

# COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY

Financial Statements  
Single Audit Reports on Federal Awards  
Supplementary Information

Year ended December 31, 2023

WEST, DAVIS & COMPANY, LLP  
*Certified Public Accountants*  
Austin, Texas

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**  
**SINGLE AUDIT REPORTS ON FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Community Action Partnership of Orange County  
Garden Grove, California

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of Community Action Partnership of Orange County ("CAP OC") (a nonprofit organization), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Partnership of Orange County as of December 31, 2023, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of CAP OC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CAP OC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's Responsibility for the Audits of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that the audits conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing the audits in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 CAP OC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CAP OC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control related matters that we identified during the audits.

## **Report on Summarized Comparative Information**

We have previously audited Community Action Partnership of Orange County's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 27, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information for the year ended December 31, 2023, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated August 19, 2024, on our consideration of Community Action Partnership of Orange County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Community Action Partnership of Orange County's internal control over financial reporting and compliance.

*West, Davis & Company, LLP*

*Certified Public Accountants*

Austin, Texas

August 19, 2024

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

(WITH COMPARATIVE TOTALS FOR 2022)

	<b>Assets</b>	
	<u>2023</u>	<u>2022</u>
Current assets:		
Cash and cash equivalents (note 3)	\$ 6,010,911	\$ 8,820,176
Receivables:		
Contributions and grants	150,000	230,000
Contract billings	4,859,606	3,062,923
Inventories:		
USDA - EFAP	2,048,501	939,066
USDA - CSFP (Orange County)	1,643,884	1,914,147
Diaper Bank	123,798	175,786
Prepaid expenses and deposits	<u>565,098</u>	<u>341,848</u>
Total current assets	<u>15,401,798</u>	<u>15,483,946</u>
Property and equipment, at cost (note 4):		
Land, buildings, and equipment	10,535,757	8,958,622
Less accumulated depreciation	<u>(3,555,213)</u>	<u>(3,143,546)</u>
Property and equipment, net	<u>6,980,544</u>	<u>5,815,076</u>
Other assets:		
Right-of-use asset (note 6)	<u>7,706,982</u>	<u>-</u>
Total assets	<u>\$ 30,089,324</u>	<u>\$ 21,299,022</u>
<b>Liabilities and Net Assets</b>		
	<u>2023</u>	<u>2022</u>
Current liabilities:		
Accounts payable	\$ 2,557,178	\$ 1,296,593
Accrued payroll and related expenses	376,159	393,045
Accrued vacation payable (note 1)	434,443	446,225
Advances from funding sources	493,773	2,589,279
Current portion of lease liability (note 6)	<u>1,245,182</u>	<u>-</u>
Total current liabilities	<u>5,106,735</u>	<u>4,725,142</u>
Long-term liabilities:		
Lease liability (note 6)	<u>6,491,149</u>	<u>-</u>
Total liabilities	<u>11,597,884</u>	<u>4,725,142</u>
Net Assets (note 8):		
Without donor restrictions	14,593,970	13,402,418
With donor restrictions	<u>3,897,470</u>	<u>3,171,462</u>
Total net assets	<u>18,491,440</u>	<u>16,573,880</u>
Total liabilities and net assets	<u>\$ 30,089,324</u>	<u>\$ 21,299,022</u>

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

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**  
(WITH COMPARATIVE TOTALS FOR 2022)

	2023			2022
	Without donor restrictions	With donor restrictions	Total	
<b>Revenues and other support:</b>				
Governmental contracts and grants	\$ 26,937,591	\$ -	\$ 26,937,591	\$ 21,631,540
Commodities (note 7)	15,672,128	787,183	16,459,311	12,730,757
Private contracts	69,356	-	69,356	250,704
Donations	3,558,297	-	3,558,297	3,976,524
Shared maintenance	272,066	-	272,066	155,715
Other	21,795	-	21,795	17,195
Net assets released from restrictions	61,175	(61,175)	-	-
<b>Total revenues and other support</b>	<b>46,592,408</b>	<b>726,008</b>	<b>47,318,416</b>	<b>38,762,435</b>
<b>Expenses:</b>				
Program services:				
Energy and Environmental Services	8,809,742	-	8,809,742	7,081,229
Community Partnership and Services	3,590,626	-	3,590,626	3,044,148
Food Services	27,653,693	-	27,653,693	24,566,516
CSBG CARES	-	-	-	1,604,015
Agency	-	-	-	519,055
Total program services	40,054,061	-	40,054,061	36,814,963
Supporting services:				
Management and general	4,166,647	-	4,166,647	1,777,813
Fundraising	1,180,148	-	1,180,148	909,783
Total supporting services	5,346,795	-	5,346,795	2,687,596
<b>Total expenses</b>	<b>45,400,856</b>	<b>-</b>	<b>45,400,856</b>	<b>39,502,559</b>
Increase (decrease) in net assets	1,191,552	726,008	1,917,560	(740,124)
Net assets at beginning of year	13,402,418	3,171,462	16,573,880	17,314,004
<b>Net assets at end of year</b>	<b>\$ 14,593,970</b>	<b>\$ 3,897,470</b>	<b>\$ 18,491,440</b>	<b>\$ 16,573,880</b>

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

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED DECEMBER 31, 2023**

(WITH COMPARATIVE TOTALS FOR 2022)

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Net change in net assets	\$ 1,917,560	\$ (740,124)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	441,016	516,610
(Increase) decrease in operating assets		
Contributions and grants receivable	80,000	105,000
Contract billings receivable	(1,796,683)	391,072
Inventories	(787,184)	662,054
Prepaid expenses and deposits	(223,250)	(157,051)
Increase (decrease) in operating liabilities		
Accounts payable	1,260,585	457,898
Accrued payroll	(16,886)	55,296
Accrued vacation payable	(11,782)	1,123
Advances from funding sources	<u>(2,095,506)</u>	<u>575,492</u>
Net cash provided (used) by operating activities	<u>(1,232,130)</u>	<u>1,867,370</u>
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment	<u>(1,577,135)</u>	<u>(201,499)</u>
Net cash provided by investing activities	<u>(1,577,135)</u>	<u>(201,499)</u>
<b>Cash flows from financing activities:</b>		
Principal payments on debt	<u>-</u>	<u>(155,000)</u>
Net cash provided by investing activities	<u>-</u>	<u>(155,000)</u>
Net increase (decrease) in cash	(2,809,265)	1,510,871
Cash at beginning of year	<u>8,820,176</u>	<u>7,309,305</u>
<b>Cash at end of year</b>	<u><u>\$ 6,010,911</u></u>	<u><u>\$ 8,820,176</u></u>

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



**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2023**  
(WITH COMPARATIVE TOTALS FOR 2022)

	Program Services				Supporting Services		2023 Total	2022
	Energy and Environmental Services	Community Partnership & Services	Food Services	Total	Management and General	Fund Raising		
Personnel and fringe benefits	\$ 3,146,105	\$ 1,926,485	\$ 3,160,937	8,233,527	\$ 2,197,247	\$ 502,960	\$ 10,933,734	\$ 10,649,518
Contractual services	4,849,930	411,260	292,420	5,553,610	699,698	272,060	6,525,368	3,901,830
Transportation	63,716	15,174	170,362	249,252	96,450	11,713	357,415	303,107
Facilities	265,418	364,559	1,120,082	1,750,059	272,169	10,367	2,032,595	1,608,154
Program supplies	104,565	350,157	1,875,673	2,330,395	200,457	1,906	2,532,758	1,758,207
Equipment	88,591	18,492	257,969	365,052	16,818	-	381,870	965,918
Food and consumable supplies	305	12,655	3,688,754	3,701,714	-	-	3,701,714	4,760,445
Operations	291,112	491,844	1,467,357	2,250,313	272,141	381,142	2,903,596	2,008,675
Commodities	-	-	15,620,139	15,620,139	-	-	15,620,139	13,030,095
<b>Total expenses before depreciation</b>	<b>8,809,742</b>	<b>3,590,626</b>	<b>27,653,693</b>	<b>40,054,061</b>	<b>3,754,980</b>	<b>1,180,148</b>	<b>44,989,189</b>	<b>38,985,949</b>
Depreciation	-	-	-	-	411,667	-	411,667	516,610
<b>Total expenses</b>	<b>\$ 8,809,742</b>	<b>3,590,626</b>	<b>27,653,693</b>	<b>40,054,061</b>	<b>4,166,647</b>	<b>1,180,148</b>	<b>\$ 45,400,856</b>	<b>\$ 39,502,559</b>

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

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**Note 1 – The Organization and Summary of Significant Accounting Policies**

*Organization and Background*

Community Action Partnership of Orange County (CAP OC) is one of the oldest and largest non-profit organizations in Orange County. Effective January 1, 2003, the organization changed its name to Community Action Partnership of Orange County. The organization, formerly known as Orange County Community Development Council Inc., was originally founded as Orange County Community Development Council and incorporated as a non-profit entity in 1965.

CAP OC has been instrumental in developing programs and activities that provide services throughout the community to help low income persons overcome barriers to self-sufficiency.

CAP OC's mission is to enhance the quality of life within Orange County by eliminating and preventing the causes and effects of poverty by mobilizing and directing resources to programs that assist, educate and promote self-sufficiency.

CAP OC is governed by a Board of Directors comprised of representatives of governmental officials, social service agencies, and various business, labor, religious, welfare, education and other major groups within the community. The Board of Directors provides leadership to the organization, which is supervised on a daily basis by the President & CEO.

CAP OC's services include providing for emergency, critical or chronic needs of individuals and families. The following is a list of the more significant programs provided by CAP OC:

Orange County Food Bank:

The food bank is a multifaceted food distributor organization which coordinates the distribution of over twenty million pounds of food annually. Distribution channels include a network of social service organizations such as churches, shelters, soup kitchens and others.

Community Supplemental Food Program (CSFP)

CSFP delivers boxes containing highly nutritious food items to low-income seniors aged 60 and older.

The Emergency Food Assistance Program (TEFAP)

CAP OC receives government commodity food from the U.S. Department of Agriculture (USDA) and the food is made available at no cost to eligible persons through a network of social service organizations.

Donated Foods

Goods donated by supermarkets, food processors, manufacturers, and collected from food drives or donated by private individuals are made available to CAP OC's member agency network.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

OC Diaper Bank

Diapers and wipes are provided to organizations serving families with infant children, delivered by Tom Tom, the Diaper Bank's stork themed diaper delivery truck.

Health Nutrition and Community Development Programs

In addition to collecting and distributing food, CAP OC operates advocacy and public education programs. Advocacy efforts focus on outreach to underserved populations, research, and public policy issues that affect the root causes of hunger. In addition, nutrition education programs seek to increase peoples' abilities to grow, purchase, and prepare their own food.

Energy and Environmental Services:

Energy Crisis Intervention Program

This program assists low-income families with utility bills when these families are threatened with termination of services and/or delinquent notices. In addition, the program provides energy education classes to assist low income families to lower their energy bills.

Weatherization

This program, sponsored by the California Gas and Edison companies, and the Department of Energy and Low Income Home Energy Assistance Program, provides a wide range of home repairs, energy conservation and cost reduction measures such as attic insulation and weather stripping.

Community Partnerships and Services:

To help low-income families and communities thrive, CAP OC sponsors three family resource centers, provides youth and after school programs, supports community activities, and works with partner organizations in Orange County to solve community problems. Other programs include public health services, such as anti-vaping, health promotion and youth leadership programming, financial empowerment services, education and assistance, and resiliency programming.

The significant accounting policies followed by Community Action Partnership of Orange County are described below to enhance the usefulness of the financial statements to the reader.

*Basis of Accounting*

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles and the principles of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes in accordance with activities and objectives specified by donors.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

*Basis of Presentation*

The accompanying financial statements have been prepared in conformity with the disclosure and display requirements of the Financial Accounting Standards Board (FASB) as set forth in its Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Under these provisions, net assets and all balances and transactions are presented based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of CAP OC and changes therein are classified and reported as follows:

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 CAP OC. These net assets may be used at the discretion of CAP OC '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 are temporary in nature; those restrictions will be met by actions of CAP OC or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their used is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as net assets released from restrictions.

Contributions, which include unconditional promises to give, are recognized as revenues in the period CAP OC is notified of the commitment. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. All other support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized.

*Use of Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

*Cash and Cash Equivalents*

For purposes of the statement of cash flows, CAP OC considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. Cash equivalents consist of various money market funds.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

*Receivables*

Revenue from contract billings is recognized as the reimbursable expenses stipulated by the contracts are incurred. Revenue from grants and contributions is recognized in the period CAP OC is notified of the commitment. Receivables are stated at the amount management expects to collect from balances outstanding at year-end.

Management evaluates the need for an allowance for doubtful accounts applicable to its receivables based on various factors, including an assessment of the creditworthiness of its donors, aging of the amount due and historical experience. Based on management's assessment of the credit history with clients having outstanding balances and current relationships with them, it has concluded that realization losses on receivable balances outstanding at year-end have been adequately provided for.

*Inventories*

Inventories consist principally of program provided food commodities received under the terms of contracts with the USDA as well as diaper commodities purchased under the terms of a contract with the State of California.

USDA donated food inventories are stated at their federal assigned value prescribed by the USDA. Inventories of diapers donated by the State of California are stated at their estimated fair value based on prices of identical diapers purchased by the organization. Inventories of purchased diapers and food are stated at cost, which approximates market value using the specific identification method. Donor restricted inventories represent food received from the USDA and diapers received from the State of California in which CAP OC is liable for distribution to qualifying low-income individuals and certain qualifying outside service providers.

*Buildings, Equipment and Vehicles*

Purchases of building, equipment and vehicles are valued at cost and donated fixed assets are valued at their estimated fair market value on the date received. Depreciation expense is provided on the straight-line method over an estimated useful life of five years for equipment and vehicles and fifteen years for buildings. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected as income for the period. CAP OC's capitalization threshold amount is \$25,000.

Fixed assets acquired by CAP OC from grant funds are considered to be owned by CAP OC while used in the program for which they were purchased or in other authorized programs. However, the funding sources may have reversionary interest in the property and its disposition, as well as the ownership of any proceeds which are subject to pertinent regulations.

*Accrued Vacation Payable*

Under the terms of CAP OC's personnel policy, employees are granted 12-30 vacation and 12 sick leave days per year, depending on the length of employment. In the event of termination, an employee is paid for all accumulated vacation leave. Employees are not paid for accumulated sick leave. The liability for accumulated vacation leave is recorded when earned by the employee. Sick leave is recorded when paid. At December 31, 2023 and 2022, the liability for unused vacation leave was \$434,443 and \$446,225, respectively.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

*Income Taxes*

CAP OC is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and Section 23701d of the California Revenue and Taxation Code. In addition, CAP OC qualifies for the charitable contribution deduction under IRC Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under IRC Section 509(a)(2). No provision for income taxes has been made in the accompanying financial statements, as there are no activities subject to unrelated business income tax.

On January 1, 2009, CAP OC adopted the provisions of Interpretation ("FIN") No. 48, "Accounting for Uncertainty in Income Taxes - an Interpretation of FASB Statement No. 109" (ASC 740). ASC 740 prescribes a new threshold for determining when an income tax benefit can be recognized, which is a higher threshold than the one imposed for claiming deductions on income tax returns. The adoption of ASC 740 did not have any impact on CAP OC's financial statements.

CAP OC's federal and state tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those tax returns. In general, the federal and state income tax returns have three and four year statute of limitations, respectively.

*Fair Value Measurements*

Investments are shown at their estimated fair value in accordance with FASB ASC 820, "Fair Value Measurements and Disclosures". Certain financial instruments are carried at cost on the balance sheet, which approximates fair value due to their short-term, highly liquid nature. These instruments include cash and cash equivalents, grants receivable, other receivables, prepaid expenses, other assets, account payable, and accrued expenses.

CAP OC uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The fair value measurement accounting literature establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

*Donated Materials and Services*

Donated materials and other non-cash contributions are reflected in the accompanying statements at their estimated fair market value at date of receipt. Contributions of services are recognized if the services received create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Other volunteer services that do not meet these criteria are not recognized in the financial statements.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

*Advertising*

Advertising costs are charged to expense as incurred.

*Fundraising*

From time to time, the organization conducts fundraising activities and special events in order to assist in program operations. All revenue received from such events in excess of expenses, are used for program operations. For the year ended December 31, 2023, fund development expenses were approximately 2% of operating revenue and 33% of donation revenue.

*Administrative Expenses*

Administrative expenses allocated to the CSBG contract cannot exceed 12% of CAP OC's total operating revenues. For the year ended December 31, 2023, the actual administrative expenses were approximately 3% of CAP OC's total operating revenues.

*Functional Allocation of Expenses*

Costs by their natural classification are presented in the statement of functional expenses. The costs of providing various programs and other activities of CAP OC have been summarized on a functional basis by the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenditures benefiting all segments of the Agency are allocated to programs in proportion to the benefits received from shared expenditures. Such allocations are determined by management on an equitable basis. Expenses relating to more than one function are allocated based on direct square footage used estimates.

*Reclassifications*

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

*Summarized Financial Information for 2022*

The accompanying financial information as of and for the year ended December 31, 2022 is presented for comparative purposes only and is not intended to represent a complete financial statement presentation.

**Note 2 – Availability and Liquidity**

Community Action Partnership of Orange County has \$11,020,517 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures consisting of cash and cash equivalents of \$6,010,911 and receivables of \$5,009,606. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position. The receivable balances are expected to be collected within one year.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**Note 2 – Availability and Liquidity (Continued)**

CAP OC has a goal to maintain financial assets, which consist of cash and cash equivalents, on hand to meet 90 days of normal operating expense, which are, on average, approximately \$6.5 million. The organization also realizes there could be unanticipated liquidity needs. CAP OC has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

**Note 3 – Cash and Cash Equivalents**

Cash and cash equivalents reflected in the accompanying financial statements include petty cash, checking, and money market accounts at December 31, 2023 aggregating \$6,010,911. CAP OC has deposits in various accounts in three financial institutions.

**Note 4 – Property and Equipment**

Property and equipment consists of the following:

	Balance 12/31/2022	Acquisitions	Dispositions	Depreciation	Balance 12/31/2023
Land	\$2,583,891	-	-	-	2,583,891
Buildings & improvements	2,955,413	1,011,432	-	-	3,966,845
Equipment & vehicles	3,419,318	565,703	-	-	3,985,021
Total fixed assets	8,958,622	1,577,135	-	-	10,535,757
Accumulated depreciation	(3,143,546)	-	-	(411,667)	(3,555,213)
Net fixed assets	5,815,076	1,577,135	-	(411,667)	6,980,544

Building and improvement additions totaling \$1,011,432 during 2023 consisted of \$564,638 of leasehold improvements to CAP OC's Monarch facility, \$159,600 of HVAC and solar improvements to Southwest Community Center, \$115,575 of HVAC and solar improvements to Anaheim Independencia Community Center, and \$171,619 of HVAC and solar improvements to El Modena Community Center. Equipment and vehicle purchases totaling \$565,703 consisted of \$111,470 of Monarch computers and equipment, \$418,210 of food bank vehicles, and \$36,023 of energy vehicles. There were no dispositions during 2023. Depreciation expense for the year ended December 31, 2023 was \$411,667.

**Note 5 – Retirement Plan**

Community Action Partnership of Orange County has a retirement plan for employees consisting of a tax-sheltered custodial account under Section 403(b) of the Internal Revenue Code. Under the provisions of the plan, CAP OC contributes 6% of eligible employee salaries and employees may make voluntary contributions up to a maximum of 100% of their salary, or the allowable Internal Revenue Service maximum, whichever is less. In 2023, CAP OC contributed \$503,218 to this plan. This amount is included in the personnel and fringe benefits expense.



**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**Note 6 – Operating Leases Commitments**

CAP OC leases office space for its community partnership and service programs under operating leases expiring through September of 2025. CAP OC leases copiers and computer equipment under operating leases expiring through July of 2026. Upon adoption of ASC 842, CAP OC elected to exclude these leases, which were either entered into prior to the adoption of ASC 842 or are short-term leases of 12 months or less, from recognition. At December 31, 2023, the organization's approximate minimum rental commitments on these leases are as follows:

Year ending December 31,	
2024	\$ 115,206
2025	71,470
2026	11,886
Thereafter	<u>-</u>
Total	<u><u>\$ 198,562</u></u>

Community Action Partnership of Orange County executed a noncancelable operating lease dated December 18, 2009 for a single tenant industrial building and associated land in the City of Garden Grove. On February 1, 2023, CAP OC entered into an 84-month lease extension for its Garden Grove building through January of 2030. In accordance with ASC 842 Leases, lease liabilities are initially and subsequently measured at the present value of the remaining lease payments. The right-of-use assets are initially recognized at the amount of the lease liabilities initially recognized. Upon signing the lease, CAP OC recognized a right-of-use asset and corresponding lease liability equal to the minimum payments due over the term of the lease of \$8,872,212. The right-of-use asset and lease liability at December 31, 2023 as presented in the Statement of Financial Position were \$7,710,375 and \$7,736,331, respectively.

The following table reconciles the undiscounted cash flows expected to be paid in each of the next five years and thereafter to the lease liability recorded on the Statement of Financial Position for operating leases existing as of December 31, 2023:

Year ending December 31,	
2024	\$ 1,336,965
2025	1,397,121
2026	1,459,990
2027	1,525,693
2028	1,594,350
Thereafter	<u>1,805,433</u>
Total lease payments due	9,119,552
Less imputed interest	<u>(1,383,221)</u>
Total	<u><u>\$ 7,736,331</u></u>

Lease expense totaling \$1,474,269 for the year ended December 31, 2023 consisted of facility and equipment lease expenses totaling \$309,039 and amortization expense of the right of use asset totaling \$1,165,230.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**Note 7 – Donated Commodities, Services, and Facilities**

All donated commodities and facilities have been recorded in the financial statements at the value of the goods at the time of donation. CAP OC receives donated food commodities and distributes them to sub-distributing non-profit agencies and eligible families. The total value of commodities and received in 2023 was as follows:

The Emergency Food Assistance Program (TEFAP)	\$ 7,033,552
Commodity Supplemental Food Program (CSFP)	<u>9,425,759</u>
Total commodities	<u><u>16,459,311</u></u>

Fair value techniques – Food inventories are stated at their federal assigned value prescribed by the USDA. Inventories of donated diapers are stated at their estimated fair value based on prices of identical diapers purchased by the organization. Donated facilities are valued based on current rates of similar space.

Donor restrictions and use – Donor restricted inventories represent food received from the USDA and diapers received from the State of California. USDA Food donations and State of California diaper donations are restricted for distribution to qualifying low-income individuals and certain qualifying outside service providers. All other in-kind contributions are not restricted. CAP OC does not sell in-kind contributions.

Continued funding levels of TEFAP, CSFP, and the diaper bank program are subject to annual renewal by the governmental funding agencies.

CAP OC receives donations of food and grocery products from the food industry, other businesses, community organizations and individuals. For the year ended December 31, 2023, CAP OC received 14,800,319 pounds of donated food. The value of donated food commodities, which CAP OC considers impractical to estimate, is not reflected in the accompanying financial statements.

CAP OC received donated services from a substantial number of volunteers who donated their time to CAP OC's services program. For the year ended December 31, 2023, all volunteer services provided to CAP OC did not meet the above criteria and, therefore, are not reflected in the accompanying financial statements.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**Note 8 – Restrictions on Net Assets**

Net assets at December 31, 2023 are available for the following purposes:

Unrestricted net assets:	
Invested in land, buildings, equipment and vehicles, net of applicable accumulated depreciation	\$ 6,980,544
Undesignated - available for programs	<u>7,613,426</u>
Total unrestricted net assets	<u>14,593,970</u>
Purpose restricted net assets:	
Food Services program	3,692,384
Diaper Bank program	123,798
Elevate Youth program	<u>81,288</u>
Total net assets with donor restrictions	<u>\$ 3,897,470</u>
Total net assets	<u>\$ 18,491,440</u>

CAP OC anticipates fulfilling the purpose restrictions on its net assets with donor restrictions balances during 2024.

**Note 9 – Concentrations of Credit and Market Risk**

CAP OC's mission is to enhance the quality of life within Orange County by eliminating and preventing the causes and effects of poverty by mobilizing and directing resources to programs that assist, educate and promote self-sufficiency. CAP OC has been operating since 1965. Financial instruments that potentially subject CAP OC to concentrations of credit risk consist of cash and equivalents and revenue from government grants and contracts.

CAP OC maintains cash accounts at two financial institutions. Cash and equivalents and certificates of deposit may from time to time exceed amounts insured by the Federal Deposit Insurance Corporation. As of December 31, 2023, CAP OC's cash balances in excess of FDIC limits approximated \$5,251,673.

CAP OC's receives approximately 92% of its total support and revenue from governmental grants and contracts. Concentrations of credit risk with respect to grants and contracts receivable are reduced due to the limited amount of credit risk exposure from government grants and contracts.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**Note 10 – Commitments and Contingencies**

CAP OC's contracts are subject to inspection and audit by the appropriate governmental funding agencies. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and, accordingly, CAP OC has no provision for the possible disallowance of program costs included in its financial statements.

**Note 11 – Evaluation of Subsequent Events**

CAP OC adopted the provisions of Statement of Financial Accounting Standards ("SFAS") No. 165, "Subsequent Events" (ASC 855), as of January 1, 2009. ASC 855 established new accounting and disclosure requirements for subsequent events. Management has evaluated subsequent events through August 19, 2024, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

## **SUPPLEMENTARY INFORMATION**

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY  
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. #21V-5573 (ARPA LIHEAP ) GOVERNMENT CONTRACT BASIS  
FOR THE PERIOD AUG 1, 2021 THROUGH JUN 30, 2023**

	1-Aug-21 through 31-Dec-21	1-Jan-22 through 31-Dec-22	1-Jan-23 through 30-Jun-23	Total Audited Costs	Total Reported Expenses	Total Budget
<b>REVENUE</b>						
Grant Revenue	\$ 898,902	\$ 1,536,312	\$ 1,470,806	\$ 3,906,020	\$ 3,906,020	\$ 3,906,020
Interest Income	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>898,902</b>	<b>1,536,312</b>	<b>1,470,806</b>	<b>3,906,020</b>	<b>3,906,020</b>	<b>3,906,020</b>
<b>ASSURANCE 16 COSTS</b>						
Assurance 16 Activities	13,402	64,578	18,049	96,029	96,029	370,414
<b>ASSURANCE 16 COSTS Subtotal:</b>	<b>13,402</b>	<b>64,578</b>	<b>18,049</b>	<b>96,029</b>	<b>96,029</b>	<b>370,414</b>
<b>DIRECT SERVICES COSTS</b>						
ECIP EHCS	216,879	464,786	674,902	1,356,567	1,356,567	946,514
<b>DIRECT SERVICES COSTS Subtotal:</b>	<b>216,879</b>	<b>464,786</b>	<b>674,902</b>	<b>1,356,567</b>	<b>1,356,567</b>	<b>946,514</b>
<b>PROGRAM COSTS (ECIP AND HEAP)</b>						
Intake	122,284	192,579	150,432	465,295	465,295	504,807
Outreach	93,100	128,206	89,187	310,493	310,493	363,944
Training and Technical Assistance Costs Total	2,520	6,152	6,796	15,468	15,468	126,202
Automation Costs	-	8,244	-	8,244	8,244	30,000
<b>WX PROGRAM COSTS Subtotal:</b>	<b>217,904</b>	<b>335,181</b>	<b>246,415</b>	<b>799,500</b>	<b>799,500</b>	<b>1,024,953</b>
<b>PROGRAM COSTS</b>						
Major Vehicle and Equipment (More Than \$10,000)	-	-	76,933	76,933	76,933	-
Minor Vehicle and Equipment (Less than \$10,000)	-	-	-	-	-	-
Liability Insurance	1,836	3,291	2,769	7,896	7,896	-
General Operating Costs	75,234	137,470	119,656	332,360	332,360	-
<b>PROGRAM COSTS Subtotal:</b>	<b>77,070</b>	<b>140,761</b>	<b>199,358</b>	<b>417,189</b>	<b>417,189</b>	<b>1,193,000</b>
<b>OTHER PROGRAM COSTS</b>						
Wages - Field Staff	56,871	116,150	99,820	272,841	272,841	-
Wages - Program Management & Support	85,685	261,758	198,489	545,932	545,932	-
Worker's Compensation	8,547	8,202	4,892	21,641	21,641	-
Lodging and Per Diem	-	-	-	-	-	-
Disposal Fees	-	-	1,150	1,150	1,150	-
Historic Preservation Review	-	-	-	-	-	-
Vehicle & Equipment Repair, Maintenance, Fuel	4,609	11,229	8,194	24,032	24,032	-
Ancillary Supplies	-	-	-	-	-	-
Waste Breakage	-	-	-	-	-	-
<b>OTHER PROGRAM COSTS Subtotal:</b>	<b>155,712</b>	<b>397,339</b>	<b>312,545</b>	<b>865,596</b>	<b>865,596</b>	<b>-</b>
<b>ADMINISTRATIVE COSTS</b>						
Administrative Costs	217,934	133,668	19,537	371,139	371,139	371,139
<b>ADMINISTRATIVE COSTS Subtotal:</b>	<b>217,934</b>	<b>133,668</b>	<b>19,537</b>	<b>371,139</b>	<b>371,139</b>	<b>371,139</b>
<b>TOTAL COSTS</b>	<b>898,901</b>	<b>1,536,313</b>	<b>1,470,806</b>	<b>3,906,020</b>	<b>3,906,020</b>	<b>3,906,020</b>
<b>REVENUE OVER (UNDER) COSTS</b>	<b>\$ 1</b>	<b>\$ (1)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditor's report

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY  
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. #22B-4024 ( LIHEAP EHA ) GOVERNMENT CONTRACT BASIS  
FOR THE PERIOD NOV 1, 2021 THROUGH JUN 30, 2023**

	1-Nov-21 through 31-Dec-21	1-Jan-23 through 30-Jun-23	1-Jan-23 through 30-Jun-23	Total Audited Costs	Total Reported Expenses	Total Budget
<b>REVENUE</b>						
Grant Revenue	\$ -	\$ 2,363,588	\$ -	\$ 2,363,588	\$ 2,363,588	\$ 2,363,588
Interest Income	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	-	2,363,588	-	2,363,588	2,363,588	2,363,588
<b>ASSURANCE 16 COSTS</b>						
Assurance 16 Activities	-	249,418	-	249,418	249,418	377,926
<b>ASSURANCE 16 COSTS Subtotal:</b>	-	249,418	-	249,418	249,418	377,926
<b>PROGRAM COSTS (ECIP AND HEAP)</b>						
Intake	-	257,094	-	257,094	257,094	363,100
Outreach	-	156,771	-	156,771	156,771	226,937
Training and Technical Assistance	-	7,347	-	7,347	7,347	90,775
Out of State Travel	-	3,709	-	3,709	3,709	-
<b>WX PROGRAM COSTS Subtotal:</b>	-	424,921	-	424,921	424,921	680,812
<b>PROGRAM COSTS</b>						
Major Vehicle and Equipment (More than \$10,000)	-	-	-	-	-	-
Minor Equipment (Less than \$10,000)	-	-	-	-	-	-
Liability Insurance	-	4,764	-	4,764	4,764	-
General Operating Costs	-	153,472	-	153,472	153,472	-
Automation Costs (Not to exceed \$50,000)	-	21,984	-	21,984	21,984	-
<b>PROGRAM COSTS Subtotal:</b>	-	180,220	-	180,220	180,220	926,923
<b>EHCS PROGRAM COSTS</b>						
ECIP Emergency Heating and Cooling Services (EHCS)	-	692,210	-	692,210	692,210	-
<b>EHCS PROGRAM COSTS Subtotal:</b>	-	692,210	-	692,210	692,210	-
<b>OTHER PROGRAM COSTS</b>						
Wages - Field Staff	-	176,154	-	176,154	176,154	-
Wages - Program Management & Support	-	261,774	-	261,774	261,774	-
Worker's Compensation	-	15,424	-	15,424	15,424	-
Lodging and Per Diem	-	-	-	-	-	-
Disposal Fees	-	-	-	-	-	-
Historic Preservation Review	-	-	-	-	-	-
Vehicle & Equipment Repair, Maintenance, Fuel	-	16,240	-	16,240	16,240	-
Ancillary Supplies	-	-	-	-	-	-
Waste Breakage	-	-	-	-	-	-
<b>OTHER PROGRAM COSTS Subtotal:</b>	-	469,592	-	469,592	469,592	-
<b>ADMINISTRATIVE COSTS</b>						
Administrative Costs	-	347,227	-	347,227	347,227	377,927
<b>ADMINISTRATIVE COSTS Subtotal:</b>	-	347,227	-	347,227	347,227	377,927
<b>TOTAL COSTS</b>	-	2,363,588	-	2,363,588	2,363,588	2,363,588
<b>REVENUE OVER (UNDER) COSTS</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See independent auditor's report

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY  
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. #22B-4024 ( LIHEAP WX ) GOVERNMENT CONTRACT BASIS  
FOR THE PERIOD NOV 1, 2022 THROUGH JUN 30, 2023**

	1-Nov-21 through 31-Dec-21	1-Jan-22 through 31-Dec-22	1-Jan-23 through 30-Jun-23	Total Audited Costs	Total Reported Expenses	Total Budget
<b>REVENUE</b>						
Grant Revenue	\$ -	\$ 1,862,057	\$ -	\$ 1,862,057	\$ 1,862,057	\$ 1,862,057
Interest Income	-	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>-</b>	<b>1,862,057</b>	<b>-</b>	<b>1,862,057</b>	<b>1,862,057</b>	<b>1,862,057</b>
<b>WX PROGRAM COSTS</b>						
Intake	-	148,965	-	148,965	148,965	148,965
Outreach	-	92,488	-	92,488	92,488	93,103
Training and Technical Assistance	-	6,620	-	6,620	6,620	93,103
Out of State Travel	-	4,748	-	4,748	4,748	
<b>WX PROGRAM COSTS Subtotal:</b>	<b>-</b>	<b>252,821</b>	<b>-</b>	<b>252,821</b>	<b>252,821</b>	<b>335,171</b>
<b>WX PROGRAM ACTIVITIES AND PROGRAM COSTS</b>						
Major Vehicle and Equipment (More than \$10,000)	-	-	-	-	-	1,526,886
Minor Vehicle and Equipment (Less than \$10,000)	-	-	-	-	-	
Liability Insurance	-	2,490	-	2,490	2,490	
General Operating Costs	-	92,284	-	92,284	92,284	
Wx Program Activities	-	1,148,196	-	1,148,196	1,148,196	
Wages-Field Staff	-	125,186	-	125,186	125,186	
Wages-Program Management & Support	-	210,249	-	210,249	210,249	
Workers' Compensation	-	12,983	-	12,983	12,983	
Lodging and Per Diem	-	-	-	-	-	
Disposal Fees	-	-	-	-	-	
Historic Preservation Review	-	-	-	-	-	
Vehicle & Equipment Repair, Maintenance, Fuel	-	17,848	-	17,848	17,848	
Ancillary Supplies	-	-	-	-	-	
Waste Breakage	-	-	-	-	-	
Solar Water Heater Maintenance	-	-	-	-	-	
<b>WX PROGRAM ACTIVITIES AND PROGRAM COSTS Subtotal:</b>	<b>-</b>	<b>1,609,236</b>	<b>-</b>	<b>1,609,236</b>	<b>1,609,236</b>	<b>1,526,886</b>
<b>TOTAL COSTS</b>	<b>-</b>	<b>1,862,057</b>	<b>-</b>	<b>1,862,057</b>	<b>1,862,057</b>	<b>1,862,057</b>
<b>REVENUE OVER (UNDER) COSTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

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**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY  
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. #22Q-4573 ( SLIHEAP ) GOVERNMENT CONTRACT BASIS  
FOR THE PERIOD SEP 1, 2022 THROUGH JUN 30, 2023**

	1-Sep-22 through 31-Dec-22	1-Jan-23 through 30-Jun-23	Total Audited Costs	Total Reported Expenses	Total Budget
<b>REVENUE</b>					
Grant Revenue	\$ 7,639	\$ 52,908	\$ 60,547	\$ 60,547	\$ 60,547
Interest Income	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>7,639</b>	<b>52,908</b>	<b>60,547</b>	<b>60,547</b>	<b>60,547</b>
<b>ASSURANCE 16 COSTS</b>					
Assurance 16 Activities	-	12,882	12,882	12,882	12,882
<b>ASSURANCE 16 COSTS Subtotal:</b>	<b>-</b>	<b>12,882</b>	<b>12,882</b>	<b>12,882</b>	<b>12,882</b>
<b>PROGRAM COSTS (ECIP AND HEAP)</b>					
Intake	4,454	14,097	18,551	18,551	18,551
Outreach	1,870	9,724	11,594	11,594	11,594
Training and Technical Assistance Costs Total	-	483	483	483	4,638
<b>WX PROGRAM COSTS Subtotal:</b>	<b>6,324</b>	<b>24,304</b>	<b>30,628</b>	<b>30,628</b>	<b>34,783</b>
<b>PROGRAM COSTS</b>					
Minor Equipment (Less than \$10,000)	-	-	-	-	-
Liability Insurance	-	-	-	-	-
General Operating Costs	1,315	2,840	4,155	4,155	-
Automation Costs (Not to exceed \$50,000)	-	-	-	-	-
<b>PROGRAM COSTS Subtotal:</b>	<b>1,315</b>	<b>2,840</b>	<b>4,155</b>	<b>4,155</b>	<b>-</b>
<b>ADMINISTRATIVE COSTS</b>					
Administrative Costs	-	12,882	12,882	12,882	12,882
<b>ADMINISTRATIVE COSTS Subtotal:</b>	<b>-</b>	<b>12,882</b>	<b>12,882</b>	<b>12,882</b>	<b>12,882</b>
<b>TOTAL COSTS</b>	<b>7,639</b>	<b>52,908</b>	<b>60,547</b>	<b>60,547</b>	<b>60,547</b>
<b>REVENUE OVER (UNDER) COSTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditor's report

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY  
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. #22F-5030 ( CSBG ) GOVERNMENT CONTRACT BASIS  
FOR THE PERIOD JAN 1, 2022 THROUGH MAY 31, 2023**

	1-Jan-22 through 31-Dec-22	1-Jan-23 through 31-May-23	Total Audited Costs	Total Reported Expenses	Total Budget
<b>REVENUE</b>					
Grant Revenue	\$ 2,874,340	\$ -	\$ 2,874,340	\$ 2,874,340	\$ 2,874,340
Interest Income	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>2,874,340</b>	<b>-</b>	<b>2,874,340</b>	<b>2,874,340</b>	<b>2,874,340</b>
<b>EXPENDITURES</b>					
Administrative Costs					
Salaries & Wages	830,893	-	830,893	830,893	<b>830,893</b>
Fringe Benefits	166,721	-	166,721	166,721	<b>172,723</b>
Operating Expenses	300,161	-	300,161	300,161	<b>300,161</b>
Equipment	-	-	-	-	-
Out-of-State Travel	9,232	-	9,232	9,232	<b>9,232</b>
Contract/Consultant Services	80,902	-	80,902	80,902	<b>80,902</b>
Other Costs	-	-	-	-	-
<b>TOTAL ADMINISTRATIVE COSTS</b>	<b>1,387,909</b>	<b>-</b>	<b>1,387,909</b>	<b>1,387,909</b>	<b>1,393,911</b>
<b>PROGRAM COSTS</b>					
Salaries & Wages	671,971	-	671,971	671,971	<b>671,971</b>
Fringe Benefits	203,867	-	203,867	203,867	<b>197,991</b>
Operating Expenses	610,593	-	610,593	610,593	<b>610,467</b>
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Subcontractor Services	-	-	-	-	-
Other Costs	-	-	-	-	-
<b>TOTAL PROGRAM COSTS</b>	<b>1,486,431</b>	<b>-</b>	<b>1,486,431</b>	<b>1,486,431</b>	<b>1,480,429</b>
<b>TOTAL COSTS</b>	<b>2,874,340</b>	<b>-</b>	<b>2,874,340</b>	<b>2,874,340</b>	<b>2,874,340</b>
<b>REVENUE OVER (UNDER) COST</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditor's report

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY  
SUPPLEMENTAL STATEMENT OF REVENUE AND EXPENDITURES  
CSD CONTRACT NO. #22F-5030 ( CSBG DISCRETIONARY ) GOVERNMENT CONTRACT BASIS  
FOR THE PERIOD JAN 1, 2022 THROUGH MAY 31, 2023**

	1-Jan-22 through 31-Dec-22	1-Jan-23 through 31-May-23	Total Audited Costs	Total Reported Expenses	Total Budget
<b>REVENUE</b>					
Grant Revenue	\$ 31,000	\$ -	\$ 31,000	\$ 31,000	\$ 31,000
Interest Income	-	-	-	-	-
<b>TOTAL REVENUE</b>	<b>31,000</b>	<b>-</b>	<b>31,000</b>	<b>31,000</b>	<b>31,000</b>
<b>EXPENDITURES</b>					
Administrative Costs					
Salaries & Wages	3,189	-	3,189	3,189	3,189
Fringe Benefits	287	-	287	287	517
Operating Expenses	-	-	-	-	-
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Contract/Consultant Services	-	-	-	-	-
Other Costs	-	-	-	-	-
<b>TOTAL ADMINISTRATIVE COSTS</b>	<b>3,476</b>	<b>-</b>	<b>3,476</b>	<b>3,476</b>	<b>3,706</b>
<b>PROGRAM COSTS</b>					
Salaries & Wages	22,597	-	22,597	22,597	20,731
Fringe Benefits	4,927	-	4,927	4,927	4,602
Operating Expenses	-	-	-	-	1,961
Equipment	-	-	-	-	-
Out-of-State Travel	-	-	-	-	-
Subcontractor Services	-	-	-	-	-
Other Costs	-	-	-	-	-
<b>TOTAL PROGRAM COSTS</b>	<b>27,524</b>	<b>-</b>	<b>27,524</b>	<b>27,524</b>	<b>27,294</b>
<b>TOTAL COSTS</b>	<b>31,000</b>	<b>-</b>	<b>31,000</b>	<b>31,000</b>	<b>31,000</b>
<b>REVENUE OVER (UNDER) COSTS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See independent auditor's report

## **SINGLE AUDIT REPORTS**

# WEST, DAVIS & COMPANY, LLP

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

To the Board of Directors  
Community Action Partnership of Orange County  
Garden Grove, California

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 Community Action Partnership of Orange County (CAP OC), which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 19, 2024.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Community Action Partnership of Orange County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CAP OC's internal control. Accordingly, we do not express an opinion on the effectiveness of CAP OC's internal control.

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

*West, Davis & Company, LLP*

*Certified Public Accountants*

Austin, Texas

August 19, 2024

# WEST, DAVIS & COMPANY, LLP

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## **INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors  
Community Action Partnership of Orange County  
Garden Grove, California

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

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

We have audited Community Action Partnership of Orange County's (CAP OC) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Community Action Partnership of Orange County's major federal programs for the year ended December 31, 2023. Community Action Partnership of Orange County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Action Partnership of Orange County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

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

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

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

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to CAP OC's federal programs.

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

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

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

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

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

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

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



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

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

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

### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Community Action Partnership of Orange County as of and for the year ended December 31, 2023, and have issued our report thereon dated August 19, 2024, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

*West, Davis & Company, LLP*

*Certified Public Accountants*

Austin, Texas

August 19, 2024

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2023**

<b>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Identifying Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Agriculture</b>			
Passed through the State of California, Dept of Social Services			
Commodity Supplemental Food Program - Admin	10.565	MOU-20-6006	\$ 2,187,293
Commodity Supplemental Food Program - Commodities	10.565	MOU-20-6006	<u>9,425,759</u>
			<u>11,613,052</u>
The Emergency Food Assistance Program - Reach & Resiliency	10.568	22-MOU-00130	89,551
The Emergency Food Assistance Program - Admin	10.568	22-MOU-00130	<u>461,287</u>
			<u>550,838</u>
The Emergency Food Assistance Program - Commodities	10.569	22-MOU-00130	<u>7,033,552</u>
Total Food Distribution Cluster			<u>19,197,442</u>
Specialty Crop Block Grant Program - Farm Bill	10.187	22-MOU-00130	<u>82,929</u>
Food Insecurity Nutrition Incentive Grants Program	10.331	2022-70424-38557	<u>25,581</u>
Passed through the California Association of Food Banks			
CalFresh Outreach Program	10.561	21-7024	302,623
Passed through the County of Orange, Health Care Administration			
Nutrition Education and Obesity Prevention Program	10.561	MA-042-1901607	<u>1,322</u>
Total State Administrative Matching Grants for Supplemental Nutrition Assistance			<u>303,945</u>
Passed through the State of California, Dept of Food and Agriculture			
Specialty Crop Multi-State Program	10.170	20-0001-002-SF	<u>45,068</u>
<b>Total U.S. Department of Agriculture</b>			<b><u>19,654,965</u></b>
 <b>U.S. Department of Homeland Security</b>			
Passed through the Orange County United Way			
Emergency Food and Shelter National Board Program	97.024	78600-015	<u>448,255</u>
<b>Total U.S. Department of Homeland Security</b>			<b><u>448,255</u></b>
 <b>U.S. Department of Housing and Urban Development:</b>			
Passed through the City of Anaheim			
COVID-19 CARES Act CDBG	14.218		26,196
Passed through the City of Santa Ana, Community Development			
Southwest Community Center	14.218	A-2020-043-04	<u>44,514</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>70,710</u></b>
 <b>U.S. Department of Health and Human Services:</b>			
Passed through the County of Orange, Social Services			
Families and Children Together-Anaheim Independecia Community Center	93.556	FMK1520	545,542
Families and Children Together-El Modena Community Center	93.556	FMK1320	<u>376,820</u>
Total Promoting Safe and Stable Families			<u>922,362</u>

See accompanying notes to schedule of expenditures of federal awards.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)**  
**YEAR ENDED DECEMBER 31, 2023**

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Identifying Number</u>	<u>Federal Expenditures</u>
Passed through the State of California, Community Services and Development Department of Community Services and Development:			
(08/01/21 - 06/30/23) Low Inc Home Energy Assist Prog ARPA - WX	93.568	21V-5573	1,470,351
(04/01/22 - 01/31/24) Low Inc Home Energy Assist Prog - LIHWAP	93.568	21W-9012	543,829
(09/01/22 - 06/30/23) Low Inc Home Energy Assist Prog SLIHEAP EHA	93.568	22Q-4573	52,908
(11/01/22 - 06/30/24) Low Inc Home Energy Assist Prog - LIHEAP EHA	93.568	23B-5024	3,478,407
(11/01/22 - 06/30/24) Low Inc Home Energy Assist Prog - LIHEAP Wx	93.568	23B-5024	2,740,693
(11/01/23-12/31/24) Low Inc Home Energy Assist Prog - LIHEAP EHA	93.568	24B-2024	52,437
(04/15/23 - 05/31/25) Low Inc Home Energy Assist Prog - SLIHEAP EHA	93.568	23J-5728	696,919
(04/15/23 - 05/31/25) Low Inc Home Energy Assist Prog - SLIHEAP Wx	93.568	23J-5728	470,242
Total Low Income Home Energy Assistance Program			<u>9,505,786</u>
(01/01/23 - 5/31/24) Community Services Block Grant	93.569	23F-4030	3,197,415
Total Community Services Block Grant			<u>3,197,415</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>13,625,563</u></b>
<b>U.S. Department of Energy</b>			
Passed through the State of California, Community Services and Development Department of Community Services and Development:			
(07/01/23 - 06/30/27) Weatherization Assistance for Low-Income Persons	81.042	22P-7017	85,097
(07/01/22 - 06/30/24) Weatherization Assistance for Low-Income Persons	81.042	22C-6010	438,305
<b>Total U.S. Department of Energy</b>			<b><u>523,402</u></b>
<b>U.S. Department of the Treasury</b>			
Passed through the County of Orange			
COVID-19 State and Local Fiscal Recovery Funds	21.027	SLFRP1607	1,000,000
Passed through the City of Santa Ana, Community Development			
COVID-19 Rental Relief Program	21.027	A-2022-069-04	32,217
<b>Total U.S. Department of the Treasury</b>			<b><u>1,032,217</u></b>
<b>Total Federal Expenditures</b>			<b><u>\$ 35,355,112</u></b>

See accompanying notes to schedule of expenditures of federal awards.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Action Partnership of Orange County and is presented on the accrual basis of accounting and 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).

For purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by CAP OC from a non-federal agency or other organizations. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

Because the Schedule presents only a selected portion of the operations of Community Action Partnership of Orange County, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Action Partnership of Orange County.

**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. Community Action Partnership of Orange County has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**3. Food Distribution**

The value of USDA food commodities received during the year was estimated by the USDA. The value of USDA food commodities distributed during the year includes amounts held in inventory at the beginning of the year. As of December 31, 2023, Community Action Partnership of Orange County had an inventory of USDA food commodities of \$3,692,385.

**COMMUNITY ACTION PARTNERSHIP OF ORANGE COUNTY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**

**Section 1 - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued - **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified: \_\_\_\_\_ Yes      X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None reported
- Noncompliance 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 that are not considered to be material weaknesses? \_\_\_\_\_ Yes      X   None reported

Type of auditor's report issued on compliance for major programs - **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) OMB? \_\_\_\_\_ Yes      X   No

***Identification of Major Programs***

- U.S. Department of Health and Human Services, Low Income Home Energy Assistance Program (CFDA No. 93.568)
  - COVID-19 U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds (CFDA No. 21.027)
1. Dollar threshold used to distinguish between Type A and Type B programs - **\$1,060,653**
  2. Is the auditee qualified as a low-risk auditee under the Uniform Guidance - **Yes**

**Section 2 - Financial Statement Findings - None**

**Section 3 - Federal Award Findings and Questioned Costs - None**

**Section 4 - Prior Year Audit Findings - None**