

**CENTRAL KENTUCKY COMMUNITY  
ACTION COUNCIL, INC.  
AUDIT REPORT  
JUNE 30, 2021**

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**INDEPENDENT AUDITOR'S REPORT**

November 15, 2021

Board of Directors  
Central Kentucky Community Action Council, Inc.

**Report on the Financial Statements**

We have audited the accompanying financial statements of Central Kentucky Community Action Council, Inc. (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.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Central Kentucky Community Action Council, Inc. as of June 30, 2021, 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.

## ***Change in Accounting Principle***

As described in Note A to the financial statements, in 2021, the Agency adopted new guidance, *ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* on page 25 and the supplemental reports on pages 18-24 and 27-47 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2021, on our consideration of Central Kentucky Community Action Council, 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 Central Kentucky Community Action Council, 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 Central Kentucky Community Action Council, Inc.'s internal control over financial reporting and compliance.

Sincerely,

***White and Company, P.S.C.***

Certified Public Accountants

Central Kentucky Community Action Council, Inc.  
Statement of Financial Position  
June 30, 2021

Assets

Current Assets	
Cash (Note B)	1,615,345
Restricted Cash	2,713,775
Total Cash	4,329,120
Grants Receivable (Note C)	2,076,594
Other Receivables	462,349
Other Current Assets	41,189
Total Current Assets	6,909,252
Land	
Property and Equipment (Notes A-2 & D)	8,336,785
Construction in Progress (Note D)	5,251,705
Accumulated Depreciation	(3,221,704)
Total Net Land, Property, and Equipment	10,894,240
Total Assets	17,803,492

Liabilities and Net Assets

Current Liabilities	
Accounts Payable	1,427,956
Accrued Salaries and Wages	382,853
Accrued Retirement	98,441
Accrued Interest Payable	9,381
Current Portion of Capital Lease Obligation (Note J)	28,147
Current Portion of Notes Payable - Farmers National Bank (Note K)	8,749
Other Liabilities	194,258
Notes Payable - Peoples Bank (Note L)	765,774
Refundable Advances (Note A-5 & O)	2,720,029
Total Current Liabilities	5,635,588
Notes Payable - Farmers National Bank (Note K)	54,644
Capital Lease Obligation (Note J)	191,113
Total Liabilities	5,881,345
Net Assets	
Without Donor Restrictions	1,444,527
With Donor Restrictions	10,477,620
Total Net Assets	11,922,147
Total Liabilities and Net Assets	17,803,492

- See independent auditor's report and accompanying notes to financial statements.

Central Kentucky Community Action Council, Inc.  
Statement of Activities  
For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Totals
<b>Revenues</b>			
Grant & Contract Income (Note A-4)	17,747,669	7,030,098	24,777,767
Contributions	318,874		318,874
Client Fees	119,284		119,284
Miscellaneous Income	70,637		70,637
Interest Income	368		368
In-Kind Income (Notes A-6 & H)	514,560		514,560
	<u>18,771,392</u>	<u>7,030,098</u>	<u>25,801,490</u>
<b>Total Revenues, Gains, and Other Support</b>			
<b>Expenses</b>			
<b>Program Services</b>			
SBA Payroll Protection Program	473,823		473,823
Kentucky Works	591,729	739	592,468
Head Start	6,232,380	287,630	6,520,010
Child Care Development Block Grant	411,644		411,644
CSBG	1,172,806	5,718	1,178,524
Transportation-5311	2,795,790	130,564	2,926,354
Section 5339 and 5339b		335,948	335,948
LiHeap	4,369,348		4,369,348
Congregate Meals	573,323	943	574,266
Unaffiliated Centers	566,607	3,950	570,557
Other Programs	1,766,148	86,526	1,852,674
	<u>18,953,598</u>	<u>852,018</u>	<u>19,805,616</u>
<b>Total Expenses by Program</b>			
<b>Other Revenue:</b>			
SBA Payroll Protection Program Forgiveness	473,823	0	473,823
Total Other Revenue	<u>473,823</u>	<u>0</u>	<u>473,823</u>
Changes in Net Assets	291,617	6,178,080	6,469,697
Net Assets - Beginning of Year	<u>1,152,910</u>	<u>4,299,540</u>	<u>5,452,450</u>
Net Assets - End of Year	<u><u>1,444,527</u></u>	<u><u>10,477,620</u></u>	<u><u>11,922,147</u></u>

- See independent auditor's report and accompanying notes to financial statements.

Central Kentucky Community Action Council, Inc.  
Statement of Functional Expenses  
For the Year Ended June 30, 2021

	SBA Payroll Protection Program	Kentucky Works	Head Start	Child Care Development Block Grant	CSBG	Transportation 5311	Section 5339 and 5339b	LiHeap	Healthy at Home	Congregate Meals	Unaffiliated Centers	Other Programs	Total
Program Services:													
Salaries	321,773	307,710	3,139,000	175,059	224,554	1,356,840	-	195,560	14,857	162,992	22,308	406,699	6,327,352
Fringe Benefits	97,070	154,348	1,380,717	71,452	102,860	604,518	-	76,807	5,319	73,617	13,076	239,866	2,819,650
Contracts & Consultants	-	4,000	69,803	-	17,495	1,236	-	-	-	7,186	-	118,128	217,848
Travel & Transportation Costs	-	1,437	71,924	-	2,953	495,868	-	772	-	40,046	1,247	47,401	661,648
Training Costs	-	-	4,348	-	630	1,110	-	-	-	-	-	5,741	11,829
Space Costs/Utilities	54,800	63,756	430,083	139,484	60,219	44,993	-	45	-	27,122	1,765	18,936	841,203
Consumable Supplies	-	3,634	369,727	-	51,554	52,933	-	18,887	2,598	21,616	793	129,856	651,598
Equipment Expense	-	4,953	115,730	-	55,206	436,847	703,419	-	-	2,505	-	55,148	1,373,808
Insurance	-	7,756	33,161	-	5,486	18,288	-	-	-	5,297	38	8,800	78,826
Renovation and Construction	-	-	5,696,720	-	-	-	-	-	-	-	-	-	5,696,720
Program/Client Benefits	-	-	-	-	510,905	-	-	3,369,363	655,067	135,664	523,082	622,381	5,816,462
In-Kind Expenses	-	-	248,025	-	144,704	-	-	-	-	72,000	-	49,831	514,560
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	9,381	9,381
Other Expenses	-	110	12,055	-	6,051	12,495	-	-	-	3,902	1,030	(1,971)	33,672
<b>Total Program Services</b>	<b>473,643</b>	<b>547,704</b>	<b>11,571,293</b>	<b>385,995</b>	<b>1,182,617</b>	<b>3,025,128</b>	<b>703,419</b>	<b>3,661,434</b>	<b>677,841</b>	<b>551,947</b>	<b>563,339</b>	<b>1,710,197</b>	<b>25,054,557</b>
Management and General:													
Indirect Costs (Note P)	180	45,084	459,913	25,649	33,657	198,798	-	28,161	1,912	23,881	3,268	106,554	927,057
<b>Total Expenses by Program</b>	<b>473,823</b>	<b>592,788</b>	<b>12,031,206</b>	<b>411,644</b>	<b>1,216,274</b>	<b>3,223,926</b>	<b>703,419</b>	<b>3,689,595</b>	<b>679,753</b>	<b>575,828</b>	<b>566,607</b>	<b>1,816,751</b>	<b>25,981,614</b>
Less: Federal Fixed Asset Additions		(1,059)	(1,839,993)		(43,468)	(428,136)	(703,419)			(2,505)		(52,685)	(3,071,265)
Less: Federal Construction in Progress			(3,958,833)										(3,958,833)
Add: Depreciation of assets purchased with federal funds		739	287,630		5,718	130,564	335,948			943	3,950	88,608	854,100
<b>Total Expenses</b>	<b>473,823</b>	<b>592,468</b>	<b>6,520,010</b>	<b>411,644</b>	<b>1,178,524</b>	<b>2,926,354</b>	<b>335,948</b>	<b>3,689,595</b>	<b>679,753</b>	<b>574,266</b>	<b>570,557</b>	<b>1,852,674</b>	<b>19,805,616</b>

- See independent auditor's report and accompanying notes to financial statements.



Central Kentucky Community Action Council, Inc.  
Statement of Functional Expenses - Other Programs  
For the Year Ended June 30, 2021

	FCCH	CCC	Senior Companion	EFSP	Weatherization LiHeap	Weatherization	Miscellaneous	Total
Salaries	15,558	57,792	50,496	-	71,206	133,657	77,990	406,699
Fringe Benefits	8,456	31,289	18,100	-	39,123	76,880	66,018	239,866
Contracts & Consultants	-	-	50	-	17,180	19,438	81,460	118,128
Travel & Transportation Costs	244	2,996	3,810	-	7,757	20,705	11,889	47,401
Training Costs	-	2,792	-	-	-	468	2,481	5,741
Space Costs/Utilities	2,890	1,303	3,016	-	5,632	2,398	3,697	18,936
Consumable Supplies	571	4,071	17,345	-	46,263	56,042	5,564	129,856
Equipment Expense	-	1,059	-	-	229	936	52,924	55,148
Insurance	38	-	695	-	1,757	4,296	2,014	8,800
Program/Client Benefits	166,903	13,173	140,683	255,878	-	-	45,744	622,381
In-Kind Expenses	-	16,217	4,002	-	-	-	29,612	49,831
Indirect Costs	2,279	8,468	7,399	-	8,924	20,009	35,850	82,929
Interest Expense	-	-	-	-	-	-	9,381	9,381
Other Expenses	1,030	2,055	55	5,195	1,204	163	11,952	21,654
<b>Total Expenses by Program</b>	<b>197,969</b>	<b>141,215</b>	<b>245,651</b>	<b>261,073</b>	<b>199,275</b>	<b>334,992</b>	<b>436,576</b>	<b>1,816,751</b>
Less: Federal Fixed Asset Additions		(1,059)					(51,626)	(52,685)
Add: Depreciation of assets purchased with federal funds		1,078	289				87,241	88,608
<b>Total Expenses</b>	<b>197,969</b>	<b>141,234</b>	<b>245,940</b>	<b>261,073</b>	<b>199,275</b>	<b>334,992</b>	<b>472,191</b>	<b>1,852,674</b>

- See independent auditor's report and accompanying notes to financial statements.

Central Kentucky Community Action Council, Inc.  
Statement of Cash Flows  
Year Ended June 30, 2021

Operating Activities	
Changes in Net Assets	6,469,697
Add: Charges Not Requiring Funds	
Depreciation	895,563
Changes in Operating Assets and Liabilities	
Increase in Grants Receivable	(542,513)
Increase in Other Receivables	(292,478)
Increase in Other Current Assets	(5,968)
Increase in Accounts Payable	530,646
Increase in Accrued Interest Payable	9,381
Increase in Salaries and Wages Payable	30,541
Increase in Accrued Retirement	29,646
Increase in Other Liabilities	1,139
Increase in Refundable Advances	<u>1,025,533</u>
Net Cash Provided by Operating Activities	8,151,187
Investing Activities	
Purchase of Assets	<u>(7,040,133)</u>
Net Cash Used in Investing Activities	(7,040,133)
Financing Activities	
Repayment of Debt and Capital Leases	<u>(35,178)</u>
Net Cash Used in Financing Activities	<u>(35,178)</u>
Increase in Cash	1,075,876
Cash - Beginning of Year	<u>3,253,244</u>
Cash - End of Year	<u><u>4,329,120</u></u>
Cash paid for interest	14,260
Cash paid for taxes	0
Unrestricted Cash	1,615,345
Restricted Cash	<u>2,713,775</u>
Total Cash	<u><u>4,329,120</u></u>

- See independent auditor's report and accompanying notes to financial statements.

Central Kentucky Community Action Council, Inc.

Notes to Financial Statements  
Year Ended June 30, 2021

**A. Summary of Significant Accounting Policies**

1. Nature of Activities

Central Kentucky Community Action Council, Inc. is a nonprofit corporation organized to fight poverty in an eight-county area of Central Kentucky. It administers numerous grants from various federal, state, and local sources.

2. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Further, in 2014, the Agency adopted FASB Accounting Standards Codification (ASC) No. 958, *Recognition of Depreciation By Not-for-Profit Organizations*. Depreciable assets are recorded at cost and depreciated on a straight-line basis over their estimated useful lives, ranging from approximately five to thirty-nine years. See Note D for further detail regarding fixed assets.

3. Basis of Presentation

The Agency reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets with donor restrictions are subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, such as those that the donor stipulates that resources be maintained in perpetuity.

Net assets without donor restrictions are resources available to support operations and not subject to donor restrictions. The only limits on the use of net assets without donor restrictions are the board limits resulting from the nature of the Agency, the environment in which it operates, the purposes specified in its corporate documents and its application for tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into in the course of its operations. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying net assets from net assets with donor restrictions to net assets without donor restrictions.

4. Revenue

Central Kentucky Community Action Council receives substantially all of its grant revenue from federal, state, and local agencies. Revenue restricted by the grantor for

particular purposes is deemed to be earned and reported as revenues when the Council has incurred expenses in compliance with the specific restrictions.

Any of the funding sources may, at its discretion, request reimbursement for expenses or return of funds, or both, as a result of non-compliance by Central Kentucky Community Action Council, Inc. with the terms of the grants.

5. Refundable Advances

The balance of refundable advances at June 30, 2021, represents amounts received under contracts that will be expended in the next fiscal year in accordance with the grant provisions.

6. In-Kind Income

The Agency received in-kind contributions in the form of labor, donated space, and equipment. Non-specialized labor hours are recorded at the prevailing minimum wage rate. Donated space is recorded at fair rental value and equipment at fair market value at date of the donation. In-kind contributions are recorded as revenues with the offsetting charge to in-kind expense.

7. Income Taxes

The Agency is a nonprofit corporation, incorporated under the laws of the State of Kentucky, and is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Agency is also exempt from Kentucky income tax. The Agency has adopted ASC 740-10 as it relates to uncertain tax positions for the year ended June 30, 2021, and has evaluated its tax positions taken for all open tax years. Currently, the 2021, 2020, 2019, and 2018 tax years are open and subject to examination by the Internal Revenue Service. However, the Agency is not currently under audit nor has the Agency been contacted by Internal Revenue Service. Based on the evaluation of the Agency's tax positions, management believes all positions taken would be upheld under examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the year ended June 30, 2021.

8. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of management's estimates.

9. Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

10. Cash and Cash Equivalents

Cash and cash equivalents include all moneys in banks and highly liquid investments with maturity dates of less than three months. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments.

## Notes to Financial Statement (Continued)

### 11. Accounts Receivable

The Council considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they will be charged to operations when that determination is made. The Council considers that amount to be immaterial.

### 12. Inventory

The only inventory reported in the Statement of Financial Position is office supply inventory, which is recorded at cost.

### 13. Advertising & Marketing

The Council uses advertising to promote employment opportunities as well as its programs to the audiences it serves. Advertising costs are expensed as they are incurred. During the year ended June 30, 2021, advertising and marketing costs were \$27,857.

### 14. Change in Accounting Principle

In June 2018, the FASB issued *ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. The ASU clarifies and improves guidance for contributions received and contributions made, and provides guidance to organizations on how to account for certain exchange transactions. This change is preferable in that it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities.

The change in accounting principle was adopted on a modified prospective basis in fiscal year 2021. As a result, there was no cumulative-effect adjustment to opening net assets without donor restrictions or opening net assets with donor restrictions as of July 1, 2020.

## **B. Cash and Investments**

**Custodial Credit Risk - Deposits.** Custodial credit risk is the risk that in the event of a bank failure, the Council's deposits may not be returned to it. Deposits (cash and certificates of deposit) are carried at cost that approximates market value. The carrying amount of deposits is separately displayed on the balance sheet as "Cash." At June 30, 2021, the cash balances totaled \$4,329,120. Of that, \$500,000 was covered by Federal Depository Insurance and the remainder was fully collateralized.

Restricted cash is cash required to be used by a grantor or donor for a specific program or purpose.

## **C. Grants Receivable**

Grants receivable are deemed to be fully collectible by management.

Notes to Financial Statements (Continued)

**D. Property and Equipment**

Property and equipment consist of the following at June 30, 2021:

	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Assets:				
Land	527,454			527,454
Construction in Progress	1,292,873	3,958,832		5,251,705
Depreciable Assets:				
Building & Building Improvements	1,336,955	1,735,941		3,072,896
Vehicles	3,728,430	1,334,897	(169,379)	4,893,948
Furniture, Fixtures, & Equipment	424,822	10,463	(65,344)	369,941
<b>TOTAL AT HISTORICAL COST</b>	<b>7,310,534</b>	<b>7,040,133</b>	<b>(234,723)</b>	<b>14,115,944</b>
LESS ACCUMULATED DEPRECIATION FOR:				
Building & Building Improvements	337,620	113,149		450,769
Vehicles	1,970,839	725,769	(169,379)	2,527,229
Furniture, Fixtures, & Equipment	252,405	56,645	(65,344)	243,706
<b>TOTAL ACCUMULATED DEPRECIATION</b>	<b>2,560,864</b>	<b>895,563</b>	<b>(234,723)</b>	<b>3,221,704</b>
<b>CAPITAL NET</b>	<b>4,749,670</b>	<b>6,144,570</b>	<b>-</b>	<b>10,894,240</b>

Total depreciation expense for the year ended June 30, 2021 was \$895,563. Of this, \$854,100 is the depreciation expense for assets purchased with federal funding and \$41,463 is the depreciation expense for assets purchased with Council funds.

Included in fixed assets are assets purchased with restricted funds. If the Council does not continue to use the assets for their intended purpose, the asset or the proceeds from the sale of the assets may revert to the original grantor. Of the \$14,115,944 in asset costs, \$13,289,155 represents assets purchased with restricted funds.

**E. Lease Commitments**

The Council leases office space, automobiles, and equipment. The Council paid \$307,811 in rent during the year ended June 30, 2021. The following is a schedule of years of future minimum rental payments required under operating leases:

Year Ended June 30,	
2022	252,466
2023	105,700
2024	47,000
2025	23,400
2026	14,400
Total	<u>442,966</u>

**F. Pension Plan**

The Council contributes to a multiemployer defined benefit pension plan, the County Employees Retirement System (CERS), in conjunction with other nonprofit and governmental organizations. The Council does not directly manage this multiemployer plan, which is managed by a board of trustees. A majority of the Council's employees are participants in the multiemployer plan as of June 30, 2021 and 2020, subject to eligibility requirements.

This plan is organized as a nonelecting noncontributory multiemployer retirement plan, and therefore the plan is not subject to certain reporting requirements of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The plan's certified zone status is not available since the plan is not subject to ERISA reporting requirements.

The risks of participating in a multiemployer plan are different from a single employer plan in the following aspects: (1) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers; (2) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers; (3) if an employer chooses to stop participating in a multiemployer plan, the entity may be required to pay the plan an amount based on the underfunded status of the plan, referred to as a withdraw liability. If a plan were to terminate, if participants voluntarily withdrew or there was a mass withdrawal, the Council may also be required to make additional payments to the plan for its proportionate share of the underfunded liabilities.

The following table presents information on the plans and the Organization's participation in the plans (in thousands):

<u>Plan Employer Identification &amp; Plan Number</u>	<u>Plan Funded Status as of June 30, 2020</u>		<u>Council Contributions for the Year Ended</u>		<u>Total Plan Contributions for the Year Ended</u>		<u>Council Contributions Greater Than 5% of Total?</u>
	<u>Assets</u>	<u>Accumulated Benefit Obligation</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>	
61-6027948 CERS	7,220,607	14,610,867	1,269	1,163	475,416	393,453	No

As noted in the table above, the Council did not make contributions greater than 5% of the total contributions to CERS.

The plans' accumulated benefit obligations are determined annually by the plans' actuary. Significant actuarial assumptions utilized for CERS include a discount rate of 6.25%, and expected rate of investment return of 6.25%, and an expected rate of salary increase of 3.3% - 11.55% on average, including inflation. Plan assets are invested in public equity, US equity, international equity, fixed income, global, credit real return, private equity, real estate, absolute return, and cash; the funds' investments are determined by the Board of Kentucky Retirements Systems according to Kentucky Revised Statute 61.650. Funded status information was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Notes to Financial Statements (Continued)

**G. Other Post-Employment Benefits**

A portion of the contributions plan participants make to CERS are for other post-employment benefits, of which the primary benefit offered is health insurance. The following table presents information on the plans and the Organization's participation in the plans (in thousands):

<u>Plan Employer Identification &amp; Plan Number</u>	<u>Plan Funded Status as of June 30, 2020</u>		<u>Council Contributions for the Year Ended</u>		<u>Total Plan Contributions for the Year Ended</u>		<u>Council Contributions Greater Than 5% of Total?</u>
	<u>Assets</u>	<u>Accumulated Benefit Obligation</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>	
CERS Non-hazardous Insurance Fund	2,661,351	3,392,086	313	287	129,267	139,655	No

As noted in the table above, the Council did not make contributions greater than 5% of the total contributions to CERS.

The plans' accumulated benefit obligations are determined annually by the plans' actuary. Significant actuarial assumptions utilized for CERS include a discount rate of 5.34%, and expected rate of investment return of 6.25%, and an expected rate of salary increase of 3.05% - 11.55% on average (varying by service), including inflation. Funded status information was measured as of June 30, 2020, and the total net other post-employment benefits liability used to calculate the net other post-employment benefit liability was determined by an actuarial valuation as of that date.

**H. FASB ASC 958 Eliminations**

In-kind salaries of \$37,152 and fringes of \$13,003 have been removed from program services expenses since they do not meet the requirements of FASB ASC 958. The following schedule recaps:

<b>Program</b>	<b>Total In-Kind Services</b>	<b>In-Kind Salaries</b>	<b>In-Kind Fringes</b>	<b>Total Recognized In-Kind Services</b>
Congregate Meals	72,000	0	0	72,000
CSBG	150,026	3,942	1,380	144,704
Head Start	292,237	32,750	11,462	248,025
RSVP	29,612	0	0	29,612
Senior Companion Grant	4,002	0	0	4,002
CCC	<u>16,838</u>	<u>460</u>	<u>161</u>	<u>16,217</u>
	<u>564,715</u>	<u>37,152</u>	<u>13,003</u>	<u>514,560</u>



**I. Contingent Liability - Unemployment Insurance Trust**

The Agency is a member of the Kentucky Grantees Unemployment Insurance Trust. They do not contribute to the State's unemployment insurance fund. Earnings on CKCAC's balance are used to reimburse the State for its actual cost for unemployment insurance benefits paid to former employees. The Council's policy is to maintain the Trust's balance at 50% of the previous fourth quarter's wages. During the year ended June 30, 2021, the Agency contributed \$86,520 to the Trust. The Trust was fully funded as of June 30, 2021.

**J. Capital Lease Payable**

The Agency entered into an agreement with the Marion County Fiscal Court and KACO in order to fund the purchase of the land and building of their current main offices. The total lease agreement is for \$495,000 at 4.75% for twenty (20) years.

The following is an analysis of leased assets included in Property and Equipment:

Land	37,500
Building and improvements	<u>616,494</u>
	653,994
Less accumulated depreciation	<u>(328,773)</u>
	<u>325,221</u>

Amortization of assets held under capital leases is included with depreciation expense.

The following is a schedule of future minimum lease payments by year required under the lease together with their present value as of June 30, 2021:

Year ending June 30:

2022	37,579
2023	37,569
2024	37,557
2025	37,562
2026	37,556
2027-2028	<u>68,832</u>
Total minimum lease payments	256,655
Less amount representing interest	<u>(37,395)</u>
Present value of minimum lease payments	<u>219,260</u>

**K. Long-Term Debt**

On July 16, 2012, the Agency entered into a 15-year loan with Farmers National Bank, Lebanon, Kentucky, in the amount of \$121,475 for the purpose of funding the purchase of a building located at 356 West Main Street, Lebanon, Kentucky. The interest rate is 6% and is a fixed rate over the life of the loan. Payments are made monthly at a fixed amount of \$1,031. The date of the final maturity of the obligation is August 1, 2027. As of June 30, 2021, the outstanding principal balance was \$63,393. Principal payment requirements for the remaining term of the loan are as follows:

Notes to Financial Statements (Continued)

Year ending June 30:	Principal
2022	8,749
2023	9,297
2024	9,872
2025	10,496
2026	11,153
2027	11,850
2028	<u>1,976</u>
Total principal due	<u>63,393</u>

**L. Notes Payable – Peoples Bank (Payroll Protection Program – Debt and Forgiven Grant)**

The Agency received a loan from the Small Business Administration (SBA) through Peoples Bank, Lebanon, Kentucky in the amount of \$1,830,743 under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act in April of 2020.

During the year ended June 30, 2021, the Agency applied for and was notified that \$1,064,969 in eligible expenditures for payroll and other expenses described in the CARES Act were forgiven by SBA. This forgiven amount includes expenditures incurred in both 2020 and 2021. Expenditures in the year ended June 30, 2021 totaled \$473,823 and have been accounted for as Other Revenue in the Statement of Activities. The additional forgiven expenditures of \$591,146 were included in Other Revenue in the year ended June 30, 2020.

The remaining loan balance of \$765,774 bears interest at a rate of 1% and is payable in monthly installments of principal and interest over 24 months beginning 6 months from the date of the loan with a maturity date of April 15, 2022. The remaining loan may be repaid at any time with no prepayment penalty. Under its current terms, the loan will be repaid as follow:

Year	Principal	Interest	Total
2022	765,774	16,082	781,856

**M. Commitments: Construction Projects – Head Start**

At June 30, 2021, the Agency was in the process of constructing two Head Start facilities; one in Lebanon, Kentucky and the second in Springfield, Kentucky. Construction costs to date, which have been capitalized as construction in progress, are \$5,251,705. The Agency expects the additional costs of the building and its contents to be approximately \$ 661,494. The Agency also anticipates that the total cost of the building to be 100% funded by federal grant funds from the Department of Health and Human Services, Offices of Head Start.

**N. Subsequent Events**

Management has reviewed subsequent events through November 15, 2021, which is the date the financial statements were available to be issued.

On November 11, 2021, the Agency purchased a building and land in Hardinsburg, Kentucky for \$210,000. The building will house employees for a few of the Agency's programs in that geographical area.

There are no additional material subsequent events requiring disclosure.

**O. Liquidity**

The following reflects the Agency's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date:

Financial assets at year-end	\$ 4,329,120
Less those unavailable for general expenditures within one year, due to:	
Amounts due to grantors	(36,718)
Other due to amounts	(1,241)
Donor Restricted – Local and State	(199,763)
Refundable Advances – Restricted	(2,476,053)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$1,615,345</u>

As part of the Agency's liquidity management, it places cash in excess of monthly requirements in on demand or savings accounts.

Notes to Financial Statements (Continued)

**P. Functional Classification of Expenses**

Expenses for the year ended June 30, 2021, were allocated as follows:

	Program Services	Supporting Services: Management & General	Total
Salaries	6,327,352	530,106	6,857,458
Fringe Benefits	2,819,650	273,065	3,092,715
Contracts & Consultants	217,848	43,855	261,703
Travel & Transportation Costs	661,648	4,214	665,862
Training Costs	11,829	2,013	13,842
Space Costs / Utilities	841,203	17,836	859,039
Consumable Supplies	651,598	24,425	676,023
Equipment Expense	40,430	7,746	48,176
Insurance	78,826	22,436	101,262
Program / Client Benefits	5,816,462	-	5,816,462
In-Kind Expenses	514,560	-	514,560
Interest Expense	9,381	-	9,381
Other Expenses	33,672	1,361	35,033
Total Expenses Before Federal Depreciation	18,024,459	927,057	18,951,516
Depreciation of assets purchased with federal funds	854,100		854,100
Total Expenses After Depreciation	18,878,559	927,057	19,805,616

Central Kentucky Community Action Council, Inc.  
Head Start Grant No. 04CH4778/05  
Statement of Revenues and Expenses  
Year Ended June 30, 2021

	Approved * Budget	11/1/18 to 6/30/2019	7/1/19 to 6/30/2020	7/1/2020 to 6/30/21	Total	COB Balance Current Year
<u>Revenues</u>						
<u>OCD Funds</u>						
Amount Awards This Budget Period	14,730,246	3,461,214	5,711,129	4,938,076	14,110,419	619,827
Program Income	0	781	0	0	781	(781)
STARS Incentive Income	0	166,626	(166,626)	29,630	29,630	(29,630)
Other Income	0	17,700	(17,700)	0	0	0
Sale of Property	0	0	67,000	0	67,000	(67,000)
Grantee's Contributions	259,998	201,881	100,983	0	302,864	(42,866)
<b>Total Revenues</b>	<b>14,990,244</b>	<b>3,848,202</b>	<b>5,694,786</b>	<b>4,967,706</b>	<b>14,510,694</b>	<b>479,550</b>
<u>Expenses</u>						
<u>OCD's Share</u>						
<u>Head Start Full-Year/Full-Day PA22</u>						
<u>Direct Costs</u>						
Salaries	2,897,801	1,611,262	1,305,414	0	2,916,676	(18,875)
Fringe Benefits	1,073,883	634,278	579,268	0	1,213,546	(139,663)
Contracts & Consultants	148,850	54,798	75,146	0	129,944	18,906
Travel & Transportation Costs	316,133	36,230	37,867	0	74,097	242,036
Training & Staff Development	69,000	167	50,521	0	50,688	18,312
Consumable Supplies	582,497	112,139	494,197	0	606,336	(23,839)
Equipment Expense	1,103,138	10,203	903,167	0	913,370	189,768
Land, Facility Construction, and Renovation	7,032,906	536,771	1,678,002	4,967,706	7,182,479	(149,573)
Other Expenses	938,252	350,268	247,446	0	597,714	340,538
Subtotal	14,162,460	3,346,116	5,371,028	4,967,706	13,684,850	477,610
Indirect Costs	547,786	256,830	199,006	0	455,836	91,950
<b>Total PA22 Costs</b>	<b>14,710,246</b>	<b>3,602,946</b>	<b>5,570,034</b>	<b>4,967,706</b>	<b>14,140,686</b>	<b>569,560</b>
<u>Child Development Association Grant PA20</u>						
<u>Direct Costs - Head Start</u>						
Travel & Transportation	0	9,326	22,303	0	31,629	(31,629)
Other Expenses	20,000	25,326	1,439	0	26,765	(6,765)
<u>Direct Costs - Early Head Start</u>						
Travel & Transportation	0	4,397	227	0	4,624	(4,624)
Other Expenses	0	4,325	(200)	0	4,125	(4,125)
Subtotal	20,000	43,374	23,769	0	67,143	(47,143)
Indirect Costs	0	0	0	0	0	0
<b>Total PA20 Costs</b>	<b>20,000</b>	<b>43,374</b>	<b>23,769</b>	<b>0</b>	<b>67,143</b>	<b>(47,143)</b>
<b>Total OCD Costs</b>	<b>14,730,246</b>	<b>3,646,320</b>	<b>5,593,803</b>	<b>4,967,706</b>	<b>14,207,829</b>	<b>522,417</b>
Grantee's Share	259,998	201,882	100,983	0	302,865	(42,867)
<b>Total Expenses</b>	<b>14,990,244</b>	<b>3,848,202</b>	<b>5,694,786</b>	<b>4,967,706</b>	<b>14,510,694</b>	<b>479,550</b>
Revenue Over (Under) Expenses	0	0	0	0	0	0

Central Kentucky Community Action Council, Inc.  
Head Start Grant No. 04CH01126001  
Statement of Revenues and Expenses  
Year Ended June 30, 2021

	Approved * Budget	11/1/19 to 6/30/2020	7/1/20 to 6/30/2021	Total	COB Balance Current Year
<u>Revenues</u>					
<u>OCD Funds</u>					
Amount Awards This Budget Period	6,673,857	3,480,381	2,241,234	5,721,615	952,242
Program Income	0	8,500	0	8,500	(8,500)
STARS Incentive Income	0	183,426	(113,238)	70,188	(70,188)
Other Income	0	21,200	0	21,200	(21,200)
Grantee's Contributions	451,678	79,250	158,002	237,252	214,426
Total Revenues	<u>7,125,535</u>	<u>3,772,757</u>	<u>2,285,998</u>	<u>6,058,755</u>	<u>1,066,780</u>
<u>Expenses</u>					
<u>OCD's Share</u>					
<u>Head Start Full-Year/Full-Day PA22</u>					
Direct Costs					
Salaries	3,699,400	2,008,405	1,093,702	3,102,107	597,293
Fringe Benefits	1,557,028	907,249	479,770	1,387,019	170,009
Contracts & Consultants	94,600	31,666	18,965	50,631	43,969
Travel & Transportation Costs	160,500	31,294	6,056	37,350	123,150
Training & Staff Development	5,000	0	0	0	5,000
Consumable Supplies	48,463	132,863	133,673	266,536	(218,073)
Equipment Expense	10,200	14,203	42,982	57,185	(46,985)
Land, Facility Construction, and Renovation	15,000	25,481	8,254	33,735	(18,735)
Other Expenses	413,400	239,519	213,394	452,913	(39,513)
Subtotal	<u>6,003,591</u>	<u>3,390,680</u>	<u>1,996,796</u>	<u>5,387,476</u>	<u>616,115</u>
Indirect Costs	<u>607,622</u>	<u>265,226</u>	<u>134,175</u>	<u>399,401</u>	<u>208,221</u>
Total PA22 Costs	6,611,213	3,655,906	2,130,971	5,786,877	824,336
<u>Child Development Association Grant PA20</u>					
Direct Costs - Head Start					
Travel & Transportation	0	8,745	0	8,745	(8,745)
Other Expenses	53,895	28,805	(3,049)	25,756	28,139
Direct Costs - Early Head Start					0
Travel & Transportation	0	0	0	0	0
Other Expenses	8,749	51	74	125	8,624
Subtotal	<u>62,644</u>	<u>37,601</u>	<u>(2,975)</u>	<u>34,626</u>	<u>28,018</u>
Indirect Costs	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total PA20 Costs	<u>62,644</u>	<u>37,601</u>	<u>(2,975)</u>	<u>34,626</u>	<u>28,018</u>
Total OCD Costs	6,673,857	3,693,507	2,127,996	5,821,503	852,354
Grantee's Share	451,678	79,250	158,002	237,252	214,426
Total Expenses	<u>7,125,535</u>	<u>3,772,757</u>	<u>2,285,998</u>	<u>6,058,755</u>	<u>1,066,780</u>
Revenue Over (Under) Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

\* Grant Period is November 1, 2019 through October 31, 2020.

Central Kentucky Community Action Council, Inc.

Head Start Grant No. 04CH01126002

Statement of Revenues and Expenses

Year Ended June 30, 2021

	Approved * Budget	Actual 11/1/20 to 6/30/2021	COB Balance Current Year
<u>Revenues</u>			
<u>OCD Funds</u>			
Amount Awards This Budget Period	6,939,795	4,201,800	2,737,995
Program Income	0	0	0
STARS Incentive Income	0	119,006	(119,006)
Other Income	0	0	0
Grantee's Contributions	365,253	134,235	231,018
Total Revenues	<u>7,305,048</u>	<u>4,455,041</u>	<u>2,850,007</u>
<u>Expenses</u>			
<u>OCD's Share</u>			
<u>Head Start Full-Year/Full-Day PA22</u>			
Direct Costs			
Salaries	4,044,420	2,045,298	1,999,122
Fringe Benefits	1,585,547	900,947	684,600
Contracts & Consultants	84,400	46,698	37,702
Travel & Transportation Costs	112,001	41,861	70,140
Training & Staff Development	0	0	0
Consumable Supplies	47,963	80,383	(32,420)
Equipment Expense	15,000	5,887	9,113
Land, Facility Construction, & Renovation	0	717,032	(717,032)
Other Expenses	336,813	149,354	187,459
Subtotal	<u>6,226,144</u>	<u>3,987,460</u>	<u>2,238,684</u>
Indirect Costs	646,507	325,736	320,771
Total PA22 Costs	<u>6,872,651</u>	<u>4,313,196</u>	<u>2,559,455</u>
<u>Child Development Association Grant PA20</u>			
Direct Costs - Head Start			
Travel & Transportation	0	0	0
Other Expenses	58,395	6,831	51,564
Direct Costs - Early Head Start			
Travel & Transportation	0	0	0
Other Expenses	8,749	779	7,970
Subtotal	<u>67,144</u>	<u>7,610</u>	<u>59,534</u>
Indirect Costs	0	0	0
Total PA20 Costs	<u>67,144</u>	<u>7,610</u>	<u>59,534</u>
Total OCD Costs	6,939,795	4,320,806	2,618,989
Grantee's Share	365,253	134,235	231,018
Total Expenses	<u>7,305,048</u>	<u>4,455,041</u>	<u>2,850,007</u>
Revenue Over (Under) Expenses	<u>0</u>	<u>0</u>	<u>0</u>

\* Grant Period is November 1, 2020 through October 31, 2021.

Central Kentucky Community Action Council, Inc.

Head Start Grant No. 04CH01126001C3

COVID-19 CARES

Statement of Revenues and Expenses

Year Ended June 30, 2021

	Approved * Budget	Actual 1/1/2020 to 6/30/2020	Actual 7/1/20 to 6/30/21	COB Balance Current Year
<u>Revenues</u>				
<u>OCD Funds</u>				
Amount Awards This Budget Period	434,131	21,326	358,892	53,913
Total Revenues	434,131	21,326	358,892	53,913
<u>Expenses</u>				
<u>OCD's Share</u>				
<u>Head Start Full-Year/Full-Day PA22</u>				
Direct Costs				
Contracts & Consultants	0	1,674	0	(1,674)
Training & Staff Development	0	11,395	1,359	(12,754)
Consumable Supplies	110,000	6,074	84,768	19,158
Equipment Expense	200,000		72,059	127,941
Other Expenses	124,131	1,973	200,706	(78,548)
Subtotal	434,131	21,116	358,892	54,123
Indirect Costs	0	210	0	(210)
Total PA22 Costs	434,131	21,326	358,892	53,913
<u>Child Development Association Grant PA20</u>				
Direct Costs - Early Head Start				
Travel & Transportation	0	0	0	0
Other Expenses	0	0	0	0
Direct Costs - Head Start				
Travel & Transportation	0	0	0	0
Other Expenses	0	0	0	0
Subtotal	0	0	0	0
Indirect Costs	0	0	0	0
Total PA20 Costs	0	0	0	0
Total OCD Costs	434,131	21,326	358,892	53,913
Grantee's Share	0	0	0	0
Total Expenses	434,131	21,326	358,892	53,913
Revenue Over (Under) Expenses	0	0	0	0

\* Grant Period is January 1, 2020 through October 31, 2021



Central Kentucky Community Action Council, Inc.

Head Start Grant No. 04HE00124101C6

COVID-19 ARPA

Statement of Revenues and Expenses

Year Ended June 30, 2021

	Approved * Budget	Actual 04/01/21 to 6/30/2021	COB Balance Current Year
<u>Revenues</u>			
<u>OCD Funds</u>			
Amount Awards This Budget Period	0	1,945	(1,945)
Program Income	0	0	0
STARS Incentive Income	0	0	0
Other Income	0	0	0
Grantee's Contributions	0	0	0
Total Revenues	0	1,945	(1,945)
<u>Expenses</u>			
<u>OCD's Share</u>			
<u>Head Start Full-Year/Full-Day PA22</u>			
Direct Costs			
Salaries	0	0	0
Fringe Benefits	0	0	0
Contracts & Consultants	0	0	0
Travel & Transportation Costs	0	0	0
Training & Staff Development	0	0	0
Consumable Supplies	0	0	0
Equipment Expense	0	0	0
Land, Facility Construction, & Renovation	0	0	0
Other Expenses	0	1,945	(1,945)
Subtotal	0	1,945	(1,945)
Indirect Costs	0	0	0
Total PA22 Costs	0	1,945	(1,945)
Total OCD Costs	0	1,945	(1,945)
Grantee's Share	0	0	0
Total Expenses	0	1,945	(1,945)
Revenue Over (Under) Expenses	0	0	0

\* Grant Period is April 1, 2021- March 31, 2023

Central Kentucky Community Action Council, Inc.

Head Start Grant No. 04CHE00124101C5

COVID-19 CRRSAA

Statement of Revenues and Expenses

Year Ended June 30, 2021

	Approved * Budget	Actual 04/01/21 to 6/30/2021	COB Balance Current Year
<u>Revenues</u>			
<u>OCD Funds</u>			
Amount Awards This Budget Period	0	5,835	(5,835)
Program Income	0	0	0
STARS Incentive Income	0	0	0
Other Income	0	0	0
Grantee's Contributions	0	0	0
Total Revenues	0	5,835	(5,835)
<u>Expenses</u>			
<u>OCD's Share</u>			
<u>Head Start Full-Year/Full-Day PA22</u>			
Direct Costs			
Salaries	0	0	0
Fringe Benefits	0	0	0
Contracts & Consultants	0	0	0
Travel & Transportation Costs	0	0	0
Training & Staff Development	0	0	0
Consumable Supplies	0	0	0
Equipment Expense	0	0	0
Land, Facility Construction, & Renovation	0	0	0
Other Expenses	0	5,835	(5,835)
Subtotal	0	5,835	(5,835)
Indirect Costs	0	0	0
Total PA22 Costs	0	5,835	(5,835)
Total OCD Costs	0	5,835	(5,835)
Grantee's Share	0	0	0
Total Expenses	0	5,835	(5,835)
Revenue Over (Under) Expenses	0	0	0

\* Grant Period is April 1, 2021 - March 31, 2023

Central Kentucky Community Action Council, Inc.  
Reconciliation of SF 269 and SF 272 to Audit Report

**Grant Number 04-CH-004778/05**

Federal Expenditures Per Final SF 269 and SF 272		14,110,419
Federal Expenditures Per Audited Financials		
11/01/18 through 6/30/19	3,461,214	
7/01/19 through 06/30/20	5,711,129	
7/01/20 through 06/30/21	<u>4,938,076</u>	
Total Expenditures Per Audited Financials		<u>14,110,419</u>
Difference		<u><u>0</u></u>

**Grant Number 04CH01126001**

Federal Expenditures Per Final SF 269 and SF 272		5,721,615
Federal Expenditures Per Audited Financials		
11/01/19 through 6/30/20	3,480,381	
7/01/20 through 06/30/21	<u>2,241,234</u>	
Total Expenditures Per Audited Financials		<u>5,721,615</u>
Difference		<u><u>0</u></u>

**Grant Number 04CH01126002**

Federal Expenditures Per Approved Budget		6,939,795
Carryover Applied For		<u>1,185,661</u>
Total		8,125,456
Federal Expenditures Per Audited Financials		
11/01/20 through 06/30/21	4,201,800	
7/01/21 through 10/31/21 (Post Audit Period)	<u>0</u>	
Total Expenditures Per Audited Financials		<u>4,201,800</u>
Difference to be Expended Subsequent to Audit Year Ending 06/30/21		<u><u>3,923,656</u></u>

**Grant Number 04CH01126001C3**

Federal Expenditures Per Audited Financials - COVID-19 CARES		
11/01/19 through 6/30/20	21,326	
7/01/20 through 06/30/21	<u>358,892</u>	
Total Expenditures Per Audited Financials		<u><u>380,218</u></u>

**Grant Number 04HE00124101C6**

Federal Expenditures Per Audited Financials - COVID-19 ARPA		
04/01/21 through 6/30/21	<u>1,945</u>	
Total Expenditures Per Audited Financials		<u><u>1,945</u></u>

**Grant Number 04HE00124101C5**

Federal Expenditures Per Audited Financials - COVID-19 CRRSAA		
04/01/21 through 6/30/21	<u>5,835</u>	
Total Expenditures Per Audited Financials		<u><u>5,835</u></u>

Central Kentucky Community Action Council, Inc.  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

	Federal CFDA Number	Contract Number	Expenditures	Amounts Provided to Subrecipients
<u>U.S. Department of Health and Human Services</u>				
Direct Program:				
Head Start	93.600	04CH4778/05	4,938,076	0
Head Start	93.600	04CH01126001	2,241,234	0
Head Start	93.600	04CH01126002	4,201,800	0
COVID-19 - Head Start CARES	93.600	04CH01126001C3	358,892	0
COVID-19 - Head Start ARPA	93.600	04HE00124101C6	1,945	0
COVID-19 - Head Start CRRSAA	93.600	04HE00124101C5	5,835	0
Total Head Start			11,747,782 *	0
Passed through Corporation for National Community Service				
Retired & Senior Volunteer Program	94.002	19SRSKY001	47,595	0
Retired & Senior Volunteer Program	94.002	19SRSKY001	18,157	0
Senior Companion Grant	94.016	18SCSKY004	241,649	0
Total Corporation for National Community Service			307,401	0
Passed through Kentucky Cabinet for Health and Family Services				
COVID-19 - Child Care Development Block Grant - CARES	93.575	Central KY CAC - Head Start	139,484	0
COVID-19 - Child Care Development Block Grant - CRRSAA	93.575	Central KY CAC - Head Start	272,160	0
Total Child Care Development Block Grant			411,644 *	0
Community Services Block Grant	93.569	PON2 736 2000002656	511,342	0
COVID-19 Community Services Block Grant - CARES	93.569	PON2 736 2000002656	360,210	0
Total Community Services Block Grant			871,552 *	0
Kentucky Works / SNAP E&T	93.558	PON2 736 2000001630	484,731	0
Community Collaboration for Children - Intensive Inhome	93.590	PON2 736 2000002665	75,878	0
Community Collaboration for Children - Promoting Safe & Stable Families	93.556	PON2 736 2000002665	46,979	0
Total Kentucky Cabinet for Health and Family Services			1,890,784	0
Passed through Lincoln Trail Area Development District				
Special Programs for the Aging - Title IIIB	93.044	LTADD/04	86,747	0
Congregate Meals III C-1	93.044	LTADD/04	217,840	0
COVID -19 Congregate Meals III C-1 - CARES	93.044	LTADD/04	297,713	0
Total Passed through Lincoln Trail Area Development District			602,300	0
Passed through Community Action Kentucky				
Low-Income Home Energy Assistance	93.568	739 1900003964 3 LIHEAP-005	3,592,546	0
COVID-19 Low-Income Home Energy Assistance ARPA	93.568	739 1900003964 3 LIHEAP-005	97,050	0
Total Low-Income Home Energy Assistance			3,689,596	0
Passed through Kentucky Housing Corporation				
Weatherization - LiHeap	93.568	LH21-0602-02 LIHEAP005	199,276	0
Total U.S. Department of Health and Human Services			18,437,139	0
<u>U.S. Department of the Treasury</u>				
Passed through Community Action Kentucky				
COVID-19 - Coronavirus Relief Program - Healthy At Home	21.019	739 1900003964 3 LIHEAP-005	679,753	0
<u>U.S. Department of Agriculture</u>				
Passed through Kentucky Department of Education:				
Child and Adult Care Food Program - Unaffiliated Centers	10.558	11581	123,642	0
Child and Adult Care Food Program - Unaffiliated Centers	10.558	11581	439,429	0
Child and Adult Care Food Program - Family Child Care Homes	10.558	11030	45,441	0
Child and Adult Care Food Program - Family Child Care Homes	10.558	11030	151,150	0
Child and Adult Care Food Program - Head Start	10.558	11400	126,030	0
Total Child and Adult Care Food			885,692	0
Passed through Kentucky Cabinet for Health and Family Services				
Kentucky Works / SNAP E&T	10.561	PON2 736 2000001630	108,057	0
Passed through Lincoln Trail Area Development District				
USDA AKA NSIP	10.570	LTADD/04	67,565	0
Total U.S. Department of Agriculture			1,061,314	0
<u>U.S. Department of Transportation</u>				
Passed through Kentucky Department of Transportation:				
Section 5311 - Public Transportation	20.509	KY-2020-011-01	64,189	0
COVID-19 Section 5311 - Public Transportation - CARES	20.509	KY-2020-011-01	392,675	0
Section 5311 - Public Transportation	20.509	KY-2018-015-02	174,134	0
COVID-19 Section 5311 - Public Transportation - CARES	20.509	KY-2020-011-00	251,947	0
COVID-19 Section 5311 - Public Transportation - CRRSAA	20.509	KY-2021-004-00	1,045,282	0
DOT RTAP	20.509	KY-2018-015-02	3,134	0
Total Section 5311 / Formula Grants for Rural Areas Total			1,931,361 *	0
Section 5310 - Capital Equipment	20.513	KY-2018-006-02	51,626	0
Section 5339(b) - Capital Equipment	20.526	KY-2017-003-02	27,480	0
Section 5339 - Capital Equipment	20.526	KY-2018-021-01	60,754	0
Section 5339(b) - Capital Equipment	20.526	KY-2017-003-03	459,216	0
Section 5339 - Capital Equipment	20.526	KY-2018-021-02	153,072	0
Total Section 5339			700,522	0
Total Kentucky Department of Transportation			2,683,509	0
<u>U.S. Department of Energy</u>				
Passed through Kentucky Housing Corporation				
Weatherization	81.042	WX 21-0602-02 DOEWX005	334,992	0
<u>Other Passed through Funds</u>				
Emergency Food & Shelter	97.024	Various # Phase 37	98,522	0
COVID-19 Emergency Food & Shelter - CARES	97.024	Various # Phase 37 CARES	154,343	0
Emergency Food & Shelter	97.024	Various # Phase 38	8,208	0
Total Emergency Food & Shelter			261,073	0
Total Federal Financial Assistance			23,457,780	0

\* Tested as major program

Central Kentucky Community Action Council, Inc.

Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2021

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Central Kentucky Community Action Council, Inc. under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Central Kentucky Community Action Council, Inc., it is not intended to and does not present the financial position, change in net assets, or cash flows of Central Kentucky Community Action Council, Inc.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance and/or OMB Circular A0122, Cost Principles for Non-profit Organization, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE C – FEDERAL NON-CASH ASSISTANCE**

Central Kentucky Community Action Council, Inc. received no federal non-cash assistance for the year ended June 30, 2021.

**NOTE D – DE MINIMIS INDIRECT COST RATE**

Central Kentucky Community Action Council, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Central Kentucky Community Action Council, Inc.  
LiHeap Program  
Delegate Agreement Number 5  
Contract Number 739 1900003964 3 LIHEAP-005

Statement of Financial Position  
June 30, 2021

Assets

Current Assets	
Cash	0
Accounts Receivable - June 30, 2021 Program Year	<u>0</u>
Total Assets	<u><u>0</u></u>

Liabilities and Net Assets

Current Liabilities	
Due to CAK	<u>0</u>
Net Assets - Unrestricted	<u>0</u>
Total Liabilities and Net Assets	<u><u>0</u></u>

Central Kentucky Community Action Council, Inc.  
 LiHeap Program  
 Delegate Agreement Number 5  
 Contract Number 739 1900003964 3 LIHEAP-005

Statement of Program Expenditures  
 Year Ended June 30, 2021

<u>Cost Category</u>	<u>Expenses</u>
Administrative	
Salaries	195,560
Fringe Benefits	76,807
Travel	772
Postage	3,299
Supplies	13,112
Miscellaneous	2,522
Indirect Costs	<u>28,161</u>
Total Administrative	320,233
Benefits	
Subsidy	1,641,516
Subsidy - ARPA	97,050
Crisis	<u>1,630,797</u>
Total Benefits	<u>3,369,363</u>
Total Expenses	3,689,596
Less: Questioned Costs	0
Less: In-Kind Contributions	<u>0</u>
Total Allowable Expenses	3,689,596
Less: Contract Payments Received As of June 30, 2021	<u>(3,689,596)</u>
Under/(Over) Payment Due to Agency (CAK)	<u><u>0</u></u>

Central Kentucky Community Action Council, Inc.  
 LiHeap Program  
 Delegate Agreement Number 5  
 Contract Number 739 1900003964 3 LIHEAP-005

Statement of Questioned Costs  
 Year Ended June 30, 2021

<u>Cost Category</u>	<u>Actual</u>	<u>Questioned Cost</u>	<u>Balance</u>
Administrative			
Salaries	195,560	0	195,560
Fringe Benefits	76,807	0	76,807
Travel	772	0	772
Postage	3,299	0	3,299
Office Supplies	13,112	0	13,112
Miscellaneous	2,522	0	2,522
Indirect Costs	28,161	0	28,161
Total Administrative	<u>320,233</u>	<u>0</u>	<u>320,233</u>
Benefit Cost			
Subsidy	1,641,516	0	1,641,516
Subsidy - ARPA	97,050	0	97,050
Crisis	<u>1,630,797</u>	<u>0</u>	<u>1,630,797</u>
Total Benefits	<u>3,369,363</u>	<u>0</u>	<u>3,369,363</u>
Total	<u><u>3,689,596</u></u>	<u><u>0</u></u>	<u><u>3,689,596</u></u>



Central Kentucky Community Action Council, Inc.  
 LiHeap Program  
 Delegate Agreement Number 5  
 Contract Number 739 1900003964 3 LIHEAP-005

Statement of Budget and Actual Expenses  
 Year Ended June 30, 2021

<u>Cost Category</u>	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Administrative Liheap	320,233	320,233	0
Benefit Cost			
Liheap - Subsidy	1,641,516	1,641,516	0
Liheap - Subsidy - ARPA	97,050	97,050	0
Liheap - Crisis	<u>1,630,797</u>	<u>1,630,797</u>	<u>0</u>
Total	<u><u>3,689,596</u></u>	<u><u>3,689,596</u></u>	<u><u>0</u></u>

Central Kentucky Community Action Council, Inc.  
Healthy at Home Program  
Delegate Agreement Number 5  
Contract Number 739 1900003964 3 LIHEAP-005

Statement of Financial Position  
June 30, 2021

Assets

Current Assets	
Cash	0
Accounts Receivable - June 30, 2021 Program Year	<u>0</u>
Total Assets	<u><u>0</u></u>

Liabilities and Net Assets

Current Liabilities	
Due to CAK	<u>0</u>
Net Assets - Unrestricted	<u>0</u>
Total Liabilities and Net Assets	<u><u>0</u></u>

Central Kentucky Community Action Council, Inc.  
 Heathy At Home Program  
 Delegate Agreement Number 5  
 Contract Number 739 1900003964 3 LIHEAP-005

Statement of Program Expenditures  
 Year Ended June 30, 2021

<u>Cost Category</u>	<u>Expenses</u>
Administrative	
Salaries	14,857
Fringe Benefits	5,319
Travel	0
Postage	1,260
Supplies	1,338
Miscellaneous	0
Indirect Costs	<u>1,912</u>
Total Administrative	24,686
Benefits	
Water & Waste Water	54,621
Electric & Gas	47,346
Water & Waste Water Subsidy	259,500
Electric & Gas Subsidy	<u>293,600</u>
Total Benefits	<u>655,067</u>
Total Expenses	679,753
Less: Questioned Costs	0
Less: In-Kind Contributions	<u>0</u>
Total Allowable Expenses	679,753
Less: Contract Payments Received As of June 30, 2021	<u>(679,753)</u>
Under/(Over) Payment Due to Agency (CAK)	<u><u>0</u></u>

Central Kentucky Community Action Council, Inc.  
 Healthy at Home Program  
 Delegate Agreement Number 5  
 Contract Number 739 1900003964 3 LIHEAP-005

Statement of Questioned Costs  
 Year Ended June 30, 2021

<u>Cost Category</u>	<u>Actual</u>	<u>Questioned Cost</u>	<u>Balance</u>
<b>Administrative</b>			
Salaries	14,857	0	14,857
Fringe Benefits	5,319	0	5,319
Travel	0	0	0
Postage	1,260	0	1,260
Office Supplies	1,338	0	1,338
Miscellaneous	0	0	0
Indirect Costs	1,912	0	1,912
<b>Total Administrative</b>	<b>24,686</b>	<b>0</b>	<b>24,686</b>
<b>Benefit Cost</b>			
Water & Waste Water	54,621	0	54,621
Electric & Gas	47,346	0	47,346
Water & Waste Water Subsidy	259,500	0	259,500
Electric & Gas Subsidy	293,600	0	293,600
<b>Total Benefits</b>	<b>655,067</b>	<b>0</b>	<b>655,067</b>
<b>Total</b>	<b>679,753</b>	<b>0</b>	<b>679,753</b>

Central Kentucky Community Action Council, Inc.  
 Healthy at Home Program  
 Delegate Agreement Number 5  
 Contract Number 739 1900003964 3 LIHEAP-005

Statement of Budget and Actual Expenses  
 Year Ended June 30, 2021

<u>Cost Category</u>	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Administrative			
Healthy at Home	24,686	24,686	0
Benefit Cost			
Water & Waste Water	54,621	54,621	0
Electric & Gas	47,346	47,346	0
Water & Waste Water Subsidy	259,500	259,500	0
Electric & Gas Subsidy	<u>293,600</u>	<u>293,600</u>	<u>0</u>
Total	<u><u>679,753</u></u>	<u><u>679,753</u></u>	<u><u>0</u></u>

Central Kentucky Community Action Council, Inc.  
Community Services Block Grant  
Contract Number PON2 736 2000002656

Statement of Financial Participation  
Year Ended June 30, 2021

	CSBG	CSBG Scholarship	CSBG Cares	Total
<u>Obligated Fund</u>				
CSBG Financial				
Participation at 80% & 100% & 100%	509,342	2,000	360,210	871,552
				0
Total Financial Participation	509,342	2,000	360,210	871,552
Less: Contract Payments Received	(509,342)	(2,000)	(360,210)	(871,552)
Less: Receivable Due from State				0
	0	0	0	0
Total Obligated Funds	0	0	0	0
<u>Overpayment</u>				
Total Allowable Expenses	509,342	2,000	360,210	871,552
Less: Contract Payments Received	(509,342)	(2,000)	(360,210)	(871,552)
Less: Receivable Due from State	0	0	0	0
	0	0	0	0
<u>CSBG Local Match Requirement</u>				
CSBG Allowable Expenses	509,342	2,000	360,210	871,552
Funding Level Restated at 100%				
(\$491,804 Multiplied by 120%)	611,210	2,000	360,210	973,420
Local Match Required at 20%	101,868	0	0	101,868
Less: Local Match Provided	(350,044)	0	0	(350,044)
Excess Local Match	(248,176)	0	0	(248,176)

Central Kentucky Community Action Council, Inc.  
Community Services Block Grant  
Contract Number PON2 736 2000002656

Statement of Allowable Expenses  
Year Ended June 30, 2021

	CSBG	CSBG Scholarship	CSBG Cares	Total
<u>Expenses</u>				
Personnel	277,438	0	49,976	327,414
Travel	906	0	0	906
Equipment	50,398	0	13,977	64,375
Supplies	9,484	0	666	10,150
Contracts	0	0	0	0
Space Costs	60,024	0	195	60,219
Transportation	2,953	0	0	2,953
In-Kind Expenses	150,026	0	0	150,026
Indirect - Administrative	33,636	0	5,151	38,787
Other Expenses	274,521	2,000	290,245	566,766
				0
Total Expenses	859,386	2,000	360,210	1,221,596
Less: Questioned Costs	0	0	0	0
Total Expenses Adjusted	859,386	2,000	360,210	1,221,596
Less: In-Kind & Cash Contributions	(350,044)	0	0	(350,044)
Total Allowable Expenses	509,342	2,000	360,210	871,552
Less: Contract Payments Received	(509,342)	(2,000)	(360,210)	(871,552)
Under/(Over) Payment Due the Agency/CFC	0	0	0	0

Central Kentucky Community Action Council, Inc.  
 Community Services Block Grant  
 Contract Number PON2 736 2000002656

Statement of Obligated Fund Balance  
 Year Ended June 30, 2021

	<u>CSBG</u>	<u>CSBG Scholarship</u>	<u>CSBG Cares</u>	<u>Total</u>
Beginning Obligated Fund Balance as of July 1, 2020	245,855	0	0	245,855
Less: Carryover Applied	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	245,855	0	0	245,855
Total Financial Participation	509,342	2,000	360,210	871,552
Less: Total Allowable Expenses	<u>(509,342)</u>	<u>(2,000)</u>	<u>(360,210)</u>	<u>(871,552)</u>
Ending Obligated Fund Balance as of June 30, 2021	<u><u>245,855</u></u>	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>245,855</u></u>



Central Kentucky Community Action Council, Inc.  
Community Services Block Grant  
Contract Number PON2 736 2000002656

Statement of Questioned Costs  
Year Ended June 30, 2021

<u>Expenses</u>	<u>Actual</u>	<u>Questioned Costs</u>	<u>Balance</u>
<u>CSBG Program</u>			
Personnel	277,438	0	277,438
Travel	906	0	906
Equipment	50,398	0	50,398
Supplies	9,484	0	9,484
Contracts	0	0	0
Space Costs	60,024	0	60,024
Transportation	2,953	0	2,953
In-Kind Expenses	150,026	0	150,026
Indirect - Administrative	33,636	0	33,636
Other Expenses	274,521	0	274,521
Total CSBG Expenses	<u>859,386</u>	<u>0</u>	<u>859,386</u>
<u>CSBG Scholarship Program</u>			
Scholarship	2,000	0	2,000
Total CSBG Scholarship Program	<u>2,000</u>	<u>0</u>	<u>2,000</u>
<u>CSBG Cares Program</u>			
Personnel	49,976	0	49,976
Equipment	13,977	0	13,977
Supplies	666	0	666
Space Costs	195	0	195
Indirect - Administrative	5,151	0	5,151
Other Expenses	290,245	0	290,245
Total CSBG Cares Program	<u>360,210</u>	<u>0</u>	<u>360,210</u>
 Total for All Programs	 <u>1,221,596</u>	 <u>0</u>	 <u>1,221,596</u>

Central Kentucky Community Action Council, Inc.  
Community Services Block Grant  
Contract Number PON2 736 2000002656

Statement of Budget and Actual Expenses  
Year Ended June 30, 2021

<u>Cost Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Under(Over) Budget</u>
<u>CSBG Category</u>			
Personnel	277,438	277,438	0
Travel	906	906	0
Equipment	50,398	50,398	0
Space Costs	60,024	60,024	0
Transportation	2,953	2,953	0
Supplies	9,484	9,484	0
Other	424,547	424,547	0
Indirect - Administrative	33,636	33,636	0
Total CSBG Expenses	<u>859,386</u>	<u>859,386</u>	<u>0</u>
<u>CSBG Scholarship Program</u>			
Scholarship	<u>2,000</u>	<u>2,000</u>	<u>0</u>
<u>CSBG Cares Program</u>			
Personnel	49,976	49,976	0
Equipment	13,977	13,977	0
Supplies	666	666	0
Space Costs	195	195	0
Indirect - Administrative	5,151	5,151	0
Other Expenses	290,245	290,245	0
Total CSBG Cares Program	<u>360,210</u>	<u>360,210</u>	<u>0</u>
Total for All Programs	<u><u>1,221,596</u></u>	<u><u>1,221,596</u></u>	<u><u>0</u></u>

Central Kentucky Community Action Council, Inc.  
Weatherization Assistance Program  
Contract Number WX 21-0602-02 DOEWX005

Statement of Financial Position  
June 30, 2021

Assets

Cash (Overdraft)	0
Contract Receivable	0
Material Inventory	<u>0</u>
Total Assets	<u><u>0</u></u>

Liabilities and Net Assets

Liabilities	
Due to Grantor Agency	<u>0</u>
Total Liabilities	0
Net Assets	<u>0</u>
Total Liabilities and Net Assets	<u><u>0</u></u>

Central Kentucky Community Action Council, Inc.  
Weatherization Assistance Program  
Contract Number WX 21-0602-02 DOEWX005  
DOE 7/01/20-06/30/21  
Statement of Program Expenses  
Year Ended June 30, 2021

<u>Expenses</u>	<u>7/01/20 to 6/30/2021</u>
Administration	42,650
Materials	44,464
H & S Materials	0
Program Support	100,696
Liability Insurance	4,296
Labor Expense	118,110
H & S Labor	0
Vehicles and Equipment	20,395
Training	468
Audit	<u>3,913</u>
 Total Expenses	 334,992
 Questioned Costs	 <u>0</u>
 Total Allowable Expenses	 334,992
 Less: Contract Payments Received	 <u>(334,992)</u>
 Under/(Over) Payment Due the Agency/(CHR)	 <u><u>0</u></u>

Central Kentucky Community Action Council, Inc.  
Weatherization Assistance Program  
Contract Number WX 21-0602-02 DOEWX005  
DOE 7/01/20-06/30/21  
Statement of Questioned Costs  
Year Ended June 30, 2021

<u>Cost Category</u>	7/01/20 to 6/30/2021 <u>Actual</u>	7/01/20 to 6/30/2021 Questioned <u>Costs</u>	<u>Balance</u>
Administration	42,650	0	42,650
Materials	44,464	0	44,464
H & S Materials	0	0	0
Program Support	100,696	0	100,696
Liability Insurance	4,296	0	4,296
Labor Expense	118,110	0	118,110
H & S Labor	0	0	0
Vehicles and Equipment	20,395	0	20,395
Training	468	0	468
Audit	<u>3,913</u>	<u>0</u>	<u>3,913</u>
Total	<u><u>334,992</u></u>	<u><u>0</u></u>	<u><u>334,992</u></u>

Explanation of Questioned Costs

None

Central Kentucky Community Action Council, Inc.  
Weatherization Assistance Program  
Contract Number WX 21-0602-02 DOEWX005  
DOE 7/01/20-06/30/21  
Statement of Budget and Actual Expenses  
Year Ended June 30, 2021

<u>Cost Category</u>	7/01/20 to 6/30/2021 <u>Budget</u>	7/01/20 to 6/30/2021 <u>Actual</u>	(Over) Under <u>Budget</u>
Administration	42,650	42,650	0
Materials	44,464	44,464 *	0
H & S Materials	0	0 *	0
Program Support	100,696	100,696	0
Liability Insurance	4,296	4,296	0
Labor Expense	118,110	118,110	0
H & S Labor	0	0	0
Vehicles and Equipment	20,395	20,395	0
Training	468	468	0
Audit	3,913	3,913	0
<b>Total</b>	<u><u>334,992</u></u>	<u><u>334,992</u></u>	<u><u>0</u></u>

\* Does not include \$38,186 of close-out inventory at June 30, 2021.

Close-Out Inventory 6/30/20	38,561
Plus: Materials Purchased	44,464
Less: Materials Installed	<u>(44,839)</u>
Close-Out Inventory 6/30/21	<u><u>38,186</u></u>

Central Kentucky Community Action Council, Inc.  
Weatherization LiHeap Assistance Program  
Contract Number LH21-0602-02 LIHEAP-005

Statement of Financial Position  
June 30, 2021

Assets

Cash (Overdraft)	0
Contract Receivable	0
Material Inventory	<u>0</u>
Total Assets	<u><u>0</u></u>

Liabilities and Net Assets

Liabilities	
Due to Grantor Agency	<u>0</u>
Total Liabilities	0
Net Assets	<u>0</u>
Total Liabilities and Net Assets	<u><u>0</u></u>

Central Kentucky Community Action Council, Inc.  
 Weatherization LiHeap Assistance Program  
 Contract Number LH21-0602-02 LIHEAP-005  
 07/01/20-06/30/21  
 Statement of Program Expenses  
 Year Ended June 30, 2021

<u>Expenses</u>	<u>7/1/20 to 6/30/21</u>
Administration	10,128
Materials	31,442
H & S Materials	13,656
Program Support	71,088
Liability Insurance	1,757
Labor Expense	68,949
H & S Labor	2,256
Training	0
Audit	<u>0</u>
 Total Expenses	 199,276
 Questioned Costs	 <u>0</u>
 Total Allowable Expenses	 199,276
 Less: Contract Payments Received	 <u>(199,276)</u>
 Under/(Over) Payment Due the Agency	 <u><u>0</u></u>



Central Kentucky Community Action Council, Inc.  
Weatherization LiHeap Assistance Program  
Contract Number LH21-0602-02 LIHEAP-005  
DOE 7/01/20 - 6/30/21  
Statement of Questioned Costs  
Year Ended June 30, 2021

<u>Cost Category</u>	<u>7/01/20 to 6/30/2021</u>  <u>Actual</u>	<u>7/01/20 to 6/30/2021</u>  <u>Questioned Costs</u>	<u>Balance</u>
Administration	10,128	0	10,128
Materials	31,442	0	31,442
H & S Materials	13,656	0	13,656
Program Support	71,088	0	71,088
Liability Insurance	1,757	0	1,757
Labor Expense	68,949	0	68,949
H & S Labor	2,256	0	2,256
Training	0	0	0
Audit	0	0	0
 Total	 <u>199,276</u>	 <u>0</u>	 <u>199,276</u>

Explanation of Questioned Costs

None

Central Kentucky Community Action Council, Inc.  
Weatherization LiHeap Assistance Program  
Contract Number LH21-0602-02 LIHEAP-005  
7/01/20 - 6/30/21  
Statement of Budget and Actual Expenses  
Year Ended June 30, 2021

<u>Cost Category</u>	<u>7/01/20 to 6/30/2021 Budget</u>	<u>7/01/20 to 6/30/2021 Actual</u>	<u>(Over) Under Budget</u>
Administration	10,128	10,128	0
Materials	31,442	31,442 *	0
H & S Materials	13,656	13,656 *	0
Program Support	71,088	71,088	0
Liability Insurance	1,757	1,757	0
Labor Expense	68,949	68,949	0
H & S Labor	2,256	2,256	0
Training	0	0	0
Audit	0	0	0
Total	<u>199,276</u>	<u>199,276</u>	<u>0</u>

\* Does not include \$5,226 of inventory at June 30, 2021.

Inventory 6/30/20	5,302
Plus: Materials Purchased	45,098
Less: Materials Installed	<u>(45,174)</u>
Inventory 06/30/21	<u>5,226</u>

**WHITE AND COMPANY, P.S.C.**  
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**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***

November 15, 2021

Board of Directors  
Central Kentucky Community Action Council, Inc.

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 Central Kentucky Community Action Council, Inc. (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 November 15, 2021.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 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 Central Kentucky Community Action Council, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

This 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.

Sincerely,

*White and Company, P.S.C.*

Certified Public Accountants

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

November 15, 2021

Board of Directors  
Central Kentucky Community Action Council, Inc.

**Report on Compliance for Each Major Federal Program**

We have audited Central Kentucky Community Action Council, Inc.'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 Central Kentucky Community Action Council Inc.'s major federal programs for the year ended June 30, 2021. Central Kentucky Community Action Council, Inc.'s major federal programs are identified in the summary of auditor's 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.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Central Kentucky Community Action Council, Inc.'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 U.S. *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 Central Kentucky Community Action Council, Inc.'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 Central Kentucky Community Action Council, Inc.'s compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, Central Kentucky Community Action Council, Inc. 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.

### **Report on Internal Control Over Compliance**

Management of Central Kentucky Community Action Council, Inc. 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 Central Kentucky Community Action Council, Inc.'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 Central Kentucky Community Action Council Inc.'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.

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.

Sincerely,

***White and Company, P.S.C.***

Certified Public Accountants

Central Kentucky Community Action Council, Inc.

Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2021

**Section I – Summary of Auditors’ Results**

Financial Statements:

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None Reported

Noncompliance material to financial statements noted:  Yes  No

Federal Awards:

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)?  Yes  None Reported

Type of auditors’ report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR section 200.516(a)?  Yes  No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
90.600	Head Start
93.569	Community Services Block Grant
93.575	Child Care Development Block Grant
20.509	Formula Grants for Rural Areas

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?  Yes  No

**Section II – Financial Statement Findings**

No matters were reported.

**Section III – Federal Award Findings and Questioned Costs**

No matters were reported.

Central Kentucky Community Action Council, Inc.

Schedule of Prior Year Audit Findings  
For the Year Ended June 30, 2021

There were no prior year findings.



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November 15, 2021

Board of Directors  
Central Kentucky Community Action Council, Inc.

We have audited the financial statements of Central Kentucky Community Action Council, Inc. for the year ended June 30, 2021, and have issued our report thereon dated November 15, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, (and, if applicable, *Government Auditing Standards*, and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 8, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Auditing Findings:

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting polices used by Central Kentucky Community Action Council, Inc. are described in Note A to the financial statements. In 2021, the Agency adopted new accounting guidance, *ASU 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. No other new accounting policies were adopted and the application of existing policies was not changed during the yead ended June 30, 2021. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate affecting the financial statements was:

Management's calculation of depreciation is based on management's estimate of the useful lives of its assets. We evaluated the key factors and assumptions used to develop the estimated useful lives in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 15, 2021.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Central Kentucky Community Action Council, Inc.'s Board of Directors and management of Central Kentucky Community Action Council, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

*White and Company, P.S.C.*

Certified Public Accountants

Central Kentucky Community Action Council, Inc.

Exit Conference

Subsequent to the conclusion of the audit, a final exit conference was held at the Agency's Central Office on November 18, 2021. Those in attendance were as follows:

Representatives of the Agency:

David Daugherty, Board Chair  
Hal B. Goode, Executive Director  
Jami Sandusky, Chief Financial Officer  
Jessica Miles, Certified Information Security Officer

Representatives of White and Company, P.S.C.:

Stephanie A. Abell

The following matters were discussed at the exit conference:

- A. The format and content of the audit report draft.
- B. The Council's review and approval of the audit report.
- C. Representatives of the Council were notified that this report was subject to approval by the various funding agencies.