

OUR PIECE OF THE PIE®, INC.

June 30, 2021 and 2020

- I. Financial Statements**
- II. Reports in Accordance with
*Government Auditing Standards***
- III. Reports in Accordance with
Uniform Guidance**
- IV. Reports in Accordance with State Single Audit**



OUR PIECE OF THE PIE®, INC.

Table of Contents

I. Financial Statements

Independent Auditors' Report	1 - 2
Statements of Financial Position	3
Statements of Activities	4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements.....	8 - 13

II. Reports in Accordance with *Government Auditing Standards*

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	14 - 15
--	---------

III. Reports in Accordance with Uniform Guidance

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	16 - 17
Schedule of Expenditures of Federal Awards.....	18
Notes to Schedule of Expenditures of Federal Awards	19
Schedule of Findings and Questioned Costs – Federal Awards	20

IV. Reports in Accordance with State Single Audit

Independent Auditors' Report on Compliance for Each Major State Program and Report on Internal Control over Compliance Required by the State Single Audit Act.....	21 - 22
Schedule of Expenditures of State Financial Assistance.....	23
Note to Schedule of Expenditures of State Financial Assistance	24
Schedule of Findings and Questioned Costs – State Awards	25

I. FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Our Piece of the Pie®, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Our Piece of the Pie®, Inc. (“OPP”), which comprise the statements of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 OPP'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 OPP'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 Our Piece of the Pie®, Inc. as of June 30, 2021 and 2020, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenditures of federal awards and state financial assistance, as required by Title 2 U.S. *Code of Federal Regulations* (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* and the State Single Audit Act, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2021, on our consideration of Our Piece of the Pie®, Inc.’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Our Piece of the Pie®, Inc.’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Our Piece of the Pie®, Inc.’s internal control over financial reporting and compliance.



Hartford, Connecticut
October 19, 2021

OUR PIECE OF THE PIE®, INC.

Statements of Financial Position

June 30, 2021 and 2020

	2021	2020
Assets:		
Current assets		
Cash, restricted cash, and cash equivalents	\$ 1,582,230	\$ 2,415,999
Accounts and grants receivable	451,468	252,039
Prepaid expenses	<u>168,621</u>	<u>198,457</u>
Total current assets	<u>2,202,319</u>	<u>2,866,495</u>
Non-current assets		
Unemployment trust reserve	<u>94,313</u>	<u>89,054</u>
Fixed assets, net	<u>51,386</u>	<u>1,948,909</u>
Total assets	<u><u>\$ 2,348,018</u></u>	<u><u>\$ 4,904,458</u></u>
 Liabilities and Net Assets:		
Liabilities:		
Current liabilities		
Accounts payable	\$ 153,356	\$ 190,977
Note payable - Paycheck Protection Program	842,737	842,737
Notes payable, short term	-	87,220
Accrued expenses	<u>344,830</u>	<u>410,228</u>
Total current liabilities	<u>1,340,923</u>	<u>1,531,162</u>
Non-current liabilities		
Unemployment trust reserve - liability	94,313	89,054
Notes payable, long term	-	4,551,133
Total non-current liabilities	<u>94,313</u>	<u>4,640,187</u>
Total liabilities	<u>1,435,236</u>	<u>6,171,349</u>
Net assets (deficit):		
Without donor restrictions	(22,047)	(2,680,647)
With donor restrictions	<u>934,829</u>	<u>1,413,756</u>
Total net assets (deficit)	<u>912,782</u>	<u>(1,266,891)</u>
Total liabilities and net assets (deficit)	<u><u>\$ 2,348,018</u></u>	<u><u>\$ 4,904,458</u></u>

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

OUR PIECE OF THE PIE®, INC.

Statements of Activities

For the years ended June 30, 2021 and 2020

	2021	2020
Changes in net assets without donor restrictions:		
Revenues and support:		
Government grants	\$ 4,053,334	\$ 4,792,168
Contributions	1,113,536	1,692,782
Fundraising	185	4,766
Miscellaneous	3,476	11,625
Net assets released from restrictions	<u>2,543,810</u>	<u>1,933,413</u>
Total revenues and support	<u>7,714,341</u>	<u>8,434,754</u>
Expenses:		
Program services:		
Youth Development	1,464,930	1,319,935
Employment	3,072,627	3,517,427
Education	1,645,602	2,014,718
Data and Accountability	374,785	317,812
Total program services	<u>6,557,944</u>	<u>7,169,892</u>
Supporting services:		
Management and general	645,462	949,531
Fundraising	<u>293,165</u>	<u>369,589</u>
Total supporting services	<u>938,627</u>	<u>1,319,120</u>
Total expenses	<u>7,496,571</u>	<u>8,489,012</u>
Revenues and support over/(under) expenses	217,770	(54,258)
Other income/(expense)		
Depreciation	(65,731)	(158,252)
Forgiveness of debt	3,498,353	-
Loss on disposal of fixed assets	<u>(991,792)</u>	<u>-</u>
	<u>2,440,830</u>	<u>(158,252)</u>
Changes in net assets without donor restrictions	<u>2,658,600</u>	<u>(212,510)</u>
Net assets with donor restrictions:		
Contributions	2,064,883	2,794,879
Net assets released from restrictions	<u>(2,543,810)</u>	<u>(1,933,413)</u>
Changes in net assets with donor restrictions	<u>(478,927)</u>	<u>861,466</u>
Change in net assets	2,179,673	648,956
Net assets (deficit) at beginning of year	<u>(1,266,891)</u>	<u>(1,915,847)</u>
Net assets (deficit) at end of year	<u>\$ 912,782</u>	<u>\$ (1,266,891)</u>

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

OUR PIECE OF THE PIE®, INC.

Statement of Functional Expenses

For the year ended June 30, 2021

	Program Services					Support Services					Total
	Youth Development		Employment		Education	Data and Accountability		Total Program Services	Management and General		Fundraising
Salaries and benefits	\$ 1,042,572	\$ 1,197,274	\$ 1,249,736	\$ 160,762	\$ 3,650,344	\$ 448,562	\$ 222,049	\$ 670,611	\$ 4,320,955		
Youth/program expenses	151,422	1,522,446	14,047	138	1,688,053	4,198	264	4,462	1,692,515		
Subrecipients	30,000	-	-	-	30,000	-	-	-	-	30,000	
Occupancy	155,483	143,546	228,201	12,601	539,831	61,950	27,028	88,978	628,809		
Supplies	13,845	10,957	49,651	950	75,403	17,723	7,476	25,199	100,602		
Services	26,716	105,083	42,757	184,541	359,097	93,901	23,535	117,436	476,533		
Equipment	36,732	56,961	51,221	14,931	159,845	596	5,875	6,471	166,316		
Meetings and transportation	6,029	32,166	2,856	762	41,813	3,328	1,607	4,935	46,748		
Miscellaneous	2,131	4,194	7,133	100	13,558	15,204	5,331	20,535	34,093		
Total functional expenses	<u>\$ 1,464,930</u>	<u>\$ 3,072,627</u>	<u>1,645,602</u>	<u>\$ 374,785</u>	<u>\$ 6,557,944</u>	<u>\$ 645,462</u>	<u>\$ 293,165</u>	<u>\$ 938,627</u>	<u>\$ 7,496,571</u>		

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

OUR PIECE OF THE PIE®, INC.

Statement of Functional Expenses

For the year ended June 30, 2020

	Program Services					Support Services					Total
	Youth Development		Employment		Education	Data and Accountability		Total Program Services	Management and General		Fundraising
Salaries and benefits	\$ 812,780	\$ 1,271,731	\$ 1,556,141	\$ 236,163	3,876,815	\$ 766,184	\$ 313,947	\$ 1,080,131	\$ 4,956,946		
Youth/program expenses	219,345	1,861,898	86,023	2,052	2,169,318	13,548	3,591	17,139	2,186,457		
Subrecipients	56,125	-	-	-	56,125	-	-	-	-	56,125	
Occupancy	151,645	160,797	207,910	14,419	534,771	8,540	27,528	36,068	570,839		
Supplies	17,405	39,045	62,924	827	120,201	22,825	3,211	26,036	146,237		
Services	27,869	116,098	38,702	56,325	238,994	94,561	5,222	99,783	338,777		
Equipment	13,243	10,988	48,090	2,375	74,696	1,084	1,229	2,313	77,009		
Meetings and transportation	19,548	56,870	8,429	3,685	88,532	24,075	3,059	27,134	115,666		
Miscellaneous	1,975	-	6,499	1,966	10,440	18,714	11,802	30,516	40,956		
Total functional expenses	<u>\$ 1,319,935</u>	<u>\$ 3,517,427</u>	<u>2,014,718</u>	<u>\$ 317,812</u>	<u>\$ 7,169,892</u>	<u>\$ 949,531</u>	<u>\$ 369,589</u>	<u>\$ 1,319,120</u>	<u>\$ 8,489,012</u>		

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

OUR PIECE OF THE PIE®, INC.

Statements of Cash Flows

For the years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities		
Change in net assets	\$ 2,179,673	\$ 648,956
Adjustments to reconcile change in net assets		
to net change in cash from operating activities:		
Depreciation	65,731	158,252
Loss on disposal of fixed assets	991,792	-
Forgiveness of debt	(3,498,353)	-
(Increase)/decrease in assets:		
Accounts and grants receivable	(199,429)	118,405
Prepaid expenses	29,836	(33,159)
Increase/(decrease) in liabilities:		
Accounts payable	(37,621)	(47,777)
Accrued expenses	(65,398)	167,253
Unemployment trust reserve - liability	5,259	21,215
Net change in cash from operating activities	<u>(528,510)</u>	<u>1,033,145</u>
Cash flows from financing activities		
Note payable - Paycheck Protection Program	-	842,737
Payments on note payable	<u>(300,000)</u>	<u>(10,717)</u>
Net change in cash from financing activities	<u>(300,000)</u>	<u>832,020</u>
Net change in cash, restricted cash, and cash equivalents	(828,510)	1,933,004
Cash, restricted cash, and cash equivalents at beginning of year	<u>2,505,053</u>	<u>572,049</u>
Cash, restricted cash, and cash equivalents at end of year	<u>\$ 1,676,543</u>	<u>\$ 2,505,053</u>
Non-cash financing activities		
Loan forgiven by bank	\$ 3,498,353	\$ -
Payment on note payable on sale of land and building	840,000	-
	<u>\$ 4,338,353</u>	<u>\$ -</u>
Cash and restricted cash consists of the following at year end:		
Cash, restricted cash, and cash equivalents	\$ 1,582,230	\$ 2,415,999
Unemployment trust reserve	94,313	89,054
	<u>\$ 1,676,543</u>	<u>\$ 2,505,053</u>

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

OUR PIECE OF THE PIE®, INC.

Notes to Financial Statements

June 30, 2021 and 2020

NOTE 1 - ORGANIZATION:

Organization and Operations - Our Piece of the Pie, Inc. (OPP®) empowers youth with the key competencies needed to overcome barriers and succeed in education and employment.

OPP is a nonprofit organization founded in 1975 dedicated to empowering youth with the key competencies needed to overcome barriers and succeed in education and employment. OPP's unique model is centered around the personal and consistent relationship developed between each youth and a caring, committed and proactive adult staff member. That relationship helps participants identify and overcome barriers, access programs within best practices in Youth Development, Workforce Readiness, and Academics, and to achieve the goals of high school graduation, a college degree and/or vocational certification and rewarding post-education employment. Last year, OPP worked with 1004 youth throughout our programs, supporting them on their path to economic independence.

Youth Development – Youth Developments services focus on the building of healthy habits and skills that prepare youth to demonstrate and achieve competence, confidence, and connections to the community. Using cognitive behavioral support tools, skill acquisition strategies aimed at building resilience and reducing risk factors, including barrier identification and reduction, strengthening self-esteem and confidence while supporting youth when problems arise, connecting them to other support services, and improving positive networks through connecting with two or more adults in the community.

Education – Education services are provided through district-aligned, diploma granting public school partnerships that include opportunity academy and the learning academy Bloomfield. Additional academic services and supports are provided targeting access to industry recognized credentials, and post-secondary bridging. The focus is supporting academic pathways that lead to educational achievement diploma/GED attainment and post-secondary credentialing and retention.

Employment – Workforce Readiness Programs assist youth with opportunities to experience and develop important work readiness skills for long term employment. Skills building focused on career competency development training (soft skills, resume writing, job shadowing, service learning, entrepreneurial and business skills, subsidized/un-subsidized internships, employment placement, and employment retention.

Embedded are also financial capability services to help youth learn about banking, savings, credit, managing debt, and budgeting. Most importantly, youth have real-time access to a continuum of developmental work readiness experiences that include hands-on “work-to-learn” youth businesses in arts, digital media, carpentry, allied health, manufacturing, and other post-secondary credentialed employment opportunities. All of which offer youth the opportunity to learn occupational skills while building their resume.

Data and Accountability – OPP incorporates best practices and uses real-time, integrated, youth-level data to ensure service quality and progression and agency-wide accountability for results. Data and information is accessible to staff and stakeholders for analysis supporting improved services, operations, policies and outcomes for youth in Hartford. As a learning organization, OPP also participates in various local, state, and national data collaboratives.

Organizational Capacity – The Senior Director of Organizational Capacity leads the organization's engagement in the core capacity-building activities/strategies. The goal is to leverage the insight and expertise of allies/partnerships and use evidence-based processes and identify measurable goals to strengthen our human capital and ultimately our organizational health. Working with our commissioned allies, OPP strives to engage in Action Planning – To prioritize our key growth areas (priorities) and use of resources (including technical assistance).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Presentation – Financial statement presentation follows the requirements of the *Financial Statements of Not-for-Profit Organizations* topic of the FASB Accounting Standards Codification. Following these requirements, OPP reports information regarding its financial position and activities according to the following net assets categories:

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of OPP. These net assets may be used at the discretion of OPP's management and the Board of Directors.

Net assets with donor restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions will be met by actions of OPP or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. OPP does not have any assets held in perpetuity as of June 30, 2021 and 2020.

Cash, Restricted Cash, and Cash Equivalents – OPP considers cash on deposit with financial institutions, money market funds, and other highly liquid investments with an original maturity of three months or less to be cash equivalents. Cash also includes restricted cash of \$83,152 and \$375,035 at June 30, 2021 and 2020, respectively.

Fixed Assets – Fixed assets are carried at cost, less accumulated depreciation. Expenditures for repairs and maintenance are charged to expense as incurred; increments greater than \$1,000 are capitalized. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the year. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets, as follows:

Building	30 years
Leasehold improvements	5 - 7 years
Furniture, fixtures and computer equipment	3 - 5 years
Transportation equipment	3 - 5 years

Government Grants – OPP receives grant and contract funding from various federal, state, and local governments to provide a variety of program services to the public based on specific requirements included in the agreement, including eligibility, procurement, reimbursement, staffing and other requirements. Such government grants and contracts are nonreciprocal transactions and include conditions stipulated by the government agencies and are, therefore, accounted for as conditional contributions. Public support is recognized as conditions are satisfied, primarily as expenses are incurred. Cash received on grants and government contracts prior to incurring allowable expenses are recorded as refundable advances. There were no refundable advances as of June 30, 2021 and 2020, respectively. At June 30, 2021 OPP had unexpended grants of approximately \$3,668,000 that have not been recognized pending fulfillment of conditions associated with the Uniform Guidance and Connecticut State Single Audit Act requirements.

Contributions – OPP receives contributions to support operating activities, endowments, and capital projects. These contributions can be from individuals, foundations, corporations, or trusts. OPP records contributions receivable, net of allowances for estimated uncollectable amounts, when there is sufficient evidence in the form of verifiable documentation that an unconditional promise was received. Conditional gifts, having a measurable performance or other barrier and right of return, are recorded as refundable advances upon receipt and are recognized as the conditions on which they depend are substantially met or explicitly waived by the donor.

Accounts and grants receivable are recorded at their net realizable value. Once the receivable is older than thirty days it is considered past due. OPP periodically evaluates the balance in the various aging categories, as well as the status of any significant past due accounts and establishes an allowance for uncollectible accounts. At June 30, 2021 and 2020, management deemed all receivables collectible.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D.):

Allocation of Expenses by Function – Direct costs are charged to the programs to which they relate. All direct costs that can be identified to more than one program are prorated individually as direct costs using a base most appropriate to the particular cost being prorated. All other general and administrative costs (costs that benefit all programs and cannot be identified to a specific program) are allocated to programs, activities, grants, contracts, etc. using a base that results in equitable distribution. Salaries and benefits, youth/program expenses, subrecipients, services, meetings and transportation, and miscellaneous expenses are allocated by time and effort. Occupancy is allocated by square footage. Supplies and equipment are allocated by usage.

Federal and State Income Taxes – OPP is a not-for-profit organization as described under Section 501(c)(3) of the Internal Revenue Code and is not subject to federal or state income taxes. In addition, OPP qualifies for the charitable contribution deduction as provided in Section 170 of the Internal Revenue Code.

Estimates – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events Measurement Date – OPP monitored and evaluated any subsequent events for footnote disclosures or adjustments required in its financial statements from June 30, 2021 through October 19, 2021, the date on which the financial statements were available to be issued.

NOTE 3 – LIQUIDITY AND AVAILABILITY:

The following represents OPP's financial assets available to meet general expenditures over the next twelve months at June 30:

	<u>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash, restricted cash, and cash equivalents	\$ 1,582,230	\$ 2,415,999
Accounts and grants receivable	451,468	252,039
Financial assets, at year end	<u>2,033,698</u>	<u>2,668,038</u>
Less: amounts not available to be used within one year:		
Net assets with donor restrictions	<u>(934,829)</u>	<u>(1,413,756)</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,098,869</u>	<u>\$ 1,254,282</u>

OPP's goal is generally to maintain financial assets to meet three months of operating expenses. Additionally, there is a \$75,000 line of credit which is available to borrow funds as needed.

NOTE 4 - ACCOUNTS AND GRANTS RECEIVABLE:

Accounts and grants receivable consisted of the following at June 30,:

	<u>2021</u>	<u>2020</u>
Accounts receivable	\$ 189,819	\$ 81,902
Grants receivable	261,649	170,137
Total	<u>\$ 451,468</u>	<u>\$ 252,039</u>

NOTE 5 - UNEMPLOYMENT TRUST RESERVE:

OPP has established an Unemployment Trust Reserve account to manage its unemployment claims. The account is held and managed by Unemployment Trust Services. OPP has recorded an asset on the statements of financial position which represents the amount of cash in the reserve account, and a liability for expected claims to be paid.

NOTE 6 - FIXED ASSETS:

The cost and accumulated depreciation for fixed assets were as follows at June 30,:

	<u>2021</u>	<u>2020</u>
Land	\$ -	\$ 57,069
Building	-	2,727,518
Leasehold improvements	170,817	170,817
Furniture, fixtures and computer equipment	557,150	1,053,073
Transportation equipment	<u>130,669</u>	<u>125,670</u>
	858,636	4,134,147
Less: Accumulated depreciation	<u>(807,250)</u>	<u>(2,185,238)</u>
	<u>\$ 51,386</u>	<u>\$ 1,948,909</u>

OPP has determined the land and building above to be an impaired asset as of June 30, 2021 and 2020. The land and building were sold during the year ended June 30, 2021.

NOTE 7 - NOTE PAYABLE - PAYCHECK PROTECTION PROGRAM:

During May 2020, OPP received approval for a Small Business Administration (“SBA”) Paycheck Protection Program (“PPP”) loan in the amount of \$842,737. Under the PPP, funds are forgivable if utilized for qualified expenditures according to the program criteria incurred over a period of eight to twenty four weeks following the date of funding. In order to qualify for forgiveness, at least 60% of the funding must be spent on eligible payroll expenses, and up to 40% may be spent on other eligible expenditures, such as rent and utilities. As outlined by the SBA, any unforgiven balance must be repaid over two years at an annual interest rate of 1% with an initial deferment period of up to ten months from the covered period (interest will accrue). OPP has recorded this loan as a note payable as of June 30, 2021 and 2020. OPP has submitted an application to receive forgiveness on the loan subsequent to year end.

NOTE 8 - NOTES PAYABLE:

OPP entered into two construction loan lines of credit during December 2013. On September 30, 2014, OPP converted the construction loan lines of credit to permanent long-term tax exempt financing. The principal amount of the permanent long-term tax exempt financing is \$5,600,000. OPP paid a lump sum principal amount of \$500,000 from proceeds received from the sale of State of Connecticut Historic Preservation Tax Credits. The remaining term of the loan is for a 30 year amortization with monthly payments of principal and interest of \$23,742. The interest rate is a 7 year fixed rate of 3.78%. Adjustments to the FHLB Advance Rate shall be effective on October 1st in the years of 2019, 2024, 2029, 2034, and 2039. The note is secured by \$300,000 of restricted cash, the building and income received for management services and leasing of the building to Windham Charter School Corporation (“WCSC”). In 2019, WCSC relinquished their rental lease with OPP. The building was sold during the year ended June 30, 2021 and the remaining balance of the mortgage was forgiven by the bank. The principal balance outstanding at June 30, 2021 and 2020 was \$-0 and \$4,638,353, respectively.

NOTE 9 - LINE OF CREDIT:

OPP has a line of credit for \$75,000 with a lender which is available to borrow funds as needed. The line of credit expires on January 30, 2023. The line requires interest to be paid per annum at a rate of 4% at June 30, 2021 and 2020. There was no outstanding balance on the line of credit at June 30, 2021 and 2020.

NOTE 10 - NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following time and purpose restrictions at June 30:

	2021	2020
Youth development	\$ 195,184	\$ 246,804
Employment	467,386	878,704
Education	157,500	137,500
Data and accountability	114,759	150,748
Total time and purpose restrictions	<u>\$ 934,829</u>	<u>\$ 1,413,756</u>

Net assets were released from restrictions by incurring expense satisfying the time and purpose restrictions for the years ended June 30 as follows:

	2021	2020
Youth development	\$ 641,120	\$ 514,260
Employment	1,464,201	1,032,401
Education	237,500	237,500
Data and accountability	200,989	149,252
Total net assets released	<u>\$ 2,543,810</u>	<u>\$ 1,933,413</u>

NOTE 11 - CONCENTRATIONS OF CREDIT RISK:

Financial instruments, which potentially subject OPP to concentrations of credit risk, consist primarily of cash, restricted cash, and cash equivalents, support, and receivables.

FDIC insurance coverage is up to the maximum of \$250,000, per depositor, per bank. As of June 30, 2021 and 2020, OPP had deposits of approximately \$1,403,000 and \$1,956,000 in excess of federal deposit insurance, respectively. OPP has not experienced any losses on its cash, restricted cash, and cash equivalents.

NOTE 11 - CONCENTRATIONS OF CREDIT RISK (CONT'D.):

During the years ended June 30, 2021 and 2020, OPP received 39% and 57% of funds from four sources, respectively.

As of June 30, 2021 and 2020, outstanding receivables from sources of revenue considered a concentration are approximately \$117,000 and \$96,000, or 26% and 38%, respectively of total outstanding receivables.

NOTE 12 - CONTINGENCIES:

Grants require the fulfillment of certain conditions as set forth in the grant. Failure to fulfill the conditions can result in the return of funds to grantors. Management is of the opinion that the conditions of the grants will be met.

NOTE 13 - OPERATING LEASES:

OPP rents office space at several locations and office equipment through leases which expires at various dates through the year ending June 30, 2025. Lease expense for the years ended June 30, 2021 and 2020 was \$335,756 and \$310,899, respectively.

Future minimum lease payments are as follows for the years ending June 30:

2022	\$ 368,444
2023	35,855
2024	9,438
2025	4,719
Total	<u><u>\$ 418,456</u></u>

NOTE 14 - PENSION PLAN:

OPP has a defined contribution pension plan (the “Plan”), which covers substantially all of its employees. The Plan covers all employees who have completed one year of service, worked 1,000 hours during the year, and have attained age twenty-one. Effective January 1, 2013, employer contributions are applicable to the Plan. Each participant that satisfied the requirements of the amendment receives an allocation of employer matching contributions that will not exceed 3% of the compensation received during that Plan year. For the years ended June 30, 2021 and 2020, pension expense was \$63,125 and \$62,159, respectively.

NOTE 15 - RISK AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (“COVID-19”) as a pandemic. COVID-19 has caused significant disruption in the national and global economy. OPP’s operating activities, liquidity, and cash flows may or have been affected by this global pandemic. While the disruption is currently expected to be temporary, there is uncertainty related to the duration. Therefore, while OPP expects this matter to impact the business relative to enrollment and funding streams, the related financial impact cannot be reasonably estimated at this time.

II. REPORTS IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

**INDEPENDENT AUDITORS' REPORT ON
INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Our Piece of the Pie®, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Our Piece of the Pie®, Inc., which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 19, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of financial statements, we considered Our Piece of the Pie®, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 Our Piece of the Pie®, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Our Piece of the Pie®, Inc.'s internal control.

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

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

Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of Our Piece of the Pie®, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Our Piece of the Pie®, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Whittlesey PC

Hartford, Connecticut
October 19, 2021

III. REPORTS IN ACCORDANCE WITH UNIFORM GUIDANCE



Headquarters
280 Trumbull St
24th Floor
Hartford, CT 06103
Tel: 860.522.3111
www.WAdvising.com

One Hamden Center
2319 Whitney Ave, Suite 2A
Hamden, CT 06518
Tel: 203.397.2525

14 Bobala Road #3
Holyoke, MA 01040
Tel: 413.536.3970

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

To the Board of Directors of
Our Piece of the Pie®, Inc.

Report on Compliance for the Major Federal Programs

We have audited Our Piece of the Pie®, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Our Piece of the Pie®, Inc.'s major federal programs for the year ended June 30, 2021. Our Piece of the Pie®, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs – federal awards.

Management's Responsibility

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

Auditors' Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal programs. However, our audit does not provide a legal determination of Our Piece of the Pie®, Inc.'s compliance.

Opinion on the Major Federal Program

In our opinion, Our Piece of the Pie®, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Our Piece of the Pie®, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Our Piece of the Pie®, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Our Piece of the Pie®, Inc.'s internal control over compliance.

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

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

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



Hartford, Connecticut
October 19, 2021

OUR PIECE OF THE PIE®, INC.

Schedule of Expenditures of Federal Awards

For the year ended June 30, 2021

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
U.S. Department of Health and Human Services:				
<i>Pass-through Programs from:</i>				
State of Connecticut Department of Children and Families				
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674	90496	\$ -	\$ 286,157
U.S. Department of Labor:				
<i>Pass-through Programs from:</i>				
Capital Workforce Partners				
WIOA Youth Activities	17.259	76023	-	476,054
<i>Pass-through Programs from:</i>				
The Science of Improving Lives				
Reentry Employment Opportunities	17.270	30746	- -	362,635
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 1,124,846</u>

See accompanying notes to schedule of expenditures of federal awards.

OUR PIECE OF THE PIE®, INC.

Notes to Schedule of Expenditures of Federal Awards

For the year ended June 30, 2021

NOTE 1 - BASIS OF PRESENTATION:

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of Our Piece of the Pie®, Inc. under programs of the federal government for the year ended June 30, 2021. 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 Our Piece of the Pie®, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Our Piece of the Pie®, Inc.

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.

Our Piece of the Pie®, Inc. has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

OUR PIECE OF THE PIE®, INC.

Schedule of Findings and Questioned Costs – Federal Awards

June 30, 2021

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	<i>Unmodified</i>		
Internal control over financial reporting:			
Material weakness(es) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> X no
Significant deficiency(ies) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> X none reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> X no

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> X no
Significant deficiency(ies) identified?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> X none reported
Type of auditors' report issued on compliance for major programs:	<i>Unmodified</i>		
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of Uniform Guidance?	<input type="checkbox"/>	yes	<input checked="" type="checkbox"/> X no

Identification of Major Programs

Name of Federal Program or Cluster	CFDA Number
U.S. Department of Labor: Reentry Employment Opportunities	17.270
U.S. Department of Health and Human Services: John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674
Dollar threshold used to distinguish between Type A and Type B programs	\$ <u>750,000</u>
Auditee qualified as low-risk auditee?	<input checked="" type="checkbox"/> X yes <input type="checkbox"/> no

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

IV. REPORTS IN ACCORDANCE WITH STATE SINGLE AUDIT

**INDEPENDENT AUDITORS' REPORT ON
COMPLIANCE FOR EACH MAJOR STATE PROGRAM
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE STATE SINGLE AUDIT ACT**

To the Board of Directors of
Our Piece of the Pie®, Inc.

Report on Compliance for Each Major State Program

We have audited Our Piece of the Pie®, Inc.'s compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of Our Piece of the Pie®, Inc.'s major state programs for the year ended June 30, 2021. Our Piece of the Pie®, Inc.'s major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs – state awards.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Our Piece of the Pie®, Inc.'s major state 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 State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act 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 state program occurred. An audit includes examining, on a test basis, evidence about Our Piece of the Pie®, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Our Piece of the Pie®, Inc.'s compliance.

Opinion on Each Major State Program

In our opinion, Our Piece of the Pie®, Inc., complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

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

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

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

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



Hartford, Connecticut
October 19, 2021

OUR PIECE OF THE PIE®, INC.

Schedule of Expenditures of State Financial Assistance

For the year ended June 30, 2021

State Grantor/ Pass-through Grantor/ Program Title	State Grant Program Core CT-Number	Pass Through to Subrecipients	Expenditures
Department of Children and Families: Child Welfare Support Services	11000-DCF91100-16120	\$ -	\$ 1,096,753
Department of Labor: Pass-through Capital Workforce Partners Connecticut's Youth Employment Program	11000-DOL40000-12205	-	137,136
Judicial Branch: Youth Services Prevention (YSP)	11000-JUD96114-12559-087	30,000	30,000
Total Expenditures of State Financial Assistance		<u>\$ 30,000</u>	<u>\$ 1,263,889</u>

See accompanying note to schedule of expenditures of state financial assistance.

OUR PIECE OF THE PIE®, INC.

Note to Schedule of Expenditures of State Financial Assistance

For the year ended June 30, 2021

The accompanying Schedule of Expenditures of State Financial Assistance (the “Schedule”) includes state grant activity of Our Piece of the Pie®, Inc. under programs of the State of Connecticut for the fiscal year ended June 30, 2021. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including the expanding employment opportunities for youth, providing employment placement and retention services for adults, expanding the availability of childcare, and encouraging economic development.

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

The accounting policies of Our Piece of the Pie®, Inc., conform to accounting principles generally accepted in the United States of America as applicable to not for profit agencies.

The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The expenditures reported on the Schedule are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column on the Schedule.

OUR PIECE OF THE PIE®, INC.

Schedule of Findings and Questioned Costs - State Awards

For the year ended June 30, 2021

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' opinion issued:	<i>Unmodified</i>		
Internal control over financial reporting:			
Material weakness(es) identified?	<u> </u>	yes <u>X</u>	no

Significant deficiency(ies) identified?	<u> </u>	yes <u>X</u>	none reported
Noncompliance material to financial statements noted?	<u> </u>	yes <u>X</u>	no

State Financial Assistance

Internal control over major programs:			
Material weakness(es) identified?	<u> </u>	yes <u>X</u>	no
Significant deficiency(ies) identified?	<u> </u>	yes <u>X</u>	none reported

Type of auditors' opinion issued on compliance for major state programs:	<i>Unmodified</i>		
Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?	<u> </u>	yes <u>X</u>	no

The following schedule reflects the major state programs included in the audit:

State Grantor and Program	State Core CT Number	Expenditures
Department of Children and Families: Child Welfare Support Services	11000-DCF91110-16120	\$ 1,096,753
Department of Labor: Connecitcut's Youth Employment Program	11000-DOL40000-12205	137,136
Dollar threshold to distinguish between type A and type B programs		\$ <u>200,000</u>

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.

Headquarters

280 Trumbull Street, 24th Floor
Hartford, CT 06103
860.522.3111

One Hamden Center
2319 Whitney Avenue, Suite 2A
Hamden, CT 06518
203.397.2525

14 Bobala Road, 3rd Floor
Holyoke, MA 01040
413.536.3970

WAdvising.com

