THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO

MARIETTA, OHIO

AUDIT REPORT

MARCH 31, 2024

THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
MARCH 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The Community Action Program Corporation
of Washington-Morgan Counties, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Community Action Program Corporation of Washington-Morgan Counties, Ohio (a nonprofit organization), which comprise the statement of financial position as of March 31, 2024, 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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio as of March 31, 2024, 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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio 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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December xx, 2024, on our consideration of The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio's internal control over financial reporting and compliance.

DRAFT

Wheeling, West Virginia
December xx, 2024

THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2024

ASSETS	
Cash and cash equivalents	$ 1,968,288
Savings and certificates of deposit	514,428
Grants and contracts receivable	1,446,778
Accounts receivable	208,778
Inventory	42,038
Prepaid expenses	95,901
Right-of-use asset – operating leases	170,881
Property and equipment, net of accumulated depreciation of $2,978,754	2,675,596
TOTAL ASSETS	$ 7,122,688
LIABILITIES	
Accounts payable	$ 219,745
Accrued payroll, benefits, and taxes	528,238
Accrued vacation and related benefits	662,385
Other accrued expenses	40,663
Funds due to grantor	17,179
Deferred revenue	1,002,605
Unearned program and management fees	4,609
Lease liability – operating leases	170,881
Funds held in trust	136,128
Mortgages payable – soft mortgages	374,828
TOTAL LIABILITIES	3,157,261
NET ASSETS	
Net assets – without donor restriction	3,255,277
Net assets – with donor restriction	710,150
TOTAL NET ASSETS	3,965,427
TOTAL LIABILITIES AND NET ASSETS	$ 7,122,688

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

THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED MARCH 31, 2024

	Without Donor Restriction	With Donor Restriction	Total
SUPPORT AND REVENUES			
Grants and contracts	$ 15,560,576	$ 391,395	$ 15,951,971
Fee-for-service and vendor contracts	1,582,125	-	1,582,125
Program income, rents, and fees	404,859	-	404,859
Contributions and other public support	171,450	31,568	203,018
Loan amortization income	42,731	-	42,731
Miscellaneous income and refunds	96,000	-	96,000
Interest income	20,109	-	20,109
Net assets released from restriction	259,218	(259,218)	-
Total support and revenues	18,137,068	163,745	18,300,813
EXPENSES			
Program and Corporate Services:			
Senior and Community Services	11,251,261	-	11,251,261
Housing Weatherization/Preservation and Transportation Services	2,151,038	-	2,151,038
Employment and Training	1,832	-	1,832
Children's Programs	3,397,188	-	3,397,188
Health Programs	315,223	-	315,223
Corporate Services	691,074	-	691,074
Total Program and Corporate Services	17,807,616	-	17,807,616
Management and General	1,268,811	-	1,268,811
Eliminations	(812,619)		(812,619)
Total expenses	18,263,808	-	18,263,808
Change in net assets	(126,740)	163,745	37,005
NET ASSETS, BEGINNING OF YEAR	3,382,017	546,405	3,928,422
NET ASSETS, END OF YEAR	$ 3,255,277	$ 710,150	$ 3,965,427

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

THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED MARCH 31, 2024

	Senior and Community Services	Housing Weatherization/ Preservation and Transportation Services	Employment and Training	Children's Programs	Health Programs
EXPENDITURES					
Salaries and wages	$ 1,778,568	$ 777,575	$ -	$ 1,797,556	$ 192,900
Fringe benefits	840,343	378,129	-	861,831	71,960
Travel and transportation	162,448	10,981	-	27,782	49
Contractual and other professional fees	67,883	81,186	-	106,851	1,426
Communications	33,977	7,481	-	22,063	7,206
Occupancy, facility costs, and rents	130,111	11,044	-	116,911	23,221
Rental and other housing assistance payments	6,297,629	-	-	180	-
Insurances	44,359	76,555	-	58,702	8,750
Supplies	131,165	26,682	-	217,884	5,521
Equipment and equipment maintenance	67,547	28,502	-	39,630	3,788
Materials	-	263,811	-	-	-
Vehicle operations	19,666	107,466	-	1,064	-
Housing rehabilitation	-	377,789	-	-	-
Emergency assistance and participant costs	1,301,684	-	1,832	35	375
Food costs	342,560	-	-	132,962	-
Other costs	33,166	3,837	-	13,737	27
Depreciation	155	-	-	-	-
Total expenditures	$ 11,251,261	$ 2,151,038	$ 1,832	$ 3,397,188	$ 315,223

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

THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
STATEMENT OF FUNCTIONAL EXPENSES (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2024

	Corporate Services	Total Program and Corporate Services	Management and General	Eliminations	Total Expenses
EXPENDITURES					
Salaries and wages	$ 253,652	$ 4,800,251	$ 590,541	$ (506,455)	$ 4,884,337
Fringe benefits	91,682	2,243,945	270,267	(243,700)	2,270,512
Travel and transportation	3,698	204,958	2,476	(1,920)	205,514
Contractual and other professional fees	4,234	261,580	10,942	(500)	272,022
Communications	3,558	74,285	6,193	(5,414)	75,064
Occupancy, facility costs, and rents	141,640	422,927	15,346	(5,385)	432,888
Rental and other housing assistance payments	20,760	6,318,569	-	-	6,318,569
Insurances	90,306	278,672	4,127	(218)	282,581
Supplies	10,957	392,209	39,632	(29,432)	402,409
Equipment and equipment maintenance	4,630	144,097	21,200	(18,970)	146,327
Materials	17,455	281,266	21,198	-	302,464
Vehicle operations	46,154	174,350	310	-	174,660
Housing rehabilitation	-	377,789	-	-	377,789
Emergency assistance and participant costs	990	1,304,916	-	-	1,304,916
Food costs	-	475,522	-	-	475,522
Other costs	1,358	52,125	11,409	(625)	62,909
Depreciation	-	155	275,170	-	275,325
Total expenditures	$ 691,074	$ 17,807,616	$ 1,268,811	$ (812,619)	$ 18,263,808

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

THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED MARCH 31, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	$ 37,005
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	275,325
Amortization of soft mortgages	(42,731)
Interest capitalized on certificates of deposit	(17,046)
Gain on disposal of fixed assets	(27,481)
Changes in assets and liabilities:	
Grants, contracts, and accounts receivable	203,144
Inventory	(8,922)
Prepaid expenses	(26,744)
Accounts payable	(580,467)
Accrued payroll, benefits, and taxes	119,943
Accrued vacation and related benefits and other accrued expenses	60,275
Funds due to grantor	(15,191)
Deferred revenue	269,852
Unearned program and management fees	(2,099)
Funds held in trust	(2,313)
Net cash provided by operating activities	242,550
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	(100,564)
Proceeds from sale of fixed assets	59,399
Net cash used in investing activities	(41,165)
Increase in cash and cash equivalents	201,385
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,766,903
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,968,288

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

NOTE 1 – ORGANIZATION

Nature of Operations

The Community Action Program Corporation of Washington-Morgan Counties, Ohio (the "Organization"), a private nonprofit, 501(c)(3) Ohio corporation, was established to identify and eliminate, as much as possible, the causes of poverty among the low-income individuals and families of Washington and Morgan Counties, Ohio. To achieve this objective, the Organization operates a variety of programs that are designed to empower these individuals and families in order to have an impact on their lives. The Organization is an advocate for eliminating the causes of poverty; provides equal opportunity for all employees and clients; aids, in every way possible, those individuals and families who need personal attention in order to develop latent talents and abilities; uses every resource to secure and retain employment for those who desire to work; improves the availability, safety, and comfort of affordable housing; encourages the attainment of self-sufficiency through education; helps the individuals and families to become healthier; encourages the agencies that are engaged in activities that are related to the Organization's programming to administer assistance on a common or cooperative basis; encourages business, labor, and other private organizations to join with public officials in support of the Organization; and sponsors quality programs and maintains quality administration.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization prepares its financial statements in accordance with generally accepted accounting principles promulgated in the United States of America (U.S. GAAP) for not-for-profit entities. The significant accounting and reporting policies used by the Organization are described below to enhance the usefulness and understandability of the financial statements.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in conformity with U.S. GAAP.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, the Organization's management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. Management believes that the estimates and assumptions are reasonable in the circumstances. However, the actual results may differ from those estimates.

Account Classification

Revenue and expenditure information is maintained separately, by project, for the grants that are funded to the Organization, as required by the various funding sources. Corporate or support services are also maintained on an individual basis. All significant interfund transactions have been eliminated for financial reporting purposes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standard

On April 1, 2023, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces an incurred loss methodology with a current expected credit loss (CECL) methodology for recognizing credit losses. ASU No. 2016-13 requires the Organization to present financial assets measured at amortized cost, including accounts receivable, at the net amount expected to be collected over the remaining lives of the assets. Expected credit losses are based on relevant information about historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of financial assets, resulting in recognition of lifetime expected credit losses at initial recognition of the related assets through an allowance for credit losses.

The Organization used the modified retrospective method in adopting the new standard, as amended, with no cumulative-effect adjustment to net assets as of April 1, 2023, and no significant impact to the change in net assets for the fiscal year ended March 31, 2024. The Organization considers the new CECL methodology to be preferable to the prior incurred loss methodology because expected losses will be recognized in a timelier manner.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and any unrestricted highly liquid investments with an initial maturity of three months or less. Certificates of deposit are excluded from cash equivalents, as they have maturity dates beyond three months. The Organization paid no income taxes and no interest expense during the fiscal year ended March 31, 2024.

The Organization maintains cash deposits in a certain financial institution that may, at times, exceed federally insured amounts of up to $250,000, per account. The financial institution has pledged approximately $3,000,000 in government or government agency securities on behalf of the Organization in order to secure the amounts which exceed the insured amounts.

Cash balances on the Statement of Financial Position include $78,982 in HUD Escrow funds and $117,227 in Representative Payee funds. Portions of these cash balances represent the amounts that are held on a client's behalf and are not available for the general obligations of the Organization. The amount that is held on behalf of clients totaled $136,128 as of March 31, 2024, and is also reported in the liabilities section of the Statement of Financial Position as funds held in trust. Remaining cash balances of $60,081 represent the administrative fees that are earned by the Organization but have not been spent as of March 31, 2024.

Certificates of Deposit

Certificates of deposit are recorded at cost, plus accrued interest. Interest rates on the certificates of deposit range from 3.75 percent to 4.25 percent as of March 31, 2024.

Grants and Contracts Receivable

Grants and contracts receivable are primarily unsecured noninterest-bearing amounts due from grantors on cost reimbursement or performance grants. Management believes that all outstanding grants and contracts receivable are collectible in full; therefore, no allowance for credit losses has been provided.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable
Accounts receivable balances are comprised of various fee-for-service billings, rents, and other contract arrangement amounts that have been billed and are due as of March 31, 2024. Provisions for expected credit losses are made based on relevant information about historical experience, current conditions, and reasonable and supportable forecasts that may affect the collectability of the receivables. The Organization did not record any allowance for credit losses as of March 31, 2024, because management believes that all amounts are collectible in full. It is reasonably possible that management's estimates relating to potential credit losses for accounts receivable may change.

Inventory
Inventory is recorded at cost on a first-in, first-out basis and includes both materials inventory and food inventory. Inventory is initially purchased with corporate funds and is then charged to, and reimbursed by, each applicable program based on actual usage. As of March 31, 2024, total inventory amounted to $42,038, which included $25,530 in materials inventory and $16,508 in food inventory. All other minor supplies are charged to expense during the period of purchase.

Prepaid Expenses
Prepaid expenses are mostly comprised of insurance premiums, dues, rents, maintenance agreements, and other costs that are paid during the year, but that benefit future periods. The expenses will be recognized in the Statement of Activities based on the passage of time and the use of the asset during the applicable time period.

Leases
In accounting for leases, the Organization follows the provisions of FASB ASU No. 2016-02 – *Leases* (Topic 842) and the subsequent amendments thereto, which require the Organization to recognize most of its leases on its Statement of Financial Position. In accordance with the provisions of FASB ASU No. 2016-02, leases are classified by lessees as operating or finance leases at the lease commencement date, with corresponding right-of-use (ROU) assets and lease liabilities recognized on the Statement of Financial Position. An ROU asset represents the Organization's right to use the underlying asset for the lease term, and the lease liability represents the Organization's obligation to make lease payments arising from the respective lease. Operating leases result in lease expense, which is recognized on a straight-line basis over the respective lease terms. Finance leases result in expense, segregated between the amortization of the ROU assets and interest on the lease liabilities.

As permitted under FASB ASU No. 2016-02, the Organization has elected not to recognize short-term leases, with an initial term of 12 months or less, in the Statement of Financial Position; however, short-term lease expense will be recognized in the Statement of Activities on a straight-line basis over the term of the lease. The Organization has also adopted a $5,000 capitalization threshold, similar to the one that is used for property and equipment. Accordingly, leases that have a present value of future lease payments under $5,000 will not be recognized in the Statement of Financial Position; however, lease expense will be recognized in the Statement of Activities on a straight-line basis over the term of the lease. Further disclosures regarding the Organization's leases are presented in Note 10.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment and Space Costs
For financial reporting purposes, all acquisitions of property and equipment that are generally in excess of $5,000, as well as expenditures for renewals and betterments that add value to the property or materially prolong the useful lives of the assets, are capitalized. Property and equipment are recorded at cost or, if donated, at fair value at the date of donation. Repairs and maintenance that do not extend the lives of the applicable assets are charged to expense as they are incurred.

Depreciation and amortization of property and equipment are calculated by using the straight-line method over the estimated useful lives of the assets, as follows: 30 to 40 years for buildings and improvements, and 3 to 5 years for vehicles and equipment.

The property and equipment that have been acquired with grant funds are owned by the Organization while they are used in the programs for which they were purchased or will be used in other future authorized programs. The funding sources, however, have a reversionary interest in the equipment that has been purchased with grant funds; therefore, their disposition, as well as the ownership of any sale proceeds therefrom, are subject to funding source regulations.

Property and equipment are reviewed for impairment when a significant change in the asset's use or another indicator of possible impairment is present. No impairment losses were recognized in the financial statements during the current period.

Space costs are allocated to grants based on the square footage that is occupied by each program. Occupancy costs are charged based on the direct square footage, not including common space, that is occupied by each program. Costs that are associated with buildings that are used specifically to provide services for a particular program are charged directly to that program.

Classification of Net Assets
The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors 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 of 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 Organization must continue to use the resources in accordance with the donor's instructions. Unspent contributions are included in this class if the donor has limited their use.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets with Donor Restriction (Continued)
When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the financial statements by reclassifying the net assets from net assets with donor restriction to net assets without donor restriction. However, when the restriction is met during the same period in which the revenue is recognized, the Organization may elect to report the revenue as 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, unless the donor provides more specific directions about the period of its use.

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 Organization's primary source of revenue is income from grants, contracts, and fee-for-service arrangements from government agencies, as well as from contributions and program income that are generated by the Organization. The following accounting policies have been adopted:

a. Grant and Contract Revenue (Grant Awards that are Contributions)
Revenue is recognized on grants and reimbursement contracts when the related program expenses are incurred and the grant funds are earned. A receivable is recorded when the grant revenue that is earned exceeds the grant funds that have been received, and, conversely, deferred revenue is recorded when the grant funds that have been received exceed the grant revenue that has been earned. The grantors may, at their discretion, request reimbursement for unallowed expenses as a result of noncompliance by the Organization with the terms of a grant. On certain grants, if the advances exceed the eligible costs, the funds must be returned to the grantor. The Organization has no grant awards that were considered to be exchange transactions and would be accounted for under Accounting Standards Board (ASC) Topic 606.

b. Fee-for-Service and Program Income
Fee-for-service and program income are recognized as revenue at the time that the services are performed or when the revenue cycle is complete.

c. Contributions
Contributions are recognized as revenue when an unconditional promise to give is received.

d. Interest Income
Interest income is recognized during the accounting period in which it is earned. The Organization maintains the funds that are received from various sources in interest-bearing checking accounts (NOW Accounts). The portion of the interest that is earned on grant funds is applied to the funding sources in accordance with grant requirements. The interest that is earned on other funds is transferred to the corporate accounts and is used to support the programs of the Organization.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

e. Contributions of Nonfinancial Assets (In-Kind Contributions)
The Organization receives a significant amount of donated services from parents and other volunteers who assist primarily in the operation of the federal Head Start program. However, for these contributions of nonfinancial assets (in-kind contributions) to be recognized in the financial statements, they must meet the criteria for recognition as outlined in FASB Accounting Standards Codification (ASC) No. 958-605 – *Not-for-Profit Entities – Revenue Recognition.* Specific to contributed services, FASB ASC 958-605 allows the recognition of the services only if (i) the services create or enhance nonfinancial assets or (ii) the services require specialized skills, are provided by individuals possessing those skills, and would be purchased, if not provided by contribution. The contributed services received during the fiscal year ended March 31, 2024, were not recognized for financial reporting purposes because they did not meet the necessary criteria; however, such services were recognized for grant reporting purposes. See Note 5 for additional details. The Organization's policy related to in-kind contributions is to utilize the goods and services that have been received to carry out its mission. If the Organization receives an item or asset that cannot be utilized in the normal course of operations, then the item or asset is sold, and the money that is received is used in the operations of the Organization.

Functional Expenses
The costs of providing the Organization's various programs, activities, and overall administrative functions have been summarized on a functional basis in the accompanying Statement of Functional Expenses. General and administrative costs are accumulated by function for financial reporting purposes, and are then allocated to the various benefitting programs and activities for grant reporting purposes. Costs that benefit multiple functions are accumulated and allocated following the processes noted in Cost Allocations below.

Cost Allocations
Costs are allocated to the benefiting programs by using various allocation methods, depending on the joint cost allocated. Joint costs are those costs that are incurred for the common benefit of all agency programs, but which cannot be readily identified with a final cost objective. Management costs are accumulated in a Management Pool and are allocated to programs based upon the methodologies noted below. Total costs in the Management Pool for the fiscal year ended March 31, 2024, were $812,619. Prior to distributing these costs to the programs, the Management Pool and other general expenses totaled $1,268,811. The total Program and Corporate Services costs before the allocation of the Management Pool costs were $16,994,997. The Statement of Functional Expenses presents the total Program and Corporate Services and the total Management and General costs before the allocation of the Management Pool costs, and an elimination column that represents the allocated Management Pool costs. Total expenses represent the net expenses of the Organization once the allocated costs are moved from Management and General and allocated to Program and Corporate Services.

In accordance with the Office of Management and Budget (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, or Uniform Guidance, the Organization follows the cost allocation methods below:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cost Allocations (Continued)

Salaries and Wages
Fiscal Department – Fiscal Management (Fiscal Officer, Reports Manager, Staff Accountant, Staff Accountant II, and Payroll Clerk) records the time they spend working on the specific programs on their time sheets. They then record the time that is spent on fiscal management activities. Fiscal management time is allocated to all programs based on the direct hours of total agency staff. Fiscal staff also records the time that they spend on the specific programs on their time sheets. They then record the time that is spent on general fiscal activities, such as running batches, checks, and filing. General fiscal costs are charged to the programs based on the direct hours of total agency staff.

The Executive Director and Executive Secretary record the time that is spent on specific programs on their time sheets. They then record the general administrative time. The General Administrative, Human Resources, Executive Director, and Executive Secretary costs are accumulated and charged to the programs based on the direct hours of total agency staff.

Fringe Benefits
Employer payroll taxes and compensated absences are allocated based on salaries. Insurance benefits are allocated each pay period based upon the hours worked, reduced by the employee withholdings in the prior month.

Copy Costs
Copier lease expenses and copier supplies are charged directly to the programs based on actual copier readings. Codes are used to track copier usage, and periodic readings of the copier are taken. Copier costs for General & Administrative (G&A), Fiscal, Audit, and Human Resources are accumulated and charged to the programs based on the direct hours of total agency staff.

Telephone
Telephone charges to the grants/programs are based on the number of instruments that are utilized by the programs. Communication costs are charged to the programs based on the programs that are using the telephones, including G&A. G&A, Fiscal, and Human Resources costs are then charged to the programs based on the direct hours of total agency staff.

Postage
Charges that are made directly to each program are based on the postage meter readings for each program, as provided by the third-party vendor. G&A, Fiscal, and Human Resources costs are charged to the programs based on the direct hours of total agency staff.

Utilities
Grants are charged based on the square footage that is used during the billing period. G&A, Fiscal, and Human Resources costs are charged to the programs based on the direct hours of total agency staff.

Supplies
Programs purchase supplies as they are needed. Common office supplies are shared by all programs and are allocated to the programs based on the direct hours of total agency staff. G&A, Fiscal, and Human Resources costs are charged back to the programs based on the direct hours of total agency staff.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cost Allocations (Continued)

Printing
Printing is directly charged to each program, unless it is common printing, in which case, it is allocated on the basis of employees. Common printing is charged to G&A, Fiscal, and Human Resources. G&A, Fiscal, and Human Resource costs are charged back to the programs based on the direct hours of total agency staff.

Insurance
Insurance is allocated to the benefiting programs depending on the equipment, space, or persons that are covered by the insurance. G&A, Fiscal, and Human Resources costs are charged back to the programs based on the direct hours of total agency staff.

Rent
Rent for the specific programs is charged to those programs. Occupancy charges, such as utilities for the corporate office, are allocated by square footage. Occupancy is charged directly to the program that is using the facility. G&A, Fiscal, and Human Resources costs are charged back to the programs based on the direct hours of total agency staff. No rent is charged for agency-owned space.

Travel
Travel is charged directly to the program, or to the Community Services Block Grant Administration, if the travel is for general purposes. G&A, Fiscal, and Human Resources costs are charged back to the programs based on the direct hours of total agency staff. Travel by G&A, Fiscal, and Human Resources for a specific program is charged as a direct cost to that program.

Dues and Subscriptions
Dues and subscriptions are chargeable to the Ohio Department of Development (ODOD) grants or directly to the program, if specific to that program. The dues and subscriptions of G&A, Fiscal, and Human Resources are charged to the programs based on the direct hours of total agency staff.

Interest Expense
Interest expense is allocated to unrestricted (corporate) funds for those grants that do not allow interest expense. No interest expense was incurred during the fiscal year ended March 31, 2024.

Income Taxes
The Organization 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.

The Organization has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Organization 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 the Organization's financial condition or the results of operations. Accordingly, the Organization has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions as of March 31, 2024.

The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization believes that it is no longer subject to income tax examinations for years prior to fiscal year 2021.

NOTE 3 – LIQUIDITY

The Organization's financial assets that are available within one year of the Statement of Financial Position date for general expenditures are as follows:

Cash and cash equivalents	$ 1,968,288
Savings and certificates of deposit	514,428
Grants, contracts, and accounts receivable	1,655,556
Cash and certificates of deposit reserved to fund accrued vacation and related benefits and accrued health benefits	(595,804)
Revenue received in advance (deferred revenue/due to grantor and unearned fees)	(1,024,393)
Funds held in trust on client's behalf	(136,128)
Financial assets restricted for specific donor purposes	(710,150)
Total	$ 1,671,797

The Organization is supported by government grants and contracts that are funded on a cost reimbursement basis. Under these grants, reimbursement is requested from the funding source once the expenses are incurred. As part of its liquidity management, the Organization has developed and adopted annual budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. The Organization maintains financial assets on hand to meet the normal operating expenses.

NOTE 4 – RELATED PARTY

The Poor and Indigent Peoples Care Trust (the "PIP Trust") is a nonprofit organization that was established to provide financial assistance to nonprofit organizations, particularly to The Community Action Program Corporation of Washington-Morgan Counties, Ohio. In accordance with the by-laws of the PIP Trust, the nine Board members of the PIP Trust must be selected from the Organization's Board.

The two entities are not considered to be financially interrelated organizations since the relationship does not meet all criteria set forth in the FASB Accounting Standards Codification. Certain requirements of the Trust Agreement have not been met as of March 31, 2024, thereby restricting the Organization's access to the net assets of the PIP Trust. Accordingly, as of March 31, 2024, the Organization does not have an ongoing economic interest in the net assets of the PIP Trust.

The PIP Trust donated $50,000 to the Organization during the fiscal year ended March 31, 2024. There were no additional transactions between the PIP Trust and the Organization for the fiscal year ended March 31, 2024.

NOTE 5 – CONTRIBUTIONS OF NONFINANCIAL ASSETS (IN-KIND CONTRIBUTIONS)

The Organization receives a significant amount of donated services from parents and other volunteers who assist in the operation of the federal Head Start program. As mentioned in Note 2, none of these amounts have been recognized in the Statement of Activities for the fiscal year ended March 31, 2024, since the criteria for recognition under U.S. GAAP have not been met. However, while these donated services are not recognized for financial reporting purposes, they are recognized for grant reporting purposes. In-kind services are valued using the state minimum wage rate, including fringe benefits, multiplied by the hours that are donated, which resulted in $605,706 of donated services and benefits, which exceeded the required recipient share amount of $400,000 for the Head Start program for the fiscal year ended March 31, 2024.

In addition, local cash matches were used to meet the matching cash requirements of various other grants. The amounts were obtained from various local grants, performance contracts, and donations.

NOTE 6 – GRANTS AND CONTRACTS RECEIVABLE AND DEFERRED REVENUE BALANCES BY PROGRAM

The current grants and contracts receivable and deferred revenue balances are from the results of each program's operations that the Organization maintains as a direct recipient or subrecipient. The balances for grants and contracts receivable, and for deferred revenue as of March 31, 2024, consist of the following:

GRANTS AND CONTRACTS RECEIVABLE:

Federal Programs	
Affordable Care Act Navigator	$ 8,203
Community Services Block Grant	60,169
Continuum of Care Program – Shelter Plus Care	3,583
Emergency Rental Assistance Program – ARPA Home Relief Grant	263,164
Head Start	199,962
Homeowner Assistance Fund – Utility Assistance Plus	116,092
Weatherization Readiness	5,182
Bipartisan Infrastructure Funding	3,283
HWAP HHS	52,093
HWAP Enhancement	20,166
Lead Safe Ohio	2,423
LIHEAP – Administrative and Operations	82,244
LIHEAP – Low-Income Household Water Assistance Program	253,587
Morgan County Title XX	15,919
Mainstream Vouchers – HUD	1,387
Ohio Department of Education – USDA	21,699
Rural Housing Preservation Grants	60,444
Section 8 Housing Choice Vouchers – HUD	30,990
Special Programs for the Aging	6,010
Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program	18,182
TANF – Kinship Navigator	13,668
VA Supportive Services for Veteran Families	26,700
WIC Special Supplemental Nutrition Program	33,599
Total grants and contracts receivable – federal programs	1,298,749

NOTE 6 – GRANTS AND CONTRACTS RECEIVABLE AND DEFERRED REVENUE BALANCES BY PROGRAM (Continued)

GRANTS AND CONTRACTS RECEIVABLE (Continued):

State, Local, and Other Programs	
Housing Trust Grant	9,629
ODOD – Building Demo	92,243
ODOD – HCRP	27,904
Senior Nutrition Program	18,253
Total grants and contracts receivable – state, local, and other programs	148,029
Total grants and contracts receivable	$ 1,466,778

DEFERRED REVENUE:

Federal Programs	
Childcare and Development Block Grant	$ 154,273
Community Services Block Grant	10,512
Emergency Rental Assistance Program – ARPA Home Relief Grant	74,970
Bipartisan Infrastructure Funding	245,586
Weatherization Readiness	3,260
COAD – DOE	3,504
HWAP HHS	72,425
LIHEAP – Administrative and Operations	78,281
Mainstream Vouchers – HUD	146,421
Section 8 Housing Choice Vouchers – HUD	207,455
Total deferred revenue – federal programs	996,687
State and Local Programs	
COHHIO Risk Mitigation	391
ODOD – PIPP	5,527
Total deferred revenue – state and local programs	5,918
Total deferred revenue	$ 1,002,605

NOTE 7 – MORTGAGES PAYABLE – SOFT MORTGAGES

The Organization records debt obligations on assets that are purchased with grant assistance. The following table details the outstanding commitments based upon grant and loan agreements for the various properties that were purchased and signed by, or prior to, March 31, 2024:

Total second mortgages in the name of the Ohio Department of Mental Health, as detailed below	$ 190,862
Total second mortgages in the name of the Ohio Department of Development, as detailed below	183,966
Total mortgages payable	$ 374,828

Maturities of mortgages payable amounts that are due over the next five years for the fiscal years ending March 31, are as follows:

	Soft Mortgages
2025	$ 40,301
2026	40,301
2027	40,301
2028	37,524
2029	36,599

For properties that have been purchased with assistance from the Ohio Department of Mental Health funds, second mortgages were placed on the properties in the name of the Ohio Department of Mental Health (ODMH). These mortgages require no repayment, provided that the facilities are used for mental health purposes for 40 years. The Organization has recognized this liability (soft mortgages) as a mortgage payable on the Statement of Financial Position as of fiscal year-end. The debt is reduced by an amount equal to 1/480 each month.

The mortgages payable balance reflects the unamortized second mortgage balances on the following properties:

Gates Street	$ 16,352
Elm and Maple Streets	13,447
Fifth Street Property	14,459
East Bell	16,647
Wayne Street	9,526
Main Street	12,067
Scammel Street	24,765
Cisler Street	83,599
Total ODMH mortgages	$ 190,862

Certain properties were also acquired with grant funds from the ODOD. Second mortgages were placed on the properties by ODOD. These mortgages are forgiven over a 30-year life, provided that the facilities are used for their agreed-upon purpose. Accordingly, the Organization has included these liabilities on the Statement of Financial Position as of fiscal year-end. The debt is reduced by an amount equal to 1/360 each month.

NOTE 7 – MORTGAGES PAYABLE – SOFT MORTGAGES (Continued)

The mortgages payable balance reflects the unamortized second mortgage balances on the following properties:

Sharon Street Property	$ 6,277
Wedgewood Drive Property	5,755
4 Units of the 8-Unit Complex	74,573
Spring Street	10,664
Main Street	12,924
Sixteenth Street	11,995
Poplar Street	10,681
Florence	17,177
Cisler Street	33,920
Total ODOD mortgages	$ 183,966

Since all of these mortgages are forgivable, no interest expense has been recorded for the fiscal year ended March 31, 2024.

NOTE 8 – PROPERTY AND EQUIPMENT

As described in Note 2 to the financial statements, the Organization owns various property and equipment, which are recorded on the Statement of Financial Position as of March 31, 2024.

A Notice of Federal Interest remains in effect for the property located at 320 Main Street, Malta, Ohio. The federal interest is in place since the federal Head Start funds that have been awarded by the U.S. Department of Health and Human Services, the Administration for Children and Families, and the Office of Head Start were used by the Organization to partially fund the renovation of the property. Under these conditions, said property cannot be further mortgaged, encumbered, used as collateral, sold, or otherwise transferred to another party without written permission by a responsible Head Start official. The property may not be used for any purpose inconsistent with that authorized by Head Start.

Property and equipment consist of the following as of March 31, 2024:

Land	$ 20,228
Buildings and improvements	4,175,728
Construction in progress	27,184
Total land, buildings, and improvements	4,223,140
Vehicles	760,316
Equipment	670,894
Total property and equipment	5,654,350
Accumulated depreciation	(2,978,754)
Property and equipment, net	$ 2,675,596

Depreciation expense charged to operations during the fiscal year ended March 31, 2024, totaled $275,325.

NOTE 9 – PENSION PLAN

The Organization maintains a 401(k) Plan for eligible employees. All employees are eligible to participate in the Plan following the completion of one year of service and attainment of age 18. Employees may contribute a percentage of their total income on a pre-tax basis, not to exceed $22,500 for calendar year 2023, and $23,000 for calendar year 2024, except for the employees that are eligible under the “catch-up” provisions. The catch-up provisions allow eligible employees of age 50 and over to make contributions up to $30,000 for calendar year 2023, and $30,500 for calendar year 2024. The Organization has elected to contribute 4 percent of each eligible employee’s salary to the Plan, and each employee is eligible to earn up to a 2 percent additional match by contributing up to 2 percent of his/her own pay. The amount of pension expense incurred during the fiscal year ended March 31, 2024, for this Plan was $217,235.

NOTE 10 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As discussed in Note 2, the Organization accounts for its leases in accordance with the provisions of FASB ASU No. 2016-02, under which leases are classified by lessees as operating or finance leases at the lease commencement date, with corresponding right-of use (ROU) assets and lease liabilities recognized on the Statement of Financial Position. Operating leases result in lease expense, which is recognized on a straight-line basis over the respective lease terms. Finance leases result in expense, segregated between the amortization of the ROU assets and interest on the lease liabilities. The Organization did not have any finance leases as of March 31, 2024, or during the fiscal year then ended.

The Organization has operating leases for senior center space at three separate locations. Two of the leases expire on December 31, 2025, and have monthly rental rates of $200 and $275, respectively. The third lease is a 60-month lease, which commenced on January 1, 2024, and expires on December 31, 2028. The initial rental rate was $1,854 per month, and the rate is increased by 3 to 4 percent each year through the end of the lease. These leases do not contain any renewal options, and they may be canceled with appropriate notice. However, since the Organization was reasonably certain that it would continue its operations at each of these locations, the entire lease terms were included in the respective lease computations.

In February 2024, the Organization entered into a one-year operating lease for office space in McConnelsville, Ohio with a rental rate of $650 per month. The lease has an automatic one-year extension, unless the lease is otherwise terminated. Since the Organization was reasonably certain that it would continue at this location for the second year, this additional period was included in the ROU asset and lease liability calculations at lease inception.

The Organization has operating leases for office space, storage space, and land used for a school playground that operate on a month-to-month basis with rental rates ranging from $100 to $450 per month. These leases may be canceled at any time. However, on the date of adoption, the Organization was reasonably certain that it would continue its operations at each of these locations for a period of five years. Accordingly, a five-year term was included in these lease computations as of April 1, 2022.

In March 2023, the Organization entered into a two-year operating lease for copier equipment with a rental rate of $900 per month. The lease contains a provision for automatic renewal at the end of the extended term unless the Organization provides written notice of termination. Since the Organization does not intend to extend the lease beyond March 31, 2025, no additional extensions have been included in the lease computations.

NOTE 10 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

The leases discussed above do not contain any residual value guarantees, material restrictions, or covenants. In addition, the Organization elected to use the applicable risk-free rate for each of its lease computations. The applicable risk-free rate is the rate of a U.S. Treasury instrument with the same duration as the respective lease.

The Organization also leases space under various short-term real estate leases or leases that do not meet the capitalization threshold. As discussed in Note 2, short-term leases or leases that do not meet the capitalization threshold are not recognized in the Statement of Financial Position; however, lease expense is recognized on a straight-line basis over the respective lease terms.

The components of lease cost for the fiscal year ended March 31, 2024, are as follows:

Operating lease expense	$ 50,792
Short-term lease expense	10,452
Lease expense for leases under capitalization threshold	175
Total lease expense	$ 61,419

Future minimum lease payments for the long-term operating leases noted above are as follows:

Fiscal Year Ending March 31,	
2025	$ 58,100
2026	45,874
2027	35,474
2028	24,971
2029	19,147
Total future minimum lease payments	183,566
Imputed interest	(12,685)
Total lease liability as of March 31, 2024	$ 170,881

Other information related to the long-term operating lease for the fiscal year ended March 31, 2024, is as follows:

Supplemental Cash Flow Information:	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows	$ 50,792
Noncash activity:	
Right-of-use assets obtained in exchange for lease liabilities	$ 124,401
Weighted-Average Remaining Lease Term	3.8 years
Weighted-Average Discount Rate	3.649%

NOTE 11 – CONCENTRATIONS

The Organization receives approximately 82 percent of its support and revenues through federal government grants. Approximately 96 percent of total federal funds expended are received from four federal government departments, and these expenditures are detailed on the Schedule of Expenditures of Federal Awards.

NOTE 12 – GRANT CONTINGENCIES

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as inappropriate expenditures. Such audits could lead to reimbursements to the grantor agencies. Management believes that disallowances, if any, will be immaterial.

NOTE 13 – ACCRUED VACATION AND RELATED BENEFITS

The accrued vacation and related benefits amount in the Statement of Financial Position totaling $662,385 is primarily comprised of accrued vacation balances totaling $541,013, as well as related benefits and accruals related to accrued vacation wages totaling $121,372. The accrued vacation and related benefits are funded as of March 31, 2024, in the form of certificates of deposit and other cash deposits in various Organizational checking accounts.

NOTE 14 – ACCRUED EMPLOYEE HEALTH CARE BENEFITS (MERP)

The Organization maintains a MERP account to mitigate, as much as possible, health insurance expense increases. The Organization funds the MERP as health insurance since the use of a MERP helps to reduce the insurance premiums that are paid to a third-party insurance provider. Employees’ co-pays are paid from this fund after their applicable deductibles are met. Annually, an estimate of the funds that are needed to cover these expected costs is charged to the programs, and then a true-up is done at the end of the benefit year, and refunds are made back to the programs for the balances that management has determined are in excess of the expected costs. For fiscal year 2024, net costs of this benefit charged to programs was approximately $17,962.

An amount of $15,000 has been recorded as a liability in the financial statements as of March 31, 2024, to cover the expected cost of claims that were incurred prior to March 31, 2024, but not presented for payment until after fiscal year-end. Cash balances are maintained in the Organization’s MERP Cash Account to fund these expected liability amounts.

In addition, on an annual basis at the end of each plan year (August 31), management performs an analysis of the MERP benefits in order to determine the cash balances that are needed to meet the expected costs of this program for the next plan year, as well as to determine the estimated costs that are to be allocated to programs and corporate programs to fund the MERP.

NOTE 15 – NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restriction consist of donations with restrictions by donors that have not yet been met. Donor-restricted net assets as of March 31, 2024, consist of the following:

Secret Santa Project (Morgan County)	$ 4,711
Foundation (Backpack Project)	7,158
Washington County Levy (Senior Programs)	698,281
Total net assets with donor restriction	$ 710,150

NOTE 16 – SUBSEQUENT EVENTS

Management of the Organization has evaluated events and transactions occurring subsequent to March 31, 2024, through December xx, 2024, which is the date the financial statements were available to be issued and the report date, for potential recognition and disclosure in the financial statements. No events or transactions have occurred that would require adjustment to, or disclosure in, the financial statements.

THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number (ALN)	Grant or Program Number	Passed through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
DIRECT RECIPIENT:				
Rural Housing Preservation Grants	10.433	HPG21-23		$ 86,376
Rural Housing Preservation Grants	10.433	HPG23-25		22,193
Subtotal – Rural Housing Preservation Grants – 10.433				108,569
PASSED THROUGH OHIO DEPARTMENT OF HEALTH:				
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	08460011WA1623		161,025
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	08460011WA1724		144,381
Subtotal – WIC Special Supplemental Nutrition Program for Women, Infants, and Children – 10.557				305,406
PASSED THROUGH OHIO DEPARTMENT OF EDUCATION:				
Child and Adult Care Food Program	10.558	N/A		145,455
Subtotal – Child and Adult Care Food Program – 10.558				145,455
TOTAL U.S. DEPARTMENT OF AGRICULTURE				559,430
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
PASSED THROUGH CITY OF MARIETTA:				
COVID-19 – Community Development Block Grants/Entitlement Grants – Coronavirus (CDBG-CV) – CARES Act	14.218	B-20-MW-39-0018		76,439
Subtotal – Community Development Block Grants/Entitlement Grants – 14.218				76,439
Subtotal – CDBG – Entitlement Grants Cluster – 14.218				76,439
PASSED THROUGH OHIO DEPARTMENT OF DEVELOPMENT:				
COVID-19 – Emergency Solutions Grant Program – Homeless Crisis Response Program – CARES Act (Ohio Emergency Solutions Grant – Emergency Shelter)	14.231	N-L-20-6AN-4		(2,727)
Subtotal – Emergency Solutions Grant Program – 14.231				(2,727)
PASSED THROUGH CITY OF MARIETTA:				
Continuum of Care Program	14.267	OH0428L5E072110		1,674
DIRECT RECIPIENT:				
Continuum of Care Program	14.267	OH0428L5E072211		25,534
Subtotal – Continuum of Care Program – 14.267				27,208
PASSED THROUGH CITY OF MARIETTA:				
Section 8 Housing Choice Vouchers (HUD Administration 2023)	14.871	OH077 A		238,536
Section 8 Housing Choice Vouchers (HUD Administration 2024)	14.871	OH077 A		77,961
Section 8 Housing Choice Vouchers (HUD 2023)	14.871	OH077 V & VASH		1,475,769
Section 8 Housing Choice Vouchers (HUD 2024)	14.871	OH077 V & VASH		513,893
Subtotal – Section 8 Housing Choice Vouchers – 14.871				2,306,159

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number (ALN)	Grant or Program Number	Passed through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)				
PASSED THROUGH CITY OF MARIETTA:				
Mainstream Vouchers (HUD Mainstream)	14.879	OH077 Mainstream		267,561
Subtotal – Mainstream Vouchers – 14.879				267,561
Subtotal – Housing Voucher Cluster – 14.871, 14.879				2,573,720
PASSED THROUGH CITY OF MARIETTA:				
Family Self-Sufficiency Program (HUD Section 8 2023)	14.896	FSS23OH5094		24,702
Family Self-Sufficiency Program (HUD Section 8 2024)	14.896	FSS23OH509401		16,407
Subtotal – Family Self-Sufficiency Program – 14.896				41,109
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				2,715,749
U.S. DEPARTMENT OF THE TREASURY				
PASSED THROUGH OHIO DEPARTMENT OF DEVELOPMENT:				
COVID-19 – Emergency Rental Assistance Program – American Rescue Plan Act 2021 – Home Relief Grant (ARPAHRG)	21.023	ARPAHRG-2022-41		2,762,009
Subtotal – Emergency Rental Assistance Program – 21.023				2,762,009
PASSED THROUGH OHIO HOUSING FINANCE AGENCY:				
COVID-19 – Homeowner Assistance Fund – Utility Assistance Plus (HAP-UAP)	21.026	N/A		887,246
Subtotal – Homeowner Assistance Fund – 21.026				887,246
PASSED THROUGH OHIO DEPARTMENT OF DEVELOPMENT:				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – American Rescue Plan Act 2021 – Lead Prevention and Mitigation	21.027	LED-2023 - 203560		24,524
Subtotal – Coronavirus State and Local Fiscal Recovery Funds – 21.027				24,524
TOTAL U.S. DEPARTMENT OF THE TREASURY				3,673,779

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number (ALN)	Grant or Program Number	Passed through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF VETERANS AFFAIRS				
DIRECT RECIPIENT:				
VA Supportive Services for Veteran Families Program (22-23)	64.033	14-OH-265	$ 102,628	1,129,151
VA Supportive Services for Veteran Families Program (23-24)	64.033	14-OH-265-23	-	13,115
VA Supportive Services for Veteran Families Program (Shallow Subsidy)	64.033	14-OH-265-SS	-	81,702
Subtotal – VA Supportive Services for Veteran Families Program – 64.033			102,628	1,223,968
DIRECT RECIPIENT:				
Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program	64.055	OH-SSG-1260-22		265,595
Subtotal – Staff Sergeant Parker Gordon Fox Suicide Prevention Grant Program – 64.055				265,595
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS			102,628	1,489,563
U.S. DEPARTMENT OF ENERGY				
PASSED THROUGH CORPORATION FOR OHIO APPALACHIAN DEVELOPMENT (COAD):				
Weatherization Assistance for Low-Income Persons (HWAP)	81.042	22-133 P		(38,294)
Weatherization Assistance for Low-Income Persons (HWAP)	81.042	23-133 P		162,926
Weatherization Assistance for Low-Income Persons – Weatherization Readiness Fund (WRF)	81.042	22-HR-133 P		240
Weatherization Assistance for Low-Income Persons – Weatherization Readiness Fund (WRF)	81.042	23-HR-133 P		12,287
Weatherization Assistance for Low-Income Persons – Bipartisan Infrastructure Law (BIL)	81.042	23-BIL-133 P		4,745
Subtotal – Weatherization Assistance for Low-Income Persons – 81.042				141,904
TOTAL U.S. DEPARTMENT OF ENERGY				141,904
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
PASSED THROUGH BUCKEYE HILLS REGIONAL COUNCIL:				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	2023		3,558
COVID-19 – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers – Consolidated Appropriations Act	93.044	2023		8,403
Subtotal – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers – 93.044				11,961
PASSED THROUGH BUCKEYE HILLS REGIONAL COUNCIL:				
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2023		153,326
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	2024		16,308
COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services – Consolidated Appropriations Act	93.045	2023		106,551
Subtotal – Special Programs for the Aging, Title III, Part C, Nutrition Services – 93.045				276,185

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number (ALN)	Grant or Program Number	Passed through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
PASSED THROUGH BUCKEYE HILLS REGIONAL COUNCIL:				
Nutrition Services Incentive Program (NSIP)	93.053	2023		7,678
Nutrition Services Incentive Program (NSIP)	93.053	2024		3,098
Subtotal – Nutrition Services Incentive Program – 93.053				10,776
Subtotal – Aging Cluster – 93.044, 93.045, 93.053				22,737
PASSED THROUGH OHIO ASSOCIATION OF FOODBANKS:				
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges (Affordable Care Act Navigator)	93.332	NAVCA210422-02-00		25,039
Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges (Affordable Care Act Navigator)	93.332	NAVCA210422-03-00		52,003
Subtotal – Cooperative Agreement to Support Navigators in Federally-Facilitated Exchanges – 93.332				77,042
PASSED THROUGH MORGAN COUNTY DEPARTMENT OF JOB AND FAMILY SERVICES:				
Temporary Assistance for Needy Families (Kinship Navigator)	93.558	2022-2023		20,852
Temporary Assistance for Needy Families (Kinship Navigator)	93.558	2023-2024		32,299
Subtotal – Temporary Assistance for Needy Families – 93.558				53,151
PASSED THROUGH OHIO DEPARTMENT OF DEVELOPMENT:				
Low-Income Home Energy Assistance (Administrative – Operations)	93.568	HEAP 2023-147		147,917
Low-Income Home Energy Assistance (Administrative – Operations)	93.568	HEAP 2024-147		291,725
Low-Income Home Energy Assistance (Summer Crisis)	93.568	SCP 2023-147		174,708
Low-Income Home Energy Assistance (Winter Crisis)	93.568	WCP 2024-147		563,271
COVID-19 (ARPA) – Low-Income Home Energy Assistance (Low-Income Household Water Assistance Program)	93.568	LIHWAP 2021-147		407,547
Subtotal – Ohio Department of Development				1,585,168
PASSED THROUGH CORPORATION FOR OHIO APPALACHIAN DEVELOPMENT (COAD):				
Low-Income Home Energy Assistance (HWAP)	93.568	22-133 P		153,302
Low-Income Home Energy Assistance (HWAP)	93.568	23-133 P		233,384
Low-Income Home Energy Assistance (HWAP Enhancement)	93.568	22-HE-133 P		96,108
Low-Income Home Energy Assistance (HWAP Enhancement)	93.568	23-HE-133 P		181,289
Subtotal – COAD				664,083
Subtotal – Low-Income Home Energy Assistance – 93.568				2,249,251

THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2024

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number (ALN)	Grant or Program Number	Passed through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
PASSED THROUGH OHIO DEPARTMENT OF DEVELOPMENT:				
Community Services Block Grant	93.569	CSBG 2022-2023-41		301,277
Community Services Block Grant	93.569	CSBG 2024-2025-41		60,171
Subtotal – Community Services Block Grant – 93.569				361,448
PASSED THROUGH OHIO CHILD CARE RESOURCE AND REFERRAL ASSOCIATION (OCCRRA):				
COVID-19 – Child Care and Development Block Grant – Child Care Stabilization Grant – OCCRRA #3	93.575	N/A		40,027
COVID-19 – Child Care and Development Block Grant – Child Care Stabilization Grant – OCCRRA #4	93.575	N/A		33,032
Subtotal – Child Care and Development Block Grant – 93.575				73,059
Subtotal – CCDF Cluster – 93.575				73,059
DIRECT RECIPIENT:				
Head Start	93.600	05CH010858-05		3,260,640
Subtotal – Head Start – 93.600				3,260,640
Subtotal – Head Start Cluster – 93.600				3,260,640
PASSED THROUGH MORGAN COUNTY DEPARTMENT OF JOB AND FAMILY SERVICES:				
Social Services Block Grant (Meals & Homemaker)	93.667	2023		66,579
Social Services Block Grant (Meals & Homemaker)	93.667	2024		24,547
Subtotal – Social Services Block Grant – 93.667				91,126
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				6,464,639
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 102,628	$ 15,045,064

THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of The Community Action Program Corporation of Washington-Morgan Counties, Ohio under programs of the federal government for the fiscal year ended March 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of The Community Action Program Corporation of Washington-Morgan Counties, Ohio.

B. Basis of Accounting – Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein, certain types of expenditures are not allowable or are limited to reimbursement. Certain fixed asset purchases may be included in the SEFA expense amounts as required by grantors for proper grant reporting. In those cases, depreciation expense amounts relative to those fixed assets would not be included in SEFA related expenses.

NOTE 2 – DE MINIMIS INDIRECT COST RATE

The Organization has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 – ADDITIONAL FEDERAL GRANT/EXPENDITURE INFORMATION

A. Totals for the amounts received from various pass-through and federal funding sources are grouped by Assistance Listing Numbers and the identified clusters on the SEFA.

B. The Community Action Program Corporation of Washington-Morgan Counties, Ohio administers the Housing Voucher Cluster Program (HUD) for the City of Marietta. These funds are included in the SEFA.

C. The Organization passed through approximately $102,628 in federal funds to subrecipients under Assistance Listing Number 64.033.

D. N/A – indicates no pass-through number assigned by the grantor.

NOTE 4 – NONCASH ASSISTANCE

Approximately $605,706 in noncash assistance was expended as part of the Head Start program. This amount represents volunteers' contributions to the Head Start program and, accordingly, is not included in the federal expenditures for Head Start on the SEFA. Details of the noncash assistance are included in Note 5 to the financial statements.

THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2024

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:

The report on the financial statements of The Community Action Program Corporation of Washington-Morgan Counties, Ohio as of and for the fiscal year ended March 31, 2024, is unmodified. The opinion is dated December xx, 2024.

Internal control over financial reporting:

Material weakness(es) identified?	____ Yes	_X_ No
Significant deficiency(ies) identified not considered to be material weaknesses?	____ Yes	_X_ None Reported
Noncompliance material to financial statements noted?	____ Yes	_X_ No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	____ Yes	_X_ No
Significant deficiency(ies) identified not considered to be material weaknesses?	____ Yes	_X_ None Reported

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

An unmodified opinion has been issued on the compliance for major programs of The Community Action Program Corporation of Washington-Morgan Counties, Ohio as of and for the fiscal year ended March 31, 2024. The opinion is dated December xx, 2024.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	____ Yes	_X_ No

SECTION I – SUMMARY OF AUDITOR'S RESULTS (Continued)

Identification of Major Programs

Assistance Listing Number	Name of Federal Program
	U.S. Department of the Treasury:
21.023	COVID-19 – Emergency Rental Assistance Program
21.026	COVID-19 – Homeowner Assistance Fund
	U.S. Department of Veterans Affairs:
64.033	VA Supportive Services for Veteran Families Program
	U.S. Department of Health and Human Services:
93.600	Head Start Cluster

The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

Auditee qualified as low-risk auditee: __X__ Yes ____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

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

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

We noted no findings or questioned or likely questioned costs for federal awards for the fiscal year ended March 31, 2024.

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
The Community Action Program Corporation
of Washington-Morgan Counties, Ohio

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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio (a nonprofit organization), which comprise the statement of financial position as of March 31, 2024, 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 December xx, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio's internal control. Accordingly, we do not express an opinion on the effectiveness of The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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.

PITTSBURGH, PA
2009 Mackenzie Way • Suite 340
Cranberry Township, PA 16066
(724) 934-0344

PHILADELPHIA, PA
161 Washington Street • Suite 200
Conshohocken, PA 19428
(610) 278-9800

WHEELING, WV
980 National Road
Wheeling, WV 26003
(304) 233-5030

STEUBENVILLE, OH
511 N. Fourth Street
Steubenville, OH 43952
(304) 233-5030

S.R. Snodgrass, P.C. d/b/a S.R. Snodgrass, A.C. in West Virginia

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether The Community Action Program Corporation of Washington-Morgan Counties, Ohio's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

DRAFT

Wheeling, West Virginia
December xx, 2024

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
The Community Action Program Corporation
of Washington-Morgan Counties, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio's major federal programs for the fiscal year ended March 31, 2024. The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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, The Community Action Program Corporation of Washington-Morgan Counties, Ohio 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 March 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government 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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio 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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio's federal programs.

PITTSBURGH, PA
2009 Mackenzie Way • Suite 340
Cranberry Township, PA 16066
(724) 934-0344

PHILADELPHIA, PA
161 Washington Street • Suite 200
Conshohocken, PA 19428
(610) 278-9800

WHEELING, WV
980 National Road
Wheeling, WV 26003
(304) 233-5030

STEUBENVILLE, OH
511 N. Fourth Street
Steubenville, OH 43952
(304) 233-5030

S.R. Snodgrass, P.C. d/b/a S.R. Snodgrass, A.C. in West Virginia

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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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 The Community Action Program Corporation of Washington-Morgan Counties, Ohio'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.

DRAFT

Wheeling, West Virginia
December xx, 2024

THE COMMUNITY ACTION PROGRAM CORPORATION
OF WASHINGTON-MORGAN COUNTIES, OHIO
STATUS OF PRIOR YEAR AUDIT FINDINGS/COMMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2024

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