

**FAYETTE COUNTY COMMUNITY
ACTION AGENCY, INC. AND AFFILIATES
SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2023**



McCLURE & WOLF, LLP
CERTIFIED PUBLIC ACCOUNTANTS

**Fayette County Community Action Agency, Inc. and Affiliates
Single Audit Report
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Fayette County Community Action Agency, Inc. and Affiliates

Single Audit Report

I

Transmittal Letter



McCLURE & WOLF, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1926

538 MORGANTOWN STREET
UNIONTOWN, PA 15401-5412

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ELI T. ELIAS, JR., CPA
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AMANDA J. SMITH, CPA
DREW D. DuPONT, CPA

Board of Directors

Fayette County Community Action Agency, Inc. and Affiliates
108 North Beeson Boulevard
Uniontown, PA 15401

We have performed the Single Audit of Fayette County Community Action Agency, Inc. and Affiliates for the year ended June 30, 2023, and have enclosed the Single Audit reporting package.

The Single Audit was done to fulfill the requirements of the Uniform Guidance. It entailed:

1. an audit of the financial statements and our opinion thereon (Section II);
2. testing of compliance with certain laws, regulations, contracts, and grants and consideration of internal control over financial reporting in accordance with *Government Auditing Standards* (Section IV);
3. testing of compliance with certain laws, regulations, contracts, and grants and consideration of internal control applicable to certain federal programs in accordance with Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) (Section V);
4. an audit of schedule of expenditures of federal awards (Section V); and
5. performing agreed-upon procedures required by *DHS Single Audit Supplement* (Section VI).

Copies of this audit report should be distributed as follows:

- | | |
|------------------------------------|--|
| 18 copies: | Board members and management use |
| 1 copy (submitted electronically): | Bureau of Census
Attn: Single Audit Clearinghouse
Data Preparation Division
1201 East 10th Street
Jeffersonville, IN 47132 |
| 1 copy: | Bridgeway Capital
707 Grant Street, Suite 1920
Pittsburgh, PA 15219 |
| 1 copy: | Emergency Food & Shelter National Board
701 North Fairfax Street, Suite 310
Alexandria, VA 22314-2064 |

1 copy (submitted electronically):	Lisa A. Scales, Executive Director Greater Pittsburgh Community Food Bank 1 North Linden Street Duquesne, PA 15110-1067
1 copy (submitted electronically):	First National Bank Attn: Michael G. Uhouse Senior Vice President/Corporate Banking 100 Federal Street Pittsburgh, PA 15212
1 copy (submitted electronically):	First National Bank Attn: Andrew Erjavek Vice President 58 West Main Street Uniontown, PA 15401
1 copy (submitted electronically):	Paul Sprowls Agency, Inc. Attn: David Hughes 217 West Main Street PO Box 1447 Uniontown, PA 15401
1 copy:	Internal Revenue Service 401 West Peachtree Street, North West Stop 420-D Atlanta, GA 30308
1 copy (submitted electronically):	Commissioner's Office Fayette County Courthouse 61 East Main Street Uniontown, PA 15401
1 copy and 1 copy (submitted electronically):	Southwest PA Area Agency on Aging Attn: Leslie Grenfell, Executive Director 300 Chamber Plaza Charleroi, PA 15022-1607
1 copy (submitted electronically):	Fayette County Office of Human Services Attn: Rudy Dutko 825 Airport Road Lemont Furnace, PA 15456
1 copy and 1 copy electronically	Tom Whetsel, CFO Westmoreland-Fayette Workforce Investment Board 145 Pavilion Lane Youngwood, PA 15697
1 copy (submitted electronically):	Local Initiatives Support Corp. 501 7th Avenue New York, NY 10018
1 copy (submitted electronically):	PARF Attn: Sheila Christopher 102 Meadowview Drive Canonsburg, PA 15317

1 copy (submitted electronically)

Emily Avery
Rural LISC
1825 K Street Northwest
Suite 1100
Washington, DC 20006

1 copy:

USDA Rural Development
214 Donahoe Road, Suite A
Greensburg, PA 15601

1 copy (submitted electronically):

Fayette County Behavioral Health Administration
Attn: Harry Franks, Director of Fiscal Operations
215 Jacob Murphy Lane
Uniontown, PA 15401

1 copy and 1 copy electronically:

Pennsylvania Housing Finance Agency
Attn: Kathy Hughes
211 North Front Street
Harrisburg, PA 17101

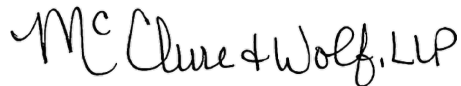
1 copy (submitted electronically):

Redevelopment Authority of the County of
Fayette, Pennsylvania
Andrew P. French, Executive Director
86 West Main Street
Uniontown, PA 15401

1 copy (submitted electronically):

Alliant Asset Management Co., LLC
Tim Parris, Associate Asset Manager
21600 Oxnard Street, Suite 1200
Woodland Hills, CA 91367

You are also reminded that, in accordance with the Uniform Guidance, this report must be advertised for public inspection within 30 days.



McClure & Wolf, LLP
Uniontown, Pennsylvania
January 10, 2024

Fayette County Community Action Agency, Inc. and Affiliates

Single Audit Report

II

Basic Financial Statements



McCLURE & WOLF, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1926

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Fayette County Community Action Agency, Inc. and Affiliates
108 North Beeson Avenue
Uniontown, PA 15401

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Fayette County Community Action Agency (FCCAA) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of FCCAA as of June 30, 2023, 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 of America.

Basis for Opinion

We conducted our audit 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of FCCAA and to meet our other ethical responsibilities, in accordance with the 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 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 FCCAA's ability to continue as a going concern for twelve months beyond the financial statement date, including any known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' 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 FCCAA'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 FCCAA'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.

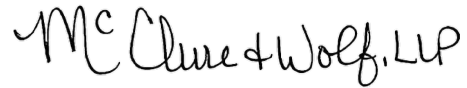
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) on pages 39-43, is presented for purposes of additional analysis and is not a required part of the financial statements. Further, the consolidating statements on pages 28-32 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2024, on our consideration of Fayette County Community Action Agency, Inc. and Affiliates' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FCCAA's internal control over financial reporting and compliance.

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

McClure & Wolf, LLP
Uniontown, Pennsylvania
January 10, 2024

Fayette County Community Action Agency, Inc. and Affiliates
Consolidated Statement of Financial Position
June 30, 2023

ASSETS

Current Assets:

Cash, Unrestricted	\$ 1,148,036
Inventory	413,563
Accounts and Grants Receivable	604,863
Prepaid Expenses	6,231
Investments in Securities, Unrestricted	<u>937,602</u>
Total Current Assets	<u>3,110,295</u>

Other Assets:

Cash, Restricted	814,044
Property and Equipment, Net of Depreciation	14,789,177
Accrued Interest Receivable	28,675
Loans Receivable	1,269,516
Investment in Partnership	124,267
Investments in Securities, Restricted	<u>1,250,416</u>
Total Other Assets	<u>18,276,095</u>

Total Assets	<u><u>\$ 21,386,390</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities:

Accounts Payable	\$ 775,070
Match Funds Payable	11,001
Deferred Revenue	1,048,335
Deferred Commodities	209,195
Accrued Payroll and Leave	342,760
Accrued Expenses	46,317
Line of Credit	650,000
Notes Payable/Lease Liability, Current	<u>356,194</u>
Total Current Liabilities	<u>3,438,872</u>

Long-Term Obligations	<u>4,597,554</u>
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Total Liabilities	<u>8,036,426</u>
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Net Assets:

Without Donor Restrictions	10,949,964
With Donor Restrictions	<u>2,400,000</u>
Total Net Assets	<u>13,349,964</u>

Total Liabilities and Net Assets	<u><u>\$ 21,386,390</u></u>
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See accompanying auditors' report.

Fayette County Community Action Agency, Inc. and Affiliates
Consolidated Statement of Activities
For the Year Ended June 30, 2023

	Without Donor <u>Restrictions</u>	With Donor <u>Restrictions</u>	<u>Total</u>
Support and Revenues:			
Grants	\$ 463,388	\$ 9,804,515	\$ 10,267,903
Sales	150	413,755	413,905
Donations	27,317	273,109	300,426
Donations-Other	-	-	-
Donations-Food	-	2,447,200	2,447,200
Fundraising	-	48,867	48,867
Other Income	86,789	1,117,578	1,204,367
Interest/Dividend Income	114,254	5,196	119,450
Investment Income (Loss)	228,436	-	228,436
Management Fee	17,004	-	17,004
Development Fee	-	659,623	659,623
Rents and Leases	107,355	813,062	920,417
Utilities	-	-	-
Contribution Revenue	-	-	-
Total Support and Revenues	<u>1,044,693</u>	<u>15,582,905</u>	<u>16,627,598</u>
 Net Assets Released from Restrictions	 <u>15,582,905</u>	 <u>(15,582,905)</u>	 <u>-</u>
Expenses:			
Program Services:			
Education	411,580	-	411,580
Family Development	1,114,627	-	1,114,627
Aging	607,821	-	607,821
Housing	7,324,344	-	7,324,344
Food Support	3,215,364	-	3,215,364
Property Development	629,056	-	629,056
Other Programs	586,744	-	586,744
Supporting Services	696,380	-	696,380
General and Administrative	<u>2,412,801</u>	<u>-</u>	<u>2,412,801</u>
Total Expenses	<u>16,998,717</u>	<u>-</u>	<u>16,998,717</u>
 Increase (Decrease) in Net Assets	 (371,119)	 -	 (371,119)
 Net Assets, Beginning of Year	 <u>11,321,083</u>	 <u>2,400,000</u>	 <u>13,721,083</u>
 Net Assets, End of Year	 <u>\$ 10,949,964</u>	 <u>\$ 2,400,000</u>	 <u>\$ 13,349,964</u>

See accompanying auditors' report.

Fayette County Community Action Agency, Inc. and Affiliates
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services							Supporting Services	General and Administrative	Combined
	Education	Family Development	Aging	Housing	Food Support	Property Development	Other			
Expenses:										
Salaries and Wages	\$ 226,108	\$ 579,814	\$ 219,013	\$ 968,695	\$ 175,445	\$ 2,250	\$ -	\$ 281,324	\$ 509,029	\$ 2,961,678
Employee Benefits	48,554	184,752	61,901	318,430	55,296	675	-	81,832	152,009	903,449
Contracted Services	-	5,000	-	59,575	-	-	-	206,368	(76,577)	194,366
Rent	29,697	101,282	90,332	94,000	76,820	-	-	13,456	(490,365)	(84,778)
Utilities/Telephone	1,293	14,106	44,811	72,864	9,617	-	-	5,385	272,639	420,715
Postage	70	370	81	2,837	583	-	200	748	8,072	12,961
Printing	1,862	2,564	3,642	18,596	4,868	-	159	392	10,328	42,411
Travel	959	3,171	6,046	17,859	2,341	-	-	8,911	13,022	52,309
Supplies	10,744	73,773	25,651	26,348	25,326	8,645	4,307	15,856	93,040	283,690
Equipment and Software (Purchase/Rental)	-	3,344	-	-	12,528	-	-	4,567	-	20,439
Professional Services	553	269	26	1,437	-	-	-	-	28,060	30,345
Food	121	483	30,634	90,217	320,458	-	-	-	-	441,913
Maintenance and Repairs	3,266	27,129	27,368	77,851	13,314	16,566	-	10,240	240,298	416,032
Insurance	1,561	11,914	9,532	28,995	14,302	10,959	-	9,324	154,813	241,400
Dues and Fees	13,294	96	660	5,184	2,043	3,285	6,652	665	93,590	125,469
Books and Subscriptions	2,397	-	-	-	-	-	299	9,181	-	11,877
Transportation	7,890	-	9,843	31	10,226	-	-	4,268	15,399	47,657
Computer Services	2,474	4,446	15,346	32,072	4,738	-	-	15,098	11,772	85,946
Advertising/Outreach	9	655	-	1,563	8,230	-	-	6,853	6,758	24,068
Satellite Center	-	-	16,104	-	-	-	-	-	-	16,104
Other Expenses	32,608	17	679	389,409	211	573,446	575,127	6,098	(315,525)	1,262,070
In-Kind	-	-	-	-	2,447,200	-	-	-	-	2,447,200
Rent/Mortgage/Utility Assistance	-	17,764	5,000	4,622,710	-	-	-	-	26,678	4,672,152
Security Deposits	-	-	-	8,249	-	-	-	-	-	8,249
Client Disbursements	1,400	2,385	-	554	-	-	-	-	-	4,339
Interest	-	-	-	-	-	-	-	-	387,890	387,890
Depreciation	-	-	-	-	-	-	-	-	857,950	857,950
Indirect Costs	26,720	81,293	41,152	450,912	31,818	4,687	-	15,814	19,332	671,728
Return to Funding Source	-	-	-	-	-	-	-	-	-	-
Real Estate Taxes	-	-	-	35,956	-	8,543	-	-	289,023	333,522
Insurance Claim Reimbursement	-	-	-	-	-	-	-	-	(706)	(706)
Renovations	-	-	-	-	-	-	-	-	-	-
Cost of Goods Sold	-	-	-	-	-	-	-	-	105,316	105,316
Bad Debt	-	-	-	-	-	-	-	-	956	956
Total	\$ 411,580	\$ 1,114,627	\$ 607,821	\$ 7,324,344	\$ 3,215,364	\$ 629,056	\$ 586,744	\$ 696,380	\$ 2,412,801	\$ 16,998,717

See accompanying auditors' report.

Fayette County Community Action Agency, Inc. and Affiliates
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2023

Cash Flows from Operating Activities:	
Increase (Decrease) in Net Assets	<u>\$ (371,119)</u>
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash Provided (Used) by Operating Activities:	
Depreciation and Amortization Expense	857,950
Non-Cash Contributions	130,691
Gain/Loss on Investments	(214,665)
(Increase) Decrease in Prepaid Expenses	28,871
(Increase) Decrease in Accounts Receivable	1,195,880
(Increase) Decrease in Inventories	64,848
(Increase) Decrease in Accrued Interest Receivable	(156,746)
(Increase) Decrease in Loan Receivable	513,811
Increase (Decrease) in Accounts Payable	(1,211,661)
Increase (Decrease) in Deferred Revenue	383,001
Increase (Decrease) in Accrued Expenses	99,290
Increase (Decrease) in Other Liabilities	<u>137,554</u>
Total Adjustments	<u>1,828,824</u>
Net Cash Provided (Used) by Operating Activities	<u>1,457,705</u>
Cash Flows from Investing Activities:	
Net Change in Securities	18,603
Purchase of Capital Assets	<u>(182,612)</u>
Net Cash Provided (Used) by Investing Activities	<u>(164,009)</u>
Cash Flows from Financing Activities:	
Reduction of Long-Term Debt	(890,133)
Lease Liability	132,195
Short-term borrowings	517,120
Repayment of short-term borrowings	<u>(700,000)</u>
Net Cash Provided (Used) by Financing Activities	<u>(940,818)</u>
Increase (Decrease) in Cash and Cash Equivalents	352,878
Cash and Cash Equivalents, Beginning of Year	<u>1,609,202</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,962,080</u></u>
Supplemental Cash Flow Information:	
Cash Paid During the Year for:	
Interest	<u>\$ 387,890</u>
Non-Cash Investing and Financing Activities:	
Leases	<u><u>\$ 101,674</u></u>

Disclosure of Accounting Policy:

For purposes of the statement of cash flows, Fayette County Community Action Agency, Inc. and Affiliates considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. ENTITIES:

Fayette County Community Action Agency, Inc. (FCCAA), a nonprofit organization, was formed on August 23, 1966, and was incorporated under the laws of the Commonwealth of Pennsylvania for the purpose of providing a better source of all available local, state, federal, and private resources. FCCAA's goal is to enable low-income individuals of all ages to attain the necessary skills, knowledge, and motivation needed for them to become self-sufficient.

Community Opportunities, Inc. (COI) is a nonprofit affiliated corporation organized for the exclusive purpose of holding title to property, collecting income therefrom, and turning over the entire amount thereof, less expenses, to FCCAA. COI was formed on March 21, 1988, and was incorporated under the laws of the Commonwealth of Pennsylvania.

Republic Food Enterprise Center, Inc. (RFEC) is a nonprofit affiliated stock corporation organized for the exclusive purpose of developing a food hub which will support the development of a variety of food-related enterprises including an aggregation center; products and services which facilitate the value, addition, and distribution of locally grown agricultural produce; and locally grown agricultural produce and manufactured food products. FCCAA owns 51 shares of RFEC stock which represents 100 percent of the issued and outstanding shares. RFEC was incorporated on July 1, 2011, under the laws of the Commonwealth of Pennsylvania.

Uniontown Senior Housing GP, Corporation (USHGP – GP Corp) is a nonprofit affiliated stock corporation organized for the exclusive purpose of entering into a limited partnership to construct and operate a low-income housing tax credit project located in Uniontown, Pennsylvania. FCCAA owns 100 shares of USHGP stock, which represents 100 percent of the issued and outstanding shares. USHGP was formed on August 4, 2009, and was incorporated under the laws of the Commonwealth of Pennsylvania.

Fairchance Elderly Housing, Inc. (FEH – GP Corp) is a nonprofit affiliated stock corporation organized for the exclusive purpose of entering into a limited partnership to construct and operate a low-income housing tax credit project located in Fairchance, Pennsylvania. FCCAA owns 100 shares of FEH stock which represents 100 percent of the issued and outstanding shares. FEH was formed February 7, 2013, and was incorporated under the laws of the Commonwealth of Pennsylvania.

Uniontown Housing Opportunity, Inc. (UHO – GP Corp) is a non-profit affiliated stock corporation organized for the exclusive purpose of entering into a limited partnership to construct and operate a low-income housing tax credit project located in Uniontown, Pennsylvania. FCCAA owns 100 shares of UHO stock which represents 100 percent of the issued and outstanding shares. UHO was formed October 28, 2019, and was incorporated under the laws of the Commonwealth of Pennsylvania.

UNIONTOWN SENIOR ASSOCIATES

1. **Uniontown Housing Development Corporation, Inc. (UHDC – GP Corp)** is a nonprofit affiliated stock corporation organized for the exclusive purpose of entering into a limited partnership to construct a senior housing apartment building in Uniontown, Pennsylvania. FCCAA owns 1,000 shares of UHDC stock, which represents 100 percent of the issued and outstanding shares. UHDC was formed on March 10, 2000, and was incorporated under the laws of the Commonwealth of Pennsylvania.

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

UNIONTOWN SENIOR ASSOCIATES (Continued)

2. **Meadow Heights LLC** was formed on August 16, 2018, under the laws of Pennsylvania, as the Successor Limited Partner, replacing Apollo Tax Credit Fund–V (Investor Limited Partner). On September 21, 2017, the investor limited partner and special limited partner assigned its interest in the Partnership to Meadow Heights, LLC, a fully owned affiliate of FCCAA.
3. **Uniontown Senior Associates, L.P. (the Partnership)** was organized under the laws of the Commonwealth of Pennsylvania on February 4, 2000, for the purpose of acquiring, constructing and operating a low-income residential housing project. The project consists of a 60-unit senior rental housing project, located in Uniontown, Fayette County, Pennsylvania and is currently operating under the name of Meadow Heights Apartments (the Project).

The Project was completed in 2002 and received certificates of occupancy for all residential units on February 20, 2002.

The Partnership has qualified for and has been allocated low-income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42) which regulates the use of the Project as to occupant eligibility and unit gross rent, among other requirements. The Partnership met the provisions of these regulations during each of fifteen consecutive years in order to remain qualified to receive the credits. In addition, the Partnership has executed an Indenture of Restrictive Covenants Agreement, which requires the utilization of the Project pursuant to Section 42 for a minimum of 30 years, even after the disposition of the Project by the Partnership.

FCCAA, through its 100%-owned affiliate UHDC, is the general partner in the Uniontown Senior Associates.

The Partnership has a general partner, Uniontown Housing Development Corporation, Inc.; a special limited partner, Apollo Housing Manager, Inc.; and an initial investor limited partner, Apollo Housing Partnership to Apollo Tax Credit Fund–V, Limited Partnership (Investor Limited Partner) pursuant to the terms of the amended and restated agreement of limited partnership. On September 21, 2017, the investor limited partner and special limited partner assigned its interest in the Partnership to Meadow Heights, LLC (Successor Limited Partner), an affiliate of the Fayette County Community Action Agency, Inc. The resulting ownership of the Partnership is as follows:

General partner	0.009%
Successor limited partner	<u>99.991%</u>
	<u>100.000%</u>

UNIONTOWN FAMILY HOMES

1. **Uniontown Family Homes, Corporation (UFHC – GP Corp)** is a nonprofit affiliated stock corporation organized for the exclusive purpose of entering into a limited partnership to construct and operate a low-income housing tax credit project located in Uniontown, Pennsylvania. FCCAA owns 500 shares of UFHC stock, which represents 100 percent of the issued and outstanding shares. UFHC was formed on October 7, 2007, and was incorporated under the laws of the Commonwealth of Pennsylvania.

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

UNIONTOWN FAMILY HOMES (Continued)

2. **Uniontown Family Housing I LLC**, was formed December 18th, 2020, under the laws of the Commonwealth of Pennsylvania, as the Successor Limited Partner, replacing PNC Bank, N.A. (Investor Limited Partner). On December 31, 2020, the Investor Limited Partner and Special Limited Partner assigned its interest in the Partnership to Uniontown Family Housing I LLC, a fully owned affiliate of FCCAA.

3. **Uniontown Family Homes, LP (the Partnership)**, was formed as a limited partnership under the laws of the Commonwealth of Pennsylvania on December 1, 2008, for the purpose of constructing, owning and operating 30 single family detached homes and one community building located in Uniontown, Pennsylvania known as Uniontown Family Homes (the "Property"). The Partnership operates the Property under the terms of Section 42 of the Internal Revenue Code ("Section 42") and the Pennsylvania Housing Finance Agency ("PHFA").

The Partners and ownership percentage are as follows (collectively, the Partners):

Uniontown Family Homes Corp. (General Partner)	0.01%
Uniontown Family Housing I LLC (Limited Partner)	99.99%
	<u>100.000%</u>

The term of the Partnership shall extend until December 31, 2058, unless sooner terminated as provided in the Partnership Agreement. Prior to December 31, 2020, the Partnership had investor limited partner of PNC Bank, N.A. (Investor Limited Partner) and a special limited partner of Columbia Housing SLP Corporation (Special Limited Partner). On December 31, 2020, the Investor Limited Partner and Special Limited Partner collectively transferred and assigned their interest in the Partnership for consideration of \$6,500. Beginning January 1, 2021, the Partnership's limited partner is Uniontown Family Housing I LLC, an affiliate of the General Partner.

B. RECENTLY ISSUED ACCOUNTING STANDARDS:

FASB issued Accounting Standards Update No. 2016-02, Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing transactions. The guidance is effective and has been adopted for the year ended June 30, 2023.

C. FUND ACCOUNTING:

The accounts of FCCAA are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. In accordance with Accounting Standards Update (ASU) No. 2016-14, net assets are classified on the statement of financial position as "without donor restriction" and "with donor restriction". Accordingly, net assets of FCCAA and changes therein are classified and reported as follows:

1. Without Donor Restriction:

Net assets that are not subject to donor-imposed restrictions.

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

FUND ACCOUNTING (Continued)

2. With Donor Restriction:

Net assets subject to donor-imposed restriction that may or will be met, either by actions of FCCAA and/or the passage of time. When a restriction expires, with donor restrictions net assets are reclassified to without donor restriction net assets and reported in the statement of activities as net assets released from restrictions.

D. ENDOWMENT AND BOARD DESIGNATED FUNDS:

FCCAA has interpreted the Commonwealth of Pennsylvania state law as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, FCCAA classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) enhancements or diminishments of the fund after amounts deemed income under Pennsylvania law. As of June 30, 2023, FCCAA had no endowments.

FCCAA received funds during Fiscal year 19 and Fiscal year 21 from the McCune Foundation, to be used for operating reserves, capitalization reserves and IT improvements. The initial \$350,000, received in fiscal year 19 and the \$2,000,000 received in fiscal year 21 must be maintained in perpetuity for the purpose of housing and community development activities. The Fund will revolve providing capital to foster the development activities of FCCAA and its affiliates. The Fund is set aside by the Board of Directors of FCCAA and can be invested in liquid assets funds. The funds are used at the Board's discretion and the Board must approve the use and the plan for repayment of the funds before disbursement.

GRANT RESTRICTIONS

The Foundation's grant consists of the following components:

1. \$750,000 will be allocated to Working Capital Fund that will be used to help manage cash flow. The Working Capital Fund can only be utilized when there is a secured source of revenue available for imminent replenishment. As of June 30, 2023, the balance was \$689,377.
2. \$500,000 will be allocated to FCCAA's Building Reserve Fund to support maintenance and repair for its facilities where services are provided. These funds will not be utilized toward FCCAA's housing development properties. As of June 30, 2023, the balance was \$505,119.
3. \$450,000 will be added to FCCAA's Affordable Housing Development Fund, which was seeded by a prior McCune Foundation grant of \$350,000, for a total initial Fund value of \$800,000. The Fund will be used for predevelopment costs such as architecture, market and environmental studies, financial work, and property acquisition costs. As of June 30, 2023, the balance was \$734,637 for the Affordable Housing Fund and \$248,226 for the Board Discretionary Fund.

The Working Capital Fund, Building Reserve Fund, and Affordable Housing Development Fund are all intended to be treated as Reserve/Revolving Funds as defined in the Foundation's Donor-Restricted Fund Agreement Addendum included with this Grant Agreement.

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

GRANT RESTRICTIONS (Continued)

The remaining \$300,000 is fully expendable over two years on a Technology Infrastructure Project as outlined in FCCAA's original proposal.

E. BASIS OF ACCOUNTING AND REVENUE RECOGNITION:

FCCAA prepares its financial statements on an accrual basis of accounting whereby support and revenues are recognized when earned and expenses are recognized when incurred.

The revenue recognition criteria applicable to FCCAA's grant funding is met when allowable expenditures are incurred. Thus, revenues have been recognized in an amount equal to allowable expenditures incurred. Any amounts received from grantors in excess of expenditures incurred are classified as deferred revenues. When expenditures incurred exceed, amounts received from grantors, a receivable has been recognized. This revenue recognition criteria is in accordance with governmental U.S. generally accepted accounting principles.

F. INTERNALLY DEVELOPED COMPUTER SOFTWARE COSTS:

Costs incurred in creating computer software are charged to expense when incurred as research and development until technological feasibility has been established. Thereafter, all software production costs are capitalized and, subsequently, reported at the lower of unamortized cost or net realizable value. Capitalized costs are amortized based on current and future revenue with an annual minimum equal to straight-line amortization over the remaining estimated economic life of the product. As of June 30, 2023, \$335,618 has been capitalized; and accumulated amortization was \$335,618.

G. INCOME TAXES:

FCCAA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. FCCAA is not classified as a private foundation.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, FCCAA may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of FCCAA, and various positions related to the potential sources of unrelated business taxable income (UBTI). Tax benefits would be recognized in the financial statements from such a position and be measured based on the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the year ended June 30, 2023.

FCCAA files Form 990 in the U.S. federal jurisdiction. FCCAA is generally no longer subject to examination by the Internal Revenue Service for years before 2019.

H. CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements include the accounts of FCCAA and its affiliated organizations, COI, RFEC, USA, UFH, UHDC, UHFC, USHGP, FEHC, and UHO (see Note 1A).

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

I. ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to use estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

J. DONATED SERVICES:

Donated services are recognized as contributions in accordance with ASC 958, *Not-For-Profit Entities*, if the services (1) create or enhance nonfinancial assets or (2) require specialized skills, are performed by people with those skills, and would otherwise be purchased by FCCAA. Services in the amount of \$593,140 were donated to FCCAA for the year ended June 30, 2023.

K. RELATED PARTY TRANSACTIONS:

The affiliate, COI, owns the administrative buildings, and FCCAA leases space from COI. Building rental and parking fees amounted to \$482,619 and utilities reimbursement was \$29,502 for the year ended June 30, 2023. In turn, COI paid to FCCAA \$58,171 for management services.

The affiliate, RFEC, rents the Republic building from FCCAA. Building rental fees amounted to \$67,608 for the year ended June 30, 2023. Additionally, FCCAA has loaned a total of \$1,554,688 to RFEC for operational costs related to the program (see Note 11).

The affiliate, USA, utilizes FCCAA maintenance for snowplowing which amounted to \$-0- and Asset Management fees in the amount of \$5,434. FCCAA has loaned a total of \$118,569 to USA for a construction loan. Accrued interest receivable on the loan at June 30, 2023, is \$350,314.

FCCAA has loaned, the Affiliate, UFH a total of \$480,000 through two loans to construct new homes. Accrued interest receivable on these loans at June 30, 2023 is \$510,803. Asset Management Fee's in the amount of \$10,469 were paid to FCCAA.

FCCAA Board agreed to forgive \$530,287 of debt due from RFEC to FCCAA related to the Accounts Payable's and Accounts Receivables of each organization. This reduced FCCAA's equity during FYE 23 and increased the equity of RFEC for FYE 23.

Intercompany balances at June 30, 2023, consisted of:

	FCCAA	COI	RFEC	USA LP	UFH LP	UHDC	UFHC	USHGP	FEH	UHO	Totals
Accounts receivable	\$ 297,286	\$ 2,456	\$ 30,864	\$ -	\$ -	\$ 1,000	\$ 100	\$ 100	\$ 100	\$ 100	\$ 332,006
Accrued interest receivable	861,117	-	-	-	-	-	-	-	-	-	861,117
Accounts payable	(34,720)	(288,582)	(8,704)	-	-	-	-	-	-	-	(332,006)
Accrued interest payable	-	-	-	(350,314)	(510,803)	-	-	-	-	-	(861,117)
Investment in subsidiary	4,758,861	-	-	-	-	-	-	-	-	-	4,758,861
Intercompany loans	2,153,257	-	(1,554,688)	(118,569)	(480,000)	-	-	-	-	-	-
Stock and contributed capital	-	-	(51)	(1,502,847)	(2,672,746)	(1,000)	(292,383)	(100)	(289,634)	(100)	(4,758,861)
	<u>\$ 8,035,801</u>	<u>\$ (286,126)</u>	<u>\$ (1,532,579)</u>	<u>\$ (1,971,730)</u>	<u>\$ (3,663,549)</u>	<u>\$ -</u>	<u>\$ (292,283)</u>	<u>\$ -</u>	<u>\$ (289,534)</u>	<u>\$ -</u>	<u>\$ -</u>

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

RELATED PARTY TRANSACTIONS (Continued)

All intercompany transactions have been eliminated in consolidation.

FCCAA has made loans to four low-income housing tax credit partnerships, in which FCCAA is the general partner through its affiliated nonprofit stock corporations. These loans total \$1,868,084 at June 30, 2023. FCCAA earns development fees from these partnerships.

L. CONCENTRATION OF CREDIT RISK:

Approximately 68% of FCCAA's total revenues are a result of federal and state grant funds. These funds require the fulfillment of certain conditions established by the grant contract. Failure to fulfill the conditions could result in the return of funds to the grantor. Management is not aware of any material items of noncompliance, which would result in the disallowance of program expenditures.

M. INVENTORY:

Under various programs, FCCAA maintains inventory of food at its food bank location. Feeding America's product valuation of \$1.72 per pound was used to determine the value for donated food. Commodities inventory was valued at USDA assigned values. Purchased inventory was valued at actual cost. The food inventory value on hand at year end was \$401,790, which consisted of purchased inventory of \$192,595 and commodities of \$209,195. RFEC had additional inventories of \$11,773 as of June 30, 2023.

N. INDIRECT COST PLAN:

Directly identifiable expenses are charged to the applicable program; however, shared costs are allocated to the specific programs utilizing the following indirect cost plan. Costs included in the indirect cost plan include costs associated with central management and administration, employee fringe benefits, and employee leave benefits. In more detail, they consist of the following:

1. Central Management and Administrative Costs:

Costs that are necessary and beneficial to all programs. Specifically, they are (a) central management and administrative salaries, (b) related fringe benefits, and (c) various non-salary central management and administrative costs.

2. Employee Fringe Benefits:

Consists of benefits for all employees whether their salaries are charged as direct or indirect.

3. Employee Leave Benefits:

Consists of paid time off (PTO), holiday, bereavement, and administrative leave.

In general, central management and administrative costs were allocated based upon an indirect cost rate calculated by dividing the total indirect costs by the direct cost base of each program. Employee fringe benefits were accumulated and then distributed to each project utilizing a rate that represented the ratio of fringe costs to total salaries by employee classifications. Finally, employee leave benefits are allocated on the basis of in-service salaries charged to the specific program. Regardless of the allocation method, indirect costs are calculated monthly.

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

NOTE 2: CASH:

FCCAA considers all checking and savings accounts to be cash equivalents. Cash and cash equivalents as of June 30, 2023, consisted of the following:

	<u>FCCAA</u>	<u>COI</u>	<u>RFEC</u>	<u>USA LP</u>	<u>UFH LP</u>	<u>TOTAL</u>
Restricted:						
Checking	\$ 6,431	\$ -	\$ 870	\$ 249,368	\$ 455,950	\$ 712,619
Savings	101,425	-	-	-	-	101,425
Unrestricted:						
Checking	880,712	3,875	192,430	33,178	36,820	1,147,015
Savings	-	575	-	-	-	575
Petty Cash	418	-	28	-	-	446
Total	<u>\$ 988,986</u>	<u>\$ 4,450</u>	<u>\$193,328</u>	<u>\$282,546</u>	<u>\$492,770</u>	<u>\$1,962,080</u>

Cash accounts at banks are insured by FDIC for up to \$250,000.

NOTE 3: CERTIFICATES OF DEPOSIT:

The agency periodically maintains funds in certificates of deposit which, in accordance with FCCAA's policy, are not considered cash equivalents. There were no certificates of deposit at June 30, 2023.

NOTE 4: LONG-TERM DEBT:

	<u>Total</u>	<u>Current</u>	<u>Long Term</u>
FCCAA's long-term debt payable at June 30, 2023 is as follows:			

FNB 2018 Consolidated Loan

On March 27, 2018, COI entered into a loan with First National Bank of Pennsylvania in the amount of \$2,960,000. The purpose of this loan was to consolidate the following FCCAA and COI loans and their current principal payments; FNB \$1,720,814, United Bank \$412,874, Community Bank \$155,401, Bridgeway Capitol \$76,175, and WPPSEF \$568,121; of this total principal amount, \$1,353,816 or 45.737% of the loan was borrowed by COI and \$1,606,184 or 54.2630% by FCCAA.

The term of the note requires 60 monthly consecutive principal and interest payments in the initial amount of \$24,076.42 each, beginning April 27, 2018, with interest calculated on the unpaid principal balance using the initial discounted interest rate of 5.35%, then 120 monthly payments in the amount of \$24,173.78 each beginning April 27, 2023, for principal and interest. Interest calculated on the unpaid principal balances using an

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

LONG-TERM DEBT (Continued)

	<u>Total</u>	<u>Current</u>	<u>Long Term</u>
<p>interest rate based on FNB of Pennsylvania Five (5) year cost of funds rate (currently 2.937%), plus a margin of 2.500%, resulting in an initial interest rate of 5.437%. Final payment will be due March 27, 2033, for all principal and accrued interest not yet paid. On October 1, 2020, the interest rate was modified to a new lower rate of 3.7% fixed until March 27, 2023. On March 27, 2023, the interest rate reset from 3.7% to 6.854% fixed until March 27, 2028. The interest rate will reset to FNB's Five (5) year Cost of Funds Ratio plus Two Hundred Fifty basis points, (250 b.p) fixed for Five years with successive Five (5) year resets. New monthly payments are \$25,348.29. As of June 30, 2023, the outstanding balance on this note was \$2,150,170.</p>	\$2,150,171	\$ 161,042	\$1,989,129

SBA Flood

<p>On August 15, 2016, FCCAA and COI jointly entered into a loan agreement with the U.S. Small Business Administration in the amount of \$106,300. The original terms included an interest rate of 2.625% per annum; installment payments, including principal and interest, of \$440 to begin September 15, 2017. The balance of principal and interest will be payable Thirty (30) years from the date of the promissory note, September 15, 2046. As of June 30, 2023, the outstanding balance on this note was \$91,078.</p>	\$ 91,078	\$ 2,887	\$ 88,191
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SBA EIDL

On May 16, 2020, FCCAA entered into a loan agreement with the U.S. Small Business Administration, Economic Injury Disaster Loan Program (EIDL) in the amount of \$150,000 and also received \$10,000 from the EIDL Emergency Advance Program. The purpose of this loan was solely to be used as working capital to alleviate economic injury caused by the COVID-19 pandemic. Installment payments, including principal and interest, of \$641 monthly, will begin Twelve (12) months from the date of the promissory note, May 16, 2021. Interest will accrue at the rate of 2.75 % per annum. The balance of principal and interest will be payable Thirty (30) years from the date of the promissory Note, May 16, 2050. On March 12, 2021, the SBA extended the original due date for repayment from Twelve (12) months to Twenty-four (24) months from the date of the note. First payment will

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

LONG-TERM DEBT (Continued)

	<u>Total</u>	<u>Current</u>	<u>Long Term</u>
<p>begin May 16, 2022. SBA extended the due date to November 2022. FCCAA recognized the \$10,000 received from the advance as revenue for FYE 21. As of June 30, 2023, the outstanding balances on this note was \$150,000.</p> <p><u>1st National – FSC Loan</u></p> <p>On February 21, 1997, COI entered into a loan agreement with the Uniontown Downtown Business Authority for \$2,875,027 to be used to construct a Family Service Center to be used by FCCAA. As of February 21, 2009, COI had borrowed \$2,075,139 under the loan agreement. The original terms of the loan required interest to accrue at the annual rate of 6% on the unpaid balance until November 21, 1998, then at 5.49% for 120 months. In October 2003, COI negotiated an interest rate reduction from 5.49% to 4.29%. In March 2009, COI negotiated an interest rate reduction from 4.29% to 2.34%. Payments of principal and interest in the amount of \$10,835 were due monthly. On June 30, 2014, the Uniontown Downtown Business District Authority modified the loan agreement through the issuance of a promissory note to FCCAA with the sole purpose of discharging the COI loan agreement and making FCCAA the principal party on the agreement with Uniontown Downtown Business District Authority. In turn, FCCAA entered a master lease agreement with COI, whereby FCCAA will sublease the premises to COI in order to allow COI to maintain the right to continue the existing leases and enter into subleases with other users.</p> <p>The master lease agreement between FCCAA and COI is for 29 years beginning June 30, 2014, and ending February 28, 2043. The maturity date of the loan was modified to February 21, 2029. The modification requires interest during the initial Five (5) year period to accrue at 2.34%. Rate is presented to be tax free. The interest rate was reset March 2019 to 3.960%. The rate will reset for each remaining 60 months thereafter. Payments of principal and interest are due monthly in the amount of \$11,740.78. The outstanding balance at June 30, 2023, was \$710,486.</p>	\$150,000	\$ -	\$150,000
	\$710,486	\$114,822	\$595,664
<u>Other Subsidiary Loans</u>	\$1,719,818	\$30,118	\$1,689,700

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

LONG-TERM DEBT (Continued)

	<u>Total</u>	<u>Current</u>	<u>Long Term</u>
<u>Leases</u>			
Effective July 1, 2022, FCCAA adopted the new lease accounting guidance in Accounting Standards Update No. 2016-02 Leases (Topic 842).			
As a result of the implementation of the new lease accounting guidance, FCCAA originally recognized \$177,288 in lease liabilities and requires monthly payments of principal and interest of approximately \$4,628. As of June 30, 2023, a lease liability of \$ 132,195 remains. FCCAA's incremental borrowing rate is currently 8.25%.	\$132,195	\$ 47,325	\$ 84,870

The following schedule represents future debt service requirements for FCCAA. This schedule includes notes payable, capital leases, and recoverable grants.

<u>Year Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	356,194	188,169	544,363
2025	1,401,604	164,621	1,566,225
2026	383,816	144,571	528,387
2027	378,291	124,444	502,735
2028	397,184	104,862	502,046
2029-2052	<u>2,036,659</u>	<u>283,634</u>	<u>2,320,293</u>
Total	<u>\$4,953,748</u>	<u>\$1,010,301</u>	<u>\$5,964,049</u>

NOTE 5: FIXED ASSETS:

Fixed assets are recorded at cost or fair market value at the date of acquisition. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Fixed asset purchases from grant funds are recorded as expenditures in the current period when title is retained by the grantor. Fixed asset purchases from grant funds are capitalized when title is held by FCCAA.

Expenditures for construction and renovation costs are debited to construction in progress as incurred until the project is complete, at which time the accumulated costs are transferred to property and equipment and depreciated over their estimated useful lives.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, FCCAA reports when the donated or acquired assets are placed in service as instructed by the donor. FCCAA reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

FIXED ASSETS (Continued)

Property and Equipment consist of the following:

	<u>FCCAA</u>	<u>COI</u>	<u>RFEC</u>	<u>USA</u>	<u>UFC</u>	<u>CONSOLIDATED</u> <u>TOTAL</u>
Construction in Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land	273,385	268,317	-	13,381	533,303	1,088,386
Land Improvements	24,276	-	-	-	-	24,276
Building	1,862,644	8,009,330	-	3,625,427	-	13,497,401
Building Improvements	3,201,412	2,096,165	15,550	17,387	6,190,596	11,521,110
Equipment	1,946,619	643,503	51,161	113,721	39,447	2,794,451
Equipment Leases	194,310	-	-	-	-	194,310
Internally Develop Software	335,618	-	-	-	-	335,618
Donated and Purchased Software	128,105	-	-	-	-	128,105
	<u>7,966,369</u>	<u>11,017,315</u>	<u>66,711</u>	<u>3,769,916</u>	<u>6,763,346</u>	<u>29,583,657</u>
Less Accumulated Depreciation	<u>(4,452,457)</u>	<u>(6,767,385)</u>	<u>(33,273)</u>	<u>(1,376,488)</u>	<u>(2,164,877)</u>	<u>(14,794,480)</u>
	<u>\$ 3,513,912</u>	<u>\$ 4,249,930</u>	<u>\$ 33,438</u>	<u>\$ 2,393,428</u>	<u>\$ 4,598,469</u>	<u>\$ 14,789,177</u>

NOTE 6: LINE OF CREDIT(S):

In July 2015, FCCAA and COI jointly entered into a loan agreement with First National Bank, Hermitage PA, for a variable rate Nondisclosable Revolving Line of Credit Loan, for the specific purpose of providing Working Capital, in the amount of \$500,000 at an interest rate of prime plus .2500%, currently five-point seven five percent (5.75%) per annum. Line of Credit is payable on demand. On July 30, 2019, the Line of Credit Note was amended to reflect the principal amount under the Note be increased from \$500,000 to \$750,000. On January 18, 2022, the Line of Credit was amended to reflect the principal amount under the Note be increased from \$750,000 to \$1,250,000. As of June 30, 2023, the outstanding balance was \$650,000.

On February 28, 2022, FCCAA entered into a Non-Revolver Line of Credit Note agreement with Pittsburgh National Bank, Wilmington, Delaware, in the amount of \$500,000, at an interest rate per annum, which at all times equal to the Base Rate (Prime Rate) minus 50 basis points (0.50%). Accrued interest will be due and payable on the same day each month beginning March 28, 2022. The outstanding principal balance and any accrued but unpaid interest shall be due and payable on the expiration date, which is February 28, 2023. These funds are to be used specifically for predevelopment cost for Beeson Town Home (LIHTC). A loan receivable was established to reflect the amount due from Beeson Town Homes upon completion of construction. The loan was paid in full on April 28, 2023.

NOTE 7: RECOVERABLE GRANTS:

FCCAA received a recoverable grant from the Local Initiatives Support Corporation (LISC) to assist with the predevelopment costs associated with new local projects. FCCAA received \$19,500, which was recognized as revenue in FYE 20. These funds are required to be repaid to LISC upon completion/implementation of the project. However, in the event that the project fails, the grant funds

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

RECOVERABLE GRANTS: (Continued)

may be forgiven by LISC. The maturity date on this recoverable grant was extended by LISC until the end of October 31, 2022. This recoverable grant was paid in full on June 15, 2023.

NOTE 8: EMPLOYEE BENEFIT PLANS:

FCCAA provides a 401(k)-profit sharing plan for its employees. The plan covers substantially all employees, provided they are credited at least 1,000 hours of service within a 12-month period, beginning on the date of employment. The plan provides for a profit-sharing contribution equal to 5.5% of compensation and for a matching contribution equal to 25% of salary deferral contributions that do not exceed 6% of compensation. Plan expenses were \$180,887 for the year ended June 30, 2023.

NOTE 9: UNDERWATER ENDOWMENTS:

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the original gifted amount. As of June 30, 2023, FCCAA had no endowment funds that would be considered “underwater”.

NOTE 10: FAIR VALUE MEASUREMENTS:

The financial statements reflect the adoption of Accounting Standards Codification No. 820 (ASC 820), *Fair Value Measurements*. ASC 820 is effective for financial statements issued for fiscal years beginning after November 17, 2007. ASC 820 established a single authoritative definition of fair value, sets a framework for measuring fair value, and requires additional disclosures about fair value measurement.

Fair value at June 30, 2023, consisted of:

	<u>FCCAA</u>	<u>COI</u>	<u>USA, LP</u>	<u>UFH LP</u>	<u>USHGP</u>	<u>FEH</u>	<u>UHO</u>	<u>Eliminations</u>	<u>Consolidated Totals</u>
Private equity:									
Uniontown Housing Development Corporation	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,000)	\$ -
Uniontown Family Homes Corporation	292,383	-	-	-	-	-	-	(292,383)	-
Uniontown Senior Housing GP Corporation	100	-	-	-	-	-	-	(100)	-
Republic Food Enterprise Center, Inc.	51	-	-	-	-	-	-	(51)	-
Fairchance Elderly	100	-	-	-	-	-	-	(100)	-
Uniontown Housing Opp.	100	-	-	-	-	-	-	(100)	-
Partnerships:									
Uniontown Senior Housing, LP	-	-	-	-	(165,187)	-	-	-	(165,187)
Fairchance Senior Housing, LP	-	-	-	-	-	289,454	-	-	289,454
Mutual Funds:									
Equity	1,524,739	-	-	-	-	-	-	-	1,524,739
Fixed Income	468,496	-	-	-	-	-	-	-	468,496
Cash equivalents	184,124	-	-	-	-	-	-	-	184,124
UFH/USA Reserve Accounts	-	-	242,537	438,277	-	-	-	-	680,814
Community Foundation of Fayette County	10,660	-	-	-	-	-	-	-	10,660
	<u>\$ 2,481,753</u>	<u>\$ -</u>	<u>\$ 242,537</u>	<u>\$ 438,277</u>	<u>\$ (165,187)</u>	<u>\$ 289,454</u>	<u>\$ -</u>	<u>\$ (293,734)</u>	<u>\$ 2,993,100</u>

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

FAIR VALUE MEASUREMENTS (Continued)

In accordance with ASC 820, FCCAA classifies its investments into Level 1, which refers to securities traded in an active market; Level 2, which refers to securities not traded on an active market but for which observable market inputs are readily available or Level 3, which refers to securities not traded in an active market and for which no significant observable market inputs are available.

Fair value was determined as follows:

	Quoted Market Prices in <u>Active Markets</u>	Other Observable <u>Inputs</u>	Unobservable <u>Inputs</u>	<u>Eliminations</u>	Consolidated <u>Totals</u>
Private equity	\$ -	\$ 1,451	\$ -	\$ (1,451)	\$ -
Partnerships	-	124,267	-	-	\$ 124,267
Mutual funds	2,188,019	-	-	-	\$ 2,188,019
Other	-	680,814	-	-	\$ 680,814
	<u>\$ 2,188,019</u>	<u>\$ 806,532</u>	<u>\$ -</u>	<u>\$ (1,451)</u>	<u>\$ 2,993,100</u>

Generally, for all securities, loans, hybrid financial instruments, private equity investments, and long-term debt, fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. When the fair value of assets and liabilities cannot be determined in this manner, fair value is estimated using the present value of expected cash flows.

NOTE 11: LOANS RECEIVABLE:

A Summary of Loans, Interest Receivable and Elimination on Consolidated Statements are as follows:

<u>Affiliates</u>	Loans Receivable <u>2023</u>	Interest Receivable <u>2023</u>	Total <u>Receivables</u>	Eliminations on <u>Schedules</u>	Loans Receivable After <u>Eliminations</u>	Interest Receivable After <u>Eliminations</u>
U'town Senior Assoc	\$ 118,569	\$ 350,314	\$ 468,883	\$ (468,883)	\$ -	\$ -
U'town Family Homes	400,000	428,576	828,576	(828,576)	-	-
U'town Family Homes	80,000	82,227	162,227	(162,227)	-	-
Republic Food Enter.	827,415	-	827,415	(827,415)	-	-
Republic Food Enter.	727,273	-	727,273	(727,273)	-	-
U'town Elm Street	47,205	-	47,205	-	47,205	-
FCE Senior Housing	249,230	28,675	277,905	-	249,230	28,675
FCE Senior Housing	500,000	-	500,000	-	500,000	-
FCE Senior Housing	447,415	-	447,415	-	447,415	-
FCE Senior Housing	25,666	-	25,666	-	25,666	-
Totals	<u>\$ 3,422,773</u>	<u>\$ 889,792</u>	<u>\$ 4,312,565</u>	<u>\$ (3,014,374)</u>	<u>\$ 1,269,516</u>	<u>\$ 28,675</u>

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

LOANS RECEIVABLE (Continued)

Loans receivable and accrued interest from FCCAA's affiliates, USA, UFH and RFEC have been eliminated in the consolidated statements. The consolidated entry for the loans receivable is \$2,153,257 and interest receivable is \$861,117, totaling \$3,014,374. As of June 30, 2023, consolidated loans receivable and accrued interest, net of these eliminations, was \$1,269,516 and \$28,675, respectively.

A. UNIONTOWN SENIOR ASSOCIATES:

FCCAA, through its 100%-owned affiliate UHDC, is the general partner in Uniontown Senior Associates, a limited partnership established to construct a senior housing apartment building in Uniontown, Pennsylvania. FCCAA has committed to loan a total of \$305,000 to the partnership. Of this amount, \$205,000 will be obtained through various grants and \$100,000 will be funded through other sources. On November 16, 2017, FCCAA received a partial principal payment in the amount of \$149,931. Interest accrues annually at 5.82% on these loans to Uniontown Senior Associates based on the monthly compounded applicable federal rate during the month of substantial completion of the project and is deferred for a period of 30 years. The outstanding loan receivable at June 30, 2023, was \$118,569 and total accrued interest was \$350,314.

B. UNIONTOWN FAMILY HOMES:

In November 2008, FCCAA through its 100%-owned affiliate UHFC, loaned a total of \$480,000 through two loans to Uniontown Family Homes LP, a limited partnership established to construct new homes throughout Uniontown, Pennsylvania. These loans consisted of a \$400,000 grant awarded by the Federal Home Loan Bank of Pittsburgh and \$80,000, which was a combination of Act 137 funds and a grant received from LISC. Interest accrues annually on both loans at 5.25% for a period of 17 years at which time the principal and accrued interest is due. The outstanding loan receivable at June 30, 2023, was \$480,000 and total accrued interest was \$510,803.

C. UNIONTOWN ELM STREET:

In April 2010, FCCAA through its affiliate USHGP, loaned \$47,205 to Uniontown Elm Street Senior Housing LP, a limited partnership established to construct a senior housing apartment building in Uniontown, Pennsylvania. This loan consisted of a \$47,205 grant awarded by the Federal Home Loan Bank of Pittsburgh. The loan bears no interest and is due in 30 years. The outstanding loan receivable at June 30, 2023, was \$ 47,205.

D. FAIRCHANCE SENIOR HOUSING:

On June 27, 2019, FCCAA entered into a loan agreement for \$249,230 with Fairchance Senior Housing, LP, a limited partnership established to construct a low-income senior housing apartment building in Fairchance, Pennsylvania. This loan consisted of a \$25,000 grant awarded by the Fayette County Redevelopment Authority Act 137 funds, and a \$75,000 grant awarded by West Penn Power Sustainable Energy Fund. Interest accrues annually at 2.76% on this loan to Fairchance Senior Housing based on the applicable Federal rate established under the Internal Revenue Code in effect at the time this note was made. All unpaid interest and principal of the loan shall be repaid in full upon the maturity date, which shall be the later of thirty-five (35) years from completion of construction of the project or January 1, 2056. Prior to the maturity date, payments of principal and interest on the loan shall be made to the extent of available cash flow as set forth in the Amended and Restated Agreement of Limited Partnership of the Maker. Maker may prepay the unpaid principal balance of this note in full or in part without a premium or penalty. The outstanding balance of this loan receivable at June 30, 2023, was \$249,230 and total accrued interest was \$28,675.

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

LOANS RECEIVABLE (Continued)

In June 2019, FCCAA through its affiliate FCE Elderly Housing, Inc. loaned a total of \$947,414 through two loans to Fairchance Senior Housing, LP. These loans consisted of a \$500,000 grant awarded by the Federal Home Loan Bank of Atlanta and \$447,414 grant awarded by the Federal Home Loan Bank of Pittsburgh. These loans bear no interest. The outstanding balance of these loan receivables at June 30, 2023, was \$947,414.

E. REPUBLIC FOOD ENTERPRISE CENTER:

In February 2018, FCCAA entered into a loan agreement with Republic Food Enterprise Center, Inc. (RFEC) to consolidate the two existing loans with RFEC; Loan 1 entered into on March 1, 2013, for \$405,000 and Loan 2 entered into on December 15, 2015, for \$720,000. The new loan was entered into on February 15, 2018, for a total outstanding principal balance of \$1,041,741.11. The total amount is priced at the fixed rate of 3% per annum. Principal and interest are payable over a ten-year term, based on a twenty-year amortization, as follows: \$5,777.47 on February 15, 2018, and continuing on the 15th day of each consecutive month, thereafter through December 15, 2026, and all remaining principal and interest shall be due on January 15, 2027. On July 1, 2020, FCCAA and RFEC amended the loan agreement, note and security agreement. Borrower (RFEC) will repay the balance due as of July 1, 2020, \$946,426, together with interest at the rate of 2% per annum, principal and interest payable over a 10-year term, based on 20-year amortization as follows: \$4,787.81 on July 15, 2020, and the 15th day of each consecutive calendar month thereafter, through May 15, 2030, and all remaining principal and interest shall be due on June 15, 2030. The outstanding loan receivable at June 30, 2023 was \$827,415.

F. REPUBLIC FOOD ENTERPRISE CENTER:

On December 14, 2021, FCCAA entered into a loan agreement with Republic Food Enterprise Center, Inc. (RFEC) for \$727,273 for the operations (working capital). The funds are from the United States Department of Health and Human Services. The total amount is priced at the fixed rate of 2% per annum. Principal and interest shall be paid over a twenty year term, based on a eighteen year amortization as follows: interest on the unpaid balance on January 10, 2022 and on the 10 day of each consecutive month thereafter through December 10, 2023; \$4012.13 on January 10, 2024 and continuing on the 10 day of each consecutive month thereafter through November 10, 2041; and all remaining principal and interest shall be due on December 10, 2041; provided however, that if any payment is not made by the date it is due a penalty of \$100.00 will be imposed; said payments to be applied first to penalties, then to interest and the balance there of to principal, with the right to prepay all or any part of the principal at anytime without penalty. The outstanding loan receivable at June 30, 2023 was \$727,273.

NOTE 12: LIQUIDITY AND FUNDS AVAILABLE:

The following table reflects FCCAA's financial assets as of June 30, 2023, reduced by amounts not available for general expenditure within one year. Financial assets are considered unavailable when illiquid or not convertible to cash within one year.

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Financial Statements
June 30, 2023

LIQUIDITY AND FUNDS AVAILABLE (Continued)

Financial Assets:	
Cash and cash equivalents	\$ 1,148,036
Accounts receivable	604,863
Investments	<u>937,602</u>
Financial Assets, at End of Year	<u>2,690,501</u>
Less Those Unavailable for General Expenditures Within One Year Due to:	
Replacement reserve	(101,425)
Deferred revenue	(1,048,335)
Payables to tenants	<u>(28,164)</u>
	(1,177,924)
Financial Assets Available to Meet Cash Needs For General Expenditures Within One Year	<u>\$ 1,512,577</u>

NOTE 13: RISKS AND UNCERTAINTIES:

The Organization receives significant financial assistance from governmental agencies in the form of contracts and grants. The disbursement of funds received under such programs generally requires compliance with terms and conditions specified in the contract/grant agreements and are subject to audit by grantor agencies. Any disallowed costs resulting from such audits could become a liability of the Organization. The amount of any expenditures that may be disallowed by the granting agencies cannot be determined at this time. The Organization's management expects such amounts, if any, to be immaterial.

NOTE 14: SUBSEQUENT EVENTS:

Subsequent events were evaluated through January 10, 2024, which is the date the financial statements were available to be issued. The Republic Food Enterprise (RFEC) Board of Directors agreed to cease operations at RFEC on Friday, November 17, 2023. The Board continues to evaluate the viability of the Organization and the impact to FCCAA. There were no other events subsequent to June 30, 2023, which were required to be recorded or disclosed in the financial statements.

Fayette County Community Action Agency, Inc. and Affiliates

Single Audit Report

III

Supplementary Information

Fayette County Community Action Agency, Inc. and Affiliates
Schedule of Consolidating Statement of Financial Position
June 30, 2023

	Fayette County Community Action Agency, Inc.	Community Opportunities, Inc.	Republic Food Enterprise Center, Inc.	Consolidated Affiliate Housing Development Total	Consolidation Entries	Total Consolidated
ASSETS						
Current Assets:						
Cash, Unrestricted	\$ 881,130	\$ 4,450	\$ 192,458	\$ 69,998	\$ -	\$ 1,148,036
Cash, Restricted	107,856	-	870	705,318	-	814,044
Inventory	401,790	-	11,773	-	-	413,563
Accounts and Grants Receivable	873,979	6,620	44,042	12,228	(332,006)	604,863
Prepaid Expenses	-	-	893	5,338	-	6,231
Investments in Securities, Unrestricted	937,602	-	-	-	-	937,602
Investments in Securities, Restricted	1,250,416	-	-	-	-	1,250,416
Total Current Assets	<u>4,452,773</u>	<u>11,070</u>	<u>250,036</u>	<u>792,882</u>	<u>(332,006)</u>	<u>5,174,755</u>
Other Assets:						
Property and Equipment, Net of Depreciation	3,513,912	4,249,930	33,438	6,991,897	-	14,789,177
Capitalized Software Costs, Net of Amortization	-	-	-	-	-	-
Accrued Interest Receivable	889,792	-	-	-	(861,117)	28,675
Development Fees Receivable	-	-	-	-	-	-
Loans Receivable	3,422,773	-	-	-	(2,153,257)	1,269,516
Investment in Partnership	-	-	-	124,267	-	124,267
Other Investments	-	-	-	-	-	-
Investment in Subsidiary	4,758,861	-	-	291,746	(5,050,607)	-
Total Other Assets	<u>12,585,338</u>	<u>4,249,930</u>	<u>33,438</u>	<u>7,407,910</u>	<u>(8,064,981)</u>	<u>16,211,635</u>
Total Assets	<u>\$ 17,038,111</u>	<u>\$ 4,261,000</u>	<u>\$ 283,474</u>	<u>\$ 8,200,792</u>	<u>\$ (8,396,987)</u>	<u>\$ 21,386,390</u>
LIABILITIES AND NET ASSETS						
Current Liabilities:						
Accounts Payable	\$ 675,993	\$ 299,936	\$ 33,085	\$ 98,062	\$ (332,006)	\$ 775,070
Match Funds Payable	11,001	-	-	-	-	11,001
Due to Grantor Payable	-	-	-	-	-	-
Recoverable Grants	-	-	-	-	-	-
Deferred Revenue	1,253,926	2,387	1,217	-	-	1,257,530
Accrued Payroll and Leave	331,278	-	11,482	-	-	342,760
Accrued Expenses	7,846	-	-	38,471	-	46,317
Line of Credit	650,000	-	-	-	-	650,000
Lease Liability, Current	47,324	-	-	-	-	47,324
Notes Payable, Current	90,274	188,478	41,282	30,118	(41,282)	308,870
Total Current Liabilities	<u>3,067,642</u>	<u>490,801</u>	<u>87,066</u>	<u>166,651</u>	<u>(373,288)</u>	<u>3,438,872</u>
Long-Term Obligations	<u>1,402,486</u>	<u>1,505,366</u>	<u>1,513,406</u>	<u>3,149,388</u>	<u>(2,973,092)</u>	<u>4,597,554</u>
Common Stock and Contributed Capital:						
\$1 Par Value, 50,000 Shares Authorized, 1,000 Shares Issued and Outstanding	-	-	-	1,000	(1,000)	-
No Par Value, 10,000 Shares Authorized, 500 Shares Issued and Outstanding	-	-	-	100	(100)	-
\$1 Par Value, 100 Shares Authorized, 100 Shares Issued and Outstanding	-	-	51	300	(351)	-
Contributed Capital	-	-	-	581,817	(581,817)	-
Total Common Stock and Contributed Capital	<u>-</u>	<u>-</u>	<u>51</u>	<u>583,217</u>	<u>(583,268)</u>	<u>-</u>
Net Assets:						
Without Donor Restrictions	10,167,983	2,264,833	(1,317,049)	4,301,536	(4,467,339)	10,949,964
With Donor Restrictions	2,400,000	-	-	-	-	2,400,000
Total Net Assets	<u>12,567,983</u>	<u>2,264,833</u>	<u>(1,317,049)</u>	<u>4,301,536</u>	<u>(4,467,339)</u>	<u>13,349,964</u>
Total Liabilities and Net Assets	<u>\$ 17,038,111</u>	<u>\$ 4,261,000</u>	<u>\$ 283,474</u>	<u>\$ 8,200,792</u>	<u>\$ (8,396,987)</u>	<u>\$ 21,386,390</u>

See accompanying auditors' report.

Fayette County Community Action Agency, Inc. and Affiliates
Consolidating Affiliate Housing Development Schedule of Financial Position
June 30, 2023

	Uniontown Senior Associates, LP	Uniontown Family Homes LP	Uniontown Housing Development Corporation, Inc.	Uniontown Family Homes Corporation	Uniontown Senior Housing GP Corporation	Fairchance Elderly Housing Inc.	Uniontown Housing Opp. Inc.	Affiliate Total
ASSETS								
Current Assets:								
Cash, Unrestricted	\$ 33,178	\$ 36,820	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 69,998
Cash, Restricted	249,368	455,950	-	-	-	-	-	705,318
Inventory	-	-	-	-	-	-	-	-
Accounts and Grants Receivable	-	10,828	1,000	100	100	100	100	12,228
Prepaid Expenses	5,338	-	-	-	-	-	-	5,338
Investments in Securities, Unrestricted	-	-	-	-	-	-	-	-
Investments in Securities, Restricted	-	-	-	-	-	-	-	-
Total Current Assets	<u>287,884</u>	<u>503,598</u>	<u>1,000</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>792,882</u>
Other Assets:								
Property and Equipment, Net of Depreciation	2,393,428	4,598,469	-	-	-	-	-	6,991,897
Capitalized Software Costs, Net of Amortization	-	-	-	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-	-	-	-
Development Fees Receivable	-	-	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-	-
Investment in Partnership	-	-	-	-	(165,187)	289,454	-	124,267
Other Investments	-	-	-	-	-	-	-	-
Investment in Subsidiary	-	-	(199)	291,945	-	-	-	291,746
Total Other Assets	<u>2,393,428</u>	<u>4,598,469</u>	<u>(199)</u>	<u>291,945</u>	<u>(165,187)</u>	<u>289,454</u>	<u>-</u>	<u>7,407,910</u>
Total Assets	<u>\$ 2,681,312</u>	<u>\$ 5,102,067</u>	<u>\$ 801</u>	<u>\$ 292,045</u>	<u>\$ (165,087)</u>	<u>\$ 289,554</u>	<u>\$ 100</u>	<u>\$ 8,200,792</u>
LIABILITIES AND NET ASSETS								
Current Liabilities:								
Accounts Payable	\$ 35,730	\$ 62,332	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 98,062
Match Funds Payable	-	-	-	-	-	-	-	-
Due to Grantor Payable	-	-	-	-	-	-	-	-
Recoverable Grants	-	-	-	-	-	-	-	-
Deferred Revenue	-	-	-	-	-	-	-	-
Accrued Payroll and Leave	-	-	-	-	-	-	-	-
Accrued Expenses	22,857	15,614	-	-	-	-	-	38,471
Line of Credit	-	-	-	-	-	-	-	-
Notes Payable-PPP	-	-	-	-	-	-	-	-
Notes Payable, current	30,118	-	-	-	-	-	-	30,118
Total Current Liabilities	<u>88,705</u>	<u>77,946</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,651</u>
Long-Term Obligations	<u>1,089,959</u>	<u>2,059,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,149,388</u>
Common Stock and Contributed Capital:								
\$1 Par Value, 50,000 Shares Authorized, 1,000 Shares Issued and Outstanding	-	-	1,000	-	-	-	-	1,000
No Par Value, 10,000 Shares Authorized, 500 Shares Issued and Outstanding	-	-	-	100	-	-	-	100
\$1 Par Value, 100 Shares Authorized, 100 Shares Issued and Outstanding	-	-	-	-	100	100	100	300
Contributed Capital	-	-	-	292,283	-	289,534	-	581,817
Total Common Stock and Contributed Capital	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>292,383</u>	<u>100</u>	<u>289,634</u>	<u>100</u>	<u>583,217</u>
Net Assets:								
Without Donor Restrictions	1,502,648	2,964,692	(199)	(338)	(165,187)	(80)	-	4,301,536
With Donor Restrictions	-	-	-	-	-	-	-	-
Total Net Assets	<u>1,502,648</u>	<u>2,964,692</u>	<u>(199)</u>	<u>(338)</u>	<u>(165,187)</u>	<u>(80)</u>	<u>-</u>	<u>4,301,536</u>
Total Liabilities and Net Assets	<u>\$ 2,681,312</u>	<u>\$ 5,102,067</u>	<u>\$ 801</u>	<u>\$ 292,045</u>	<u>\$ (165,087)</u>	<u>\$ 289,554</u>	<u>\$ 100</u>	<u>\$ 8,200,792</u>

Fayette County Community Action Agency, Inc. and Affiliates
Schedule of Consolidating Statement of Activities
For the Year Ended June 30, 2023

	Fayette County Community Action Agency, Inc.	Community Opportunities, Inc.	Republic Food Enterprise Center, Inc.	Consolidated Housing Development Total	Consolidation Entries	Total
Support and Revenues:						
Grants	\$ 10,267,903	\$ -	\$ -	\$ -	\$ -	\$ 10,267,903
Sales	312,779	-	101,126	-	-	413,905
Donations	300,426	-	-	-	-	300,426
Donations-Other	-	-	-	-	-	-
Donations-Food	2,447,200	-	-	-	-	2,447,200
Fundraising	48,867	-	-	-	-	48,867
Other Income	1,222,416	232	596,490	9,177	(623,948)	1,204,367
Interest/Dividend Income	115,586	5	65	3,753	41	119,450
Investment Income (Loss)	(191,930)	-	-	-	420,366	228,436
Management Fee	75,175	-	-	-	(58,171)	17,004
Development Fee	659,623	-	-	-	-	659,623
Rents and Leases	-	758,348	98,018	715,044	(650,993)	920,417
Utilities	-	29,502	-	-	(29,502)	-
Contribution Revenue-UFH	-	-	-	-	-	-
Total Support and Revenues	<u>15,258,045</u>	<u>788,087</u>	<u>795,699</u>	<u>727,974</u>	<u>(942,207)</u>	<u>16,627,598</u>
Expenses:						
Salaries and Wages	2,712,976	-	132,039	116,663	-	2,961,678
Employee Benefits	827,724	-	57,606	18,119	-	903,449
Contracted Services	248,893	-	3,644	-	(58,171)	194,366
Rent	498,224	383	67,608	-	(650,993)	(84,778)
Utilities/Telephone	132,960	127,697	34,963	154,597	(29,502)	420,715
Postage	12,660	-	301	-	-	12,961
Printing	42,303	-	108	-	-	42,411
Travel	51,897	-	412	-	-	52,309
Supplies	202,131	5,951	75,608	-	-	283,690
Equipment and Software (Purchase/Rental)	20,439	-	-	-	-	20,439
Professional Services	5,820	-	8,816	15,709	-	30,345
Food	441,913	-	-	-	-	441,913
Maintenance and Repairs	199,741	127,140	22,669	129,953	(63,471)	416,032
Insurance	101,049	66,585	4,350	69,416	-	241,400
Dues and Fees	59,810	7,207	7,080	63,129	(11,757)	125,469
Books and Subscriptions	11,877	-	-	-	-	11,877
Transportation	32,258	-	15,399	-	-	47,657
Computer Services	85,715	-	231	-	-	85,946
Advertising/Outreach	22,491	-	1,312	265	-	24,068
Satellite Center	16,104	-	-	-	-	16,104
Other Expenses	1,694,650	58,242	10,767	47,227	(548,816)	1,262,070
In-Kind	2,447,200	-	-	-	-	2,447,200
Rent/Utility Assistance	4,672,152	-	-	-	-	4,672,152
Security Deposit Assistance	8,249	-	-	-	-	8,249
Client Disbursements	4,339	-	-	-	-	4,339
Interest	115,830	77,204	31,534	163,322	-	387,890
Depreciation	349,367	249,818	7,671	251,094	-	857,950
Indirect Costs	671,728	-	-	-	-	671,728
Return to Funding Source	-	-	-	-	-	-
Real Estate Taxes	45,010	151,063	-	137,449	-	333,522
Insurance Claim Reimbursement	-	-	(706)	-	-	(706)
Renovations	-	-	-	-	-	-
Cost of Goods Sold	-	-	105,316	-	-	105,316
Bad Debt	-	-	956	-	-	956
Total Expenses	<u>15,735,510</u>	<u>871,290</u>	<u>587,684</u>	<u>1,166,943</u>	<u>(1,362,710)</u>	<u>16,998,717</u>
Excess (Deficiency) of Support and Revenues Over (Under) Expenses	(477,465)	(83,203)	208,015	(438,969)	420,503	(371,119)
Net Assets, July 1, 2022	13,128,266	2,348,036	(1,607,882)	4,740,505	(4,887,842)	13,721,083
LP Elimination	-	-	-	-	-	-
Transfer (to) from Affiliate	(82,818)	-	82,818	-	-	-
Net Assets, June 30, 2023	<u>\$ 12,567,983</u>	<u>\$ 2,264,833</u>	<u>\$ (1,317,049)</u>	<u>\$ 4,301,536</u>	<u>\$ (4,467,339)</u>	<u>\$ 13,349,964</u>

See accompanying auditors' report.

Fayette County Community Action Agency, Inc. and Affiliates
Affiliate Housing Development Statement of Activities
For the Year Ended June 30, 2023

	Uniontown Senior Associates, LP	Uniontown Family Homes LP	Uniontown Housing Development Corporation, Inc.	Uniontown Family Homes Corporation	Uniontown Senior Housing GP Corporation	Fairchance Elderly Housing Inc.	Uniontown Housing Opp. Inc.	Total Affiliates
Support and Revenues:								
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Donations-Other	-	-	-	-	-	-	-	-
Donations-Food	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-
Other Income	8,409	768	-	-	-	-	-	9,177
Interest/Dividend Income	2,724	1,103	(10)	(31)	(8)	(25)	-	3,753
Investment Income (Loss)	-	-	-	-	-	-	-	-
Management Fee	-	-	-	-	-	-	-	-
Development Fee	-	-	-	-	-	-	-	-
Rents and Leases	437,040	278,004	-	-	-	-	-	715,044
Utilities	-	-	-	-	-	-	-	-
Contribution Revenue-UFH	-	-	-	-	-	-	-	-
Total Support and Revenues	448,173	279,875	(10)	(31)	(8)	(25)	-	727,974
Expenses:								
Salaries and Wages	74,292	42,371	-	-	-	-	-	116,663
Employee Benefits	12,297	5,822	-	-	-	-	-	18,119
Contracted Services	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-
Utilities/Telephone	96,654	57,943	-	-	-	-	-	154,597
Postage	-	-	-	-	-	-	-	-
Printing	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Equipment and Software (Purchase/Rental)	-	-	-	-	-	-	-	-
Professional Services	8,159	7,550	-	-	-	-	-	15,709
Food	-	-	-	-	-	-	-	-
Maintenance and Repairs	42,268	87,685	-	-	-	-	-	129,953
Insurance	30,639	38,777	-	-	-	-	-	69,416
Dues and Fees	37,222	25,907	-	-	-	-	-	63,129
Books and Subscriptions	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Computer Services	-	-	-	-	-	-	-	-
Advertising/Outreach	265	-	-	-	-	-	-	265
Satellite Center	-	-	-	-	-	-	-	-
Other Expenses	10,521	18,177	-	-	18,529	-	-	47,227
In-Kind	-	-	-	-	-	-	-	-
Rent/Utility Assistance	-	-	-	-	-	-	-	-
Security Deposit Assistance	-	-	-	-	-	-	-	-
Client Disbursements	-	-	-	-	-	-	-	-
Interest	62,464	100,858	-	-	-	-	-	163,322
Depreciation	92,694	158,400	-	-	-	-	-	251,094
Indirect Costs	-	-	-	-	-	-	-	-
Return to Funding Source	-	-	-	-	-	-	-	-
Real Estate Taxes	91,479	45,970	-	-	-	-	-	137,449
Insurance Claim Reimbursement	-	-	-	-	-	-	-	-
Renovations	-	-	-	-	-	-	-	-
Cost of Goods Sold	-	-	-	-	-	-	-	-
Bad Debt	-	-	-	-	-	-	-	-
Total Expenses	558,954	589,460	-	-	18,529	-	-	1,166,943
Excess (Deficiency) of Support and Revenues Over (Under) Expenses	(110,781)	(309,585)	(10)	(31)	(18,537)	(25)	-	(438,969)
Net Assets, July 1, 2022	1,613,429	3,274,277	(189)	(307)	(146,650)	(55)	-	4,740,505
LP Elimination	-	-	-	-	-	-	-	-
Transfer (to) from Affiliate	-	-	-	-	-	-	-	-
Net Assets, June 30, 2023	\$ 1,502,648	\$ 2,964,692	\$ (199)	\$ (338)	\$ (165,187)	\$ (80)	\$ -	\$ 4,301,536

See accompanying auditors' report.

Fayette County Community Action Agency, Inc. and Affiliates
Schedule of Consolidating Statement of Cash Flows
For the Year Ended June 30, 2023

	Fayette County Community Action Agency, Inc.	Community Opportunities, Inc.	Republic Food Enterprise Center, Inc.	Uniontown Senior Associates, LP	Uniontown Family Homes LP	Uniontown Housing Development Corporation, Inc.	Uniontown Family Homes Corporation	Uniontown Senior Housing GP Corporation	Fairchance Elderly Housing, Inc.	Uniontown Housing, Inc. Opp. Inc.	Consolidation Entries	Total
Cash Flows from Operating Activities:												
Increase (Decrease) in Net Assets	\$ (477,464)	\$ (83,204)	\$ 208,015	\$ (110,781)	\$ (309,585)	\$ (10)	\$ (31)	\$ (18,537)	\$ (25)	\$ -	\$ 420,503	\$ (371,119)
Adjustments to Reconcile (Decrease) Increase in Net Assets to Net Cash Provided (Used) by Operating Activities:												
Depreciation and Amortization	349,366	249,818	7,672	92,694	158,400	-	-	-	-	-	-	857,950
Non-Cash Contribution	130,691	-	-	-	-	-	-	-	-	-	-	130,691
Gain/Loss Investment	(214,665)	-	-	-	-	-	-	-	-	-	-	(214,665)
(Increase) Decrease in Prepaid Expenses	399	-	(775)	26,618	2,629	-	-	-	-	-	-	28,871
(Increase) Decrease in Accounts Receivable	684,636	4,362	(3,890)	546	2,685	-	-	-	-	-	507,541	1,195,880
(Increase) Decrease in Inventories	64,848	-	-	-	-	-	-	-	-	-	-	64,848
(Increase) Decrease in Accrued Interest Receivable	(82,675)	-	-	1,140	-	-	-	-	-	-	(75,211)	(156,746)
(Increase) Decrease in Loan Receivable	473,345	-	-	-	-	-	-	-	-	-	40,466	513,811
Increase (Decrease) in Accounts Payable	(210,574)	17,705	(530,826)	(2,718)	22,293	-	-	-	-	-	(507,541)	(1,211,661)
Increase (Decrease) in Deferred Revenue	387,439	(2,655)	(1,783)	-	-	-	-	-	-	-	-	383,001
Increase (Decrease) in Accrued Expenses	15,889	-	4,121	3,529	540	-	-	-	-	-	75,211	99,290
Increase (Decrease) in Other Liabilities	-	-	-	26,417	111,137	-	-	-	-	-	-	137,554
Total Adjustments	1,598,699	269,230	(525,481)	148,226	297,684	-	-	-	-	-	40,466	1,828,824
Net Cash Provided (Used) by Operating Activities	1,121,235	186,026	(317,466)	37,445	(11,901)	(10)	(31)	(18,537)	(25)	-	460,969	1,457,705
Cash Flows from Investing Activities:												
Net Change in Securities	-	-	-	-	-	10	31	18,537	25	-	-	18,603
Investment in Subsidiary	-	-	-	-	-	-	-	-	-	-	-	-
Purchase of Capital Assets	(181,858)	-	(754)	-	-	-	-	-	-	-	-	(182,612)
Net Cash Provided (Used) by Investing Activities	(181,858)	-	(754)	-	-	10	31	18,537	25	-	-	(164,009)
Cash Flows from Financing Activities:												
Reduction of Long-Term Debt	(171,615)	(188,594)	(40,466)	(28,489)	-	-	-	-	-	-	(460,969)	(890,133)
Lease Liability	132,195	-	-	-	-	-	-	-	-	-	-	132,195
Short-Term Borrowings-Line of Credit	517,120	-	-	-	-	-	-	-	-	-	-	517,120
Repayment of Short-Term Borrowings (Line of Credit)	(700,000)	-	-	-	-	-	-	-	-	-	-	(700,000)
Transfers (To)/From Affiliates	(82,818)	-	82,818	-	-	-	-	-	-	-	-	-
Contributed Capital	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Provided (Used) by Financing Activities	(305,118)	(188,594)	42,352	(28,489)	-	-	-	-	-	-	(460,969)	(940,818)
Increase (Decrease) in Cash and Cash Equivalents	634,259	(2,568)	(275,868)	8,956	(11,901)	-	-	-	-	-	-	352,878
Cash and Cash Equivalents, Beginning of Year	354,729	7,019	469,193	273,590	504,671	-	-	-	-	-	-	1,609,202
Cash and Cash Equivalents, End of Year	\$ 988,988	\$ 4,451	\$ 193,325	\$ 282,546	\$ 492,770	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,962,080
Supplemental Cash Flow Information:												
Cash Paid During the Year for:												
Interest	\$ 115,830	\$ 77,204	\$ 31,534	\$ 62,464	\$ 100,858	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,890

Disclosure of Accounting Policy:

For purposes of the statement of cash flows, Fayette County Community Action Agency, Inc. and Affiliates considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

Fayette County Community Action Agency, Inc.
Schedule of Activities and Changes in Net Assets by Program
For the Year Ended June, 30, 2023

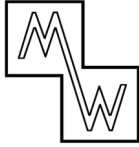
	103260-10374P	20303-20388	30301-30499	40308-40390	50301-50395	60301-60377	70311-70374	80200 - 80370	10300, 10313, 10390, 80380	
	Supportive Services	Family Development	Housing	Food Support	Education	Aging	RFEC	Other Programs	General & Administrative	Combined
Support and Revenues:										
Grants	\$ 100,775	\$ 1,119,137	\$ 7,176,606	\$ 462,344	\$ 367,072	\$ 461,854	\$ 116,727	\$ -	\$ 463,388	\$ 10,267,903
Sales	35,101	1,572	169,478	43,740	5,700	57,038	-	-	150	312,779
Donations	-	20,649	5,269	193,682	3,000	21,484	22,925	6,100	27,317	300,426
Donations-Other	-	-	-	-	-	-	-	-	-	-
Donations-Food	-	-	-	2,447,200	-	-	-	-	-	2,447,200
Fundraising	-	-	-	22,757	-	-	-	26,110	-	48,867
Other Income	278,805	-	74,877	8,107	17,762	1,900	91,821	568,926	180,218	1,222,416
Interest/Dividend Income	-	-	32	1,346	-	-	-	-	114,208	115,586
Investment Income (Loss)	-	-	-	-	-	-	-	-	(191,930)	(191,930)
Management Fee	75,175	-	-	-	-	-	-	-	-	75,175
Development Fee	-	-	-	-	-	-	-	-	659,623	659,623
Total Support and Revenues	489,856	1,141,358	7,426,262	3,179,176	393,534	542,276	231,473	601,136	1,252,974	15,258,045
Expenses:										
Salaries and Wages	281,324	579,814	968,695	175,445	226,108	219,013	2,250	-	260,327	2,712,976
Employee Benefits	81,832	184,752	318,430	55,296	48,554	61,901	675	-	76,284	827,724
Contracted Services	206,368	5,000	59,575	-	-	-	-	-	(22,050)	248,893
Rent	13,456	101,282	94,000	76,820	29,697	90,332	-	-	92,637	498,224
Utilities/Telephone	5,385	14,106	72,864	9,617	1,293	44,811	-	-	(15,116)	132,960
Postage	748	370	2,837	583	70	81	-	200	7,771	12,660
Printing	392	2,564	18,596	4,868	1,862	3,642	-	159	10,220	42,303
Travel	8,911	3,171	17,859	2,341	959	6,046	-	-	12,610	51,897
Supplies	15,856	73,773	26,348	25,326	10,744	25,651	8,645	4,307	11,481	202,131
Equipment and Software (Purchase/Rental)	4,567	3,344	-	12,528	-	-	-	-	-	20,439
Professional Services	-	269	1,437	-	553	26	-	-	3,535	5,820
Food	-	483	90,217	320,458	121	30,634	-	-	-	441,913
Maintenance and Repairs	10,240	27,129	77,851	13,314	3,266	27,368	16,566	-	24,007	199,741
Insurance	9,324	11,914	28,995	14,302	1,561	9,532	10,959	-	14,462	101,049
Dues and Fees	665	96	5,184	2,043	13,294	660	3,285	6,652	27,931	59,810
Books and Subscriptions	9,181	-	-	-	2,397	-	-	299	-	11,877
Transportation	4,268	-	31	10,226	7,890	9,843	-	-	-	32,258
Computer Services	15,098	4,446	32,072	4,738	2,474	15,346	-	-	11,541	85,715
Advertising/Outreach	6,853	655	1,563	8,230	9	-	-	-	5,181	22,491
Satellite Center	-	-	-	-	-	16,104	-	-	-	16,104
Other Expenses	6,098	17	389,409	211	32,608	679	573,446	575,127	117,055	1,694,650
In-Kind	-	-	-	2,447,200	-	-	-	-	-	2,447,200
Rent/Mortgage/Utility Assistance	-	17,764	4,622,710	-	-	5,000	-	-	26,678	4,672,152
Security Deposits	-	-	8,249	-	-	-	-	-	-	8,249
Client Disbursements	-	2,385	554	-	1,400	-	-	-	-	4,339
Interest	-	-	-	-	-	-	-	-	115,830	115,830
Depreciation	-	-	-	-	-	-	-	-	349,367	349,367
Indirect Costs	15,814	81,293	450,912	31,818	26,720	41,152	4,687	-	19,332	671,728
Real Estate Taxes	-	-	35,956	-	-	-	8,543	-	511	45,010
Total Expenses	696,380	1,114,627	7,324,344	3,215,364	411,580	607,821	629,056	586,744	1,149,594	15,735,510
Excess of Support and Revenues Over (Under)										
Expenses before Capitalized Costs	(206,524)	26,731	101,918	(36,188)	(18,046)	(65,545)	(397,583)	14,392	103,380	(477,465)
Capitalized Building and Equipment Costs	-	(38,380)	-	(14,342)	-	-	(27,462)	-	80,184	-
Restricted Reserve and Replacement	-	-	(10,892)	-	-	-	-	-	10,892	-
Net Increase (Decrease) in Net Assets	(206,524)	(11,649)	91,026	(50,530)	(18,046)	(65,545)	(425,045)	14,392	194,456	(477,465)
Net Assets at Beginning of Year	-	-	-	-	-	-	-	-	13,128,266	13,128,266
Transfer to Affiliate	-	-	-	-	-	-	(82,818)	-	-	(82,818)
Transfer of Unrestricted (to)/from Local Fund	206,524	11,649	(91,026)	50,530	18,046	65,545	507,863	(14,392)	(754,739)	-
Prior-Period Adjustment	-	-	-	-	-	-	-	-	-	-
Net Assets at End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,567,983	\$ 12,567,983

Fayette County Community Action Agency, Inc. and Affiliates

Single Audit Report

IV

Report in Accordance with *Government Auditing Standards*



McCLURE & WOLF, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1926

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

Board of Directors
Fayette County Community Action Agency, Inc. and Affiliates
108 North Beeson Boulevard
Uniontown, PA 15401

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Fayette County Community Action Agency, Inc. and Affiliates (FCCAA) (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2023, 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 January 10, 2024.

Report on Internal Control Over Financial Reporting

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

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

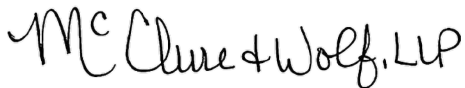
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

McClure & Wolf, LLP
Uniontown, Pennsylvania
January 10, 2024

Fayette County Community Action Agency, Inc. and Affiliates

Single Audit Report

V

Reports in Accordance with the Uniform Guidance



McCLURE & WOLF, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Established 1926

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE
AND PENNSYLVANIA DEPARTMENT
OF HUMAN SERVICES

Board of Directors
Fayette County Community Action Agency, Inc. and Affiliates
108 North Beeson Boulevard
Uniontown, PA 15401

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Fayette County Community Action Agency, Inc. and Affiliate's (FCCAA) (a nonprofit organization) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of FCCAA's major federal and Pennsylvania Department of Human Services programs for the year ended June 30, 2023. FCCAA's major federal and Pennsylvania Department of Human Services programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, FCCAA complied, in all materials respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and Pennsylvania Department of Human Services programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of FCCAA 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 FCCAA'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 FCCAA's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on FCCAA'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 FCCAA's 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 FCCAA'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 FCCAA'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 FCCAA'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

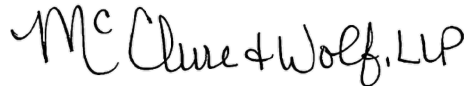
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control

over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

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

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

McClure & Wolf, LLP
Uniontown, Pennsylvania
January 10, 2024

Fayette County Community Action Agency, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Direct/ Indirect</u>	<u>Federal Number</u>	<u>Grantor Contract/ Project Number</u>	<u>Grant Period Beginning/Ending</u>	<u>(Accrued) Deferred at July 1</u>	<u>Received (Returned) for Year</u>	<u>(Pr Yr Adjust) Expenditures</u>	<u>(Accrued) Deferred at June 30</u>	<u>Passed Through to Subrecipients (\$)</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Community Service Block Grant - Discretionary Award	Direct	93.570	90EE1283-01-00	9/30/21 to 9/29/24	-	26,446	26,446	-	-
Total ALN #93.570					-	26,446	26,446	-	-
Passed through Westmoreland/Fayette Workforce Investment Board:									
WIA Experience Works	Indirect	93.558	WIOA21-EW-002	1/1/22 to 12/31/22	(15,515)	73,648	58,133	-	-
WIA Agricultural Camps	Indirect	93.558	WIOA21-CR-001	4/1/22 to 12/31/22	(7,460)	62,827	55,367	-	-
WIA Experience Works	Indirect	93.558	WIOA21-EW-002	1/1/23 to 12/31/23	-	11,878	31,187	(19,309)	-
WIA Agricultural Camps	Indirect	93.558	WIOA22-CR-004	1/1/23 to 12/31/23	-	-	22,206	(22,206)	-
WIA Experience Works 1 Plus Interns	Indirect	93.558	WIOA21-EW-002	1/1/23 to 12/31/23	-	7,528	36,964	(29,436)	-
Total ALN #93.558					(22,975)	155,881	203,857	(70,951)	-
Passed through Pennsylvania Department of Community and Economic Develop:									
COVID-19 - Community Services Block Grant	Indirect	93.569	C000066974	4/1/20 to 9/30/22	5,389	73,687	79,076	-	-
Community Services Block Grant	Indirect	93.569	C000082023	1/1/22 to 12/31/22	-	187,071	187,071	-	-
Community Services Block Grant / RFEC AGR Marketing Spec	Indirect	93.569	C000082023	10/1/22 to 3/31/24	-	39,336	55,319	(15,983)	-
Community Services Block Grant - Entitlement	Indirect	93.569	C000082023	1/1/23 to 12/31/23	-	188,435	188,435	-	-
Subtotal					5,389	488,529	509,901	(15,983)	-
Total U.S. Department of Health and Human Services					(17,586)	670,856	740,204	(86,934)	-
U.S. DEPARTMENT OF LABOR									
Passed through Westmoreland/Fayette Workforce Investment Board:									
WIA Work Experience	Indirect	17.259	WIOA21-EW-002	1/1/22 to 12/31/22	(8,047)	24,342	16,295	-	-
WIA Work Experience	Indirect	17.259	WIOA21-EW-002	1/1/23 to 12/31/23	-	11,547	20,607	(9,060)	-
WIA Out-of-School CNA Training Program	Indirect	17.259	WIOA-21-OSY-005	7/1/21 to 6/30/22	(20,153)	20,153	-	-	-
WIA Out-of-School CNA Training Program	Indirect	17.259	WIOA-21-OSY-005	7/1/22 to 6/30/23	-	89,527	101,378	(11,851)	-
Subtotal					(28,200)	145,569	138,280	(20,911)	-
Total U.S. Department of Labor					(28,200)	145,569	138,280	(20,911)	-

Fayette County Community Action Agency, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

Retired and Senior Volunteer Program	Direct	94.002	21SR227803	4/1/22 TO 3/31/23	(2,717)	58,651	55,934	-	-
Retired and Senior Volunteer Program	Direct	94.002	21SR227803	4/1/23 to 3/31/24	-	7,616	11,552	(3,936)	-
Total Corporation for National and Community Service					<u>(2,717)</u>	<u>66,267</u>	<u>67,486</u>	<u>(3,936)</u>	<u>-</u>

U.S. DEPARTMENT OF AGRICULTURE

Pandemic Relief	Direct	10.181	AM22PRSPA0802-00	1/3/22 to 1/2/23	7,500	-	7,500	-	-
USDA Rural Development	Direct	10.351	44-026-441432143	7/25/22 to 7/25/24	-	8,162	27,462	(19,300)	-
Passed through Local Initiatives Support Group: Healthy Housing	Indirect	10.446	42376-0069	10/1/21 to 12/31/22	(5,592)	15,758	10,166	-	-
Total Local Initiatives Support Group					<u>(5,592)</u>	<u>15,758</u>	<u>10,166</u>	<u>-</u>	<u>-</u>
Passed through County of Fayette:									
Emergency Food Assistance Program-Commodities	Indirect	10.569	8-04-26-094	7/1/22 to 6/30/23	50,523	272,812	276,520	46,815	-
Emergency Food Assistance Program-Commodities-Trade Mitigation	Indirect	10.569	ME44187395	4/1/19 to 9/30/23	156,905	587,487	644,385	100,007	-
Subtotal ALN #10.569					<u>207,428</u>	<u>860,299</u>	<u>920,905</u>	<u>146,822</u>	<u>-</u>
Emergency Food Assistance Program-Administrative Costs	Indirect	10.568	ME44187395	10/1/20 to 9/30/21	-	25,586	25,586	-	-
Emergency Food Assistance Program-Administrative Costs	Indirect	10.568	ME44187395	10/1/21 to 9/30/22	(4,054)	26,894	22,840	-	-
Emergency Food Assistance Program-Administrative Costs	Indirect	10.568	ME44187395	10/1/22 to 9/30/23	-	11,592	17,427	(5,835)	-
Subtotal ALN #10.568					<u>(4,054)</u>	<u>64,072</u>	<u>65,853</u>	<u>(5,835)</u>	<u>-</u>
Passed through Pennsylvania Association of Regional Food Banks:									
Commodity Supplemental Food Program-Commodities	Indirect	10.565	N/A	7/1/22 to 6/30/23	59,366	372,626	369,620	62,372	-
Commodity Supplemental Food Program	Indirect	10.565	N/A	10/1/21 to 9/30/22	(5,016)	24,794	19,778	-	-
Commodity Supplemental Food Program	Indirect	10.565	N/A	10/1/22 to 9/30/23	-	32,151	48,594	(16,443)	-
Subtotal ALN #10.565					<u>54,350</u>	<u>429,571</u>	<u>437,992</u>	<u>45,929</u>	<u>-</u>
Total Food Distribution Cluster (ALN #10.565, 10.568, 10.569)					<u>257,724</u>	<u>1,353,942</u>	<u>1,424,750</u>	<u>186,916</u>	<u>-</u>

Fayette County Community Action Agency, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Passed through Pennsylvania Department of Human Services									
Supplemental Nutrition Assistance Program (50%)	Indirect	10.561	4100088650	10/1/21 to 9/30/22	(8,500)	17,583	9,083	-	-
Supplemental Nutrition Assistance Program (50%)	Indirect	10.561	4100088650	10/1/22 to 9/30/23	-	14,078	22,441	(8,363)	-
Subtotal					<u>(8,500)</u>	<u>31,661</u>	<u>31,524</u>	<u>(8,363)</u>	<u>-</u>
Pennsylvania State University:									
Nutrition Education Program	Indirect	10.561	S002394-COP-FAY	10/1/21 to 9/30/22	(21,561)	51,323	29,762	-	-
Nutrition Education Program	Indirect	10.561	S003646-COP-FAY	10/1/22 to 9/30/23	-	44,909	70,734	(25,825)	-
Subtotal					<u>(21,561)</u>	<u>96,232</u>	<u>100,496</u>	<u>(25,825)</u>	<u>-</u>
Total ALN #10.561					<u>(30,061)</u>	<u>127,893</u>	<u>132,020</u>	<u>(34,188)</u>	<u>-</u>
Passed through Pennsylvania Department of Health:									
Special Supplemental Nutrition Program for Women, Infants, and Children	Indirect	10.557	SAP 4100077852	10/1/21 to 9/30/22	(77,078)	383,826	306,748	-	-
Special Supplemental Nutrition Program for Women, Infants, and Children	Indirect	10.557	SAP 4100093363	10/1/22 to 9/30/23	-	625,981	629,952	(3,971)	-
Subtotal					<u>(77,078)</u>	<u>1,009,807</u>	<u>936,700</u>	<u>(3,971)</u>	<u>-</u>
Passed through Pennsylvania Department of Agriculture:									
WIC Farmers' Market Nutrition Program	Indirect	10.557	SAP 7034100000	11/1/22 to 9/30/23	-	3,357	-	3,357	-
Total ALN #10.557					<u>(77,078)</u>	<u>1,013,164</u>	<u>936,700</u>	<u>(614)</u>	<u>-</u>
Total U.S. Department of Agriculture					<u>152,493</u>	<u>2,518,919</u>	<u>2,538,598</u>	<u>132,814</u>	<u>-</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY									
Passed through local FEMA Board:									
Federal Emergency Management Food and Shelter Program 39	Indirect	97.024	7246-00-001	11/1/21 to 12/31/23	(1,278)	23,004	21,726	-	-
Federal Emergency Management Food and Shelter Program ARPA	Indirect	97.024	7246-00-001	11/1/21 to 12/31/23	58,898	78,332	131,828	5,402	-
Federal Emergency Management Food and Shelter Program 38	Indirect	97.024	7246-00-001	11/1/21 to 12/31/23	-	25,820	7,275	18,545	-
Total Federal Emergency Management Agency					<u>57,620</u>	<u>127,156</u>	<u>160,829</u>	<u>23,947</u>	<u>-</u>

Fayette County Community Action Agency, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

CoC-Fayette Apartments	Direct	14.267	PA0616L3E012009	10/1/21 to 9/30/22	(5,215)	50,002	44,787	-	-
CoC-Fayette Apartments	Direct	14.267	PA0616L3E012110	10/1/22 to 9/30/23	-	60,925	60,712	213	-
CoC-Lenox Street	Direct	14.267	PA0292L3E012013	12/1/21 to 11/30/22	(5,902)	34,156	28,254	-	-
CoC-Lenox Street	Direct	14.267	PA0292L3E012114	12/1/22 to 11/30/23	-	41,961	45,697	(3,736)	-
CoC-Fairweather Lodge	Direct	14.267	PA0560L3E012010	10/1/21 to 9/30/22	(1,500)	6,747	5,247	-	-
CoC-Fairweather Lodge	Direct	14.267	PA0560L3E012111	10/1/22 to 9/30/23	-	18,219	19,081	(862)	-
CoC-Fayette County Rapid Rehousing	Direct	14.267	PA0846L3E012004	10/1/21 to 9/30/22	(1,539)	24,059	22,520	-	-
CoC-Fayette County Rapid Rehousing	Direct	14.267	PA0846L3E012105	10/1/22 to 9/30/23	-	54,505	55,806	(1,301)	-
CoC-Southwest Regional Rapid Rehousing I	Direct	14.267	PA0847L3E012004	10/1/21 to 9/30/22	(41,740)	165,840	124,100	-	242,062
CoC-Southwest Regional Rapid Rehousing I	Direct	14.267	PA0847L3E012105	10/1/22 to 9/30/23	-	391,330	423,353	(32,023)	175,738
CoC Coordinated Entry DV # 2	Direct	14.267	PA0977D3E012001	12/1/21 to 11/30/22	(11,421)	64,477	53,056	-	-
CoC Coordinated Entry DV # 2	Direct	14.267	PA0977D3E012102	12/1/22 to 11/30/23	-	33,642	39,342	(5,700)	-
CoC Coordinated Entry DV # 1	Direct	14.267	PA0940D3E012002	10/1/21 to 9/30/22	(30,259)	60,663	30,404	-	-
CoC Coordinated Entry DV # 1	Direct	14.267	PA0940D3E012103	10/1/22 to 9/30/23	-	54,673	62,960	(8,287)	-
CoC Coordinated Entry	Direct	14.267	PA0902L3E012003	10/1/21 to 9/30/22	(4,124)	172,760	168,636	-	-
CoC Coordinated Entry	Direct	14.267	PA0902L3E012104	10/1/22 to 9/30/23	-	156,176	164,975	(8,799)	-
Subtotal					<u>(101,700)</u>	<u>1,390,135</u>	<u>1,348,930</u>	<u>(60,495)</u>	<u>417,800</u>
Passed through Armstrong County Community Action:									
Rapid Rehousing Program	Indirect	14.267	N/A	11/1/21 to 10/31/22	(5,071)	13,238	8,167	-	-
Rapid Rehousing Program	Indirect	14.267	N/A	11/1/22 to 10/31/23	-	12,238	14,271	(2,033)	-
Subtotal					<u>(5,071)</u>	<u>25,476</u>	<u>22,438</u>	<u>(2,033)</u>	<u>-</u>
Total ALN #14.267					<u>(106,771)</u>	<u>1,415,611</u>	<u>1,371,368</u>	<u>(62,528)</u>	<u>417,800</u>
Passed through the Pennsylvania Housing Finance Agency:									
HUD Housing Counseling Assistance Program	Indirect	14.169	N/A	4/1/22 to 9/30/22	(3,898)	7,118	3,220	-	-
HUD Housing Counseling Assistance Program	Indirect	14.169	N/A	10/1/22 to 09/30/23	-	6,274	7,745	(1,471)	-
Subtotal					<u>(3,898)</u>	<u>13,392</u>	<u>10,965</u>	<u>(1,471)</u>	<u>-</u>

Fayette County Community Action Agency, Inc. and Affiliates
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Passed through Lawrence County Social Services, Inc.									
Emergency Solutions Grant/Rapid Rehousing/Homeless Prevention	Indirect	14.231	N/A	8/1/20 to 12/31/21	(630)	630	-	-	-
Emergency Solutions Grant/Rapid Rehousing (LCSS)	Indirect	14.231	N/A	10/7/21 to 3/31/23	-	1,890	1,890	-	-
Subtotal					<u>(630)</u>	<u>2,520</u>	<u>1,890</u>	<u>-</u>	<u>-</u>
Passed through Local Initiatives Support Group:									
Sustainable Communities	Indirect	14.252	42376-0071	12/27/21 to 12/31/23	(2,772)	21,384	22,283	(3,671)	-
Arts Initiative	Indirect	14.252	42376-0068	8/1/21 to 9/30/22	(495)	11,500	11,005	-	-
Subtotal					<u>(3,267)</u>	<u>32,884</u>	<u>33,288</u>	<u>(3,671)</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development					<u>(114,566)</u>	<u>1,464,407</u>	<u>1,417,511</u>	<u>(67,670)</u>	<u>417,800</u>
U.S. DEPARTMENT OF TREASURY									
Passed through the Internal Revenue Service									
Tax Counseling for the Elderly	Indirect	21.006	N/A	10/1/22 to 9/30/23	-	16,310	16,310	-	-
Subtotal					<u>-</u>	<u>16,310</u>	<u>16,310</u>	<u>-</u>	<u>-</u>
Passed through United Way of Southwestern PA									
Volunteer Income Tax Assistance	Indirect	21.009	N/A	7/1/21 to 6/30/22	(8,928)	8,928	-	-	-
Volunteer Income Tax Assistance	Indirect	21.009	N/A	7/1/22 to 9/30/23	-	615	8,578	(7,963)	-
Subtotal					<u>(8,928)</u>	<u>9,543</u>	<u>8,578</u>	<u>(7,963)</u>	<u>-</u>
Passed through Fayette County									
Emergency Rental Assistance Program	Indirect	21.023	N/A	3/8/21 to 9/30/22	(121,495)	121,495	-	-	-
Emergency Rental Assistance Program #2	Indirect	21.023	N/A	3/11/21 to 9/30/25	(163,990)	4,897,124	4,690,852	42,282	-
Subtotal					<u>(285,485)</u>	<u>5,018,619</u>	<u>4,690,852</u>	<u>42,282</u>	<u>-</u>
Total US Department of Treasury					<u>(294,413)</u>	<u>5,044,472</u>	<u>4,715,740</u>	<u>34,319</u>	<u>-</u>
SOCIAL SECURITY ADMINISTRATION									
Ticket to Work and Self-Sufficiency Program	Direct	96.008	N/A	7/1/22 to 6/30/23	-	1,572	1,572	-	-
Total Social Security Administration					<u>-</u>	<u>1,572</u>	<u>1,572</u>	<u>-</u>	<u>-</u>
Total Expenditures of Federal Awards					<u>\$ (247,369)</u>	<u>\$ 10,039,218</u>	<u>\$ 9,780,220</u>	<u>\$ 11,629</u>	<u>\$ 417,800</u>

Fayette County Community Action Agency, Inc. and Affiliates
Notes to the Schedule of Expenditure of Federal Awards
June 30, 2023

NOTE 1: BASIS OF PRESENTATION:

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Fayette County Community Action Agency, Inc. and Affiliates (FCCAA) 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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Expenditures included in 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.

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

Pass-through entity identifying numbers are presented where applicable.

Certain costs included in the accompanying schedule of expenditures of federal awards have been capitalized for financial statement purposes and are, therefore, not included in the accompanying statement of activities.

NOTE 3: DEFERRED AWARDS:

FCCAA recognizes federal grants in excess of program expenditures as deferred awards. Deferred awards utilized as expenses are incurred through performance of the program.

NOTE 4: ACCRUED AWARDS:

Grant revenues are accrued according to the specifications set forth in the specific grant agreements. Grants received by FCCAA are based upon funds available for distribution by the grantor or pass-through entity. Therefore, FCCAA recognizes expenditures in excess of grants as accrued awards.

NOTE 5: FOOD DISTRIBUTION:

Nonmonetary assistance is reported in the schedule at the USDA assigned values of the commodities received and disbursed. At June 30, 2023, the FCCAA had food commodities totaling \$266,794 in inventory.

Fayette County Community Action Agency, Inc.
Schedule of Pennsylvania Department of Human Services Expenditures
For the Year Ended June 30, 2023

	<u>Federal</u>	<u>State</u>	<u>Combined Federal/State DHS-Funded Expenditures</u>
Homeless Assistance Programs:			
Bridge House	\$ -	\$ 89,330	\$ 89,330
Case Management	-	57,000	57,000
Rental Assistance	-	110,586	110,586
Emergency Rental Assistance Program	<u>5,629,689</u>	<u>-</u>	<u>5,629,689</u>
Total Homeless Assistance Programs	<u>5,629,689</u>	<u>256,916</u>	<u>5,886,605</u>
Human Service Development Fund:			
HSDF Housing Counseling	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total Human Service Development Fund	<u>-</u>	<u>10,000</u>	<u>10,000</u>
UPMC Insurance Services:			
CHC Waiver Home Delivered Meals	<u>-</u>	<u>51,856</u>	<u>51,856</u>
	<u>-</u>	<u>51,856</u>	<u>51,856</u>
PA Health & Wellness			
CHC Waiver Home Delivered Meals	<u>-</u>	<u>3,434</u>	<u>3,434</u>
	<u>-</u>	<u>3,434</u>	<u>3,434</u>
Nutrition Education Program (7/21 - 9/22)	93,152	-	93,152
Nutrition Education Program (10/22-6/23)	70,734	-	70,734
Supplemental Nutrition Assistance Program (7/21-9/22)	32,500	32,500	65,000
Supplemental Nutrition Assistance Program (10/22-6/23)	22,441	22,440	44,881
Community Based Care Management Program-FCBHA	-	42,118	42,118
Community Based Care Management Program-FCBHA	-	73,270	73,270
Housing Opportunities Program V-FCBHA	-	195,968	195,968
Drug and Alcohol Rental Assistance	<u>-</u>	<u>600</u>	<u>600</u>
Total DHS Funded Assistance	<u>\$ 5,848,516</u>	<u>\$ 689,102</u>	<u>\$ 6,537,618</u>

Fayette County Community Action Agency, Inc. and Affiliates
Schedule of Findings and Questioned Costs
June 30, 2023

SECTION I—SUMMARY OF AUDITORS’ RESULTS:

A. FINANCIAL STATEMENTS:

1. Type of auditors’ report issued: Unqualified
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? Yes ___ No X
 - b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes ___ No X
3. Noncompliance material to financial statements noted? Yes ___ No X

B. FEDERAL AWARDS:

1. Internal control over major programs:
 - a. Material weakness(es) identified? Yes ___ No X
 - b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes ___ No X
2. Type of auditors’ report issued on compliance for major programs: Unqualified
3. Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? Yes ___ No X

4. Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.023	Emergency Rental Assistance Program
93.569	Community Service Block Grant
10.565/10.568/10.569	Food Distribution Cluster

5. Dollar threshold used to distinguish between Type A and Type B programs: \$750,000
6. Auditee qualified as low-risk auditee? Yes X No ___

Fayette County Community Action Agency, Inc.
Schedule of Findings and Questioned Costs
June 30, 2023

SECTION II-FINANCIAL STATEMENT FINDINGS:

A. MATERIAL WEAKNESS(ES):

None identified

B. SIGNIFICANT DEFICIENCY(IES):

None Identified

C. NONCOMPLIANCE:

None identified

SECTION III-FEDERAL AWARD FINDINGS AND QUESTIONED COSTS:

A. MATERIAL WEAKNESS(ES):

None identified

B. SIGNIFICANT DEFICIENCY(IES):

None identified

C. NONCOMPLIANCE:

None identified

Fayette County Community Action Agency, Inc. and Affiliates

Single Audit Report

VI

Reports in Accordance with *DHS Single Audit Supplement*



McCLURE & WOLF, LLP

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Directors
Fayette County Community Action Agency, Inc. and Affiliates
108 North Beeson Boulevard
Uniontown, PA 15401

We have performed the procedures enumerated below, which were agreed to by the Commonwealth of Pennsylvania, Department of Human Services (the DHS), and Fayette County Community Action Agency, Inc. and Affiliates solely to assist you with respect to the financial schedules and exhibits required by the *DHS Single Audit Supplement*. This engagement to apply agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the DHS. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

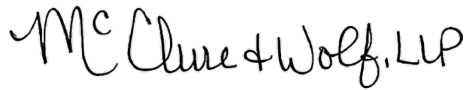
- A. We have verified by comparison of the amounts and classifications that the supplemental financial schedules listed below which summarize amounts reported to the DHS for fiscal year ended June 30, 2023, have been accurately compiled and reflect the audited books and records of Fayette County Community Action Agency, Inc. and Affiliates. We have also verified by comparison to the example schedules that these schedules are presented, at a minimum, at the level of detail and in the format required by the *DHS Single Audit Supplement* pertaining to this period.

<u>Program Name</u>	<u>Number</u>	<u>Referenced Schedule/Exhibit</u>
Combined Homeless Assistance Programs	XIX	Revenues and Expenditures

- B. We have inquired of management regarding adjustments to reported revenues or expenditures which were not reflected on the reports submitted to the DHS for the period in question.
- C. The procedures detailed in Paragraphs A and B above disclosed no adjustments and/or findings relative to these schedules.

We were not engaged to and did not perform an audit, the objective of which would be the expression of an opinion on the specified elements, accounts, or items. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Department of Human Services and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

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

McClure & Wolf, LLP
Uniontown, Pennsylvania
January 10, 2024

**Fayette County Community Action Agency, Inc.
 Combined Homeless Assistance Program
 Fiscal Year 2022-2023**

Fiscal Year: 2023	<u>Administration</u>	<u>Bridge Housing</u>	<u>Case Management</u>	<u>Rental Assistance</u>	<u>Emergency Shelter</u>	<u>Other Housing Support</u>	<u>Total</u>
I. TOTAL ALLOCATION	\$ -	\$ 89,330	\$ 57,000	\$ 110,586	\$ -	\$ -	\$ 256,916
II. TOTAL EXPENDITURES							
A. Personnel	-	26,320	42,199	51,795	-	-	120,314
B. Operating	-	62,810	14,601	58,591	-	-	136,002
C. Purchased Services	-	200	200	200	-	-	600
Subtotal of Total Expenditures	-	89,330	57,000	110,586	-	-	256,916
III. REVENUES							
A. Client Fees	-	-	-	-	-	-	-
B. Other	-	-	-	-	-	-	-
Subtotal Revenues	-	-	-	-	-	-	-
IV. DHS REIMBURSEMENT							
A. State HAP Funding	-	89,330	57,000	110,586	-	-	256,916
B. SSBG	-	-	-	-	-	-	-
C. SABG	-	-	-	-	-	-	-
Subtotal DHS Reimbursement	-	89,330	57,000	110,586	-	-	256,916
V. UNSPENT ALLOCATION	-	-	-	-	-	-	-



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