FAMILIAS EN ACCIÓN

Single Audit Reports Required by *GAO Government Auditing Standards and* Uniform Guidance

and

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2021

Familias en Acción

KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FAMILIAS EN ACCIÓN

FINANCIAL STATEMENTS

Year Ended June 30, 2021

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

To the Board of Directors
Familias En Acción
Portland, Oregon

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 Familias En Acción (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 September 26, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Familias En Acción'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 opinion on the 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 may exist that have not been identified.

Compliance and Other Matters

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

KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Familias En Acción

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.

Kern + Thompson, LLC

Portland, Oregon
September 26, 2022

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors
Familias En Acción
Portland, Oregon

Report on Compliance for Each Major Federal Program

We have audited Familias En Acción's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Familias En Acción's major federal programs for the year ended June 30, 2021. Familias En Acción's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Familias En Acción's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States 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 Code of *Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Familias En Acción's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, Familias En Acción 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 June 30, 2021.

Kern & Thompson, LLC | 1800 SW First Avenue, Suite 410 | Portland, Oregon 97201 | Phone: (503) 222-3338 | www.kern-thompson.com

KERN THOMPSON
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
Familias En Acción

Report on Internal Control Over Compliance

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

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

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of Familias En Acción as of and for the year ended June 30, 2021, and have issued our report thereon dated September 26, 2022, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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.

Kern + Thompson, LLC

Portland, Oregon
September 26, 2022

FAMILIAS EN ACCIÓN

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2021

FEDERAL GRANTOR/*Passed through* Grantor/Program Title or Cluster Title	**Federal AL Number**	**Pass-through Entity Identifying Numbers**	**Expenditures of Federal Awards**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Pass through: Multnomah County			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	12267-2020	$ 165,012
Total ELC - Multnomah County			**165,012**
Pass through: Oregon Health Authority			
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	168209	47,788
Total ELC - Oregon Health Authority			**47,788**
Pass through: Oregon Health Authority			
Cancer Prevention and Control Programs (CPC) for State, Territorial and Tribal Organizations	93.898	164379	10,000
Total CPC for State, Territorial and Tribal Organizations - Oregon Health Authority			**10,000**
Pass through: Oregon Health Authority			
HIV Care Formula Grants	93.917	163356	275,255
Total HIV Care Formula Grants - Oregon Health Authority			**275,255**
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			**498,055**
U.S. DEPARTMENT OF THE TREASURY			
Pass through: Multnomah County			
Coronavirus Relief Fund	21.019	12267-2020	42,518
Total Coronavirus Relief Fund - Multnomah County			**42,518**
Pass through: Oregon Health Authority			
Coronavirus Relief Fund	21.019	166492	360,546
Coronavirus Relief Fund	21.019	165647	447,743
Total Coronavirus Relief Fund - Oregon Health Authority			**808,289**
TOTAL U.S. DEPARTMENT OF THE TREASURY			**850,807**
Total Expenditures of Federal Awards			**$ 1,348,862**

The accompanying notes are an integral part of this schedule.

FAMILIAS EN ACCIÓN

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Familias En Acción. The information in this schedule is presented in accordance with the requirements of Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

b. Basis of Accounting

The expenditures for each federal financial assistance programs are presented in the schedule on the accrual basis of accounting.

NOTE 2 – ASSISTANCE LISTING PROGRAMS

The program titles and Assistance Listing ("AL") numbers were obtained from the federal or pass-through grantor or the catalog of federal domestic assistance.

NOTE 3 – CONTINGENCIES

The amounts expended by Familias En Acción under federal programs are subject to audit by governmental agencies. Familias En Acción believes that any liabilities arising from such audits will not have a material impact on Familias En Acción's financial position.

NOTE 4 – INDIRECT COST RATE

Familias En Acción has not used the 10% de minimis indirect cost rate under the Uniform Guidance.

FAMILIAS EN ACCIÓN

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year Ended June 30, 2021

Section 1 – Summary of Auditors' Results

Financial Statements

Type of auditors' report issued – **Unmodified**

Internal control over financial reporting:

- Material weakness(es) identified: _____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes __X__ None reported

Noncompliance material to financial statements noted? _____ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified: _____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes __X__ None reported

  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 2 CFR Part 200.516(a) _____ Yes __X__ No

Identification of Major Programs

- **21.019 – Coronavirus Relief Fund**

1. Dollar threshold used to distinguish between Type A and Type B programs – **$750,000.**
2. Is the auditee qualified as a low-risk auditee under the Uniform Guidance – **No**

Section 2 – Financial Statement Findings

None.

Section 3 – Federal Award Findings and Questioned Costs

None.