

**COMMUNITY ACTION PROGRAM OF EAST
CENTRAL OREGON**

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2021 AND 2020



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YEARS ENDED JUNE 30, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Action Program of East Central Oregon
Pendleton, Oregon

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Community Action Program of East Central Oregon and subsidiaries (a nonprofit organization) (the Organization or CAPECO), which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CAPECO 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 – Schedule of Expenditures of Federal Awards

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is also presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated 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 December 1, 2021, on our consideration of CAPECO'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 result of that testing, and not to provide an opinion on the effectiveness of CAPECO'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 CAPECO's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Tri-Cities, Washington
December 1, 2021

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 2,174,715	\$ 2,138,207
Restricted Cash	1,096,247	1,094,165
Total Cash, Cash Equivalents, and Restricted Cash	3,270,962	3,232,372
Accounts Receivables	1,871,095	1,521,701
Inventory	161,603	250,164
Prepaid Expenses	64,687	65,476
Total Current Assets	5,368,347	5,069,713
PROPERTY, BUILDINGS, AND EQUIPMENT		
Building	6,257,405	5,257,405
Equipment	382,192	263,299
Automotive	946,849	946,849
Furniture	230,832	225,312
Grounds Improvements	250,825	250,825
Total	8,068,103	6,943,690
Less: Accumulated Depreciation	(5,752,854)	(5,455,379)
Total	2,315,249	1,488,311
Land	298,380	298,380
Total Property, Buildings, and Equipment	2,613,629	1,786,691
OTHER ASSETS		
Intangible Assets, Net of Amortization of \$22,169 and \$21,894, Respectively	3,346	3,621
Housing Security Deposits	-	332
Total Other Assets	3,346	3,953
Total Assets	\$ 7,985,322	\$ 6,860,357

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
JUNE 30, 2021 AND 2020**

	2021	2020
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 380,478	\$ 267,976
Accrued Payroll	239,107	201,168
Accrued Payroll Taxes	5,581	5,093
Accrued Benefits	76,040	58,021
Deferred Revenue	13,864	67,663
Tenant Security Deposits	36,690	34,995
Tenant Prepaid Rent	173	243
Protected Payee Liability	608,382	597,201
Refundable Advance Paycheck Protection Program	-	416,800
Current Maturities of Long-Term Debt	41,063	39,625
Total Current Liabilities	1,401,378	1,688,785
 LONG-TERM DEBT , Less Current Maturities and Unamortized Debt Issuance Costs		
Total Liabilities	631,014	669,885
	2,032,392	2,358,670
 NET ASSETS		
Without Donor Restrictions	5,473,873	3,963,738
Without Donor Restrictions - Board Designated	24,534	24,534
Total Net Assets Without Donor Restrictions	5,498,407	3,988,272
With Donor Restrictions	454,523	513,415
Total Net Assets	5,952,930	4,501,687
Total Liabilities and Net Assets	\$ 7,985,322	\$ 6,860,357

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND SUPPORT			
Revenue, Program	\$ 8,750,014	\$ -	\$ 8,750,014
Food Commodities	1,074,335	-	1,074,335
In-Kind Contributions	1,015,661	-	1,015,661
Revenue, Administration	620,651	-	620,651
Housing Project Income	605,818	-	605,818
Paycheck Protection Program Grant Revenue	416,800	-	416,800
Contributions and Fundraising Income	93,040	21,884	114,924
Reimbursed Expenses	1,922	-	1,922
Interest Income	265	-	265
Miscellaneous Income	4,950	-	4,950
Total	<u>12,583,456</u>	<u>21,884</u>	<u>12,605,340</u>
NET ASSETS RELEASED FROM RESTRICTIONS	<u>80,776</u>	<u>(80,776)</u>	<u>-</u>
Total Revenue, Gains, and Support	12,664,232	(58,892)	12,605,340
EXPENSES			
Program Services	10,588,155	-	10,588,155
Supporting Services	565,942	-	565,942
Total Expenses	<u>11,154,097</u>	<u>-</u>	<u>11,154,097</u>
CHANGES IN NET ASSETS	1,510,135	(58,892)	1,451,243
Net Assets - Beginning of Year	<u>3,988,272</u>	<u>513,415</u>	<u>4,501,687</u>
NET ASSETS - END OF YEAR	<u>\$ 5,498,407</u>	<u>\$ 454,523</u>	<u>\$ 5,952,930</u>

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
YEAR ENDED JUNE 30, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE, GAINS, AND SUPPORT			
Revenue, Program	\$ 6,032,705	\$ -	\$ 6,032,705
Food Commodities	1,312,089	87,710	1,399,799
Housing Project Income	547,897	-	547,897
Revenue, Administration	524,090	-	524,090
Contributions and Fundraising Income	73,094	244,544	317,638
Reimbursed Expenses	41,725	-	41,725
Gain on Disposal of Fixed Asset	1,650	-	1,650
Interest Income	245	-	245
Miscellaneous Income	9,321	-	9,321
Total	8,542,816	332,254	8,875,070
NET ASSETS RELEASED FROM RESTRICTIONS			
	6,657	(6,657)	-
Total Revenue, Gains, and Support	8,549,473	325,597	8,875,070
EXPENSES			
Program Services	7,554,891	-	7,554,891
Supporting Services	600,136	-	600,136
Total Expenses	8,155,027	-	8,155,027
CHANGES IN NET ASSETS			
	394,446	325,597	720,043
Net Assets - Beginning of Year	3,593,826	187,818	3,781,644
NET ASSETS - END OF YEAR	\$ 3,988,272	\$ 513,415	\$ 4,501,687

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2021**

EXPENSES	Program Services					Supporting Services			
	Energy and Weatherization	Food and Nutrition	Housing Stability	Independent		Total Program	Administrative and Agency	Fundraising	Total
				Support Services	Housing Projects				
Direct Client Costs	\$ 2,210,608	\$ 610,519	\$ 2,816,102	\$ 112,423	\$ -	\$ 5,749,652	\$ 5,762	\$ -	\$ 5,755,414
Payroll, Payroll Taxes, and Benefits	376,502	422,586	922,925	437,261	121,695	2,280,969	466,031	-	2,747,000
Commodities Dispensed	-	1,162,896	-	-	-	1,162,896	-	-	1,162,896
Contracted Services	57,865	21,447	81,084	24,644	85,650	270,690	40,566	-	311,256
Depreciation and Amortization	8,435	18,719	114,900	12,384	136,414	290,852	8,332	-	299,184
Utilities	10,693	22,820	26,366	19,839	117,580	197,298	6,416	-	203,714
Maintenance and Repair	2,613	1,201	45,114	2,170	115,594	166,692	68	-	166,760
Office Supplies	14,637	14,458	75,817	13,418	4,644	122,974	4,631	-	127,605
Insurance	6,830	9,389	12,773	9,139	19,199	57,330	-	-	57,330
Advertising	10,928	92	9,210	11,944	3,510	35,684	12,812	-	48,496
Material Costs	47,542	-	-	-	-	47,542	-	-	47,542
Occupancy	7,763	17,142	13,534	3,787	-	42,226	-	-	42,226
Travel and Transportation	3,287	13,945	9,428	6,865	4,334	37,859	1,174	-	39,033
Interest	-	-	-	-	29,973	29,973	-	-	29,973
Dues and Subscriptions	1,816	1,757	4,804	1,964	273	10,614	19,204	-	29,818
Postage and Delivery	3,695	1,784	1,443	6,505	961	14,388	664	-	15,052
Tools and Equipment	2,678	7,943	2,066	1,816	-	14,503	211	-	14,714
Bad Debt Expense	-	-	-	-	6,101	6,101	-	-	6,101
Miscellaneous Expense	101	144	3,033	139	46,495	49,912	71	-	49,983
Total Expenses	\$ 2,765,993	\$ 2,326,842	\$ 4,138,599	\$ 664,298	\$ 692,423	\$ 10,588,155	\$ 565,942	\$ -	\$ 11,154,097

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

EXPENSES	Program Services					Supporting Services			
	Energy and Weatherization	Food and Nutrition	Housing Stability	Independent		Total Program	Administrative and Agency	Fundraising	Total
				Support Services	Housing Projects				
Direct Client Costs	\$ 1,250,215	\$ 698,224	\$ 678,255	\$ 123,772	\$ -	\$ 2,750,466	\$ -	\$ -	\$ 2,750,466
Payroll, Payroll Taxes, and Benefits	530,039	497,911	585,022	508,721	106,158	2,227,851	449,565	119	2,677,535
Commodities Dispensed	-	1,262,236	-	-	-	1,262,236	-	-	1,262,236
Depreciation and Amortization	14,694	20,883	11,611	3,804	203,665	254,657	-	-	254,657
Contracted Services	16,970	26,550	23,407	16,171	72,242	155,340	82,959	9,306	247,605
Utilities	13,433	27,058	13,256	10,419	121,703	185,869	3,351	13	189,233
Material Costs	149,859	-	-	-	-	149,859	-	-	149,859
Maintenance and Repair	492	1,068	415	257	145,123	147,355	12	1	147,368
Office Supplies	39,268	11,134	31,106	14,113	2,706	98,327	31,133	-	129,460
Travel and Transportation	16,656	22,022	19,620	27,767	4,794	90,859	5,638	1	96,498
Insurance	7,900	10,501	8,027	9,660	17,638	53,726	-	2	53,728
Occupancy	8,447	21,246	7,205	4,253	-	41,151	1,128	1	42,280
Dues and Subscriptions	4,852	4,883	3,114	4,525	243	17,617	14,466	-	32,083
Interest	-	-	-	-	29,486	29,486	-	-	29,486
Advertising	5,898	428	3,494	1,318	2,477	13,615	672	-	14,287
Tools and Equipment	2,868	4,254	3,197	2,446	-	12,765	561	-	13,326
Postage and Delivery	2,132	1,206	1,009	6,090	732	11,169	1,208	-	12,377
Bad Debt Expense	-	-	-	-	8,613	8,613	-	-	8,613
Miscellaneous Expense	-	-	-	-	43,930	43,930	-	-	43,930
Total Expenses	\$ 2,063,723	\$ 2,609,604	\$ 1,388,738	\$ 733,316	\$ 759,510	\$ 7,554,891	\$ 590,693	\$ 9,443	\$ 8,155,027

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Grants and Program Services	\$ 10,791,515	\$ 8,931,850
Cash Paid to Suppliers and Employees	(10,559,937)	(7,459,108)
Interest Received	265	245
Interest Paid	(27,798)	(29,153)
Net Cash Provided by Operating Activities	204,045	1,443,834
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property, Buildings, and Equipment	(125,847)	(12,648)
Net Cash Used by Investing Activities	(125,847)	(12,648)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(39,608)	(38,254)
Net Cash Used by Financing Activities	(39,608)	(38,254)
NET INCREASE IN CASH AND CASH EQUIVALENTS AND RESTRICTED CASH	38,590	1,392,932
Cash and Cash Equivalents and Restricted Cash - Beginning of Year	3,232,372	1,839,440
CASH AND CASH EQUIVALENTS AND RESTRICTED CASH - END OF YEAR	\$ 3,270,962	\$ 3,232,372
RECONCILIATION OF CHANGES IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in Net Assets	\$ 1,451,243	\$ 720,043
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	299,184	254,657
Amortization of Debt Issuance Costs	2,175	333
Donated Capital Asset	(1,000,000)	-
Bad Debt Expense	6,101	8,613
(Increase) Decrease in Assets:		
Accounts Receivable	(355,495)	(430,243)
Employee Advances Receivable	-	142
Inventory	88,561	(137,564)
Prepaid Expenses	789	34,623
Housing Security Deposits	332	-
Increase (Decrease) in Liabilities:		
Accounts Payable	112,502	144,119
Accrued Payroll	37,939	30,021
Accrued Payroll Taxes	488	(5,002)
Accrued Benefits	18,019	15,742
Deferred Revenue	(53,799)	53,100
Tenant Security Deposits	1,695	1,019
Tenant Prepaid Rent	(70)	31
Protected Payee Liability	11,181	337,400
Refundable Advance Paycheck Protection Program	(416,800)	416,800
Total Adjustments	(1,247,198)	723,791
Net Cash Provided by Operating Activities	\$ 204,045	\$ 1,443,834

See accompanying Notes to Consolidated Financial Statements.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Community Action Program of East Central Oregon (CAPECO) is a private, nonprofit organization, which was incorporated in 1987. CAPECO was organized to coordinate the resources and agencies, both public and private, of Umatilla, Morrow, Wheeler, and Gilliam Counties of Oregon, and adjacent counties upon request, for the purpose of alleviating poverty and resolving other socioeconomic problems existing or occurring within the area. CAPECO's principal programs consist of antipoverty programs, emergency food services, employment and training, youth employment, low-income energy assistance, and residential weatherization.

Morrow Estates, Inc. (MEI) is an affordable housing organization. MEI was originally established under section 42 of the Internal Revenue Code (IRC), but since has been reorganized as an entity 100% controlled by CAPECO.

Applewood Village Limited Partnership (Partnership) was originally established under section 42 of the IRC. The Partnership terminated on December 31, 2014, and all remaining assets were transferred to Applewood Village Renewal, LLC upon termination. CAPECO is the sole member of AVR.

CAPECO is the general partner in Irrigon Farm Labor Housing Project (Irrigon). The project was established as an US Department of Agriculture Rural Development (formally known as Farmers Home Administration) Rural Economic and Community Development (RECD) for the sole purpose to provide farmworker housing.

All assets and equity of MEI, AVR, and Irrigon will be consolidated for financial statement purposes.

Basis of Presentation

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

Principles of Consolidation

The consolidated financial statements include the accounts of CAPECO, MER, AVR, and Irrigon (hereinafter called CAPECO). All material intercompany accounts and transactions are eliminated in consolidation.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents and Restricted Cash

CAPECO considers all highly-liquid investments with an initial maturity of three months or less to be cash equivalents. The following summarizes the presentation of restricted funds on the consolidated statements of financial position and consolidated statements of cash flows as of June 30:

Restricted cash fr 1100.06

	2021	2020
Money Management Clients	\$ 608,382	\$ 597,201
Replacement Reserve	295,023	314,497
General Operating Reserves	79,912	79,892
Tax and Insurance Reserve	49,746	39,358

Receivables

Trade receivables are carried at the original invoice amount and are written off to expense in the period in which they are determined to be uncollectible. Management determines the uncollectibility of accounts by regularly evaluating individual customer receivables and considering a customer's financial condition, credit history, and current economic conditions. Recoveries of trade receivables previously written off are recorded when received. As of June 30, 2021 and 2020, the allowance for doubtful accounts was \$-0-.

Grants receivable are the amount of funds that have been earned and authorized by federal, state, and private sources, but not yet received by CAPECO at year-end. All grants receivable at June 30, 2021 and 2020, are considered fully collectible.

Inventory

Inventory of food is stated at the lower of cost (first-in, first-out) or net realizable value.

Property, Buildings, and Equipment

CAPECO capitalizes expenditures for property, buildings, and equipment with a purchase cost of \$5,000 or more. Purchased property, buildings, and equipment are carried at cost. Donated property, buildings, and equipment are carried at the approximate fair value at the date of donation, and are reported as support without restrictions unless the donor has restricted the donated asset to a specific purpose. The cost of fixed assets, including capitalized leases, is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line method.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, Buildings, and Equipment (Continued)

Assets purchased with grantor funds remain the property of the grantor at the close of the grant contract. CAPECO has use of computers and other equipment provided for use as training tools by federal grants passed through the Oregon Housing and Community Services. The appropriate funding agency retains all rights and title to the equipment. The amount of equipment purchased through these programs for the fiscal years ended June 30, 2021 and 2020, was \$15,890 and \$7,100, respectively. Equipment purchased through these programs is recorded as fixed assets. As the assets are not considered depreciating assets due to being purchased with grantor funds, the related accumulated depreciation is booked at the time of capitalization to reflect the assets as nondepreciating.

Intangible Assets

Intangible assets consist of organizational costs and tax credit fees. Intangible assets are stated at cost and amortized over the life of the asset.

Protected Payee Program

CAPECO holds funds on behalf of protected payee clients. The intent of the account is to provide security and administrative support for individuals unable to account for their own financial affairs. These clients have individually managed bank accounts. At June 30, 2021 and 2020, \$608,382 and \$597,201, respectively, were included in restricted cash and current liabilities related to the protected payee program.

Debt Issuance Costs

Debt issuance costs relate to financing costs that CAPECO incurred. Total costs were \$37,595 and are being amortized on a straight-line basis over the life of the debt which approximates the effective interest method. Debt issuance costs are shown net of accumulated amortization as a contra-liability to long-term debt. At June 30, 2021 and 2020, debt issuance costs are shown net of accumulated amortization of \$22,464 and \$20,289, respectively. Amortization expense for the years ended June 30, 2021 and 2020, was \$2,175 and \$333, respectively and is included in interest expense.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Paycheck Protection Program Loan

On May 7, 2020, CAPECO received proceeds in the amount of \$416,800 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the "PPP Loan"). The PPP loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act. Therefore, CAPECO has classified this loan as a conditional contribution for accounting purposes. CAPECO recognized \$416,800 of Paycheck Protection Program Grant Revenue related to this agreement during the year ended June 30, 2021, which represents the portion of the PPP loan funds for which the performance barriers have been met. As of June 30, 2020, CAPECO had not satisfied the performance barriers attributable to \$416,800 of the PPP loan proceeds, and this amount is classified as Refundable Advance Paycheck Protection Program in the accompanying consolidated statements of financial position. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if the organization fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. The SBA has formally forgiven all of CAPECO's obligation under this PPP loan as of August 18, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on CAPECO's financial position.

Net Assets

CAPECO reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Further, CAPECO reports contributions received as without donor restrictions or with donor restrictions support depending upon the existence or nature of any donor-imposed restrictions. Net assets are classified based on the existence or absence of donor-imposed restrictions as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations but are controlled by the board.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets Without Donor Restrictions – Board-Designated – Net assets that are not subject to donor-imposed stipulations but are designated by the board to be set aside for future expenditures as of June 30:

	2021	2020
Youth Designated	\$ 7,351	\$ 7,351
Energy Designated	6,286	6,286
Hunger Designated	4,139	4,139
CAPECO Foundation	3,594	3,594
Deaf Access	1,498	1,498
Hispanic Youth	1,408	1,408
Self Sufficiency	258	258
Total	<u>\$ 24,534</u>	<u>\$ 24,534</u>

Net Assets With Donor Restrictions – CAPECO reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. CAPECO had net assets with donor restrictions as follows as of June 30:

	2021	2020
Flood 2020	\$ 175,314	\$ 178,555
TEFAP	79,405	142,024
Nutrition Program	89,148	89,129
COVID-19	68,445	59,198
CSFP	17,633	22,206
Employee Morale Fund	13,512	7,771
FDPIR	7,273	11,489
Independent Living Program	3,043	3,043
Promise Inn	750	-
Total	<u>\$ 454,523</u>	<u>\$ 513,415</u>

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net assets were released from donor restrictions by incurring expenses satisfying the purpose or time restrictions specified by donors as follows as of June 30:

	2021	2020
TEFAP	\$ 62,620	\$ -
CSFP	4,574	-
Employee Morale Fund	4,259	635
FDPIR	4,215	-
Flood 2020	3,906	-
COVID-19	1,202	-
Girls Circle Program	-	5,318
Nutrition Program	-	704
Total	<u>\$ 80,776</u>	<u>\$ 6,657</u>

Donated Materials and Services

CAPECO records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment are reflected as contributions in the accompanying consolidated statements at their estimated fair values at the date of receipt. No amounts have been reflected in the consolidated financial statements for donated services. CAPECO generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist CAPECO with specific assistance programs, campaign solicitations, and various committee assignments and these services do not meet the requirement to be recorded as donated services in the consolidated financial statements.

Revenue Recognition

A portion of the CAPECO's revenue is derived from cost-reimbursable grants including program and administrative revenue, food commodities, and reimbursed expenses on the consolidated statements of activities and changes in net assets. These grants are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when CAPECO has incurred expenditures in compliance with specific contract or grant provisions. CAPECO's received cost reimbursable grants of \$8,992,098 and \$5,397,234, respectively, that have not been recognized at June 30, 2021 and 2020, because qualifying expenditures have not yet been incurred.

A portion of the housing project income on the consolidated statements of activities and changes in net assets is derived from lease revenue and a portion is derived from other tenant costs. Lease revenue is excluded from Accounting Standards Codification 606 and the performance obligations of delivering services to tenants is simultaneously received and consumed; therefore, the revenue is recognized over time.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Total housing project income as June 30 is as follows:

	2021	2020
Lease revenue - Excluded from ASC 606	\$ 603,431	\$ 544,983
Other Tenant Costs - Recognized Over Time	2,387	2,914
Total	\$ 605,818	\$ 547,897

CAPECO recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on what they depend have been met. Consequently, at June 30, 2021 and 2020, contributions approximating \$13,864 and \$67,663, respectively, have not been recognized in the accompanying consolidated statement of activities and changes in net assets because the condition(s) on which they depend has not yet been met. On the consolidated statement of activities and changes in net assets, contributions and fundraising income follow this recognition policy.

Functional Allocation of Expenses

Allocation of supporting service and functional expenditures — The cost of providing the various programs and other activities has been summarized on a functional basis in the consolidated statements of activities and changes in net assets and functional expenses. Accordingly, costs that benefit more than one program or activity have been allocated among the programs and supporting services. Occupancy costs are allocated based on square footage, indirect costs of administrative overhead are allocated based upon the relationship of various direct costs related to each program.

CAPECO's policy is to allocate the indirect expenses of administrative overhead (Supporting Services) to certain programs based upon the relationship of various direct costs related to each program. Certain other general programs do not receive an allocation of Supporting Services' expenses because administrative expenses are unallowed or administrative employees of CAPECO are infrequently associated with these programs.

Use of Estimates

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

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

CAPECO is incorporated under the Nonprofit Corporation Act of the state of Oregon and is operated as a nonprofit organization exempt from federal income taxes under the provisions of Section 501(c)(3) of the IRC.

Under provisions of Section 501(c)(3) of the IRC, CAPECO is exempt from federal income taxes, except for net income from unrelated business activities. As of June 30, 2021 and 2020, CAPECO had no unrelated business activities subject to federal income tax.

Management has evaluated CAPECO's tax positions and concluded that CAPECO has not taken any uncertain tax positions that require adjustments to the consolidated financial statements to comply with the provisions of this guidance.

Reclassifications

Certain reclassifications of 2020 amounts have been made in the accompanying consolidated financial statement in order to conform to the 2021 presentation. There is no effect on previously reported changes in net assets.

New Accounting Pronouncements Effective in Future Accounting Periods

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02 *Leases* (Topic 842). This update increases transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021. Management will be evaluating the effects of this new standard.

Risk and Uncertainties

The World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Organization, COVID-19 may impact various parts of its 2021 and 2020 operations and financial results including, but not limited to, additional costs for emergency preparedness, potential shortages, or loss of revenue due to reductions in certain revenue streams. Management believes CAPECO is taking appropriate actions to mitigate the negative impact. The full impact of COVID-19 is unknown and cannot be reasonably estimated as of June 30, 2021 and 2020.

Subsequent Events

Subsequent events have been evaluated through December 1, 2021, which is the date the consolidated financial statements were available to be issued.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 2 INTANGIBLE ASSETS

Intangible assets consisted of the following as of June 30:

	2021	2020
Tax Credit Fees	\$ 18,524	\$ 18,524
Other	6,991	6,991
Total Intangible Assets	25,515	25,515
Less: Accumulated Amortization	(22,169)	(21,894)
Total Intangible Assets, Net	<u>\$ 3,346</u>	<u>\$ 3,621</u>

Estimated amortization for intangible assets for the succeeding years is as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 280
2023	280
2024	280
2025	280
2026	280
Thereafter	1,946
Total	<u>\$ 3,346</u>

NOTE 3 LONG-TERM DEBT

Long-term debt consisted of the following as of June 30:

<u>Description</u>	2021	2020
Note Payable to Farm Home Administration at \$688 per month, including interest at 1% through June 2028; collateralized by the Irrigon Housing Project	\$ 51,955	\$ 59,652
Note Payable to Bank of Eastern Oregon at \$2,319 per month, including interest at 4% through June 2031; collateralized by the Morrow Estates Housing Project	394,494	407,084
Note Payable to Network for Oregon Affordable Housing at \$2,538 per month, including interest at 4.43% through March 2031; collateralized by the Applewood Village Housing Project	240,759	260,080
Total Long-Term Debt	687,208	726,816
Less: Current Maturities	41,063	39,625
Less: Unamortized Debt Issuance Costs	15,131	17,306
Total Long-Term Debt, Net	<u>\$ 631,014</u>	<u>\$ 669,885</u>

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 3 LONG-TERM DEBT (CONTINUED)

Principal maturities of long-term debt for the succeeding years are as follows:

<u>Year Ending June 30.</u>	<u>Amount</u>
2022	\$ 41,063
2023	42,617
2024	44,169
2025	45,863
2026	47,590
Thereafter	465,906
Total	<u>\$ 687,208</u>

NOTE 4 EMPLOYEE BENEFIT PLAN

CAPECO established a defined contribution retirement plan under section 401(a) of the IRC that was effective through December 31, 1997. Beginning January 1, 1998, CAPECO established a retirement plan under Section 403(b) of the IRC that was effective through January 30, 2009. Beginning February 17, 2009, CAPECO established a retirement plan under Section 401(k) of the IRC. All employees who have worked a minimum of 1,000 hours and have 12 months of service are eligible to be participants in the plan. During the years ended June 30, 2021 and 2020, CAPECO's contribution rate was 6% for both years and the total amount contributed was \$76,552 and \$66,464, respectively.

NOTE 5 COMMITMENTS AND CONTINGENCIES

CAPECO participates in federal and state assisted programs. These programs are subject to program compliance requirements which, if not met, could result in the disallowance of costs. At June 30, 2021 and 2020, CAPECO believes that any costs, which may be disallowed, would be immaterial.

NOTE 6 CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject CAPECO to credit risk consist of cash and cash equivalents. CAPECO maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. CAPECO has not experienced any losses on such accounts. CAPECO believes it is not exposed to any significant credit risk with respect to cash and cash equivalents.

CAPECO is highly dependent on federal and state funding and, thus, CAPECO is subject to federal budgetary cuts and measures. The impact of such federal budgetary cuts and measures is undetermined at this time.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE 7 OPERATING LEASES

CAPECO leases various facility and office space in east central Oregon under operating lease agreements. Future minimum operating lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 44,127
2023	17,361
2024	4,340
Total	<u>\$ 65,828</u>

Total rent expense for the years ended June 30, 2021 and 2020 was \$42,224 and \$42,281, respectively.

NOTE 8 LIQUIDITY AND AVAILABILITY

The following reflects CAPECO's liquid financial assets as of June 30, 2021 and 2020, less amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual and/or donor restrictions or internal board designations. In the event of an unanticipated liquidity need, CAPECO also could draw upon board-designated funds.

	<u>2021</u>	<u>2020</u>
Liquid Financial Assets, as of June 30:	\$ 5,142,057	\$ 4,754,073
Less:		
Contractual or Donor-Imposed Restrictions Making Financial Assets Unavailable for General Expenditure	(1,550,770)	(1,607,580)
Board-Designated Net Assets	<u>(24,534)</u>	<u>(24,534)</u>
Financial Assets Available Within One Year to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 3,566,753</u>	<u>\$ 3,121,959</u>



**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**

Board of Directors
Community Action Program of East Central Oregon
Pendleton, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of Community Action Program of East Central Oregon (CAPECO), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 1, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered CAPECO'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of CAPECO's internal control. Accordingly, we do not express an opinion on the effectiveness of CAPECO'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 consolidated 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 CAPECO's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated 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 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.



CliftonLarsonAllen LLP

Tri-Cities, Washington
December 1, 2021



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

Board of Directors
Community Action Program of East Central Oregon
Pendleton, Oregon

Report on Compliance for Each Major Federal Program

We have audited Community Action Program of East Central Oregon (CAPECO) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of CAPECO's major federal programs for the year ended June 30, 2021. CAPECO's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of CAPECO'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 CAPECO'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 federal program. However, our audit does not provide a legal determination of CAPECO's compliance.

Opinion on Each Major Federal Program

In our opinion, CAPECO 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 June 30, 2021.

Report on Internal Control Over Compliance

Management of CAPECO 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 CAPECO'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 each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of CAPECO'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 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 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.



CliftonLarsonAllen LLP

Tri-Cities, Washington
December 1, 2021

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021**

Section I – Summary of Auditors’ Results

Financial Statements

1. Type of auditors’ report issued: Unmodified
2. Internal control over financial reporting:
- Material weakness (es) identified? _____ yes X no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported
3. Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

1. Internal control over major federal programs:
- Material weakness (es) identified? _____ yes X no
 - Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ yes X none reported
2. Type of auditors’ report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.515(d)(2) of the Uniform Guidance? _____ yes X no

Identification of Major Federal Programs

CFDA Number(s)

21.019

Name of Federal Program or Cluster

Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

 X yes _____ no

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Section II – Financial Statement Findings

Our audit did not disclose any matters required to be reported in accordance with *Government Auditing Standards*.

Section III – Federal Award Findings and Questioned Costs

Our audit did not disclose any matters required to be reported in accordance with 2 CFR 200.516(a).

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services			
Passed Through Oregon Department of Human Services:			
Aging Cluster:			
Title III B	93.044	160433	\$ 278,429
Title III C1	93.045	160433	246,472
Title III C2	93.045	160433	174,918
IT	93.045	160433	3,843
COVID-19 - FFRCA III C1/C2	93.045	160433	2,472
COVID-19 - CARES Title IIIC	93.045	160433	1,352
COVID-19 - HDC5 3C	93.045	160433	64,800
Total AL #93.045			493,857
USDA/NSIP	93.053	160433	127,375
Total Aging Cluster			899,661
Title VII B	93.041	160433	8,370
Title III E	93.052	160433	64,462
Passed Through Oregon Housing and Community Services:			
Temporary Assistance for Needy Families (HSP)	93.558	NOA 2001ORTANF	20,052
Low Income Home Energy Assistance Program (LIHEAP)	93.568	NOA G-1901ORLIEA/2001ORLIEA/2001ORE5C3	1,293,158
COVID-19 - Low Income Home Energy Assistance Program (LIHEAP) LP CARES	93.568	NOA G-1901ORLIEA/2001ORLIEA/2001ORE5C3	449,354
Total AL #93.568			1,742,512
Community Services Block Grant (CSBG)	93.569	NOA G-1901ORCOSR/2001ORCSC3/G-2001ORCOSR	113,988
COVID-19 - Community Services Block Grant (CSBG) CSBG CARES	93.569	NOA G-1901ORCOSR/2001ORCSC3/G-2001ORCOSR	41,105
Total AL #93.569			155,093
Passed Through Administration for Children and Families:			
Independent Living Program (ILP)	93.674	160901	23,452

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services (Continued)			
Medicaid Cluster:			
COVID-19 - No Wrong Door ADRC (NWD)	93.778		\$ 15,481
Total Medicaid Cluster			<u>15,481</u>
 Total U.S. Department of Health and Human Services			 <u>2,929,083</u>
U.S. Department of Agriculture			
Passed Through Oregon Food Bank:			
Food Distribution Cluster:			
COMMODITIES Community Supplemental Food Program	10.565	CAPECO	102,808
The Emergency Food Assistance Program (TEFAP)	10.568	CAPECO	47,098
COMMODITIES The Emergency Food Assistance Program	10.569	CAPECO	<u>546,177</u>
Total Food Distribution Cluster			696,083
Passed Through Confederated Tribes Umatilla Indian Reservation (CTUIR):			
Food Distribution Program Indian Reservation (FDPIR)	10.567	N/A	123,432
COMMODITIES Food Distribution Program Indian Reservation	10.567	CAPECO	<u>38,643</u>
Total AL #10.567			<u>162,075</u>
Total U.S. Department of Agriculture			858,158
U.S. Department of Housing and Urban Development (HUD)			
Continuum of Care Homeless Assistance Program (TH)	14.235		120,330
Continuum of Care Homeless Assistance Programs (PSH)	14.235		<u>45,345</u>
Total AL #14.235			165,675
Passed Through Oregon Housing and Community Services:			
Emergency Shelter Grant Program (ESGP)	14.231	NOA E18-DC-41-0001/E-20-DW-41-0001/E20-dc-41-001	75,164
Home Tenant Based Assistance (HTBA)	14.239	NOA M-18-SG-41-0100/M-19-SG-41-0100	<u>88,178</u>
Total U.S. Department of Housing and Urban Development (HUD)			329,017

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

Federal Grantor/Pass through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Energy			
Passed Through Oregon Housing and Community Services:			
Bonneville Power Administration Weatherization Assistance Program (BPAWAP)	81.XXX	NOA 83358	\$ 21,476
Department of Energy Weatherization Assistance Program (DOEWAP)	81.042	NOA DE-EE0007945	33,095
Total U.S. Department of Energy			<u>54,571</u>
U.S. Department of Treasury			
Passed Through Oregon Housing and Community Services:			
COVID-19 - RR Cares	21.019	NOA N/A	1,438,645
COVID-19 - Rent Relief	21.019	NOA N/A	11,763
COVID-19 - EASCR	21.019	NOA N/A	<u>760,842</u>
			2,211,250
Passed Through City of Hermiston:			
COVID-19 - Hermiston	21.019	N/A	<u>136,589</u>
Total AL #21.019			2,347,839
Passed Through Oregon Housing and Community Services:			
Oregon Emergency Rental Assistance Program (OERAP)	21.023	NOA N/A	116,503
Total U.S. Department of Treasury			<u>2,464,342</u>
Total Consolidated Federal Awards			<u><u>\$ 6,635,171</u></u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**COMMUNITY ACTION PROGRAM OF EAST CENTRAL OREGON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021**

NOTE 1 BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of CAPECO 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 2 CFR 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 CAPECO, it is not intended to, and does not, present the consolidated financial position, changes in net assets, or cash flows of CAPECO.

CAPECO does not have subrecipients.

NOTE 2 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 for all awards with the exception of CFDA 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles, certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3 INDIRECT COST RATE

CAPECO has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

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