

COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.

RAVENNA, OHIO

AUDIT REPORT

JANUARY 31, 2021

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
JANUARY 31, 2021**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Community Action Council of Portage County, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of Community Action Council of Portage County, Inc. (a nonprofit organization), which comprise the statement of financial position as of January 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Council of Portage County, Inc. as of January 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 22, 2021, on our consideration of Community Action Council of Portage County, 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 Community Action Council of Portage County, 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 Community Action Council of Portage County, Inc.'s internal control over financial reporting and compliance.



Wheeling, West Virginia
October 22, 2021

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
STATEMENT OF FINANCIAL POSITION
JANUARY 31, 2021**

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,173,860
Grants receivable	345,385
Inventory	10,662
Prepaid expenses	33,130
Total current assets	1,563,037

BUILDING, VEHICLES, AND EQUIPMENT

Land	136,452
Buildings and improvements	380,505
Vehicles	239,053
Equipment	135,229
Total	891,239
Accumulated depreciation	394,468
Net building, vehicles, and equipment	496,771

TOTAL ASSETS	\$ 2,059,808
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LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 273,247
Capital lease obligation	3,181
Notes payable	5,277
Deferred revenue	508,955
Accrued vacation	85,450
Accrued payroll and payroll taxes	108,376
Total current liabilities	984,486

LONG-TERM DEBT

Notes payable, net of current	23,961
Total liabilities	1,008,447

NET ASSETS

Without donor restriction	1,047,060
With donor restriction	4,301
Total net assets	1,051,361

TOTAL LIABILITIES AND NET ASSETS	\$ 2,059,808
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The accompanying notes are an integral part of these financial statements.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

	Without Donor Restriction	With Donor Restriction	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Grant and contract revenue	\$ 4,024,844	\$ -	\$ 4,024,844
Donations	5,889	-	5,889
Program income	4,850	-	4,850
Other income	64,464	-	64,464
Net assets released from restriction:			
Satisfaction of purpose restriction	219	(219)	-
Total revenues, gains, and other support	4,100,266	(219)	4,100,047
EXPENSES			
Program services:			
Energy Efficiency and Housing	1,636,652	-	1,636,652
Utility and Emergency Assistance	1,645,172	-	1,645,172
Youth Programs	101	-	101
Technology Training	41,306	-	41,306
Community Services	273,353	-	273,353
Food Programs	255,731	-	255,731
Total program services	3,852,315	-	3,852,315
Support services:			
Management and general	104,088	-	104,088
Total expenses	3,956,403	-	3,956,403
CHANGE IN NET ASSETS	143,863	(219)	143,644
NET ASSETS, BEGINNING OF YEAR	903,197	4,520	907,717
NET ASSETS, END OF YEAR	\$ 1,047,060	\$ 4,301	\$ 1,051,361

The accompanying notes are an integral part of these financial statements.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

	<u>Energy Efficiency and Housing</u>	<u>Utility and Emergency Assistance</u>	<u>Youth Programs</u>	<u>Technology Training</u>
Personnel	\$ 548,272	\$ 388,703	\$ -	\$ 19,824
Fringes/benefits	201,142	131,071	-	7,208
Contractual services	305,984	1,199	-	-
Professional services	21,455	14,681	-	697
Travel	11,253	1,335	-	-
Utilities	7,921	3,342	-	631
Space	8,102	1,676	-	11,514
Office supplies	11,850	11,183	75	506
Consumable supplies	3,529	-	-	-
Client assistance	126,383	1,029,582	-	-
Materials	314,565	-	-	-
Food purchases	-	-	26	-
Equipment rental and purchases	18,363	39,919	-	639
Postage and freight	2,548	2,186	-	-
Insurance and bonding	20,726	2,849	-	133
Publications and printing	3,022	1,115	-	-
Repairs and maintenance	6,356	39	-	-
Development and recruitment	-	-	-	-
Telephone	4,283	12,765	-	68
Other expenses	17,055	1,926	-	86
Depreciation	3,843	1,601	-	-
	<u>\$ 1,636,652</u>	<u>\$ 1,645,172</u>	<u>\$ 101</u>	<u>\$ 41,306</u>
Total functional expenses				

The accompanying notes are an integral part of these financial statements.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

	<u>Community Services</u>	<u>Food Programs</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Total Expenses</u>
Personnel	\$ 136,100	\$ 50,693	\$ 1,143,592	\$ 27,480	\$ 1,171,072
Fringes/benefits	45,432	12,319	397,172	9,147	406,319
Contractual services	1,150	-	308,333	614	308,947
Professional services	3,265	1,150	41,248	12,377	53,625
Travel	3,379	1,558	17,525	2,596	20,121
Utilities	12,664	-	24,558	776	25,334
Space	16,368	-	37,660	7,415	45,075
Office supplies	4,355	1,020	28,989	1,483	30,472
Consumable supplies	79	-	3,608	-	3,608
Client assistance	28,734	-	1,184,699	6,981	1,191,680
Materials	-	-	314,565	-	314,565
Food purchases	3,201	188,953	192,180	1,507	193,687
Equipment rental and purchases	8,138	-	67,059	3,170	70,229
Postage and freight	800	-	5,534	200	5,734
Insurance and bonding	1,521	23	25,252	2,200	27,452
Publications and printing	2,002	-	6,139	380	6,519
Repairs and maintenance	39	-	6,434	-	6,434
Development and recruitment	250	-	250	250	500
Telephone	1,551	-	18,667	342	19,009
Other expenses	1,160	15	20,242	2,852	23,094
Depreciation	3,165	-	8,609	24,318	32,927
Total functional expenses	<u>\$ 273,353</u>	<u>\$ 255,731</u>	<u>\$ 3,852,315</u>	<u>\$ 104,088</u>	<u>\$ 3,956,403</u>

The accompanying notes are an integral part of these financial statements.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 143,644
Adjustments to reconcile change in net assets to net cash provided by (used in) operations:	
Depreciation	32,927
Net change in:	
Grants receivable	(206,119)
Prepaid expenses	6,035
Property deposit	3,000
Inventory	650
Accounts payable	86,975
Deferred revenue	313,481
Accrued vacation	28,448
Accrued payroll and payroll taxes	57,337
Net cash provided by operating activities	<u>466,378</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of property and equipment	<u>(207,559)</u>
Net cash used in investing activities	<u>(207,559)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principal payments on loan	(5,016)
Payments on capital lease	<u>(3,781)</u>
Net cash used in financing activities	<u>(8,797)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	250,022
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>923,838</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 1,173,860</u></u>
Supplemental Disclosures:	
Interest paid	<u><u>\$ 1,876</u></u>

The accompanying notes are an integral part of these financial statements.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Community Action Council of Portage County, Inc. (“CACPC” or the “Agency”) is a private not-for-profit organization that was created in February 1965 under the authority of the Economic Opportunity Act. CACPC is charged with developing and operating programs and services that will positively impact the economically disadvantaged residents of Portage County. CACPC provides education and literacy services, emergency assistance, energy efficiency and housing services, workforce development, and youth services.

Basis of Presentation

The financial statements of CACPC have been prepared in conformity with accounting principles generally accepted in the United States of America. The more significant of these policies and practices are summarized below.

Classification of Net Assets

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 donor as follows:

Net Assets without Donor Restriction

Net assets without donor restriction are resources that are available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, 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 during the course of its operations.

Net Assets with Donor Restriction

Net assets with donor restriction are resources that are restricted by a donor for use for a particular purpose, or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor’s instructions, or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Agency must continue to use the resources in accordance with the donor’s instructions.

The Agency's unspent contributions are included in this class, if the donor has limited their use.

When a donor’s restriction is satisfied, either by using the resources in the manner specified by the donor or by the passing of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restriction to net assets without donor restriction. Net assets that are restricted for the acquisition of buildings or equipment (or, less commonly, the contribution of those assets directly) are reported as net assets with donor restriction until the specified asset is placed in service by the Agency, unless the donor provides more specific directions about the period of its use. When assets are placed in service during the same period in which the funds are received, the contribution is recorded as without donor restriction, since the restriction has been met.

COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Classification of Transactions

All revenues and net gains are reported as increases in net assets without donor restriction in the statement of activities, unless the donor has specified the use of the related resources for a particular purpose or in a future period. All expenses and net losses are reported as decreases in net assets without donor restriction.

Revenue Recognition

The Agency's primary sources of revenue are from grants and contracts from government agencies, as well as contributions from the general public. The following accounting policies have been adopted:

- a. Fees for the services provided are recognized as revenue at the time that the services are performed or when the revenue cycle is complete.
- b. Contributions from the general public are recognized as revenue when an unconditional promise to give is received.
- c. Grants/contributions are recognized as revenue based upon the type of restriction that is placed by the grantor/donor. All grants and contributions are reported as increases in net assets without donor restriction, unless the use of the contributed assets is specifically restricted by the donor. Amounts that are received that are restricted by the donor for use in future periods, or for specific purposes, are reported as increases in net assets with donor restriction.
- d. Revenue is recognized on grants and contracts that are funded on a cost-reimbursement basis at the time that the related grant expenses are incurred and when the other terms of the agreement are completed.
- e. The Agency records grant/contract advances as deferred revenue until the funds are expended for the purpose of the grant/contract, at which time they are recognized as revenue.

Expenses

Amounts due for goods, services, and materials are recorded as expenditures when they are incurred.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Tax Status and Positions

Community Action Council of Portage County, Inc. has qualified for a tax exemption under Section 501(c)(3) of the Internal Revenue Code, and, accordingly, no provision has been recorded for income taxes in the accompanying financial statements.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CACPC has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. CACPC believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on CACPC's financial position, activities, and changes in net assets or cash flows. Accordingly, the Agency has not recorded any reserves or related accruals for interest and penalties for uncertain tax positions as of January 31, 2021.

CACPC is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Agency believes that it is no longer subject to income tax examinations for years prior to 2018.

Cash Flows

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and the amounts on deposit that can be withdrawn on demand or will mature within 90 days.

Concentration of Credit Risk

CACPC maintains cash balances at several financial institutions. The accounts with those institutions are insured by the Federal Deposit Insurance Corporation ("FDIC"), up to \$250,000. Any deposit amount not covered by the FDIC is covered by pledged securities to secure public funds. As of January 31, 2021, deposits of approximately \$913,867 were uninsured.

Fixed Assets and Depreciation

CACPC follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$5,000. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, generally, as follows:

Vehicles and office equipment	5 years
Tools and equipment	10 years

Depreciation expense of \$32,927 has been recorded for the fiscal year ended January 31, 2021.

The building, vehicles, and equipment that are acquired with grant funds are owned by CACPC while they are used in the program for which they were purchased, or to be used in other future authorized programs. The funding sources, however, have a reversionary interest in the assets that are purchased with grant funds; therefore, its disposition, as well as the ownership of any sale proceeds therefrom, are subject to funding source regulations. Assets that are purchased with grant funds are shown as expenses in the program reports that are provided to the funding sources. For financial reporting purposes, these amounts have been capitalized and reported on the statement of financial position.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences Policy

Full-time employees accrue vacation time each pay period based on the number of years the employee has worked at CACPC. In addition, a sick leave plan is in place where employees accrue a specific number of sick leave hours per pay period. Note 3 provides details of the current policies in place.

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 programs and supporting services, based on the benefits received.

Inventory

Inventory consists of items that are used for client assistance in the Home Energy programs that are operated by CACPC. They are stated at the lower of cost (first-in, first-out basis) or at the net realizable value.

NOTE 2 – LIQUIDITY AND AVAILABILITY

The following table reflects the Agency's financial assets as of January 31, 2021, reduced by the amounts not available for general use within one year from the statement of financial position date due to donor-imposed restrictions:

Cash and cash equivalents	\$ 1,173,860
Grants receivable	<u>345,385</u>
Subtotal	1,519,245
Financial assets held to meet donor-imposed restriction:	
Purpose-restricted net assets (Note 9)	(4,301)
Grant funds received in advance	<u>(508,955)</u>
Amount available for general expenditures within one year	<u>\$ 1,005,989</u>

The Agency is substantially supported by government grants and contracts, which are funded on a cost reimbursement basis. Under these grants, reimbursement is requested from the funding source once the expenses are incurred. As a part of its liquidity management, the Agency has a policy to structure its financial assets to be available once its general expenditures, liabilities, and other obligations become due. As discussed in Note 8, a \$100,000 line of credit is available to fund short-term cash needs. The entire amount of the line of credit was available as of January 31, 2021.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

NOTE 3 – COMPENSATED ABSENCES

CACPC has an accrued liability for accumulated vacation time of \$85,450 as of January 31, 2021.

Effective February 1, 2020, the Agency adopted an accrued sick leave plan where full-time employees accrue 4.6 hours of sick leave each 80-hour pay period, up to a maximum amount of 480 hours of sick leave. Sick leave that has been accrued under the former sick leave policy is required to be exhausted before sick leave under the new policy can be used. Upon separation from the Agency, the employee will forfeit all earned and unused sick leave that has been accrued, and the funds will be reallocated to existing grants or corporate accounts. However, any employee who is 59½, has a total of 15 or more years of service to the Agency, and is retiring will be paid up to 50 percent of the accrued sick leave at the hourly rate in existence at the time of retirement. The Agency has funded the accrued sick leave balance in the amount of \$56,444 as of January 31, 2021, with corporate and grant-related funding.

The related expenses and liabilities are recorded when they are earned for vacation and sick leave, and they have been included in the financial statements as a component of the payroll expense. The expense and liability are charged to the appropriate fund and program, according to the hours worked by each employee.

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Operating Leases

CACPC leases certain facilities under operating leases. None of the lease terms exceed one year. The rental expense that is recognized under the above leases for the fiscal year ended January 31, 2021, was \$28,404.

Grant Contingencies

CACPC receives the majority of its revenues from government grants, most of which are subject to review by the respective grantor agency. The ultimate determination of the amounts that are received under these programs is generally based upon the allowable costs that are reported to and reviewed by the state or federal government. Until such reviews have been completed and a final settlement has been reached, a contingency exists to refund any amount received in excess of the allowable costs. Management is of the opinion that no material liability will result from such reviews.

NOTE 5 – DEFINED CONTRIBUTION PLAN

Community Action Council of Portage County, Inc. maintains a defined contribution plan for its full-time employees. Employee contributions to the retirement plan will be matched, up to 3 percent of the employee's gross earnings. The defined contribution plan expense was \$27,183 for the fiscal year ended January 31, 2021.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

NOTE 6 – ECONOMIC DEPENDENCY

CACPC received approximately 98 percent of its funding directly or indirectly from state, local, and federal governmental agencies. The future of CACPC is dependent upon the continuance of this funding and the availability of similar funds in the future.

NOTE 7 – DEFERRED REVENUE

Deferred revenue is comprised of the amounts that are received from funding sources for the following sponsored programs and was not expended as of January 31, 2021:

LIHEAP Administrative	\$ 96,279
LIHEAP Emergency	83,987
Home Weatherization Assistance – HHS	108,856
Home Weatherization Assistance – DOE	31,771
CSBG CARES	133,258
CSBG 2021	23,885
Housing Assistance Program	15,644
Other	<u>15,275</u>
Total deferred revenue	<u>\$ 508,955</u>

NOTE 8 – CREDIT FACILITIES

The building that houses the Agency's administrative offices is pledged for a mortgage loan. The loan is payable in monthly installments of \$553.37 through January 6, 2026. The loan bears interest at an annual rate of 5 percent. The loan is secured by the property and all improvements. The outstanding balance on the loan as of January 31, 2021, was \$29,238.

Scheduled maturities of the notes payable are as follows for each of the 5 years following January 31, 2021:

2022	\$ 5,277
2023	5,547
2024	5,831
2025	6,129
2026	6,454

CACPC maintains a lease agreement for a copier that is accounted for as a capital lease. The asset was recorded at a cost of \$17,808, based upon the discounted value of the lease payments, using an implied interest rate of 5 percent, at the inception date of the lease. Future minimum lease payments remaining under this capital lease are due through fiscal year 2022 and are reported in the statement of financial position as a current liability totaling \$3,181.

CACPC also has an available line of credit with a regional bank. The amount of the credit line is \$100,000. The applicable interest rate is based on the prime rate, plus 1.5 percent, or 4.75 percent, as of January 31, 2021. There was no outstanding balance on the line of credit as of January 31, 2021. The line of credit is subject to an annual review by the bank. The next review date is August 2022. The line of credit is secured by, substantially, all of the Agency's assets, with the exception of buildings and vehicles.

COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021

NOTE 9 – NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction are available for the following purposes as of January 31, 2021:

21st Century Learning Program	\$ 458
Portage County College Access Network Donation	264
Portage County College Access Network Scholarship Fund	<u>3,579</u>
Total net assets with donor restriction	<u>\$ 4,301</u>

NOTE 10 – SUBSEQUENT EVENTS

Management of CACPC has assessed events occurring subsequent to January 31, 2021, through October 22, 2021, for potential recognition and disclosure in the financial statements.

The World Health Organization has declared the spread of COVID-19 as a worldwide pandemic. COVID-19 is having significant effects on global markets, supply chains, businesses, and communities. Specific to the Agency, COVID-19 may impact various parts of its 2022 operations and financial results, including, but not limited to, additional costs of emergency preparedness, disease control and containment, potential shortages of personnel, or loss of revenue due to reductions in certain revenue streams. Management believes that CACPC is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of October 22, 2021.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

<u>Federal Grantor/Pass-Through Agency/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed through Ohio Department of Education:</u>			
Summer Food Service Program for Children	10.559	IRN 118083 FY 2020	\$ 228,564
Summer Food Service Program for Children	10.559	IRN 118083 FY 2021	27,170
Subtotal Summer Food Service Program for Children – 10.559			<u>255,734</u>
Subtotal Child Nutrition Cluster – 10.559			<u>255,734</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>255,734</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<u>Passed through City of Kent:</u>			
Community Development Block Grants/Entitlement Grants:			
Kent CDBG Furnace Program	14.218	2018-0000684	19,393
Kent CDBG Furnace Program	14.218	2020-0001120	25,184
Subtotal Community Development Block Grants/ Entitlement Grants – 14.218			<u>44,577</u>
Subtotal CDBG Entitlement Grants Cluster – 14.218			<u>44,577</u>
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>44,577</u>
U.S. DEPARTMENT OF ENERGY			
<u>Passed through Ohio Development Services Agency:</u>			
Weatherization Assistance Program	81.042	19-128	58,094
Weatherization Assistance Program	81.042	20-128	449,332
Subtotal Weatherization Assistance for Low-Income Persons – 81.042			<u>507,426</u>
TOTAL U.S. DEPARTMENT OF ENERGY			<u>507,426</u>
U.S. DEPARTMENT OF TREASURY			
<u>Passed through Ohio Development Services Agency:</u>			
Coronavirus Relief Fund – Emergency Services Program	21.019	CRF-ESP 2020-47	679,812
Subtotal Coronavirus Relief Fund – 21.019			<u>679,812</u>
TOTAL U.S. DEPARTMENT OF TREASURY			<u>679,812</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed through Portage County Department of Job and Family Services:</u>			
Temporary Assistance for Needy Families:			
PRC Utilities 2019-2020	93.558	20190461	14,346
PRC Utilities 2020-2021	93.558	20200478	5,088
PRC Home Repair 2019-2020	93.558	20200233	3,553
PRC Home Repair 2020-2021	93.558	20200479	23
Subtotal Temporary Assistance for Needy Families – 93.558			<u>23,010</u>
Subtotal TANF Cluster – 93.558			<u>23,010</u>

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

<u>Federal Grantor/Pass-Through Agency/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Number</u>	<u>Expenditures</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (CONTINUED)			
<u>Passed through Ohio Development Services Agency:</u>			
<u>Low-Income Home Energy Assistance:</u>			
Administration	93.568	20-HA-141	295,599
Administration	93.568	21-HA-141	218,826
Summer Cooling	93.568	20-HC-241	128,505
Winter Crisis	93.568	20-HE-241	142,142
Winter Crisis	93.568	21-HE-241	118,013
Subtotal Low-Income Home Energy Assistance – 93.568			<u>903,085</u>
Home Weatherization Assistance Program	93.568	19-128	466,391
Home Weatherization Assistance Program	93.568	20-128	217,574
Home Weatherization Assistance Program	93.568	19-HE-128	19,111
Home Weatherization Assistance Program	93.568	20-HE-128	198,119
Subtotal Home Weatherization Assistance Program – 93.568			<u>901,195</u>
Subtotal Low-Income Home Energy Assistance – 93.568			<u>1,804,280</u>
<u>Passed through Ohio Development Services Agency:</u>			
Community Services Block Grant	93.569	2021-47	271,745
Community Services Block Grant – CARES	93.569	CARES 2020-47	59,829
Subtotal Community Services Block Grant – 93.569			<u>331,574</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>2,158,864</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<u>Passed through Portage County United Way:</u>			
Emergency Food and Shelter Program (EFSP: Phase 37)	97.024	6842-00 Phase 37	13,872
Emergency Food and Shelter Program (EFSP: CARES)	97.024	6842-00 CARES	42
Subtotal Emergency Food and Shelter National Board Program – 97.024			<u>13,914</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>13,914</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,660,327</u>

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JANUARY 31, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES

- A. The accompanying schedule of expenditures of federal awards includes the federal award activity of CACPC under programs of the federal government for the fiscal year ended January 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations*, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of CACPC, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of CACPC.
- B. *Capital Assets* – The schedule was prepared on the same basis of accounting as the financial statements, except that capital assets that have been purchased with grant funds are included as expenses, in accordance with grant requirements.

NOTE 2 – INDIRECT COST RATE

Community Action Council of Portage County, Inc. did not elect to use the 10 percent de minimus indirect cost rate.

NOTE 3 – ADDITIONAL FEDERAL GRANT/EXPENDITURES INFORMATION

Subrecipients – CACPC had no subrecipients for the fiscal year ended January 31, 2021.



**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**

To the Board of Directors of
Community Action Council of Portage County, 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 Community Action Council of Portage County, Inc. (a nonprofit organization), which comprise the statement of financial position as of January 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Action Council of Portage County, Inc.'s internal control over financial reporting (internal control) as a basis for designing the 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 Community Action Council of Portage County, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Community Action Council of Portage County, 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Action Council of Portage County, 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 Community Action Council of Portage County, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Community Action Council of Portage County, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Zena Rockel, Kelly Copeland" followed by a stylized flourish.

Wheeling, West Virginia
October 22, 2021



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

To the Board of Directors of
Community Action Council of Portage County, Inc.

Report on Compliance for Each Major Federal Program

We have audited Community Action Council of Portage County, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Community Action Council of Portage County, Inc.'s major federal programs for the fiscal year ended January 31, 2021. Community Action Council of Portage County, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Action Council of Portage County, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Community Action Council of Portage County, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Action Council of Portage County, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Community Action Council of Portage County, 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 fiscal year ended January 31, 2021.

Report on Internal Control over Compliance

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

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

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

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



Wheeling, West Virginia
October 22, 2021

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: **Unmodified**

Internal control over financial reporting:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported

Type of auditor's report on compliance for major programs: **Unmodified**

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of the Uniform Guidance? Yes No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
21.019	U.S. Department of the Treasury: Coronavirus Relief Fund – Emergency Assistance Program
93.569	U.S. Department of Health and Human Services: Community Services Block Grant and Community Services Block Grant – CARES

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

Auditee qualified as low-risk auditee? Yes No

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

SECTION 2 – FINANCIAL STATEMENT FINDINGS

Financial Statement Findings in Accordance with GAGAS

We noted no findings related to the financial statements which are required to be reported in accordance with GAGAS.

SECTION 3 – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

We noted no findings or questioned, or likely questioned, costs for federal awards for the fiscal year ended January 31, 2021.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.
STATUS OF PRIOR YEAR AUDIT FINDINGS/COMMENTS
FOR THE FISCAL YEAR ENDED JANUARY 31, 2021**

There were no findings or recommendations in the prior year's report requiring the preparation of this schedule.