
**OLYMPIC COMMUNITY ACTION PROGRAMS
CONSOLIDATED FINANCIAL STATEMENTS**

**For the Fiscal Year Ended DECEMBER 31, 2024
(With summarized comparative totals as of and for the year ended December 31, 2023)**

OLYMPIC COMMUNITY ACTION PROGRAMS
TABLE OF CONTENTS
DECEMBER 31, 2024

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS	
Statements of Financial Position.....	4
Statements of Activities.....	6
Statements of Functional Expenses.....	7
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9
SUPPLEMENTAL INFORMATION	
Consolidated Statement of Financial Position	23
Consolidated Statements of Activities	25
Consolidated Statements of Functional Expenses	26
ADDITIONAL REPORTS AND SCHEDULES	
Schedule of Expenditures of Federal Awards	27
Notes to Schedule of Expenditures of Federal Awards.....	30
Schedule of Expenditures of State Awards.....	31
COMPLIANCE SECTION	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance.....	35
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	38
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS	41
CORRECTIVE ACTION PLAN	42

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Olympic Community Action Programs
Port Townsend, WA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Olympic Community Action Programs (the "Organization") (a nonprofit Organization), which comprise the consolidated statement of financial position, as of December 31, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related consolidated notes to the financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Organization, as of December 31, 2024, 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 and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within 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 consolidated 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 generally accepted auditing standards 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 generally accepted auditing standards 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 Organization'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 Organization'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.

Report on Summarized Comparative Information

We have previously audited the Organization's December 31, 2023, consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 05, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2023, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and Schedule of Expenditures of State Awards as identified in the table of contents is presented for purposes of additional analysis and is 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 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 consolidated 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 March 02, 2026, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



**Aiken & Sanders, Inc., PS
Certified Public Accountants
& Management Consultants
March 02, 2026**

CONSOLIDATED FINANCIAL STATEMENTS

OLYMPIC COMMUNITY ACTION PROGRAMS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024
(With summarized comparative totals as of December 31, 2023)

	2024	2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,053,081	\$ 1,541,353
Accounts receivable	31,650	-
Grants receivable	2,344,010	1,667,451
Prepaid expenses and other assets	26,281	56,955
Total current assets	3,455,022	3,265,759
Noncurrent assets:		
Property and equipment, net	18,545,478	18,702,575
Reserves	262,284	267,185
Contributed land and facilities use receivable	105,797	106,241
Operating lease right-of-use assets, net	629,879	968,238
Administrative and monitoring fee, net	-	221,354
Investments	55,542	87,893
Total noncurrent assets	19,598,980	20,353,486
Total assets	23,054,002	23,619,245
LIABILITIES AND NET ASSETS		
LIABILITIES		
Current liabilities:		
Cash overdraft	52,907	-
Accounts payable	975,805	665,820
Accrued payroll	522,147	563,606
Other liabilities	173,044	157,047
Unearned revenue	500,000	11,264
Current portion of long-term debt	216,079	65,199
Current portion of operating lease liability	218,180	353,053
Total current liabilities	2,658,162	1,815,989

The accompanying notes are an integral part of these financial statements

OLYMPIC COMMUNITY ACTION PROGRAMS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024
(With summarized comparative totals as of December 31, 2023)

Noncurrent liabilities:

Notes payable, net of current portion	14,614,784	14,673,567
Less: Loan fees, net	(294,479)	(92,334)
Accrued expenses	337,506	-
Operation lease liability, net of current portion	<u>411,699</u>	<u>615,185</u>
Total noncurrent liabilities	<u>15,069,510</u>	<u>15,196,418</u>
Total liabilities	<u>17,727,672</u>	<u>17,012,407</u>

NET ASSETS

Without donor restrictions	3,557,274	4,611,924
With donor restrictions	<u>1,769,056</u>	<u>1,994,914</u>
Total net assets	<u>5,326,330</u>	<u>6,606,838</u>
Total liabilities and net assets	<u>\$ 23,054,002</u>	<u>\$ 23,619,245</u>

The accompanying notes are an integral part of these financial statements

OLYMPIC COMMUNITY ACTION PROGRAMS
CONSOLIDATED STATEMENTS OF ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2024
(With summarized comparative totals for the year ended December 31, 2023)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 2024</u>	<u>Total 2023</u>
SUPPORT AND REVENUES:				
Grants	\$ 9,700,621	\$ -	\$ 9,700,621	\$ 12,076,040
Contributions	655,097	-	655,097	962,363
Contribution to nonfinancial assets	1,625,780	-	1,625,780	895,606
Rental income	833,964	-	833,964	626,811
Fee revenue	(1,805)	-	(1,805)	7,317
Other income	716,814	-	716,814	1,164
Investment income	4,053	-	4,053	4,583
Tenant assistance payments	60,448	-	60,448	-
Net assets released from restriction	<u>225,858</u>	<u>(225,858)</u>	<u>-</u>	<u>-</u>
Total support and revenues	<u>13,820,830</u>	<u>(225,858)</u>	<u>13,594,972</u>	<u>14,573,884</u>
EXPENSES:				
Program services				
Early childhood	3,575,791	-	3,575,791	3,444,568
Housing	4,507,230	-	4,507,230	4,755,376
Community support	<u>4,657,977</u>	<u>-</u>	<u>4,657,977</u>	<u>4,814,209</u>
	12,740,998	-	12,740,998	13,014,153
Management and general expenses	<u>2,134,482</u>	<u>-</u>	<u>2,134,482</u>	<u>1,375,589</u>
Total expenses	<u>14,875,480</u>	<u>-</u>	<u>14,875,480</u>	<u>14,389,742</u>
Change in net assets	(1,054,650)	(225,858)	(1,280,508)	184,142
Net assets, beginning of year	<u>4,611,924</u>	<u>1,994,914</u>	<u>6,606,838</u>	<u>6,422,696</u>
Net assets, end of year	<u>\$ 3,557,274</u>	<u>\$ 1,769,056</u>	<u>\$ 5,326,330</u>	<u>\$ 6,606,838</u>

The accompanying notes are an integral part of these financial statements

OLYMPIC COMMUNITY ACTION PROGRAMS
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(With summarized comparative totals for the year ended December 31, 2023)

	<u>Early childhood</u>	<u>Housing</u>	<u>Community support</u>	<u>Total program</u>	<u>Management and general</u>	<u>Eliminations</u>	<u>Total 2024</u>	<u>Total 2023</u>
Payroll costs:								
Salaries and wages	\$ 1,490,364	\$ 817,759	\$ 625,097	\$ 2,933,220	\$ 672,511	\$ -	\$ 3,605,731	\$ 4,125,553
Payroll taxes	165,727	93,915	79,606	339,248	135,983	-	475,231	429,846
Fringe benefits	436,436	231,968	220,449	888,853	178,042	-	1,066,895	1,117,980
Total payroll costs	<u>2,092,527</u>	<u>1,143,642</u>	<u>925,152</u>	<u>4,161,321</u>	<u>986,536</u>	<u>-</u>	<u>5,147,857</u>	<u>5,673,379</u>
General and operating cost:								
Direct payment and cost	733,294	1,483,185	1,865,257	4,081,736	89,197	-	4,170,933	5,321,308
In-kind expenses	276,766	5,000	1,344,458	1,626,224	27,574	-	1,653,798	875,775
Occupancy	112,136	428,850	112,560	653,546	164,008	-	817,554	818,470
Travel and transportation	50,285	15,570	51,492	117,347	40,121	-	157,468	163,924
Supplies	119,235	124,423	61,581	305,239	111,312	-	416,551	179,715
Communications	50,298	39,883	36,794	126,975	103,972	-	230,947	275,163
Interest expenses	-	494,897	-	494,897	7,220	-	502,117	120,217
Professional services	1,727	(21,377)	1,827	(17,823)	356,250	-	338,427	129,282
Staff and vol development	41,766	18,761	7,747	68,274	43,438	-	111,712	84,731
Insurance	22,326	55,855	38,645	116,826	61,465	-	178,291	95,289
Minor equipment	5,542	5,620	4,469	15,631	1,752	-	17,383	111,548
Printing and publications	7,820	10,677	666	19,163	(6,266)	-	12,897	16,111
Miscellaneous	-	56,489	123,479	179,968	113,421	-	293,389	(78,322)
Equipment Lease and Maintenance	1,111	10,353	9,956	21,420	8,822	-	30,242	16,876
Business Taxes and Licenses	316	40	-	356	20,885	-	21,241	1,623
Loan amortization costs	-	19,209	-	19,209	-	-	19,209	-
Total general and operating costs	<u>1,422,622</u>	<u>2,747,435</u>	<u>3,658,931</u>	<u>7,828,988</u>	<u>1,143,171</u>	<u>-</u>	<u>8,972,159</u>	<u>8,131,710</u>
Depreciation	<u>60,642</u>	<u>616,153</u>	<u>73,894</u>	<u>750,689</u>	<u>4,775</u>	<u>-</u>	<u>755,464</u>	<u>584,653</u>
Total expenses 2024	<u>\$ 3,575,791</u>	<u>\$ 4,507,230</u>	<u>\$ 4,657,977</u>	<u>\$ 12,740,998</u>	<u>\$ 2,134,482</u>	<u>\$ -</u>	<u>\$ 14,875,480</u>	
Total expenses 2023	<u>\$ 3,444,568</u>	<u>\$ 4,755,376</u>	<u>\$ 4,814,209</u>	<u>\$ 13,014,153</u>	<u>\$ 1,375,589</u>	<u>\$ -</u>		<u>\$ 14,389,742</u>

The accompanying notes are an integral part of these financial statements

OLYMPIC COMMUNITY ACTION PROGRAMS
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(With summarized comparative totals for the year ended December 31, 2023)

	2024	2023
<u>Cash flows from operating activities:</u>		
Increase/(decrease) in net assets	\$ (1,280,508)	\$ 184,142
Adjustments to reconcile to cash provided by operating activities		
Depreciation	755,464	584,653
Lease amortization	293,166	285,843
Amortization of loan fees	19,209	3,532
In-kind contributed use of facilities	444	425
Investment loss (income)	(4,053)	(4,583)
Changes in operating assets and liabilities		
Accounts, Grants, and Other receivable	(708,209)	(250,341)
Prepaid expenses and Other assets	30,674	(33,147)
Cash overdraft	52,907	(1,076)
Accounts payable, Accrued payroll, and Accrued expenses	606,032	(205,107)
Unearned revenue	488,736	8,333
Other liabilities	15,997	61,761
Operating lease liabilities	<u>(293,166)</u>	<u>(285,843)</u>
Net Cash provided by/(used in) operating activities	<u>(23,307)</u>	<u>348,592</u>
<u>Cash flows from investing activities:</u>		
Proceeds from sale of investments	36,404	173,301
Purchase of investment	-	(10,479)
Change in reserve	4,901	(167,861)
Acquisition of property and equipment	<u>(598,367)</u>	<u>(3,765,553)</u>
Cash (used in) investing activities	<u>(557,062)</u>	<u>(3,770,592)</u>
<u>Cash flows from financing activities:</u>		
Payment of loan fees	-	(30,653)
Proceeds from long-term debt	92,097	2,650,000
Repayment of long-term debt	<u>-</u>	<u>(14,113)</u>
Cash provided by financing activities	<u>92,097</u>	<u>2,605,234</u>
Net change in cash and cash equivalents	(488,272)	(816,766)
Cash and cash equivalents, beginning of year	<u>1,541,353</u>	<u>2,358,119</u>
Cash and cash equivalents, end of year	<u>\$ 1,053,081</u>	<u>\$ 1,541,353</u>
Supplemental disclosures:		
Cash Paid During the Fiscal Years for Interest	<u>\$ 168,025</u>	<u>\$ 116,180</u>

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Olympic Community Action Programs (the "Organization") is a nonprofit Washington Corporation, which serves as a Community Action Agency in conformity with the Economic Opportunity Act of 1964, and the Community Services Act of 1974. Olympic Community Action Programs' principal operation is the administration of government and community funded programs directed towards economic betterment of low-income, elderly, minority, and disadvantaged community members of Clallam and Jefferson Counties.

South Seven Senior Village (the Village) was incorporated in the State of Washington on June 13, 2003, as a nonprofit corporation and owns and operates the Village located in Port Hadlock. The Village began operations in April 2006 and provides low-income housing to the elderly. Olympic Community Action Programs has a majority voting interest in South Seven Senior Village and all interagency accounts and transactions have been eliminated in the consolidation.

During 2020, the 7th Hendricks GP LLC (the LLC) was formed in the State of Washington. Olycap owns 100% of the LLC and is a disregarded entity for tax purposes. The purpose of the LLC is to develop and operate real property to serve low income households. There are 43 housing units. All interagency accounts and transactions have been eliminated in the consolidation.

The summary of significant accounting policies of Olympic Community Action Programs and its affiliate, South Seven Senior Village and 7th Hendricks GP LLC, collectively the Organization, is presented to assist in understanding the Organization's financial statements. The consolidated financial statements and notes are representations of the Organization's management which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the presentation of the consolidated financial statements.

B. Basis of accounting

The Organization maintains its financial records on the accrual basis of accounting. Revenues on all grants are recognized (accrued) when qualifying expenditures under the grant are made. Grant funds are accounted for as with donor restrictions or without donor restrictions as provided in the particular terms of the respective grant contracts. However, if the restrictions on grant funds are met in the same year the funds are awarded, it is the Organization's policy to report the grant funds as without donor restrictions on the statement of activities and changes in net assets.

C. Basis of presentation

The financial statement presentation follows the requirements to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions: Net assets that are not restricted by donor or for which donor-imposed restrictions have expired.

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONT'D

C. Basis of presentation - cont'd

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

The Board of Directors has designated, from net assets without donor restrictions, net assets for the following reserves:

	2024	2023
Replacement reserve	\$ 204,660	\$ 121,763
Operating reserve	57,624	142,186
Residual receipt	-	3,236
Total	\$ 262,284	\$ 267,185

Net Assests With Donor Restriction: Net assets subject to donor imposed restrictions that may or will be met whether by actions of the Organization and/or the passage of time.

D. Comparative financial information

The financial information includes certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended December 31, 2023, from which the summarized information was derived.

E. Liquidity and availability

The Organization has \$3,428,741 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash of \$1,053,081 and receivables of \$2,375,660 as of December 31, 2024. The Organization has \$3,208,804 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure, consisting of cash of \$1,541,353 and receivables of \$1,667,451 as of December 31, 2023. of the financial assets, there was \$155,111 and \$285,512 that is restricted for certain programs. The rest of the financial assets are not subject to donor or other contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position date. The Organization has ongoing grants and contracts that will reimburse the Organization allowable expenditures for that grant or contract. The Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

The Organization also has investments of \$55,542 and \$87,893, as of December 31, 2024, and 2023, respectively, that the Organization can draw on to help pay for expenditures.

F. Allocation of indirect costs

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions of the Organization. Payroll and related costs are allocated based on time spent on each function. Other expenses have been allocated among program and supporting service classifications on the basis of estimates made by the Organization's management based on the benefits derived. The Organization allocates expenses to the following programs:

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONT'D

F. Allocation of indirect costs - cont'd

Early Childhood - The goal of the Early Childhood programs is to provide opportunities for the healthy growth and development of children, parent education, and family support services for families of children enrolled in the program.

Housing - The goal of the Housing program is to provide a continuum of housing opportunities and to maintain affordable and safe housing.

Community Support - The goal of the Community Support program is to provide a broad range of services and support programs to address food and nutrition, health care, dental services, and emergency needs of low-income residents and to support the local communities through the operation of community centers and provisions of volunteer resources.

G. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions. These affect the reported amounts of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

H. Cash and cash equivalents

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

I. Accounts receivable

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. Management determined valuation allowance of approximately \$94,618 and \$0 on December 31, 2024, and 2023, respectively. Accounts are considered past due if not collected within 90 days. The Organization does not charge interest on past due accounts. Bad debts incurred during the years ended December 31, 2024, and 2023, were \$0 and \$0, respectively.

J. Promises to give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be received in future years are recorded at the present value of their estimated future cash flows. Conditional promises to give are not included as support until any conditions are substantially met. All promises to give are due within one year.

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONT'D

K. Leases

The Organization recognizes and measures its leases in accordance with FASB ASC 842, leases. The Organization is a lessee in several noncancellable operating leases, for office space, and office equipment. The Organization determines if an arrangement is a lease, or contains a lease, at inception of a contract, and when the terms of an existing contract are changed. The Organization recognizes a lease liability and a right of use (ROU) asset at the commencement date of the lease. The lease liability is initially and subsequently recognized based on the present value of its future lease payments.

The discount rate is the implicit rate if it is readily determinable or otherwise the Organization uses the U.S. Treasury Bill risk free rate with a term equivalent to the lease term. The implicit rate of the leases was not readily determinable and accordingly, the Organization used the U.S. Treasury Bill risk free rate based on the information available at the commencement date for the Organization lease. The ROU asset is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments). Lease cost for lease payments is recognized on a straight-line basis over the lease term.

The Organization has elected, for all underlying classes of assets, to not recognize ROU assets, and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement, and do not include an option to purchase the underlying asset that the Organization is reasonable certain to exercise. We recognize lease cost associated with the short-term leases on a straight-line basis over the lease term.

L. Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial investment income/(loss) is reported in the statement of activities and consists of interest and dividend income, realized, and unrealized capital gains and losses, less external, and direct internal investment expenses.

M. Property and equipment

Property and equipment are recorded at cost or, if acquired as a donation, at the estimated fair value at the date donated. Depreciation is computed utilizing the straight-line method and the following estimated useful lives:

Buildings	5-50 years
Equipment and furnishings	5 years
Vehicles	5 years
Leasehold improvements	shorter of remaining useful life, or lease term

The Organization capitalizes new assets and expenditures that extend the productive life of an asset costing over \$5,000. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of equipment are sold or are otherwise disposed of, the appropriate cost and related accumulated depreciation amounts are removed from the accounts, and any gain or loss is included in income.

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONT'D

N. Unearned revenue

Unearned revenue is recognized for program (grant) advances received by The Organization that are in excess of current grant expenditures. Such amounts are restricted funds and as such can only be maintained and used in accordance with the respective grant contracts.

O. Recognizing revenue from contracts with customers

The Financial Accounting Standards Board guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The Organization follows these principles.

Upon receipt of an advance from grants and contracts from their funding sources, the Organization recognizes unearned revenue in the amount of the advance for its performance obligation to perform services in the future. As of December 31, 2024, and 2023, the Organization has recorded unearned revenue of \$500,000 and \$11,264 respectively, which the Organization expects to recognize as revenue in the following year, when it performs those services and, therefore, satisfies its performance obligation to the funding sources.

The balances of receivables and unearned revenue from grants and contracts are as follows as of December 31, 2024, and 2023:

	<u>2024</u>	<u>2023</u>
Accounts receivable	\$ 31,650	\$ -
Grants receivable	\$ 2,344,010	\$ 1,667,451
Unearned revenue	\$ 500,000	\$ 11,264

P. Recognition of contribution revenue

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, with donor restriction net assets are reclassified to without donor restriction net assets and are reported in the statement of activities and changes in net assets as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the assets are to be used. Gifts of cash or other assets that must be used to acquire long-lived assets are reported as with donor restrictions support. Absent explicit donor stipulations about how those long-lived assets must be maintained, The Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

If the restrictions on restricted contributions are met in the same year the gift is received, it is the Organization's policy to report the contribution as without donor restrictions on the statement of activities and changes in net assets.

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - CONT'D

Q. Indirect expenses

Management and general expenses are allocated to programs based on a negotiated provisional federal indirect cost rate agreement. Any necessary adjustments based on the final approved rate are recorded in the year the adjustments become known. No such adjustments were realized in the years ended December 31, 2024, and 2023.

R. Advertising costs

The costs of advertising are expensed as incurred.

NOTE 2 - CASH AND CASH EQUIVALENT

As of December 31, 2024, and 2023, the carrying amount of the Organization's cash deposit were \$1,053,081 and \$1,541,353 the bank balance were \$1,113,121 and \$1,670,119, respectively. The difference between the bank balance and carrying amount represents outstanding checks and petty cash.

Cash balance held in the bank balance are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per banking institution. As of December 31, 2024, and 2023, the Organization have \$737,229 and \$1,123,739 uninsured balance, respectively.

NOTE 3 - CONTRIBUTED LAND AND FACILITIES USE RECEIVABLES

In May 2002, the Organization received a use of land contribution from the Community United Methodist Church in the form of a seventy-five year lease at \$1 a year for the use of the land on which the Village was developed. Development began on the Village in 2004 and was completed in 2005. The value of the contribution, through the terms of the agreement, is recorded at the estimated present value, and shown as a receivable and with donor restrictions net asset. The discount rate used to calculate the present value at December 31, 2024, and 2023, was 4%.

NOTE 4 - PROPERTY AND EQUIPMENT

As of December 31, 2024, and 2023, property and equipment consist of the following:

	<u>2024</u>	<u>2023</u>
Buildings and improvements	\$ 21,445,077	\$ 20,476,400
Furniture and equipment	799,239	799,239
Vehicles	<u>553,664</u>	<u>487,470</u>
	22,797,980	21,763,109
Less: accumulated depreciation	<u>(4,835,795)</u>	<u>(4,080,331)</u>
	17,962,185	17,682,778
Construction in progress	163,024	577,516
Land	<u>420,269</u>	<u>442,281</u>
Property and equipment, net	<u>\$ 18,545,478</u>	<u>\$ 18,702,575</u>

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 4 - PROPERTY AND EQUIPMENT - CONT'D

Depreciation expense for the year ended December 31, 2024, and December 31, 2023, were \$755,464 and \$584,653, respectively.

NOTE 5 - CONTRIBUTION TO NON FINANCIAL ASSETS

A substantial number of unpaid volunteers have made significant contributions of their time in furtherance of the Organization's programs. The value of this contributed time is not included in the accompanying consolidated financial statements as it does not meet the criteria for contributed services in accordance with GAAP. Management has estimated the fair value of these services at \$3,517 and \$246,501 for the years ended December 31, 2024 and 2023, respectively. In-kind revenue and expenses was the following:

	<u>2024</u>	<u>2023</u>
Professional fees	\$ 146,081	\$ 119,437
Food	1,315,338	673,639
Transportation	-	20,886
Rent	33,676	54,495
Labor	130,685	-
Property	-	27,574
Change in contributed land use	<u>(444)</u>	<u>(425)</u>
In-kind revenue	1,625,336	895,606
Property	27,574	(27,574)
Change in present value of rent	-	8,168
Change in contributed land use	<u>(444)</u>	<u>(425)</u>
In-kind expenses	<u>\$ 1,652,466</u>	<u>\$ 875,775</u>

In-kind revenue and expenses as of December 31, 2024, and 2023, was \$1,625,336 and \$1,652,466, respectively.

NOTE 6 - NOTES PAYABLE AND DEBT ISSUANCE COSTS

Long-term debt on December 31, is as follows:

	<u>2024</u>	<u>2023</u>
Mortgage payable to Washington Department of Commerce, due June 2045, interest at 0%, annual payments of \$18,615, secured by Northwest Passage land and building. This loan was funded with Federal HOME program funds and is subject to a covenant that if the property is sold, refinanced, or not used as required by contract, the lender is entitled to the unpaid principal balance, and prorated appreciated value of property as defined in the contract.	\$ 496,841	\$ 496,841
Rehabilitation loan payable to Washington Department of Commerce, due June 2045, interest at 0%, annual payments of \$1,073, secured by Northwest Passage land and building. This loan was funded with Federal HOME program funds and is subject to the same loan covenant as the mortgage payable to Washington Department of Commerce.	27,891	27,891

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 - NOTES PAYABLE AND DEBT ISSUANCE COSTS - CONT'D

Rehabilitation loan payable to Washington Department of Commerce, due June 2046, interest at 3%, annual payments of \$3,517 including interest, secured by Pfeiffer land and apartments. This loan is subject to the same loan covenant as the mortgage payable to Washington Department of Commerce. No payments are required currently.	293,173	314,888
Term loan payable to City of Port Angeles, due March 27, 2011, interest free loan for one year from execution of loan, at which time interest shall accrue at the rate of 3% per annum on the unpaid balance. The loan has been extended to April 1, 2025.	-	6,540
Impact Capital approved a loan of \$150,000 to OlyCAP, available for disbursement beginning November 30, 2023, with a stated maturity date of April 30, 2025.	151,976	-
The Organization obtained a loan from Washington Community Reinvestment Association for \$2,650,000. The loan and interest due September 2030, interest at 6.252%, monthly payments of \$16,320, secured by property.	2,610,796	2,642,420
In October 2021, the Organization obtained a loan from Department of Commerce for \$11,250,186. As of December 31, 2022, the Organization has drawn \$11,250,186. The loan and interest is due December 31, 2062. The interest rate is 1%. If the property is sold, refinanced, or not used as required by contract, the lender is entitled to the unpaid principal balance, and prorated appreciated value of property. The loan is secured by the property.	<u>11,250,186</u>	<u>11,250,186</u>
Total	14,830,863	14,738,766
Less: current portion	<u>(216,079)</u>	<u>(65,199)</u>
Total long-term debt	<u>\$ 14,614,784</u>	<u>\$ 14,673,567</u>

Future minimum payments regarding loans payable are as follows:

Years Ending December 31,	Amount
2025	\$ 216,079
2026	66,262
2027	68,560
2028	71,006
2029	73,610
Thereafter	<u>14,335,346</u>
Total	<u>\$ 14,830,863</u>

Total long-term debt as of December 31, 2023, was \$14,738,766.

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 6 - NOTES PAYABLE AND DEBT ISSUANCE COSTS - CONT'D

Debt Issuance Costs

The Organization classifies debt issuance costs as a reduction to underlying loan obligations and recognizes interest expense on these costs over the life of the underlying loans. The Organization recognized \$22,741 and \$3,532 in interest expense for these costs in the years ended December 31, 2024, and 2023, respectively. Composition of debt issuance costs is the following:

	<u>2024</u>	<u>2023</u>
Debt issuance costs	\$ 317,220	\$ 95,866
Less: Interest recognized	<u>(22,741)</u>	<u>(3,532)</u>
Net debt issuance costs	<u>\$ 294,479</u>	<u>\$ 92,334</u>

NOTE 7 - WITH DONOR RESTRICTION NET ASSETS

With donor restriction net assets consisted of the following as of December 31,:

	<u>2024</u>	<u>2023</u>
Haines street cottages	\$ 337,941	\$ 347,046
South seven senior housing	1,133,455	1,186,964
Contributed land use	105,797	106,241
Senior services	36,752	69,151
Program services	<u>155,111</u>	<u>285,512</u>
Total	<u>\$ 1,769,056</u>	<u>\$ 1,994,914</u>

Haines Street Cottages - The Organization was awarded a State of Washington Department of Commerce grant in 1996 totaling \$567,426 to be used for the acquisition and renovation of low-income apartments in Port Townsend. Acquisition and renovation costs of \$470,461 were capitalized during 1996, and renovation costs capitalized during the year ended December 31, 1997 totaled \$109,200, for a final cost of \$579,661. The grant includes covenants that limit the use of the project to households at or below 50% of the Jefferson County median income for a period of 50 years. If the property is sold, refinanced, or its use changes prior to the end of the 50 year grant period, the grant plus shared appreciation shall be due and payable within 30 days. Haines Street Cottages are currently used as part of the Organization's Emergency Shelter Program and thus its units are not regularly held out for lease. Management believes that no refund to the State will be required.

Thus, the grant has been recorded as with donor restriction net assets and is being released from restriction ratably over the 50 year term of the grant and loan agreement, which will end in 2047.

South Seven Senior Housing - The Organization entered into several agreements to develop a 15 unit senior low-income housing facility, as described below. If the property is sold, refinanced, or its use changes prior to the end of the retention period, an amount equal to the full amount of the direct subsidies must be repaid. Management believes that no refunds will be required. Thus, the subsidies have been recorded as with donor restriction net assets and are being released from restriction ratably over the 40 years, which will end in years ranging from 2042 to 2047.

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 - INVESTMENTS AND FAIR VALUE MEASUREMENTS

During 2016, the Organization received donations that were deposited into the Seattle Foundation. The donations and investment income is donor restricted for senior services for 10 years. The Organization also has an investment account with Edward Jones for people to donate investments to the Organization. This investment account will be used for the LLC.

The fair market value for the years ended December 31, 2024, and 2023 was \$55,542 and \$87,893, respectively. Investment income for 2024, and 2023 were as follows:

	2024	2023
Dividends, realized, and unrealized gains (losses)	\$ 4,916	\$ 5,900
Fees	(863)	(1,317)
Total investment income (loss)	\$ 4,053	\$ 4,583

Fair Value Measurements provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

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

Level 2: Inputs to valuation methodology include:

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

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

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2024.

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 8 - INVESTMENTS AND FAIR VALUE MEASUREMENTS - CONT'D

Money Market: The investments are reported at fair value based on quoted prices in active markets for identical assets.

Common Stock: Valued at stock price per shares held by the Organization at year end.

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

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of December 31, 2024 with comparative totals for 2023:

	Assets at Fair Value as of December 31, 2024				2023
	Level 1	Level 2	Level 3	Total	
Seattle foundation	\$ -	\$ 36,752	\$ -	\$ 36,752	\$ 69,151
Money market	7,782	-	-	7,782	6,645
Common stock	11,008	-	-	11,008	12,097
Total	\$ 18,790	\$ 36,752	\$ -	\$ 55,542	\$ 87,893

NOTE 9 - FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

The Organization manages deposit concentration risk by placing cash and savings accounts with financial institutions believed to be creditworthy. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies supportive of our mission. Investments are made by diversified investment managers whose performance is monitored by the Organization and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Organization and Board of Directors believe that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

The Organization receives revenue from federal, state, county, and municipal governments. For the years ended December 31, 2024, and 2023, over 83% and 83%, respectively, of total support and revenues came from government grants. It is reasonably possible that in the near term some programs could cease, which would cause a severe impact on the Organization. However, the Organization does not expect that the support from any of the government grants will be lost in the near term.

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 - OPERATING LEASE

The Organization has obligations as a lessee for office space and other office equipment with initial noncancelable terms in excess of one year. The Organization classified these leases as operating leases. These leases generally contain renewal options for periods ranging from one to two years.

Because the Organization is reasonably certain to exercise these renewal options, the optional periods are included in determining the lease term, and associated payments under these renewal options are included in the lease payments. The Organization's leases do not include restrictive financial or other covenants. Payments due under the lease contracts include fixed payments. During the year, modifications were made to two lease agreements. One modification resulted in an increase in the lease liability, while the other resulted in a decrease. The net effect of these lease modifications was a reduction in lease liabilities of \$45,193.

The tables below present information regarding the Organization's lease assets and liabilities. Amounts reported in the Statement of Financial Position as on December 31, was as follows:

	<u>2024</u>	<u>2023</u>
<u>Assets</u>		
Operating lease right-of-use assets, net	\$ 629,879	\$ 968,238
Total operating lease right-of-use assets	<u>\$ 629,879</u>	<u>\$ 968,238</u>
<u>Liabilities</u>		
<u>Short-term</u>		
Operating lease liabilities	\$ 218,180	\$ 353,053
<u>Long-term</u>		
Operating lease liabilities	<u>411,699</u>	<u>615,185</u>
Total lease liabilities	<u>\$ 629,879</u>	<u>\$ 968,238</u>

The components of lease expense for the year ended December 31, 2024, were as follows:

Operating lease costs	<u>\$ 312,282</u>
Total lease cost	<u>\$ 312,282</u>

Other information related to leases as of December 31, 2024, was as follows:

Supplemental cash flow information:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flow from operating leases	\$ 312,282
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Weighted average remaining term:

Operating leases	1.78 Years
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Weighted average discount rate:

Operating leases	1.56 to 2.87 %
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OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 10 - OPERATING LEASES - CONT'D

Minimum future payments under non-cancelable operating leases were as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2025	\$ 230,565
2026	137,074
2027	129,503
2028	62,800
2029	45,176
Thereafter	<u>55,265</u>
Total	660,383
Less: amount representing interest	<u>(30,504)</u>
Present value of lease liabilities	<u>\$ 629,879</u>

NOTE 11 - EMPLOYEE BENEFITS

The Organization has a Simplified Employee Pension Plan (SEP) for all eligible non-bargaining unit employees. An eligible employee is one who meets an earnings test in the current year and worked at least one hour in two of the previous five years. Employees are 100% vested in their accounts at all times. Contributions are determined by the Board of Directors. Contributions for the years ended December 31, 2024, and 2023, amounted to \$85,328 and \$101,956, respectively.

NOTE 12 - CONTINGENCIES

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. Any disallowed claims, including amounts already collected, would become a liability of the Organization if so determined in the future. It is management's belief that no material amounts received or receivable will be required to be returned in the future.

NOTE 13 - UNCERTAIN TAX POSITIONS

The Organization is a non-profit corporation exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is not classified as a private foundation. The Organization has limited unrelated business income that is subject to tax and whose liability is not material to the financial statements. Therefore, no provision for income taxes has been made in these financial statements.

The Organization files income tax returns in the U.S. federal jurisdiction. The Organization is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2021. Currently, there is no examination or pending examination with the Internal Revenue Service (IRS).

As of December 31, 2024, there are no tax positions for which the deductibility is certain but for which there is uncertainty regarding the timing of such deductibility.

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 14 - RESTATEMENT

During the year ended December 31, 2024, management identified that a stock donation and related investment activity totaling \$18,742 had been recorded in the prior year within 7th Haven. The donation was intended for OlyCap and should have been recorded within OlyCap's accounts.

Accordingly, beginning net assets as of January 1, 2024 have been restated to remove the investment balance from 7th Haven, and Record the investment within OlyCap.

The effect of the restatement on consolidated beginning net assets is summarized below:

	<u>Olympic Community Action Programs</u>	<u>South Sevan Senior Village</u>	<u>7th & Handricks</u>	<u>Consolidated</u>
Net assets beginning	\$ 3,524,551	\$ 1,876,851	\$ 1,205,436	\$ 6,606,838
Reclassification adjustment for investment	<u>18,742</u>	<u>-</u>	<u>(18,742)</u>	<u>-</u>
Net assets, beginning as restated	<u>\$ 3,543,293</u>	<u>\$ 1,876,851</u>	<u>\$ 1,186,694</u>	<u>\$ 6,606,838</u>

NOTE 15 - EVALUATION OF SUBSEQUENT EVENTS

No events have occurred through March 02, 2026 which is the date the financial statements were available to be issued based on client facts and circumstances, for events requiring recording or disclosure in the financial statements for the year ended December 31, 2024.

SUPPLEMENTAL INFORMATION

OLYMPIC COMMUNITY ACTION PROGRAMS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024

	Olympic Community Action Programs	South Seven Senior Village	7th and Hendricks	Eliminating Entries	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 983,766	\$ -	\$ 69,315	\$ -	\$ 1,053,081
Grants receivable	2,446,454	-	-	(102,444)	2,344,010
Accounts receivable and other receivables	613,837	3,693	12,833	(598,713)	31,650
Prepaid expenses and other assets	26,281	-	-	-	26,281
Total current assets	<u>4,070,338</u>	<u>3,693</u>	<u>82,148</u>	<u>(701,157)</u>	<u>3,455,022</u>
Noncurrent assets:					
Property and equipment, net	1,941,765	1,812,116	14,791,597	-	18,545,478
Reserves	-	25,948	236,336	-	262,284
Contributed land and facilities use receivable	-	105,797	-	-	105,797
Operating lease right-of-use assets, net	629,879	-	-	-	629,879
Investments	55,542	-	-	-	55,542
Total noncurrent assets	<u>2,627,186</u>	<u>1,943,861</u>	<u>15,027,933</u>	<u>-</u>	<u>19,598,980</u>
Total assets	<u>6,697,524</u>	<u>1,947,554</u>	<u>15,110,081</u>	<u>(701,157)</u>	<u>23,054,002</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Current liabilities:					
Cash overdraft	-	52,907	-	-	52,907
Accounts payable	968,453	4,000	73,610	(70,258)	975,805
Accounts payable-Olycap	-	67,280	563,619	(630,899)	-
Accrued expenses	522,147	-	-	-	522,147
Other liabilities	122,629	4,615	45,800	-	173,044
Deferred revenue	500,000	-	-	-	500,000
Current portion of long-term debt	182,522	-	33,557	-	216,079
Current portion operating lease liability	218,180	-	-	-	218,180
Total current liabilities	<u>2,513,931</u>	<u>128,802</u>	<u>716,586</u>	<u>(701,157)</u>	<u>2,658,162</u>

The accompanying notes are an integral part of these financial statements

OLYMPIC COMMUNITY ACTION PROGRAMS
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2024

	Olympic Community Action Programs	South Seven Senior Village	7th and Hendricks	Eliminating Entries	Total
Noncurrent liabilities:					
Notes payable, net of current portion	787,359	-	13,827,425	-	14,614,784
Less: loan fees, net	-	-	(294,479)	-	(294,479)
Accrued expenses	-	-	337,506	-	337,506
Operation lease liability, net of current portion	411,699	-	-	-	411,699
Total noncurrent liabilities	1,199,058	-	13,870,452	-	15,069,510
Total liabilities	3,712,989	128,802	14,587,038	(701,157)	17,727,672
NET ASSETS					
Without donor restrictions	2,454,731	579,500	523,043	-	3,557,274
With donor restrictions	529,804	1,239,252	-	-	1,769,056
Total net assets	2,984,535	1,818,752	523,043	-	5,326,330
Total liabilities and net assets	<u>\$ 6,697,524</u>	<u>\$ 1,947,554</u>	<u>\$ 15,110,081</u>	<u>\$ (701,157)</u>	<u>\$ 23,054,002</u>

The accompanying notes are an integral part of these financial statements

OLYMPIC COMMUNITY ACTION PROGRAMS
CONSOLIDATED STATEMENTS OF ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2024

	Olympic Community Action Programs	South Seven Senior Village	7th & Handricks	Eliminating Entries	Total
SUPPORT AND REVENUES:					
Grants	\$ 9,510,890	\$ -	\$ 189,731	\$ -	\$ 9,700,621
Contributions	655,097	-	-	-	655,097
Contribution to nonfinancial assets	1,621,224	4,556	-	-	1,625,780
Rental income	218,017	68,090	547,857	-	833,964
Fee revenue	(1,805)	-	-	-	(1,805)
Other income	708,112	2,746	5,956	-	716,814
Gain on sale of assets	-	-	-	-	-
Investment income	4,053	-	-	-	4,053
Tenant assistance payments	-	60,448	-	-	60,448
Net assets released from restriction	-	-	-	-	-
Total support and revenues	<u>12,715,588</u>	<u>135,840</u>	<u>743,544</u>	<u>-</u>	<u>13,594,972</u>
EXPENSES:					
Program services	11,371,304	156,637	1,213,057	-	12,740,998
Management and general expenses	<u>1,903,042</u>	<u>37,302</u>	<u>194,138</u>	<u>-</u>	<u>2,134,482</u>
Total expenses	<u>13,274,346</u>	<u>193,939</u>	<u>1,407,195</u>	<u>-</u>	<u>14,875,480</u>
Change in net assets	(558,758)	(58,099)	(663,651)	-	(1,280,508)
Net assets, beginning of year	3,524,551	1,876,851	1,205,436	-	606,838
<i>Restatement</i>	18,742	-	(18,742)	-	-
Net assets, beginning of year <i>restated</i>	<u>3,543,293</u>	<u>1,876,851</u>	<u>1,186,694</u>	<u>-</u>	<u>6,606,838</u>
Net assets, end of year	<u>\$ 2,984,535</u>	<u>\$ 1,818,752</u>	<u>\$ 523,043</u>	<u>\$ -</u>	<u>\$ 5,326,330</u>

The accompanying notes are an integral part of these financial statements

OLYMPIC COMMUNITY ACTION PROGRAMS
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024

	Olympic Community Action Programs	South Seven Senior Village	7th & Handricks	Eliminating Entries	Total 2024
Salaries and wages	\$ 3,588,743	\$ 30,376	\$ 144,615	\$ (158,002)	\$ 3,605,732
Payroll taxes	475,344	3,736	14,662	(18,511)	475,231
Fringe benefits	<u>1,087,353</u>	<u>6,187</u>	<u>16,776</u>	<u>(43,421)</u>	<u>1,066,895</u>
Total payroll costs	<u>5,151,440</u>	<u>40,299</u>	<u>176,053</u>	<u>(219,934)</u>	<u>5,147,858</u>
Direct payment and cost	4,132,094	47,690	-	(8,851)	4,170,933
In kind expenses	1,648,798	5,000	-	-	1,653,798
Occupancy	704,204	-	118,314	(4,964)	817,554
Travel and transportation	157,860	2,022	684	(3,098)	157,468
Supplies	408,384	7,837	1,000	(670)	416,551
Communications	232,492	-	-	(1,545)	230,947
Interest expenses	395	-	501,722	-	502,117
Professional services	319,775	11,801	34,762	(27,911)	338,427
Staff and volunteer development	112,910	-	199	(1,397)	111,712
Insurance	166,546	6,328	14,478	(9,061)	178,291
Minor equipment	18,955	-	-	(1,572)	17,383
Printing and publications	12,853	-	896	(853)	12,896
Miscellaneous	44	11,624	1,420	280,301	293,389
Equipment lease and maint.	20,455	7,074	3,158	(445)	30,242
Business taxes, licenses and management fees	571	-	20,670	-	21,241
Loan amortization costs	<u>-</u>	<u>-</u>	<u>19,209</u>	<u>-</u>	<u>19,209</u>
Total general and operating costs	7,936,336	99,376	716,512	219,934	8,972,158
Depreciation	<u>186,570</u>	<u>54,264</u>	<u>514,630</u>	<u>-</u>	<u>755,464</u>
Total expenses 2024	<u>\$ 13,274,346</u>	<u>\$ 193,939</u>	<u>\$ 1,407,195</u>	<u>\$ -</u>	<u>\$ 14,875,480</u>

The accompanying notes are an integral part of these financial statements

**OLYMPIC COMMUNITY ACTION PROGRAMS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>From Pass- through Awards</u>	<u>From Direct Award</u>	<u>Balance of Award at 12/31/2024</u>	<u>Payment to Subrecipient</u>
Department of Health and Human Services						
Head Start	93.600	10CH010956-04-01	\$ -	\$ 2,530,673	\$ 2,530,673	\$ -
			-	2,530,673	2,530,673	-
Passed through Department of Commerce						
Community Services Block Grant	93.569	F22-32101-020	159,699	-	159,699	-
			159,699	-	159,699	-
Low Income Home Energy Assistance	93.568	F23-53105-405	101	-	101	-
Low Income Home Energy Assistance	93.568	F23-53101-405	47,566	-	47,566	-
Low Income Home Energy Assistance - ARP	93.568	F21-3260A-057	1,532,003	-	1,532,003	-
Low Income Home Energy Assistance	93.568	F22-32606-057	6,034	-	6,034	-
Low Income Home Energy Assistance - LIHWAP	93.568	F21-32607-057	83,037	-	83,037	-
			1,668,741	-	1,668,741	-
Passed through Olympic Area Agency on Aging:						
Nutrition Services Incentive Program	93.053	555-61-01-22	40	-	40	-
Special Programs for the Aging Title III, Part B						
Nutrition Services	93.044	None	4,197	-	4,197	-
Special Programs for the Aging Title III, Part C						
Nutrition Services	93.045	555-61-01-22	28,155	-	28,155	-
Special Programs for the Aging Title III, Part C						
Nutrition Services	93.045	555-64-01-22	4,731	-	4,731	-
Subtotal Cluster			37,123	-	37,123	-
Total Department of Health and Human Services			1,865,563	2,530,673	4,396,236	-

The accompanying notes to Schedule of Expenditures of Federal Awards

**OLYMPIC COMMUNITY ACTION PROGRAMS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>From Pass-through Awards</u>	<u>From Direct Award</u>	<u>Balance of Award at 12/31/2024</u>	<u>Payment to Subrecipient</u>
Department of Energy						
Passed through Department of Commerce:						
BPA Weatherization	81.999	F23-53104-405	84,908	-	84,908	-
Weatherization Assistance for Low income Persons	81.042	F2153101-405	123,050	-	123,050	-
Weatherization Assistance for Low income Persons	81.042	F22-92401F-405	32,248	-	32,248	-
Weatherization Assistance for Low income Persons	81.042	F23-53103-405	96,968	-	96,968	-
Total Department of Energy			<u>337,174</u>	<u>-</u>	<u>337,174</u>	<u>-</u>
Corporation for National and Community Service						
Retired and Senior Volunteer Program	94.002	20SRPWA007	-	84,296	84,296	-
Total Corporation for National and Community Development			<u>-</u>	<u>84,296</u>	<u>84,296</u>	<u>-</u>
Department of Veterans Affairs						
Passed through Opportunity Council:						
Supportive Services for Veteran Families	64.033	19-WA-079-1	51,296	-	51,296	-
Total Department of Veterans Affairs			<u>51,296</u>	<u>-</u>	<u>51,296</u>	<u>-</u>
Department of Agriculture						
Passed through Olympic Area Agency on Aging:						
Local Food Purchase - Cares	10.182	K4297	190,843	-	190,843	-
Passed through Olympic Area Agency on Aging:						
Senior Farmers Market	10.576	555-67-01-22	1,026	-	1,026	-
Passed through Department of Commerce:						
Food Assistance - CSFP	10.565	K5725	13,554	-	13,554	-
Food Assistance - CSFP	10.565	K4734	19,258	-	19,258	-
Food Assistance - CSFP Commodities	10.568	K2773	45,091	-	45,091	-
Emergency Food Assistance Program	10.568	K4750	196,660	-	196,660	-
Emergency Food Assistance Program	10.568	K4640	45,544	-	45,544	-
Subtotal Cluster			<u>320,107</u>	<u>-</u>	<u>320,107</u>	<u>-</u>

The accompanying notes to Schedule of Expenditures of Federal Awards

**OLYMPIC COMMUNITY ACTION PROGRAMS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>From Pass- through Awards</u>	<u>From Direct Award</u>	<u>Balance of Award at 12/31/2024</u>	<u>Payment to Subrecipient</u>
Passed through Superintendent of Public Instruction: USDA - Chil	10.558	18-03-0042	106,416	-	106,416	-
Total Department of Agriculture			<u>618,392</u>	<u>-</u>	<u>618,392</u>	<u>-</u>
<u>Department of Housing and Urban Development</u>						
Supportive Housing Program - Continuum of Care	14.267	WA50YOTO12201	-	(832)	(832)	-
Supportive Housing Program - Continuum of Care	14.267	WA0322LOT012106	-	65,238	65,238	-
Supportive Housing Program - Continuum of Care	14.267	WA0498YOT012100	-	32,819	32,819	-
			<u>-</u>	<u>97,225</u>	<u>97,225</u>	<u>-</u>
Passed through Jefferson County:						
Covid Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	20-6221C-114	1,421	-	1,421	-
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	22-62210-007	112,069	-	112,069	-
Passed through Department of Commerce: Youth Homelessness Demonstration Program	14.276	24-46306-002	23,663	-	23,663	-
Total Department of Housing and Urban Development			<u>137,153</u>	<u>97,225</u>	<u>234,378</u>	<u>-</u>
<u>Department of Treasury</u>						
Passed through Department of Commerce:						
Cares Funding	21.027	24-4619D-109	413,313	-	413,313	-
Passed through Washington State Dept. of Agriculture:						
Cares Funding	21.027	K2773	71	-	71	-
Cares Funding	21.027	None	17,945	-	17,945	-
Cares Funding	21.027	K4550	15,611	-	15,611	-
Total Department of Treasury			<u>446,940</u>	<u>-</u>	<u>446,940</u>	<u>-</u>
Total Federal Awards			<u>\$ 3,456,518</u>	<u>\$ 2,712,194</u>	<u>\$ 6,168,712</u>	<u>\$ -</u>

The accompanying notes to Schedule of Expenditures of Federal Awards

OLYMPIC COMMUNITY ACTION PROGRAMS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024

NOTE 1 - BASIS OF ACCOUNTING OF SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Organization. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Guidance Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). The amounts presented in the Schedule agree to the amounts presented in or used in the preparation of the basic financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule is presented using the accrual basis of accounting, which is described in the notes of Summary of Significant Accounting Policies to the Organization's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited to reimbursement.

NOTE 3 - DE-MINIMIS COST RATE

The Organization did not use the 10% de-minimis cost rate.

NOTE 4 - SUBRECIPIENTS

There were no federal awards provided to subrecipients.

OLYMPIC COMMUNITY ACTION PROGRAMS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
DECEMBER 31, 2024

<u>Pass-Through Grantor/ Program Title</u>	<u>Agency or Pass- through Number</u>	<u>Total</u>
Passed through Department of Commerce:		
Matchmaker Program - Weatherization	S21-92401-405	\$ 373,100
Community Services Block Grant	S22-32101-220	167,340
Community Economic Opportunities Unit: State Home Energy Asst Program	24-46306-002	113,109
IYHP	24-46310-901	57,214
Consolidated Homeless Grant	24-46108-13	<u>791,267</u>
		<u>1,502,030</u>
Passed through Washington State Dept. of Children, Youth & Families:		
ECEAP	23-1045	<u>940,543</u>
Passed through Amerigroup:		
Amerigroup - Housing	None	4,786
Amerigroup - Employment	None	<u>27,950</u>
		<u>32,736</u>
Passed through Washington State Retired Senior Volunteer Program:		
Washington Association RSVP	18	<u>28,046</u>
Passed through Washington State Dept. of Agriculture:		
CSFP Gap	K5508	4,547
EFAP Supplemental	K4507	47,415
Emergency Food Assistance Program Admin Costs	K4507	36,972
Emergency Food Assistance Program	K5527	<u>5,073</u>
		<u>94,007</u>
Passed through Kitsap County Human Services:		
HARPS	KC-134-20 C	<u>132,868</u>
Passed through Department of Social & Health Services:		
GOSH	2212-42216	<u>3,385</u>
Passed through Jefferson County:		
Affordable Housing & Homelessness	1491590OLYCAP	124,809
Transitional Housing Support	None	<u>28,895</u>
		<u>153,704</u>

**OLYMPIC COMMUNITY ACTION PROGRAMS
SCHEDULE OF EXPENDITURES OF STATE AWARDS
DECEMBER 31, 2024**

Pass-Through Grantor/ Program Title	Agency or Pass- through Number	Total
Passed through Washington State Dept. of Transportation:		
Washington State DOT - West End Job Lift	PTD0275	<u>1,332</u>
Passed through Office of Homeless Youth Unit:		
Young Adult Housing Program	24-46312-901	67,144
Street Outreach Program	24-46303-901	71,187
Homelessness Prevention Diversion	24-46321-901	<u>115,886</u>
		<u>254,217</u>
Passed through Third Sector New England, Inc:		
YACEC and Stipend Fund	14933	<u>28,912</u>
Total State Awards		<u><u>\$ 3,171,780</u></u>

COMPLIANCE SECTION

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

To the Board of Directors
Olympic Community Action Programs
Port Townsend, WA

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 Olympic Community Action Programs (the "Organization") (a nonprofit Organization), which comprise the statement of financial position as of December 31, 2024, 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 March 02, 2026.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.



**Aiken & Sanders, Inc., PS
Certified Public Accountants
& Management Consultants
March 02, 2026**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Olympic Community Action Programs
Port Townsend, WA

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Olympic Community Action Programs's (the "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 the Organization's major federal programs for the year ended December 31, 2024. The Organization'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, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2024.

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; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 the Organization 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 the Organization'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 the Organization'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 the Organization's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the Organization'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 the Organization'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 the Organization'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.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of finding and questioned costs as an item 2024-001 and 2024-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

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, as discussed below, we identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 and 2024-002 to be significant deficiencies.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Organization's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Aiken & Sanders

**Aiken & Sanders, Inc., PS
Certified Public Accountants
& Management Consultants
March 02, 2026**

**OLYMPIC COMMUNITY ACTION PROGRAMS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness?	Yes
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with <i>Uniform Guidance 2 CFR 200.516(a)</i> ?	Yes

Identification of major federal programs:

CFDA Number	Name of Federal Program
93.600	Head Start Cluster
81.042	Weatherization Assistance for Low-Income Persons

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

SECTION II - AUDIT FINDINGS IN RELATION TO FINANCIAL STATEMENTS

There were no findings reported in the current year.

**OLYMPIC COMMUNITY ACTION PROGRAMS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2024**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2024-001 - Deadline for Federal Single Audit - Noncompliance and Internal Control over Compliance - Significant Deficiency

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start Cluster
81.042	Weatherization Assistance for Low-Income Persons

Criteria:

Per Uniform Guidance 2 CFR 200, the single audit reporting package, and the data collection form (SF-SAC) must be submitted to the Federal Audit Clearing house within 30 calendar days after receipt of the auditor's report(s), or 9 months after the end of the audit period, whichever comes first.

Condition:

The SF-SAC single audit data collection form for the year ended December 31, 2024, was not submitted to the Federal Audit Clearinghouse by the required deadline by the Organization.

Cause:

There was a lack of established internal controls and procedures over the reporting process to ensure timely and accurate reporting.

Effect:

Organization was not in compliance with federal regulations and guidelines.

Auditor's Recommendation:

We recommend the Organization attempt to meet the annual filing requirements.

Management's Response:

Olympic Community Action Programs (OlyCAP) acknowledges this finding and agrees that stronger internal controls over the single audit reporting process are necessary. During the audit period, the organization did not have sufficiently formalized procedures to ensure timely submission of the SF-SAC reporting package. Since identifying this issue, OlyCAP has begun implementing improved internal controls. During the first half of 2024, the department experienced the loss of all lead fiscal staff, which required subsequent corrections and adjustments to 2024 reporting once external consultants were engaged.

This work occurred concurrently with the organization's transition from antiquated systems to newer platforms. As part of the corrective actions, OlyCAP has established clearly defined responsibility for audit submissions, implemented internal deadlines that precede federal filing requirements, and strengthened management oversight to verify timely completion and submission. OlyCAP is committed to improving its internal control environment to ensure future single audit submissions are completed accurately and within required deadlines.

Estimated Completion Date:

Completed

Responsible Party:

Executive Director

**OLYMPIC COMMUNITY ACTION PROGRAMS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024**

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2024-002 -Deficiency in Internal Controls Over Eligibility Determination- Significant Deficiency

<u>Federal Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
81.042	Weatherization Assistance for Low-Income Persons

Criteria:

Federal program requirements require that assistance be provided only to eligible households and that eligibility be determined and documented prior to the provision of services. Eligibility documentation must be current and sufficient to support eligibility at the time services are initiated.

Condition:

During our audit of compliance for the fiscal year ended December 31, 2024, we tested eligibility for participants under ALN 81.042. We noted one instance in which assistance was provided to a household without current eligibility documentation in place at the time services began.

Specifically, the Organization relied on a prior-year eligibility application and system information that was misinterpreted as evidence of continued eligibility. Subsequent review determined that the household's eligibility had expired approximately four months prior to the start of the weatherization project, and updated eligibility documentation was not obtained before services were provided.

Cause:

The condition occurred due to a misinterpretation of system data and a failure to follow up on obtaining updated eligibility documentation prior to initiating services. In addition, internal controls did not sufficiently prevent the initiation of services without verified, current eligibility.

Effect:

As a result, federal assistance was provided to a household that was not eligible at the time services were rendered, resulting in noncompliance with federal eligibility requirements.

Auditor's Recommendation:

We recommend that the Organization strengthen internal controls over eligibility determination to ensure that eligibility is verified, current, and fully documented prior to the provision of services. We also recommend enhanced staff training to ensure system data is correctly interpreted and that eligibility documentation is obtained and retained in accordance with program requirements.

Management's Response:

Olympic Community Action Programs (OlyCAP) acknowledges this finding and agrees that additional internal controls are required to ensure eligibility is verified, current, and fully documented prior to the provision of services. The instance identified resulted from a misinterpretation of system information and insufficient verification procedures to confirm current eligibility. In response, OlyCAP has initiated corrective actions to strengthen eligibility determination controls, including reinforcing documentation requirements prior to service initiation, clarifying staff procedures for reviewing eligibility system data, and providing additional training to ensure eligibility requirements are consistently understood and applied. Management is committed to maintaining compliance with federal program requirements and improving internal controls to prevent similar occurrences in the future.

Estimated Completion Date:

In progress / Ongoing

Responsible Party:

Program Management with Finance Oversight

**OLYMPIC COMMUNITY ACTION PROGRAMS
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2024**

The Organization had no findings noted in prior year that require a status update.

**OLYMPIC COMMUNITY ACTION PROGRAMS
CORRECTIVE ACTION PLAN
DECEMBER 31, 2024**



360-385-2571
2120 W. Sims Way
Port Townsend, WA 98368

Finding 2024□001 – Deadline for Federal Single Audit

Management’s Response:

Olympic Community Action Programs (OlyCAP) acknowledges this finding and agrees that stronger internal controls over the single audit reporting process are necessary. During the audit period, the organization did not have sufficiently formalized procedures to ensure timely submission of the SF-SAC reporting package.

Since identifying this issue, OlyCAP has begun implementing improved internal controls. During the first half of 2024, the department experienced the loss of all lead fiscal staff, which required subsequent corrections and adjustments to 2024 reporting once external consultants were engaged. This work occurred concurrently with the organization’s transition from antiquated systems to newer platforms. As part of the corrective actions, OlyCAP has established clearly defined responsibility for audit submissions, implemented internal deadlines that precede federal filing requirements, and strengthened management oversight to verify timely completion and submission. OlyCAP is committed to improving its internal control environment to ensure future single audit submissions are completed accurately and within required deadlines.

Estimated Completion Date: Completed

Responsible Party: Executive Director

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Finding 2024-002 – Deficiency in Internal Controls Over Eligibility Determination

Management's Response:

Olympic Community Action Programs (OlyCAP) acknowledges this finding and agrees that additional internal controls are required to ensure eligibility is verified, current, and fully documented prior to the provision of services. The instance identified resulted from a misinterpretation of system information and insufficient verification procedures to confirm current eligibility.

In response, OlyCAP has initiated corrective actions to strengthen eligibility determination controls, including reinforcing documentation requirements prior to service initiation, clarifying staff procedures for reviewing eligibility system data, and providing additional training to ensure eligibility requirements are consistently understood and applied. Management is committed to maintaining compliance with federal program requirements and improving internal controls to prevent similar occurrences in the future.

Estimated Completion Date: In progress / Ongoing

Responsible Party: Program Management with Finance Oversight