

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

JUNE 30, 2022 AND 2021



McKONLY & ASBURY
CPAs & Business Advisors

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

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**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

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**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

**REPORT DISTRIBUTION LIST
JUNE 30, 2022 AND 2021**

U.S. Department of Health and Human Services
National External Audit resources
Lucas Place, Room 514
323 West Eighth Street
Kansa City, MO 64105

Federal Audit Clearing House
Bureau of the Census
1201 East Tenth Street
Jeffersonville, IN 47132

Pennsylvania Coalition Against Domestic Violence
3605 Vartan Way, Suite 101
Harrisburg, PA 17110

Commonwealth of Pennsylvania
Bureau of Audits
Special Audit Services Division
Forum Place – 8th Floor
555 Walnut Street
Harrisburg, PA 17101

Lancaster County Controller's Office
P.O. Box 3480
Lancaster, PA 17603

Pennsylvania Power and Light Company
P.O.Box 4728
Lancaster, PA 17601

Redevelopment Authority of Lancaster County
150N. Queen Street, Suite 110
Lancaster, PA 17603-3562

City of Lancaster
120 North Duke Street
Lancaster, PA 17602

Commercial Loan Officer
Fulton Bank
1 Penn Square
Lancaster, PA 17602

PA Nutrition Education
135 East Nittany Avenue, Suite 405
State College, PA 16801

United Way of Lancaster County
1910 Harrington Drive, Suite A
Lancaster, PA 17601

Director of Early Childhood Programs
Pennsylvania Earkly Learning Keys to Quality,
Coordinated by the berks County Intermediate
Unit
200 North Third Street
3rd Floor
Harrisburg, PA 17101

Pennsylvania Commission on Crime and
Delinquency
P.O. Box 1167
Federal Square Station
Harrisburg, PA 17108-1167

Child Care Consultants
29 N. Duke Street
York, PA 17401

Pennsylvania Department of Health
Bureau of Women, Infants and Children (WIC)
625 Forster Street,
7 West, Health & Welfare Building
Harrisburg, PA 17120

IU13
Fiscal Office
1020 New Holland Avenue
Lancaster, PA 17601

MEMBERS

AMERICAN AND PENNSYLVANIA INSTITUTES
OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT MEMBER OF



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Action Partnership of Lancaster County, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Community Action Partnership of Lancaster County, Inc., which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Community Action Partnership of Lancaster County, Inc. as of June 30, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Community Action Partnership of Lancaster County, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Partnership of Lancaster County, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Community Action Partnership of Lancaster County, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Partnership of Lancaster County, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards shown on page 42 as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) is presented for the purposes of additional analysis and is not a required part of the financial statements. Also, the accompanying supplementary information shown on pages 31 to 36 is presented for purposes of additional analysis as required by the audit guidelines issued by the Pennsylvania Department of Human Services, Pennsylvania Coalition Against Rape, and Pennsylvania Coalition Against Domestic Violence, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements

and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards and supplementary information shown on pages 31 to 36 is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2023 on our consideration of the Community Action Partnership of Lancaster County Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 the Community Action Partnership of Lancaster County Inc.'s internal control over financial reporting and compliance.

McKonly & Asbury, LLP

Camp Hill, Pennsylvania
February 2, 2023

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2022 AND 2021

ASSETS

	2022	2021
Current assets		
Cash and cash equivalents	\$ 172,622	\$ -
Restricted cash	916,625	663,577
Revenue receivable, net of allowance	2,722,302	1,856,688
Grants receivable	2,778,798	3,594,206
Inventories	570,696	726,015
Prepaid expenses	474,198	463,104
Total current assets	7,635,241	7,303,590
Other assets		
Investments - note receivable	500,000	500,000
Accounts receivable - other	34,000	34,000
Total other assets	534,000	534,000
Property and equipment		
Land	480,033	480,033
Buildings, improvements, furniture, and fixtures	6,395,248	6,395,248
Equipment	721,336	721,336
Grant-funded assets	2,868,254	2,717,647
	10,464,871	10,314,264
Accumulated depreciation	(5,132,278)	(4,692,196)
Property and equipment, net	5,332,593	5,622,068
Total assets	\$ 13,501,834	\$ 13,459,658

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

LIABILITIES AND NET ASSETS

	2022	2021
Current liabilities		
Cash overdraft	\$ -	\$ 397,165
Accounts payable	1,594,154	1,512,781
Line of credit	242,279	726,107
Current maturities of long-term debt	276,158	282,375
Accrued expenses and employee withholdings	470,435	379,642
Claims payable, but not yet reported	207,568	205,386
Deferred revenue	923,890	744,310
Total current liabilities	3,714,484	4,247,766
Long-term debt, net of current maturities and unamortized deferred finance costs	2,709,669	2,981,358
Total liabilities	6,424,153	7,229,124
Net assets		
Net assets without donor restrictions		
Board-designated	578,500	50,000
Undesignated	4,680,765	4,495,824
Total net assets without donor restrictions	5,259,265	4,545,824
Net assets with donor restrictions	1,818,416	1,684,710
Total net assets	7,077,681	6,230,534
Total liabilities and net assets	\$ 13,501,834	\$ 13,459,658

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

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and gains			
Grant revenue	\$ 21,548,816	\$ 150,607	\$ 21,699,423
Program service fees	1,146,301	-	1,146,301
Formula sales	20,219,067	-	20,219,067
Contributions	325,495	123,728	449,223
Interest income	2,477	-	2,477
Special events, net	59,678	-	59,678
Miscellaneous	273,516	-	273,516
In-kind contributions	434,761	-	434,761
	44,010,111	274,335	44,284,446
Net assets released from restrictions			
Revenue	9,054	(9,054)	-
Depreciation on grant-funded assets	131,575	(131,575)	-
	140,629	(140,629)	-
Total revenues and gains	44,150,740	133,706	44,284,446
Expenses			
Program services	42,303,007	-	42,303,007
Supporting services			
Management and general	866,904	-	866,904
Fundraising	267,388	-	267,388
	1,134,292	-	1,134,292
Total expenses	43,437,299	-	43,437,299
Changes in net assets	713,441	133,706	847,147
Net assets at beginning of year	4,545,824	1,684,710	6,230,534
Net assets at end of year	\$ 5,259,265	\$ 1,818,416	\$ 7,077,681

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

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and gains			
Grant revenue	\$ 21,146,978	\$ 423,386	\$ 21,570,364
Program service fees	1,218,569	-	1,218,569
Formula sales	17,516,777	-	17,516,777
Contributions	469,645	85,023	554,668
Interest income	3,166	-	3,166
Special events, net	96,611	-	96,611
Miscellaneous	1,306,337	-	1,306,337
In-kind contributions	690,417	-	690,417
	42,448,500	508,409	42,956,909
Net assets released from restrictions			
Revenue	2,463	(2,463)	-
Depreciation on grant-funded assets	111,936	(111,936)	-
	114,399	(114,399)	-
Total net assets released from restrictions	114,399	(114,399)	-
Total revenues and gains	42,562,899	394,010	42,956,909
Expenses			
Program services	41,118,960	-	41,118,960
Supporting services			
Management and general	810,158	-	810,158
Fundraising	213,748	-	213,748
	1,023,906	-	1,023,906
Total expenses	42,142,866	-	42,142,866
Changes in net assets	420,033	394,010	814,043
Net assets at beginning of year	4,125,791	1,290,700	5,416,491
Net assets at end of year	\$ 4,545,824	\$ 1,684,710	\$ 6,230,534

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

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2022

	Program Services				Total Program Services	Supporting Services		Total
	Education Childhood Development	Household Stability	Health and Nutrition	Safety and Empowerment		Management and General	Fundraising	
Salaries and wages	\$ 7,253,212	\$ 1,359,069	\$ 1,957,915	\$ 1,311,103	\$ 11,881,299	\$ 326,163	\$ 122,482	\$ 12,329,944
Payroll taxes and fringe benefits	2,388,183	453,261	630,563	394,732	3,866,739	61,279	40,757	3,968,775
Licenses and inspections	70	1,622	281	1,564	3,537	294	23	3,854
Interest expense	56,160	15,154	15,816	10,523	97,653	9,404	4,085	111,142
Banking fees	16,300	2,345	4,047	3,277	25,969	301	34	26,304
Staff development	149,751	25,129	23,335	25,512	223,727	16,084	-	239,811
Professional services	186,140	33,253	53,509	32,621	305,523	3,531	-	309,054
Purchased services	385,965	213,714	113,107	70,513	783,299	178,622	49,032	1,010,953
Travel and transportation	94,378	6,631	14,931	1,737	117,677	90	-	117,767
Occupancy costs	492,025	125,493	173,272	160,234	951,024	21,737	29,170	1,001,931
Supplies	1,087,470	82,009	225,377	106,697	1,501,553	2,885	520	1,504,958
Cost of formula sold	-	-	17,689,124	-	17,689,124	-	-	17,689,124
Food	108,242	20,733	69,471	15,535	213,981	-	-	213,981
Construction and renovation materials	-	-	-	-	-	-	-	-
Depreciation and amortization	136,180	56,124	43,398	11,804	247,506	186,745	13,979	448,230
Equipment rental and lease	28,904	8,676	7,295	2,036	46,911	8	-	46,919
Equipment repairs and maintenance	36,803	13,874	10,024	12,212	72,913	2,588	1,020	76,521
Equipment purchases	669	4,079	21,351	16,698	42,797	153	69	43,019
Insurance	92,980	45,405	44,166	31,890	214,441	997	173	215,611
Printing	3,664	1,727	2,296	13,852	21,539	2,681	-	24,220
Subscriptions	147,931	1,174	2,144	3,257	154,506	125	2,746	157,377
Telephone	172,795	24,686	39,548	24,964	261,993	6,447	2,597	271,037
Postage and shipping	6,087	6,710	1,056,358	1,352	1,070,507	97	-	1,070,604
Parent involvement activities	14,407	-	153	-	14,560	-	-	14,560
Dues and memberships	20,279	1,779	2,622	14,212	38,892	173	-	39,065
Advertising	23,836	3,433	1,990	11,489	40,748	631	500	41,879
Miscellaneous	30,785	2,997	2,480	3,552	39,814	45,869	201	85,884
Pass-through grants	636,207	-	-	87,816	724,023	-	-	724,023
Rental and relocation assistance	-	182,329	-	270,886	453,215	-	-	453,215
Energy and utility assistance	-	259,072	-	-	259,072	-	-	259,072
Emergency food assistance	-	-	630,998	-	630,998	-	-	630,998
In-kind	307,467	-	-	-	307,467	-	-	307,467
Total expenses by functional category before special events	13,876,890	2,950,478	22,835,571	2,640,068	42,303,007	866,904	267,388	43,437,299
Special events	-	-	-	-	-	-	27,607	27,607
Total expenses	\$ 13,876,890	\$ 2,950,478	\$ 22,835,571	\$ 2,640,068	\$ 42,303,007	\$ 866,904	\$ 294,995	\$ 43,464,906

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

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2021

	Program Services				Total Program Services	Supporting Services		Total
	Education Childhood Development	Household Stability	Health and Nutrition	Safety and Empowerment		Management and General	Fundraising	
Salaries and wages	\$ 6,810,190	\$ 1,454,101	\$ 1,923,833	\$ 1,202,008	\$ 11,390,132	\$ 286,605	\$ 121,799	\$ 11,798,536
Payroll taxes and fringe benefits	2,494,956	534,239	691,400	409,785	4,130,380	139,736	44,967	4,315,083
Licenses and inspections	498	670	723	2,361	4,252	230	42	4,524
Interest expense	38,079	16,469	11,085	9,899	75,532	18,169	4,270	97,971
Banking fees	9,908	1,778	3,430	3,448	18,564	6,020	141	24,725
Staff development	229,894	31,558	11,691	8,162	281,305	5,725	345	287,375
Professional services	175,580	33,995	55,340	29,922	294,837	7,619	2,242	304,698
Purchased services	254,399	79,574	98,057	39,532	471,562	105,681	16,577	593,820
Travel and transportation	113,011	19,017	11,998	3,781	147,807	1,122	299	149,228
Occupancy costs	416,691	113,597	118,707	270,087	919,082	25,910	3,049	948,041
Supplies	1,668,625	104,041	290,884	132,831	2,196,381	12,050	1,833	2,210,264
Cost of formula sold	-	-	15,532,657	-	15,532,657	-	-	15,532,657
Food	36,727	8,149	79,131	34,020	158,027	-	-	158,027
Construction and renovation materials	-	42,727	-	-	42,727	-	-	42,727
Depreciation and amortization	126,153	67,899	43,184	11,780	249,016	167,539	13,824	430,379
Equipment rental and lease	20,290	4,415	17,525	9,135	51,365	7,727	3	59,095
Equipment repairs and maintenance	25,537	5,281	12,696	27,398	70,912	1,918	745	73,575
Equipment purchases	58,335	30,983	8,601	7,219	105,138	-	-	105,138
Insurance	90,375	37,152	30,636	21,288	179,451	976	286	180,713
Printing	2,522	1,362	1,123	3,236	8,243	-	-	8,243
Subscriptions	214,233	1,983	2,283	2,386	220,885	285	84	221,254
Telephone	120,605	27,665	32,512	22,388	203,170	7,060	2,850	213,080
Postage and shipping	13,240	8,453	746,778	2,241	770,712	377	108	771,197
Parent involvement activities	21,478	2,156	3,757	-	27,391	-	-	27,391
Dues and memberships	8,542	1,654	2,692	13,475	26,363	66	109	26,538
Advertising	51,594	2,734	3,576	22,161	80,065	493	144	80,702
Miscellaneous	24,659	143,934	917	4,465	173,975	14,850	31	188,856
Pass-through grants	732,948	-	-	67,706	800,654	-	-	800,654
Rental and relocation assistance	11,310	251,070	-	276,621	539,001	-	-	539,001
Energy and utility assistance	-	395,561	-	-	395,561	-	-	395,561
Emergency food assistance	-	-	863,396	-	863,396	-	-	863,396
In-kind	438,287	-	252,130	-	690,417	-	-	690,417
Total expenses by functional category before special events	14,208,666	3,422,217	20,850,742	2,637,335	41,118,960	810,158	213,748	42,142,866
Special events	-	-	-	-	-	-	40,190	40,190
Total expenses	\$ 14,208,666	\$ 3,422,217	\$ 20,850,742	\$ 2,637,335	\$ 41,118,960	\$ 810,158	\$ 253,938	\$ 42,183,056

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

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2022 AND 2021

	2022	2021
Cash flows from operating activities		
Change in net assets		
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities	\$ 847,147	\$ 814,043
Depreciation and amortization	447,980	430,379
Paycheck protection program loan forgiveness	-	(1,037,275)
(Increase) decrease in assets		
Revenue receivable	(865,614)	(702,231)
Grants receivable	815,408	(1,267,702)
Inventories	155,319	(214,834)
Prepaid expenses	(11,094)	(307,026)
Increase (decrease) in liabilities		
Cash overdraft	(397,165)	397,165
Accounts payable	81,373	823,033
Accrued expenses and employee withholdings	90,793	(82,671)
Claims payable, not yet reported	2,182	2,995
Deferred revenue	179,580	204,221
Net cash provided by (used in) operating activities	1,345,909	(939,903)
Cash flows from investing activities		
Capital expenditures	(150,607)	(418,911)
Net cash used in investing activities	(150,607)	(418,911)
Cash flows from financing activities		
Net proceeds (payments) from line of credit	(483,828)	726,107
Principal payments on long-term debt	(285,804)	(293,586)
Net cash provided by (used in) financing activities	(769,632)	432,521
Net increase (decrease) in cash and cash equivalents	425,670	(926,293)
Cash, cash equivalents and restricted cash at beginning of year	663,577	1,589,870
Cash, cash equivalents and restricted cash at end of year	\$ 1,089,247	\$ 663,577
Supplemental disclosures of cash flows information		
Interest paid	\$ 111,142	\$ 97,971

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

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

NOTES TO FINANCIAL STATEMENTS

1. NATURE OF ACTIVITY

Community Action Partnership of Lancaster County, Inc. (the Organization) is a nonprofit corporation which provides assistance to low-to-moderate income individuals and families in Lancaster County, Pennsylvania despite their inability to pay. The Organization operates a variety of programs including, but not limited to, Head Start, Early Learning Resource Center, Domestic Violence Services, Utility Assistance, Women, Infants, and Children (WIC), Child Daycare, Senior Centers, and WIC Formula Distribution. The Organization's programs are funded by various federal, state, and local grants, allocations, and private donations.

The Organization is recognized as a tax-exempt organization under Internal Revenue Code (IRC) Section 501(c)(3) and, therefore, is generally not subject to federal income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Use of Estimates

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

Basis of Accounting

Assets and liabilities, revenue and gains, and expenses and losses are recognized on the accrual method of accounting. Revenue and gains are recognized in the period when earned and expenses and losses are recognized in the period when incurred.

Cash, Cash Equivalents, and Restricted Cash

The Organization considers all unrestricted cash, which is not subject to withdrawal restrictions or penalties, and all highly-liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents on the accompanying statements of financial position.

Restricted cash includes amounts for the health and welfare plan. See note 19.

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

NOTES TO FINANCIAL STATEMENTS

A reconciliation of cash, cash equivalents, and restricted cash as reported on the statement of cash flows as of June 30, 2022 and 2021 is as follows:

	2022	2021
Cash and cash equivalents	\$ 172,622	\$ -
Restricted cash	916,625	663,577
Total cash and cash equivalents, and restricted cash	\$ 1,089,247	\$ 663,577

The cash overdraft as of June 30, 2021 represents outstanding checks that have not cleared the bank as of year end.

Revenue Receivable

Revenue receivable consists of trade accounts receivable and is shown net of an allowance for uncollectible accounts, as applicable. Revenue receivable is evaluated for collectability and an allowance is established, as deemed necessary, based on the best information available and in an amount that management believes is adequate. Revenue receivable is written off when deemed uncollectible. Recoveries of revenues receivable previously written off are recorded when received. As of June 30, 2022 and 2021, the allowance for uncollectable receivables was \$17,074.

Inventories

Inventories are valued at the lower of cost or net realizable value and are comprised primarily of infant formula.

Investments

Investments are carried at fair value. Investment income or loss (including gains and losses on investments, interest, and dividends) is included in the statement of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Property and Equipment

Property and equipment are carried at cost. Donations of property and equipment are recorded at their fair value on the date of donation. It is the Organization's policy to capitalize expenditures with a useful life of more than one year and a composite cost in excess of \$5,000. Lesser amounts are expensed. Depreciation is computed using the straight-line method based on useful lives as follows:

Buildings, improvements, furniture, and fixtures	15 to 50 years
Equipment	5 to 10 years
Grant-funded assets	3 to 40 years

Depreciation expense for the years ended June 30, 2022 and 2021 amounted to \$440,082 and \$422,481, respectively.

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Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value amount. Fair value estimates are based on assumptions concerning the amount and timing of the estimated future cash flows and discount rates reflecting varying degrees of perceived risk. The management of the Organization concluded that no impairment adjustments were required during the years ended June 30, 2022 and 2021.

Claims Payable, But Not Yet Reported

Obligations at June 30, 2022 and 2021 for health claims incurred by active participants of the Organization's self-insured welfare benefits plan, but not yet reported at that date are estimated by the Organization's actuary in accordance with accepted actuarial principles based on claims data provided by the Organization's third-party claims administrators. These amounts are paid by the Organization only if claims are submitted and approved for payment. Such estimated amounts are reported in the accompanying statements of financial position.

Revenue Recognition

The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers*. This ASU established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. The core principle prescribed by this standards update is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Revenue is recognized as earned based on contractual terms, as transactions occur, or as services are provided.

The Organization follows FASB ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope and the accounting guidance for contributions. The update provides a more robust framework to determine when a transaction should be accounted for as a contribution under Subtopic 958-605 or as an exchange transaction accounted for under other guidance.

Contributions

All contributions are recorded as support without donor restrictions or support with donor restrictions depending on the existence and/or nature of any donor restrictions. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases the net assets with donor restrictions. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the contribution as support without donor restrictions.

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When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Unconditional promises to give are expected to be collected within one year.

Conditional gifts occur when a barrier has been established by the donor and the donor has a right to be released from the commitment to the Organization. Conditional gifts are not recognized as revenue until the barrier has been overcome and the donor's right of release has been satisfied. Conditional gifts that have been received are reported as refundable advances until the barrier has been overcome. Unconditional gifts occur when no barrier to recognition exists, or the gift does not include a donor release. These unconditional gifts may continue to carry restrictions on their purpose or application. As such, unconditional gifts may include promises to give and may be included in net assets with donor restrictions or net assets without donor restrictions.

Contributed services are recognized when the Organization would typically purchase such services if they require specialized skills and the contributor possesses such skills.

Gifts of land, buildings, and equipment are presented as unrestricted support 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 or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service (as the assets are used in the Organization's activities).

Grants

The Organization accounts for grant and contract revenue, which are exchange transactions, in the statement of activities to the extent that expenses have been incurred for the purpose specified by the grantor during the period. In applying this concept, the legal requirements of each individual program are used as guidance for determination of performance obligations. All funds not expended in accordance with the grant or contract are recorded as a liability to the grantor as the Organization does not maintain any equity in the grant or contract. Additionally, grant and contract funds received in advance of their proper usage are accounted for as deferred revenue in the statement of financial position. Deferred revenue recognized at June 30, 2022 and 2021 is considered to be contract liabilities by the Organization.

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Formula Sales

The Organization derives a portion of their revenue from formula sales, which is sale of purchased dietary supplements for infants and children to its customers in various states. The Organization recognizes this revenue at the point in time which is when the formula is shipped as this is its singular performance obligation. The Organization provides an invoice to its customers concurrent with the shipment of the product and payment is typically due in 30 days. In specific cases, returns are accepted. Economic factors affecting the nature, timing, and uncertainty of revenue and cash flows include the overall health of the economy and formula availability.

Program Service Fees

Program service fees primarily represent funding received from local utility providers for energy and utility assistance services and programs provided to individuals and families, and other fees charged to clients of the Organization. Amounts are recognized at the point in time services are provided

In-Kind Contributions

Donated in-kind contributions include salaries and fringe benefits, building space, specialized services, and supplies and are recorded at fair value at the time of receipt. These contributions are recognized as both support and expenses in the statements of activities.

During the years ended June 30, 2022 and 2021, the Organization recognized the following in-kind contributions:

	<u>2022</u>	<u>2021</u>
Salaries and fringe benefits	\$ 31,867	\$ 64,751
Building space	273,171	367,019
Specialized services	2,429	6,517
Donated food	<u>127,294</u>	<u>252,130</u>
Total in-kind contributions	<u>\$ 434,761</u>	<u>\$ 690,417</u>

The building space was used for operations and is located in Lancaster, PA. The Organization estimated the fair value of the building space by utilizing the daily rent normally charged by the owner for the space.

The specialized services were used for operations. The Organization estimated the fair value based on prices for similar or identical services in the Lancaster region.

Salaries and fringe benefits are recorded and valued at the comparable market rate for each position.

The Organization recorded the donated food at the wholesale value at time of receipt of each item.

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Deferred Finance Costs

Gross deferred finance costs totaling \$146,247 at June 30, 2022 and 2021 are being amortized using the interest method over the term of the related debt. Amortization of deferred finance costs is reported as a component of amortization expense. Amortization of deferred finance costs of \$7,898 was recorded for each of the years ended June 30, 2022 and 2021.

Financial Statement Presentation

The Organization follows FASB Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities - Presentation of Financial Statements*. Under ASC 958-205, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed stipulations.

Net assets with donor restrictions - Net assets subject to donor-imposed stipulations that are restricted for a specified purpose or passage of time or are restricted in perpetuity.

Income Taxes

The Organization follows the standards for accounting for uncertainty in income taxes according to the principles of FASB ASC 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

Management evaluated the Organization's tax positions and concluded that the Organization had no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance.

With few exceptions, the Organization is no longer subject to United States Federal, state, or local state income tax examinations by tax authorities for the years ended before 2019.

At June 30, 2022 and 2021, there was a net operating loss carryforward of \$83,842. The operating loss carryforward was generated through unrelated business losses from rental activities previously engaged in by the Organization. Net operating losses can be carried forward 20 years from the year incurred, or until used, and investment tax credits can be carried forward 15 years, or until used. Due to the uncertainty of the utilization of the net operating loss carryforward, a deferred tax asset has not been recorded. The losses expire as follows as of June 30:

2027	\$	11,268
2028		25,108
2029		29,765
2030		<u>17,701</u>
	\$	<u><u>83,842</u></u>

**COMMUNITY ACTION PARTNERSHIP OF
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Functional Expense Classification

The cost of providing the various programs and other activities is summarized on a functional basis in the statement of activities and statement of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting services benefited based on estimated usage. Supporting services consist of management and general expenses and fundraising expenses.

Expenses that can be identified with a specific program or support service are charged directly to that program or support service. Costs common to multiple functions have been allocated among the various functions benefited using a reasonable allocation method that is consistently applied. Expenses are generally allocated on the basis of estimated time and effort or on the basis of square footage.

Recently Adopted Accounting Standard

During 2022, the Organization adopted FASB ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The changes associated with this ASU include the requirement for contributed nonfinancial assets to be reported separately in the statements of activities and additional disclosures regarding their use and valuation techniques utilized. The changes became effective for the Organization on July 1, 2021 and were applied retrospectively. There was no significant impact on the Organization's financial statements as a result of adopting this standard other than additional disclosures.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued *ASU 2016-02, Leases (Topic 842)*. The changes associated with this ASU include the requirement for lessees to recognize the underlying assets and liabilities associated with all operating leases with terms greater than 12 months. The changes became effective for the Organization on July 1, 2022.

In March 2020, the FASB issued *ASU 2020-04, Reference Rate Reform (Topic 848)*, which is designed to ease the potential administrative burden associated with the financial market's transition away from the London Interbank Offered Rate (LIBOR). The provisions of ASU 2020-04 permit entities to forgo reassessing previous determinations concerning hedge effectiveness, and to consider contract modifications due to reference rate reform to be a continuation of those contracts. These principles will prevent a change in a loan or swap's reference rate from compromising the effectiveness of the hedging relationship. ASU 2020-04 may be applied prospectively to any contract modifications resulting from reference rate reform that occur through December 31, 2024. The Organization has various notes payable and a line of credit that use LIBOR, and these agreements are expected to transition to use of the Secured Overnight Financing Rate (SOFR). The Organization intends to adopt and implement ASU 2020-04 as this transition occurs.

The Organization is currently evaluating the impact of the pending adoption of the new standards on the financial statements.

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NOTES TO FINANCIAL STATEMENTS

Reclassification

Certain amounts in the 2021 financial statements have been reclassified to conform to presentation of the 2022 financial statements.

3. LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditures, that is, without donor restrictions or other designations limiting their use, within one year of the date of the statement of financial position, comprise the following as of June 30, 2022 and 2021:

	2022	2021
Cash and cash equivalents	\$ 172,622	\$ -
Revenue receivable, net of allowance	2,722,302	1,856,688
Grants receivable	2,778,798	3,594,206
 Total Financial Assets	 5,673,722	 5,450,894
 Amounts not Available to be used for General Expenditures Within One Year		
Financial assets held for board designation	(578,500)	(50,000)
Financial assets held for a specified purpose	(599,557)	(484,883)
 Total Amounts Not Available to be Used for General Expenditures Within One Year	 (1,178,057)	 (534,883)
 Financial Assets Available to be Used for General Expenditures Within One Year	 \$ 4,495,665	 \$ 4,916,011

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Organization also has a line of credit available to meet short-term needs, which provides for borrowings up to \$5,000,000, limited to 80% of eligible accounts receivable. See note 8.

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NOTES TO FINANCIAL STATEMENTS

4. GRANTS RECEIVABLE

Grants receivable are due from the following as of June 30:

	2022	2021
County of Lancaster	\$ 163,394	\$ 168,672
City of Lancaster	-	9,468
Pennsylvania Department of Education	48,287	406,596
U.S. Department of Health and Human Services	580,050	339,802
Pennsylvania Department of Community and Economic Development	522,330	363,883
Pennsylvania Department of Environmental Protection	-	49,881
Pennsylvania Department of Health	562,593	338,326
Pennsylvania Coalition Against Domestic Violence	269,755	163,024
Lancaster-Lebanon IU13	156,073	970,568
Pennsylvania Commission on Crime and Delinquency	99,520	202,451
Child Care Consultants	187,446	323,708
US Dept of Housing and Urban Development	19,084	27,499
U.S. Department of Justice	1,523	-
School District of Lancaster	74,145	55,279
Tenfold	-	27,424
Penn State University	51,416	96,615
Commonwealth of Pennsylvania	43,182	51,010
	\$ 2,778,798	\$ 3,594,206

5. INVENTORIES

Inventories at the WIC formula warehouse were \$570,696 and \$726,015 as of June 30, 2022 and 2021, respectively.

6. INVESTMENTS - NOTE RECEIVABLE

These funds are restricted in use for the Nissly Chocolate Factory elderly housing project limited partnership. In 1996, \$500,000 was loaned to the limited partnership interest-free for 15 years. In February 2012, an amendment to the original terms of the loan agreement was executed extending the maturity of the note to the earlier of June 27, 2026, the sale of the property, or the refinancing of the primary loans.

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7. FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurement*, established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

An asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The following valuation technique was used to measure fair value of assets on a recurring basis:

Note receivable - Nissly Chocolate Factory Housing Project - the carrying amount approximates fair value.

The method described above may produce a fair value calculation that may not be indicative of net realizable value at time of sale or maturity or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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The carrying amounts of cash and cash equivalents, revenue receivable, grants receivable, accounts payable, accrued expenses and employee withholdings, claims payable, but not yet reported, and deferred revenue included in the statement of financial position approximate fair value given the short-term nature of these financial instruments. The carrying amount of the long-term debt in the statement of financial position approximates fair value as the interest rates are commensurate with rates currently offered for such arrangements.

The following table summarizes investments by FASB ASC 820 levels as of June 30:

	Fair Value – Level 3	
	2022	2021
Note Receivable – Nissly Chocolate Factory Housing Project	\$ 500,000	\$ 500,000

All fair value measurements using Level 3 category.

The tables below present changes in the fair value of the Organization’s Level 3 investments:

	Balance as of June 30, 2021	Unrealized/Realized Gains (Losses)	Balance as of June 30, 2022
Note Receivable – Nissly Chocolate Factory Housing Project	\$ 500,000	\$ -	\$ 500,000

	Balance as of June 30, 2020	Unrealized/Realized Gains (Losses)	Balance as of June 30, 2021
Note Receivable – Nissly Chocolate Factory Housing Project	\$ 500,000	\$ -	\$ 500,000

Changes in Fair Value Levels

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total assets. For the years ended June 30, 2022 and 2021, there were no transfers in or out of Level 3.

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8. LINE OF CREDIT

The Organization has an available line of credit of \$5,000,000, limited to 80% of eligible accounts receivable at a variable interest rate. The variable interest rate was based on LIBOR and was amended on June 9, 2022 to be calculated using SOFR. The rate at June 30, 2022 and 2021 was 4.64865% and 3.35%, respectively. The outstanding balance on the line of credit as of June 30, 2022 and 2021 was \$242,279 and 726,107, respectively. The line of credit is secured by accounts receivable, inventories, and equipment.

9. LONG-TERM DEBT

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

	2022	2021
Redevelopment Authority of Lancaster County for an open ended mortgage secured by the Bridge Housing building in Lancaster City; non-interest bearing with no monthly payments ; provided the borrower is not in default under any of the terms and conditions of the mortgage loan documents, there shall be no payments due during the time that the borrower maintains ownership of the property and maintains the use of the property as transitional housing for victims of domestic violence	\$ 261,475	\$ 261,475
Secured note payable to bank; monthly principal and interest payments of \$22,179 at a fixed rate of 3.45% for the first five years, with a rate adjustment equal to 65% of the prime rate with a floor of 2.85% beginning July 1, 2016 for the duration of the loan; collateralized by real property held by the Organization; matures on July 1, 2031; note was financed with proceeds from tax-exempt bonds; in the event that the Organization loses its tax-exempt status, the interest rate will convert to the prime rate with a floor of 4.00%; this loan was amended on November 14, 2016 to reflect monthly principal and interest payments at a rate of 2.60% for the period November 14, 2016 through November 14, 2021, with a rate adjustment equal to 65% of the prime rate with a floor of 2.85% beginning November 14, 2021 for the duration of the note (3.0875% as of June 30, 2022)	1,945,201	2,141,440
Secured note payable to bank; monthly principal and interest payments of \$5,386 at a fixed rate of 2.60% for first five years, with a rated adjustment equal to 67% of the sum of the LIBOR rate plus 325 basis points beginning November 14, 2021 for the duration of the note (2.85% as of June 30, 2022); collateralized by real property held by the Organization; matures November 14, 2031	538,731	588,132

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	2022	2021
Secured auto loan to an organization; monthly principal and interest payments of \$554 at a fixed rate of 4.90%; matures November 1, 2022	2,743	9,083
Secured note payable to bank; monthly principal and interest payments of \$792 at a fixed rate of 4.40% through September 15, 2022, followed by a variable rate calculated using SOFR thereafter; collateralized by real property held by the Organization; matures September 15, 2037	104,923	109,638
Secured auto loan to an organization; monthly principal and interest payments of \$631 at a fixed rate of 5.40%; matures December 6, 2023	10,886	17,653
Secured note payable to bank; monthly principal and interest payments of \$1,593 at a fixed rate of 3.46%; collateralized by real property held by the Organization; matures December 26, 2036	193,943	216,285
	3,057,902	3,343,706
Deferred finance costs, net of accumulated amortization	(72,075)	(79,973)
Current maturities of long-term debt	(276,158)	(282,375)
	\$ 2,709,669	\$ 2,981,358

Aggregate maturities of long-term debt, assuming no change in current terms, consist of the following for the five years ending June 30 and thereafter:

2023	\$	276,158
2024		288,988
2025		294,539
2026		304,116
2027		314,018
Thereafter		1,580,083
Total	\$	3,057,902

The outstanding debt is subject to the terms of the loan agreements which provide, among other things, for the maintenance by the Organization of certain ratios, including debt service coverage. For the year ended June 30, 2021, the Organization received a waiver for its covenant violation. For the year ended June 30, 2022 the financial covenants were met.

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Paycheck Protection Program

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), which established the Paycheck Protection Program (the Program). The Organization applied for a loan under this Program and received from Fulton Bank a loan in the amount of \$1,543,740 on May 6, 2020. The loan was forgivable if the Organization met certain criteria as established under the Program.

The Organization incurred \$506,465 in eligible expense during the year ended June 30, 2020 and has opted to account for this portion as revenue in accordance with FASB ASC 958. The Organization believes they have substantially met the criteria to recognize this portion of loan forgiveness. The remaining amount of Program loan funds were unspent as of June 30, 2020 and were recorded as a refundable advance in the accompanying financial statements. The Organization incurred additional eligible expenses during the year ended June 30, 2021 in excess of the loan amount. As such, the remaining portion of the loan was recognized as income in 2021 and included in miscellaneous income on the statements of activities

The Organization applied for and received full forgiveness on April 12, 2021.

10. LONG-TERM LEASES

The Organization has entered into long-term property leases. The leases have monthly payments ranging from \$600 to \$37,234. These leases will expire through December 31, 2026. Payments made under lease agreements totaled \$561,695 and \$558,929 for the years ended June 30, 2022 and 2021, respectively. Additional charges were incurred under the related agreements for utilities and other costs totaling \$102,322 and \$77,453 for the years ended June 30, 2022 and 2021, respectively.

Future minimum lease payments, assuming no change in current terms, consist of the following for the years ending June 30:

2023	\$	363,293
2024		277,070
2025		242,570
2026		235,769
2027		175,050

11. BOARD-DESIGNATED NET ASSETS

Board-designated net assets represent net assets that are restricted by the Board of Directors of the Organization for use in specific programs and are not restricted by any grantor agency. Board-designated net assets restricted by the Board of Directors for major repairs, were \$50,000 as of June 30, 2022 and 2021. During 2022, the Board of Directors designated an additional \$528,500 for property maintenance, safety and security renovations, and professional services.

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12. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of June 30:

	2022	2021
WIC formula inventory	\$ 200,477	\$ 200,477
Grant-funded assets - book value	1,018,382	999,350
Columbia Senior Center bequest	1,131	2,507
Columbia Senior Center	3,520	-
Lancaster Senior Center	1,015	-
Re-entry management program	24,795	25,318
Domestic Violence Services	422,924	379,058
Crispus Attucks Community Center	146,172	78,000
	\$ 1,818,416	\$ 1,684,710

13. GROSS PROFIT FROM FORMULA SALES

Gross profit from formula sales consists of the following as of June 30:

	2022	2021
Formula sales (including shipping and handling fees charged to customers)	\$ 20,219,067	\$ 17,516,777
Cost of formula sold (including shipping, refunds, and discounts)	(17,689,124)	(16,273,398)
	\$ 2,529,943	\$ 1,243,379

14. RETIREMENT PLAN

The Organization offers an employer-sponsored tax-deferred annuity (the Plan) under IRC Section 403(b)(7) for its full-time employees.

Under the Plan, all employees who work more than 1,000 hours in any year and are otherwise not excluded from the Plan are eligible to participate. All employees can make pre or post-tax contributions up to 100% of their eligible salary or the maximum allowed by the Internal Revenue Service (IRS) (including additional catch-up contributions for employees age 50 or older), whichever is less. The Plan also allows special catch-up contributions for employees that have completed at least 15 years of service with the Organization.

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The Organization offers an employer match equal to 100% of a participant's salary reduction contributions, not to exceed 4% of eligible compensation received during the year. Employer contributions to the Plan totaled \$283,510 and \$279,831 for the years ended June 30, 2022 and 2021, respectively.

The Organization also has the authority to make a discretionary contribution to the account of each eligible participant. The eligibility requirements to receive the discretionary employer contribution are the same as those eligibility requirements to receive the employer base contribution. There were no discretionary contributions for the years ended June 30, 2022 and 2021.

Participants direct the investment of all contributions into various investment options offered by the Plan. Contributions are subject to certain IRS limitations. The plan year coincides with the Organization's fiscal year.

15. DOMESTIC VIOLENCE SERVICES DISCLOSURES

The total amount budgeted under the Organization's Domestic Violence Services budget, which includes Pennsylvania Coalition Against Domestic Violence (PCADV) funding, totaled \$2,071,217 and \$1,928,389 for the years ended June 30, 2022 and 2021, respectively. The Organization had met its match requirement for the years ended June 30, 2022 and 2021 pursuant to PCADV guidelines. No interest income was earned on PCADV funding for the years ended June 30, 2022 and 2021. For the years ended June 30, 2022 and 2021, the Organization received direct federal financial assistance in excess of \$750,000. The Organization's cost allocation plan is in compliance for the years ended June 30, 2022 and 2021.

16. RELATED PARTY TRANSACTIONS

The Organization is affiliated with Lancaster Equity, Inc., a separate 501(c)(3) entity. The Organization's Chief Executive Officer is on the Board of Directors of Lancaster Equity, Inc. The Organization paid on their behalf expenses for banking services during the years ended June 30, 2022 and 2021. The Organization recognized a receivable from Lancaster Equity, Inc. for expenses in the amount of \$24,387 and \$93,499, at June 30, 2022 and 2021, respectively.

17. ADVERTISING

The Organization follows the policy of charging the cost of advertising to expense as incurred. Amounts charged to expense for advertising were \$41,879 and \$80,702 for the years ended June 30, 2022 and 2021, respectively.

18. UNEMPLOYMENT COMPENSATION

The Organization has elected to fund unemployment compensation insurance with the Commonwealth of Pennsylvania Unemployment Compensation Fund on a reimbursable status,

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whereby the Organization reimburses the Commonwealth of Pennsylvania for actual benefits paid to qualified claimants. Expenses for the years ended June 30, 2022 and 2021 amounted to \$39,003 and \$84,606, respectively. The accrued reserve for unemployment compensation as of June 30, 2022 and 2021 amounted to zero.

19. SELF-INSURANCE FOR EMPLOYEE HEALTH INSURANCE

The Organization is self-insured for certain losses relating to employee health insurance claims. The Organization covers healthcare claims up to a maximum of \$75,000 per individual with an aggregate limit approximating \$1,000,000 as adjusted based on the number of plan participants. The Organization has purchased stop-loss coverage for claims exceeding the Organization's individual liability. The Organization is given an annual premium based on historic activity and estimated future claims. At June 30, 2022 and 2021, the Organization had cash held by the self-insurance of \$916,625 and \$663,577, respectively, and claims payable, but not yet reported of \$207,568 and \$205,386 respectively.

20. COMMITMENTS AND CONTINGENCIES

The Organization participates in federally assisted grant programs. These programs are subject to program compliance audits by granters or their representatives. The Organization is potentially liable for any expenses that may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance that would result in the disallowance of program expenses.

21. RISKS AND UNCERTAINTIES CONCENTRATIONS OF CREDIT RISK

The Organization maintains accounts with local banks. At various times during the year ended June 30, 2022 and 2021, the Organization's account balances may have exceeded the federally insured limit of \$250,000.

The Organization maintains a broker-sponsored money market investment account. At various times, the balances of brokerage deposits may exceed the Securities Investor Protection Corporation limit.

Management regularly monitors the financial condition of the financial and brokerage institutions, along with the Organization's balances of cash and cash equivalents, in order to keep this potential risk to a minimum.

Concentration of Supplier Risk

Cost of formula sold for the year ended June 30, 2022 and 2021 amounted to \$17,689,124 and \$15,532,657, respectively. As of June 30, 2022 and 2021, purchases from one supplier were 46.4% and 63.1%, respectively, of the total cost of formula sold.

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

NOTES TO FINANCIAL STATEMENTS

22. SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through February 2, 2023 the date the financial statements were available to be issued. No material events subsequent to June 30, 2022 were noted.

SUPPLEMENTARY INFORMATION

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

PENNSYLVANIA COALITION AGAINST DOMESTIC VIOLENCE
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS - TITLE XX

YEAR ENDED JUNE 30, 2022

	Approved Budget	Reported Costs	Allowable Costs per Audit		
			Total	Over (under) Budget	Questioned Costs
Personnel					
Salaries	\$ 35,471	\$ 29,943	\$ 29,943	\$ (5,528)	\$ -
Fringe benefits	8,416	6,535	6,535	(1,881)	-
Total personnel	<u>43,887</u>	<u>36,478</u>	<u>36,478</u>	<u>(7,409)</u>	<u>-</u>
Operations					
Federally approved indirect costs at 12.4%	<u>8,524</u>	<u>7,643</u>	<u>4,692</u>	<u>(3,832)</u>	<u>-</u>
Total operations	<u>8,524</u>	<u>7,643</u>	<u>4,692</u>	<u>(3,832)</u>	<u>-</u>
Totals	<u>\$ 52,411</u>	<u>\$ 44,121</u>	<u>\$ 41,170</u>	<u>\$ (11,241)</u>	<u>\$ -</u>

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

PENNSYLVANIA COALITION AGAINST DOMESTIC VIOLENCE
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS - RELOCATION

YEAR ENDED JUNE 30, 2022

	<u>Approved Budget</u>	<u>Reported Costs</u>	<u>Allowable Costs per Audit</u>		
			<u>Total</u>	<u>Over (under) Budget</u>	<u>Questioned Costs</u>
Operations					
Relocation	<u>\$ 28,410</u>	<u>\$ 25,127</u>	<u>\$ -</u>	<u>\$ (28,410)</u>	<u>\$ -</u>

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

PENNSYLVANIA COALITION AGAINST DOMESTIC VIOLENCE
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS - FVPSA

YEAR ENDED JUNE 30, 2022

	Approved Budget	Reported Costs	Allowable Costs per Audit		
			Total	Over (under) Budget	Questioned Costs
Personnel					
Salaries	\$ 43,834	\$ 43,834	\$ 43,882	\$ (48)	\$ -
Fringe benefits	14,036	14,036	14,362	326	-
Total personnel	<u>57,870</u>	<u>57,870</u>	<u>58,244</u>	<u>278</u>	<u>-</u>
Operations					
Federally approved indirect costs at 12.4%	<u>10,391</u>	<u>10,391</u>	<u>7,304</u>	<u>(3,087)</u>	<u>-</u>
Total operations	<u>10,391</u>	<u>10,391</u>	<u>7,304</u>	<u>(3,087)</u>	<u>-</u>
Totals	<u>\$ 68,261</u>	<u>\$ 68,261</u>	<u>\$ 65,548</u>	<u>\$ (2,809)</u>	<u>\$ -</u>

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

PENNSYLVANIA COALITION AGAINST DOMESTIC VIOLENCE
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS - ACT 44

YEAR ENDED JUNE 30, 2022

	Approved Budget	Reported Costs	Allowable Costs per Audit		
			Total	Over (under) Budget	Questioned Costs
Personnel					
Salaries	\$ 250,402	\$ 232,399	\$ 232,399	\$ (18,003)	\$ -
Fringe benefits	79,936	73,777	73,777	(6,159)	-
Total personnel	<u>330,338</u>	<u>306,176</u>	<u>306,176</u>	<u>(24,162)</u>	<u>-</u>
Operations					
Federally approved indirect costs at 12.4%	<u>68,153</u>	<u>65,275</u>	<u>39,502</u>	<u>(28,651)</u>	<u>-</u>
Total operations	<u>68,153</u>	<u>65,275</u>	<u>39,502</u>	<u>(28,651)</u>	<u>-</u>
Totals	<u>\$ 398,491</u>	<u>\$ 371,451</u>	<u>\$ 345,678</u>	<u>\$ (52,813)</u>	<u>\$ -</u>

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

PENNSYLVANIA COALITION AGAINST DOMESTIC VIOLENCE
SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS - ACT 222

YEAR ENDED JUNE 30, 2022

	Approved Budget	Reported Costs	Allowable Costs per Audit		
			Total	Over (under) Budget	Questioned Costs
Personnel					
Salaries	\$ 16,665	\$ 16,665	\$ 16,835	\$ 170	\$ -
Fringe benefits	5,666	5,666	5,724	58	-
Total personnel	<u>22,331</u>	<u>22,331</u>	<u>22,559</u>	<u>228</u>	<u>-</u>
Operations					
Federally approved indirect costs at 11.2%	<u>3,410</u>	<u>3,410</u>	<u>2,765</u>	<u>(645)</u>	<u>-</u>
Total operations	<u>3,410</u>	<u>3,410</u>	<u>2,765</u>	<u>(645)</u>	<u>-</u>
Totals	<u>\$ 25,741</u>	<u>\$ 25,741</u>	<u>\$ 25,324</u>	<u>\$ (417)</u>	<u>\$ -</u>

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

PENNSYLVANIA COALITION AGAINST DOMESTIC VIOLENCE
COMBINED SCHEDULE OF BUDGETED, REPORTED, AND ALLOWABLE COSTS

YEAR ENDED JUNE 30, 2022

	Approved Budget	Reported Costs	Allowable Costs per Audit		
			Total	Over (under) Budget	Questioned Costs
Title XX					
Personnel	\$ 43,887	\$ 36,478	\$ 36,478	\$ (7,409)	\$ -
Operations	8,524	7,643	4,692	(3,832)	-
Total Title XX	<u>52,411</u>	<u>44,121</u>	<u>41,170</u>	<u>(11,241)</u>	<u>-</u>
Relocation					
Operations	28,410	25,127	-	(28,410)	-
Total relocation	<u>28,410</u>	<u>25,127</u>	<u>-</u>	<u>(28,410)</u>	<u>-</u>
FVPSA					
Personnel	\$ 57,870	\$ 57,870	\$ 58,244	\$ 278	\$ -
Operations	10,391	10,391	7,304	(3,087)	-
Total FVPSA	<u>68,261</u>	<u>68,261</u>	<u>65,548</u>	<u>(2,809)</u>	<u>-</u>
Act 44					
Personnel	\$ 330,338	\$ 306,176	\$ 306,176	\$ (24,162)	\$ -
Operations	68,153	65,275	39,502	(28,651)	-
Total Act 44	<u>398,491</u>	<u>371,451</u>	<u>345,678</u>	<u>(52,813)</u>	<u>-</u>
Act 222					
Personnel	\$ 22,331	\$ 22,331	\$ 22,559	\$ 228	\$ -
Operations	3,410	3,410	2,765	(645)	-
Total Act 222	<u>25,741</u>	<u>25,741</u>	<u>25,324</u>	<u>(417)</u>	<u>-</u>
Totals	<u>\$ 573,314</u>	<u>\$ 534,701</u>	<u>\$ 477,720</u>	<u>\$ (95,690)</u>	<u>\$ -</u>

MEMBERS

AMERICAN AND PENNSYLVANIA INSTITUTES
OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT MEMBER OF



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*

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Action Partnership of Lancaster County, Inc.

We have audited 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, the financial statements of Community Action Partnership of Lancaster County, Inc., which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows, for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 2, 2023.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's

financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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.

McKonly & Asbury, LLP

Camp Hill, Pennsylvania
February 2, 2023

MEMBERS

AMERICAN AND PENNSYLVANIA INSTITUTES
OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT MEMBER OF



REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Community Action Partnership of Lancaster County, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Action Partnership of Lancaster County, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Community Action Partnership of Lancaster County, Inc.'s major federal programs for the year ended June 30, 2022. The Community Action Partnership of Lancaster County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Community Action Partnership of Lancaster County, Inc. complied, in all material respects, with the 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, 2022.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibility for the Audit of Compliance

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

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

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

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

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

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

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

McKonly & Asbury, LLP

Camp Hill, Pennsylvania
February 2, 2023

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Pass-through Grantor's Number	June 30, 2022 Receivable (deferred)	Receipts	Expenditures	June 30, 2023 Receivable (deferred)
U.S. Department of Agriculture						
Pass-through programs from						
Pennsylvania Department of Health						
Special Supplemental Nutrition Program for women, infants, and children (WIC)	10.557	SAP - 4100077918	\$ 338,326	\$ 785,859	\$ 447,533	\$ -
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	10.557	SAP - 4100077918	-	955,253	1,310,904	355,651
			338,326	1,741,112	1,758,437	355,651
WIC Farmers' Market Nutrition Program	10.572	C940000895	-	13,943	13,943	-
			338,326	1,755,055	1,772,380	355,651
Pennsylvania Department of Education						
Child Nutrition Cluster						
Summer Food Service Program for children	10.559	300-36-100-0	-	236,905	285,192	48,287
Summer Food Service Program for children	10.559	300-36-100-0	25,390	93,252	67,862	-
			25,390	330,157	353,054	48,287
Pennsylvania State University						
SNAP Cluster						
State administrative matching grants for the Supplemental Nutrition Assistance Program	10.561	S000415-COP-CA	93	50,366	50,273	-
State administrative matching grants for the Supplemental Nutrition Assistance Program	10.561	S001655-COP-CAPLANC	-	186,880	141,820	-
			96,476	186,880	141,820	51,416
			96,569	237,246	192,093	51,416
Lancaster County, Pennsylvania						
Food Distribution Cluster						
The Emergency Food Assistance Program (administrative costs)	10.568	ME # 446586	781	62,583	68,548	6,746
The Emergency Food Assistance Program (administrative costs)	10.568	ME # 446586 CARES	7,192	7,192	-	-
			7,973	69,775	68,548	6,746
Total U.S. Department of Agriculture			468,258	2,392,233	2,386,075	462,100

(continued)

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Cont'd)

YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Pass-through Grantor's Number	June 30, 2021 Receivable (deferred)	Receipts	Expenditures	June 30, 2022 Receivable (deferred)
U.S. Department of Housing and Urban Development						
Pass-through programs from						
Lancaster County Housing and Redevelopment Authorities						
Emergency Solutions Grants program	14.231	Not available	\$ 531	\$ 63,519	\$ 62,988	\$ -
Emergency Solutions Grants program	14.231	Not available	6,502	8,259	-	-
Emergency Solutions Grants program	14.231	Not available	2,965	2,965	-	-
Pennsylvania Coalition Against Domestic Violence						
Emergency Solutions Grants program	14.231	Not available	-	79,265	158,173	78,908
			<u>9,998</u>	<u>154,008</u>	<u>221,161</u>	<u>78,908</u>
Continuum of Care program	14.267	N/A	-	14,893	33,977	19,084
Continuum of Care program	14.267	N/A	-	52,517	52,517	-
Continuum of Care program	14.267	N/A	27,499	78,862	51,363	-
			<u>27,499</u>	<u>146,272</u>	<u>137,857</u>	<u>19,084</u>
			<u>37,497</u>	<u>300,280</u>	<u>359,018</u>	<u>97,992</u>
Total U.S. Department of Housing and Urban Development						
U.S. Department of Justice						
Pass-through programs from						
Pennsylvania Commission on Crime and Delinquency						
Crime Victim Assistance	16.575	29002	30,706	66,340	35,634	-
Crime Victim Assistance	16.575	29061	16,403	162,252	145,849	-
Crime Victim Assistance	16.575	33096	154,281	610,483	555,722	99,520
			<u>201,390</u>	<u>839,075</u>	<u>737,205</u>	<u>99,520</u>
Edward Bryne Memorial Justice Assistance grant program	16.738	32942	-	7,130	7,130	-
County of Lancaster						
Violence Against Women Act formula grant	16.588	Not available	-	5,538	5,538	-
Transitional Housing Assistance for Victims of Domestic Violence, Dating Violence, Stalking, or Sexual Assault	16.736	N/A	-	1,553	1,553	-
			<u>201,390</u>	<u>853,296</u>	<u>751,426</u>	<u>99,520</u>
Total U.S. Department of Justice						

(continued)

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Cont'd)

YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Pass-through Grantor's Number	June 30, 2021 Receivable (deferred)	Receipts	Expenditures	June 30, 2022 Receivable (deferred)
U.S. Department of Health and Human Services						
Head Start Cluster						
Head Start	93.600	03CH01064003C	\$ 31,443	\$ 31,443	\$ -	\$ -
Head Start	93.600	03CH01064003	283,512	-	-	-
Head Start	93.600	03CH01064004	377,968	6,170,611	6,478,680	686,037
Head Start	93.600	03CH01064005	-	731,865	731,865	-
Head Start	93.600	HHS CRRSA	-	16,785	16,785	-
Head Start	93.600	HHS ARP	-	423,981	124,685	-
			<u>692,923</u>	<u>7,374,685</u>	<u>7,352,015</u>	<u>686,037</u>
Pass-through programs from Lancaster County, Pennsylvania						
Aging Cluster						
Special Programs for the Aging - title III, part B - grants for supportives services and senior centers, cares act for supportive services, under title III-b of the older american rescue plan for supportive services under title III-b of the Older Americans	93.044	Not available	6,411	56,452	53,052	3,011
Special Programs for the Aging - title III, part B - grants for supportives services and senior centers, CARES supportive services, under title III-b of the Older American Rescue Plan for supportive services under title III-b of the Older Americans	93.044	Not available	12,477	88,297	83,447	7,627
			<u>18,888</u>	<u>144,749</u>	<u>136,499</u>	<u>10,638</u>
Lancaster County, Pennsylvania						
Promoting Safe and Stable Families	93.556	4100067012	91,565	450,969	414,039	54,635
Community-based child abuse prevention grant	93.590	4100066955	-	30,600	30,600	-
Community-based child abuse prevention grant	93.590	4100067012	19,595	19,595	-	-
			<u>19,595</u>	<u>50,195</u>	<u>30,600</u>	<u>-</u>
Pennsylvania Department of Community and Economic Development						
Community Services Block Grant	93.569	C000067068-2021	271,836	861,837	590,001	-
Community Services Block Grant	93.569	C000067068-2022	-	208,349	477,541	269,192
Community Services Block Grant	93.569	C000067068	-	453,567	685,724	232,157
Community Services Block Grant	93.569	C000067068-2020	-	4,302	4,302	-
Community Services Block Grant	93.569	C000067068-CARES	92,047	111,998	27,981	20,981
			<u>363,883</u>	<u>1,640,053</u>	<u>1,785,549</u>	<u>522,330</u>
Pennsylvania Coalition Against Domestic Violence						
Family Violence Prevention and Services/Act	93.671	Not available	163,023	623,861	573,964	113,126
Child care consultants, inc.						
CCDF Cluster						
Child Care and Development Block Grant	93.575	EHS CCP21	32,007	58,963	26,956	-
Child Care and Development Block Grant	93.575	EHS CCP22	-	298,180	333,948	35,768
			<u>32,007</u>	<u>357,143</u>	<u>360,904</u>	<u>35,768</u>
Total U.S. Department of Health and Human Services			<u>1,381,884</u>	<u>10,641,655</u>	<u>10,653,570</u>	<u>1,422,534</u>

(continued)

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Cont'd)

YEAR ENDED JUNE 30, 2022

Federal Grantor/Pass-through Grantor/Program Title	Federal AL Number	Pass-through Grantor's Number	June 30, 2021 Receivable (deferred)	Receipts	Expenditures	June 30, 2022 Receivable (deferred)
U.S. Department of Homeland Security						
Pass-through programs from						
United way of Lancaster County						
Emergency Food and Shelter National Board Program	97.024	LRO 726800-001	\$ -	\$ 50,000	\$ 50,000	\$ -
Total U.S. Department of Homeland Security			<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Department of the Treasury						
Passthrough from Pennsylvania Coalition Against Domestic Violence						
Coronavirus Relief Fund	21.019	FVPSA COVID-PCADV	9,489	35,482	25,993	-
Passthrough from Lancaster County, Pennsylvania						
Coronavirus Relief Fund	21.019	Not available	6,219	6,219	-	-
Coronavirus Relief Fund	21.019	Not available	18,257	18,257	-	-
Passthrough from Tenfold						
Coronavirus Relief Fund	21.019	Not available	<u>25,858</u>	<u>25,858</u>	<u>-</u>	<u>-</u>
			59,823	85,816	25,993	-
Passthrough from Lancaster County Housing Authority						
Emergency Rental Assistance Program	21.023	ERAP	<u>-</u>	<u>325,325</u>	<u>325,325</u>	<u>-</u>
Total Department of Treasury			<u>59,823</u>	<u>411,141</u>	<u>351,318</u>	<u>-</u>
Total Federal Awards			<u>\$ 2,148,852</u>	<u>\$ 14,648,605</u>	<u>\$ 14,551,407</u>	<u>\$ 2,082,146</u>

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

NOTES TO SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of Community Action Partnership of Lancaster County, Inc. (the Organization) for the year ended June 30, 2022. The information in this schedule is presented in accordance with *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 the Organization, it is not intended and does not present the financial position, changes in net assets, or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule is presented using the accrual basis of accounting. 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. The amounts reported in the Schedule as expenditures may differ from certain financial reports submitted to funding sources on either a cash or a modified accrual basis of accounting.

3. INDIRECT COST RATE

Indirect cost of Community Action Partnership of Lancaster County, Inc. was based on a combination of square footage, gross wages, and functional expense allocation. The organization has not elected to use the ten percent de minimis indirect cost rate.

4. PENNSYLVANIA COMMISSION ON CRIME AND DELINQUENCY

As requested by the Pennsylvania Commission on Crime and Delinquency, the following table lists the correct ALN(s), grant number(s), fiscal year, and expenditure amounts noted during the reconciliation process:

ALN	Grant ID	Fiscal Year	Expenditure Amount	Over (Under) Reported
16.575	29002	2020	\$ 71,071.38	(23,663.38)
16.575	29061	2020	\$ 139,103.20	(43,248.20)
16.575	30748	2020	\$ 546,105.97	(44,899.97)
16.575	30945	2020	\$ 99,009.64	(49,351.64)
16.738	32942	2021	\$ 5,914.54	(5,914.54)

5. FEDERAL AWARD EXPENDITURES PASSED THROUGH TO SUBRECIPIENTS

Community Action Partnership of Lancaster County, Inc. did not pass through any federal awards to subrecipients during the year ended June 30, 2022.

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONS COSTS
YEAR ENDED JUNE 30, 2022

Findings – Financial Statement Audit

Significant Deficiency

Finding 2021- 001: Financial Closing Process

Condition: As a result of the external audit process and related testing and communications, several audit adjustments, including a prior period misstatement, were required to be made by management of Community Action Partnership of Lancaster County, Inc. after the financial close process was initially completed and the trial balance was provided to its auditors.

Recommendation: Management should complete account reconciliations and financial statements on a timely basis to ensure that accurate financial information is being reported. It may serve management’s interest to enhance their “closing checklist” that staff can follow as the financial closing process is being completed and the final trial balance is being prepared.

Current Status: Management identified, provided, and recorded all material adjustments to the financial statements for the year ended June 30, 2022, separate from the external audit process.

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND QUESTIONS COSTS
YEAR ENDED JUNE 30, 2022

Findings – Federal Award Findings

Significant Deficiency

Finding 2021- 002: Physical Inventory

U.S. Department of Health and Human Services

Head Start CFDA No. 93.600

Head Start Cluster

Compliance Requirement: Equipment and Real Property Management

Condition: As part of our compliance testing procedures, we noted that a physical inventory of the equipment and real property acquired with federal funds had not taken place within two years.

Recommendation: Management should review all regulatory agreements to ensure all compliance requirements, including equipment and real property management, are being tracked and occurring on a timely basis. Internal control over compliance should be established to ensure this occurs.

Current Status: A physical inventory was performed during the year ended June 30, 2022, and the Board of Directors approved a policy which requires an annual inventory must be performed every year. The CFO is responsible for ensuring this requirement is met annually.

**COMMUNITY ACTION PARTNERSHIP OF
LANCASTER COUNTY, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditors’ report issued on whether the consolidated financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

Significant deficiencies identified? ___ Yes X None reported

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiencies identified? ___ Yes X None reported

Type of auditors’ report issued on compliance for major federal programs? Unmodified

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

Identification of major programs:

<u>AL Number</u>	<u>Name of Federal Program or Cluster</u>
93.569	Community Service Block Grant
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? X Yes ___ No

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings for the year ended June 30, 2022.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no findings for the year ended June 30, 2022.



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