

Yamhill Community Action Partnership and Subsidiary

McMinnville, Oregon

Consolidated Financial Statements
and Supplementary Information

Years Ended June 30, 2021 and 2020



Yamhill Community Action Partnership and Subsidiary

Consolidated Financial Statements and Supplementary Information
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Table of Contents

Independent Auditor’s Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities.....	4
Consolidated Statements of Functional Expenses	6
Consolidated Statements of Cash Flows	8
Notes to Consolidated Financial Statements	9
Supplementary Information	
Schedule of Expenditures of Federal Awards	20
Notes to the Schedule of Expenditures of Federal Awards.....	23
Camellia Court Schedules of Assets, Liabilities, and Net Assets	24
Camellia Court Schedules of Revenue and Expenses	25
Camellia Court Schedules of Expenses.....	26
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 <i>Government Auditing Standards</i>	27
Independent Auditor’s Report on Compliance for Each Major Federal Program and Internal Control Over Compliance Required by the Uniform Guidance.....	29
Schedule of Findings and Questioned Costs	31

Independent Auditor's Report

Board of Directors
Yamhill Community Action Partnership and Subsidiary
McMinnville, Oregon

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Yamhill Community Action Partnership (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audit in accordance with auditing standards generally accepted in the United States 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. The financial statements of the Subsidiary of Yamhill Community Action Partnership were not audited in accordance with *Government Auditing Standards* as they did not receive federal funding.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit 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 Yamhill Community Action Partnership and Subsidiary as of June 30, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Prior Period Consolidated Financial Statements

The consolidated financial statements of Yamhill Community Action Partnership and Subsidiary as of June 30, 2020 were audited by other auditors whose report dated September 27, 2021 expressed an unmodified opinion on those statements.

Other Matters

Supplementary Information

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

The Camellia Court supplemental schedules as of June 30, 2020, were audited by other auditors whose report dated September 27, 2021, expressed an unmodified opinion on the supplementary schedules.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2022, on our consideration of Yamhill Community Action Partnership's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreement and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Yamhill Community Action Partnership'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 Yamhill Community Action Partnership's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

May 26, 2022
Madison, Wisconsin

Yamhill Community Action Partnership

Consolidated Statements of Financial Position

June 30, 2021 and 2020

<i>Assets</i>	2021	2020
Current assets:		
Cash	\$ 1,258,672	\$ 1,039,727
Grants receivable	1,216,721	642,583
Accounts receivable	59,356	16,861
Prepaid expenses	68,102	33,821
Inventory	373,891	400,691
Total current assets	2,976,742	2,133,683
Restricted cash	154,823	164,882
Property and equipment, net	2,925,641	3,025,465
TOTAL ASSETS	\$ 6,057,206	\$ 5,324,030
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Note payable - Current portion	\$ 38,486	\$ 36,565
Accounts payable	153,942	153,922
Accrued payroll and related liabilities	114,285	89,561
Accrued vacation	81,629	74,071
Accrued interest payable	678	908
Refundable advance liabilities	39,399	423,006
Other current liabilities	4,836	4,046
Total current liabilities	433,255	782,079
Tenant security deposits liability	16,151	15,986
Note payable, long-term	174,424	212,910
Total liabilities	623,830	1,010,975
Net assets:		
Without donor restrictions	4,195,054	3,236,770
With donor restrictions	1,238,322	1,076,285
Total net assets	5,433,376	4,313,055
TOTAL LIABILITIES AND NET ASSETS	\$ 6,057,206	\$ 5,324,030

See accompanying notes to consolidated financial statements.

Yamhill Community Action Partnership

Consolidated Statements of Activities Years Ended June 30, 2021 and 2020

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue:			
Grant revenue	\$ 10,051,299	\$ 0	\$ 10,051,299
Contributions	1,208,038	209,437	1,417,475
Program revenue	61,624	0	61,624
Rental income	240,868	0	240,868
In-kind donations	2,049,345	372,405	2,421,750
Gain on sale of assets	0	0	0
Other income	29,764	0	29,764
Net assets released from restrictions	419,805	(419,805)	0
Total revenue	14,060,743	162,037	14,222,780
Expenses:			
Program services expenses:			
Community development	54,576	0	54,576
Energy assistance and weatherization	1,710,832	0	1,710,832
Food	2,831,053	0	2,831,053
Client services and shelters	6,881,178	0	6,881,178
Camellia court housing project	221,470	0	221,470
Youth services	543,655	0	543,655
Total program services expenses	12,242,764	0	12,242,764
Management and general expenses	689,788	0	689,788
Fundraising expenses	169,907	0	169,907
Total expenses	13,102,459	0	13,102,459
Changes in net assets	958,284	162,037	1,120,321
Net assets - Beginning of year	3,236,770	1,076,285	4,313,055
Net assets - End of year	\$ 4,195,054	\$ 1,238,322	\$ 5,433,376

See accompanying notes to consolidated financial statements.

Yamhill Community Action Partnership

Consolidated Statements of Activities Years Ended June 30, 2021 and 2020

	2020		Total
	Without Donor Restrictions	With Donor Restrictions	
Revenue:			
Grant revenue	\$ 3,456,939	\$ 342,416	\$ 3,799,355
Contributions	863,656	64,140	927,796
Program revenue	138,187	0	138,187
Rental income	223,282	0	223,282
In-kind donations	2,455,801	398,417	2,854,218
Gain on sale of assets	4,835	0	4,835
Other income	48,507	0	48,507
Net assets released from restrictions	378,783	(378,783)	0
Total revenue	7,569,990	426,190	7,996,180
Expenses:			
Program services expenses:			
Community development	44,393	0	44,393
Energy assistance and weatherization	1,228,609	0	1,228,609
Food	3,074,509	0	3,074,509
Client services and shelters	1,819,949	0	1,819,949
Camellia court housing project	228,181	0	228,181
Youth services	446,517	0	446,517
Total program services expenses	6,842,158	0	6,842,158
Management and general expenses	651,525	0	651,525
Fundraising expenses	161,281	0	161,281
Total expenses	7,654,964	0	7,654,964
Changes in net assets	(84,974)	426,190	341,216
Net assets - Beginning of year	3,321,744	650,095	3,971,839
Net assets - End of year	\$ 3,236,770	\$ 1,076,285	\$ 4,313,055

See accompanying notes to consolidated financial statements.

Yamhill Community Action Partnership

Consolidated Statements of Functional Expenses

Years Ended June 30, 2021 and 2020

	2021									
	Program Services						Total Program Services	Management and General	Fundraising	Total Expenses
	Community Development	Energy and Weatherization	Food	Client Services and Shelters	Camelia Court Housing Project	Youth Services				
Personnel	\$ 44,489	\$ 436,540	\$ 357,414	\$ 696,184	\$ 0	\$ 313,310	\$ 1,847,937	\$ 383,362	\$ 137,220	\$ 2,368,519
Contracted services	0	45	0	2,276	86,548	43,237	132,106	45,768	0	177,874
Weatherization installation	0	209,795	0	0	0	0	209,795	0	0	209,795
Client assistance	0	898,820	5,838	6,021,741	0	40,760	6,967,159	0	0	6,967,159
In-kind	0	124,746	2,285,501	3,578	0	0	2,413,825	0	0	2,413,825
Food inventory costs	0	0	29,590	0	0	0	29,590	0	0	29,590
Vehicle costs	0	4,447	24,443	9,286	0	7,679	45,855	7,510	0	53,365
Travel	30	171	1,580	0	0	386	2,167	1,646	733	4,546
Space and interest	0	30	4,170	37,530	64,550	82,732	189,012	43,253	264	232,529
Telephone	0	1,034	2,317	8,372	4,026	5,890	21,639	12,355	206	34,200
Supplies and publications	384	16,769	72,778	40,804	4,493	21,463	156,691	40,609	4,144	201,444
Equipment repairs and rent	0	3,807	16,236	12,563	0	7,027	39,633	20,153	1,214	61,000
Printing and photocopying	8,487	6,921	1,579	1,583	0	638	19,208	5,263	11,249	35,720
Insurance	0	3,982	0	3,791	6,345	1,350	15,468	11,756	0	27,224
Training and recruitment	88	181	1,732	21,991	0	11,721	35,713	39,517	7,840	83,070
Miscellaneous	1,098	3,544	3,835	812	841	0	10,130	1,796	7,037	18,963
Depreciation	0	0	24,040	20,667	54,667	7,462	106,836	76,800	0	183,636
Total expenses	\$ 54,576	\$ 1,710,832	\$ 2,831,053	\$ 6,881,178	\$ 221,470	\$ 543,655	\$ 12,242,764	\$ 689,788	\$ 169,907	\$ 13,102,459

See accompanying notes to consolidated financial statements.

Yamhill Community Action Partnership

Consolidated Statements of Functional Expenses (Continued)

Years Ended June 30, 2021 and 2020

	2020									
	Program Services						Total Program Services	Management and General	Fundraising	Total Expenses
	Community Development	Energy and Weatherization	Food	Client Services and Shelters	Camelia Court Housing Project	Youth Services				
Personnel	\$ 36,685	\$ 375,676	\$ 362,499	\$ 482,429	\$ 0	\$ 259,174	\$ 1,516,463	\$ 352,930	\$ 134,569	\$ 2,003,962
Contracted services	0	63	2,435	838	84,466	24,202	112,004	70,090	0	182,094
Weatherization installation	0	157,945	0	0	0	0	157,945	0	0	157,945
Client assistance	261	582,690	5,235	1,207,471	0	39,543	1,835,200	0	0	1,835,200
In-kind	0	82,231	2,761,604	3,005	0	0	2,846,840	7,378	0	2,854,218
Food inventory costs	0	0	(233,822)	0	0	0	(233,822)	0	0	(233,822)
Vehicle costs	0	3,479	16,444	5,591	0	7,685	33,199	764	0	33,963
Travel	10	1,510	2,065	2,333	0	42	5,960	3,377	845	10,182
Space and interest	0	0	7,195	27,962	71,928	77,739	184,824	40,381	208	225,413
Telephone	0	1,076	1,334	5,209	3,678	11,909	23,206	12,034	499	35,739
Supplies and publications	4,334	5,793	98,477	43,610	5,072	7,827	165,113	27,690	3,541	196,344
Equipment repairs and rent	0	2,556	14,851	6,528	0	3,868	27,803	12,062	849	40,714
Printing and photocopying	2,812	3,080	667	2,467	0	750	9,776	6,733	6,193	22,702
Insurance	0	3,706	0	2,883	5,476	1,077	13,142	10,257	0	23,399
Training and recruitment	161	5,269	2,277	12,068	0	5,239	25,014	27,216	4,079	56,309
Miscellaneous	130	3,535	10,442	1,153	4,869	0	20,129	6,719	10,498	37,346
Depreciation	0	0	22,806	16,402	52,692	7,462	99,362	73,894	0	173,256
Total expenses	\$ 44,393	\$ 1,228,609	\$ 3,074,509	\$ 1,819,949	\$ 228,181	\$ 446,517	\$ 6,842,158	\$ 651,525	\$ 161,281	\$ 7,654,964

See accompanying notes to consolidated financial statements.

Yamhill Community Action Partnership

Consolidated Statements of Cash Flows

Years Ended June 30, 2021 and 2020

	2021	2020
Increase (decrease) in cash and restricted cash:		
Cash flows from operating activities:		
Changes in net assets	\$ 1,120,321	\$ 341,216
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	183,636	173,256
Debt issuance cost amortized to interest expense	497	497
Gain on disposal of property and equipment	0	(4,835)
Contribution of property and equipment	(7,925)	0
Change in food inventory	26,012	(233,592)
Changes in operating assets and liabilities:		
Grants receivable	(574,138)	(28,920)
Accounts receivable	(42,495)	(5,140)
Prepaid expenses	(34,281)	(7,456)
Inventory	788	(2,274)
Accounts payable	20	(21,227)
Accrued payroll and related liabilities	24,724	978
Accrued vacation	7,558	20,128
Accrued interest payable	(230)	0
Refundable advance liabilities	(383,607)	423,006
Other current liabilities	790	(988)
Tenant security deposit liability	165	863
Net cash provided by operating activities	321,835	655,512
Cash flows from investing activities:		
Purchase of property and equipment	(75,887)	(27,699)
Proceeds from sale of property and equipment	0	4,447
Net cash used in investing activities	(75,887)	(23,252)
Cash flows from financing activities:		
Principal payments on long-term debt	(37,062)	(35,689)
Net cash used in financing activities	(37,062)	(35,689)
Changes in cash and restricted cash	208,886	596,571
Cash and restricted cash - Beginning of year	1,204,609	608,038
Cash and restricted cash - End of year	\$ 1,413,495	\$ 1,204,609
Supplemental schedule of other cash activity:		
Cash paid during year for interest	\$ 8,675	\$ 12,488
Reconciliation of cash and restricted cash to consolidated statements of financial position at June 30, 2021 and 2020:		
Cash	1,258,672	1,039,727
Restricted cash	154,823	164,882
Total cash and restricted cash	\$ 1,413,495	\$ 1,204,609

See accompanying notes to consolidated financial statements.

Yamhill Community Action Partnership and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

The Yamhill Community Action Partnership (“YCAP” or “the Organization”) was founded in 1980 as part of a nationwide network of social service agencies designed to help improve the lives of low-income people and strengthen communities. YCAP assists the residents of Yamhill County, diligently focusing on four primary service categories: Housing Stabilization, Energy Services, the regional Food Bank, and Youth Services.

During the fiscal year ended June 30, 2021 YCAP continued to expand its services to address those impacted by the COVID-19 pandemic. While Housing Stabilization continued to assist hundreds of individuals and families with transitional shelter, stable housing search, rental assistance, emergency financial support, case management, resource referrals, and other services including a specialized homeless veterans program, work began to transition the new motel shelter program into the Turnkey Program of Yamhill. YCAP's Energy Services provided approximately 1,400 households with emergency utility bill support, and weatherized over 15 homes to help improve efficiency and lower energy costs. YCAP's Food Bank increased services and collected and distributed more than 2.6 million pounds of food to over 35 partner pantries, community meal sites, public housing complexes, and elementary schools throughout the county. Youth Services programs support young people ages 11-21 with a safe place to hang out or stay overnight, longer term housing, youth leadership and life skills training, job placement, and more.

YCAP's mission is to advocate for and assist persons toward self-sufficiency. YCAP's dedicated and caring staff is inspired every day by the stories of those who want a better life for themselves and their families, and we are honored to support our neighbors in need.

Camellia Court, L.P., is a wholly owned subsidiary of YCAP and was formed for the purpose of constructing 24 housing units in Portland, Oregon. The units are rented to low-income individuals.

Principles of Consolidation

These financial statements are consolidated and include the accounts of Yamhill Community Action Partnership and Camellia Court, L.P. All material inter-company transactions and accounts are eliminated in consolidation. Collectively, the entities are referred to as the “Organizations.”

Basis of Presentation

The consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Yamhill Community Action Partnership and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Net Assets

Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organizations and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed stipulations that may or may not be met either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the consolidated statements of activities as net assets released from restrictions. If a restriction is satisfied in the year of contribution, the contribution is recorded as revenue without restrictions.

Use of Estimates

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

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any 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.

Conditional contributions are recognized when the barriers to entitlement are overcome and the promises become unconditional. Unconditional contributions are recognized as revenue when received.

Yamhill Community Action Partnership and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards That Are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award and ASC Subtopic 958-605. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received or receivable in excess of expenses are reflected as a refundable advance liability.

B. Grant Awards That Are Exchange Transactions

Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the terms of the award and ASC Topic 958-606. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Rental Income

Rental income is derived primarily from annual leases with tenants. Rental income is recognized when earned.

In-Kind Contributions

In accordance with accounting standards, YCAP records in-kind contributions for food and supplies donations in the consolidated statements of activities and functional expenses. The accounting standard for in-kind requires that only contributions of service received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. No amounts related to unpaid volunteers have been reported because the criteria for recognition has not been met.

Accounts and Grants Receivable

The Organizations analyze accounts and grants receivables and record an allowance that management believes will reserve for possible losses on existing receivables that may become uncollectible. The evaluations take into consideration such factors as changes in the customer's creditworthiness, prior loss experience, and current economic conditions. An account is considered uncollectible when all collection efforts prove worthless. The Organizations consider accounts and grants receivable to be fully collectible. Accordingly, no allowance for doubtful accounts has been recorded at June 30, 2021 or 2020.

Yamhill Community Action Partnership and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Inventory

Inventory is stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

Inventory consists primarily of donated food. A substantial portion of the donated food inventory is stated at \$1.25 per pound as of June 30, 2021 and 2020, as calculated by Feeding America and The Oregon Food Bank. In addition, certain food commodity inventory is stated at values assigned by the U.S. Department of Agriculture.

Amounts held at year-end are considered to be with donor restriction in accordance with grantor requirements.

Property and Equipment

Property and equipment purchased are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. Property and equipment are items with a cost of \$5,000 or more and have a useful life of more than one year.

The Organizations report gifts of property and equipment at their estimated fair value as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as with donor restrictions. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organizations report expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Property and equipment purchased with grant funds are owned by YCAP while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. The disposition of property and equipment, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds is \$181,041 and \$187,530 at June 30, 2021 and 2020, respectively.

The Organizations review property and equipment periodically to determine potential impairment by comparing the carrying value of the property and equipment with the estimated future undiscounted cash flows expected to result from the use of the assets, including cash flows from disposition. Should the sum of the expected cash flows be less than the carrying value, the Organizations would recognize an impairment loss at that time. No impairment loss was recognized in 2021 or 2020.

Debt Issuance Costs

Debt issuance costs represent costs associated with obtaining the note payable. Unamortized debt issuance costs have been recorded as a reduction to the related debt obligation. The costs are being amortized to interest expense over the maximum term provided in the debt agreement using the straight-line method, which approximates the effective interest method.

Yamhill Community Action Partnership and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes

YCAP is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from Oregon income taxes.

Camellia Court, L.P. is a single member L.P. and is treated as a disregarded entity for tax purposes. Yamhill Community Action Partnership is the sole partner of this L.P. and the activity of this L.P. is included in Yamhill Community Action Partnership's annual federal and state returns.

The Organizations are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organizations have determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Indirect Cost Rate

Joint costs are allocated to benefiting programs using an indirect cost rate. Joint costs are those costs incurred for the common benefit of all organization programs that cannot be readily identified with a final cost objective. A provisional indirect cost rate of 9.8% of modified total direct costs has been approved by the U.S. Department of Health and Human Services (DHHS). A provisional indirect cost rate is based upon the projected costs of the Organization for the fiscal year under consideration. The Organization adjusts the provisional rate based upon actual experience. This adjusted rate is subject to approval at which time the indirect cost rate becomes final. Any adjustments to the rate will be reflected in the consolidated financial statements when the rate is finalized.

Functional Allocation

The costs of providing the various programs and activities have been summarized on a functional basis in the consolidated statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Occupancy and related costs are allocated based on square footage.

Recently Adopted Accounting Pronouncement

In 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard replaces previous revenue recognition requirements and most industry-specific guidance. The Organizations have adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* as of July 1, 2020. Management has adopted the guidance on a modified retrospective basis and analysis of various provisions of this standard resulted in no significant changes in the way the Organizations recognize revenue. There was no cumulative effect on beginning net assets of applying the new standard and its amendments for the year ended June 30, 2020.

Yamhill Community Action Partnership and Subsidiary

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Non-Financial Assets (Topic 958)*. The amendments in this update require entities to present contributed nonfinancial assets as a separate line item in the statement of activities, expand disclosures on the various contributed nonfinancial assets recognized, including disaggregated category types, the valuation techniques and inputs used to arrive at fair value, and the policy for either monetizing or utilizing contributed nonfinancial assets. The amendments in this update are effective for annual financial statements issued for fiscal years beginning after June 15, 2021, applied on a retrospective basis. Early adoption is permitted. The Organization is currently evaluating the impact this standard will have on its consolidated financial statements.

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Organization is currently evaluating the impact of the provisions of ASU Topic 842.

Reclassifications

Certain amounts presented in the 2020 consolidated financial statements have been reclassified to conform with the 2021 presentation. Specifically, cash as reported on the 2020 consolidated statement of financial position has been reclassified to restricted cash for the cash restricted for unemployment coverage. In addition, certain 2020 revenue and expense classifications have been revised. There was no effect of these reclassifications on net assets or change in net assets for the year ended June 30, 2020.

Subsequent Events

Subsequent events have been evaluated through May 26, 2022, which is the date the consolidated financial statements were available to be issued.

Yamhill Community Action Partnership and Subsidiary

Notes to Consolidated Financial Statements

Note 2: Liquidity and Availability

The following reflects Organization's financial assets of June 30, 2021 and 2020, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the consolidated statement of financial position date. The calculation of available financial assets at June 30, 2021 and 2020 is as follows:

	2021	2020
Cash	\$ 1,258,672	\$ 1,039,727
Grants receivable	1,216,721	642,583
Accounts receivable	59,356	16,861
Total financial assets at June 30	2,534,749	1,699,171
Less: Accounts payable	(153,942)	(153,922)
Less: Accrued payroll and related liabilities	(114,285)	(89,561)
Less: Accrued vacation	(81,629)	(74,071)
Less: Refundable advance	(39,399)	(423,006)
Less: Net assets with donor restrictions included in financial assets	(865,917)	(677,868)
Total available financial assets	\$ 1,279,577	\$ 280,743

The Organizations have no formal liquidity policy and YCAP relies on available grant funding that is requested and received shortly thereafter to ensure it has cash available to meet its current obligations. In addition to the financial assets available, YCAP has grant commitments for future expenses as described in Note 14.

Note 3: Concentration of Risk

The Organizations maintain their cash balances at several financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Organizations' cash balances at times exceed insured limits as designated by FDIC. The Organizations have not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash.

Financial awards from federal, state and local governmental entities make up 71% and 48% of total revenue for the years ended June 30, 2021 and 2020, respectively. A substantial reduction in the level of this support may have an adverse effect on YCAP's programs and activities.

Note 4: Grants Receivable

Grants receivable at June 30, 2021 and 2020, consisted of the following:

	2021	2020
Federal programs	\$ 963,189	\$ 442,140
State and local programs	253,532	200,443
Totals	\$ 1,216,721	\$ 642,583

Yamhill Community Action Partnership and Subsidiary

Notes to Consolidated Financial Statements

Note 5: Restricted Cash

The restricted cash balances at June 30, 2021 and 2020, consisted of the following:

	2021	2020
Tenant security deposits	\$ 16,151	\$ 15,986
Operating reserve	45,420	45,405
Replacement reserve	58,078	54,059
Unemployment reserve	35,174	49,432
Totals	\$ 154,823	\$ 164,882

Note 6: Property and Equipment

A summary of property and equipment at June 30, 2021 and 2020 is as follows:

	2021	2020
Land	\$ 355,612	\$ 355,612
Land - partnership	110,290	110,290
Buildings and improvements	2,868,785	2,785,469
Buildings and improvements – partnership	1,486,258	1,486,258
Site improvements	237,902	237,902
Site improvements - partnership	195,379	195,379
Vehicles and equipment	485,517	485,517
Furnishings – partnership	63,246	63,246
Subtotal	5,802,989	5,719,673
Accumulated depreciation	(2,877,348)	(2,694,208)
Property and equipment, net	\$ 2,925,641	\$ 3,025,465

Yamhill Community Action Partnership and Subsidiary

Notes to Consolidated Financial Statements

Note 7: Note Payable

The balance at June 30, consists of the following:

	2021	2020
<u>Camellia Court, L.P.</u>		
Note payable to Bank of America dated December 1, 2005, with 3.779% interest rate and monthly principal and interest payments of \$3,830. The note matures August 1, 2026. The note is secured by a first trust deed on the housing project.	\$ 215,433	\$ 252,495
Subtotals	215,433	252,495
Debt issuance costs, net of accumulated amortization of \$12,376 and \$11,879	(2,523)	(3,020)
Current maturities	(38,486)	(36,565)
<u>Long-term note payable</u>	<u>\$ 174,424</u>	<u>\$ 212,910</u>

Future payments of note payable are as follows:

2022	\$ 38,486
2023	39,966
2024	41,503
2025	43,099
2026	44,751
Thereafter	7,628
<u>Total</u>	<u>\$ 215,433</u>

Note 8: Refundable Advance/Paycheck Protection Program

YCAP received an award from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) program as a result of legislation passed to assist businesses in navigating the Coronavirus pandemic. The Organization determined the award was a conditional contribution and applied the policy as described above. The Organization interpreted the condition of the award to be the approval of the forgiveness application by the lender and SBA, and this approval was received during the year ended June 30, 2021. Accordingly, grant income of \$423,006 was recognized when the Organization was notified of the amount forgiven by SBA.

Yamhill Community Action Partnership and Subsidiary

Notes to Consolidated Financial Statements

Note 9: Net Assets With Donor Restrictions

At June 30, 2021 and 2020, YCAP had net assets with donor restrictions of \$1,068,535 and \$1,076,285, respectively. These net assets consist of contributions and grants that have been restricted by donors or grantors for the following specific program uses:

	2021	2020
Youth programs	\$ 359,100	\$ 342,382
Food programs	105,893	75,028
Food inventory	372,405	398,417
Client services and shelter programs	385,499	245,839
Energy and weatherization programs	15,425	14,619
<u>Net assets with donor restrictions</u>	<u>\$ 1,238,322</u>	<u>\$ 1,076,285</u>

Net assets of \$419,805 and \$378,783 during the years ended June 30, 2021 and 2020, respectively, were released from restrictions by incurring expenses satisfying the restricted purposes.

Note 10: Unemployment

The Organization has a self-insured unemployment insurance arrangement with a third-party trustee to provide administration for unemployment claims for the Organization. The Organization makes contributions to a reserve account based primarily upon prior years' experience and unemployment claims are paid from the reserve account. The Organization may be required to make additional contributions to the trust in case of unusually large claims; however, stop-loss insurance protects the Trust and its participating agencies in the event of catastrophic losses. The unemployment reserve balance was \$35,174 and \$49,432 at June 30, 2021 and 2020.

Note 11: McMinnville Area Community Foundation

On April 28, 2015, YCAP'S Board of Directors voted to invest \$50,000 with McMinnville Area Community Foundation (MACF) to establish an endowment fund for the benefit of YCAP and to encourage future growth of the endowment by other donors. The endowment fund was created on May 7, 2015, and is known as the YCAP Fund. YCAP irrevocably transferred the cash to the endowment fund in the form of a contribution. YCAP has no control over the investment or reinvestment of Fund assets. MACF has exclusive control over the YCAP Fund and MACF charges the fund an annual service fee which shall not exceed 1% of the Fund's net assets. YCAP is entitled to distributions from the YCAP Fund. The distributable amount of the Fund shall be calculated according to MACF's Spending Policy and Oregon's Uniform Prudent Management of Institutional Funds Act, at a rate to be determined by MACF's Board of Directors. To date YCAP has not received any distributions from the endowment fund. MACF has variance power over the funds and as a result the endowment fund is not recorded in the accompanying consolidated financial statements. The balance in the endowment fund was \$74,543 and 63,950 as of June 30, 2021 and 2020, respectively.

Yamhill Community Action Partnership and Subsidiary

Notes to Consolidated Financial Statements

Note 12: Employee Retirement Plan

YCAP has a tax-deferred defined contribution retirement plan under Internal Revenue Code Section 401(k) for its employees. Regular, full- and part-time employees are eligible to receive employer contributions on the first of the month following 60 days of employment. Employees may make voluntary contributions. YCAP is required to match employees' contributions up to 3% of compensation. Employer contributions are 100% vested after four years of employment. Plan assets are not assets of YCAP, and, accordingly, are not recorded in the consolidated financial statements of YCAP. Contributions are invested in any of several investment vehicles as directed by participating employees. Employer contributions to the plan for the years ended June 30, 2021 and 2020, were \$35,246 and \$21,655, respectively.

Note 13: Rental Income

Rental income for the years ended June 30, 2021 and 2020 was \$240,868 and \$223,282, respectively, and is from annual leases at Camellia Court.

The carrying value of the property leased to others is as follows:

	2021	2020
Land	\$ 110,290	\$ 110,290
Buildings and improvements	1,486,258	1,486,258
Site improvements	195,379	195,379
Furnishings	63,246	63,246
Subtotal	1,855,173	1,855,173
Accumulated depreciation	(1,587,534)	(1,532,867)
Property and equipment, net	\$ 267,639	\$ 322,306

Note 14: Commitments and Contingencies

At June 30, 2021, YCAP had commitments under various grants of approximately \$6,650,000. These commitments are not recognized in the accompanying consolidated financial statements as they are conditional awards.

These grant programs operated by YCAP are subject to audit by agents of grant authorities, the purpose of which is to ensure compliance with grant conditions. Any potential liability for reimbursement, which may arise as a result of such audits, is not believed by YCAP's management, to be material.

Supplementary Information

Yamhill Community Action Partnership

Schedule B

Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Grant Numbers	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed-Through Oregon Food Bank			
Trade Mitigation	10.178	163126	\$ 5,324
Passed-Through Oregon Food Bank			
Food Distribution Cluster			
Emergency Food Assistance Program Admin	10.568	116527	55,275
Emergency Food Assistance Program Commodities (In-Kind)	10.569	163126	1,018,054
Total Federal Expenditures - Food Distribution Cluster			1,073,329
TOTAL U.S. DEPARTMENT OF AGRICULTURE			1,078,653
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Passed-Through Oregon Department of Housing and Community Services			
Emergency Shelter Grant Program 2018	14.231	E-18-DC-41-0001	13,555
Emergency Shelter Grant Program 2019	14.231	E-19-DC-41-0001	1,146
Emergency Shelter Grant Program 2020	14.231	E-20-DC-41-0001	117,404
Emergency Shelter Grant Program CV2	14.231	E-20-DW-41-0001	41,117
COVID-19 Emergency Shelter Grant Program	14.231	E-20-DW-41-0001	188,526
Total Federal Expenditures - AL 14.231			361,748
Home TBA	14.239	M-19-SC-41-0100	101,682
Direct Support			
Continuum of Care	14.267	OR0233L0E51903	70,589
Continuum of Care	14.267	OR0080L0E51912	68,512
Continuum of Care	14.267	OR0292L0E51900	62,787
Continuum of Care	14.267	OR0264L0E51901	56,425
Passed-Through United Community Action Network			
Continuum of Care	14.267	N/A	108,810
Total Federal Expenditures - AL 14.267			367,123
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			830,553

See Independent Auditor's Report.

See Notes to Schedule of Expenditures of Federal Awards.

Yamhill Community Action Partnership

Schedule B

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Grant Numbers	Federal Expenditures
U.S. DEPARTMENT OF THE TREASURY			
Passed-Through Oregon Department of Housing and Community Services			
COVID-19 - Coronavirus Relief Fund	21.019	N/A	1,992,063
Passed-Through Oregon Health Authority			
COVID-19 - Coronavirus Relief Fund	21.019	165756	142,121
Total Federal Expenditures - AL 21.019			2,134,184
Passed-Through Oregon Department of Housing and Community Services			
COVID-19 - Emergency Rental Assistance Program	21.023	6193	547,623
TOTAL U.S. DEPARTMENT OF THE TREASURY			2,681,807
U.S. DEPARTMENT OF VETERANS AFFAIRS			
Passed-Through Community Action Partnership of Oregon			
VA Supportive Services for Veteran Families Program	64.033	20-OR-430	524,898
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			524,898
U.S. DEPARTMENT OF ENERGY			
Passed-Through Oregon Department of Housing and Community Services			
DOE Weatherization	81.042	DE-EE0007945	87,438
BPA Weatherization and TTA	81.042	83358	39,161
Total Federal Expenditures - AL 81.042			126,599
TOTAL U.S. DEPARTMENT OF ENERGY			126,599
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct Funding			
Transactional leaving for Homeless Youth	93.550	90CX713704	179,075
COVID-19 Transactional leaving for Homeless Youth	93.550	90CX713703C3	25,819
Total Federal Expenditures - AL 93.550			204,894

See Independent Auditor's Report.

See Notes to Schedule of Expenditures of Federal Awards.

Yamhill Community Action Partnership

Schedule B

Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	AL Number	Grant Numbers	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)			
Direct Funding			
Basic Center Grants	93.623	90CY696903	171,241
COVID-19 Basic Center Grants	93.623	90CY696903C3	25,555
Total Federal Expenditures - AL 93.623			196,796
Passed-Through Oregon Health Authority			
OHA Health Equity	93.323	166698	366,000
Passed-Through Oregon Department of Housing and Community Services			
Temporary Assistance for Needy Families - HSP	93.558	2001ORTANF	61,095
Low Income Home Energy Assistance Program:			
Energy Assistance and Administration 2020	93.568	2001ORLIEA	56,745
Energy Assistance and Administration 2021	93.568	2102ORLIEA	484,860
EAP Weatherization 2020	93.568	2001ORLIEA	44,077
EAP Weatherization 2021	93.568	2102ORLIEA	74,354
COVID-19 Energy Assistance and Administration	93.568	2001ORE5C3	67,029
COVID-19 EAP Weatherization	93.568	2001ORE5C3	24,856
Total Federal Expenditures - AL 93.568			751,921
Community Services Block Grant 2019	93.569	G-1901ORCOSR	(129)
Community Services Block Grant 2020	93.569	G-2001ORCOSR	105,836
Community Services Block Grant 2021	93.569	2102ORCOSR	59,707
COVID-19 Community Services Block Grant	93.569	2001ORCSC3	18,283
Total Federal Expenditures - AL 93.569			183,697
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,764,403
U.S. DEPARTMENT OF HOMELAND SECURITY			
Passed-Through United Way			
Emergency Food and Shelter National Program	97.024	36-7170-00	26,990
COVID-19 Emergency Food and Shelter National Program	97.024	CARES-7170-00	37,094
Total Federal Expenditures - AL 97.024			64,084
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			64,084
TOTAL FEDERAL EXPENDITURES			\$ 7,070,997

See Independent Auditor's Report.

See Notes to Schedule of Expenditures of Federal Awards.

Yamhill Community Action Partnership

Notes to the Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

Note 1 - Basis of Presentation

The Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of Yamhill Community Action Partnership under programs of the federal government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Yamhill Community Action Partnership, it is not intended to and does not present the financial position, changes in net assets or cash flows of Yamhill Community Action Partnership.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Allocation

Yamhill Community Action Partnership has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - Subrecipients

Yamhill Community Action Partnership does not have subrecipients or subrecipient expenditures.

Note 5 - Pass-through Coronavirus Relief Fund Grant

Yamhill Community Action Partnership received a \$1,700,000 Coronavirus Relief Fund (AL # 21.019) award from the Oregon Department of Housing and Community Services (ODHCS) that was passed-through to an unrelated organization during the year ended June 30, 2021. This award was subsequently deobligated by ODHCS and the funds were returned during the year ended June 30, 2022. The award has not been reported on the schedule of expenditures of federal awards for the year ended June 30, 2021.

Camellia Court Housing Project

Schedules of Assets, Liabilities, and Net Assets

June 30, 2021 and 2020

<i>Assets</i>	2021	2020
Current assets:		
Cash	\$ 109,869	\$ 86,864
Tenant receivables	12,781	1,698
Prepaid expenses	3,416	2,099
Total current assets	126,066	90,661
Restricted deposits:		
Tenant security deposits	16,151	15,986
Operating reserve	45,420	45,405
Replacement reserve	58,078	54,059
Total restricted deposits	119,649	115,450
Property & equipment, net	267,639	322,306
TOTAL ASSETS	\$ 513,354	\$ 528,417
<i>Liabilities and Net Assets</i>		
Current liabilities:		
Current portion of note payable	\$ 38,486	\$ 36,565
Accounts payable	4,267	6,456
Accrued interest payable	678	795
Prepaid rent	102	55
Total current liabilities	43,533	43,871
Tenant Security deposits	16,151	15,986
Long-term liabilities:		
Notes payable, net	174,424	212,910
Total long-term liabilities	174,424	212,910
Total liabilities	234,108	272,767
Net assets without donor restrictions	279,246	255,650
TOTAL LIABILITIES AND NET ASSETS	\$ 513,354	\$ 528,417

Camellia Court Housing Project

Schedules of Revenue and Expenses Years Ended June 30, 2021 and 2020

	2021	2020
Revenue:		
Rent revenue	\$ 240,868	\$ 223,282
Interest income	35	39
Fees and reimbursements	4,163	6,930
Other income	0	6,026
Total revenue	245,066	236,277
Operating expenses:		
Administrative	53,905	55,587
Utilities	43,463	39,659
Maintenance and operating	50,120	59,918
Taxes and insurance	10,030	9,664
Total operating expenses	157,518	164,828
Net operating income	87,548	71,449
Other expenses:		
Interest expense	9,285	10,661
Changes in net assets before depreciation	78,263	60,788
Depreciation expense	54,667	52,692
Changes in net assets without donor restrictions	\$ 23,596	\$ 8,096

Camellia Court Housing Project

Schedules of Expenses

Years Ended June 30, 2021 and 2020

	2021	2020
Administrative expenses:		
Property management fee	\$ 13,939	\$ 13,637
Managers payroll	19,433	19,810
Managers rent free rent	8,400	8,400
Bad debt expense	0	3,368
Advertising	864	548
Compliance fees	720	660
Office supplies	2,560	2,400
Telephone	4,026	3,678
Miscellaneous expenses	3,963	3,086
Total administrative expenses	53,905	55,587
Utilities:		
Electricity	3,536	3,508
Water and sewer	30,250	28,283
Garbage	9,677	7,868
Total utilities expense	43,463	39,659
Maintenance and operating:		
Maintenance staff payroll	12,048	15,073
Landscape maintenance	0	6,310
Maintenance and repairs	38,072	38,535
Total maintenance and operating	50,120	59,918
Taxes and insurance:		
Payroll taxes	3,117	3,396
Workers compensation insurance	415	639
Licenses and taxes	153	153
Property and liability insurance	6,345	5,476
Total taxes and insurance	10,030	9,664
Other expenses:		
Interest on note payable	8,788	10,164
Interest - amortized debt issuance costs	497	497
Depreciation expense	54,667	52,692
Total other expenses	63,952	63,353
Total expenses	\$ 221,470	\$ 228,181

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*

Board of Directors
Yamhill Community Action Partnership and Subsidiary
McMinnville, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States 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 Yamhill Community Action Partnership (a nonprofit organization) and Subsidiary, which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 26, 2022. The financial statements of the subsidiary were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the subsidiary.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Yamhill Community Action Partnership’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 Yamhill Community Action Partnership’s internal control. Accordingly, we do not express an opinion on the effectiveness of Yamhill Community Action Partnership’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 Yamhill Community Action Partnership'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 Yamhill Community Action Partnership's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Yamhill Community Action Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

May 26, 2022
Madison, Wisconsin

Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Directors
Yamhill Community Action Partnership and Subsidiary
McMinnville, Oregon

Report on Compliance for Each Major Federal Program

We have audited Yamhill Community Action Partnership's (a nonprofit organization) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021. Yamhill Community Action Partnership's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Yamhill Community Action Partnership'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; 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 Yamhill Community Action Partnership'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 on Yamhill Community Action Partnership's compliance.

Opinion on Each Major Federal Program

In our opinion, Yamhill Community Action Partnership's 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 Yamhill Community Action Partnership 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, we considered Yamhill Community Action Partnership'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 Yamhill Community Action Partnership'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.

Wipfli LLP

Wipfli LLP

May 26, 2022

Madison, Wisconsin

Yamhill Community Action Partnership

Schedule of Findings and Questioned Costs
Year Ended June 30, 2021

Section I - Summary of Auditor's Results

Consolidated Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	None Reported
Noncompliance material to consolidated financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	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 the Uniform Guidance [2 CFR 200.516(a)]	No

Identification of major federal programs:

<u>Name of Federal Major Program or Cluster</u>	<u>AL No.</u>
COVID-19 Coronavirus Relief Fund	21.019
COVID-19 Emergency Rental Assistance Program	21.023

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior Year Findings

None