

APPLICATION FOR
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) ENTITLEMENT PROGRAM
— 2017 Program Year Funding—

ACTIVITY NAME: Saratoga EOC Soup Kitchen

APPLICANT: Saratoga County Economic Opportunity Council, Inc.

MAILING ADDRESS: PO Box 169 39 Bath St
Ballston Spa, NY Zip: 12020

PHONE: 518-288-3206 FAX: 518-288-3236 EMAIL: j.hume@saratogaecoc.org

CONTACT PERSON: Lillian McCarthy TITLE: Director of Community Services

APPLICANT (select 1): City Department Private non-profit organization Other Public Agency
(List Dept.) 23-7438457 (List Federal ID #) (Specify)

020675047
(DUNS #)

NATIONAL OBJECTIVE (select 1):
"Benefit persons of Low/moderate income" "Address slum/blight Conditions" "Urgent CD Need"
 L/M Income Area Benefit "N/A" Slum/blighted Area "N/A" Urgent Need
 L/M Income Limited Clientele Activities Slum/blighted Spot Basis
 L/M Income Housing Activities "N/A" Urban Renewal Completion
 L/M Income Job Creation/Retention

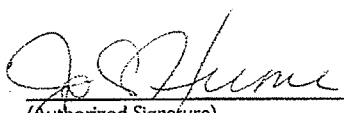
REQUESTED ENTITLEMENT FUNDING: \$ 19,400.00

Funding Leveraged from Other Sources: \$ 47,758.00

Total Activity Cost: \$ 67,158.00

Proposal Abstract - please provide a *brief* overview of your proposal including the number of persons that will be served with this grant in the space below:

See Attached



(Authorized Signature)
Jo Anne Hume

(Typed or Printed Name)

Executive Director

(Title)
01/27/17

(Date)

(ATTACHMENT I)

PROGRAM OPERATING BUDGET

(Entitlement Grant + Leveraged Funds = Total Activity Cost)

	ENTITLEMENT GRANT	Leveraged Funds*	Total Activity Cost	*Source of leveraged Funds and In-Kind Services
PERSONNEL				
Salaries		25,868.00	25,868.00	
Fringe		3,880.00	3,880.00	
Other (consultants, etc.)		110.00	110.00	
<i>Subtotal</i>		29,858.00	29,858.00	

OVERHEAD				
Advertising/Marketing				
Program Supplies	4,500.00	100.00	4,600.00	Fundraising, Grants and Donation
Rent & Utilities	5,000.00		5,000.00	Fundraising, Grants and Donation
Other – list below				
Maint & Repairs	4,900.00		4,900.00	Fundraising, Grants and Donation
Dumpster/Pest/Snow Removal	5,000.00		5,000.00	Fundraising, Grants and Donation
Insurance/Travel Food Expense		17,800.00	17,800.00	
<i>Subtotal</i>	19,400.00	17,900.00	37,300.00	

TOTAL COST	19,400.00	47,758.00	67,158.00	
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(ATTACHMENT 3)

OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133
MONITORING OF FEDERAL FINANCIAL ASSISTANCE TO SUBRECIPIENTS

ORGANIZATION: Saratoga County Economic Opportunity Council, Inc
MAILING ADDRESS: PO Box 169 39 Bath St Ballston Spa, NY 12020
FEDERAL ID #: 23-7438457 PHONE: 518-288-3206 FAX: 518-288-3236
DUNS #: 020675047

1. Please identify your fiscal year (mth/yr to mth/yr): 01/17-12/17

Please identify below the funding received during your last fiscal year:

2. Community Development Block Grant Entitlement Funding (CDBG):

CDBG Activity Name: Financial Literacy

CDBG Funding Program Year: 2016 CDBG Funding Amount: \$9,000

3. Other Federal Financial Awards (cash & non-cash):

GIVE NAME & CATALOG OF FEDERAL FINANCIAL ASSISTANCE (CFDA) #	AMOUNT OF AWARDS
<u>Head Start and Early Head Start</u>	<u>\$4,109,524</u>
<u>WIC</u>	<u>\$491,352</u>
<u>Weatherization</u>	<u>\$1,011,977</u>

4. During your last fiscal year, has your organization expended more than \$500,000 in total federal financial awards (incl. CDBG & all other federal assistance)? YES * NO

* If "yes", include a copy of your latest Single Audit Report with this completed and signed form as part of your application. If you answered "no", please complete, sign and return this form.

5. Are you aware of any financial audit violations, findings or questioned costs relating to any activity funded with federal financial assistance? YES * NO

* If "yes", please describe: _____

6. Other Saratoga County Awards (cash & non-cash):

IDENTIFY PROGRAM NAME & YEAR OF AWARD	IDENTIFY AMOUNT OF Co. AWARDS
_____	_____
_____	_____
_____	_____
_____	_____

J. O'Hume
Authorized Signature

1/27/17
Date

Proposal Abstract:

Saratoga County Economic Opportunity Council, Inc., (EOC) is the designated anti-poverty agency for Saratoga County, dedicated to providing and promoting opportunities for individuals and families to achieve self-sufficiency. EOC is applying for the Community Development Block Grant (CDBG) through the City of Saratoga Springs to provide a healthy well balanced lunch to all who come into the Soup Kitchen daily. The Soup Kitchen is a community based initiative that has been in existence since 1987 to serve the homeless and low income residents of Saratoga County, more specifically those residing in Saratoga Springs. For the past 10 years we have served 243,966 meals and currently average 70 meals per day. Donations of food are abundant in this community but the need for non-food items such as cleaning products, disposables, paper products and regular kitchen upkeep and repairs are very difficult to obtain. EOC fundraises for these items yet continually falls short of the funding needed to provide the service. EOC also believes in providing comprehensive services to our customers coming in to use the Soup Kitchen. EOC has a community services advocate at the Soup Kitchen daily to provide any referrals or needed information to our customers along with many community partners who come and provide/offer services. EOC wants to ensure we are offering a hand up to our customers.

1. Activity description:

A) Identify whether the activity is new, ongoing, or expanded from previous years.

The Saratoga County Economic Opportunity Council (EOC) has run the free soup kitchen providing nutritious meals to low-income residents of Saratoga Springs since 1987. The soup kitchen began one day per week but quickly grew to operate 7 days a week; Monday through Sunday including holidays. Our hours of operation are from 11:45 am until 1:00 pm Monday through Saturday and 3:00 pm – 4:00 pm on Sundays. The offering begins with soup at 11:45 with the main course starting at 12 noon and is served until 1:00 pm. We offer a hot homemade soup with a different main course every day. Included is always juice, milk, coffee, water and dessert. Also available for free, on a daily basis, are breads and pastries donated by Hannaford, Stewarts, Freihofer's and other local bakeries. These items are placed on a donation table in the dining room and are open to the public to take what they need. On a daily basis we have a Community Services Advocate present at the soup kitchen to offer services to the customers who come in to use the kitchen. Our aim is to ensure we are offering all available services to our customers.

B) Describe the community need that your activity is intended to address and how your activity will address that need. Provide evidence that this need is currently not being addressed through existing programs or activities.

EOC conducts a Comprehensive Community Needs Assessment every 3 years. Identified as one of the top 5 needs is the need for food. The number of meals served daily has been consistent for the past 10 years showing the need is great. The faces may change but the need does not. The Saratoga County EOC Soup Kitchen is the only soup kitchen in the City of Saratoga Springs and in the county. The Salvation Army serves breakfast while EOC provides the lunch. If Code Blue is in session dinner is provided. The Shelters of Saratoga also has a dinner offering available.

C) Identify who will benefit from the proposed activity. If the activity is designated to benefit:

Saratoga County Economic Opportunity Council, Inc. CDBG Proposal Abstract

C-1) individual persons of low-to moderate-income, describe the process you will use to identify these persons and determine their income eligibility and the number of persons you expect to serve.

The customers utilizing the soup kitchen are most often the homeless or extremely low income, unemployed, under-employed, elderly, disabled or seasonal workers of Saratoga Springs and the surrounding areas. Because the kitchen is an emergency service program we do not ask for information from those coming in to use the soup kitchen. It is a safe, judge free location for individuals to come and enjoy a healthy, warm meal.

- D) Identify your performance goals and the types of indicators you will use to document activity accomplishments and success.

EOC will serve 25,000 meals per year at the soup kitchen to address emergency hunger needs. All in attendance will have the opportunity to receive information and referrals from other agencies coming to the kitchen to offer needed services. EOC documents those who take advantage of the offerings of services and we have a documented goal of providing these services to 200 individuals/families.

- E) Provide an activity timeframe/schedule (including start, completion dates and other significant performance states).

EOC has a monthly calendar that is created to track the other partner agencies that come into the kitchen to offer services. We have different services during different times of the year to ensure that we are meeting our customers' needs and offering services that are of interest. Also, on a daily basis, a Community Services Advocate goes to the soup kitchen to offer services to the customers. We want to ensure we are offering all available services to our customers.

EOC tracks the number of meals that are served by using a manual count system only identifying if the customer is an adult, senior or child.

- F) Identify whether the activity requires additional local, state or federal approval (license, permit, design/historic/environmental review, etc.) For construction/site development projects, provide evidence of site control.

EOC operates the soup kitchen year round, including holidays. The only time it is closed is during the winter on a day when it is too dangerous for volunteers and staff to get to the kitchen to cook the meal or if there is an equipment failure (furnace, gas leak etc.)

The kitchen operates Monday through Sunday including holidays. Hours of operation are from 11:45 am until 1:00pm Monday through Saturday and 3:00pm – 4:00pm on Sundays.

The soup kitchen is licensed through the Department of Health with random inspections. It is also monitored by the Regional Food Bank for food safety and compliance. All requirements are up to date and never have we had a loss or interruption in licensing or findings.

2. Organizational Capacity

- A) Provide an overview of your organization including length of time in existence. List current officers and board members and identify any prior funding by the City of Saratoga Springs (year, activity and amount)

EOC has been the Community Action Agency in Saratoga County for over 43 years and has supported many programs such as the Soup Kitchen, Latino Community Advocacy Program (LCAP), Women, Infants and Children (WIC), Head Start, Early Head Start, Weatherization, Financial Literacy, Crisis and Family Development, a Food Pantry and holiday programs.

Attached is our list of board members.

EOC has received \$4,800 per year from the City of Saratoga Springs since 1994 to support the soup kitchen. Also, funding has been received through CDBG for various programs/projects since 2004. A listing is attached.

- B) Describe your organization's experience in successfully conducting this type of activity. Identify any skills, current services or special accomplishments that demonstrate your capacity for success.

EOC has been operating the Soup Kitchen in its location since 1987. It is proving more difficult as the years go on as the cost of services and supplies increase. The soup kitchen relies on donations to cover costs such as disposables, snow removal, garbage, recycling, cleaning products and equipment, just to name a few.

- C) Identify the person(s) responsible for program and financial management of the activity. Identify all other persons involved in this activity noting whether these positions are current or new, pending this award. For construction/site development projects, identify the development team including proposed contractors, subcontractors and project manager.

EOC has a finance department that coordinates the agency's funding, including the soup kitchen. The person responsible for overseeing the daily operation is the part time cook and the Community Services Coordinator. On a daily basis a community services advocate goes to the soup kitchen to offer services to the customers who come in to use the kitchen.

- D) Identify any other agencies/partners involved in this activity and define their roles and responsibility.

EOC is the only Soup Kitchen serving lunch daily in Saratoga County. The partner agencies coming to the kitchen to offer other services are: EOC advocates, Shelter of Saratoga, Saratoga County Public Health, Cornell Cooperative Extension, Fidelis Health Care, CDPHP and Legal Aid Society SNAP program. All of the partner agencies come to the kitchen to offer services to the customers. Our goal is to wrap services around our customers and offer them programs in one location.

3. Activity Budget

- A) Include attached budgets (attachments 1, 2) as appropriate. Depending on the activity, the application may need to submit one or both of the attached budget forms. More detailed budgets may be attached (and are recommended) in support of the proposal. If an architect, engineer or other personnel have conducted a cost analysis, attach a copy noting the author and date of analysis.

See attached

Saratoga County Economic Opportunity Council, Inc. CDBG Proposal Abstract

- B) Identify the amount and sources of leveraged funding for this activity. Include the status of these funds (i.e. cash on hand, grants received, planned fund raising etc.). Attach copies of funding commitment letters or other evidence of funding support.

EOC received \$13,800 from the Regional Food Bank to cover the cost of some of the food for the soup kitchen. The City of Saratoga Springs gives an annual donation of \$4,800 towards the operation of the soup kitchen, leaving \$43,180 unfunded and relying on fundraising to ensure the soup kitchen remains open.

4. Monitoring of Federal Financial Assistance to Subrecipients

- A) See attached
- B) See attached

**SARATOGA COUNTY ECONOMIC
OPPORTUNITY COUNCIL, INC.**

AUDITED FINANCIAL STATEMENTS

Years ended December 31, 2015 and 2014

SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Saratoga County Economic Opportunity Council, Inc.

We have audited the accompanying financial statements of Saratoga County Economic Opportunity Council, Inc., which comprise the statements of financial position as of December 31, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saratoga County Economic Opportunity Council, Inc. as of December 31, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

UHY LLP

Albany, New York
September 26, 2016

SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 748,415	\$ 606,650
Accounts and grants receivable	385,501	550,442
Materials inventory	17,300	19,273
Prepaid expenses	<u>71,704</u>	<u>28,441</u>
Total current assets	1,222,920	1,204,806
Investments	37,743	53,481
Property, plant and equipment, net	<u>636,285</u>	<u>661,137</u>
Total assets	<u>\$ 1,896,948</u>	<u>\$ 1,919,424</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 191,560	\$ 193,307
Accrued expenses	128,502	100,972
Deferred revenue	118,845	151,038
Long-term debt, current portion	<u>5,563</u>	<u>5,372</u>
Total current liabilities	444,470	450,689
Long-term debt, net of current portion	<u>230,655</u>	<u>244,728</u>
Total liabilities	<u>675,125</u>	<u>695,417</u>
NET ASSETS		
Unrestricted	1,108,513	1,041,188
Temporarily restricted	<u>113,310</u>	<u>182,819</u>
	1,221,823	1,224,007
Total liabilities and net assets	<u>\$ 1,896,948</u>	<u>\$ 1,919,424</u>

See notes to financial statements.

SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Unrestricted		
Revenues and other support:		
Federal funds	\$ 7,297,541	\$ 6,646,556
State funds	334,468	363,244
Grants in-kind and donated services	1,255,589	1,671,424
Contributions	121,583	128,727
Other revenue	<u>159,950</u>	<u>203,250</u>
Total unrestricted revenues	9,169,131	9,013,201
Net assets released from restriction - food programs	168,547	158,370
Net assets released from restriction - other programs	<u>17,089</u>	<u>31,371</u>
Total unrestricted revenues and other support	<u>9,354,767</u>	<u>9,202,942</u>
Expenses:		
Head Start	5,289,186	5,171,237
Weatherization Assistance Programs	1,020,233	1,037,396
Special Supplemental Food Programs for Women, Infants and Children	1,781,475	1,750,130
Community Services Block Grant Programs	482,415	416,467
Universal Pre-Kindergarten Program	274,215	290,427
Child and Adult Care Food Program	186,551	195,793
Food Programs	168,552	162,298
Management and general - non-federal funds	79,582	92,134
Wheels For Work Program	2,167	-
Community Development Block Grant Program	<u>3,066</u>	<u>4,854</u>
Total expenses	<u>9,287,442</u>	<u>9,120,736</u>
Change in unrestricted net assets	<u>67,325</u>	<u>82,206</u>
Temporarily restricted		
Grants and contracts	11,555	12,591
Contributions	92,571	108,945
Other income	12,001	15,362
Net assets released from restriction - food programs	(168,547)	(158,370)
Net assets released from restriction - other programs	<u>(17,089)</u>	<u>(31,371)</u>
Change in temporarily restricted net assets	<u>(69,509)</u>	<u>(52,843)</u>
Change in net assets	(2,184)	29,363
Net assets at beginning of year	<u>1,224,007</u>	<u>1,194,644</u>
Net assets at end of year	<u>\$ 1,221,823</u>	<u>\$ 1,224,007</u>

See notes to financial statements.

SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (2,184)	\$ 29,363
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	24,852	22,193
Unrealized loss (gains) on investments	15,738	(7,461)
Changes in:		
Accounts and grants receivable	164,941	(169,329)
Materials inventory	1,973	2,943
Prepaid expenses	(43,263)	24,377
Accounts payable	(1,747)	14,510
Accrued expenses	27,530	22,610
Deferred revenue	(32,193)	149,969
Net cash provided by operating activities	<u>155,647</u>	<u>89,175</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on debt borrowings	<u>(13,882)</u>	<u>(9,955)</u>
Net cash used in financing activities	<u>(13,882)</u>	<u>(9,955)</u>
Net increase in cash and cash equivalents	141,765	79,220
Cash and cash equivalents:		
Beginning	<u>606,650</u>	<u>527,430</u>
Ending	<u>\$ 748,415</u>	<u>\$ 606,650</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash payments for interest	<u>\$ 8,558</u>	<u>\$ 8,738</u>

See notes to financial statements.

SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Saratoga County Economic Opportunity Council, Inc. (the "Council"), headquartered at 39 Bath Street, Ballston Spa, New York, was incorporated on November 12, 1965 under Section 201 of the Not-for-Profit Corporation Law of the State of New York. The Council was formed to perform charitable acts, attack poverty, and to open opportunities for education, training, and work.

Significant Accounting Policies

Financial reporting:

The Council presents its financial statements in accordance with U.S. generally accepted accounting principles for external financial reporting by not-for-profit organizations which require that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions: (1) unrestricted net assets, (2) temporarily restricted net assets and (3) permanently restricted net assets. As of December 31, 2015 and 2014, all of the Council's net assets are classified as either unrestricted or temporarily restricted (see Note 7).

Estimates:

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Contributions:

Contributions are recognized as revenue in the year the promise is made and are recorded at fair value, which is computed as the estimated present value of expected future cash flows. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted contributions depending on the existence and/or nature of any donor restrictions.

Cash and cash equivalents:

The Council considers all highly liquid investments, primarily certificates of deposit, with original maturities of three months or less to be cash equivalents. The Council places its cash with high quality credit institutions. At times, cash balances may be in excess of FDIC insurance limits.

Inventory:

Inventory consists of materials acquired with grant funds to be used in the Weatherization program. These materials are stated at the lower of cost or market determined by the first-in, first-out (FIFO) method.

SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

Investments:

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Council follows U.S. generally accepted accounting principles for the reporting of financial assets. These principles provide a framework for measuring the fair value and guidance regarding a fair value hierarchy, which prioritizes information used to measure fair value and the effects of fair value measurements on the Statements of Activities, as well as enhanced disclosures determined by the level within the hierarchy of information used in the valuation.

The basis of fair value for the Council's equity securities is that investments listed on a national securities exchange are generally valued at the last sales price on the date of valuation or, if no sale occurred on such date, at the last bid price thereon.

Property and equipment:

Property and equipment, which is stated at cost, is depreciated using the straight-line method over various estimated useful lives of assets ranging from five to thirty nine years.

Deferred revenue:

Deferred revenue consists of contract funds received in advance of related expenses. Deferred revenue is recorded as revenue when the applicable expenses are incurred.

Recognition of revenue and expenses:

Revenue from federal and state funds is generally recognized only to the extent of grant expenditures. Expenses are recorded as incurred and charged to the applicable grant.

Donated services:

The Council generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Council with specific assistance programs and fund-raising activities.

Donated services are recognized as contributions in accordance with U.S. generally accepted accounting principles if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Council.

Donated services in the amounts of approximately \$1,119,000 and \$988,000 were recognized in 2015 and 2014, respectively, and are included in grants in-kind and donated services and the related expense category. Donated services relate principally to the Head Start Program.

SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
 December 31, 2015 and 2014

NOTE 1 — ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Significant Accounting Policies (Continued)

Income taxes:

The Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Council follows guidance issued by the Financial Accounting Standards Board (“FASB”) regarding accounting for uncertainty in income taxes. This guidance clarifies the accounting for income taxes by prescribing the minimum recognition threshold an income tax position is required to meet before being recognized in the financial statements and applies to all income tax positions. Each income tax position is assessed using a two step process. A determination is first made as to whether it is more likely than not that the income tax position will be sustained, based upon technical merits, upon examination by the taxing authorities. If the income tax position is expected to meet the more likely than not criteria, the benefit recorded in the financial statements equals the largest amount that is greater than 50% likely to be realized upon its ultimate settlement.

The primary income tax position taken by the Council for any years open under the various statuses of limitations are that the Council continues to be exempt from income taxes and does not have unrelated business income that would be subject to income taxes. The Council believes that there are no other tax positions taken or expected to be taken that would significantly increase or decrease unrecognized tax benefits within 12 months of the reporting date.

None of the Council’s federal or state informational returns are currently under examination by the Internal Revenue Service (“IRS”) or state authorities.

Subsequent events:

For purposes of preparing this financial statement, the Council considered events through September 26, 2016.

NOTE 2 — ACCOUNTS AND GRANTS RECEIVABLE

Accounts and grants receivable consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
Division of Housing and Community Renewal	\$ 137,179	\$ 100,665
Department of Health and Human Services	148,978	318,016
NYS Department of Health	82,429	28,674
Other	<u>16,915</u>	<u>103,087</u>
Total	<u>\$ 385,501</u>	<u>\$ 550,442</u>

SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 3 — INVESTMENTS

Investments are reported at fair value. The level of fair value inputs used to measure investments is characterized in accordance with a fair value hierarchy. Where inputs for an investment fall in more than one level in the fair value hierarchy, the investment is classified in its entirety based on the lowest level input that is significant to that investment's fair value measurement. Management uses judgment and considers factors specific to the investment in determining the significance of an input to a fair value measurement. The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are unadjusted quoted market prices in active markets that are accessible at the measurement date for identical assets.
- Level 2 inputs are inputs (other than quoted prices included in Level 1) that are observable for the asset, either directly or indirectly.
- Level 3 inputs are unobservable and cannot be corroborated by observable market data.

All of the Council's investments at both December 31, 2015 and 2014 were classified utilizing Level 1 inputs.

Investments consist of the following at December 31:

	<u>2015</u>	<u>2014</u>
TD Banknorth, Inc. common stock, 942 in 2015 and 2014.	\$ 36,898	\$ 52,290
Apache Corporation common stock, 19 shares in 2015 and 2014.	<u>845</u>	<u>1,191</u>
Total	<u>\$ 37,743</u>	<u>\$ 53,481</u>

NOTE 4 — PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment consists of the following at December 31:

	<u>2015</u>	<u>2014</u>
Land and buildings	\$ 699,151	\$ 699,151
Vehicles	<u>30,849</u>	<u>30,849</u>
	730,000	730,000
Less accumulated depreciation	<u>93,715</u>	<u>68,863</u>
	<u>\$ 636,285</u>	<u>\$ 661,137</u>

Depreciation expense was approximately \$25,000 and \$22,000 for the years ended December 31, 2015 and 2014, respectively.

SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2015 and 2014

NOTE 5 — LONG-TERM DEBT

Long-term debt is comprised of the following at December 31:

	2015	2014
Bridge loan, with interest of 4.25% due monthly, and principal due in April 2014. During 2014, the bridge loan was permanently refinanced into a note payable, due in monthly installments of \$1,170, including interest at 3.50% through November 2042, secured by all present and future contract rights, accounts receivable, and general intangibles arising in connection with the building and land at 39 Bath Street, Ballston Spa, New York.	\$ 236,218	\$ 250,100
Less current maturities	<u>5,563</u>	<u>5,372</u>
	<u><u>\$ 230,655</u></u>	<u><u>\$ 244,728</u></u>

The aggregate annual maturities of long-term debt at December 31, 2015 are as follows:

2016	\$ 5,563
2017	5,761
2018	5,966
2019	6,178
2020	6,398
Thereafter	<u>206,352</u>
Total	<u><u>\$ 236,218</u></u>

Interest expense was approximately \$9,000 for each of the years ended December 31, 2015 and 2014.

NOTE 6 — LINE OF CREDIT

The Council has a revolving line of credit agreement with a local bank. The line provides for borrowings of up to \$75,000 for working capital purposes. The line is unsecured and provides for interest at the bank's base lending rate (4.25% at December 31, 2015). There were no outstanding borrowings under the line at December 31, 2015 and 2014.

NOTE 7 — NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31:

	2015	2014
Food programs	\$ 1,434	\$ 77,972
Other programs	<u>111,876</u>	<u>104,847</u>
Total	<u><u>\$ 113,310</u></u>	<u><u>\$ 182,819</u></u>

SARATOGA COUNTY ECONOMIC OPPORTUNITY COUNCIL, INC.
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NOTE 8 — EMPLOYEE BENEFIT PLAN

The Council has a 401(k) plan which covers all employees who have attained age 21 and have completed one year of service. Employer contributions, which are discretionary, were approximately \$63,000 and \$59,000 for the years ended December 31, 2015 and 2014, respectively.

NOTE 9 — CONTINGENCIES

The Council receives grants which are subject to audit by agencies of the Federal and State governments. Such audits could result in disallowances and a request for the return of funds to the Federal and State government agencies. Management, based upon past experience, believes disallowances, if any, will be immaterial.