

Community Action of Laramie County

Financial Statements and Supplementary
Information

Year Ended June 30, 2020



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Community Action of Laramie County

Year Ended June 30, 2020

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Independent Auditor's Report

Board of Directors
Community Action of Laramie County
Cheyenne, Wyoming

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action of Laramie County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action of Laramie County, as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Report on 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, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the basic 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 May 12, 2022, on our consideration of the Community Action of Laramie County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Community Action of Laramie County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Community Action of Laramie County's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

Billings, Montana
May 12, 2022

Community Action of Laramie County

Statement of Financial Position

<i>June 30,</i>	2020
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 739,549
Grants receivable	258,298
Accounts receivable	25,916
Prepaid expenses	61,244
Total current assets	1,085,007
Property and equipment:	
Property and equipment, net of accumulated depreciation	1,549,846
Total assets	\$ 2,634,853
LIABILITIES AND NET ASSETS	
Current liabilities:	
Accounts payable	\$ 93,756
Accrued expenses	173,647
Accrued annual leave	22,789
Security deposits	12,321
Deferred revenue	23,997
Refundable advance liability	479,949
Current portion of long-term debt	13,411
Total current liabilities	819,870
Other liabilities:	
Long-term debt, net of current portion	275,014
Total liabilities	1,094,884
Net assets:	
Without donor restrictions	1,536,996
With donor restrictions	2,973
Total net assets	1,539,969
Total liabilities and net assets	\$ 2,634,853

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

Community Action of Laramie County

Statement of Activities and Changes in Net Assets

<i>Year Ended June 30, 2020</i>	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and support			
Grants and contracts	\$ 4,107,746	\$ -	\$ 4,107,746
Program revenue	333,190	-	333,190
Donated goods and services	42,295	-	42,295
Contributions	8,121	7,520	15,641
Gain on sale of assets	163,120	-	163,120
Interest	144	-	144
Other revenue	36,077	-	36,077
Net assets released from restrictions	4,547	(4,547)	-
Total revenues and support	4,695,240	2,973	4,698,213
Expenses			
Program services	3,917,869	-	3,917,869
Management and support	472,258	-	472,258
Fundraising	63,819	-	63,819
Total expenses	4,453,946	-	4,453,946
Change in net assets	241,294	2,973	244,267
Net assets, beginning of year	1,295,702	-	1,295,702
Net assets, end of year	\$ 1,536,996	\$ 2,973	\$ 1,539,969

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

Community Action of Laramie County

Statement of Functional Expenses

<i>Year Ended June 30, 2020</i>	Program Services	Management and Support	Fundraising	Total
Advertising	\$ 27,940	\$ 1,522	\$ 7,916	\$ 37,378
Contract services	345,973	78,449	6,035	430,457
Dues and subscriptions	11,463	6,587	90	18,140
Emergency assistance	198,888	349	3,754	202,991
Equipment costs	49,632	3,921	875	54,428
Health insurance	347,974	38,560	1,391	387,925
In-kind expense	36,641	5,654	-	42,295
Insurance - professional	56,026	8,663	1,182	65,871
Interest expense	-	618	-	618
Meetings	3,708	1,999	730	6,437
Miscellaneous expense	23,157	10,687	9,153	42,997
Payroll taxes	248,831	32,063	851	281,745
Printing and postage	5,970	96	176	6,242
Rent	279,811	34,972	805	315,588
Repairs and maintenance	5,714	18,784	4,950	29,448
Retirement plan contributions	349	-	-	349
Salaries and wages	1,747,139	191,840	5,840	1,944,819
Supplies	198,634	5,839	18,195	222,668
Training	53,407	1,437	315	55,159
Travel	9,997	150	172	10,319
Utilities and Telephone	74,054	28,132	931	103,117
Vehicle expense	30,739	1,936	105	32,780
Total expenses before depreciation	3,756,047	472,258	63,466	4,291,771
Depreciation	161,822	-	353	162,175
Total expenses	\$ 3,917,869	\$ 472,258	\$ 63,819	\$ 4,453,946

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

Community Action of Laramie County

Statement of Cash Flows

<i>Year Ended June 30,</i>	2020
Cash flows from operating activities:	
Change in net assets	\$ 244,267
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	162,175
Gain on sale of assets	(163,120)
Proceeds from refundable advance liability	479,949
(Increase) decrease in:	
Grants receivable	81,224
Accounts receivable	(20,935)
Prepaid expenses	(45,612)
Increase (decrease) in:	
Accounts payable	12,348
Accrued expenses	36,897
Accrued annual leave	(34,379)
Security deposits	5,117
Deferred revenue	(44,656)
Net cash flow from operating activities	713,275
Cash flows from investing activities:	
Proceeds on sales of property and equipment	195,495
Purchases of property and equipment	(268,512)
Net cash flow from investing activities	(73,017)
Cash flows from financing activities:	
Repayment of debt	(13,265)
Net cash flow from financing activities	(13,265)
Net change in cash and cash equivalents	626,993
Cash and cash equivalents, beginning of year	112,556
Cash and cash equivalents, end of year	\$ 739,549
Supplemental disclosure of cash flow information:	
Cash paid for interest	\$ 630

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

Community Action of Laramie County

Notes to Financial Statements

Note A Organization

Community Action of Laramie County (the Organization) is a nonprofit corporation that involves the community in assessing the local needs and attacking the causes of poverty. The four pillars of the Organization are to promote self-sufficiency housing, early childhood education, improve social services, and engage the public sector. The Organization operates primarily in the Cheyenne, Wyoming area.

The Organization offers a broad array of programs and services all designed to help people and change lives. The Organization administered the following community based projects during the year ended June 30, 2020:

Laramie County Head Start Program: This program serves the educational, social, emotional, medical, dental, and nutritional needs of children and their families. Head Start is a preschool program that helps low-income and disadvantaged three-to-five year olds prepare for school. Early Head Start is a home-based program for low-income pregnant women and children from birth to age three designed to support parents as “their child’s first teacher,” to enhance a child’s social, emotional, language, motor, and cognitive development. It also helps to ensure that pregnant women receive complete prenatal services.

Health Care for the Homeless (HCH): This program provides comprehensive primary health care for the homeless in Cheyenne. Services include medical consultation, evaluation and treatment, prescription assistance, laboratory, X-rays, limited dental and visual services, mental health and substance abuse counseling, and transportation in coordination with health care appointments.

Self-Sufficiency: This program provides financial assistance to low-income individuals and families in emergency situations. The goal of the program is to enable individuals to become self-sufficient. The program provides qualified individuals with housing, or with short-term monetary assistance for deposits, rent, fuel, or other needs. Grant funds are used primarily for emergency assistance situations; therefore, the type of assistance that can be provided is governed by the grant received. The Organization owns apartment complexes and homes for qualified low-income clients. The Organization also owns an apartment complex to house homeless veterans as part of the VA Grant and Per Diem program. Rental income received is included in program income on the statement of activities and changes in net assets. The duration of use of these properties by the clients is limited to two years, during which time the Organization provides case management to help the clients become self-sufficient.

Kinship Support Services: This program assists grandparents over the age of 55 who are raising their grandchildren. The program provides support groups, monthly respite, and assistance with guardianships and other issues unique to these individuals.

Cheyenne Farmer’s Market: The event begins in August and runs through the beginning of October. The market, which is held on Saturdays only, features farmers and vendors with fresh fruits and vegetables, honey, breads, pastries, and cheeses. The Organization receives a commission from these vendors based on sales.

Community Action of Laramie County

Notes to Financial Statements

Note B Summary of Significant Accounting Policies

Basis of Accounting

The accounts of the Organization are organized on the basis of grants, each of which is considered internally to be a separate accounting entity. The operations of each program are accounted for by providing a separate set of self-balancing accounts, which consist of assets, liabilities, net assets, revenue, and expenses, as appropriate. However, for financial reporting purposes, all accounts of the Organization are presented as one entity in accordance with accounting principles generally accepted in the United States.

Change in Accounting Policy

On June 21, 2018, the FASB issued ASU 2018-08 Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The amendments in this ASU assist in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to Accounting Standards Codification 606 and (2) determining whether a contribution is conditional. The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The entity has applied the amendments in this ASU on a modified prospective basis. There was no change in opening balances of net assets and no prior period results were restated. The amendments in this ASU also apply to both resources received by a recipient and resources given by a resource provider. Note that for transactions in which the Organization serves as a resource provider, the effective date for the amendments in ASU 2018-08 are effective for fiscal years beginning after December 15, 2019.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic entities for annual periods beginning after December 15, 2019. The Organization is currently evaluating the impact of the provisions of ASC 606.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU provides guidance on the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous accounting standards and new disclosures on key information about leasing arrangements. The new standard supersedes current leases accounting in FASB Accounting Standards Codification (ASC) Topic 840, Leases. When adopted, the amendments in the ASU must be applied using a modified retrospective approach. ASU No. 2016-02 is effective for nonpublic companies for annual periods beginning after December 15, 2021. The Organization is currently evaluating the impact of the provisions of ASC 842.

Community Action of Laramie County

Notes to Financial Statements

Note B Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Net assets without donor restrictions - Net assets that are not subject to donor (or certain grantor) restrictions. The governing board can also designate, from net assets without donor restrictions, net assets for a specific purpose. The Organization currently has no board designated net assets.
- Net assets with donor restrictions - Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

The Organization considers all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable consist primarily of rent amounts owed. The Organization has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Grants Receivable

Grants receivable represent amounts due from federal and state agencies. Past history has indicated that all receivables are collectible. The Organization has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Prepaid Expenses

Prepaid items represent payments made by the Organization for which benefits extend beyond June 30, 2020, 2020.

Community Action of Laramie County

Notes to Financial Statements

Note B Summary of Significant Accounting Policies (Continued)

Property and Equipment

Purchased property and equipment is recorded at cost while contributed property and equipment is recorded at fair value. The Organization capitalizes all property and equipment in excess of \$5,000 and minor replacements, maintenance, and repairs are charged to expense as incurred. When property and equipment are retired or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the statement of activities and changes in net assets for the respective period. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method for financial statement purposes. The respective federal grantor departments retain reversionary interests in any equipment acquired with federal funds. Disposition of such equipment is subject to rules and regulations of the United States Government. Assets acquired with support without donor restrictions of the Organization are not subject to reversionary interests.

The estimated useful lives for significant property and equipment categories are as follows:

Vehicles	5-10 years
Furniture and equipment	3-10 years
Buildings and improvements	5-30 years

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset and its fair value are less than the carrying amount of that asset. The Organization has not recognized any impairment of long lived assets during 2020.

Accrued Annual Leave

Accrued annual leave represents the Organization's liability for the cost of unused employee annual leave in the event of employee terminations. During the first year of service, an employee can earn up to ten days of vacation. During the second year of service, an employee can earn up to 12 days of vacation and an additional day for each year thereafter. Employees reach the maximum vacation allowable of 20 days in their 10th year of employment. Employees must take a minimum of one week vacation time per year. Full-time employees of the Organization may carry over unused vacation leave accrued. Upon termination of employment, up to 160 hours of vacation is payable to the employee.

Community Action of Laramie County

Notes to Financial Statements

Note B Summary of Significant Accounting Policies (Continued)

Contribution Revenue

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

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

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Program contributions represent amounts contributed by program beneficiaries. The contributions are to help defray the cost of the specific program in which the beneficiary received assistance. The contributions are recorded as net assets with donor restrictions due to the implied stipulation that the contributions be used in the program the beneficiary received assistance. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities and changes in net assets as released from restriction. If the restriction is satisfied in the year of contribution, the contribution is recorded without donor restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Community Action of Laramie County

Notes to Financial Statements

Note B Summary of Significant Accounting Policies (Continued)

Grant Revenue

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

- Grant Awards That are Contributions - Grants that qualify as contributions are recorded as invoiced to the funding source. Revenue is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Amounts received in excess of expenses or asset acquisitions are reflected as a refundable advance liability.
- Grant Awards that are Exchange Transactions - Exchange transactions typically reimburse based on a predetermined rate for services performed and are those in which the resource provider receives a commensurate value in exchange for goods or services transferred. The revenue is recognized in the period the service is performed.

Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the statement of activities and changes in net assets. The statement of functional expenses presents an analysis of expenses by nature and function. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on time records (such as salaries and wages, payroll taxes, and employee benefits) or by estimates (such as building costs, insurance, and repairs and maintenance by square footage of area) made by the Organization's management.

Income Taxes

The Organization is organized as a nonprofit and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, no provision for income taxes has been made in these statements. The Organization is subject to examination of their federal income tax filing in the United States, generally for the three preceding tax years. There were no uncertain tax positions taken by the Organization. In the event that the Organization is assessed penalties and/or interest, penalties will be charged to other operating expense and interest will be charged to interest expense.

Advertising

Advertising costs are expensed as incurred. Advertising expense was \$37,378 and for the year ended June 30, 2020.

Community Action of Laramie County

Notes to Financial Statements

Note B Summary of Significant Accounting Policies (Continued)

Use of Estimates

Preparing the Organization's financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

The Organization has evaluated events and transactions for potential recognition or disclosure in the financial statements through May 12, 2022, which is the date the financial statements were available to be issued. Management has determined that one subsequent event requiring disclosure have been identified and disclosed in Note E .

Note C Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

<i>Year Ended June 30, 2020</i>	2020
Cash and cash equivalents	\$ 739,549
Grants receivable	258,298
Accounts receivable	25,916
Total financial assets without donor restrictions	1,023,763
Less: Deferred revenue	(23,997)
Less: Net assets with donor restrictions	(2,973)
Total financial assets available for general expenditure	\$ 996,793

The Organization has a formal liquidity policy which requires it maintain financial assets in liquid form such as cash and cash equivalents for 30 days of normal operating expenses. The Organization can rely on a lower cash balance as they are primarily funded with cost reimbursement grants. A liquidity review is performed on a weekly basis. Under cost reimbursement grants, once expenses are incurred an organization can request reimbursement from the funding source. The Organization's grants have varying renewal dates. In addition, the Organization has a line of credit with ANB Bank that it can draw upon to assist with any cash needs.

Community Action of Laramie County

Notes to Financial Statements

Note D Property and Equipment

A summary of changes in property and equipment for the years ended June 30, 2020, is as follows:

	Balance July 1, 2019	Additions	Disposals and Transfers	Balance June 30, 2020
Property and equipment being depreciated at cost:				
Vehicles	\$ 680,926	\$ 233,433	\$ -	\$ 914,359
Furniture and equipment	237,470	20,654	-	258,124
Buildings and improvements	2,129,045	7,900	(159,796)	1,977,149
	3,047,441	261,987	(159,796)	3,149,632
Other property and equipment:				
Land	136,456	6,525	(21,000)	121,981
Total property and equipment	3,183,897	268,512	(180,796)	3,271,613
Less accumulated depreciation	(1,708,013)	(162,175)	148,421	(1,721,767)
Total property and equipment, net of depreciation	\$ 1,475,884			\$ 1,549,846

Note E Paycheck Protection Program

At June 30, 2020, the Organization had a refundable advance liability of \$479,949. This amount represents the receipt of an award from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) as a result of legislation passed to assist businesses in navigating the Coronavirus pandemic. The Organization has determined the award is a conditional grant and has applied the policy as described in Note 1. Accordingly, the award is reported as a refundable advance liability until the conditions are substantially met or explicitly waived.

The Organization has interpreted the condition of the award to be the approval of the forgiveness application by the lender and SBA. The award was forgiven by the administering bank and the SBA in December 2020. The full amount of the PPP loan will be shown as revenue in fiscal year 2021.

Community Action of Laramie County

Notes to Financial Statements

Note F Long-Term Notes Payable

Long-term notes payable consist of the following:

<i>June 30,</i>	2020
Note payable to Wyoming Community Development Authority (WCDA); interest at 2%; monthly payments of \$551; matures December 2023; secured by property	\$ 22,324
Note payable to WCDA; interest at 2%; monthly payments of \$81; matures December 2023; secured by property	2,822
Note payable to WCDA; interest at 1%; monthly payments of \$43; matures June 2030; secured by property	4,888
Note payable to WCDA; interest at 0%; monthly payments of \$483; matures June 2035; secured by property	86,031
Deferred note payable to WCDA; interest at 0.0%; no required monthly payments; forgivable if the property purchased with the funds is used for certain purposes through April 2060; secured by property	60,600
Deferred note payable to WCDA; interest at 0.0%; no required monthly payments; forgivable if the property purchased with the funds is used for certain purposes through September 2029; secured by property	87,400
Deferred note payable to WCDA; interest at 0.0%; no required monthly payments; forgivable if the property purchased with the funds is used for certain purposes through January 2024; secured by property	24,360
Total long-term notes payable	288,425
Less current portion	(13,411)
Total long-term portion	\$ 275,014

Long-term debt maturities for years ending June 30 are as follows:

2021	13,411
2022	13,562
2023	13,707
2024	9,556
2025	6,284
Thereafter	<u>231,905</u>
	<u>288,425</u>

Community Action of Laramie County

Notes to Financial Statements

Note F Long-Term Notes Payable (Continued)

In addition to the notes payable, the Organization maintains a line of credit with ANB Bank. The line is for \$185,000 with an interest rate of 5.5%. The line matures in July 2022. There were no draws against the line of credit during the year ended June 30, 2020.

Note G Operating Leases

The Organization leases office, program facilities, and motor vehicles under operating leases that generally have terms from one to five years. Rental and lease expenses for the year ended June 30, 2020, was \$315,588. Future minimum lease commitments as of June 30, 2020, are as follows:

	Lease Payments
2021	\$ 192,969
2022	191,316
2023	191,316
2024	186,000
2025	186,000
Thereafter	2,418,000
Total	\$ 3,365,601

Note H Donated Goods and Services

Donated goods and services for the year ended June 30, 2020, are as follows:

	2020
Occupancy / utilities	\$ 10,905
Materials and supplies	9,105
Professional services	22,285
Total	\$ 42,295

Contributions of services are recognized in the Organization's financial statements only if: (1) the services enhance or create non-financial assets or require specialized skills, (2) are provided by individuals possessing those skills and (3) would typically need to be purchased if not provided by donation. During the year ended June 30, 2020, services, plus related fringe benefits, donated by non-professionals and parents totaled \$205,291. These amounts have not been included in the financial statements.

All donated goods and services were for regular program services. Their value has been calculated using the estimated cost of similar goods and services.

Community Action of Laramie County

Notes to Financial Statements

Note H Donated Goods and Services (Continued)

The grant from the Department of Health and Human Services requires that the Head Start Program match a non-federal share equal to 13.44% as the Organization was granted a waiver from the 20% required of certain federal expenditures. In addition, the Organization requested and was granted an additional waiver in the amount of \$142,241. During the fiscal year ended June 30, 2020, the Organization administered a Head Start grant whose program year ended June 30, 2020, the non-federal share for the program year is summarized as follows:

<i>For the program year ended December 31,</i>	2019
Head Start PA20 & PA22	\$ 2,563,594
Non-federal required (13.44% in 2020)	\$ 397,948
Less: additional waiver	(142,241)
Total non-federal required	\$ 255,707
Non-federal received	
Cash donation	8,121
Donated goods, professional services and equipment	42,295
Non professional services	205,291
Total non-federal received	\$ 255,707

Note I Employee Benefit Plan

The Organization sponsors a defined contribution 401(k) plan. Eligibility for participation in the plan is limited to part-time and full-time, regular employees who exceed 1,000 hours per year and have been employed for a minimum of one year of service. The Organization typically contributes 3% of the employees' gross salaries, plus match employee contributions up to an additional 3%. However, the retirement plan contribution was suspended in November 2018. Retirement plan expenses for the year ended June 30, 2020, was \$349.

Note J Economic Dependency

The Organization received \$3,292,475 in fiscal year 2020 in grant awards from federal agencies. This represents 70% of total funding for the year audited. These funds are essential for the Organization to continue to meet its contractual obligations. A decrease could impair the Organization's operations.

Note K Contingency

The Organization participates in a number of federally assisted grant programs that are subject to audit and adjustment by the grantors. The grantor audits of these programs, if any, for or including the year ended June 30, 2020, have not yet been conducted. Accordingly, the Organization's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

Supplementary Information

Community Action of Laramie County

Schedule of Expenditures of Federal Awards

<i>Year Ended June 30, 2020</i>	Grant or Contract	Federal CFDA Number	Total Expenditures
<u>Federal Grantor/Program Title</u>			
<u>U.S. Department of Health and Human Services</u>			
Health Center Program Cluster:			
Health Center Program (Community Health Centers, Migrant Health Centers, Healthcare for the Homeless, and Public Housing Primary Care)	H80CS00042	93.224	\$ 640,210
Health Center Program - COVID-19	H8CCS35107	93.224	29,198
Health Center Program - COVID-19	H8DCS35862	93.224	<u>10,533</u>
Total Health Center Program			<u>679,941</u>
Total Health Center Program Cluster			<u>679,941</u>
Head Start PA22	08CH1092-07	93.600	1,173,481
Head Start PA22	08CH1092-06	93.600	<u>1,366,404</u>
Total Head Start			<u>2,539,885</u>
<u>Passed through Wyoming Department of Health</u>			
Community Services Block Grant	None	93.569	616,366
National Family Caregiver Support, Title III, Part E	None	93.052	63,837
Opioid STR	None	93.788	95,290
Aging Cluster:			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	None	93.044	<u>20,255</u>
Total Aging Cluster			<u>20,255</u>
Total passed through Wyoming Department of Health			795,748
Total U.S. Department of Health and Human Services			4,015,574
<u>U.S. Department of Veteran's Affairs</u>			
VA Homeless Providers Grant and Per Diem Program	CALC887-0040- 442-BH-18-0	64.024	104,892
Total U.S. Department of Veteran's Affairs			104,892
<u>U.S. Department of Agriculture</u>			
<u>Passed through the State of Wyoming Department of Education</u>			
Child and Adult Care Food Program	None	10.558	72,410
Total U.S. Department of Agriculture			72,410
Total			<u>\$ 4,192,876</u>

See Independent Auditor's Report
See notes to the Schedule of Expenditures of Federal Awards.

Community Action of Laramie County

Notes to Schedule of Expenditures of Federal Awards

Note A Basis of Accounting

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Community Action of Laramie County, Inc. (the Organization), and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Because the Schedule presents only a selected portion of the Organization's operations, it is not intended to and does not present the Clinic's financial position, changes in net assets, or cash flows.

Expenditures on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note B Indirect Costs

The Organization has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance. The Organization has a provisional, federally negotiated indirect cost rate of 9.3%.

Note C Subrecipients

The Organization does not have subrecipients or subrecipient expenditures.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Community Action of Laramie County
Cheyenne, Wyoming

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Community Action of Laramie County (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities and changes in net assets, 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 May 12, 2022

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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*.

Responses to Findings

Community Action of Laramie County's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Community Action of Laramie County's response was not subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Community Action of Laramie County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

Billings, Montana
May 12, 2022

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

Board of Directors
Community Action of Laramie County
Cheyenne, Wyoming

Report on Compliance for Each Major Federal Program

We have audited Community Action of Laramie County'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 Community Action of Laramie County's major federal programs for the year ended June 30, 2020. Community Action of Laramie County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Community Action of Laramie County's compliance.

Basis for Qualified Opinion on Head Start

As described in the accompanying schedule of findings and questioned costs, Community Action of Laramie County did not comply with requirements regarding CFDA 93.600 Head Start as described in finding number 2020-02 for Allowable Activities and Costs. Compliance with such requirements is necessary, in our opinion, for Community Action of Laramie County to comply with the requirements applicable to that program.

Qualified Opinion on Head Start

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Community Action of Laramie County complied in all material respects, with the types of compliance requirements referred to above that have a direct and material effect Head Start for the year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-03 and 2020-004. Our opinion on each major federal program is not modified with respect to these matters.

Community Action of Laramie County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Community Action of Laramie County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Community Action of Laramie County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Action of Laramie County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Community Action of Laramie County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2020-02 to be a material weakness.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2020-03 and 2020-04 to be significant deficiencies.

Community Action of Laramie County's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Community Action of Laramie County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Wipfli LLP

Wipfli LLP

Billings, MT
May 12, 2022

Community Action of Laramie County

Schedule of Findings and Questioned Costs

June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	<u> </u> Yes	<u> X </u> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<u> X </u> Yes	<u> </u> No
Noncompliance material to the financial statements noted?	<u> </u> Yes	<u> X </u> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> X </u> Yes	<u> </u> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<u> X </u> Yes	<u> </u> No

Type of auditor's report issued on compliance for major programs: Modified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<u> X </u> Yes	<u> </u> No
--	------------------	------------------

Identification of Major Programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start
Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
Is the auditee qualified as a low-risk auditee?	<u> </u> Yes <u> X </u> No

Community Action of Laramie County

Schedule of Findings and Questioned Costs

June 30, 2020

Section II - Financial Statement Findings

2020-001 Journal Entries

Criteria or Specific Requirement: Internal controls are designed to safeguard assets and help prevent loss from employee dishonesty or error. A fundamental concept in an adequate system of internal control is the review and approval process in regards to the adjusting journal entries.

Condition: Manual adjustments keyed to the accounting system during the fiscal year had no supervisory review or approval.

Context: We selected 25 manual adjusting journal entries throughout the fiscal year to verify a review control was in place. While some entries were informally reviewed, there was no evidence of an explicit review procedure taking place.

Effect: Unapproved transactions in the system could lead to misstated amounts, undetected material errors, misleading information provided to management, and an increased risk of misappropriation of assets.

Cause: There is no explicit evidence of review of manual adjusting journal entries.

Auditor's Recommendation: We recommend the Organization implement journal entry review procedures which involve review by an individual with adequate understanding of the accounting system. This procedure should be evidenced by an identifiable sign off.

View of Responsible Official: Community Action of Laramie County has gone through a reorganization of its Senior Management team and through the reorganization new team has looked in better ways of communicating the journal entries between the CFO, the contracted accountant, the CFO, and the CEO. As of July 2020, the staff accountant and the CFO will meet monthly to review and sign off on all general entries and report out the finance committee. The Board of Directors and the new management team understand that there have been issues with journal entries in the past audits, with the above work plan and with the multi-layer of ensures to sign off, the risks of journal entries not being signed off will be minimal to none.

Community Action of Laramie County

Schedule of Findings and Questioned Costs

June 30, 2020

Section III - Federal Award Findings and Questioned Costs

2020-002 Allowable Activities and Costs

Funding Agency: United States Department of Health and Human Services (HHS)

Title: Head Start

CFDA Number: 93.600

Award Number: 08CH1092-06 and 08CH1092-07

Award Period: 7/1/2014 - 12/31/2019 and 7/1/2014 - 8/31/2020

Criteria or Specific Requirement: The Organization should follow federal costs principles and its own policies and procedures for cash disbursements.

Condition: During our review of Head Start expenditures, we noted 1 instance of an expenditure being paid without proper supporting documentation and 7 instances of invoices being paid without the proper supervisory approval being noted.

Context: During the audit, we selected a random sample of 40 Head Start expenditures and two individually important item selections for testing of compliance with Head Start and Uniform Guidance requirements.

Questioned Costs: \$1,980 of known questioned costs, \$30,806 of likely questioned costs.

Effect: Unauthorized payments or payments to vendors without invoices could lead to unallowable grant expenditures.

Cause: The Organization has not implemented proper intern controls in regards to approval and support for cash disbursements.

Auditor's Recommendations: We recommend that the Organization put into place a process for reviewing and approving expenditures to payment.

View of Responsible Official: Community Action of Laramie County has gone through a reorganization of its Senior Management team and through the reorganization the new team has looked in better ways of signing off on expenditures between the direct supervisor, CFO, the contracted accountant, the CFO, and the CEO. As of July 2020, the direct supervisor and the CFO will ensure that all expenditure will have the supporting documentation and signatures to support the purchase/expense. Community Action of Laramie County, Inc., no longer receives any funding under HHS Head Start program as of June 30, 2020. Even though this finding was prior, our response will be for all future federal and state grants to ensure proper documentation.

Community Action of Laramie County

Schedule of Findings and Questioned Costs

June 30, 2020

2020-003 Special Reporting

Funding Agency: U.S. Department of Health and Human Services

Title: Head Start

CFDA Number: 93.600

Award Number: 08CH1092-06 and 08CH1092-07

Award Period: 7/1/2014 - 12/31/2019 and 7/1/2014 - 8/31/2020

Criteria or Specific Requirement: The grant awards associated with Head Start programs require the Head Start agency to publish and make available to the public a prescribed financial report at least once each fiscal year. The report is required to include (a) the total amount of public and private funds received and the amount from each source; (b) an explanation of budgetary expenditures and proposed budget for the fiscal year; and (c) the financial audit. These requirements are outlined in 42 USC 9839(a)(2)(A), (B), and (D).

Condition: No financial report was prepared or published for public access.

Context: During the audit, we reviewed financial informational reports and made inquiries of key personnel within the Head Start agency. The Organization had not prepared or published the required financial report in the prescribed form.

Questioned Costs: To be determined by grantor.

Effect: The applicable federal agency could withhold future reimbursement of expenditures incurred under the awards if special reporting requirements are not fulfilled.

Cause: The absence of meeting the applicable special reporting requirements is largely due to key employee turnover within the financial positions. The Organization also lacks adequate processes related to special reporting requirements.

Auditor's Recommendations: We recommend that the Organization train employees and institute processes to ensure special reporting requirements are addressed and complied with.

View of Responsible Official: Community Action of Laramie County has gone through a reorganization of its Senior Management team and through the reorganization new team has looked in better ways of signing off on expenditures between the direct supervisor, CFO, the contracted accountant, the CFO, and the CEO. Unfortunately, during this time our CFO, did not publish the audit on the website as required by the funder. Once notified of the error, the audit was published on the website immediately. There will be further delays in publishing our future audits due to a delay in our audit being complete timely as documentation from HHS Head Start was not sent to this agency in a timely manner which delayed the audit by several months. All future audits that require publishing will be published immediately by the CFO and or CEO once received and approved by the Board of Directors. Community Action of Laramie County, Inc., no longer receives any funding under HHS Head Start program as of June 30, 2020. Even though this finding was prior, our response will be for all future federal and state grants to ensure proper documentation.

Community Action of Laramie County

Schedule of Findings and Questioned Costs

June 30, 2020

2020-004 Reporting - Late Audit Submission

Funding Agency: U.S. Department of Health and Human Services

Title: Head Start

CFDA Number: 93.600

Award Number: 08CH1092-06 and 08CH1092-07

Award Period: 7/1/2014 - 12/31/2019 and 7/1/2014 - 8/31/2020

Criteria or Specific Requirement: As required by the Federal Register notice dated June 26, 2007, auditees are required to submit a completed Form SF-SAC, along with one complete reporting package to the Federal Audit Clearinghouse on/before the earlier of 30 days after receipt of the auditor's report or nine months after the end of the audit period. During 2020, this requirement was extended by six months for audits due March 31, 2021.

Condition: An SF-SAC report was not timely filed.

Context: Due to the COVID-19 pandemic and other extenuating circumstances, the audit was unable to be submitted to the Federal Audit Clearinghouse in a timely manner.

Questioned Costs: To be determined by grantor.

Effect: The Organization is at risk of jeopardizing the continued funding provided by federal agencies.

Cause: The absence of meeting the applicable reporting requirements is largely due to key employee turnover within the financial positions. The Organization also lacks adequate processes related to special reporting requirements.

Auditor's Recommendations: We recommend that the Organization train employees and institute processes to ensure reporting requirements are addressed and complied with.

View of Responsible Official: There was a delay in our audit being complete timely filed as documentation from HHS Head Start was not sent to this agency in a timely manner which delayed the audit by several months. In the future we hope that documentation can be obtained by federal funders in a timelier manner. Community Action of Laramie County, Inc., no longer receives any funding under HHS Head Start program as of June 30, 2020. Even though this finding was prior, our response will be for all future federal and state grants to ensure proper documentation.

Section IV - Prior Year Audit Findings

2019-001 Restated as finding 2020-001

2019-002 Implemented

2019-003 Restated as finding 2020-003