Reports of Independent Auditors
and Financial Statements with
Supplementary Information

Catholic Community Services of Lane County, Inc.

June 30, 2025

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Report of Independent Auditors

The Board of Directors
Catholic Community Services of Lane County, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Catholic Community Services of Lane County, Inc. (the Agency), which comprise the statement of financial position as of June 30, 2025, and the related 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 financial statements present fairly, in all material respects, the financial position of Catholic Community Services of Lane County, Inc. as of June 30, 2025, 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 *(Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Catholic Community Services of Lane County, Inc. 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.

Emphasis-of-Matter – Restatement of Previously Issued Financial Statements

As discussed in Note 13 to the financial statements, the Agency has restated their previously issued financial statements to correct for misstatements related to the classification of net assets between net assets with donor restrictions and net assets without donor restrictions and to correct their liability for accrued unemployment and pledges recognized in revenue. Our opinion is not modified with respect to this matter.

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 Catholic Community Services of Lane County, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency'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 the Agency's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenditures of federal awards 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 June 1, 2026, on our consideration of Catholic Community Services of Lane County, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Catholic Community Services of Lane County, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Catholic Community Services of Lane County, Inc.'s internal control over financial reporting and compliance.

Baker Tilly US, LLP

Eugene, Oregon
June 1, 2026

Financial Statements

Catholic Community Services of Lane County, Inc.
Statement of Financial Position
June 30, 2025

ASSETS

CURRENT ASSETS	
Cash and cash equivalents	$ 1,411,696
Grants receivable	1,221,890
Current portion of pledges receivable	30,129
Prepaid expenses and other current assets	29,340
Investments	288,923
Total current assets	2,981,978
LONG-TERM PLEDGES RECEIVABLE, net of current portion	26,332
OPERATING LEASE RIGHT-OF-USE ASSETS, net	119,624
PROPERTY AND EQUIPMENT, net	
Construction in progress	1,718,254
Total assets	$ 4,846,188

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts payable and payroll liabilities	$ 166,923
Accrued vacation	91,452
Accrued unemployment	34,401
Current portion of long-term debt	21,705
Current portion of line of credit	19,279
Current portion of lease liabilities	42,711
Total current liabilities	376,471
NONCURRENT LIABILITIES	
Long-term debt, net of current portion	289,680
Line of credit, net of current portion	84,068
Operating lease liabilities, net of current portion	79,204
Total liabilities	829,423
NET ASSETS	
Without donor restrictions	3,344,908
With donor restrictions	671,857
Total net assets	4,016,765
Total liabilities and net assets	$ 4,846,188

See accompanying notes.

Catholic Community Services of Lane County, Inc.
Statement of Activities
Year Ended June 30, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND OTHER SUPPORT			
Government funding	$ 124,266	$ 5,122,201	$ 5,246,467
Foundations and grants	19,500	761,276	780,776
Contributions	477,134	357,902	835,036
Contributions - donated goods and services	141,879	871	142,750
Contributions - food	1,097,529	596,602	1,694,131
Other income	27,341	1,584	28,925
Investment earnings, net	89,670	-	89,670
Net assets released from restrictions	6,769,280	(6,769,280)	-
Total revenues and other support	8,746,599	71,156	8,817,755
EXPENSES			
Program services	6,778,331	-	6,778,331
Support services			
Management and general	788,594	-	788,594
Fundraising	352,121	-	352,121
Total functional expenses	7,919,046	-	7,919,046
Other expenses			
Loss on disposal of asset	34,783	-	34,783
Total expenses	7,953,829	-	7,953,829
CHANGE IN NET ASSETS	792,770	71,156	863,926
NET ASSETS, beginning of year (as previously reported)	2,195,789	836,379	3,032,168
Restatement adjustment (see Note 13)	356,349	(235,678)	120,671
NET ASSETS, beginning of year (as restated)	2,552,138	600,701	3,152,839
NET ASSETS, end of year	$ 3,344,908	$ 671,857	$ 4,016,765

See accompanying notes.

Catholic Community Services of Lane County, Inc.
Statement of Functional Expenses
Year Ended June 30, 2025

	Program Services							Support Services		
	Eugene Community Service Center	Springfield Community Service Center	Energy Programs	Refugee and Immigrant Services	Housing Services	OASIS and Supportive Services	Total Programs	Management and General	Fundraising	Total Expenses
Salaries	$ 100,035	$ 127,199	$ 266,797	$ 627,824	$ 640,106	$ 267,529	$ 2,029,490	$ 369,226	$ 83,178	$ 2,481,894
Direct aid to individuals	105,851	210,366	181,180	590,523	1,014,624	73,648	2,176,192	754	123,897	2,300,843
Food distribution	760,668	869,205	-	-	-	-	1,629,873	-	64,258	1,694,131
Payroll taxes and benefits	16,774	29,812	49,778	137,275	149,576	60,681	443,896	119,080	23,858	586,834
Office supplies	6,991	7,807	10,870	28,090	63,145	(6,052)	110,851	50,467	17,391	178,709
Other	7,160	5,139	849	14,775	18,477	6,842	53,242	33,781	7,044	94,067
Depreciation and amortization	-	-	-	-	-	-	-	101,344	-	101,344
Communications	4,139	4,909	8,174	40,938	10,856	7,773	76,789	13,782	1,946	92,517
Repairs and maintenance	4,966	4,471	4,262	3,161	60,395	13,080	90,335	(4,198)	-	86,137
Professional fees	127	113	6,200	16,297	(12,885)	493	10,345	45,436	13,874	69,655
Rent	-	-	-	46,866	5,200	1,200	53,266	2,734	-	56,000
Promotional	662	13,144	1,103	12,613	2,623	(220)	29,925	6,093	14,488	50,506
Utilities	8,041	6,765	10,101	5,078	7,188	1,460	38,633	7,183	-	45,816
Dues and subscriptions	318	163	5,521	4,124	3,883	579	14,588	11,285	1,593	27,466
Insurance	-	-	-	3,545	-	-	3,545	20,328	-	23,873
Interest	-	-	-	4,082	-	-	4,082	10,625	-	14,707
Licenses and fees	328	558	118	10,768	1,179	328	13,279	674	594	14,547
Total functional expenses	$ 1,016,060	$ 1,279,651	$ 544,953	$ 1,545,959	$ 1,964,367	$ 427,341	$ 6,778,331	$ 788,594	$ 352,121	$ 7,919,046

See accompanying notes.

Catholic Community Services of Lane County, Inc.
Statement of Cash Flows
Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 863,926
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	101,344
Unrealized gain on investments	46,835
Loss on disposal of assets	(34,783)
Noncash lease expense	(94,113)
Amortization of right-of-use assets	47,270
(Increase) decrease in	
Grants receivable	(849,281)
Prepaid expenses and other current assets	11,062
Accounts payable and payroll liabilities	82,327
Accrued vacation and unemployment benefits	35,781
Lease liability	49,134
Net cash provided by operating activities	259,502
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of property and equipment	(404,112)
Purchase of investments	(400,361)
Sale of investments	409,515
Net cash used by investing activities	(394,958)
CASH FLOWS FROM FINANCING ACTIVITIES	
Payments on line of credit	(43,508)
Payments on long-term debt	(20,522)
Net cash used by financing activities	(64,030)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(199,486)
CASH AND CASH EQUIVALENTS, beginning of year	1,611,182
CASH AND CASH EQUIVALENTS, end of year	$ 1,411,696
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	
Cash paid during the year for interest	$ 14,707
SUPPLEMENTAL DISCLOSURE OF INVESTING ACTIVITIES	
Operating right-of-use assets obtained in exchange for lease liabilities	$ 89,634

See accompanying notes.

Note 1 – Nature of Business and Summary of Significant Accounting Policies

Nature of business – Catholic Community Services of Lane County, Inc. (the Agency), is a Catholic Charities member agency that provides social services to needy residents of Lane County, Oregon.

Basis of accounting – The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Accordingly, revenues are recognized when earned, and expenses are recognized when incurred.

Use of estimates – The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and cash equivalents – For purposes of financial statement classification, the Agency considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments and investment return – The Agency carries investments at their fair values in the statement of financial position. These investments consist of certificates of deposit, that are interest-bearing deposits maturing within one year and are carried at cost plus accrued interest, which approximates fair value. Investment return includes realized and unrealized gains and losses, interest, and dividends – net of investment expenses, and is reported as an increase or decrease to the appropriate net asset category.

Grants receivable – Grants receivable primarily consist of amounts due from the state of Oregon and Lane County, Oregon for the balance of their contracts. The Agency periodically reviews receivable balances and charges off any amounts determined to be uncollectible. The Agency considers all receivables at June 30, 2025, to be fully collectible and, therefore, no allowance for uncollectible receivables was recorded.

Pledges receivable – Pledges are considered unconditional commitments of the donors. Accordingly, recognition of these contributions is recognized when the pledge is made. Management evaluates collectability at the time that the pledge is recorded and annually thereafter. The allowance for uncollectable pledges is the Agency's best estimate of the amount of probable losses on existing receivables. There was an allowance of $3,309 for uncollectible pledges at June 30, 2025. Pledges with payment terms in excess of one year are subject to discounting based on US treasury rates of up to 3.72% at June 30, 2025. A discount totaling $1,611 was recorded at June 30, 2025.

Property and equipment – Property and equipment is recorded at cost. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions 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 support without donor restrictions. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies net assets with donor-imposed restrictions to net assets without donor restrictions at that time.

All significant acquisitions and renovations which increase the value of an asset are capitalized. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from 5 to 30 years. As of June 30, 2025, property and equipment includes a building, parking lot, and equipment, with a total net book value of $222,660, whose use is restricted by a trust deed.

Leases – The Agency determines if an arrangement contains a lease at the inception date. An arrangement contains a lease if it implicitly or explicitly identifies an asset to be used and conveys the right to control the use of the identified asset in exchange for consideration. Leases are classified as finance or operating at the lease commencement date, which affects the classification of expense recognition in the income statement. Right-of-use (ROU) assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments, as agreed to in the lease.

Lease liabilities and the corresponding right-of-use assets are recognized based on the present value of the future minimum lease payments over the expected remaining lease term. For this purpose, the Agency considers only payments that are fixed and determinable at the time of commencement. The ROU assets are measured as the amount of the initial measurement of the lease liability, adjusted for prepaid or accrued lease payments, the remaining balance of any lease incentive received, unamortized initial direct costs, and any impairment of the ROU asset.

The Agency uses the rate implicit in the lease as the discount rate to measure lease liabilities and ROU assets at the commencement of a lease if the rate is known. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Agency will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term as part of operating expenses.

The Agency evaluates the carrying value of ROU assets for indicators of impairment and performs an analysis of the recoverability of the related asset group. If the carrying value is determined to be in excess of the estimated fair value, the Agency will record an impairment loss. Additionally, the Agency reviews the carrying value of the ROU assets for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

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

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

- *Net assets with donor restrictions* – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Agency and/or the passage of time. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Also included in this category are net assets subject to donor-imposed stipulations which must be maintained in perpetuity by the Agency. Generally, the donors of these assets permit the use of all, or a part of the income earned on any related investments for general or specific purposes. There were no net assets under this category as of June 30, 2025. Net assets with donor restrictions as of June 30, 2025 totaled $671,857.

Revenue recognition

Contributions and foundations and grants – Contributions, foundations, and grants, which include unconditional promises to give (pledges), are recognized as revenues in the period the Agency is notified of the commitment. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met. Contributions received with both donor-imposed conditions and restrictions that are met in the same reporting period are reported as support without donor restrictions and increase net assets without donor restrictions.

Government funding – A portion of the Agency's revenue is derived from cost-reimbursable grants and contracts, which are conditional upon certain performance requirements and/or incurring allowable qualifying expenses. Amounts received are recognized as revenue when the Agency has met the performance requirements or incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures, if any, are reported as deferred revenue in the statement of financial position.

Donated goods, services, and food – Donated goods are reflected as a contribution when received. The Agency received approximately 1.1 million pounds of food and grocery products from the food industry, other businesses, community organizations and individuals during the year ended June 30, 2025. Donations of materials and small equipment are reflected as support without donor restrictions and expenses as utilized at their estimated fair value. It is the Agency's policy to utilize gifts of non-monetary assts to carry out its mission. If an asset is gifted that the Agency cannot utilize, the asset will be sold at fair market value or returned to the donor. The Agency recognizes donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In 2025, approximately 168 volunteers provided more than 11,283 hours assisting with programs and special events. These hours of general volunteer support are not reflected in the financial statements as they do not meet the criteria for recording donated services.

Income taxes – The Agency is a nonprofit organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and is not classified as a private foundation. The Agency files required information returns with both the U.S. federal jurisdiction and the state of Oregon.

Accrued unemployment benefits – The Agency self-funds unemployment benefits as provided by law. The Agency charges to expense, and credits to unemployment reserves, a determined percent of wages. As benefits are paid, the reserve is charged. No actuarial determination has been made to determine the adequacy of such a reserve.

Functional expenses – Functional expenses have been allocated between program services and support services based on an analysis of personnel time and space utilized for the related activities. The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses are allocated directly to the programs and supporting services benefited.

Subsequent events – Subsequent events are events or transactions that occur after the statement of financial position date but before financial statements are available to be issued. The Agency recognizes in the financial statements the effects of all subsequent events that provide additional evidence about conditions that existed at the date of the statement of financial position, including the estimates inherent in the process of preparing the financial statements. The Agency's financial statements do not recognize subsequent events that provide evidence about conditions that did not exist at the date of the statement of financial position sheet but arose after the statement of financial position date and before financial statements are available to be issued.

Management has evaluated subsequent events through June 1, 2026, the date the financial statements were available to be issued.

Note 2 – Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30, 2025:

Cash and cash equivalents	$ 1,411,696
Grants receivable	1,221,890
Current portion of pledges receivable	30,129
Investments	288,923
Total financial assets	2,952,638
Less amounts not available for general use within one year	
Net assets with donor restrictions subject to expenditure for specified purposes	449,257
Financial assets available for general use within one year	$ 2,503,381

As part of the Agency's liquidity management plan, the Agency has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Note 3 – Cash and Cash Equivalents

As of June 30, cash and cash equivalents were composed of the following:

Bank checking accounts	$ 732,039
Money market accounts	679,657
Total cash and cash equivalents	$ 1,411,696

The Agency maintains its cash balances at financial institutions. At times, these cash balances exceed the insured amount provided by the Federal Deposit Insurance Corporation (FDIC) of $250,000 per institution. The Agency had $1,079,133 of cash balances in excess of FDIC limits at June 30, 2025.

Note 4 – Concentrations of Grants Receivable and Revenues

Concentrations in grants receivable existed as of June 30, 2025. Amounts due from Lane County, Oregon for social services performed on contracts, including some pass-through grants originating with federal agencies, represented 55% of grants receivable at June 30, 2025. Amounts due from Oregon Department of Health Services for provided grants to the Agency represent 37% of grants receivable at June 30, 2025.

Concentrations in revenue are also present. Lane County, Oregon revenues for social services performed on contracts, including some pass-through grants originating with federal agencies, represented 35% of total revenue for the year ended June 30, 2025. Food For Lane County contributes a significant portion of total revenues in the form of food commodities. These commodities, which include some passed through from the USDA, represent 18% of total revenue for the year ended June 30, 2025. Amounts received from the Oregon Department of Health Services provided grants to the Agency representing 13% of total revenues for the year ended June 30, 2025.

Note 5 – Investments and Fair Value Measurements

Fair value measurements – The Agency determines the fair value of assets and liabilities consistent with a fair value framework that defines fair value for financial reporting, establishes a hierarchy for measuring fair value, and requires additional disclosures about the use of fair value measurements.

Fair value measurement reporting provides a consistent definition of fair value which focuses on an exit price, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value reporting standards prioritize, within the measurement of fair value, the use of market-based information over entity-specific information and establish a three-level hierarchy for fair value measurements based on the nature of inputs used in the valuation of an asset or liability as of the measurement date.

The standard describes three levels of inputs that may be used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. The Agency does not have any investments valued with Level 3 inputs.

The following summarizes the composition of investments, at fair value according to the fair value hierarchy:

	Fair Value Measurement at June 30, 2025			
	Level 1	Level 2	Level 3	Total
Certificate of deposits	$ -	$ 288,923	$ -	$ 288,923
Total Investments	$ -	$ 288,923	$ -	$ 288,923

Note 6 – Property and Equipment

Property and equipment consist of the following at June 30, 2025:

Building and improvements	$ 1,883,331
Land	415,224
Equipment	268,261
Total property and equipment	2,566,816
Less accumulated depreciation	(848,562)
Property and equipment, net	$ 1,718,254

Note 7 – Leases

The Agency has an operating lease for a building. The operating lease expense for the year ended June 30, 2025 totaled $52,042.

Other Information for the year ended June 30, 2025	
Cash paid for amounts included in the measurement of lease liabilities	
Operating cash flows from operating leases	$ 50,361
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 89,634
Weighted-average reaming lease term in years for operating leases	2.79
Weighted-average discount rate for operating leases	4.26%

Maturities of operating lease liabilities are as follows:

Years Ending June 30,		
2026	$	46,909
2027		46,630
2028		33,401
2029		2,127
Total minimum lease payments		129,067
Less amounts representing interest		(7,152)
Total lease liabilities	$	121,915

Note 8 – Long-term Debt

As of June 30, 2025, long-term debt was composed of the following:

Mortgage payable to Summit Bank, payable in monthly installments of $2,812, including interest, which accrues at a rate of 3.95%. The note is due December 2036 and is secured by the Agency's real property.	$	311,385
Line of credit payable to Summit Bank, as described in Note 9.		103,347
Total long-term debt		414,732
Current portion		(40,984)
Long-term debt, net of current portion and unamortized loan fees	$	373,748

Maturities of long-term debt are as follows:

Years Ending June 30,		
2026	$	40,984
2027		43,315
2028		45,618
2029		48,048
2030		42,923
Thereafter		193,844
Total	$	414,732

Note 9 – Line of Credit

In August 2023, the Agency entered into an agreement with Summit Bank for a line of credit with a limit of $160,000 and with a stated maturity date of February 7, 2031. The line of credit accrues interest at the variable rate of the seven-year Treasury Constant Maturity Rate plus 2.25% and is secured by the Agency's assets. As of June 30, 2025, the interest rate was 6.38%. During the 2025 fiscal year, the Agency did not draw any advances. The outstanding balance on this line of credit as of June 30, 2025, was $103,347.

Note 10 – Donated Non-cash Assets

The Agency receives donations of non-cash assets in the form of food from Food for Lane County. The food is then distributed as direct aid to individuals. The value of the food received for the year ended June 30, 2025, was $1,694,130. Other donated goods consist of clothing donated by community members.

Note 11 – Employee Benefit Plan

On January 1, 2018, the Agency switched from an established Simplified Employee Pension (SEP) plan for all employees who have worked in three of the previous five years to a Savings Incentive Match Plan for Employees (SIMPLE) for all employees that have worked more than six months at the Agency. Under the SIMPLE plan the Agency will match employee contributions up to a maximum of 3% of wages. For the fiscal year ended June 30, 2025, the Agency contributed $27,816.

Under a SEP plan, annual discretionary contributions are made directly to participants' individual retirement accounts (IRAs). After the funds have been distributed to the IRAs, the Agency has no fiduciary responsibility or control over the accounts.

Note 12 – Net Assets with Donor Restrictions

As of June 30, 2025 net assets with donor restrictions were available for the following purposes:

Subject to expenditure for specified purpose	
Cow Creek	$ 2,326
G Street Oasis	53,956
Lane Community Health Council	266,109
McKay Family Foundation	5,000
Murdock Foundation	2,546
Refugee program	77,308
SNAP Grant	11,563
Other programs	30,449
Total subject to expenditure for specified purpose	449,257
Subject to the passage of time	
CDBG trust deed ECSC 2019 remodel	222,600
Total subject to passage of time	222,600
Total net assets with donor imposed restrictions	$ 671,857

The trust deed is subject to contractual provisions defining the terms of the trust deeds determining when the Agency is released from all or a portion of the trust deed. The 2019 ECSC remodel is amortized over a period of 5 years beginning in September 2023 at a rate of $3,711 per month.

Note 13 – Prior Period Correction

During the year ended June 30, 2025, the Agency identified and corrected three errors. The Agency had contributions of $292,139, which were improperly classified as net assets with donor restrictions. The impact on the previous statement of activities for the year ended June 30, 2024 would have increased the change in net assets without donor restrictions by $292,139 and decreased the change in net assets with donor restrictions by $292,139. The Agency also had overstated accrued unemployment liabilities by $64,210. The impact on the previous statement of activities for the year ended June 30, 2024 would have increased the changes in net assets without donor restrictions by $64,210. In addition, the Agency had pledges which should have been recognized in the prior year of $75,282. The impact on the previous statement of activities for the year ended June 30, 2024 would have increased net assets with donor restrictions by $56,461 and increased bad debt expense by $18,821. Had the errors not been made, change in net assets for the year ended June 30, 2024 would have been increased by $120,671.

The Agency has adjusted the presentation in these financial statements and applied the change to this period presented as follows:

	Previously Reported	Adjusted	As Restated
Statement of Activities			
NET ASSETS, beginning of year			
Without donor restrictions	$ 2,195,789	$ 356,349	$ 2,552,138
With donor restrictions	836,379	(235,678)	600,701
	$ 3,032,168	$ 120,671	$ 3,152,839

Supplementary Information

Catholic Community Services of Lane County, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

Federal Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture			
Passed through from Food for Lane County			
Food Distribution Cluster			
Emergency Food Assistance Program - Food Commodities	10.569	15-2384, 15-3423	$ 597,473
Total Food Distribution Cluster			597,473
Total U.S. Department of Agriculture			597,473
U.S. Department of Housing and Urban Development			
Passed through from Lane County			
CDBG-Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	46864, 46903	77,097
Total CDBG-Entitlement Grants Cluster			77,097
Emergency Solutions Grants Program	14.231	4PREV-34ESGPGM, 46903	124,241
Total U.S. Department of Housing and Urban Development			201,338
U.S. Department of State, Bureau of Population, Refugees, and Migration			
Passed through from United States Conference of Catholic Bishops			
2025 Operation Alllies Welcome/Enduring Welcome	19.510	SPRMCO23CA0366	43,266
Total U.S. Department of State, Bureau of Population, Refugees, and Migration			43,266
U.S. Department of Health and Human Services			
Passed through from Lane County			
Temporary Assistance for Needy Families	93.558	46864, 46903, 46906	105,706
Low-Income Home Energy Assistance	93.568	46863, 46903	339,023
Community Services Block Grant	93.569	46864, 46903	179,048
Passed through from United States Conference of Catholic Bishops			
Refugee and Entrant Assistance Discretionary Grants	93.576	90RP0121-04-01	34,180
Total U.S. Department of Health and Human Services			657,957
U.S. Department of Homeland Security			
Passed through from United Way			
Emergency Food and Shelter National Board Program	97.024	40-7128-00 006E1	11,150
Total U.S. Department of Homeland Security			11,150
Total expenditures of federal awards			$ 1,511,184

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Catholic Community Services of Lane County, Inc. (the Agency) under programs of the federal government for the year ended June 30, 2025. 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). Because the Schedule presents only a selected portion of the operations of Catholic Community Services of Lane County, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Catholic Community Services of Lane County, Inc.

Note 2 – Summary of Significant Accounting Policies

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

Expenditures reported on the Schedule include noncash assistance in the form of food commodities received through the U.S. Department of Agriculture (USDA) Emergency Food Assistance Program. The expenditures are determined based on the pounds of such food commodities distributed using the per pound value provided by the USDA.

Note 3 – Indirect Cost Rate

The Agency has not elected to use the *de minimis* indirect cost rate allowed under the Uniform Guidance.

Note 4 – Food Distribution

The value of USDA food commodities received during the year was estimated by the USDA. The value of USDA food commodities distributed during the year includes amounts held in inventory at the beginning of the year. As of June 30, 2025, the Agency had no inventory of USDA food commodities.

Note 5 – Programs Involving Non-Cash Assistance

Federal expenditures reported in the Schedule include the following non-cash assistance program. All values are assessed value provided by federal agency.

Assistance Listing Number	Program Title	Type of Assistance	Value
10.569	Emergency Food Assistance Program	Food Commodities	$ 597,473
			$ 597,473

Report of Independent Auditors 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*

The Board of Directors
Catholic Community Services of Lane County, Inc.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Catholic Community Services of Lane County, Inc. (the Agency), which comprise the statement of financial position as of June 30, 2025, 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 June 1, 2026.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

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

Catholic Community Services of Lane County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Catholic Community Services of Lane County, Inc. 's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Catholic Community Services of Lane County, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly US, LLP

Eugene, Oregon
June 1, 2026

Report of Independent Auditors on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

The Board of Directors
Catholic Community Services of Lane County, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Catholic Community Services of Lane County, Inc.'s 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 Catholic Community Services of Lane County, Inc.'s major federal programs for the year ended June 30, 2025. Catholic Community Services of Lane County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Catholic Community Services of Lane County, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Catholic Community Services of Lane County, Inc. 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 Catholic Community Services of Lane County, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's 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 Catholic Community Services of Lane County, Inc.'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 Catholic Community Services of Lane County, Inc.'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 Catholic Community Services of Lane County, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Catholic Community Services of Lane County, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Catholic Community Services of Lane County, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's 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.

Baker Tilly US, LLP

Eugene, Oregon
June 1, 2026

Section I – Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	☒ Yes ☐ No
Significant deficiency(ies) identified?	☐ Yes ☒ None reported
Noncompliance material to financial statements noted?	☐ Yes ☒ No

Federal Awards

Internal control over major federal programs:	
Material weakness(es) identified?	☐ Yes ☒ No
Significant deficiency(ies) identified?	☐ Yes ☒ None reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	☐ Yes ☒ No

Identification of major federal programs and type of auditor's report issued on compliance for major federal programs:

Federal Assistance Listing Number(s)	*Name of Federal Program or Cluster*	*Type of Auditor's Report Issued on Compliance for Major Federal Programs*
10.569	Food Distribution Cluster	Unmodified
14.231	Emergency Solutions Grants Program	Unmodified

Dollar threshold used to distinguish between type A and type B programs:	$750,000
Auditee qualified as low-risk auditee?	☐ Yes ☒ No

Section II – Financial Statement Findings

2025-001 – Material Weakness – Inadequate Controls Over Financial Close and Reporting Resulting in Prior Period Adjustment

Criteria: Management should design and maintain effective internal controls over financial reporting to ensure transactions, classifications, and account balances are recorded completely, accurately, and in the proper class and period. These controls should operate with sufficient precision to detect and correct errors in previously issued and current-year financial statements, including errors affecting asset classification.

Context: During the audit, we identified the Agency's financial close and reporting controls had not operated with sufficient precision to detect and correct an error in the previously issued financial statements. Specifically, contributions of $292,139 during the year ended June 30, 2024 were improperly classified as net assets with donor restrictions rather than net assets without donor restrictions. As a result, a prior period correction was recorded in the current year financial statements.

Cause: The deficiency resulted from management not designing and/or operating effective review controls over the financial close and reporting process at a level of precision sufficient to identify errors in the classification of contributions and related net asset balances in the financial statements.

Effect: As a result of this deficiency, a material misstatement in the previously issued financial statements was not prevented, or detected and corrected, on a timely basis, which required a prior period adjustment. The absence of effective controls over financial close and reporting increases the risk that additional material misstatements, including misclassification of net assets and contribution activity, could occur and not be identified timely.

Repeat Finding: No.

Recommendation: We recommend that the Agency strengthen procedures and controls over the financial close and financial reporting process, including review of contribution revenue, donor restriction classifications, and related net asset balances, so that errors are identified and corrected timely and amounts are properly recorded in the appropriate net asset class and period. Management should also implement documented review procedures over year-end financial statement preparation and disclosure review for significant and unusual transactions.

View of responsible officials: Management agrees with the findings and recommendation.

2025-002 – Material Weakness – Inadequate Controls Over Account Reconciliations, Period-End Close, and Segregation of Duties

Criteria: Management should design and maintain effective internal controls over financial reporting to ensure significant accounts are reconciled completely, accurately, and on a timely basis throughout the year. These controls should include formal preparation and review of account reconciliations, timely investigation of reconciling items, recording of necessary adjusting and reclassifying entries, and adequate oversight of the financial close process. In addition, responsibilities within key transaction cycles should be appropriately segregated so that no one individual has incompatible duties without compensating review controls.

Context: Throughout the audit process, we identified numerous accounts that did not have formal reconciliations, resulting in the provided trial balance not tying to provided support or the need for adjusting or reclassifying journal entries, including an adjustment related to the unemployment accrual and pledges receivable. In addition, reconciliations and related financial reporting controls were not occurring timely or consistently throughout the year. We also note the staff accountant having responsibility across multiple areas, increasing the concentration of incompatible duties.

Cause: These deficiencies resulted from insufficient staffing and from management not establishing and operating effective controls over account reconciliations, the financial close process, and segregation of duties. Formal reconciliation procedures, review controls, and oversight were not consistently performed throughout the year, and staffing limitations resulted in one individual performing multiple incompatible functions without sufficient compensating controls.

Effect: Without timely reconciliation of accounts and proper review and oversight of account reconciliations, there is an increased risk that material misstatements in the financial statements could occur and go undetected. The lack of segregation of duties also increases the risk of unauthorized or inappropriate transactions. Without effective controls, the Agency may become overly reliant on the external audit process to identify and correct errors.

Repeat Finding: Yes, finding 2024-001.

Recommendation: We recommend formalizing the financial close process for the Agency to support more accurate monthly and year-end financial reporting. This should include preparation and review of formal reconciliations for significant balance sheet accounts, timely investigation and resolution of reconciling items, recording of necessary adjusting and reclassifying entries, and documented oversight of the close process. We also recommend evaluating responsibilities within the purchasing, receiving, and disbursements cycles to better segregate incompatible duties and, where staffing limitations prevent full segregation, implementing documented compensating review controls.

View of responsible officials: Management agrees with the findings and recommendation.

Section III – Federal Award Findings and Questioned Costs

None.

Catholic Community Services
OF LANE COUNTY
Loving Thy Neighbor

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1055 Charnelton St. | Eugene, OR 97401
541-345-3628 | www.ccslc.org

Corrective Action Plan

Management Response to Audit Findings
FY2024-2025

Finding Reference: 2025-001 – Material Weakness – Inadequate Controls Over Financial Close and Reporting Resulting in Prior Period Adjustment

Audit period: 7/1/2024 – 6/30/2025

Summary of finding: Catholic Community Services of Lane County (CCSLC or Management) did not have adequate year-end close procedures and review process in place and failed to catch a misclassification of net assets as restricted rather than unrestricted which resulted in a material misstatement of net assets in prior period financial statements.

Management response: Management agrees with this finding and acknowledges the lack of consistent, reviewed and documented year-end close procedures in prior periods.

Corrective Action Plan:

Management has taken/will take the following corrective actions to prevent these types of errors from occurring in subsequent periods:

Year-End: Document and implement year-end review and close process that includes reviewing the classification of net asset activity and verifying that classifications are correct

Net Asset tracking through the fiscal year: make improvements in the accounting software to better capture net asset classification through the year, implement procedure for review of classifications throughout the year and incorporate net asset classification review and reconciliation as part of the monthly and year-end close process.

Anticipated Completion Date: 6/30/2026

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Finding Reference: 2025-002 - Material Weakness – Inadequate Controls Over Account Reconciliations, Period-End Close, and Segregation of Duties

Audit period: 7/1/2024 – 6/30/2025

Summary of finding: CCSLC failed to consistently and timely perform and document account reconciliations, adjustments, and reviews of these reconciliations and adjustments, resulting in potential misstatements in the financial reporting. Additionally, CCSLC has staffed the accounting department at levels and designed the accounting roles in such a way that there is not adequate segregation of key, incompatible duties and has not designed sufficient compensating controls in these instances.

Management response: Management agrees with this finding and acknowledges the lack of consistent, reviewed and documented month-end and year-end close procedures in prior periods. Management also agrees that the design and size of the accounting department has resulted in a lack of appropriate division of duties and has not designed appropriate compensating controls in these instances.

Corrective Action Plan:

Management has taken/will take the following corrective actions to prevent these types of errors from occurring in subsequent periods:

Management will document and maintain a formal month-end and year-end close process that includes the performance of regular reconciliations of significant balance sheet accounts, timely adjustments, and review.

Management will review the distribution of duties within the accounting department and segregate key duties including:

Separate cash receipts and billing duties

Separate bank reconciliation and accounts payable duties

Separate purchasing/procurement and accounts payable duties

Implement compensating controls for electronic payments, disbursements, bank reconciliation and purchasing where segregation of duties is not possible due to the accounting department size.

Anticipated Completion Date: 6/30/2026

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Section IV – Summary Schedule of Prior Audit Findings

2024-001 – Preparation and Review of Financial Data and the Schedule of Expenditures of Federal Awards

Status: Anticipated to be implemented in FY2026.