

ROSS COUNTY COMMUNITY ACTION COMMISSION, INC.

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2020



Ross County Community Action Commission, Inc.

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR’S REPORT	2
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS	5
STATEMENT OF FUNCTIONAL EXPENSES	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION:	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	16
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 <i>GOVERNMENT AUDITING STANDARDS</i>	19
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	23



INDEPENDENT AUDITOR'S REPORT

Board of Directors of
Ross County Community Action Commission, Inc.

We have audited the accompanying financial statements of Ross County Community Action Commission, Inc. (“Organization”) which comprise the statement of financial position as of December 31, 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2020 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2021 on our consideration of Ross County Community Action Commission, Inc.'s internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 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 Ross County Community Action Commission, Inc.'s internal control over financial reporting and compliance.

Tidwell Group, LLC

Columbus, Ohio
September 15, 2021

Ross County Community Action Commission, Inc.

STATEMENT OF FINANCIAL POSITION

December 31, 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 1,461,359
Grants receivable	723,036
Inventory	25,162
Total current assets	<u>2,209,557</u>

PROPERTY AND EQUIPMENT

Property and equipment	1,685,564
Less: accumulated depreciation	(1,237,871)
Net property and equipment	<u>447,693</u>

TOTAL ASSETS

\$ 2,657,250

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ 280,845
Accrued payroll and related expenses	307,315
Refundable advances	576,274
Current portion - capital leases payable	15,103
Total current liabilities	<u>1,179,537</u>

LONG TERM LIABILITIES

Paycheck protection program note payable	312,082
Capital leases payable - net of current portion	11,793
Total long term liabilities	<u>323,875</u>

TOTAL LIABILITIES

1,503,412

NET ASSETS

Without donor restrictions	718,019
With donor restrictions	435,819
Total net assets	<u>1,153,838</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 2,657,250

See Notes to Financial Statements.

Ross County Community Action Commission, Inc.

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2020

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenue and support	
Grants and reimbursement contracts	\$ 7,014,777
Miscellaneous income	520,896
Inkind	705,318
Net assets released from restrictions - satisfaction of program restrictions	129,151
Total unrestricted revenues and other support	<u>8,370,142</u>

EXPENDITURES

Program expenses	
Head start and day care services	3,650,281
Home energy assistance	1,560,764
Weatherization assistance	362,130
Community based services	845,811
Covid relief fund	1,818,154
Total program expenses	<u>8,237,140</u>
General and administration	155,072
Total unrestricted expenditures	<u>8,392,212</u>

CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS (22,070)

CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS

Equipment purchased with grant funds	227,937
Net assets released from restrictions	(129,151)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>98,786</u>

CHANGE IN NET ASSETS 76,716

NET ASSETS AT BEGINNING OF YEAR:

Without donor restrictions	740,089
With donor restrictions	337,033
	<u>1,077,122</u>

NET ASSETS AT END OF YEAR:

Without donor restrictions	718,019
With donor restrictions	435,819
	<u>\$ 1,153,838</u>

See Notes to Financial Statements.

Ross County Community Action Commission, Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2020

	<u>Head Start and Day Care Services</u>	<u>Home Energy Assistance</u>	<u>Weatherization Assistance</u>	<u>Community Based Services</u>	<u>COVID Emergency Funds</u>	<u>Total Programs</u>	<u>General & Administrative</u>	<u>Total</u>
EXPENDITURES								
Personnel	\$ 1,542,256	\$ 310,213	\$ 130,504	\$ 206,996	\$ 331,008	\$ 2,520,977	\$ 117	\$ 2,521,094
Fringe benefits	537,788	88,161	44,935	71,173	81,187	823,244	4,453	827,697
Contract / consultants	137,540	22,711	52,114	56,158	61,844	330,367	33,948	364,315
Travel	3,772	1,877	1,287	5,387	-	12,323	912	13,235
Space costs	158,664	33,347	21,150	15,943	12,930	242,034	472	242,506
Supplies	247,095	21,815	32,631	127,340	5,747	434,628	16,631	451,259
Lease/maintenance of equipment	35,061	1,170	5,216	67	-	41,514	-	41,514
Other	53,879	12,663	6,529	26,979	808	100,858	73,096	173,954
Materials	-	15,207	42,770	-	-	57,977	9,788	67,765
Emergency assistance	2,000	1,030,035	-	308,061	1,319,963	2,660,059	1,500	2,661,559
Insurance	33,550	3,792	4,806	2,803	1,461	46,412	-	46,412
Tuition/training costs	44,634	629	1,367	171	18	46,819	1,248	48,067
Dues and registration	7,458	2,368	960	2,443	-	13,229	470	13,699
Telephone	28,427	8,475	2,445	7,808	1,395	48,550	398	48,948
Utilities	9,333	4,543	1,817	4,732	1,793	22,218	162	22,380
Interest expense	1,461	-	-	-	-	1,461	-	1,461
Depreciation	102,045	3,758	13,599	9,750	-	129,152	11,877	141,029
In-kind	705,318	-	-	-	-	705,318	-	705,318
TOTAL EXPENDITURES	<u>\$ 3,650,281</u>	<u>\$ 1,560,764</u>	<u>\$ 362,130</u>	<u>\$ 845,811</u>	<u>\$ 1,818,154</u>	<u>\$ 8,237,140</u>	<u>\$ 155,072</u>	<u>\$ 8,392,212</u>

See Notes to Financial Statements.

Ross County Community Action Commission, Inc.

STATEMENT OF CASH FLOWS

Year ended December 31, 2020

CASH FLOW FROM OPERATING ACTIVITIES

Change in net assets	\$ 76,716
Adjustments to reconcile change in net assets to net cash from operating activities	
Depreciation expense	141,029
Forgiveness of debt	(235,418)
Change in assets and liabilities:	
Grants receivable	(310,792)
Prepaid expenses	138,089
Accounts payable	69,147
Accrued payroll and related expenses	73,646
Refundable advances	424,107
Net cash from operating activities	<u>376,524</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of fixed assets	<u>(365,995)</u>
Net cash from investing activities	<u>(365,995)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on captial lease	(15,375)
Proceeds from paycheck protection program note payable	547,500
Net cash from financing activities	<u>532,125</u>

Change in cash and cash equivalents 542,654

Cash and cash equivalents at beginning of year 918,705

Cash and cash equivalents at end of year \$ 1,461,359

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

 Cash paid during the year for interest \$ 1,461

See Notes to Financial Statements.

Ross County Community Action Commission, Inc.

NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations

Ross County Community Action Commission, Inc., (the “Organization”) was organized as a non-profit corporation in 1965. The Organization was formed to develop and provide resources for the purpose of assisting low income and elderly individuals through a variety of programs. The Organization is primarily supported through federal and state government grants.

Account classification

Revenue and expenditure information is maintained separately for each grant funded to the Organization as required by the various funding sources. Management and general accounts are also maintained on an individual basis.

Cash and cash equivalents

For the purpose of reporting cash flows, cash and cash equivalents includes all highly liquid debt instruments purchased with a maturing of three months or less to be cash equivalents. There were no cash equivalents as of December 31, 2020.

Property and equipment

Equipment and vehicles purchased are stated at cost. Donated assets are recorded at their estimated fair market values at the date of contribution. Maintenance, repairs, and minor improvements are charged to operating expense as incurred. Major improvements are capitalized. Depreciation of equipment and vehicles is determined by use of the straight-line method over the estimated useful lives of these assets, normally 5 to 10 years.

Depreciation expense for the year ended December 31, 2020 was \$141,029.

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

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended December 31, 2020

Refundable advances

The Organization receives conditional grant awards from various funding sources. The unexpended portion is reported as refundable advances until they are spent for the purpose of the grants.

Revenue recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as without donor restrictions, or with donor restriction, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If donor restrictions are met in the same year, the revenue is reported as revenue without restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Revenue from grants is recognized according to the specific agreement. Generally, revenues from restricted grants are recognized in the period of the grant award while revenues from cost reimbursement contracts are recognized to the extent of project expenses incurred. If the restriction expires in the same accounting period as the contribution is received, the revenue is shown as without restriction. Grants and contracts are subject to audit by the awarding agency.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant awards that are contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses or asset acquisition costs are incurred. Amounts received in excess of expenses or asset acquisitions are reflected as refundable advances.

B. Grant awards that are exchange transactions

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended December 31, 2020

Classifications of net assets

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without donor restrictions – Net assets available for use in general operation and not subject to donor restrictions.

With donor restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Net assets with donor restrictions consist of property and equipment, net of related debt, for their Head Start Program which has purpose restrictions. Net assets with donor restrictions total \$435,819 as of December 31, 2020.

Revenues are reported as increases in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of restrictions on net assets are reported as reclassifications between applicable net asset classes.

Functional expenses and cost allocation

The Organization allocates its expenditures on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are charged directly according to their natural expenditure classification. Various statistical bases allocate other expenses that are common to several functions.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended December 31, 2020

Joint costs are allocated to benefiting programs using various allocation methods, depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all agency programs, which cannot be readily identified with a final cost objective. Cost allocation methods are as follows:

Building - Space costs (maintenance costs, utilities, rent, etc.) are allocated based on the number of square feet of space each program occupies.

Insurance - Insurance is allocated to benefiting programs depending on the equipment, space, or people covered by the insurance.

Other joint costs - Other joint costs are allocated to agency programs based on the amounts used by each program.

Income taxes and uncertain tax positions

Ross County Community Action Commission, Inc. has been recognized by the Internal Revenue Service as an organization exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization's reporting returns are subject to audit by federal and state taxing authorities. No income tax provision has been included in the financial statements as Ross County Community Action Commission, Inc. has determined it does not have unrelated business income subject to taxation.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Actual results could differ from those estimates.

Ross County Community Action Commission, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended December 31, 2020

NOTE 2 – LEASES

The Organization has acquired equipment totaling \$79,723 under five year capital lease agreements, which expire in 2022 and 2023. The future lease payments required under these capital leases and the net present value of the future minimum lease payments at December 31, 2020, are as follows:

2021	\$ 15,945
2022	9,351
2023	<u>2,757</u>
Total minimum lease payments	28,053
Amount representing interest	<u>(1,157)</u>
Present value of future minimum capital lease payments	26,896
Current portion of capital lease payable	<u>(15,103)</u>
Long-term capital lease payable	<u>\$ 11,793</u>

The Organization has various operating leases which are cancellable with 30 days' notice for classroom facilities and office space. Rent expense under these leases totaled approximately \$229,576 for the year ended December 31, 2020.

NOTE 3 – CONCENTRATIONS

The Organization maintains cash balances at several banks. Balances in the bank accounts are insured by Federal Deposit Insurance Corporation (FDIC) coverage up to \$250,000. At times during the year, balances in the banks may exceed insurance limits. Management believes the financial institutions have strong credit ratings and credit risk related to these deposits is minimal. As of December 31, 2020, the Organization's cash on deposit exceeded the FDIC limit by \$1,417,100.

NOTE 4 – IN-KIND CONTRIBUTIONS

The Organization has recorded in-kind contributions for professional services in the statement of activities and changes in net assets in accordance with a financial accounting standard that requires only contributions of services received which create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of this financial accounting standard are different than the in-kind requirements of the Organization's grant awards.

Ross County Community Action Commission, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended December 31, 2020

The Organization received contributions of nonprofessional volunteers during the year with a value of \$38,995 for December 31, 2020, primarily for its Head Start program, which are not recorded in the statement of activities and changes in net assets. The Organization used various facilities for which no rent is paid or a nominal fee is paid. The approximate fair value of annual rent for these facilities recognized on the financial statements is \$666,323.

NOTE 5 – 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 disallowances, if any, will be immaterial.

NOTE 6 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2020:

Facilities	\$ 15,500
Vehicles	967,114
Equipment	702,950
	<u>1,685,564</u>
Less: accumulated depreciation	<u>(1,237,871)</u>
Net fixed assets	<u>\$ 447,693</u>

NOTE 7 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of December 31, 2020, totaled \$435,819 and are the result of grant agreements with federal, state and local governments. This amount consists of equipment and vehicles purchased with grant funds in which the various funding sources hold a reversionary interest.

Net assets with donor restrictions consisted of the following as of December 31, 2020:

Community Based Services	\$ 63,955
Head Start and Day Care	1,331,008
Home Energy Assistance	20,848
Weatherization Assistance	195,771
Accumulated depreciation	<u>(1,175,763)</u>
	<u>\$ 435,819</u>

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended December 31, 2020

NOTE 8 – PAYCHECK PROTECTION PROGRAM NOTE PAYABLE

In May 2020, the Organization entered into a loan obtained under the Paycheck Protection Program (PPP) totaling \$547,500 with interest at 1% maturing in May 2022. If the loan did not meet the requirements under the PPP debt forgiveness, monthly payments of \$30,822 would begin December 2020 with the final payment due in May 2022. The loan represents a conditional grant, and the Organization has implemented the procedures required to meet the debt forgiveness requirements. Therefore, \$235,418 has been recognized during the year ended December 31, 2020, and is included in Miscellaneous income on the accompanying Statement of Activities and Changes in Net Assets.

NOTE 9 – LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization has financial assets available within one year of the statement of financial position date to meet cash needs for general expenditures. This amount consists of cash and grants receivable, net of refundable advances, as presented on the accompanying statement of financial position. None of these amounts are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position.

The Organization manages its liquidity by developing and adopting annual operating 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 normal operating expenses.

NOTE 10 – UNCERTAINTY RELATED TO COVID-19

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) emerged, and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Organization's operations. Future potential impacts may include disruptions or restrictions on the employees' ability to work and funding from the federal and state funded programs.

Ross County Community Action Commission, Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

Year ended December 31, 2020

NOTE 11 – SUBSEQUENT EVENTS

Events that occur after the statement of financial position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of financial position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of financial position date require disclosure in the accompanying notes. Management has evaluated the activity of Ross County Community Action Commission, Inc. through September 15, 2021 (the date the financial statements were available to be issued) and concluded that no subsequent event had occurred that would require recognition in the Financial Statements or disclosure in the Notes to Financial Statements.

Ross County Community Action Commission, Inc.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2020

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Agriculture:</u>			
Pass-Through Program From:			
Ohio Department of Education:			
Child & Adult Care Food Program	10.558	19-20	\$ 68,447
Child & Adult Care Food Program	10.558	20-21	27,430
Summer Food Service Program	10.559	N/A	58,222
Subtotal - U.S. Department of Agriculture:			<u>154,099</u>
<u>U.S. Department of Energy:</u>			
Pass-Through Program From:			
Corporation for Ohio Appalachian Development:			
HWAP Formula DOE	81.042	D19-133N	27,917
HWAP Formula DOE	81.042	D20-133N	75,112
Subtotal - U.S. Department of Energy:			<u>103,029</u>
<u>Federal Emergency Management Agency:</u>			
Direct Funding:			
FEMA - Phase 37	97.024	37-6852-002	2,023
Subtotal - Federal Emergency Management Agency:			<u>2,023</u>
<u>U.S. Department of Treasury:</u>			
Pass-Through Program From:			
Ohio Development Services Agency			
Coronavirus Relief Fund	21.019	CRF-SEP 2020-48	435,819
Pass-Through Program From:			
Ohio Department of Job and Family Services			
Coronavirus Relief Fund	21.019	CARES - JFS	915,000
Subtotal - U.S. Dept. of Health & Human Services:			<u>1,350,819</u>

See Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards.

Ross County Community Action Commission, Inc.

SCHEUDLE OF EXPENDITURES OF FEDERAL AWARDS – CONTINUED

Year ended December 31, 2020

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Health & Human Services:</u>			
Pass-Through Program From:			
Ohio Development Services Agency			
Home Energy Assistance Program	93.568	20-HA-142	254,610
Home Energy Assistance Program	93.568	21-HA-142	115,989
Winter Crisis Program	93.568	20-HE-242	405,088
Winter Crisis Program	93.568	21-HE-242	324,445
Summer Crisis Program	93.568	20-HC-242	300,500
CSBG	93.569	2021-48	225,367
CSBG - CARES	93.569	CARES 2020-48	11,393
Subtotal - U.S. Dept. of Health & Human Services:			<u>1,637,393</u>
Pass-Through Program From:			
Corporation for Ohio Appalachian Development:			
HWAP Formula HHS	93.568	H19-133N	136,962
HWAP Formula HHS	93.568	H20-133N	47,510
HWAP Enhancement	93.568	19-HE-133N	15,841
HWAP Enhancement	93.568	20-HE-133N	29,045
Subtotal - COAD:			<u>229,359</u>
Direct Funding:			
Federal Head Start Program	93.600	05CH010068-04	1,412,105
Federal Head Start Program	93.600	05CH01157101	1,432,825
Federal Head Start Program - CARES	93.600	05CH01157101C3	64,346
Subtotal - U.S. Department of Health & Human Services:			<u>2,909,276</u>
TOTAL:			<u>\$ 6,385,998</u>

See Independent Auditor's Report and Notes to Schedule of Expenditures of Federal Awards.

Ross County Community Action Commission, Inc.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended December 31, 2020

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Ross County Community Action Commission, Inc. under programs of the federal government for the year ended December 31, 2020.

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 Ross County Community Action Commission, Inc., it is not intended to and does not present Ross County Community Action Commission, Inc.'s financial position, changes in net assets, or cash flows.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.
- b) Ross County Community Action Commission, Inc. has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.
- c) Pass-through entity identifying numbers are presented where available.



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*

Board of Directors of
Ross County Community Action Commission, 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 Ross County Community Action Commission, Inc. (a non-profit organization), which comprise the statement of financial position as of December 31, 2020 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Ross County Community Action Commission, Inc.’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Ross County Community Action Commission, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Ross County Community Action Commission, 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ross County Community Action Commission, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the determination of financial statement amounts. 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 Ross County Community Action Commission, 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 Ross County Community Action Commission, Inc.'s internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Tidwell Group, LLC

Columbus, Ohio
September 15, 2021



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

Board of Directors of
Ross County Community Action Commission, Inc.

Report on Compliance for Each Major Federal Program

We have audited Ross County Community Action Commission, Inc.’s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on Ross County Community Action Commission, Inc.’s major federal program for the year ended December 31, 2020. Ross County Community Action Commission, Inc.’s major federal program is identified in the Summary of Auditor’s Results section of the accompanying Schedule of Findings and Questioned Costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance with the major program. However, our audit does not provide a legal determination of Ross County Community Action Commission, Inc.’s compliance.

Opinion on Each Major Federal Program

In our opinion, the Ross County Community Action Commission, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2020.

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance 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, noncompliance with a type of compliance requirements of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or 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 the attention by those charged with governance.

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

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

Tidwell Group, LLC

Columbus, Ohio
September 15, 2021

Ross County Community Action Commission, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended December 31, 2020

Financial Statements

Type of auditor's report issued:	<u>unmodified</u>		
Internal control over financial reporting:			
Material weakness identified?	_____ Yes	_____ <u>X</u> No	
Significant deficiency identified not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> No	
Noncompliance material to financial statements noted?	_____ Yes	_____ <u>X</u> No	

Federal Awards

Type of auditor's report issued on compliance for major programs:	<u>unmodified</u>		
Internal control over financial reporting:			
Material weakness identified?	_____ Yes	_____ <u>X</u> No	
Significant deficiency identified not considered to be material weaknesses?	_____ Yes	_____ <u>X</u> No	
Any audit findings disclosed that are required to be reported in accordance with CFR Section 200.516(a)?	_____ Yes	_____ <u>X</u> No	

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? X Yes _____ No

Ross County Community Action Commission, Inc.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS - CONTINUED

Year ended December 31, 2020

Financial Statements Findings

None noted.

Federal Award Findings and Questioned Costs

There were no findings or questioned costs relative to federal awards.

Prior Year Findings

None noted.