

**CENTRAL KENTUCKY COMMUNITY
ACTION COUNCIL, INC.
AUDIT REPORT
JUNE 30, 2024**

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INDEPENDENT AUDITOR'S REPORT

December 13, 2024

Board of Directors
Central Kentucky Community Action Council, Inc.

Report on the Audit of the Financial Statements

Opinion

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, 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 Central Kentucky Community Action Council, Inc as of June 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 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 Central Kentucky Community Action Council, 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 opinions.

Responsibilities of Management 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, 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 aggregate, that raise substantial doubt about Central Kentucky Community Action Council, 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Central Kentucky Community Action Council, 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 Central Kentucky Community Action Council, 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 schedule of expenditures of federal awards, as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024 , 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, 2024

Assets

Current Assets	
Cash- (Note B)	275,463
Cash- Restricted (Note B & L)	6,566,552
Total Cash	<u>6,842,015</u>
Grants Receivable (Note C)	1,885,509
Other Receivables	305,389
Other Current Assets	76,958
Total Current Assets	<u>9,109,871</u>
Land	770,145
Property and Equipment (Notes A-2 & D)	17,688,874
Construction in Progress (Note D)	933,433
Accumulated Depreciation	(5,966,632)
Right-of-Use Asset Net of Accumulated Amortization	<u>322,346</u>
Total Net Land, Property, and Equipment	<u>13,748,166</u>
Total Assets	<u><u>22,858,037</u></u>

Liabilities and Net Assets

Current Liabilities	
Accounts Payable	691,692
Accrued Salaries and Wages	612,330
Accrued Retirement	120,639
Current Portion of Financing Lease Obligation (Note I)	32,087
Operating Leases Payable (Note J)	200,062
Other Liabilities	204,264
Refundable Advances (Note A-5)	6,523,922
Total Current Liabilities	<u>8,384,996</u>
Operating Lease Payable	122,284
Financing Lease Obligation (Note I)	<u>98,907</u>
Total Long-Term Liabilities	<u>221,191</u>
Total Liabilities	8,606,187
Net Assets	
Without Donor Restrictions	3,281,052
With Donor Restrictions	10,970,798
Total Net Assets	<u>14,251,850</u>
Total Liabilities and Net Assets	<u><u>22,858,037</u></u>

- 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, 2024

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues			
Grant & Contract Income (Note A-4)	20,383,752	1,495,544	21,879,296
Contributions	260,214	0	260,214
Client Fees	293,567	0	293,567
Miscellaneous Income	42,543	0	42,543
Interest Income	615	0	615
In-Kind Income (Notes A-6 & H)	278,046	0	278,046
	<u>21,258,737</u>	<u>1,495,544</u>	<u>22,754,281</u>
Total Revenues, Gains, and Other Support	21,258,737	1,495,544	22,754,281
Expenses			
Program Services			
Kentucky Works / SNAP E&T	668,411	636	669,047
Head Start	7,905,105	517,540	8,422,645
CSBG	984,306	15,831	1,000,137
Transportation-5311	4,443,317	121,699	4,565,016
LiHeap	2,593,077	0	2,593,077
Congregate Meals	1,033,647	5,805	1,039,452
Unaffiliated Centers	957,646	3,577	961,223
Other Programs	2,032,150	325,264	2,357,414
	<u>20,617,659</u>	<u>990,352</u>	<u>21,608,011</u>
Total Expenses by Program	20,617,659	990,352	21,608,011
Changes in Net Assets	641,078	505,192	1,146,270
Net Assets - Beginning of Year	2,639,974	10,465,606	13,105,580
Net Assets - End of Year	<u>3,281,052</u>	<u>10,970,798</u>	<u>14,251,850</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, 2024

	Kentucky Works / SNAP E&T	Head Start	CSBG	Transportation 5311	LiHeap	Congregate Meals	Unaffiliated Centers	Other Programs	Total
Program Services:									
Salaries	338,742	4,214,638	373,408	2,066,929	144,848	284,217	39,953	598,613	8,061,348
Fringe Benefits	172,440	1,873,821	126,632	917,474	54,807	131,472	20,226	352,044	3,648,916
Contracts & Consultants	4,502	90,390	12,759	1,769	-	71,106	57	189,841	370,424
Equipment Expense	4,296	168,385	17,341	5,917	-	39,236	-	447,993	683,168
Travel & Transportation Costs	6,080	119,653	14,777	961,724	698	4,656	2,259	116,725	1,226,572
Training Costs	241	63,454	7,126	836	-	435	12	15,941	88,045
Space Costs/Utilities	81,495	443,561	95,760	74,789	-	43,068	2,623	59,390	800,686
Consumable Supplies	3,805	233,594	25,684	50,479	9,649	51,557	3,033	129,550	507,351
Insurance	780	112,379	1,531	1,687	-	1,288	120	33,241	151,026
Renovation and Construction	-	807,661	-	-	-	-	-	-	807,661
Program/Client Benefits	67	2,458	193,652	7,617	2,359,291	265,679	882,770	393,197	4,104,731
In-Kind Expenses	-	23,263	59,945	-	-	132,000	-	62,838	278,046
Other Expenses	67	15,970	469	13,030	-	1,270	-	24,172	54,978
Total Program Services	612,515	8,169,227	929,084	4,102,251	2,569,293	1,025,984	951,053	2,423,545	20,782,952
Management and General:									
Indirect Costs (Note P)	55,896	699,242	61,734	341,066	23,784	46,899	6,593	94,998	1,330,212
Total Expenses by Program	668,411	8,868,469	990,818	4,443,317	2,593,077	1,072,883	957,646	2,518,543	22,113,164
Less: Federal Fixed Asset Additions	-	(232,566)	(6,512)	-	-	(39,236)	-	(486,433)	(764,746)
Less: Federal Construction in Progress									
Additions	-	(730,798)	-	-	-	-	-	-	(730,798)
Add: Loss of Disposal of Assets	-	2,762	-	-	-	66	-	3,652	6,480
Add: Depreciation of assets purchased with federal funds	636	514,778	15,831	121,699	-	5,739	3,577	321,651	983,911
Total Expenses	669,047	8,422,645	1,000,137	4,565,016	2,593,077	1,039,452	961,223	2,357,413	21,608,011

- 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, 2024

	FCCH	CCC	Senior Companion	Weatherization LiHeap	Weatherization	Transportation: Section 5310 & 5339	Miscellaneous	Total
Salaries	14,140	150,005	44,370	52,492	215,195	-	122,411	598,613
Fringe Benefits	6,772	85,839	14,953	32,510	126,877	-	85,093	352,044
Contracts & Consultants	33	508	76	42,558	7,447	-	139,219	189,841
Equipment Expense	-	-	-	970	26,303	420,720	-	447,993
Travel & Transportation Costs	933	13,340	12,075	30,890	100	-	59,387	116,725
Training Costs	12	3,181	257	52	1,793	-	10,646	15,941
Space Costs/Utilities	3,015	8,734	2,233	3,521	9,849	-	32,038	59,390
Consumable Supplies	1,435	15,502	3,803	47,479	48,393	-	12,938	129,550
Insurance	72	-	946	-	707	-	31,516	33,241
Program/Client Benefits	175,893	29,401	106,057	-	148	-	81,698	393,197
In-Kind Expenses	-	27,135	903	-	-	-	34,800	62,838
Indirect Costs	2,333	24,752	7,322	9,251	34,921	-	16,419	94,998
Other Expenses	-	81	16,535	-	185	-	7,371	24,172
Total Expenses by Program	<u>204,638</u>	<u>358,478</u>	<u>209,530</u>	<u>219,723</u>	<u>471,918</u>	<u>420,720</u>	<u>633,536</u>	<u>2,518,543</u>
Less: Federal Fixed Asset Additions	-	-	-	-	(26,177)	(420,720)	(39,536)	(486,433)
Add: Loss of Disposal of Assets	-	-	-	-	-	3,613	39	3,652
Add: Depreciation of assets purchased with federal funds	<u>-</u>	<u>1,187</u>	<u>-</u>	<u>-</u>	<u>1,870</u>	<u>318,594</u>	<u>-</u>	<u>321,651</u>
Total Expenses	<u><u>204,638</u></u>	<u><u>359,665</u></u>	<u><u>209,530</u></u>	<u><u>219,723</u></u>	<u><u>447,611</u></u>	<u><u>322,207</u></u>	<u><u>594,039</u></u>	<u><u>2,357,413</u></u>

- 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, 2024

Operating Activities	
Changes in Net Assets	1,146,270
Add: Charges Not Requiring Funds	
Depreciation	1,046,632
Loss on Disposal of Equipment	6,480
Changes in Operating Assets and Liabilities	
Decrease in Grants Receivable	48,553
Decrease in Other Receivables	99,721
Increase in Other Current Assets	(169)
Increase in Accounts Payable	218,414
Decrease in Salaries and Wages Payable	(152,911)
Decrease in Accrued Retirement	(49,262)
Decrease in Other Liabilities	(137,608)
Increase in Refundable Advances	<u>55,349</u>
Net Cash Provided by Operating Activities	2,281,469
Investing Activities	
Purchase of Assets	<u>(1,631,835)</u>
Net Cash Used in Investing Activities	(1,631,835)
Financing Activities	
Repayment of Debt and Financing Leases	<u>(30,715)</u>
Net Cash Used in Financing Activities	<u>(30,715)</u>
Increase in Cash	618,919
Cash - Beginning of Year	<u>6,223,096</u>
Cash - End of Year	<u><u>6,842,015</u></u>
 Cash paid for interest	 52,294 *
Cash paid for taxes	0

* - Includes \$45,434 of interest from leases in conjunction with ASC 842

- 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, 2024

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 those 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, 2024, 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, 2024, and has evaluated its tax positions taken for all open tax years. Currently, the 2023, 2022, 2021, 2020, and 2019 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, 2024.

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 money 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, 2024, advertising and marketing costs were \$72,591.

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, 2024, the cash balances totaled \$6,842,145. 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.

D. Property and Equipment

Property and equipment consist of the following at June 30, 2024:

	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Assets:				
Land	703,615	66,530		770,145
Construction in Progress	37,380	812,738		850,118
Software Generation	57,770	25,545		83,315
Depreciable Assets:				
Building & Building Improvements	11,514,728	54,350		11,569,078
Vehicles	5,082,381	584,447	(138,623)	5,528,205
Furniture, Fixtures, & Equipment	598,336	88,233	(94,978)	591,591
TOTAL AT HISTORICAL COST	17,994,210	1,631,843	(233,601)	19,392,452
LESS ACCUMULATED DEPRECIATION FOR:				
Building & Building Improvements	1,018,264	316,170		1,334,434
Vehicles	3,779,166	680,964	(133,110)	4,327,020
Furniture, Fixtures, & Equipment	349,691	49,498	(94,011)	305,178
TOTAL ACCUMULATED DEPRECIATION	5,147,121	1,046,632	(227,121)	5,966,632
CAPITAL NET	12,847,089	585,211	(6,480)	13,425,820

Total depreciation expense for the year ended June 30, 2024 was \$1,046,632. Of this, \$983,911 is the depreciation expense for assets purchased with federal funding and \$62,721 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 \$19,392,452 in asset costs, \$15,048,429 represents assets purchased with restricted funds.

E. 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, 2024, subject to eligibility requirements.

This plan is organized as a nonselecting 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

Notes to Financial Statements (Continued)

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</u>		<u>Plan Funded Status as of</u>		<u>Council</u>		<u>Total Plan</u>		<u>Council</u>
		<u>June 30, 2023</u>		<u>Contributions</u>		<u>Contributions</u>		<u>Contributions</u>
<u>Identification &</u>		<u>Accumulated</u>		<u>for the Year Ended</u>		<u>for the Year Ended</u>		<u>Greater Than</u>
<u>Plan Number</u>	<u>Assets</u>	<u>Benefit</u>	<u>Obligation</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>5% of Total?</u>
61-6027948								
CERS	8,585,072	15,296,428		1,986	1,791	697,681	606,807	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 6.50%, and expected rate of investment return of 6.50%, and an expected rate of salary increase of 3.3% - 10.30% on average, varying by service. Plan assets are invested in public equity, private equity, fixed income (including core bonds, specialty credit / high yield, and cash), and inflation protected (including real estate and real return) investments. The funds' investments are determined by the Board of Kentucky Retirement Systems according to Kentucky Revised Statute 61.650. Funded status information was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

F. 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</u>		<u>Plan Funded Status as of</u>		<u>Council</u>		<u>Total Plan</u>		<u>Council</u>
		<u>June 30, 2023</u>		<u>Contributions</u>		<u>Contributions</u>		<u>Contributions</u>
<u>Identification &</u>		<u>Accumulated</u>		<u>for the Year Ended</u>		<u>for the Year Ended</u>		<u>Greater Than</u>
<u>Plan Number</u>	<u>Assets</u>	<u>Benefit</u>	<u>Obligation</u>	<u>2024</u>	<u>2023</u>	<u>2023</u>	<u>2022</u>	<u>5% of Total?</u>
CERS Non-								
hazardous								
Insurance Fund	3,366,332	2,560,387		0	259	106,044	123,366	No

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

Notes to Financial Statements (Continued)

The plans' accumulated benefit obligations are determined annually by the plans' actuary. Significant actuarial assumptions utilized for CERS include a discount rate of 5.93%, and expected rate of investment return of 6.50%, and an expected rate of salary increase of 3.30% - 10.30%, varying by service. Funded status information was measured as of June 30, 2023, 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.

G. FASB ASC 958 Eliminations

In-kind salaries of \$611,476 and fringes of \$214,017 have been removed from program services expenses since they do not meet the requirements of FASB ASC 958. The following schedule recaps:

Program	Total In-Kind Services	In-Kind Salaries	In-Kind Fringes	Total Recognized In-Kind Services
Congregate Meals	140,241	6,104	2,137	132,000
CSBG	124,825	48,059	16,821	59,945
SCP	903	0	0	903
Head Start	763,962	548,666	192,033	22,263
RSVP	34,800	0	0	34,800
CCC	<u>38,808</u>	<u>8,647</u>	<u>3,026</u>	<u>27,135</u>
	<u>1,103,539</u>	<u>611,476</u>	<u>214,017</u>	<u>278,046</u>

H. 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, 2024, the Agency contributed \$69,992 to the Trust. The Trust was fully funded as of June 30, 2024.

I. Financing Lease Activities

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>872,307</u>
	909,807
Less accumulated amortization	<u>(446,385)</u>
	<u>463,422</u>

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

Notes to Financial Statements (Continued)

The following is a schedule of maturities of lease liabilities by year for the financing lease as of June 30, 2024:

Year ending June 30:

2025	37,562
2026	37,556
2027	37,548
2028	<u>31,284</u>
Total minimum lease payments	143,950
Less amount representing interest	<u>(12,956)</u>
Present value of minimum lease payments	<u>130,994</u>

Cash paid for this lease during the year ended June 30, 2024 was \$37,557.

J. Operating Lease Activities

The Agency has operating leases of buildings for office space and storage facilities. Leases have remaining leave terms of 1 to 5 years. Leases with an initial term of 12 months or less are not recorded in the statement of financial position. Lease expense for these leases is recognized on a straight-line basis over the lease term. Operating lease assets as of June 30, 2024 totaled \$322,346. As most of these leases do not provide an implicit rate, the Agency used an approximate incremental borrowing rate of 6% in determining the present value of lease payments. The weighted average remaining lease term is just over 1 year.

The following is a schedule of maturities of lease liabilities by year for operating leases as of June 30, 2024:

Year ending June 30:

2025	219,403
2026	68,444
2027	56,357
2028	<u>9,000</u>
Total minimum lease payments	353,204
Less amount representing interest	<u>(30,858)</u>
Present value of minimum lease payments	<u>322,346</u>

Operating lease payments in the table above include approximately \$74,400 related to options to extend terms that are reasonably certain to be exercised.

Cash paid for leases included in this measurement for the year ended June 30, 2024 was \$260,309. These costs include certain lease payments with a term of less than 12 months for storage of goods and other space needs. Of these costs, \$718 was included in management and general expenses and \$259,591 was included in direct program costs as space costs.

K. Subsequent Events

Management has reviewed subsequent events through December 13, 2024, which is the date the financial statements were available to be issued.

During the fiscal year ended June 30, 2023, the Agency purchased land and a building in Elizabethtown, Kentucky. Subsequent to June 30, 2024, to fund renovations, the Agency has entered into a construction loan with Peoples Bank for \$2.7 million.

There are no additional material subsequent events requiring disclosure.

L. Liquidity

The following reflects the Agency's financial assets as of the statement of financial position date. Because of the nature of the Agency and its operations, cash assets at June 30, 2024 were restricted by either donor-imposed restrictions or contractual obligations.

Amounts due to grantors (within one year)	36,323
Other due to amounts	6,307
Restricted by grant regulations	6,523,922
Total Cash – Restricted	<u>\$6,566,552</u>

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

The cash restricted by grant regulations are restricted as to use. However, that restriction is typically only within program guidelines.

M. Functional Classification of Expenses

Expenses for the year ended June 30, 2024, were allocated as follows:

	Program Services	Supporting Services: Management & General	Total
Salaries	8,061,348	733,348	8,794,696
Fringe Benefits	3,648,916	384,081	4,032,997
Contracts & Consultants	370,424	75,002	445,426
Travel & Transportation Costs	1,226,572	6,911	1,233,483
Training Costs	88,045	14,559	102,604
Space Costs / Utilities	800,686	33,807	834,493
Consumable Supplies	502,636	16,495	519,131
Equipment Expense	-	15,802	15,802
Insurance	151,026	25,559	176,585
Program / Client Benefits	4,104,731	-	4,104,731
In-Kind Expenses	278,046	-	278,046
Other Expenses	54,978	24,648	79,626
Total Expenses Before Federal			
Depreciation	19,287,408	1,330,212	20,617,620
Loss on Disposal of Assets	6,480		6,480
Depreciation of assets purchased with federal funds	983,911	-	983,911
Total Expenses After Depreciation	20,277,799	1,330,212	21,608,011

Central Kentucky Community Action Council, Inc.
Head Start Grant No. 04CH01126004
Statement of Revenues and Expenses
Year Ended June 30, 2024

	Approved * Budget	Actual 11/01/22 to 06/30/23	Actual 07/01/23 to 06/30/24	Total
<u>Revenues</u>				
<u>OCD Funds</u>				
Amount Awards This Budget Period	8,012,150	4,499,619	3,463,072	7,962,691
Program Income	0	0	0	0
STARS Incentive Income	0	0	0	0
Other Income	0	0	0	0
Grantee's Contributions	0	63,467	120,813	184,280
Total Revenues	8,012,150	4,563,086	3,583,885	8,146,971
<u>Expenses</u>				
<u>OCD's Share</u>				
<u>Head Start Full-Year/Full-Day PA22</u>				
<u>Direct Costs</u>				
Salaries	4,316,815	2,476,019	1,708,990	4,185,009
Fringe Benefits	1,687,357	1,107,149	692,172	1,799,321
Contracts & Consultants	92,470	31,324	16,689	48,013
Travel & Transportation Costs	152,525	63,064	35,136	98,200
Training & Staff Development	65,535	0	26,865	26,865
Consumable Supplies	133,160	68,718	146,791	215,509
Equipment Expense	155,000	1,253	156,199	157,452
Land, Facility Construction, & Renovation	102,411	489	7,247	7,736
Other Expenses	512,616	265,256	411,797	677,053
Subtotal	7,217,889	4,013,272	3,201,886	7,215,158
Indirect Costs	727,117	425,708	260,403	686,111
Total PA22 Costs	7,945,006	4,438,980	3,462,289	7,901,269
<u>Child Development Association Grant PA20</u>				
<u>Direct Costs - Head Start</u>				
Travel & Transportation	16,500	11,207	1,432	12,639
Other Expenses	41,895	47,459	(1,703)	45,756
Direct Costs - Early Head Start				0
Travel & Transportation	0	420	0	420
Other Expenses	8,749	1,552	1,054	2,606
Subtotal	67,144	60,638	783	61,421
Indirect Costs		0	0	0
Total PA20 Costs	67,144	60,638	783	61,421
Total OCD Costs	8,012,150	4,499,618	3,463,072	7,962,690
Grantee's Share	0	63,468	120,813	184,281
Total Expenses	8,012,150	4,563,086	3,583,885	8,146,971
Revenue Over (Under) Expenses	0	0	0	0

* Grant Period is November 1, 2022 through October 31, 2023.

Central Kentucky Community Action Council, Inc.
Head Start Grant No. 04CH01126005
Statement of Revenues and Expenses
Year Ended June 30, 2024

	Approved * Budget	Actual 11/01/23 to 06/30/24	COB Balance Current Year
<u>Revenues</u>			
<u>OCD Funds</u>			
Amount Awards This Budget Period	8,974,752	5,374,962	3,599,790
Grantee's Contributions	1,937,920	643,149	1,294,771
Total Revenues	10,912,672	6,018,111	4,894,561
<u>Expenses</u>			
<u>OCD's Share</u>			
<u>Head Start Full-Year/Full-Day PA22</u>			
Direct Costs			
Salaries	4,204,762	2,505,648	1,699,114
Fringe Benefits	1,874,357	1,181,654	692,703
Contracts & Consultants	90,800	63,776	27,024
Travel & Transportation Costs	151,500	77,562	73,938
Training & Staff Development	69,219	0	69,219
Consumable Supplies	96,710	61,687	35,023
Equipment & Playground Expense	15,000	3,829	11,171
Land, Facility Construction, and Renovation	1,223,072	797,328	425,744
Other Expenses	474,097	193,539	280,558
Subtotal	8,199,517	4,885,023	3,314,494
Indirect Costs	708,091	438,839	269,252
Total PA22 Costs	8,907,608	5,323,862	3,583,746
<u>Child Development Association Grant PA20</u>			
Direct Costs - Head Start			
Travel & Transportation	16,500	3,814	12,686
Other Expenses	41,895	44,424	(2,529)
Direct Costs - Early Head Start			
Travel & Transportation	0	128	(128)
Other Expenses	8,749	2,734	6,015
Subtotal	67,144	51,100	16,044
Indirect Costs	0	0	0
Total PA20 Costs	67,144	51,100	16,044
Total OCD Costs	8,974,752	5,374,962	3,599,790
Grantee's Share	1,937,920	643,149	1,294,771
Total Expenses	10,912,672	6,018,111	4,894,561
Revenue Over (Under) Expenses	0	0	0

* Grant Period is November 1, 2023 through October 31, 2024.

Central Kentucky Community Action Council, Inc.
Head Start Grant No. 04HE00124101C6
Head Start - Facilities Grant
Statement of Revenues and Expenses
Year Ended June 30, 2024

	Actual 07/01/23 to 06/30/24
<u>Revenues</u>	
<u>OCD Funds</u>	
Amount Awards This Budget Period	7,172
Program Income	0
STARS Incentive Income	0
Other Income	0
Grantee's Contributions	0
Total Revenues	<u>7,172</u>
<u>Expenses</u>	
<u>OCD's Share</u>	
<u>Head Start Full-Year/Full-Day PA22</u>	
Direct Costs	
Salaries	0
Fringe Benefits	0
Contracts & Consultants	0
Travel & Transportation Costs	0
Training & Staff Development	0
Consumable Supplies	0
Equipment Expense	0
Land, Facility Construction, & Renovation	0
Other Expenses	7,172
Subtotal	<u>7,172</u>
Indirect Costs	0
Total PA22 Costs	<u>7,172</u>
Total OCD Costs	7,172
Grantee's Share	0
Total Expenses	<u>7,172</u>
Revenue Over (Under) Expenses	<u><u>0</u></u>

* Grant Period is May 1, 2023 through September 29, 2023.

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

Grant Number 04CH01126004

Federal Expenditures Per Final SF 269 and SF 272 8,012,150

Federal Expenditures Per Audited Financials

11/01/22 through 06/30/23 4,499,619

07/01/23 through 10/31/2023 3,463,072

Total Expenditures Per Audited Financials 7,962,691

Difference (Not Expended) 49,459

Grant Number 04CH01126005

Federal Expenditures Per Approved Budget 8,974,752

Federal Expenditures Per Audited Financials

11/01/23 through 06/30/24 5,374,962

7/01/24 through 10/31/24 (Post Audit Period) 0

Total Expenditures Per Audited Financials 5,374,962

Difference to be Expended Subsequent to Audit Year Ending 06/30/24 3,599,790

Head Start - Facilities Grant

Federal Expenditures Per Audited Financials - COVID-19 ARPA

07/01/23 through 6/30/24 7,172

Total Expenditures Per Audited Financials 7,172

Central Kentucky Community Action Council, Inc.
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

	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	04CH01126004	3,463,072	0
Head Start	93.600	04CH01126005	5,374,962	0
COVID-19 - Head Start ARPA	93.600	Unknown	7,172	0
Total Head Start			8,845,206	0
Passed through Corporation for National Community Service				
Retired & Senior Volunteer Program	94.002	22SRCKY001	70,543	0
Retired & Senior Volunteer Program	94.002	22SRCKY001	28,515	0
Senior Companion Grant	94.016	21SCCKY004	178,028	0
Total Corporation for National Community Service			277,086	0
Passed through Kentucky Cabinet for Health and Family Services				
COVID-19 - Child Care Development Block Grant - ARPA	93.575	Central KY CAC - Head Start	67,207	0
Child Care Provider Trainings	93.575	PON2 736 2200002894	1,100	0
Community Services Block Grant	93.569	PON2 736 2300001865	755,975	0
Kentucky Works / TANF	93.558	PON2 2200001730	560,248	0
Community Collaboration for Children - Intensive Inhome	93.590	DO 736 2300027031 (ZFAT)	109,743	0
COVID-19 Community Collaboration for Children - Intensive Inhome - ARPA	93.590	DO 736 2300027031 (ZFPT)	123,294	0
Community Collaboration for Children - Promoting Safe & Stable Families	93.556	DO 736 2300027031 (ZFAL)	75,283	0
Total Kentucky Cabinet for Health and Family Services			1,692,850	0
Passed through Lincoln Trail Area Development District				
Special Programs for the Aging - Title IIIB	93.044	LTADD #4	114,558	0
COVID-19 - Special Programs for the Aging - Title IIIB - ARPA	93.044	LTADD #4	22,634	0
Congregate Meals III C-1	93.045	LTADD #4	1,013,333	0
Total Aging Cluster Passed through Lincoln Trail Area Development District			1,150,525	0
Passed through Community Action Kentucky				
Low-Income Home Energy Assistance	93.568	736 22000003098 LIHEAP -005	1,530,346	0
COVID-19 Low-Income Home Energy Assistance - ARPA (LIHWAP)	93.568	736 22000003098 LIHEAP -005	119,297	0
Low-Income Home Energy Assistance - CAA Supplemental	93.568	736 22000003098 LIHEAP -005	760,111	0
Low-Income Home Energy Assistance - IJJA	93.568	736 22000003098 LIHEAP -005	183,323	0
			2,593,077	0
Passed through Kentucky Housing Corporation				
Weatherization - LiHeap	93.568	LH23-0602-02 LHWX-005	219,723	0
Total U.S. Department of Health and Human Services			14,778,467	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	292,162	0
Child and Adult Care Food Program - Unaffiliated Centers	10.558	#11581	673,390	0
Child and Adult Care Food Program - Family Child Care Homes	10.558	#11030	52,523	0
Child and Adult Care Food Program - Family Child Care Homes	10.558	#11030	154,665	0
Child and Adult Care Food Program - Head Start	10.558	#11400	433,369	0
Total Child and Adult Care Food			1,606,109	0
Passed through Kentucky Cabinet for Health and Family Services				
Kentucky Works / SNAP E&T	10.561	PON2 2200001730	103,294	0
Passed through Lincoln Trail Area Development District				
USDA AKA NSIP	10.570	LTADD #4	88,502	0
Total U.S. Department of Agriculture			1,797,905	0
<u>U.S. Department of Transportation</u>				
Passed through Kentucky Department of Transportation:				
COVID-19 Section 5311 - Public Transportation - CARES	20.509	KY-2018-015-03	157,704	0
DOT RTAP	20.509	KY-2021-033-03	23,080	0
Total Section 5311 / Formula Grants for Rural Areas Total			180,784	0
Section 5310 - Capital Equipment	20.513	KY-2021-017-00	97,296	0
Section 5339 - Capital Equipment	20.526	KY-2018-021-02	298,845	0
Total Kentucky Department of Transportation			576,925	0
<u>U.S. Department of Energy</u>				
Passed through Kentucky Housing Corporation				
Weatherization	81.042	BIL23-0602-02	274,415	0
Weatherization	81.042	WX23-0602-02 DOEWX-005	197,503	0
			471,918	0
<u>Other Passed through Funds</u>				
Emergency Food & Shelter	97.024	Various # Phase 40	78,703	0
Emergency Food & Shelter	97.024	Various # Phase 41	5,649	0
Total Emergency Food & Shelter			84,352	0
Total Federal Financial Assistance			17,709,567	0

Central Kentucky Community Action Council, Inc.

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2024

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, 2024. 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, 2024.

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 736 22000003098 LIHEAP-005

Statement of Financial Position
June 30, 2024

Assets

Current Assets

Cash	0
Accounts Receivable - June 30, 2023 Program Year	<u>0</u>

Total Assets	<u><u>0</u></u>
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Liabilities and Net Assets

Current Liabilities

Due to CAK	<u>0</u>
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Net Assets - Unrestricted	<u>0</u>
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Total Liabilities and Net Assets	<u><u>0</u></u>
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Central Kentucky Community Action Council, Inc.
LiHeap Program
Delegate Agreement Number 5
Contract Number 736 22000003098 LIHEAP-005

Statement of Program Expenditures
Year Ended June 30, 2024

<u>Cost Category</u>	<u>LiHeap Expenses</u>	<u>LiWap Expenses</u>	<u>Total</u>
Administrative			
Salaries	127,972	7,126	135,098
Fringe Benefits	49,018	2,043	51,061
Travel	574	0	574
Postage	231	0	231
Supplies	6,721	280	7,001
Miscellaneous	926	0	926
Indirect Costs	20,834	1,396	22,230
Total Administrative	206,276	10,845	217,121
Benefits: LiHeap			
Subsidy - Fall	420,707	0	420,707
Subsidy - Spring CAA Supplement	165,348	0	165,348
Subsidy - Summer Cooling Subsidy CAA Supplement	525,662	0	525,662
Spring Subsidy - IIJA	183,323	0	183,323
Winter Crisis	972,464	0	972,464
COVID-19 LiWap Subsidy	0	108,452	108,452
Total Benefits	2,267,504	108,452	2,375,956
Total Expenses	2,473,780	119,297	2,593,077
Less: Questioned Costs	0	0	0
Less: In-Kind Contributions	0	0	0
Total Allowable Expenses	2,473,780	119,297	2,593,077
Less: Contract Payments Received As of June 30, 2024	0	0	0
Under/(Over) Payment Due to Agency (CAK)	2,473,780	119,297	2,593,077

Central Kentucky Community Action Council, Inc.
LiHeap Program
Delegate Agreement Number 5
Contract Number 736 22000003098 LIHEAP-005

Statement of Questioned Costs
Year Ended June 30, 2024

<u>Cost Category</u>	<u>Actual</u>	<u>Questioned Cost</u>	<u>Balance</u>
Administrative			
Salaries	135,098	0	135,098
Fringe Benefits	51,061	0	51,061
Travel	574	0	574
Postage	231	0	231
Office Supplies	7,001	0	7,001
Miscellaneous	926	0	926
Indirect Costs	22,230	0	22,230
Total Administrative	217,121	0	217,121
Benefit Cost			
Subsidy - Fall	420,707	0	420,707
Subsidy - Spring CAA Supplement	165,348	0	165,348
Subsidy - Summer Cooling	525,662	0	525,662
Spring Subsidy - IIJA	183,323	0	183,323
Winter Crisis	972,464	0	972,464
COVID-19 LiWap Subsidy	108,452	0	108,452
Total Benefits	2,375,956	0	2,375,956
Total	2,593,077	0	2,593,077

Central Kentucky Community Action Council, Inc.
LiHeap Program
Delegate Agreement Number 5
Contract Number 736 22000003098 LIHEAP-005

Statement of Budget and Actual Expenses
Year Ended June 30, 2024

<u>Cost Category</u>	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Administrative			
Liheap	402,896	217,121	185,775
Benefit Cost			
Subsidy - Fall	929,520	420,707	508,813
Subsidy - Spring CAA Supplement	558,491	165,348	393,143
Subsidy - Summer Cooling	526,356	525,662	694
Spring Subsidy - IJJA	-	183,323	(183,323)
Winter Crisis	1,930,143	972,464	957,679
COVID-19 LiWap Subsidy	108,748	108,452	296
Total	<u>4,456,154</u>	<u>2,593,077</u>	<u>1,863,077</u>

Central Kentucky Community Action Council, Inc.
Community Services Block Grant
Contract Number PON2 736 2300001865

Statement of Financial Participation
Year Ended June 30, 2024

	<u>CSBG</u>	<u>CSBG Scholarship</u>	<u>Total</u>
<u>Obligated Fund</u>			
CSBG Financial			
Participation at 80% & 100% & 100%	751,975	4,000	755,975
Total Financial Participation	751,975	4,000	755,975
Less: Contract Payments Received	(751,975)	(4,000)	(755,975)
Less: Receivable Due from State	<u>0</u>	<u>0</u>	<u>0</u>
Total Obligated Funds	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
<u>Overpayment</u>			
Total Allowable Expenses	751,975	4,000	755,975
Less: Contract Payments Received	<u>(751,975)</u>	<u>(4,000)</u>	<u>(755,975)</u>
Less: Receivable Due from State	<u><u>0</u></u>	<u><u>0</u></u>	<u><u>0</u></u>
<u>CSBG Local Match Requirement</u>			
CSBG Allowable Expenses	751,975	0	751,975
Funding Level Restated at 100% (\$1,053,198 Multiplied by 120%)	<u>902,370</u>	<u>0</u>	<u>902,370</u>
Local Match Required at 20%	150,395	0	150,395
Less: Local Match Provided	<u>(299,723)</u>	<u>0</u>	<u>(299,723)</u>
Excess Local Match	<u><u>(149,328)</u></u>	<u><u>0</u></u>	<u><u>(149,328)</u></u>

Central Kentucky Community Action Council, Inc.
Community Services Block Grant
Contract Number PON2 736 2300001865

Statement of Allowable Expenses
Year Ended June 30, 2024

	<u>CSBG</u>	<u>CSBG Scholarship</u>	<u>Total</u>
<u>Expenses</u>			
Personnel	500,039	0	500,039
Travel	9,026	0	9,026
Equipment	18,139	0	18,139
Supplies	33,739	0	33,739
Contracts	12,759	0	12,759
Space Costs	95,760	0	95,760
Transportation	5,773	0	5,773
In-Kind Expenses	124,825	0	124,825
Indirect - Administrative	61,734	0	61,734
Other Expenses	<u>189,904</u>	<u>4,000</u>	<u>193,904</u>
Total Expenses	1,051,698	4,000	1,055,698
Less: Questioned Costs	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses Adjusted	1,051,698	4,000	1,055,698
Less: In-Kind & Cash Contributions	<u>0</u>	<u>0</u>	<u>0</u>
Total Allowable Expenses	1,051,698	4,000	1,055,698
Less: Contract Payments Received	<u>0</u>	<u>0</u>	<u>0</u>
Under/(Over) Payment Due the Agency/CFC	<u><u>1,051,698</u></u>	<u><u>4,000</u></u>	<u><u>1,055,698</u></u>

Central Kentucky Community Action Council, Inc.
Community Services Block Grant
Contract Number PON2 736 2300001865

Statement of Obligated Fund Balance
Year Ended June 30, 2024

	CSBG	CSBG Scholarship	Total
Beginning Obligated Fund Balance as of July 1, 2023	245,855	0	245,855
Less: Carryover Applied	<u>0</u>	<u>0</u>	<u>0</u>
	245,855	0	245,855
Total Financial Participation	1,051,698	4,000	1,055,698
Less: Total Allowable Expenses	<u>(1,051,698)</u>	<u>(4,000)</u>	<u>(1,055,698)</u>
Ending Obligated Fund Balance as of June 30, 2024	<u><u>245,855</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 2300001865

Statement of Questioned Costs
Year Ended June 30, 2024

<u>Expenses</u>	<u>Total Actual</u>	<u>Questioned Costs</u>	<u>Balance</u>
Personnel	500,039	0	500,039
Travel	9,026	0	9,026
Equipment	18,139	0	18,139
Supplies	33,739	0	33,739
Contracts	12,759	0	12,759
Space Costs	95,760	0	95,760
Transportation	5,773	0	5,773
In-Kind Expenses	124,825	0	124,825
Indirect - Administrative	61,734	0	61,734
Other Expenses	193,904	0	193,904
Total CSBG Expenses	<u>1,055,698</u>	<u>0</u>	<u>1,055,698</u>

Central Kentucky Community Action Council, Inc.
Community Services Block Grant
Contract Number PON2 736 2300001865

Statement of Budget and Actual Expenses
Year Ended June 30, 2024

<u>Cost Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Under(Over) Budget</u>
<u>CSBG Category</u>			
Personnel	483,714	500,039	(16,325)
Travel	11,900	9,026	2,874
Equipment	23,581	18,139	5,442
Supplies	31,125	33,739	(2,614)
Contracts	17,301	12,759	4,542
Space Costs	98,500	95,760	2,740
Transportation	5,400	5,773	(373)
In-Kind Expenses	0	124,825	(124,825)
Indirect - Administrative	55,387	61,734	(6,347)
Other Expenses	<u>24,257</u>	<u>189,904</u>	<u>(165,647)</u>
Total CSBG Expenses	751,165	1,051,698	(300,533)
<u>CSBG Scholarship Program</u>			
Scholarship	<u>5,203</u>	<u>4,000</u>	<u>1,203</u>
Total for All Programs	<u><u>756,368</u></u>	<u><u>1,055,698</u></u>	<u><u>(299,330)</u></u>

Central Kentucky Community Action Council, Inc.
Weatherization Assistance Program
Contract Number WX 23-0602-02 DOEWX005

Statement of Financial Position
June 30, 2024

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 23-0602-02 DOEWX005
DOE 7/01/23-06/30/24
Statement of Program Expenses
Year Ended June 30, 2024

<u>Expenses</u>	<u>7/01/23 to 6/30/2024</u>
Administration	50,217
Program Operations	124,768
Liability	707
Training	7,225
Health & Safety Labor	10,673
Audit	<u>3,913</u>
Total Expenses	197,503
Questioned Costs	<u>0</u>
Total Allowable Expenses	197,503
Less: Contract Payments Received	
Less: Costs Paid by Council (non-federal)	<u>(197,503)</u>
Total	<u>(197,503)</u>
Under/(Over) Payment Due the Agency/(CHR)	<u><u>-</u></u>

Central Kentucky Community Action Council, Inc.
Weatherization Assistance Program
Contract Number WX 23-0602-02 DOEWX005
DOE 7/01/23-06/30/24
Statement of Questioned Costs
Year Ended June 30, 2024

<u>Cost Category</u>	7/01/23 to 6/30/2024 <u>Actual</u>	7/01/23 to 6/30/2024 Questioned Costs	<u>Balance</u>
Administration	50,217	0	50,217
Program Operations	124,768	0	124,768
Liability	707	0	707
Training	7,225	0	7,225
Health & Safety Labor	10,673	0	10,673
Audit	<u>3,913</u>	<u>0</u>	<u>3,913</u>
Total	<u><u>197,503</u></u>	<u><u>0</u></u>	<u><u>197,503</u></u>

Explanation of Questioned Costs

None

Central Kentucky Community Action Council, Inc.
Weatherization Assistance Program
Contract Number WX 23-0602-02 DOEWX005
DOE 7/01/23-06/30/24
Statement of Budget and Actual Expenses
Year Ended June 30, 2024

<u>Cost Category</u>	<u>7/01/23 to 6/30/2024 Budget</u>	<u>7/01/23 to 6/30/2024 Actual</u>	<u>(Over) Under Budget</u>
Administration	50,217	50,217	0
Program Operations	208,296	124,768 *	83,528
Liability	4,565	707	3,858
Training	34,025	7,225	26,800
Health & Safety	31,245	10,673	20,572
Audit	3,913	3,913	0
Total	<u>332,261</u>	<u>197,503</u>	<u>134,758</u>

* Does not include \$6,488 of inventory at June 30, 2024.

Inventory 6/30/23	7,171
Plus: Materials Purchased	21,484
Less: Materials Installed	<u>(22,167)</u>
Inventory 06/30/24	<u>6,488</u>

Central Kentucky Community Action Council, Inc.
Weatherization LiHeap Assistance Program
Contract Number LH23-0602-02 LHWX-005

Statement of Financial Position
June 30, 2024

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 LH23-0602-02 LHWX-005
07/01/23-06/30/24
Statement of Program Expenses
Year Ended June 30, 2024

<u>Expenses</u>	<u>7/1/23 to 6/30/24</u>
Administration	12,403
Program Operations	164,402
Training	708
Health & Safety	<u>42,210</u>
Total Expenses	219,723
Questioned Costs	<u>0</u>
Total Allowable Expenses	219,723
Less: Contract Payments Received	<u>0</u>
Under/(Over) Payment Due the Agency	<u><u>219,723</u></u>

Central Kentucky Community Action Council, Inc.
Weatherization LiHeap Assistance Program
Contract Number LH23-0602-02 LHWX-005
7/01/23 - 6/30/24
Statement of Questioned Costs
Year Ended June 30, 2024

<u>Cost Category</u>	7/01/23 to 6/30/2024 <u>Actual</u>	7/01/23 to 6/30/2024 Questioned <u>Costs</u>	<u>Balance</u>
Administration	12,403	0	12,403
Program Operations	164,402	0	164,402
Health & Safety Labor	708	0	708
Audit	<u>42,210</u>	<u>0</u>	<u>42,210</u>
Total	<u>219,723</u>	<u>0</u>	<u>219,723</u>

Explanation of Questioned Costs

None

Central Kentucky Community Action Council, Inc.
Weatherization LiHeap Assistance Program
Contract Number LH23-0602-02 LHWX-005
7/01/23 - 6/30/24
Statement of Budget and Actual Expenses
Year Ended June 30, 2024

<u>Cost Category</u>	<u>7/01/23 to 6/30/2024 Budget</u>	<u>7/01/23 to 6/30/2024 Actual</u>	<u>(Over) Under Budget</u>
Administration	31,023	12,403	18,620
Program Operations	464,787	164,402 *	300,385
Liability Insurance	3,121	0	3,121
Training	17,013	708	16,305
Health & Safety	69,718	42,210	27,508
WX Ready	0	0	0
Audit	0	0	0
Total	<u>585,662</u>	<u>219,723</u>	<u>365,939</u>

* Does not include \$5,680 of inventory at June 30, 2024.

Inventory 6/30/23	5,689
Plus: Materials Purchased	47,480
Less: Materials Installed	<u>(47,489)</u>
Inventory 06/30/24	<u>5,680</u>

Central Kentucky Community Action Council, Inc.
Weatherization Assistance Program
Contract Number BIL23-0602-02

Statement of Financial Position
June 30, 2024

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 BIL23-0602-02
DOE 7/01/23-06/30/24
Statement of Program Expenses
Year Ended June 30, 2024

<u>Expenses</u>	<u>7/01/23 to 6/30/2024</u>
Administration	74,504
Program Operations	159,890
Training	1,181
Equipment	26,177
Health & Safety Labor	10,163
Audit	<u>2,500</u>
Total Expenses	274,415
Questioned Costs	<u>0</u>
Total Allowable Expenses	274,415
Less: Contract Payments Received	0
Less: Costs Paid by Council (non-federal)	<u>0</u>
Total	<u>0</u>
Under/(Over) Payment Due the Agency/(CHR)	<u><u>274,415</u></u>

Central Kentucky Community Action Council, Inc.
Weatherization Assistance Program
Contract Number BIL23-0602-02
DOE 7/01/23-06/30/24
Statement of Questioned Costs
Year Ended June 30, 2024

<u>Cost Category</u>	7/01/23 to 6/30/2024 Actual	7/01/23 to 6/30/2024 Questioned Costs	Balance
Administration	74,504	0	74,504
Program Operations	159,890	0	159,890
Training	1,181	0	1,181
Equipment	26,177	0	26,177
Health & Safety Labor	10,163	0	10,163
Audit	2,500	0	2,500
Total	<u>274,415</u>	<u>0</u>	<u>274,415</u>

Explanation of Questioned Costs

None

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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***

December 13, 2024

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, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2024 .

Report on 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 control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on 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

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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**

December 13, 2024

Board of Directors
Central Kentucky Community Action Council, Inc.

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Central Kentucky Community Action Council, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Central Kentucky Community Action Council Inc.'s major federal programs for the year ended June 30, 2024. 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.

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, 2024.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of Central Kentucky Community Action Council, Inc and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Central Kentucky Community Action Council, Inc's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Central Kentucky Community Action Council, Inc's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Central Kentucky Community Action Council, Inc's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Central Kentucky Community Action Council, Inc's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Central Kentucky Council Inc's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Central Kentucky Community Action Council, Inc's internal control over compliance. According, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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, 2024

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>
93.600	Head Start*
81.042	Weatherization
93.558	KY Works / TANF

* - Program includes COVID-19 funding

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, 2024

There were no prior year findings.

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December 13, 2024

Board of Directors
Central Kentucky Community Action Council, Inc.
332 Hood Ave
Lebanon, KY 40033

We have audited the financial statements of Central Kentucky Community Action Council, Inc. for the year ended June 30, 2024, and we will issue our report thereon dated December 13, 2024. 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 February 15, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Auditing Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Central Kentucky Community Action Council, Inc. are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2024. 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 estimate of the depreciation is based on management's estimate of the useful lives of its assets. We evaluated the methods, assumptions, and data 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 disagreement on 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 December 13, 2024.

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 December 17, 2024. Those in attendance were as follows:

Representatives of the Agency:

Hal B. Goode, Executive Director
Bryan Conover, Head Start Director
Jami Sandusky, Chief Financial Officer
Jessica Miles, Finance/IT, CCAP
John G. Mattingly, Board Member
Judge Troy Kok, Board Member

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

Stephanie A. Abell, CPA

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.