

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.**

**RAVENNA, OHIO**

**AUDIT REPORT**

**JANUARY 31, 2022**

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.  
JANUARY 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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

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

#### ***Opinion***

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, 2022, and the related statements of activities, functional expenses, and cash flows for the fiscal 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 Community Action Council of Portage County, Inc. as of January 31, 2022, and the changes in its net assets and its cash flows for the fiscal 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 Community Action Council of Portage County, 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Community Action Council of Portage County, 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 Community Action Council of Portage County, 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 Community Action Council of Portage County, 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 October 24, 2022, 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 24, 2022

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.  
STATEMENT OF FINANCIAL POSITION  
JANUARY 31, 2022**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$ 1,181,473
Grants receivable	909,946
Inventory	9,742
Prepaid expenses	20,822
Total current assets	2,121,983

**PROPERTY AND EQUIPMENT**

Land	136,452
Buildings and improvements	380,505
Vehicles	210,998
Equipment	180,431
Total	908,386
Accumulated depreciation	(378,134)
Property and equipment, net	530,252

**TOTAL ASSETS**

**\$ 2,652,235**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$ 247,456
Note payable, current portion	5,549
Deferred revenue	1,088,113
Accrued vacation	88,603
Accrued payroll and payroll taxes	140,279
Total current liabilities	1,570,000

**LONG-TERM DEBT**

Note payable, net of current portion	18,409
Total liabilities	1,588,409

**NET ASSETS**

Without donor restriction	1,059,525
With donor restriction	4,301
Total net assets	1,063,826

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 2,652,235**

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, 2022**

	Without Donor Restriction	With Donor Restriction	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Grant and contract revenue	\$ 7,666,921	\$ -	\$ 7,666,921
Donations	44,734	-	44,734
Program income	4,963	-	4,963
Other income	29,037	-	29,037
Total revenues, gains, and other support	7,745,655	-	7,745,655
<b>EXPENSES</b>			
Program services:			
Energy Efficiency and Housing	1,952,099	-	1,952,099
Utility and Emergency Assistance	994,812	-	994,812
Youth Programs	2,736	-	2,736
Technology Training	36,901	-	36,901
Community Services	4,463,135	-	4,463,135
Food Programs	207,800	-	207,800
Total program services	7,657,483	-	7,657,483
Support services:			
Management and General	75,707	-	75,707
Total expenses	7,733,190	-	7,733,190
<b>CHANGE IN NET ASSETS</b>	12,465	-	12,465
<b>NET ASSETS, BEGINNING OF YEAR</b>	1,047,060	4,301	1,051,361
<b>NET ASSETS, END OF YEAR</b>	\$ 1,059,525	\$ 4,301	\$ 1,063,826

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, 2022**

	<u>Energy Efficiency and Housing</u>	<u>Utility and Emergency Assistance</u>	<u>Youth Programs</u>	<u>Technology Training</u>
Personnel	\$ 509,717	\$ 342,469	\$ -	\$ 16,706
Fringes/benefits	212,655	134,830	-	7,068
Contractual services	397,602	1,126	-	-
Professional services	-	-	-	-
Travel	11,561	105	-	-
Utilities	8,961	3,822	-	717
Space	5,799	1,448	-	11,209
Office supplies	6,958	5,147	1,122	114
Consumable supplies	1,278	-	555	-
Client assistance	200,984	468,704	-	-
Materials	480,783	-	-	-
Food purchases	-	-	204	-
Equipment rental and purchases	54,653	9,171	-	1
Postage and freight	4,879	1,963	-	-
Insurance and bonding	36,454	5,757	-	135
Publications and printing	3,522	1,300	-	-
Repairs and maintenance	3,200	-	-	-
Development and recruitment	-	-	-	-
Telephone	4,634	14,604	-	62
Other expenses	2,241	1,775	855	889
Depreciation	6,218	2,591	-	-
	<u>\$ 1,952,099</u>	<u>\$ 994,812</u>	<u>\$ 2,736</u>	<u>\$ 36,901</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, 2022**

	Community Services	Food Programs	Total Program Services	Management and General	Total Expenses
Personnel	\$ 340,551	47,310	\$ 1,256,753	\$ 21,515	\$ 1,278,268
Fringes/benefits	131,632	12,205	498,390	8,407	506,797
Contractual services	1,301	-	400,029	300	400,329
Professional services	-	-	-	3,500	3,500
Travel	786	841	13,293	366	13,659
Utilities	13,399	-	26,899	855	27,754
Space	15,575	-	34,031	3,554	37,585
Office supplies	14,079	852	28,272	795	29,067
Consumable supplies	179	-	2,012	-	2,012
Client assistance	3,904,001	-	4,573,689	2,164	4,575,853
Materials	-	-	480,783	-	480,783
Food purchases	-	146,476	146,680	229	146,909
Equipment rental and purchases	6,571	-	70,396	3,805	74,201
Postage and freight	1,736	-	8,578	396	8,974
Insurance and bonding	2,876	114	45,336	2,681	48,017
Publications and printing	2,333	-	7,155	441	7,596
Repairs and maintenance	157	-	3,357	4	3,361
Development and recruitment	250	-	250	250	500
Telephone	3,101	-	22,401	501	22,902
Other expenses	16,415	2	22,177	3,776	25,953
Depreciation	8,193	-	17,002	22,168	39,170
<b>Total functional expenses</b>	<b><u>\$ 4,463,135</u></b>	<b><u>\$ 207,800</u></b>	<b><u>\$ 7,657,483</u></b>	<b><u>\$ 75,707</u></b>	<b><u>\$ 7,733,190</u></b>

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, 2022**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Change in net assets	\$ 12,465
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	39,170
Net change in:	
Grants receivable	(564,561)
Inventory	920
Prepaid expenses	12,308
Accounts payable	(25,791)
Deferred revenue	579,158
Accrued vacation	3,153
Accrued payroll and payroll taxes	31,903
Net cash provided by operating activities	<u>88,725</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Purchases of property and equipment	(72,651)
Net cash used in investing activities	<u>(72,651)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Principal payments on loan	(5,280)
Payments on capital lease	(3,181)
Net cash used in financing activities	<u>(8,461)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	7,613
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>1,173,860</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 1,181,473</u>
<b>Supplemental Disclosures:</b>	
Interest paid	\$ 1,647
Income taxes paid	<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, 2022**

**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.

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.

Cash and Cash Equivalents

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.

Grants and Accounts Receivable

Grants receivable are primarily unsecured non-interest-bearing amounts that are due from grantors on cost reimbursement or performance grants. Management believes that all outstanding grants receivable are collectible in full; therefore, no allowance for uncollectible receivables has been provided.

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 the net realizable value.

Property and Equipment

Property and equipment are recorded at cost at the date of acquisition or, if donated, at the approximate fair value at the time of the donation. CACPC follows the practice of capitalizing all expenditures for property and equipment in excess of \$5,000. Depreciation is computed on the straight-line basis over the estimated useful lives of the assets, generally, as follows:

Buildings and improvements	25 to 40 years
Vehicles	5 years
Equipment	5 to 10 years

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Depreciation expense of \$39,170 has been recorded for the fiscal year ended January 31, 2022.

The property 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.

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 or other assets 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 (CONTINUED)  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2022**

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

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 that have been received.

Compensated Absences Policy

Full-time employees accrue vacation time each pay period based on the number of years that 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 that are in place.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JANUARY 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

CACPC has analyzed the tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. CACPC believes that the 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, CACPC has not recorded any reserves or related accruals for interest and penalties for uncertain tax positions as of January 31, 2022.

The Agency 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 2019.

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, up to \$250,000. As of January 31, 2022, deposits of approximately \$1,193,503 were uninsured.

**NOTE 2 – LIQUIDITY AND AVAILABILITY**

The following table reflects the Agency's financial assets that are available for general expenditures within one year from the statement of financial position date:

Cash and cash equivalents	\$	1,181,473
Grants receivable		909,946
Subtotal		2,091,419
Financial assets held to meet donor-imposed restriction:		
Purpose-restricted net assets (Note 9)		(4,301)
Deferred revenue		(1,088,113)
Amount available for general expenditures within one year	\$	999,005

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, 2022.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2022**

**NOTE 3 – COMPENSATED ABSENCES**

Full-time employees accrue annual vacation leave based on their years of service. Annual vacation leave is computed from the initial date of permanent full-time employment status, provided that the employment relationship has never been interrupted. If the employment period has been interrupted, except for illness or layoff, for 6 months or more, the length of service shall be counted from the most recent hiring date. In the case of a management level employee who is on sabbatical for 3 years or less, service credit will resume with re-employment. CACPC has recorded accrued vacation in the amount of \$88,603 as of January 31, 2022.

Effective January 1, 2020, the Agency adopted a new 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. Existing employees who have earned sick leave under the old plan will continue to have access and will be able to use their total available leave until it is fully replaced with the new accrued sick leave policy. Effective December 1, 2021, the new accrued sick leave policy was changed to permit full-time employees who have separated from CACPC employment, and who have accrued sick leave under this policy, to be paid 100 percent of the accrued sick leave, up to 480 hours, at the hourly rate that is in existence at the time of separation. New full-time employees who have not passed their initial 90-day probationary period are not eligible. Prior to this policy change, the employee, upon separation, forfeited all earned and unused sick leave that had been accrued, and the funds were reallocated to existing grants or corporate accounts. However, any employee who was 59½ years of age, had a total of 10 or more years of service to the Agency, and was retiring, was paid up to 50 percent of the accrued sick leave at the hourly rate that was in existence at the time of retirement. The Agency has recorded accrued sick leave in the amount of \$85,470, which is included in accrued payroll and payroll taxes on the statement of financial position as of January 31, 2022.

Throughout the year, vacation and sick leave expenses are charged to the appropriate fund and program, according to the hours that are worked by each employee. Vacation and sick leave expenses have been included in these financial statements as a component of personnel expense for the fiscal year ended January 31, 2022.

**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 related to these leases was \$24,632 for the fiscal year ended January 31, 2022, and is included as a component of space expense in these financial statements.

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 that has been received in excess of the allowable costs. Management is of the opinion that no material liability will result from such reviews.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 FOR THE FISCAL YEAR ENDED JANUARY 31, 2022**

**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 \$32,073 for the fiscal year ended January 31, 2022, and is included as a component of fringes/benefits expense in these financial statements.

**NOTE 6 – ECONOMIC DEPENDENCY**

CACPC received approximately 99 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 were received from funding sources for the following sponsored programs, but which were not expended as of January 31, 2022:

LIHEAP Administrative	\$ 95,370
LIHEAP Emergency	103,874
LIHEAP Water Assistance	99,560
Home Weatherization Assistance – HHS	205,053
Home Weatherization Assistance – DOE	42,133
CSBG CARES	132,975
CSBG	50,503
Emergency Rental Assistance – CAA-HRG	230,245
Other	<u>128,400</u>
Total deferred revenue	<u>\$ 1,088,113</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 and is secured by the property and all improvements. The outstanding balance on the loan as of January 31, 2022, was \$23,958.

Scheduled maturities for the loan are as follows for each of the four remaining fiscal years ending January 31:

2023	\$ 5,549
2024	5,831
2025	6,129
2026	<u>6,449</u>
Total	<u>\$ 23,958</u>



**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE FISCAL YEAR ENDED JANUARY 31, 2022**

**NOTE 8 – CREDIT FACILITIES (CONTINUED)**

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, 2022. There was no outstanding balance on the line of credit as of January 31, 2022. The line of credit is subject to an annual review by the bank and is secured by, substantially, all of the Agency's assets, with the exception of buildings and vehicles.

**NOTE 9 – NET ASSETS WITH DONOR RESTRICTION**

Net assets with donor restriction are available for the following purposes as of January 31, 2022:

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 and transactions occurring subsequent to January 31, 2022, through October 24, 2022, which is the date that the financial statements were available to be issued and the report date, for potential recognition and disclosure in the financial statements.

During 2020, the World Health Organization declared the spread of COVID-19 as a worldwide pandemic. COVID-19 continues to have significant effects on global markets, supply chains, businesses, and communities. Specific to the Agency, COVID-19 may impact various parts of its 2023 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 the appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of October 24, 2022.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2022**

<u>Federal Grantor/Pass-Through Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number</u>	<u>Expenditures</u>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<u>Passed through Ohio Department of Education:</u>			
Summer Food Service Program for Children	10.559	IRN 118083 FY 2021	\$ 207,757
Subtotal – Summer Food Service Program for Children – 10.559			<u>207,757</u>
Subtotal – Child Nutrition Cluster – 10.559			<u>207,757</u>
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<u>207,757</u>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<u>Passed through City of Kent:</u>			
Community Development Block Grants/Entitlement Grants:			
Kent CDBG Furnace Program	14.218	2020-0001120	9,817
Kent CDBG Furnace Program	14.218	2021-0001050	10,471
Subtotal – Community Development Block Grants/ Entitlement Grants – 14.218			<u>20,288</u>
Subtotal – CDBG – Entitlement Grants Cluster – 14.218			<u>20,288</u>
<u>Passed through Ohio Department of Development:</u>			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii – COVID-19	14.228	N-D-20-6AA-1	536,227
Subtotal – Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii – 14.228			<u>536,227</u>
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN     DEVELOPMENT</b>			<u>556,515</u>
<b>U.S. DEPARTMENT OF THE TREASURY</b>			
<u>Passed through Ohio Department of Development:</u>			
Emergency Rental Assistance Program – Consolidated Appropriations Act of 2021 – Home Relief Grant	21.023	CAA-HRG 2021-47	3,728,290
Subtotal – Emergency Rental Assistance Program – 21.023			<u>3,728,290</u>
<b>TOTAL U.S. DEPARTMENT OF THE TREASURY</b>			<u>3,728,290</u>
<b>U.S. DEPARTMENT OF ENERGY</b>			
<u>Passed through Ohio Department of Development:</u>			
Weatherization Assistance for Low-Income Persons:			
Home Weatherization Assistance Program 2020-2021	81.042	20-128	51,020
Home Weatherization Assistance Program 2021-2022	81.042	21-128	413,982
Subtotal – Weatherization Assistance for Low-Income Persons – 81.042			<u>465,002</u>
<b>TOTAL U.S. DEPARTMENT OF ENERGY</b>			<u>465,002</u>

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2022**

<u>Federal Grantor/Pass-Through Agency/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number</u>	<u>Expenditures</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Passed through Portage County Department of Job and Family Services:			
Temporary Assistance for Needy Families:			
PRC Utilities 2020-2021	93.558	20200478	13,001
PRC Utilities 2021-2022	93.558	20210948	4,818
PRC Home Repair 2020-2021	93.558	20200479	3,473
Subtotal – Temporary Assistance for Needy Families – 93.558			<u>21,292</u>
<u>Passed through Ohio Department of Development:</u>			
Low-Income Home Energy Assistance:			
Administration	93.568	21-HA-141	266,065
Administration	93.568	HEAP 2022-141	213,361
Low-Income Household Water Assistance Program	93.568	LIHWAP 2021-141	21,619
Summer Crisis 2021	93.568	21-HC-241	132,227
Winter Crisis 2020-2021	93.568	21-HE-241	138,808
Winter Crisis 2021-2022	93.568	22-HE-241	148,126
Home Weatherization Assistance Program 2020-2021	93.568	20-128	463,107
Home Weatherization Assistance Program 2021-2022	93.568	21-128	149,157
HWAP Enhancement 2020-2021	93.568	20-HE-128	42,400
HWAP Enhancement 2021-2022	93.568	21-HE-128	349,111
Subtotal – Low-Income Home Energy Assistance – 93.568			<u>1,923,981</u>
<u>Passed through Ohio Department of Development:</u>			
Community Services Block Grant	93.569	2021-47	154,562
Community Services Block Grant	93.569	2022-2023-47	14,398
Community Services Block Grant – CSBG CARES – COVID-19	93.569	CARES 2020-47	54,987
Subtotal – Community Services Block Grant – 93.569			<u>223,947</u>
<b>TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			<u>2,169,220</u>
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<u>Passed through Portage County United Way:</u>			
Emergency Food and Shelter National Board Program:			
Emergency Food and Shelter Program (EFSP: Phase 37)	97.024	6842-00 Phase 37	1,990
Emergency Food and Shelter Program (EFSP: Phase 38)	97.024	6842-00 Phase 38	13,143
Emergency Food and Shelter Program (EFSP: CARES) – COVID-19	97.024	6842-00 CARES	10,686
Subtotal – Emergency Food and Shelter National Board Program – 97.024			<u>25,819</u>
<b>TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY</b>			<u>25,819</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 7,152,603</u>

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2022**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING 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, 2022. 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 of expenditures of federal awards 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, 2022.



**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, 2022, and the related statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 24, 2022.

**Report on 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 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 or significant deficiencies may exist that were not identified.

## Report on 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.



Wheeling, West Virginia  
October 24, 2022



**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**

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

We have audited Community Action Council of Portage County, 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 Community Action Council of Portage County, Inc.'s major federal programs for the fiscal year ended January 31, 2022. 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.

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, 2022.

***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 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Community Action Council of Portage County, 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 Community Action Council of Portage County, 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 Community Action Council of Portage County, 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 Community Action Council of Portage County, 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 Community Action Council of Portage County, 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 Community Action Council of Portage County, 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 Community Action Council of Portage County, 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 Community Action Council of Portage County, Inc.'s internal control over compliance. Accordingly, 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 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 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 were not 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.



Wheeling, West Virginia  
October 24, 2022

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2022**

**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?                             Yes     No

Significant deficiency(ies) identified not considered  
to be material weaknesses?                                  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 not considered  
to be material weaknesses?                                  Yes     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**

CFDA Number

Name of Federal Program

21.023

U.S. Department of the Treasury:  
Emergency Rental Assistance Program

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, 2022**

**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, 2022.

**COMMUNITY ACTION COUNCIL OF PORTAGE COUNTY, INC.  
STATUS OF PRIOR YEAR AUDIT FINDINGS/COMMENTS  
FOR THE FISCAL YEAR ENDED JANUARY 31, 2022**

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