

## **Independent Auditor's Report**

Board of Directors  
Tri-County Community Action, Inc.  
Center, Texas

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Tri-County Community Action, Inc., a nonprofit organization, which comprise the statement of financial position as of April 30, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tri-County Community Action, Inc. as of April 30, 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 ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tri-County Community Action, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Adjustment to Prior Period Financial Statements***

The financial statements of Tri-County Community Action, Inc. as of April 30, 2023 were audited by other auditors whose report dated January 25, 2024 expressed an unmodified opinion on those statements. As discussed in Note 12 to the financial statements, Tri-County Community Action, Inc. has adjusted its 2023 financial statements to properly report grant-funded property and equipment as net assets without donor restrictions. The other auditors reported on the financial statements before the retrospective adjustment. As part of our audit of the 2024 financial statements, we audited the adjustment to the 2023 financial statements to retroactively apply this change. In our opinion, the adjustment was appropriate and properly applied.

We were not engaged to audit, review or apply any procedures to Tri-County Community Action, Inc.'s 2023 financial statements other than with respect to this adjustment and, accordingly, we do not express an opinion or any other form of assurance on the 2023 financial statements as a whole.

### ***Responsibilities of Management for the Financial Statements***

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

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

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

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

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 17 through 20, which includes the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2025, on our consideration of Tri-County Community Action, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Tri-County Community Action, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Tri-County Community Action, Inc.'s internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP

Madison, Wisconsin  
August 7, 2025

# Tri-County Community Action, Inc.

## Statement of Financial Position

April 30, 2024

<i>Assets</i>	
Current assets:	
Cash and cash equivalents	\$ 855,400
Grants receivable	411,569
Prepaid expenses	58,336
Total current assets	1,325,305
Other assets:	
Certificate of deposit	68,303
Operating lease right-of-use assets, net	107,108
Finance lease right-of-use assets, net	55,837
Total other assets	231,248
Property and equipment, net	925,406
<b>TOTAL ASSETS</b>	<b>\$ 2,481,959</b>
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Accounts payable	\$ 359,624
Accrued liabilities	282,824
Refundable advances	207,278
Current portion of operating lease obligations	22,816
Current portion of finance lease obligations	21,661
Total current liabilities	894,203
Non-current liabilities:	
Operating lease obligations, net of current portion	85,092
Finance lease obligations, net of current portion	33,060
Total non-current liabilities	118,152
Total liabilities	1,012,355
Net assets:	
Without donor restrictions	1,136,282
With donor restrictions	333,322
Total net assets	1,469,604
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,481,959</b>

See accompanying notes to financial statements.

# Tri-County Community Action, Inc.

## Statement of Activities

Year Ended April 30, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 10,110,367	\$ -	\$ 10,110,367
Program revenue	7,581	-	7,581
Interest income	1,019	-	1,019
Other income	120,611	-	120,611
In-kind contributions	375,749	-	375,749
Total revenue	10,615,327	-	10,615,327
Expenses:			
Program activities:			
Pre-School education	6,008,403	-	6,008,403
Emergency services	701,499	-	701,499
Energy assistance	3,285,869	-	3,285,869
Total program expenses	9,995,771	-	9,995,771
Support services:			
Management and general	864,453	-	864,453
Total support services	864,453	-	864,453
Total expenses	10,860,224	-	10,860,224
Change in net assets	( 244,897)	-	( 244,897)
Net assets - Beginning of year, as previously stated	1,078,937	635,564	1,714,501
Prior period adjustment	302,242	( 302,242)	-
Net assets - Beginning of year, as restated	1,381,179	333,322	1,714,501
Net assets - End of year	\$ 1,136,282	\$ 333,322	\$ 1,469,604

See accompanying notes to financial statements.

# Tri-County Community Action, Inc.

## Statement of Functional Expenses

Year Ended April 30, 2024

	Pre-School Education	Emergency Services	Energy Assistance	Total Program Services	Management and General	Total Expenses
Personnel	\$ 3,179,767	\$ 339,499	\$ 60,167	\$ 3,579,433	\$ 564,449	\$ 4,143,882
Fringe	689,119	24,752	14,440	728,311	116,621	844,932
Rent	109,610	41,352	10,070	161,032	-	161,032
Travel	54,145	3,803	2,269	60,217	15,777	75,994
Equipment	3,277	1,286	-	4,563	-	4,563
Supplies	296,815	26,110	6,390	329,315	4,476	333,791
Contractual	80,129	1	-	80,130	48,563	128,693
Direct services	4,678	105,059	3,185,360	3,295,097	-	3,295,097
Food service	375,381	1,294	-	376,675	5	376,680
Other	756,850	123,636	4,501	884,987	114,562	999,549
Depreciation	82,883	34,707	2,672	120,262	-	120,262
In-kind	375,749	-	-	375,749	-	375,749
Totals	\$ 6,008,403	\$ 701,499	\$ 3,285,869	\$ 9,995,771	\$ 864,453	\$ 10,860,224

See accompanying notes to financial statements.

# Tri-County Community Action, Inc.

## Statement of Cash Flows

Year Ended April 30, 2024

Change in cash and cash equivalents:	
Cash flows from operating activities:	
Change in net assets	(\$ 244,897)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Depreciation	120,262
Amortization of finance lease	23,910
Non-cash lease expense	119,511
Changes in operating assets and liabilities:	
Grants receivable	403,385
Prepaid expenses	( 40,485)
Accounts payable	89,243
Accrued liabilities	( 132,477)
Refundable advances	207,278
Operating lease liability	( 120,113)
Net cash from operating activities	425,617
Cash flows from investing activities:	
Change in certificate of deposit	( 787)
Purchase of property and equipment	( 147,761)
Net cash from investing activities	( 148,548)
Cash flows from financing activities:	
Payments on finance leases	( 25,117)
Payments on notes payable	( 9,499)
Net cash from financing activities	( 34,616)
Change in cash and cash equivalents	242,453
Cash and cash equivalents - beginning of year - restated	612,947
Cash and cash equivalents - end of year	\$ 855,400
Supplemental cash flow disclosures:	
Cash paid for interest	\$ 346
Supplemental schedule of noncash operating and finance activities:	
Obtained a right-of-use asset in exchange for an operating lease obligation	\$ 117,976
Obtained a right-of-use asset in exchange for a finance lease obligation	\$ 55,411
Cash paid for amounts included in the measurement of lease obligations:	
Operating cash flows from capitalized operating leases	\$ 123,885