOP receives a substantial portion of its revenue from the U.S. Department of Health and Human Services. If for any reason this grantor discontinues funding, there is a risk that WestCOP will not be able to continue operations and provide the services that it currently does.

NOTE 17 SUBSEQUENT EVENTS

WestCOP and Affiliates have evaluated subsequent events through April 30, 2019, the date the consolidated financial statements were available to be issued. There were no subsequent events that require recognition or disclosure in the accompanying financial statements.

SUPPLEMENTARY INFORMATION AND INDEPENDENT AUDITOR'S REPORTS

SCHEDULE 1

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES

Schedule of Revenues and Expenses
Westchester Weatherization
Contract No. C093550 For 4/1/17 – 3/31/18
For the Year Ended July 31, 2018

	Budgeted Amounts 4/1/17–3/31/18 (Unaudited)	Actual 4/1/17 - 3/31/18			Comparison to Budget (Over) Under
		Period 4/1/17–7/31/17	Period 8/1/17–3/31/18	Total Revenues and Expenses	
Revenues					
Grant income	$ 2,073,234	$ 270,350	$ 1,306,025	$ 1,576,375	$ 496,859
Total revenues	2,073,234	270,350	1,306,025	1,576,375	496,859
Expenditures					
Agency	50,000	4,866	27,195	32,061	17,939
Subcontracted	482,564	175	276,104	276,279	206,285
Subtotal	532,564	5,041	303,299	308,340	224,224
Labor					
Salaries/Wages	553,302	163,566	340,796	504,362	48,940
Fringe benefits	141,578	41,384	99,561	140,945	633
Subcontracted	327,178	225	249,037	249,262	77,916
Subtotal	1,022,058	205,175	689,394	894,569	127,489
Program support					
Building maintenance	8,000	1,291	4,977	6,268	1,732
Office equipment	5,500	1,676	3,987	5,663	(163)
Office space	89,976	27,166	48,304	75,470	14,506
Utilities	5,500	513	3,218	3,731	1,769
Other allowances	112,296	16,279	50,087	66,366	45,930
Subtotal	221,272	46,925	110,573	157,498	63,774
Health and safety	55,000	-	14,596	14,596	40,404
Liability/Vehicle insurance	61,491	10,661	23,107	33,768	27,723
Financial audit	17,500	750	16,750	17,500	-
Training and technical assistance	50,000	395	20,003	20,398	29,602
Administration					
Salaries/Wages	61,827	26,922	44,785	71,707	(9,880)
Fringe benefits	15,439	1,476	6,457	7,933	7,506
Other allowances	1,083	-	-	-	1,083
Subtotal	78,349	28,398	51,242	79,640	(1,291)
Capital equipment	35,000	-	32,070	32,070	2,930
Total expenditures	2,073,234	297,345	1,261,034	1,558,379	514,855
Revenues over (under) expenditures	$ -	$ (26,995)	$ 44,991	$ 17,996	$ (17,996)

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES
Schedule of Revenues and Expenses
Westchester Weatherization
Contract No. C0093550 For 4/1/18 – 3/31/19
For the Year Ended July 31, 2018

	Budgeted Amounts 4/1/18–3/31/19 *(Unaudited)*	Actual Revenues/ Expenses 4/1/18–7/31/18	Comparison to Budget (Over) Under
Revenues			
Grant income	$ 2,107,684	$ 293,616	$ 1,814,068
Total revenues	2,107,684	293,616	1,814,068
Expenditures			
Agency	20,000	4,866	15,134
Subcontracted	601,171	175	600,996
Subtotal	621,171	5,041	616,130
Labor			
Salaries/Wages	555,177	163,566	391,611
Fringe benefits	142,198	41,384	100,814
Subcontracted	397,790	225	397,565
Subtotal	1,095,165	205,175	889,990
Program support			
Building maintenance	5,000	1,291	3,709
Office equipment	3,500	1,676	1,824
Office space	86,976	27,166	59,810
Utilities	5,500	513	4,987
Other allowances	27,200	16,279	10,921
Subtotal	128,176	46,925	81,251
Health and safety	50,000	-	50,000
Liability/Vehicle insurance	59,491	10,661	48,830
Financial audit	17,500	750	16,750
Training and technical assistance	31,488	395	31,093
Administration			
Salaries/Wages	82,887	26,922	55,965
Fringe benefits	20,723	1,476	19,247
Other allowances	1,083	-	1,083
Subtotal	104,693	28,398	76,295
Capital equipment	-	-	-
Capital equipment	-	-	-
Total expenditures	2,107,684	- 297,345	1,810,339
Revenues over (under) expenditures	-	(3,729)	3,729

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES

Schedule of Budgeted and Incurred Costs
New York State Department of State
Division of Community Services, Contract No. C1000791
Year Ended September 30, 2017

	2017 Federal Expenses					2017 Nonfederal Expenses				
	Oct. 16/ Sep. 17	Oct. 16/ July 17	Aug. 17/ Sep. 17	Oct. 16/ Sep. 17	Oct. 16/ Sep. 17	Oct. 16/ Sep. 17	Oct. 16/ July 17	Aug. 17/ Sep. 17	Oct. 16/ Sep. 17	Oct. 16/ Sep. 17
	Approved Federal Expenses Budget (Unaudited)	Total Federal Expenses (Unaudited)	Total Federal Expenses	Total Expenses 2016 and 2017	Total Cost (Over) Under Budget	Approved Budget (Unaudited)	Total Nonfederal Expenses (Unaudited)	Total Nonfederal Expenses	Total Expenses 2016 and 2017	Total Cost (Over) Under Budget
Budget categories										
Personnel services	$ 1,063,384	$ 847,439	$ 215,945	$ 1,063,384	$ -	$ 47,309	$ 39,424	$ 7,885	$ 47,309	$ -
Delegate agencies	-	-	-	-	-	-	-	-	-	-
Contractual service/audit	16,814	1,831	14,983	16,814	-	-	-	-	-	-
Equipment purchase/lease	51,606	30,801	20,805	51,606	-	-	-	-	-	-
Other direct costs	469,249	302,730	166,519	469,249	-	352,955	294,129	58,826	352,955	-
Total expenses	$ 1,601,053	$ 1,182,801	$ 418,252	$ 1,601,053	$ -	$ 400,264	$ 333,553	$ 66,711	$ 400,264	$ -

Note: Total grant of $1,601,053 was for the period of October 1, 2016 to September 30, 2017.
During the year ended July 31, 2017, $1,182,801 was expensed. The balance of $418,252 was expensed in the year ended July 31, 2018.

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES

Schedule of Expenditures of Federal Awards

For the Year Ended July 31, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures	
U.S. Department of Health and Human Services					
Head Start Program	93.600		$ 1,700,868	$ 15,089,535	
Early Head Start Child Care Partnership/ Babies Step Forward	93.600			2,325,861	$ 17,415,396
Pass-through programs from:					
National Council on Aging					
Medicare Enrollment Assistance	93.071	NCOA 1223			6,867
477 Cluster:					
New York State Department of State					
Community Services Block Grant	93.569	C0000893		70,041	
Community Services Block Grant	93.569	C1000791		1,684,738	
New York State Office of Temporary & Disability Assistance					
Temporary Assistance for Needy Families	93.558	C 021735		19,642	
Temporary Assistance for Needy Families	93.558	C00021GG		60,311	
Putnam County Department of Social Services					
Temporary Assistance for Needy Families	93.558	TANF 2017 & 2018		63,961	1,898,693
Westchester County Department of Social Services					
Social Services Block Grant	93.667	DSS 623.17/DSS 625.18			19,859
New York State Office of Temporary & Disability Assistance					
Low Income Home Energy Assistance - Cooling Assistance	93.568	WestCOP-2018 Cooling		42,991	
Westchester County Department of Social Services					
Low-Income Home Energy Assistance	93.568	DSS64317/DSS6516		6,344	
New York State Division of Housing and Community Renewal					
Low-Income Home Energy Assistance	93.568	C093550-17		964,154	
Low-Income Home Energy Assistance	93.568	C093550-18		187,092	1,200,581
Aging Cluster:					
Westchester County Department of Senior Programs and Services					
Special Programs for Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	AGET			6,995
Total U.S. Department of Health and Human Services					20,548,391

See accompanying notes.

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES

Schedule of Expenditures of Federal Awards *(continued)*

For the Year Ended July 31, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures	
U.S. Department of Labor					
Pass-through programs from:					
Westchester and Putnam Workforce Investment Board					
YouthBuild	17.274	WIA DSS48715			$ 205,461
WIOA Cluster:					
Westchester and Putnam Workforce Investment Board					
WIOA Youth Activities	17.259	DSS 40818/ 41717		$ 39,146	
City of Yonkers					
WIOA Youth Activities	17.259	Westcop 2017 WIOA		87,862	
City of Mount Vernon					
WIOA Youth Activities	17.259	AC295-458		40,913	167,921
Total U.S. Department of Labor					373,382
Corporation for National and Community Service					
Foster Grandparent / Senior Companion Cluster:					
Foster Grandparent Program	94.011				1,025,043
U.S. Department of Homeland Security					
Pass-through program from:					
United Way of Westchester and Putnam					
Emergency Food and Shelter National Board	97.024	629600-001		4,280	
Emergency Food and Shelter National Board	97.024	623600-004		1,793	
Total U.S. Department of Homeland Security					6,073
U.S. Department of Agriculture					
Pass-through program from:					
New York State Department of Health					
Child and Adult Care Food Program	10.558	3029			1,096,257
U.S. Department of Education					
Pass-through programs from:					
New York State Education Department					
Special Education Cluster (IDEA):					
Special Education - Grants to States	84.027	611		2,818	
Special Education - Preschool Grants	84.173	619		80,062	82,880
Total U.S. Department of Education					82,880

See accompanying notes.

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES

Schedule of Expenditures of Federal Awards *(continued)*

For the Year Ended July 31, 2018

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures	
U.S. Department of Energy					
Pass-through program from:					
New York State Division of Housing and Community Renewal					
Weatherization Assistance for Low-Income Persons	81.042	C093550-17		$ 296,881	
Weatherization Assistance for Low-Income Persons	81.042	C093550-18		101,112	
Total U.S. Department of Energy					$ 397,993
U.S. Department of Justice					
Pass-through programs from:					
New York State Crime Victims Board					
Crime Victim Assistance	16.575	C-100015		522,537	
Westchester County Office for Women					
Crime Victim Assistance	16.575	OFWFJCVAS14A		22,307	544,844
New York State Division of Criminal Justice Services					
Violence Against Women Formula Grants	16.588	C65270		41,541	
Violence Against Women Formula Grants	16.588	C652119		37,858	79,399
New York State Coalition Against Domestic Violence					
Sexual Assault Services Formula Program	16.017	RCP44			8,729
Total U.S. Department of Justice					632,972
U.S. Department of Housing and Urban Development					
CDBG - Entitlement Grants Cluster:					
Pass-through program from:					
City of New Rochelle					
Community Development Block Grants/Entitlement Grants	14.218	2017-0121			2,000
Total U.S. Department of Housing and Urban Development					2,000
U.S. Department of Veterans Affairs					
VA Supportive Services for Veteran Families Program	64.033				1,896,825
Total Expenditures of Federal Awards			$ 1,700,868		$ 26,061,816

See accompanying notes.

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Westchester Community Opportunity Program, Inc. and Affiliates (hereinafter referred to as "WestCOP and Affiliates") under programs of the federal government for the year ended July 31, 2018. 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 Westchester Community Opportunity Program, Inc. and Affiliates, it is not intended to and does not present the financial position, changes in net assets or cash flows of WestCOP and Affiliates.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on 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.

NOTE 3 INDIRECT COST RATE

WestCOP and Affiliates has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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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*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Westchester Community Opportunity
Program, 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 consolidated financial statements of Westchester Community Opportunity Program, Inc. and Affiliates (hereinafter referred to as "WestCOP and Affiliates"), which comprise the consolidated statement of financial position as of and for the year then ended July 31, 2018, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 30, 2019.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered WestCOP and Affiliates' 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 WestCOP and Affiliates' internal control. Accordingly, we do not express an opinion on the effectiveness of WestCOP and Affiliates' internal control.

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

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Our consideration of internal control over financial reporting 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 financial reporting that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2018-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether WestCOP and Affiliates' consolidated 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.*

WestCOP and Affiliates' Responses to Findings

WestCOP and Affiliates' responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. WestCOP and Affiliates' responses were not subjected to the auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mitchell & Titus, LLP

April 30, 2019

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REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Westchester
Community Opportunity Program, Inc.

Report on Compliance for Each Major Federal Program

We have audited Westchester Community Opportunity Program, Inc. and Affiliates' (hereinafter referred to as "WestCOP and Affiliates") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of WestCOP and Affiliates' major federal programs for the year ended July 31, 2018. WestCOP and Affiliates' 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 WestCOP and Affiliates' 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* (CFR) 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 WestCOP and Affiliates' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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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 WestCOP and Affiliates' compliance.

Opinion on Each Major Federal Program

In our opinion, WestCOP and Affiliates 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 July 31, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2018-002 and 2018-003 for Reporting. Our opinion on each major federal program is not modified with respect to these matters.

WestCOP and Affiliates' responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. WestCOP and Affiliates' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of WestCOP and Affiliates 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 WestCOP and Affiliates' 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 WestCOP and Affiliates' internal control over compliance.

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

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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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2018-003 for Reporting that we consider to be a significant deficiency.

WestCOP and Affiliates' responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs and corrective action plan. WestCOP and Affiliates' responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no such opinion on the responses.

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.

Mitchell & Titus, LLP

April 30, 2019

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES
Schedule of Findings and Questioned Costs
For the Year Ended July 31, 2018

SECTION 1–SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	**Unmodified**	
Internal control over financial reporting:		
▪ Material weakness(es) identified?	___ Yes	_X_ No
▪ Significant deficiency (ies) identified	_X_ Yes	___ None reported
Non-compliance material to financial statements noted	___ Yes	_X_ No

Federal Awards

Internal control over major programs:		
▪ Material weakness (es) identified?	___ Yes	_X_ No
▪ Significant deficiency (ies) identified	_X_ Yes	___ No
Type of auditor's report issued on compliance for major programs:	**Unmodified**	
Type of auditor's report issued that are required to be reported in accordance with Section 2CFR 200.516(a)?	_X_ Yes	___ No

Identification of Major Programs

CFDA No.	Name of Federal Program or Cluster
93.600	*U.S. Department of Health and Human Services* Head Start Program Early Head Start Child Care Partnership/Babies Step Forward
10.558	*U.S. Department of Agriculture* Child and Adult Care Food Program
93.568	*U.S. Department of Health and Human Services* Low-Income Home Energy Assistance Program
81.042	*U.S. Department of Energy* Weatherization Assistance for Low-Income Persons
93.569/93.558	*U.S. Department of Health and Human Services* 477 Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$781,854	
Auditee qualified as a low-risk auditee?	_X_ Yes	___ No

SECTION II–FINANCIAL STATEMENT FINDINGS

Finding 2018-001: Account Maintenance, Administration and Review

Refer to the Summary Schedule of Prior Audit Findings, Audit Finding Number 2017-001, for a status update on this matter. This matter was partially corrected in the current fiscal year. However, there continues to be a significant deficiency in internal controls associated with significant delays in the year-end financial statement close process.

SECTION III–FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

2018-002 Late Quarterly Reporting

Federal program information: U.S. Department of Health and Human Services, CFDA Number 93.600, Head Start Program; U.S. Department of Justice, passed through New York State Crime Victims Board, CFDA Number 16.575, Crime Victims Assistance

Criteria: As per the contracts for these funding arrangements, quarterly fiscal reports are due thirty (30) after the end of the quarter to both the New York State Crime Victims Board and the U.S. Department of Health and Human Services.

Condition and Context: We noted that required quarterly reports were not submitted to the funding sources in a timely manner during the fiscal year.

Report	Period	Due Date for Report	Date Submitted	Number of Days Late
CFDA Number 16.575				
Quarterly Fiscal Report	10/01/17 -12/31/17	01/31/18	04/05/18	64
Quarterly Fiscal Report	07/01/18 - 09/30/18	10/31/18	11/28/18	28
CFDA Number 93.600				
SF 425	04/2018 – 06/2018	07/31/18	08/14/18	14

Questioned Costs: There are no questioned costs associated with this finding.

Effect: The reports submitted to the funding sources were late.

Cause: A significant factor in the late submission of these reports was turnover in personnel and transition of responsibilities for completion of the reports from one staff to another.

Recommendation: Management should implement a schedule or a database of all grants and the applicable reporting requirements, deadlines for submission and individuals responsible for timely preparation, review and submission of required reports.

2018-002 Late Quarterly Reporting *(continued)*

Views of responsible officials and planned corrective actions: Management has created a grant management and tracking system. The goals of this system are to ensure that vouchers are submitted by the due date; to give program staff up to date information; and to ensure that we collect from funding sources in a timely manner.

2018-003 Late and Inaccurate Cumulative Financial Reports

Federal program information: U.S. Department of Health and Human Services, CFDA Number 93.568, Low-Income Home Energy Assistance; U.S. Department of Energy, passed through New York State Division of Housing and Community Renewal, CFDA Number 81.042, Weatherization Assistance for Low-Income Persons

Criteria: The Cumulative Financial Report ("CFR") should report cumulative expenditures plus accounts payable and accruals for the budget period as of the last business day of the month, within 20 days after month-end.

Condition and Context: Differences were noted between the cumulative expenses reported on certain CFR filings and general ledger balances and certain CFR filings were not submitted on time. The differences and instances of late filings are summarized as follows:

Month Ending	CFR Accumulated Expenses	Accumulated Expenses per General Ledger	Difference	Date Due	Date Submitted
August 31, 2017	$ 383,263	$ 365,730	$ 17,533	09/20/17	10/02/17
September 30, 2017	507,834	466,490	41,344	10/20/17	11/06/17
October 31, 2017	495,532	536,385	(40,853)	11/20/17	11/22/17
November 30, 2017	617,272	624,841	(7,569)	12/20/17	12/22/17
December 31, 2017	838,104	838,104	-	01/20/18	01/29/18
January 31, 2018	894,679	1,230,697	(336,018)	02/20/18	03/02/18
April 30, 2018	31,822	31,822	-	05/20/18	06/05/18

Effect: Expenses reported in the CFR filings did not agree to the expenses recorded in the general ledger and CFR filings were inaccurate. In addition, the reports were submitted late to the funding sources. Late submissions could also result in delayed reimbursements.

Cause: A significant factor contributing to inaccuracies and late submissions of the reports was turnover in personnel and transition of responsibilities for completion and review of the reports.

Recommendation: Management should implement a process to ensure that expenses are captured on a timely basis in the general ledger and that such expenses are reconciled to the CFR filings before submitted. Management should also ensure that a process is in place to review the filings before submitted and establish timelines for completion.

Views of responsible officials and planned corrective actions: We have reworked our processes related to submission of claims. We have also been working with our funder in this area. In addition, we are evaluating the staffing supporting our grant claiming and will potentially also ensure that there is better staffing to support this function.

WESTCHESTER COMMUNITY OPPORTUNITY PROGRAM, INC. AND AFFILIATES
Summary Schedule of Prior Audit Findings
For the Year Ended July 31, 2018

FINANCIAL STATEMENT FINDINGS

2017-001 Account Maintenance, Administration and Review

Status of Prior Finding: This matter has been partially addressed. Complete and accurate account reconciliations, including bank reconciliations, were prepared to facilitate the year-end financial statement close process for the fiscal year ended June 30, 2018. There were fewer adjustments made to account balances during the audit process. Vacant positions in the finance department have also been filled. However, due to turnover in personnel, as well as ongoing challenges associated with the organization's accounting system implemented in fiscal year 2017, there continue to be significant delays in the year-end financial statement close process. Management will continue to focus on implementing a detailed closing checklist and timelines to facilitate a more timely year-end financial statement close process. Management also continues to focus on accurate and timely interim closings, which mitigates the need for significant efforts to close the books at year-end.

FEDERAL AWARD FINDINGS

2017-002 Reporting

Status of Prior Year Finding: This matter has not been addressed. Finding Number 2018-002 resulting from the fiscal year 2018 audit indicates continued delayed quarterly reporting for certain federal award programs. Management has created a grant management and tracking system. The goals of this system are to ensure that vouchers are submitted by the due date; to give program staff up to date information; and to ensure that we collect from funding source in a timely manner.

2017-003 Reporting

Status of Prior Year Finding: This matter has not been addressed. Finding Number 2018-003 resulting from the fiscal year 2018 audit indicates continued delays and inaccuracies in the Cumulative Financial Reports submitted for certain programs. The finance staff will continue to work with the Weatherization Program Director to ensure that accurate reports are submitted to the funding sources in a timely manner. As part of this, the finance department will ensure that expense amounts reported agree with the organization's general ledger and that the reports are reviewed by the finance department prior to submission.

2017-004 Liquidation of Funds

Status of Prior Year Finding: These matters were addressed during the fiscal year ended June 30, 2018. Management now has a process in place to ensure that obligations incurred under federal awards are liquidated no later than 90 calendar days after the end date of the period of performance specified in the terms and conditions of the associated federal award. The CFO will continue to ensure that funds are liquidated within the specified timeframes pursuant to the Federal Guidelines.

FEDERAL AWARD FINDINGS *(continued)*

2017-005 Inventory Count

Status of Prior Year Finding: This matter has been corrected. The finding does not exist anymore. The fiscal year 2018 physical inventory was performed and all related reporting of inventory results was completed as of the end of October 2018.

2017-006 Eligibility

Status of Prior Year Finding: This finding has been addressed. Each department has an established procedure manual addressing eligibility requirements. This manuals detail the processes involved for each program, the funding specific requirements and steps needed to comply with the requirements. To ensure compliance, WestCOP and Affiliates program personnel have implemented quarterly sampling to test compliance and ongoing training of staff.

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Westchester Community Opportunity Program, Inc. and Affiliates
EIN 13-2547122
Corrective Action Plan
For the Year Ended July 31, 2018
(Unaudited)

Contact responsible for all corrective actions: Rinku Bhattacharya, Chief Financial Officer, 914-592-5600, Ext 137

Finding 2018-001: Account Maintenance, Administration and Review

The organization needs to improve the timeliness of the year-end financial statement close process. Due to turnover in personnel, as well as ongoing challenges associated with the organization's accounting system implemented in fiscal year 2017, there continue to be significant delays in the year-end financial statement close process. Management will continue to focus on implementing a detailed closing checklist and timelines to facilitate a more timely year-end financial statement close process. Management also continues to focus on accurate and timely interim closings, which mitigates the need for significant efforts to close the books at year-end.

2018-002 Late Quarterly Reporting

Management has created a grant management and tracking system. The goals of this system are to ensure that vouchers are submitted by the due date; to give program staff up to date information; and to ensure that we collect from funding sources in a timely manner.

2018-003 Late and Inaccurate Cumulative Financial Reports

We have reworked our processes related to submission of claims. We have also been working with our funder in this area. In addition, we are evaluating the staffing supporting our grant claiming and will potentially also ensure that there is better staffing to support this function.