

Community Action Wayne/Medina

Audited Financial Statements

As of and for the Years Ended
December 31, 2022 and 2021



Rea & associates

www.reacpa.com

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Community Action Wayne/Medina
Wooster, Ohio

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Community Action Wayne/Medina, a nonprofit organization, (the Organization), which comprise the statements of financial position as of December 31, 2022 and 2021, the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 Organization and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Organization's ability to continue as a going concern for the period of one year from the date of this report.

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 GAAS 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 GAAS 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 Organization'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 Organization'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.

Report of Summarized Comparative Information

In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary 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 audits 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 27, 2023 on our consideration of the Organization'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 Organization'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 Organization's internal control over financial reporting and compliance.

Rea & Associates, Inc.

Rea & Associates, Inc.
Wooster, Ohio
September 27, 2023

COMMUNITY ACTION WAYNE/MEDINA

STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2022 AND 2021

ASSETS

	2022	2021
	<hr/>	<hr/>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,258,232	\$ 2,058,749
Program grants receivable	363,457	362,158
Prepaid expenses	32,670	114,176
Inventory	11,405	12,850
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Total current assets	2,665,764	2,547,933
PROPERTY AND EQUIPMENT:		
Leasehold improvements	246,237	246,237
Equipment	188,859	188,859
Vehicles	152,439	238,911
Building	2,980,261	2,980,261
Land	25,476	25,476
Land improvements	8,178	8,178
	<hr/>	<hr/>
	3,601,450	3,687,922
Less: accumulated depreciation and amortization	939,215	893,351
	<hr/>	<hr/>
Total property and equipment, net	2,662,235	2,794,571
OTHER ASSETS		
Investments	64,440	78,065
Right of use asset, net	382,781	-
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Total other assets	447,221	78,065
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Total assets	\$ 5,775,220	\$ 5,420,569
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LIABILITIES AND NET ASSETS

	2022	2021
CURRENT LIABILITIES:		
Current portion of long-term debt	\$ 88,940	\$ 84,449
Current portion of operating lease liability	140,840	-
Accounts payable	249,189	23,219
Accrued expenses	217,964	176,175
Accrued and withheld payroll taxes	12,766	24,122
Deferred support	1,416,424	1,829,135
Total current liabilities	2,126,123	2,137,100
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	1,124,340	1,211,860
Operating lease liability, net of current portion	241,941	-
Total long-term liabilities	1,366,281	1,211,860
Total liabilities	3,492,404	3,348,960
NET ASSETS:		
Without donor restrictions:		
Board designated operating reserve	300,000	300,000
Unappropriated	1,951,440	1,740,233
	2,251,440	2,040,233
With donor restrictions	31,376	31,376
Total net assets	2,282,816	2,071,609
Total liabilities and net assets	\$ 5,775,220	\$ 5,420,569

COMMUNITY ACTION WAYNE/MEDINA

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED DECEMBER 31, 2022
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
REVENUES, GAINS AND OTHER SUPPORT:				
Grants and contracts	\$ 12,455,556	\$ -	\$ 12,455,556	\$ 13,009,305
Support in-kind	349,812	-	349,812	337,053
Contributions	143,764	-	143,764	25,075
Other income	148,480	-	148,480	4,694
Total revenues, grants, and other support	13,097,612	-	13,097,612	13,376,127
EXPENSES:				
Program services:				
Head start	5,895,999	-	5,895,999	6,365,771
Child and adult care food program	522,183	-	522,183	634,920
Home weatherization assistance program	1,392,461	-	1,392,461	912,458
Home energy assistance program	993,701	-	993,701	970,502
Community services block grant	573,135	-	573,135	548,323
Community development block grant	-	-	-	24,236
Mobility management	82,185	-	82,185	64,549
Coronavirus aid, relief, and economic security	448,664	-	448,664	1,279,682
Miscellaneous corporate	1,746,313	-	1,746,313	927,575
Total program services	11,654,641	-	11,654,641	11,728,016
Supporting services				
Management and general	1,231,764	-	1,231,764	1,122,332
Total expenses	12,886,405	-	12,886,405	12,850,348
Change in net assets	211,207	-	211,207	525,779
NET ASSETS, beginning of year	2,040,233	31,376	2,071,609	1,545,830
NET ASSETS, end of year	\$ 2,251,440	\$ 31,376	\$ 2,282,816	\$ 2,071,609

The accompanying notes are an integral part of these financials.

COMMUNITY ACTION WAYNE/MEDINA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

PROGRAM SERVICES

	Totals	Head Start	CACFP	HWAP	HEAP	CSBG	CDBG	MM	CARES	Misc. Corporate
Salaries and wages	\$ 4,132,733	\$ 2,925,992	\$ 206,232	\$ 228,829	\$ 269,191	\$ 219,066	\$ -	\$ 52,349	\$ 5,077	\$ 225,997
Employee benefits	1,683,615	1,037,148	67,627	81,253	90,150	77,952	-	18,603	(830)	311,712
Total salaries, wages, and employee benefits	5,816,348	3,963,140	273,859	310,082	359,341	297,018	-	70,952	4,247	537,709
In-kind donations	349,811	349,811	-	-	-	-	-	-	-	-
Professional and consulting	43,740	15,817	1,124	2,772	8,316	4,032	-	-	-	11,679
Travel and education	205,247	161,043	-	5,985	3,140	7,051	-	4,571	-	23,457
Occupancy	892,495	715,318	3,075	6,743	29,361	37,730	-	763	-	99,505
Supplies	416,985	335,911	34,208	(1,771)	3,112	20,515	-	1,791	-	23,219
Office	66,821	47,936	-	904	2,365	6,808	-	1,298	-	7,510
Telephone and internet	103,715	71,611	-	4,628	6,827	11,230	-	855	-	8,564
Equipment rent, purchases, and maintenance	214,755	39,944	5,384	146,371	11,467	7,555	-	877	-	3,157
Staff related	16,193	10,973	-	-	1,810	1,516	-	333	-	1,561
Insurance	24,859	18,263	-	4,390	345	1,712	-	39	-	110
Program service	3,346,743	67,056	204,533	908,273	564,196	170,384	-	39	444,417	987,845
Depreciation and amortization	117,109	99,176	-	2,960	3,347	5,835	-	537	-	5,254
Interest	38,826	-	-	1,124	74	1,749	-	130	-	35,749
Miscellaneous	994	-	-	-	-	-	-	-	-	994
Total expenses	\$ 11,654,641	\$ 5,895,999	\$ 522,183	\$ 1,392,461	\$ 993,701	\$ 573,135	\$ -	\$ 82,185	\$ 448,664	\$ 1,746,313

The accompanying notes are an integral part of these financials.

COMMUNITY ACTION WAYNE/MEDINA

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	PROGRAM SERVICES									
	Totals	Head Start	CACFP	HWAP	HEAP	CSBG	CDBG	MM	CARES	Misc. Corporate
Salaries and wages	\$ 4,288,838	\$ 3,190,480	\$ 280,222	\$ 190,791	\$ 255,459	\$ 187,274	\$ -	\$ 35,154	\$ 90,992	\$ 58,466
Employee benefits	1,439,449	1,089,007	92,202	65,429	78,666	64,153	-	12,058	27,899	10,035
Total salaries, wages, and employee benefits	5,728,287	4,279,487	372,424	256,220	334,125	251,427	-	47,212	118,891	68,501
In-kind donations	337,054	337,054	-	-	-	-	-	-	-	-
Professional and consulting	86,672	70,813	1,295	-	10,296	-	-	-	300	3,968
Travel and education	167,587	150,926	-	5,926	3,214	5,625	-	655	-	1,241
Occupancy	629,054	560,275	3,379	4,859	29,413	25,468	-	1,064	-	4,596
Supplies	594,004	529,189	28,661	5,645	4,046	7,479	-	5,224	-	13,760
Office	89,784	76,296	-	700	2,478	3,005	-	5,392	-	1,913
Telephone and internet	127,058	103,938	-	5,225	3,928	5,561	-	859	-	7,547
Equipment rent, purchases, and maintenance	147,199	110,600	7,519	8,170	5,541	8,480	-	3,309	-	3,580
Staff related	11,444	8,940	-	-	591	442	-	-	-	1,471
Insurance	21,956	17,338	-	515	302	1,705	-	47	-	2,049
Program service	3,626,993	21,739	221,642	620,168	572,047	223,135	24,236	-	1,160,491	783,535
Depreciation and amortization	110,216	99,176	-	2,913	3,384	5,835	-	538	-	(1,630)
Interest	50,708	-	-	2,117	1,137	10,161	-	249	-	37,044
Total expenses	\$ 11,728,016	\$ 6,365,771	\$ 634,920	\$ 912,458	\$ 970,502	\$ 548,323	\$ 24,236	\$ 64,549	\$ 1,279,682	\$ 927,575

The accompanying notes are an integral part of these financials.

COMMUNITY ACTION WAYNE/MEDINA

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

MANAGEMENT AND GENERAL

	2022	2021
Salaries and wages	\$ 547,491	\$ 519,228
Employee benefits	196,275	178,238
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Total salaries, wages, and employee benefits	743,766	697,466
Professional and consulting fees	113,267	120,627
Travel and education	23,843	8,393
Occupancy	95,153	55,022
Supplies	64,129	65,671
Office	29,945	28,100
Telephone and internet	67,255	39,270
Equipment rent, purchases, and maintenance	22,158	27,640
Staff related	4,299	2,937
Insurance	33,140	30,188
Depreciation and amortization	15,228	25,118
Interest	19,581	21,900
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Total expenses	\$ 1,231,764	\$ 1,122,332
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The accompanying notes are an integral part of these financials.

COMMUNITY ACTION WAYNE/MEDINA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 211,207	\$ 525,779
Adjustments to reconcile change in net assets to cash from operating activities:		
Depreciation and amortization	132,337	135,334
Net change in investments	13,625	(5,117)
(Gain) loss on disposal of assets	(6,150)	6,991
Non-cash lease expense	138,087	-
Decrease (increase) in assets:		
Program grants receivable	(1,300)	153,052
Prepaid expenses	81,506	(114,176)
Inventory	1,445	(464)
Increase (decrease) in liabilities		
Accounts payable	225,970	(104,771)
Accrued expense	41,789	37,680
Accrued and withheld payroll taxes	(11,356)	2,300
Deferred support	(412,711)	(251,781)
Operating lease liability	(138,087)	-
Net cash from operating activities	<u>276,362</u>	<u>384,827</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of assets	6,150	-
Net cash from investing activities	<u>6,150</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt	(83,029)	(78,782)
Net cash from financing activities	<u>(83,029)</u>	<u>(78,782)</u>
Net increase in cash and cash equivalents	199,483	306,045
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,058,749</u>	<u>1,752,704</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,258,232</u>	<u>\$ 2,058,749</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW		
Cash paid during the year for interest	<u>\$ 58,407</u>	<u>\$ 72,608</u>

The accompanying notes are an integral part of these financials.

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Community Action Wayne/Medina (CAW/M or the Organization) is a non-profit corporation organized to provide educational, economic and social opportunities for underprivileged citizens of Wayne and Medina Counties of Ohio. Substantially all of the grants received by CAW/M and all amounts reported as grants receivable on the statements of financial position are grants which originated from the government of the United States of America and the State of Ohio.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Codification FASB ASC 958 “*Not-for-Profit Entities: Presentation of Financial Statement of Not-for-Profit Entities*” which requires CAW/M to report information regarding its financial position and activities according to two classes of net assets: *net assets without donor restrictions* – net assets that are not subject to donor imposed restrictions and which CAW/M can use for its daily operations; and *net assets with donor restrictions* – net assets subject to donor imposed restrictions that may or will be met by actions of CAW/M or that expire with the passage of time.

The accompanying schedule of expenditures of federal awards includes the federal grant activity of CAW/M and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, as applicable. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Revenue and Support Recognition

In accordance with Topic 606, the Organization recognizes revenue when its customers obtain control of promised goods or services in an amount that reflects the consideration for which the Organization expects to receive in exchange for those goods or services.

To determine revenue recognition for the arrangements that the Organization determines are within the scope of Topic 606, the Organization performs the following 5 steps:

- Identify the contract(s) with a customer;
- Identify the performance obligation is in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract;
- Recognize revenue when (or as) the entity satisfies a performance obligation.

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

Contributions

The Organization receives contributions from individuals, corporations, and other charitable organizations. Contributions are recognized as revenue, at fair value, on the earlier of the receipt of cash and an unconditional promise to give. Contributions which impose restrictions that are met in the same fiscal year the contribution is received are reported as increases in net assets without donor restrictions. Expirations of donor restrictions (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) in subsequent years are reported as "Net assets released from restrictions" in the statements of activities and changes in net assets.

Program Revenue

CAW/M received grant funding from various agencies to fund services provided to the community. Performance obligations under each contract are defined in terms of various performance indicators. Revenue for these services is recorded when the service has been provided as determined by the satisfactory completion of the defined performance indicators.

Social Enterprise

The Organization receives funding for the installation of certain utility related items. CAW/M outsources the installation to a third-party, pays the subcontractor, and receives a flat fee for the service from the granting agency. The difference between the contract fee and what is funded by the agency is recognized as revenue. Revenue from government contracts is recognized when allowable and reimbursable expenditures are incurred, and upon meeting the legal or contractual requirements of the funding source.

In-Kind Contributions

Donated services are recognized if the services create or enhance nonfinancial assets or require specialized skills, are performed by people with those skills, and would otherwise be purchased by Community Action Wayne/Medina. Donated items are recognized as income at the fair market value of the items at the date the donation occurred. Volunteers also provided substantial amounts of time to program services that are not recognized as contributions in the financial statements since the recognition criteria were not met.

The Organization also receives in-kind rent contributions. See Note 8.

CAW/M recognizes revenue as a transfer of assets in accordance with ASU No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which applies to all entities who receive or make contributions. The core principles of ASU 2018-08 clarifies whether a transfer of assets is a contribution or an exchange transaction as well as whether a contribution is conditional or unconditional.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, CAW/M considers all highly liquid debt instruments purchased with a maturity of three months or less (other than those in the investment funds) to be cash equivalents. Money market investments and certificates of deposit are considered to be part of investment activity and not cash equivalents.

Program Grants and Other Receivables

Program grants and other receivables are deemed fully collectible by management; consequently, no allowance for uncollectible accounts has been made. There was no bad debt expense for the years ended December 31, 2022 and 2021.

Inventory

Inventory represents weatherization supplies on hand. Inventory is recorded at cost, under the first-in, first-out (FIFO) method.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair market value at the date of donation. Depreciation and amortization are recognized using the straight-line method over the estimated useful lives of the related assets, ranging from 5 years to 39 years. Maintenance and repairs of property and equipment are charged to expense. Substantially all property and equipment owned by CAW/M was acquired with grant funds restricted for that purpose. The various funding sources have a reversionary interest in the property and equipment purchased with grant funds, and any dispositions, as well as the ownership of any disposition proceeds, are subject to funding source regulations.

Grant Expense Allocations

Certain personnel leave and fringe benefit costs are allocated to the various grant programs monthly based on interim calculations and are subsequently reallocated when expenses become fixed at year end. Fiscal year grant reports issued by the Organization may accordingly differ from costs reflected on the Schedule of Expenditures of Federal Awards herein.

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and change in net assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization adopted the provisions of FASB ASC 740-10 (formerly FIN 48, "Accounting for Uncertainty in Income Taxes"), which prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The amount recognized is measured as the amount of benefit that is greater than 50% likely of being realized upon ultimate settlement.

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

As a result of the implementation of this standard, management determined that there are no material uncertain tax positions.

As a not-for-profit organization, Community Action Wayne/Medina is generally exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code and exempt from Ohio income taxes. Therefore, no provision of liability for income taxes has been included in the financial statements.

Advertising

The cost of advertising is expensed as it is incurred. Advertising expense for both of the years ending December 31, 2022 and 2021 was \$2,773 and \$0, respectively.

Leases

The Organization determines if a contract contains a lease when the contract conveys the right to control the use of identified assets for a period in exchange for consideration. Upon identification and commencement of a lease, the Organization establishes a right of use (ROU) asset and a lease liability. Operating leases, if any, are included in current portion of operating lease liability and operating lease liability, net of current portion on the accompanying statements of financial position. Finance leases, if any, are included in property and equipment, current portion of lease liabilities – finance leases and lease liabilities – finance leases.

The total lease term is determined by considering the initial term per the lease agreement, which is adjusted to include any renewal options that the Organization is reasonably certain to exercise as well as any period that the Organization has control over the asset before the stated initial term of the agreement. If the Organization determines a reasonable certainty of exercising termination or early buyout options, then the lease terms are adjusted to account for these facts. The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization does not separate non-lease components from lease components. This election has been made to significantly reduce the administrative burden, which would be imposed on the Organization.

The Organization uses the risk-free rate as the discount rate for all classes of underlying assets when the interest rate is not implicitly or explicitly stated in the lease agreement at commencement date.

The Organization does not recognize ROU assets and lease liabilities for leases with a term of 12 months or less.

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

Adoption of New Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2016-02, “Leases (Topic 842),” which specifies the accounting for leases. The objective is to establish the principles that lessees and lessors shall apply to report useful information to users of financial statements about the amount, timing and uncertainty of cash flows arising from a lease. This ASU introduces the recognition of lease assets and lease liabilities by lessees for those leases classified as operating leases under previous guidance. The guidance was effective for annual reporting periods beginning after December 15, 2021, and interim periods within those fiscal years. Under the transition method selected by the Organization, leases existing at, or entered into after, January 1, 2022, were required to be recognized and measured. The adoption of this standard resulted in the recording of ROU assets and operating lease liabilities of \$382,781 as of January 1, 2022, with no related material impact on the Organization’s statements of operations or cash flows. See Note 9 to the financial statements.

The Organization elected the package of practical expedients permitted under the transition guidance within the Topic 842, in which the Organization does not reassess (1) the historical lease classification, (2) whether any existing contracts at transition are or contain leases, or (3) the initial direct costs for any existing leases. The Organization has not elected to adopt the “hindsight” practical expedient, and therefore will measure the ROU asset and lease liability using the remaining portion of the lease term upon adoption of Topic 842 on January 1, 2022.

In September 2020 the FASB issued Accounting Standards Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which provides new presentation and disclosure requirements about contributed nonfinancial assets for nonprofits, including additional disclosure rules for recognized contributed services. The amendments will not change the recognition and measurement requirements for those assets. The standard took effect for annual periods beginning after June 15, 2021, and interim periods within fiscal years after June 15, 2022. Retrospective application is required. Early application is permitted. The adoption of this guidance did not have a material impact on the Organization.

New Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments – Credit Losses (ASC 326). The FASB has issued several amendments to the original standard. The standard changes the impairment model for most financial statements. Current guidance requires the recognition of credit losses based on an incurred loss impairment methodology that reflects losses once the losses are probable. Under the new standard, the Organization will be required to use a current expected credit loss model (CECL) that will immediately recognize an estimate of credit losses that are expected to occur over the life of the financial instruments that are in the scope of this update, including trade receivables. The CECL model uses a broader range of reasonable and supportable information in the development of credit loss estimates. The new guidance is effective for fiscal years beginning after December 15, 2022. Early adoption is permitted. The Organization is currently evaluating the impact that the adoption of this ASU will have on its financial statements.

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

Functional Expense Allocations

Expenses are charged to functional areas based on specific identification when possible. Expenses that cannot be specifically identified to a function are allocated to the functional areas based on factors such as direct relationship of expense, time spent by employees and square footage of space used for various programs.

Subsequent Events

Management evaluates events occurring subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements.

Subsequent events have been evaluated through September 27, 2023 which is the date the financial statements were available to be issued.

NOTE 2: CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and cash equivalent balances in multiple financial institutions. Deposits in interest-bearing and non-interest-bearing accounts are collectively insured by the Federal Deposit Insurance Corporation (“FDIC”) up to a coverage limit of \$250,000 at each FDIC-insured depository institution. As a result, CAW/M had balances that exceed the insured limit.

NOTE 3: PROPERTY AND EQUIPMENT

An allocation of fixed assets by program is as follows:

	2022	2021
Home weatherization assistance program	\$ 14,044	\$ 59,666
Head start	1,096,997	1,137,847
Agency	2,490,409	2,490,409
	<u>3,601,450</u>	<u>3,687,922</u>
Less: accumulated depreciation and amortization	(939,215)	(893,351)
Total	<u>\$ 2,662,235</u>	<u>\$ 2,794,571</u>

Depreciation and amortization expense for the years ended December 31, 2022 and 2021 was \$132,337 and \$135,334, respectively.

NOTE 4: INVESTMENTS

CAW/M applies FASB ASC 958 605, “*Revenue Recognition*”, which requires a specified beneficiary recognize its rights to assets held by a recipient organization. CAW/M is party to an agreement with Wayne County Community Foundation to manage the Community Action Wayne/Medina Fund (the “Fund”). CAW/M has not explicitly granted variance power to the Wayne County Community Foundation (WCCF).

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

The fair market value of the Fund was \$64,440 and \$78,065 at December 31, 2022 and 2021, respectively, as follows:

	<u>2022</u>	<u>2021</u>
Balance at the beginning of the year	\$ 78,065	\$ 72,947
Contributions	-	-
Interest	3	2
Dividends	1,399	661
Realized gains (losses)	2,646	727
Unrealized (losses) gains	(17,298)	4,015
Administrative fees	(375)	(287)
Total	<u>\$ 64,440</u>	<u>\$ 78,065</u>

Accounting standards for fair value measurements provides a framework for measuring fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs – Quoted prices for identical instruments in active markets.

Level 2 Inputs – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 Inputs – Instruments with primarily unobservable value drivers.

The following is a description of the valuation methodologies used for assets measured at fair value. Level 3 investments were valued using amounts reported by the Wayne County Community Foundation. There have been no changes in the methodologies used at December 31, 2022.

The Organization’s endowment funds are reported at fair value in the following tables:

	<u>Assets at Fair Value as of December 31, 2022</u>			
<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
WCCF Investment	\$ -	\$ -	\$ 64,440	\$ 64,440
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,440</u>	<u>\$ 64,440</u>

	<u>Assets at Fair Value as of December 31, 2021</u>			
<u>Investment Type</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
WCCF Investment	\$ -	\$ -	\$ 78,065	\$ 78,065
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,065</u>	<u>\$ 78,065</u>

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: LONG-TERM DEBT

Long term debt consists of the following at December 31, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
PNC Bank – Note of \$250,000 payable in monthly payments including principal and interest of \$2,698.14 at an interest rate of 5.30% and matures October 30, 2024.	\$ 144,515	\$ 168,425
PNC Bank – Mortgage of \$1,445,000 payable in monthly payments including principal and interest of \$9,717.81 at an interest rate of 5.15% at matures December 22, 2024.	<u>1,068,765</u>	<u>1,127,884</u>
Total debt	1,213,280	1,296,309
Less: current portion	<u>(88,940)</u>	<u>(84,449)</u>
Long-term portion	<u>\$ 1,124,340</u>	<u>\$ 1,211,860</u>

Principal requirements on the long-term debt for years ending after December 31, 2022 are as follows:

2023	\$ 88,940
2024	<u>1,124,340</u>
Total	<u>\$ 1,213,280</u>

NOTE 6: DEFERRED SUPPORT

Deferred support of \$1,416,424 and \$1,829,135 represents amounts paid by grantors that have not been expended as of December 31, 2022 and 2021, respectively, and are recognized when expenses are incurred through the grants providing the funds.

NOTE 7: CONTINGENCY

Under terms of various grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time. Management expects such amounts, if any, to be immaterial.

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8: DONATED SERVICES, MATERIALS AND FACILITIES

Support in-kind of \$349,812 and \$337,053 are included in the accompanying financial statements at the estimated fair value of those items for the years ended December 31, 2022 and 2021, respectively. The Organization receives significant donated services from unpaid volunteers that do not meet the recognition criteria. Management estimates the value of those services to be \$1,930,656 and \$2,055,978 for December 31, 2022 and 2021, respectively.

	<u>2022</u>	<u>2021</u>
In-kind rent contributions	\$ 299,991	\$ 286,861
Services	44,795	49,034
Goods and materials	<u>5,026</u>	<u>1,158</u>
Total support in-kind	<u>349,812</u>	<u>337,053</u>
Donated volunteer time	<u>1,930,656</u>	<u>2,055,978</u>
Total donated services, materials, and facilities	<u>\$ 2,280,468</u>	<u>\$ 2,393,031</u>

NOTE 9: LEASES

Community Action Wayne/Medina leases its Medina office location under a long-term operating lease expiring October 31, 2026. The annual rent is increased on the lease anniversary date, as determined by the change in the Consumer Price Index along with other factors.

Five child development centers are leased under long-term operating leases expiring in 2022-2027. CAW/M also rented additional space in its Brunswick center, and warehouse space in its Rittman center.

Three other child development centers are leased for periods from 2022-2027, with renewals of periods of one year until either party terminates. Rent for the three child development centers is via in-kind donations with the only expense to the Organization being for utilities.

Lease expense for the years ending December 31, 2022 and 2021 was \$143,422 and \$182,285, respectively.

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

Supplemental cash flow information related to leases was as follows for the year ended December 31, 2022:

Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	\$ 138,087
ROU assets obtained in exchange for new operating lease liabilities	\$ 520,868

Supplemental balance sheet information related to leases was as follows:

Operating leases	
Operating lease ROU assets	\$ 520,868
Operating lease ROU assets accumulated amortization	(138,087)
Operating lease ROU assets, net	<u>\$ 382,781</u>
Operating lease current liabilities	140,840
Operating lease non-current liabilities	241,941
	<u>\$ 382,781</u>

Other information:

Weighted-average remaining lease term in years for operating leases	3.14
Weighted-average discount rate for operating leases	1.20 %

Future undiscounted cash flows for each of the next five years and thereafter and a reconciliation to the lease liabilities recognized on the balance sheet are as follows as of December 31, 2022:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2023	\$ 144,635
2024	113,792
2025	87,289
2026	47,984
Total future minimum lease payments	<u>\$ 393,700</u>
Less imputed interest	(10,919)
Total present value of lease liabilities	<u>\$ 382,781</u>

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10: RETIREMENT SAVINGS PLAN

Effective July 1, 1996, Community Action Wayne/Medina established a retirement savings plan under Section 403(b) of the Internal Revenue Code for employees meeting eligibility requirements. Under provisions of the plan, employees may elect to have a portion of their salary withheld and contributed to the plan. The Organization’s discretionary contribution is 3% of an eligible employee’s gross salary following completion of minimum service requirements. In addition, if the employee contributes at least 3%, the Organization will contribute an additional 3% match. Plan expense was \$259,652 and \$263,147 for the years ending December 31, 2022 and 2021, respectively.

NOTE 11: NET ASSETS

Net assets with donor restrictions are as follows:

	<u>2022</u>	<u>2021</u>
Purpose restriction	\$ <u>31,376</u>	\$ <u>31,376</u>

The donor-restricted net assets at December 31, 2022 and 2021 are restricted for use within the Getting Ahead, Transportation, and Food Pantry programs.

NOTE 12: LIQUIDITY AND AVAILABILITY

The following reflects CAW/M’s financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of the statement of financial position date because of contractual or donor-imposed restrictions.

Cash and cash equivalents	\$ 2,258,232
Program grants receivable	<u>363,457</u>
	2,621,689
Less: contractual or donor-imposed restrictions	<u>(31,376)</u>
Amounts available to meet cash needs for general expenditures within one year	<u>\$ 2,590,313</u>

Included within the amounts available to meet cash needs for general expenditures within one year are amounts received through federal, state, and local grants. These amounts are available for use as specified in the grant agreements. Unspent amounts, if any, are to be returned to the grantor at the end of the grant period.

CAW/M has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

CAW/M has board designated funds of \$300,000 as of December 31, 2022. Although CAW/M does not intend to spend from its board designated funds other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from the board designated operating reserve could be made available if necessary.

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13: COVID – 19 AND RELATED GOVERNMENT ASSISTANCE

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) was signed. The CARES Act had impact on several matters. The Payroll Protection Program (PPP), administered by the Small Business Administration (SBA), allows eligible companies to apply for government assistance to help businesses keep their workforce employed during the Coronavirus (COVID-19) crisis. CAW/M did not apply for or receive any PPP funds.

During 2021, two additional grants were awarded to the organization for COVID relief for \$163,000 and \$942,000, in relation to the CARES program. The additional grants allowed for more varied services to be performed for the Organization to expend the funds.

NOTE 14: SUBSEQUENT EVENTS

CAW/M entered into a new office lease agreement in Medina, Ohio for a term of four years beginning in February 2023, with payments of \$8,167 per quarter. See Note 9 of the financial statements for additional lease information.

In April 2023, the Organization closed on the purchase of a new building in Lodi, Ohio. The purchase of the building totaled \$410,000.

NOTE 15: RECLASSIFICATION

Certain amounts previously reported in the December 31, 2021, financial statements have been reclassified to conform to the reporting presentation of the financial statements at December 31, 2022.

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors of
Community Action Wayne/Medina
Wooster, 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 (*Government Auditing Standards*), the financial statements of Community Action Wayne/Medina (the “Organization”), which comprise the statement of financial position as of December 31, 2022, 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 27 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization’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 Organization’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization’s internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rea & Associates, Inc.

Rea & Associates, Inc.
Wooster, Ohio
September 27, 2023

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

To the Board of Directors of
Community Action Wayne/Medina
Wooster, Ohio

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Action Wayne/Medina’s (the “Organization”) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization’s major federal programs for the year ended December 31, 2022. The Organization’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 Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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 Organization 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 Organization'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 Organization’s federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Organization'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 GAAS, *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 Organization's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *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 Organization'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 Organization'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 Organization'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.

Community Action Wayne/Medina
Independent Auditor's Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance

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.

Rea & Associates, Inc.

Rea & Associates, Inc.
Wooster, Ohio
September 27, 2023

COMMUNITY ACTION WAYNE/MEDINA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Pass-Through Grantor/Program Title	Federal Assistance Listing Number	Federal/Pass-Through Grant Number	Federal Expenditures	Amounts Provided to Subrecipients
U.S. Department of Health and Human Services				
Head Start Cluster				
<i>Direct Programs</i>				
COVID-19 - Head Start - American Rescue Plan	93.600	05HE000713-01-01	\$ 144,462	\$ -
Head Start - 2023	93.600	2122-43	5,883,785	-
Head Start - 2022	93.600	2021-43	881,400	-
Total Head Start Cluster			6,909,647	-
Low-Income Home Energy Assistance				
<i>Passed through Ohio Department of Development</i>				
Home Energy Assistance (HEAP)	93.568	HEAP 2023-148	163,884	-
Home Energy Assistance (HEAP)	93.568	22-HA-148	344,587	-
Home Energy Assistance (HEAP)	93.568	WCP 2023-148	83,630	-
Home Energy Assistance (HEAP)	93.568	22-HE-248	234,186	-
Home Energy Assistance (HEAP)	93.568	SCP 2022-148	246,214	-
Home Energy Assistance (HEAP)	93.568	21-HC-248	165	-
COVID-19 - ARPA HEAP	93.568	ARPAHEAP T/TA 2022-124	9,638	-
Home Weatherization Assistance (HWAP)	93.568	22-HE-132	89,733	-
Home Weatherization Assistance (HWAP)	93.568	21-HE-132	489,780	-
Home Weatherization Assistance (HWAP)	93.568	22-132	86,641	-
Home Weatherization Assistance (HWAP)	93.568	21-132	249,468	-
Low-Income Household Water Assistance Program (LIHWAP)	93.568	LIHWAP 2021-148	134,915	-
Total HEAP/HWAP			2,132,841	-
Community Services Block Grant				
<i>Passed through Ohio Department of Development</i>				
COVID-19 - Community Services Block Grant CARES 2020 (CSBG)	93.569	2020-38	7,380	-
Community Services Block Grant (CSBG)	93.569	2021-38	173,557	-
Community Services Block Grant (CSBG)	93.569	2022-2023-38	454,084	-
Total CSBG			635,021	-
Total U.S. Department of Health and Human Services			9,677,509	-
U.S. Department of Treasury				
<i>Direct Programs</i>				
COVID-19 - Emergency Rental Assistance	21.023	CAA-HRG-2021-38	403,992	-
COVID-19 - Emergency Rental Assistance	21.023	ARPAHRG-2022-38	74,409	-
Total Emergency Rental Assistance			478,401	-
Total U.S. Department of Treasury			478,401	-
U.S. Department of Energy				
Weatherization Assistance for Low-Income Persons				
<i>Passed through Ohio Department of Development</i>				
Home Weatherization Assistance (HWAP)	81.042	22-132	121,709	-
Home Weatherization Assistance (HWAP)	81.042	21-132	109,384	-
Total HWAP			231,093	-
Total U.S. Department of Energy			231,093	-
U.S. Department of Transportation				
Transit Services Programs Cluster				
<i>Passed through Ohio Department of Transportation</i>				
5310 Program - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	SPEC-0188-058-221	95,997	-
5310 Program - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	TSTP-0188-GRF-211	1,481	-
5310 Program - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	OCPX-0188-004-231	25	-
5310 Program - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	OCPX-0188-038-210	115,362	-
5310 Program - Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	OCPX-0188-038-210	(16,289)	-
Total Transit Services Programs Cluster			196,576	-
Total U.S. Department of Transportation			196,576	-
Total Expenditures of Federal Awards			\$ 10,583,579	\$ -

COMMUNITY ACTION WAYNE/MEDINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2022

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of Community Action Wayne/Medina (the “Organization”) under programs of the federal government for the year ended December 31, 2022. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Organization.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance wherein certain types of expenditures may or may not be allowable or may be limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE C – INDIRECT COST RATE

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

COMMUNITY ACTION WAYNE/MEDINA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
2 CFR SECTION 200.515
DECEMBER 31, 2022

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unmodified
<i>(d)(1)(ii)</i>	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	None Reported
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material weaknesses in internal control reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	None Reported
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unmodified
<i>(d)(1)(vi)</i>	Are there any reportable findings under 2 CFR § 200.516(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list): COVID-19 Head Start Cluster COVID-19 Emergency Rental Assistance	AL #93.600 AL #21.023
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: \$750,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee under 2 CFR §200.520	No

**2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

None were noted.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None were noted.