

**CENTRAL KENTUCKY COMMUNITY
ACTION COUNCIL, INC.
AUDIT REPORT
JUNE 30, 2025**

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WHITE AND COMPANY, P.S.C.

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INDEPENDENT AUDITOR'S REPORT

December 8, 2025

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, 2025, 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, 2025, 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 8, 2025, 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, 2025

Assets

Current Assets	
Cash- Restricted (Note B & L)	3,997,357
Grants Receivable (Note C)	2,633,015
Other Receivables	311,398
Other Current Assets	<u>61,075</u>
Total Current Assets	7,002,845
Land	870,145
Property and Equipment (Notes A-2 & D)	21,774,585
Construction in Progress (Note D)	3,201,376
Accumulated Depreciation	(6,764,636)
Right-of-Use Asset Net of Accumulated Amortization	<u>242,267</u>
Total Net Land, Property, and Equipment	<u>19,323,737</u>
Total Assets	<u>26,326,582</u>
<u>Liabilities and Net Assets</u>	
Current Liabilities	
Accounts Payable	1,483,479
Accrued Salaries and Wages	469,550
Accrued Retirement	86,003
Current Portion of Financing Lease Obligation (Note I)	33,519
Construction Line of Credit Payable - Peoples Bank	2,263,358
Operating Leases Payable (Note J)	92,817
Other Liabilities	200,374
Refundable Advances (Note A-5)	<u>4,252,814</u>
Total Current Liabilities	8,881,914
Operating Lease Payable	149,450
Financing Lease Obligation (Note I)	<u>65,387</u>
Total Long-Term Liabilities	<u>214,837</u>
Total Liabilities	9,096,751
Net Assets	
Without Donor Restrictions	3,661,172
With Donor Restrictions	<u>13,568,659</u>
Total Net Assets	<u>17,229,831</u>
Total Liabilities and Net Assets	<u>26,326,582</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, 2025

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenues			
Grant & Contract Income (Note A-4)	20,878,394	3,658,270	24,536,664
Contributions	118,940	0	118,940
Client Fees	264,363	0	264,363
Miscellaneous Income	243,251	0	243,251
Interest Income	695	0	695
In-Kind Income (Notes A-6 & G)	<u>242,614</u>	0	<u>242,614</u>
 Total Revenues, Gains, and Other Support	 21,748,257	 3,658,270	 25,406,527
 Expenses			
Program Services			
Kentucky Works / SNAP E&T	710,049	5	710,054
Head Start	7,821,099	376,157	8,197,256
CSBG	761,732	17,117	778,849
Transportation-5311	4,884,642	186,405	5,071,047
LiHeap	2,655,280	0	2,655,280
Congregate Meals	1,098,294	12,243	1,110,537
Unaffiliated Centers	1,109,797	552	1,110,349
Transportation-5339	197,236	464,389	661,625
Other Programs	<u>2,130,008</u>	3,541	<u>2,133,549</u>
 Total Expenses by Program	 <u>21,368,137</u>	 <u>1,060,409</u>	 <u>22,428,546</u>
 Changes in Net Assets			
Net Assets - Beginning of Year	380,120	2,597,861	2,977,981
 Net Assets - End of Year	 <u>3,281,052</u>	 <u>10,970,798</u>	 <u>14,251,850</u>
 <u>3,661,172</u>	 <u>13,568,659</u>	 <u>17,229,831</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, 2025

	Kentucky Works / SNAP E&T	Transportation:				Congregate Meals	Unaffiliated Centers	Transportation:		
		Head Start	CSBG	Section 5311	LiHeap			Section 5339	Other Programs	Total
Program Services:										
Salaries	366,530	4,303,401	328,983	2,270,764	137,385	311,838	39,902	-	584,553	8,343,356
Fringe Benefits	175,399	1,742,278	98,187	934,870	69,039	130,193	17,185	-	283,358	3,450,509
Contracts & Consultants	4,585	60,308	19,755	1,507	-	83,799	77	-	211,697	381,728
Equipment Expense	3,115	10,530	8,926	157,068	-	159,477	-	2,058,931	4,373	2,402,420
Travel & Transportation Costs	5,089	133,558	14,824	1,062,382	581	5,642	1,320	2,136	90,493	1,316,025
Training Costs	233	31,152	2,960	2,845	-	1,548	11	-	3,467	42,216
Space Costs/Utilities	81,616	499,807	79,444	125,936	-	37,112	3,202	-	49,153	876,270
Consumable Supplies	2,960	333,226	17,890	75,741	7,105	43,304	2,248	169,270	112,612	764,356
Insurance	940	132,535	1,856	1,721	-	1,571	120	-	44,092	182,835
Facilities Acquisition, Construction, And Renovation	-	458,000	-	598,000	-	-	-	52,950	119,412	1,228,362
Program/Client Benefits	-	-	98,392	-	2,413,868	293,926	1,039,082	-	399,410	4,244,678
In-Kind Expenses	-	21,909	43,563	-	-	132,215	-	-	44,927	242,614
Other Expenses	8,500	33,717	679	16,842	-	4,329	-	-	9,881	73,948
Total Program Services	648,967	7,760,421	715,459	5,247,676	2,627,978	1,204,954	1,103,147	2,283,287	1,957,428	23,549,317
Management and General:										
Indirect Costs (Note P)	61,082	717,157	50,418	378,420	27,302	51,968	6,650	-	97,414	1,390,411
Total Expenses by Program	710,049	8,477,578	765,877	5,626,096	2,655,280	1,256,922	1,109,797	2,283,287	2,054,842	24,939,728
Less: Federal Fixed Asset Additions	-	(305,366)	(4,145)	(741,454)	-	(158,628)	-	(2,086,051)	(11,513)	(3,307,157)
Less: Federal Construction in Progress Additions	-	(351,113)	-	-	-	-	-	-	-	(351,113)
Add: Loss of Disposal of Assets	-	-	-	-	-	-	-	19,792	83,315	103,107
Add: Depreciation of assets purchased with federal funds	5	376,157	17,117	186,405	-	12,243	552	444,597	6,905	1,043,981
Total Expenses	710,054	8,197,256	778,849	5,071,047	2,655,280	1,110,537	1,110,349	661,625	2,133,549	22,428,546

- 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, 2025

	FCCH	CCC	Senior Companion	Weatherization LiHeap	Weatherization	Miscellaneous	Total
Salaries	14,245	135,219	47,494	96,226	146,216	145,153	584,553
Fringe Benefits	6,296	73,420	15,399	44,195	76,314	67,734	283,358
Contracts & Consultants	77	462	283	43,300	25,447	142,128	211,697
Equipment Expense	490	545	-	-	3,338	-	4,373
Travel & Transportation Costs	1,752	11,970	17,869	25,255	2,969	30,678	90,493
Training Costs	11	580	293	37	360	2,186	3,467
Space Costs/Utilities	3,304	7,312	2,569	2,267	11,393	22,308	49,153
Consumable Supplies	1,776	17,558	3,203	38,714	45,503	5,858	112,612
Insurance	120	231	935	49	3,621	39,136	44,092
Facilities Acquisition, Construction, And Renovation	-	-	-	-	-	119,412	119,412
Program/Client Benefits	179,395	10,577	128,873	-	-	80,565	399,410
In-Kind Expenses	-	446	20,698	-	-	23,783	44,927
Other Expenses	-	348	667	-	65	8,801	9,881
Total Program Services	207,466	258,668	238,283	250,043	315,226	687,742	1,957,428
Management and General:							
Indirect Costs (Note P)	2,374	22,534	8,131	16,036	24,367	23,972	97,414
Total Expenses by Program	209,840	281,202	246,414	266,079	339,593	711,714	2,054,842
Less: Federal Fixed Asset Additions	-	-	-	-	-	(11,513)	(11,513)
Add: Loss of Disposal of Assets	-	-	-	-	-	83,315	83,315
Add: Depreciation of assets purchased with federal funds	-	605	-	-	2,936	3,364	6,905
Total Expenses	209,840	281,807	246,414	266,079	342,529	786,880	2,133,549

- 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, 2025

Operating Activities	
Changes in Net Assets	2,977,981
Add: Charges Not Requiring Funds	
Depreciation	1,118,782
Loss on Disposal of Assets	103,107
Changes in Operating Assets and Liabilities	
Increase in Grants Receivable	(747,506)
Increase in Other Receivables	(6,009)
Decrease in Other Current Assets	15,883
Increase in Accounts Payable	791,787
Decrease in Salaries and Wages Payable	(142,780)
Decrease in Accrued Retirement	(34,636)
Decrease in Other Liabilities	(3,890)
Decrease in Refundable Advances	<u>(2,271,108)</u>
Net Cash Provided by Operating Activities	1,801,611
Investing Activities	
Purchase of Assets	<u>(6,877,539)</u>
Net Cash Used in Investing Activities	(6,877,539)
Financing Activities	
Proceeds from Construction Line of Credit	2,263,358
Repayment of Debt and Financing Leases	<u>(32,088)</u>
Net Cash Used in Financing Activities	<u>2,231,270</u>
Increase in Cash	(2,844,658)
Cash - Beginning of Year	<u>6,842,015</u>
Cash - End of Year	<u>3,997,357</u>
 Cash paid for interest	24,816 *
Cash paid for income taxes	0

* - Includes \$19,341 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, 2025

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, 2025, 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. Donated services that are recognized meet the criteria for recognition under ASC 958-605.

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, 2025, and has evaluated its tax positions taken for all open tax years. Currently, the 2024, 2023, 2022, 2021, and, 2020 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, 2025.

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, 2025, advertising and marketing costs were \$70,500.

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, 2025, the cash balances totaled \$3,997,357. 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, 2025:

	Beginning Balance	Additions	Retirements	Ending Balance
Non-Depreciable Assets:				
Land	770,145	100,000	-	870,145
Construction in Progress	850,118	2,351,258	-	3,201,376
Software Generation	83,315	-	(83,315)	-
Depreciable Assets:				
Building & Building Improvements	11,569,078	2,071,961		13,641,039
Vehicles	5,528,205	2,038,295	(328,659)	7,237,841
Furniture, Fixtures, & Equipment	591,591	316,025	(11,911)	895,705
TOTAL AT HISTORICAL COST	19,392,452	6,877,539	(423,885)	25,846,106
LESS ACCUMULATED DEPRECIATION FOR:				
Building & Building Improvements	1,334,434	347,481	-	1,681,915
Vehicles	4,327,020	63,785	(308,867)	4,081,938
Furniture, Fixtures, & Equipment	305,178	707,516	(11,911)	1,000,783
TOTAL ACCUMULATED DEPRECIATION	5,966,632	1,118,782	(320,778)	6,764,636
CAPITAL NET	13,425,820	5,758,757	(103,107)	19,081,470

Total depreciation expense for the year ended June 30, 2025 was \$1,118,782. Of this, \$1,043,981 is the depreciation expense for assets purchased with federal funding and \$74,801 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 \$25,846,106 in asset costs, \$19,644,804 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, 2025, 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

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 Funded Status as of</u> <u>June 30, 2024</u>		<u>Council</u> <u>Contributions</u> <u>for the Year Ended</u>		<u>Total Plan</u> <u>Contributions</u> <u>for the Year Ended</u>		<u>Council</u> <u>Contributions</u> <u>Greater Than</u> <u>5% of Total?</u>	
<u>Plan Employer</u> <u>Identification &</u> <u>Plan Number</u>		<u>Accumulated</u> <u>Benefit</u> <u>Obligation</u>		<u>2025</u>	<u>2024</u>	<u>2024</u>	<u>2023</u>		
61-6027948									
CERS		9,211,735	15,776,491	1,747	1,986	764,778	697,681		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 Retirements Systems according to Kentucky Revised Statute 61.650. Funded status information was measured as of June 30, 2024, 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 Funded Status as of</u> <u>June 30, 2024</u>		<u>Council</u> <u>Contributions</u> <u>for the Year Ended</u>		<u>Total Plan</u> <u>Contributions</u> <u>for the Year Ended</u>		<u>Council</u> <u>Contributions</u> <u>Greater Than</u> <u>5% of Total?</u>	
<u>Plan Employer</u> <u>Identification &</u> <u>Plan Number</u>		<u>Accumulated</u> <u>Benefit</u> <u>Obligation</u>		<u>2025</u>	<u>2024</u>	<u>2024</u>	<u>2023</u>		
CERS Non-hazardous Insurance Fund		3,549,422	2,901,345	0	0	0	106,044		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 5.99%, 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, 2024, 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. In-Kind Contributions

In-kind salaries of \$311,819 and fringes of \$109,137 have been removed from program services expenses since they do not meet the requirements of FASB ASC 958. The following schedule recaps:

Program	In-Kind Services	In-Kind Salaries	In-Kind Fringes	In-Kind Services
Congregate Meals	211,141	58,464	20,462	132,215
CSBG	86,371	31,710	11,099	43,562
SCP	20698	0	0	20,698
Head Start	321,130	221,645	77,576	21,909
RSVP	23,784	0	0	23,784
CCC	<u>446</u>	<u>0</u>	<u>0</u>	<u>446</u>
Total	663,570	311,819	109,137	242,614

Further, recognized in-kind of \$242,614 consists of the following: (1) supplies: \$21,041; (2) volunteer recognition including meals, supplies, and small awards: \$10,440; (3) food: \$48,938; (4) contract and consultants: \$695; (4) usage of space: \$161,500.

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, 2025, the Agency contributed \$72,024 to the Trust. The Trust was fully funded as of June 30, 2025.

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>922,132</u>
	959,632
Less accumulated amortization	<u>(497,550)</u>
	<u>462,082</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, 2025:

Year ending June 30:

2026	37,556
2027	37,548
2028	<u>31,284</u>
Total minimum lease payments	106,388
Less amount representing interest	(7,482)
Present value of minimum lease payments	<u>98,906</u>

Cash paid for this lease during the year ended June 30, 2025 was \$37,562.

J. Operating Lease Activities

The Agency has operating leases of buildings for office space and storage facilities. Leases have remaining lease 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, 2025 totaled \$242,267. 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, 2025:

Year ending June 30:

2026	107,353
2027	79,357
2028	42,800
2029	21,200
2030	<u>23,600</u>
Total minimum lease payments	274,310
Less amount representing interest	(32,043)
Present value of minimum lease payments	<u>242,267</u>

Operating lease payments in the table above include approximately \$43,200 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, 2025 was \$205,674. 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, \$1,763 was included in management and general expenses and \$203,911 was included in direct program costs as space costs.

K. Construction Line of Credit

During the year ended June 30, 2025, the Council entered into a construction line of credit for extensive renovations of a building the Agency purchased in a prior year located in Elizabethtown, Kentucky. The interest rate for the loan was 5.4% and the balance at June 30, 2025 was \$2,263,358. The full balance has been included in current liabilities as it is a line of credit. The total credit line available to the Council is \$3,100,000.

L. Subsequent Events

Management has reviewed subsequent events through December 8, 2025, which is the date the financial statements were available to be issued.

Subsequent to June 30, 2025, the Council completed its renovations of its Elizabethtown, Kentucky building and finalized its construction loan to more align with a typical mortgage. More specifically, the \$2,263,358 construction line of credit was refinanced after the project was completed in the fall of the fiscal year ending June 30, 2026.

Subsequent to June 30, 2025, the federal government experienced its longest shutdown in history. This shutdown added to a backlog within the Office of Head Start, and the Council did not have its Notice of Award (NOA) for Head Start for the program year beginning November 1, 2025. Thus, on October 31, 2025, the Agency signed a \$1,000,000 line of credit to continue operating its Head Start program. The shutdown ended and the Council received their Notice of Award on November 26, 2025.

There are no additional material subsequent events requiring disclosure.

M. 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, 2025 were restricted by either donor-imposed restrictions or contractual obligations.

Amounts due to grantors (within one year)	44,638
Other due to amounts	5,090
Restricted by grant regulations	3,947,629
Total Cash – Restricted	<u>\$3,997,357</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.

N. Functional Classification of Expenses

Expenses for the year ended June 30, 2025, were allocated as follows:

	Program Services	Supporting Services: Management & General	Total
Salaries	8,343,356	741,299	9,084,655
Fringe Benefits	3,450,509	357,482	3,807,991
Contracts & Consultants	381,728	95,398	477,126
Travel & Transportation Costs	1,316,025	19,226	1,335,251
Training Costs	42,216	21,788	64,004
Space Costs / Utilities	876,270	42,971	919,241
Consumable Supplies	694,451	57,323	751,774
Equipment Expense	42,417	17,040	59,457
Insurance	182,835	34,021	216,856
Program / Client Benefits	4,244,678	-	4,244,678
In-Kind Expenses	242,614	-	242,614
Other Expenses	73,948	3,863	77,811
Total Expenses Before Federal Depreciation	19,891,047	1,390,411	21,281,458
Loss on Disposal of Assets	103,107		103,107
Depreciation of assets purchased with federal funds	1,043,981	-	1,043,981
Total Expenses After Depreciation	21,038,135	1,390,411	22,428,546

Central Kentucky Community Action Council, Inc.

Head Start Grant No. 04CH01126005

Statement of Revenues and Expenses

Year Ended June 30, 2025

	Approved * Budget	Actual	Actual	Total		
		11/01/23 to 06/30/24	07/01/24 to 06/30/25			
Revenues						
OCD Funds						
Amount Awards This Budget Period	9,080,516	5,374,962	3,704,760	9,079,722		
Other Income	0	0	29,040	29,040		
Grantee's Contributions	517,839	643,149	0	643,149		
Total Revenues	9,598,355	6,018,111	3,733,800	9,751,911		
Expenses						
OCD's Share						
Head Start Full-Year/Full-Day PA22						
Direct Costs						
Salaries	4,324,230	2,505,648	1,817,033	4,322,681		
Fringe Benefits	1,918,405	1,181,654	707,477	1,889,131		
Contracts & Consultants	91,230	63,776	7,073	70,849		
Travel & Transportation Costs	151,500	77,562	43,829	121,391		
Training & Staff Development	69,219	0	11,392	11,392		
Consumable Supplies	96,710	61,687	153,639	215,326		
Equipment Expense	15,000	3,829	35,940	39,769		
Land, Facility Construction, & Renovation	1,148,250	797,328	372,613	1,169,941		
Other Expenses	474,097	193,539	309,182	502,721		
Subtotal	8,288,641	4,885,023	3,458,178	8,343,201		
Indirect Costs	724,731	438,839	260,209	699,048		
Total PA22 Costs	9,013,372	5,323,862	3,718,387	9,042,249		
Child Development Association Grant PA20						
Direct Costs - Head Start						
Travel & Transportation	16,500	3,814	4,219	8,033		
Other Expenses	39,395	44,424	5,938	50,362		
Direct Costs - Early Head Start						
2,500				0		
Travel & Transportation	0	128	3,054	3,182		
Other Expenses	8,749	2,734	2,202	4,936		
Subtotal	67,144	51,100	15,413	66,513		
Indirect Costs						
0				0		
Total PA20 Costs	67,144	51,100	15,413	66,513		
Total OCD Costs	9,080,516	5,374,962	3,733,800	9,108,762		
Grantee's Share	517,839	643,149	0	643,149		
Total Expenses	9,598,355	6,018,111	3,733,800	9,751,911		
Revenue Over (Under) Expenses	0	0	0	0		

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

Central Kentucky Community Action Council, Inc.
 Head Start Grant No. 04CH01289201
 Statement of Revenues and Expenses
 Year Ended June 30, 2025

	Approved * Budget	Actual 11/01/24 to 06/30/25	COB Balance Current Year
Revenues			
<u>OCD Funds</u>			
Amount Awards This Budget Period	7,932,266	4,591,358	3,340,908
Program Income	0	30	(30)
STARS Incentive Income	0	4,500	(4,500)
Other Income	0	125,981	(125,981)
Grantee's Contributions	<u>1,983,067</u>	<u>321,130</u>	<u>1,661,937</u>
Total Revenues	<u>9,915,333</u>	<u>5,042,999</u>	<u>4,872,334</u>
Expenses			
<u>OCD's Share</u>			
<u>Head Start Full-Year/Full-Day PA22</u>			
Direct Costs			
Salaries	4,662,718	2,486,368	2,176,350
Fringe Benefits	1,418,167	1,034,801	383,366
Contracts & Consultants	90,800	44,880	45,920
Travel & Transportation Costs	156,474	77,528	78,946
Training & Staff Development	113,606	2,227	111,379
Consumable Supplies	139,273	147,871	(8,598)
Equipment & Playground Expense	15,000	49,446	(34,446)
Other Expenses	<u>499,298</u>	<u>393,556</u>	<u>105,742</u>
Subtotal	<u>7,095,336</u>	<u>4,236,677</u>	<u>2,858,659</u>
Indirect Costs	<u>780,271</u>	<u>456,948</u>	<u>323,323</u>
Total PA22 Costs	7,875,607	4,693,625	3,181,982
<u>Child Development Association Grant PA20</u>			
Direct Costs - Head Start			
Travel & Transportation	16,500	3,800	12,700
Other Expenses	40,159	24,444	15,715
Direct Costs - Early Head Start			
Travel & Transportation	0	0	0
Other Expenses	0	0	0
Subtotal	<u>56,659</u>	<u>28,244</u>	<u>28,415</u>
Indirect Costs	<u>0</u>	<u>0</u>	<u>0</u>
Total PA20 Costs	56,659	28,244	28,415
Total OCD Costs	7,932,266	4,721,869	3,210,397
Grantee's Share	<u>1,983,067</u>	<u>321,130</u>	<u>1,661,937</u>
Total Expenses	<u>9,915,333</u>	<u>5,042,999</u>	<u>4,872,334</u>
Revenue Over (Under) Expenses	<u><u>0</u></u>	<u><u>(0)</u></u>	<u><u>0</u></u>

* Grant Period is November 1, 2024 through October 31, 2025.

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

Grant Number 04CH01126005

Federal Expenditures Per Final SF 269 and SF 272	9,080,516
Federal Expenditures Per Audited Financials	
11/01/23 through 06/30/24	5,374,962
07/01/24 through 10/31/2024	<u>3,704,760</u>
Total Expenditures Per Audited Financials	<u>9,079,722</u>
Difference (Not Expended)	<u>794</u>

Grant Number 04CH01289201

Federal Expenditures Per Approved Budget	7,932,266
Federal Expenditures Per Audited Financials	
11/01/24 through 06/30/25	4,591,358
7/01/25 through 10/31/25 (Post Audit Period)	<u>0</u>
Total Expenditures Per Audited Financials	<u>4,591,358</u>
Difference to be Expended Subsequent to Audit Year Ending 06/30/25	<u>3,340,908</u>

Central Kentucky Community Action Council, Inc.
 Schedule of Expenditures of Federal Awards
 Year Ended June 30, 2025

	Federal CFDA Number	Contract Number	Expenditures	Amounts Provided to Subrecipients
U.S. Department of Health and Human Services				
Direct Program:				
Head Start	93.600	04CH01126005	3,704,760	0
Head Start	93.600	04CH01289201	4,591,358	0
Total Head Start			<u>8,296,118</u>	0
Passed through Corporation for National Community Service				
Retired & Senior Volunteer Program	94.002	22SRCKY001	71,489	0
Senior Companion Grant	94.016	24SCCKY003	221,773	0
Total Corporation for National Community Service			<u>293,262</u>	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	172,792	0
Community Services Block Grant	93.569	PON2 736 2400002089	621,002	0
Kentucky Works / TANF	93.558	PON2 736 2400001873	595,116	0
Community Collaboration for Children - Intensive Inhome	93.590	PON2 736 2400002801 (ZFAT)	104,461	0
COVID-19 Community Collaboration for Children - Intensive Inhome - ARPA	93.590	PON2 736 2400002801 (ZFPT)	100,007	0
Community Collaboration for Children - Promoting Safe & Stable Families	93.556	PON2 736 2400002801 (ZPAL)	68,978	0
Total Kentucky Cabinet for Health and Family Services			<u>1,662,356</u>	0
Passed through Lincoln Trail Area Development District				
Special Programs for the Aging - Title IIIB	93.044	LTADD #5	135,661	0
Congregate Meals III C-1	93.045	LTADD #5	1,074,350	0
USDA AKA NSIP	93.053	LTADD #5	89,298	0
Total Aging Cluster Passed through Lincoln Trail Area Development District			<u>1,299,309</u>	0
Passed through Community Action Kentucky				
Low-Income Home Energy Assistance	93.568	736 2400001811 LIHEAP-005	2,655,280	0
Passed through Kentucky Housing Corporation				
Weatherization - LiHeap	93.568	LH25-0602-02 LHWX-005	245,266	0
Total U.S. Department of Health and Human Services			<u>14,451,591</u>	<u>0</u>
U.S. Department of Agriculture				
Passed through Kentucky Department of Education:				
Child and Adult Care Food Program - Unaffiliated Centers	10.558	#11581	349,459	0
Child and Adult Care Food Program - Unaffiliated Centers	10.558	#11581	777,906	0
Child and Adult Care Food Program - Family Child Care Homes	10.558	#11030	63,534	0
Child and Adult Care Food Program - Family Child Care Homes	10.558	#11030	149,265	0
Child and Adult Care Food Program - Head Start	10.558	#11400	340,429	0
Total Child and Adult Care Food			<u>1,680,593</u>	0
Passed through Kentucky Cabinet for Health and Family Services				
Kentucky Works / SNAP E&T	10.561	PON2 736 2400001873	103,315	0
Total U.S. Department of Agriculture			<u>1,783,908</u>	<u>0</u>
U.S. Department of Transportation				
Passed through Kentucky Department of Transportation:				
Section 5311 - Public Transportation	20.509	KY-2021-033-03	221,968	0
Section 5311(f) - Public Transportation - Capital	20.509	KY-2021-033-03	114,046	0
DOT RTAP	20.509	KY-2021-033-03	12,394	0
Total Section 5311 / Formula Grants for Rural Areas Total			<u>348,408</u>	0
Section 5339 - Capital Equipment	20.526	KY-2018-021-02; KY-2018-021-03	34,969	0
Section 5339 - Capital Equipment	20.526	KY-2021-032-00	400,511	0
Section 5339b - Capital Equipment	20.526	KY-2017-003-03	99,432	0
Section 5339b - Capital Equipment	20.526	KY-2023-013-00	612,144	0
Section 5339 - Capital Equipment	20.526	KY-2023-013-00	179,312	0
Section 5339 - Capital Equipment	20.526	KY-2021-032-01	194,146	0
Section 5339 - Capital Equipment	20.526	KY-2021-032-01	41,950	0
Section 5339b - Capital Equipment	20.526	KY-2023-013-00	52,950	0
Total Section 5339 - Capital Equipment			<u>1,615,414</u>	0
Total Kentucky Department of Transportation			<u>1,963,822</u>	<u>0</u>
U.S. Department of Energy				
Passed through Kentucky Housing Corporation				
Weatherization	81.042	BIL25-0602-02	23,590	0
Weatherization	81.042	WX25-0602-02 DOEWX-005	316,003	0
Total Weatherization			<u>339,593</u>	0
Other Passed through Funds				
Emergency Food & Shelter	97.024	Various # Phase 40	166	0
Emergency Food & Shelter	97.024	Various # Phase 41	80,396	0
Total Emergency Food & Shelter			<u>80,562</u>	0
Total Federal Financial Assistance			<u>18,619,476</u>	<u>0</u>

Central Kentucky Community Action Council, Inc.

Notes to Schedule of Expenditures of Federal Awards
Year Ended June 30, 2025

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, 2025. 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, 2025.

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 2400001811 LIHEAP-005

Statement of Financial Position
June 30, 2025

Assets

Current Assets	
Cash	0
Accounts Receivable	<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 736 2400001811 LIHEAP-005

Statement of Program Expenditures
 Year Ended June 30, 2025

<u>Cost Category</u>	<u>LiHeap Expenses</u>
Administrative	
Salaries	137,386
Fringe Benefits	69,039
Travel	581
Postage	379
Supplies	5,962
Miscellaneous	763
Indirect Costs	<u>27,302</u>
Total Administrative	241,412
Benefits: LiHeap	
Subsidy - Fall	452,066
Subsidy - Summer Cooling	554,757
Spring Subsidy	394,850
Winter Crisis	<u>1,012,195</u>
Total Benefits	<u>2,413,868</u>
Total Expenses	2,655,280
Less: Questioned Costs	0
Less: In-Kind Contributions	<u>0</u>
Total Allowable Expenses	2,655,280
Less: Contract Payments Received As of June 30, 2025	<u>(2,655,280)</u>
Under/(Over) Payment Due to Agency (CAK)	<u><u>-</u></u>

Central Kentucky Community Action Council, Inc.
 LiHeap Program
 Delegate Agreement Number 5
 Contract Number 736 2400001811 LIHEAP-005

Statement of Questioned Costs
 Year Ended June 30, 2025

<u>Cost Category</u>	<u>Actual</u>	<u>Questioned Cost</u>	<u>Balance</u>
Administrative			
Salaries	137,386	0	137,386
Fringe Benefits	69,039	0	69,039
Travel	581	0	581
Postage	379	0	379
Office Supplies	5,962	0	5,962
Miscellaneous	763	0	763
Indirect Costs	27,302	0	27,302
Total Administrative	241,412	0	241,412
Benefit Cost			
Subsidy - Fall	452,066	0	452,066
Subsidy - Summer Cooling	554,757	0	554,757
Spring Subsidy	394,850	0	394,850
Winter Crisis	1,012,195	0	1,012,195
Total Benefits	2,413,868	0	2,413,868
Total	<u><u>2,655,280</u></u>	<u><u>0</u></u>	<u><u>2,655,280</u></u>

Central Kentucky Community Action Council, Inc.
 LiHeap Program
 Delegate Agreement Number 5
 Contract Number 736 2400001811 LIHEAP-005

Statement of Budget and Actual Expenses
 Year Ended June 30, 2025

<u>Cost Category</u>	<u>Budget</u>	<u>Actual</u>	<u>(Over) Under Budget</u>
Administrative			
Liheap	241,412	241,412	0
Benefit Cost			
Subsidy - Fall	452,066	452,066	0
Subsidy - Summer Cooling	554,757	554,757	0
Spring Subsidy	394,850	394,850	0
Winter Crisis	1,012,196	1,012,195	1
Total	<u>2,655,281</u>	<u>2,655,280</u>	<u>1</u>

Central Kentucky Community Action Council, Inc.
Community Services Block Grant
Contract Number PON2 736 2400002089

Statement of Financial Participation
Year Ended June 30, 2025

	CSBG	CSBG Scholarship	Total
<u>Obligated Fund</u>			
CSBG Financial			
Participation at 80% & 100% & 100%	617,002	4,000	621,002
Total Financial Participation	617,002	4,000	621,002
Less: Contract Payments Received	(617,002)	(4,000)	(621,002)
Less: Receivable Due from State	0	0	0
 Total Obligated Funds	 0	 0	 0
<u>Overpayment</u>			
Total Allowable Expenses	617,002	4,000	621,002
Less: Contract Payments Received	(617,002)	(4,000)	(621,002)
Less: Receivable Due from State	0	0	0
 <u>CSBG Local Match Requirement</u>	 		
CSBG Allowable Expenses	617,002		617,002
Funding Level Restated at 100%			
(\$615,002 Multiplied by 120%)	740,402	0	740,402
Local Match Required at 20%	123,400	0	123,400
Less: Local Match Provided	(187,683)	0	(187,683)
 Excess Local Match	 (64,283)	 0	 (64,283)

Central Kentucky Community Action Council, Inc.
 Community Services Block Grant
 Contract Number PON2 736 2400002089

Statement of Allowable Expenses
 Year Ended June 30, 2025

	CSBG	CSBG Scholarship	Total
<u>Expenses</u>			
Personnel	427,171	0	427,171
Travel	6,577	0	6,577
Equipment	8,926	0	8,926
Supplies	21,270	0	21,270
Contracts	19,755	0	19,755
Space Costs	79,443	0	79,443
Transportation	8,202	0	8,202
In-Kind Expenses	86,371	0	86,371
Indirect - Administrative	50,418	0	50,418
Other Expenses	<u>96,552</u>	<u>4,000</u>	<u>100,552</u>
Total Expenses	804,685	4,000	808,685
Less: Questioned Costs	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenses Adjusted	804,685	4,000	808,685
Less: In-Kind & Cash Contributions	<u>(187,683)</u>	<u>0</u>	<u>(187,683)</u>
Total Allowable Expenses	617,002	4,000	621,002
Less: Contract Payments Received	<u>(617,002)</u>	<u>(4,000)</u>	<u>(621,002)</u>
Under/(Over) Payment Due the Agency/CFC	<u>0</u>	<u>0</u>	<u>0</u>

Central Kentucky Community Action Council, Inc.
 Community Services Block Grant
 Contract Number PON2 736 2400002089

Statement of Obligated Fund Balance
 Year Ended June 30, 2025

	CSBG	CSBG Scholarship	Total
Beginning Obligated Fund Balance as of July 1, 2024	245,855	0	245,855
Less: Carryover Applied	0	0	0
	245,855	0	245,855
Total Financial Participation	804,685	4,000	808,685
Less: Total Allowable Expenses	(804,685)	(4,000)	(808,685)
Ending Obligated Fund Balance as of June 30, 2025	<u>245,855</u>	<u>0</u>	<u>245,855</u>

Central Kentucky Community Action Council, Inc.
 Community Services Block Grant
 Contract Number PON2 736 2400002089

Statement of Questioned Costs
 Year Ended June 30, 2025

<u>Expenses</u>	Total Actual	Questioned Costs	Balance
Personnel	427,171	0	427,171
Travel	6,577	0	6,577
Equipment	8,926	0	8,926
Supplies	21,270	0	21,270
Contracts	19,755	0	19,755
Space Costs	79,443	0	79,443
Transportation	8,202	0	8,202
In-Kind Expenses	86,371	0	86,371
Indirect - Administrative	50,418	0	50,418
Other Expenses	100,552	0	100,552
Total CSBG Expenses	<u><u>808,685</u></u>	<u><u>0</u></u>	<u><u>808,685</u></u>

Central Kentucky Community Action Council, Inc.
 Community Services Block Grant
 Contract Number PON2 736 2400002089

Statement of Budget and Actual Expenses
 Year Ended June 30, 2025

<u>Cost Category</u>	<u>Budget</u>	<u>Actual</u>	<u>Under(Over) Budget</u>
<u>CSBG Category</u>			
Personnel	407,069	427,171	(20,102)
Travel	9,800	6,577	3,223
Equipment	9,100	8,926	174
Supplies	24,500	21,270	3,230
Contracts	19,301	19,755	(454)
Space Costs	80,819	79,443	1,376
Transportation	7,500	8,202	(702)
In-Kind Expenses	0	86,371	(86,371)
Indirect - Administrative	47,877	50,418	(2,541)
Other Expenses	20,095	96,552	(76,457)
Total CSBG Expenses	626,061	804,685	(178,624)
<u>CSBG Scholarship Program</u>			
Scholarship	5,203	4,000	1,203
Total for All Programs	<u><u>631,264</u></u>	<u><u>808,685</u></u>	<u><u>(177,421)</u></u>

Central Kentucky Community Action Council, Inc.
Weatherization Assistance Program
Contract Number WX 25-0602-02 DOEWX-005

Statement of Financial Position
June 30, 2025

Assets

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

Liabilities and Net Assets

Liabilities

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

Central Kentucky Community Action Council, Inc.
 Weatherization Assistance Program
 Contract Number WX 25-0602-02 DOEWX-005
 DOE 7/01/24-06/30/25
 Statement of Program Expenses
 Year Ended June 30, 2025

<u>Expenses</u>	<u>7/01/24 to 6/30/2025</u>
Administration	37,280
Program Operations	242,628
WX Ready	3,850
Liability	3,621
Training	5,788
Health & Safety Labor	18,923
Audit	3,913
 Total Expenses	 316,003
Questioned Costs	0
 Total Allowable Expenses	 316,003
Less: Contract Payments Received	(316,003)
 Under/(Over) Payment Due the Agency/(CHR)	 <u>316,003</u>

Central Kentucky Community Action Council, Inc.
 Weatherization Assistance Program
 Contract Number WX 25-0602-02 DOEWX-005
 DOE 7/01/24-06/30/25
 Statement of Questioned Costs
 Year Ended June 30, 2025

<u>Cost Category</u>	7/01/24 to 6/30/2025	7/01/24 to 6/30/2025	Questioned Costs	Balance
	<u>Actual</u>			
Administration	37,280	0	37,280	
Program Operations	242,628	0	242,628	
WX Ready	3,850	0	3,850	
Liability	3,621	0	3,621	
Training	5,788	0	5,788	
Health & Safety Labor	18,923	0	18,923	
Audit	<u>3,913</u>	<u>0</u>	<u>3,913</u>	
Total	<u>316,003</u>	<u>0</u>	<u>316,003</u>	

Explanation of Questioned Costs

None

Central Kentucky Community Action Council, Inc.
 Weatherization Assistance Program
 Contract Number WX 25-0602-02 DOEWX-005
 DOE 7/01/24-06/30/25
 Statement of Budget and Actual Expenses
 Year Ended June 30, 2025

<u>Cost Category</u>	7/01/24 to 6/30/2025 <u>Budget</u>	7/01/24 to 6/30/2025 <u>Actual</u>	(Over) Under Budget
Administration	45,017	37,280	7,737
Program Operations	283,446	242,628 *	40,818
WX Ready	64,587	3,850	60,737
Liability	5,888	3,621	2,267
Training	43,508	5,788	37,720
Health & Safety	42,517	18,923	23,594
Audit	3,913	3,913	0
 Total	 <u>488,876</u>	 <u>316,003</u>	 <u>172,873</u>

* Does not include \$6,488 of inventory at June 30, 2025.

Inventory 6/30/24	6,488
Plus: Materials Purchased	33,495
Less: Materials Installed	<u>(33,495)</u>
Inventory 06/30/25	<u>6,488</u>

Central Kentucky Community Action Council, Inc.
Weatherization LiHeap Assistance Program
Contract Number LH25-0602-02 LHWX-005

Statement of Financial Position
June 30, 2025

Assets

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

Liabilities and Net Assets

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

Central Kentucky Community Action Council, Inc.
 Weatherization LiHeap Assistance Program
 Contract Number LH25-0602-02 LHWX-005
 07/01/24-06/30/25
 Statement of Program Expenses
 Year Ended June 30, 2025

<u>Expenses</u>	<u>7/1/24 to 6/30/25</u>
Administration	16,035
Program Operations	225,630
Liability	49
Training	0
Health & Safety	<u>24,365</u>
 Total Expenses	 266,079
 Questioned Costs	 <u>0</u>
 Total Allowable Expenses	 266,079
 Less: Contract Payments Received	 (245,266)
Less: Costs Paid by Council (non-federal)	<u>(20,813)</u>
Total	<u>(266,079)</u>
 Under/(Over) Payment Due the Agency	 <u>0</u>

Central Kentucky Community Action Council, Inc.
 Weatherization LiHeap Assistance Program
 Contract Number LH25-0602-02 LHWX-005
 7/01/24 - 6/30/25
 Statement of Questioned Costs
 Year Ended June 30, 2025

<u>Cost Category</u>	7/01/24 to 6/30/2025	7/01/24 to 6/30/2025	Questioned Costs	<u>Balance</u>
Administration	16,035	0	16,035	
Program Operations	225,630	0	225,630	
Liability	49	0	49	
Health & Safety Labor	24,365	0	24,365	
Audit	0	0	0	
 Total	 266,079	 0	 266,079	

Explanation of Questioned Costs

None

Central Kentucky Community Action Council, Inc.
 Weatherization LiHeap Assistance Program
 Contract Number LH25-0602-02 LHWX-005
 7/01/24 - 6/30/25
 Statement of Budget and Actual Expenses
 Year Ended June 30, 2025

<u>Cost Category</u>	<u>7/01/24 to 6/30/2025 Budget</u>	<u>7/01/24 to 6/30/2025 Actual</u>	<u>(Over) Under Budget</u>
Administration	16,871	16,035	836
Program Operations	262,157	225,630	* 36,527
Liability Insurance	1,739	49	1,690
Training	0	0	0
Health & Safety	39,324	24,365	14,959
WX Ready	0	0	0
Audit	0	0	0
 Total	 <u>320,091</u>	 <u>266,079</u>	 <u>54,012</u>

* Does not include \$5,680 of inventory at June 30, 2025.

Inventory 6/30/24	5,680
Plus: Materials Purchased	38,715
Less: Materials Installed	<u>(38,715)</u>
Inventory 06/30/25	<u>5,680</u>

Central Kentucky Community Action Council, Inc.
Weatherization Assistance Program
Contract Number BIL25-0602-02

Statement of Financial Position
June 30, 2025

Assets

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

Liabilities and Net Assets

Liabilities

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

Central Kentucky Community Action Council, Inc.
 Weatherization Assistance Program
 Contract Number BIL25-0602-02
 DOE 7/01/24-06/30/25
 Statement of Program Expenses
 Year Ended June 30, 2025

<u>Expenses</u>	<u>7/01/24 to 6/30/2025</u>
Administration	0
Program Operations	19,617
Training	0
Equipment	0
Liability	0
Health & Safety Labor	3,973
Audit	0
 Total Expenses	 23,590
Questioned Costs	0
 Total Allowable Expenses	 23,590
Less: Contract Payments Received	(23,590)
 Under/(Over) Payment Due the Agency/(CHR)	 -

Central Kentucky Community Action Council, Inc.
 Weatherization Assistance Program
 Contract Number BIL25-0602-02
 DOE 7/01/24-06/30/25
 Statement of Questioned Costs
 Year Ended June 30, 2025

<u>Cost Category</u>	<u>7/01/24 to 6/30/2025 Actual</u>	<u>7/01/24 to 6/30/2025 Questioned Costs</u>	<u>Balance</u>
Administration	0	0	0
Program Operations	19,617	0	19,617
Training	0	0	0
Equipment	0	0	0
Health & Safety Labor	3,973	0	3,973
Audit	0	0	0
Total	<u>23,590</u>	<u>0</u>	<u>23,590</u>

Explanation of Questioned Costs

None

Central Kentucky Community Action Council, Inc.
 Weatherization LiHeap Assistance Program
 Contract Number BIL25-0602-02
 7/01/24 - 6/30/25
 Statement of Budget and Actual Expenses
 Year Ended June 30, 2025

<u>Cost Category</u>	7/01/24 to 6/30/2025 <u>Budget</u>	7/01/24 to 6/30/2025 <u>Actual</u>	(Over) Under Budget
Administration	69	0	69
Program Operations	431,043	19,617	411,426
Training	136,809	0	136,809
Equipment	169,461	0	169,461
Liability	12,500	0	12,500
Health & Safety Labor	83,304	3,973	79,331
Audit	0	0	0
Total	<u>833,186</u>	<u>23,590</u>	<u>809,596</u>

WHITE AND COMPANY, P.S.C.

Certified Public Accountants

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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 8, 2025

To the 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, 2025, 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 8, 2025.

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

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 8, 2025

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, 2025. 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, 2025.

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, 2025

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>
20.526	Section 5339 and 5539b – Capital Equipment
10.558	Child and Adult Care Food Program
93.569	Community Service Block Grant

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, 2025

There were no prior year findings.

WHITE AND COMPANY, P.S.C.

Certified Public Accountants

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December 8, 2025

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, 2025, and we will issue our report thereon dated December 8, 2025. 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 3, 2025. 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 2025. 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 8, 2025.

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 8, 2025. Those in attendance were as follows:

Representatives of the Agency:

Bryan Conover, Executive Director

Jessica Miles, Finance Director

John G. Mattingly, Board Member

Judge Troy Kok, Board Member

Angie Chandler, 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.