

Multi-Purpose Community Action Agency, Inc.

**Audited Financial Statements and
Required Supplementary Information**

June 30, 2023

Jones & Associates CPAs, PSC
Certified Public Accountants



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Table of Contents

	Page
Independent Auditor's Report	1 – 3
Financial Statements.....	4
Statement of Financial Position	5
Statement of Activities.....	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 – 17
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>	18 – 19
Reports Required by the Uniform Guidance	20
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.....	21 – 23
Schedule of Findings and Questioned Costs.....	24
Schedule of Expenditures of Federal Awards.....	25
Notes to the Schedule of Expenditures of Federal Awards	26
Supplementary Information	27
Weatherization Program	28
Schedule of Allowable Expenses.....	29
CSBG Program	30
Statement of Activities.....	31
Schedule of Allowable Expenses.....	32
Schedule of Budget and Actual Expenses.....	33
Schedule of Questioned Costs	34
CSBG CARES Program.....	35
Statement of Activities.....	36
Schedule of Allowable Expenses.....	37
Schedule of Budget and Actual Expenses.....	38

Table of Contents
(Continued)

Supplementary Information *(Continued)*

CSBG CARES Program *(Continued)*

Schedule of Questioned Costs	39
LIHEAP Program.....	40
Statement of Program Activities.....	41
Schedule of Budget and Actual Expenses.....	42
Schedule of Questioned Costs	43
Title III-B Program	44
Schedule of Program Activities	45
Title III-C Program.....	46
Schedule of Program Activities	47

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To the Board of Directors of
Multi-Purpose Community Action Agency, Inc.

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Multi-Purpose Community Action Agency, Inc. (a nonprofit organization), which comprise the Statement of Financial Position as of June 30, 2023, and the related Statements of Activities and Cash Flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Multi-Purpose Community Action Agency, Inc. as of June 30, 2023, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Multi-Purpose Community Action Agency, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Multi-Purpose Community Action Agency, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes

**To the Board of Directors of
Multi-Purpose Community Action Agency, Inc.
Independent Auditor's Report
(Continued)**

Report on the Audit of the Financial Statements (Continued)

our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Multi-Purpose Community Action Agency, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Multi-Purpose Community Action Agency, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The closeout statements, presented in accordance with grant reporting requirements, and the Schedule of Expenditures of Federal Awards, presented in accordance with Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for the purpose of additional analysis and are 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

**To the Board of Directors of
Multi-Purpose Community Action Agency, Inc.
Independent Auditor's Report
(Continued)**

Report on the Audit of the Financial Statements (Continued)

themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2023, on our consideration of Multi-Purpose Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Multi-Purpose Community Action Agency, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Multi-Purpose Community Action Agency, Inc.'s internal control over financial reporting and compliance.

Respectfully submitted,

Jones & Associates CPAs, PSC

Jones & Associates CPAs, PSC
Certified Public Accountants
Lexington, KY

October 18, 2023

Financial Statements

Multi-Purpose Community Action Agency, Inc.
Statement of Financial Position
June 30, 2023

Assets

Current assets	
Cash	\$ 21,741
Accounts receivable	
From funding sources	<u>264,569</u>
Total current assets	\$ <u>286,310</u>
Other assets	
Property and equipment (net)	\$ 48,857
Right-of-use asset (net)	6,919
Prepaid asset	<u>720</u>
Total other assets	\$ <u>56,496</u>
Total assets	\$ <u><u>342,806</u></u>

Liabilities and net assets

Liabilities	
Current liabilities	
Accounts payable	\$ 9,267
Payroll and payroll related withholdings	10,514
Accrued annual leave	29,682
Accrued payroll and liabilities	24,389
Line of credit	99,500
Lease liability, current	3,907
Unearned revenue	<u>14,423</u>
Total current liabilities	\$ <u>191,682</u>
Noncurrent liabilities	
Lease liability, noncurrent	\$ <u>3,144</u>
Total noncurrent liabilities	\$ <u>3,144</u>
Total liabilities	\$ <u>194,826</u>
Net assets	
Net assets without donor restriction	\$ <u>147,980</u>
Total net assets	\$ <u>147,980</u>
Total liabilities and net assets	\$ <u><u>342,806</u></u>

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

Multi-Purpose Community Action Agency, Inc.
Statement of Activities
For the Year Ended June 30, 2023

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Total</u>
Revenues, gains, and other support			
Grant revenue			
Federal	\$	\$ 1,827,620	\$ 1,827,620
State and local		124,644	124,644
Investment income	76		76
In-kind contributions		133,722	133,722
Rental revenue	500		500
Contributions	107,570		107,570
Other revenue	11,111		11,111
Gain on disposal of assets	3,851		3,851
Net assets released from restrictions			
Satisfaction of program restrictions	<u>2,085,986</u>	<u>(2,085,986)</u>	
Total revenues, gains, and other support	<u>\$ 2,209,094</u>	<u>\$</u>	<u>\$ 2,209,094</u>
Expenses and losses			
Expenses			
Program services			
Weatherization	\$ 536,436	\$	\$ 536,436
Utility assistance	524,514		524,514
Emergency services	42,786		42,786
Other program services	<u>120,903</u>		<u>120,903</u>
Total program services	\$ 1,224,639	\$	\$ 1,224,639
Supporting services	<u>1,065,015</u>		<u>1,065,015</u>
Total expenses	<u>\$ 2,289,654</u>	<u>\$</u>	<u>\$ 2,289,654</u>
Total expenses and losses	<u>\$ 2,289,654</u>	<u>\$</u>	<u>\$ 2,289,654</u>
Change in net assets	\$ (80,560)	\$	\$ (80,560)
Net assets - Beginning of year	<u>228,540</u>		<u>228,540</u>
Net assets - End of year	<u>\$ 147,980</u>	<u>\$</u>	<u>\$ 147,980</u>

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

Multi-Purpose Community Action Agency, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2023

Cash flows from operating activities	
Increase (decrease) in net assets	\$ (80,560)
Adjustments to reconcile change in net assets to net cash provided by operating activities	
(Increase) decrease in	
Accounts receivable	(128,264)
Prepaid asset	375
Increase (decrease) in	
Accounts payable	(3,856)
Payroll and payroll related withholdings	1,464
Accrued annual leave	6,317
Accrued payroll and liabilities	(5,100)
Unearned revenue	(59,171)
Gain on sale of assets	(3,851)
Amortization expense	5,095
Depreciation expense	<u>15,330</u>
Net cash provided (used) by operating activities	\$ <u>(252,221)</u>
Cash flows from investing activities	
Proceeds from sale of property and equipment	\$ 3,851
Purchase of property and equipment	<u>(25,294)</u>
Net cash provided (used) by investing activities	\$ <u>(21,443)</u>
Cash flows from financing activities	
Proceeds from debt borrowing	\$ 149,500
Repayment of debt	(64,044)
Repayment of lease	<u>(4,963)</u>
Net cash provided (used) by financing activities	\$ <u>80,493</u>
Net increase (decrease) in cash and cash equivalents	\$ (193,171)
Cash and cash equivalents - Beginning of year	<u>214,912</u>
Cash and cash equivalents - End of year	\$ <u><u>21,741</u></u>
Non-cash investing and financing activities	
Increase in right of use asset	\$ 12,014
Increase in lease liability	<u>(12,014)</u>
Total non-cash investing and financing activities	\$ <u><u> </u></u>
Supplemental disclosure of cash flow information	
Cash paid during the year for interest	<u><u>\$ 3,804</u></u>

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

Multi-Purpose Community Action Agency, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023

Note 1. Description of Business and Summary of Significant Accounting Policies

Description of Business

Multi-Purpose Community Action Agency, Inc. (Organization) operates in Kentucky as a non-profit organization under Section 501(c)(3) of the Internal Revenue Code. The Organization provides services to the counties of Spencer, Shelby, and Bullitt. The main office and administrative headquarters are located in Shelbyville, KY.

The Organization provides a wide range of services to the public, focusing on the low income, elderly, and needy persons of the area it serves. Federal, state, and local government assistance accounts for the majority of the Organization's funding. Funds are also received from private donations. Government related funding includes grants from the Department of Energy, the Department of Health and Human Services, the Kentucky Cabinet for Families and Children, Community Action Kentucky, the Kentuckiana Regional Planning and Development Agency, Inc., as well as fiscal court allocations from the counties of Spencer, Shelby, and Bullitt.

Financial Statement Presentation

The Organization reports information regarding its financial position and activities according to 2 classes of net assets (net assets without donor restrictions and net assets with donor restrictions) based upon the existence or absence of donor-imposed restrictions.

Cash Equivalents

Cash equivalents include investments purchased with an initial maturity of 90 days or less.

Compensated Absences

Employees of the Organization are entitled to paid annual leave, depending on the length of service and other factors. The Organization's policy is to recognize a liability for compensated absences when earned.

Use of Estimates

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

Property and Equipment

Purchased property and equipment items are stated at cost less accumulated depreciation. Donated property and equipment items are stated at the approximated fair value on the date of the donation less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets ranging from 3 to 15 years. Property and equipment whose cost is \$5,000 or greater is capitalized.

Multi-Purpose Community Action Agency, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023
(Continued)

Note 1. Description of Business and Summary of Significant Accounting Policies *(Continued)*

Tax Exempt Status

The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Accounts Receivable

Accounts receivable is stated at the amount management expects to collect from outstanding balances. At June 30, 2023, management determined that an allowance for doubtful accounts was not needed.

Net Assets

Net assets consist of the following:

Without Donor Restrictions

Net assets without donor restrictions include those net assets (undesignated and designated) whose use is not restricted by donors, even though their use may be limited in other respects, such as by board designation.

With Donor Restrictions

Net assets with donor restrictions include net assets that have been donor restricted in perpetuity or by specific time or purpose restrictions.

Revenue Recognition

Revenues and support are reported as increases in net assets without donor restrictions unless the use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Expirations of donor-imposed restrictions on net assets (that is, the donor-stipulated purpose has been fulfilled or the stipulated time period has elapsed, or both) are reported as reclassifications between applicable classes of net assets.

Contributions

Contributions received by the Organization are recorded as revenue that increases net assets with or without donor restrictions, depending on the existence or nature, or both, of any donor-imposed restrictions. All donor-restricted support is initially recorded as an increase to net assets with donor restrictions until the restrictions are met. Conditional contributions received are accounted for as a liability or are unrecognized initially until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional contributions and classified as either net assets with donor restrictions or net assets without donor restrictions.

Grant Revenue Recognition

The Organization receives grants from federal and state governments and various other grantors for direct and indirect program costs associated with specific programs and projects. The grants received from federal and state governments are subject to certain restrictions, which are met by incurring qualifying expenses

Multi-Purpose Community Action Agency, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023
(Continued)

Note 1. Description of Business and Summary of Significant Accounting Policies *(Continued)*

Revenue Recognition *(Continued)*

Grant Revenue Recognition *(Continued)*

for the particular program or project that is funded by the grant. Revenue from such grants is recognized when the funds have been expended on activities stipulated in the grant agreement. For unconditional grants, revenue is recognized as contribution revenue that increases net assets with donor restrictions at the time the grant is received or pledged, and the funds are released from restriction when the qualifying expenses have been incurred. For conditional grants, when the donor conditions are substantially met the revenue is recognized as contribution revenue that increases net assets with donor restrictions and the funds are released from restrictions when the qualifying expenses have been incurred.

Note 2. Deposits

The Organization maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). The depository institutions should pledge sufficient securities as collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times.

Note 3. Concentrations of Risk

Depository credit risk is the risk that in the event of a depository institution's failure, the Organization's deposits may not be returned.

The Organization's operations are funded almost entirely through grants and contracts. These grants are typically awarded on an annual basis and contracts are renegotiated. If these grants were not awarded or contracts not renewed, their loss would drastically impair the Organization's ability to continue operating.

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Organization maintains commercial insurance coverage covering each of these risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Organization.

Note 4. Short-term Debt

A line of credit, which renews annually, was established with Independence Bank in the amount of \$156,000 and is collateralized by all the Organization's accounts receivables. The Organization accessed the line of credit during the year and the balance to be repaid at June 30, 2023 was \$99,500. At June 30, 2023, the line of credit's effective rate of interest was 8.75%.

Note 5. Tax Status

The Organization believes it is no longer subject to income tax examinations for years prior to 2020.

Note 6. Compensated Absences

The Organization accrues for annual leave due to employees. The liability was \$29,682 at June 30, 2023.

Multi-Purpose Community Action Agency, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023
(Continued)

Note 7. County Employees Retirement System Plan

The Organization is a participating employer of the County Employees Retirement System (CERS). Under the provisions of Kentucky Revised Statute Section 61.645, the CERS Board of Trustees (Board) of the Kentucky Public Pension Authority (KPPA) administers the CERS. The KPPA issues publicly available financial statements which may be downloaded from the KPPA website.

Plan Description

The CERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all regular full-time members employed in positions of each participating county, city, and school board, and any additional eligible local agencies electing to participate. The CERS provides plan members with benefits through a pension trust and an insurance trust. The pension trust provides retirement, disability, and death benefits. The insurance trust provides health insurance or other postemployment benefits (OPEB). Benefits may be extended to beneficiaries of plan members under certain circumstances. Cost-of-living adjustments (COLA) are provided at the discretion of the State Legislature.

Contributions

For the year ended June 30, 2023, plan members were required to contribute 5% of wages for non-hazardous job classifications. Employees hired after September 1, 2008 are required to contribute an additional 1% to cover the cost of medical insurance that is provided through CERS. Participating employers were required to contribute at an actuarially determined rate. Per Kentucky Revised Statute Section 61.565(3), normal contribution and past service contribution rates shall be determined by the Board on the basis of an annual valuation last proceeding July 1 of a new biennium. The Board may amend contribution rates as of July 1 of the second year of a new biennium, if it is determined on the basis of a subsequent actuarial valuation that amended contribution rates are necessary to satisfy requirements determined in accordance with the actuarial basis adopted by the Board. For the year ended June 30, 2023, participating employers contributed 26.79% (23.40% to the pension fund and 3.39% to the insurance fund) of each employee's wages, which is equal to the actuarially determined rate set by the Board. Administrative costs of the CERS are financed through employer contributions and investment earnings.

Plan members who began participating on, or after, January 1, 2014 are required to contribute to the Cash Balance Plan. The Cash Balance Plan is known as a hybrid plan because it has characteristics of both a defined benefit plan and a defined contribution plan. Members in the Plan contribute a set percentage of their salary each month to their own account. Plan members contribute 5% of wages to their own account and 1% to the health insurance fund. The employer contribution rate is set annually by the Board based on an actuarial valuation. The employer contributes a set percentage of each member's salary. Each month, when employer contributions are received, an employer pay credit is deposited to the member's account. For non-hazardous members, their account is credited with a 4% employer pay credit. The employer pay credit represents a portion of the employer contribution.

The Organization contributed \$116,660 for the year ended June 30, 2023, or 100% of the required contribution. The contribution was allocated \$101,898 to the pension fund and \$14,762 to the insurance fund.

Multi-Purpose Community Action Agency, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023
(Continued)

Note 7. County Employees Retirement System Plan (Continued)

Benefits

CERS provides retirement, health insurance, death, and disability benefits to Plan employees and beneficiaries. Employees are vested in the Plan after 5 years of service. For retirement purposes, employees are grouped into 3 tiers based on hire date:

	<u>Participation Date</u>	<u>Unreduced Benefit</u>	<u>Reduced Benefit</u>
Tier 1	Before September 1, 2008	27 years of service or 65 years old and 4 years of service	At least 5 years of service and 55 years old or 25 years of service and any age
Tier 2	After September 1, 2008 but before December 31, 2013	At least 5 years of service and 65 years old or age 57+ and sum of service years plus age equal to 87+	At least 10 years of service and 60 years old
Tier 3	After December 31, 2013	At least 5 years of service and 65 years old or age 57+ and sum of service years plus age equal to 87+	Not available

For OPEB purposes, employees are grouped into 3 tiers based on hire date:

	<u>Participation Date</u>	<u>Insurance Eligibility</u>	<u>Benefit</u>
Tier 1	Before July 1, 2003	10 years of service credit required	Set percentage of single coverage health insurance based on service credit accrued at retirement
	After July 1, 2003 but before September 1, 2008	10 years of service credit required	Set dollar amount based on service credit accrued, increased annually
Tier 2	After September 1, 2008 but before December 31, 2013	15 years of service credit required	Set dollar amount based on service credit accrued, increased annually
Tier 3	After December 31, 2013	15 years of service credit required	Set dollar amount based on service credit accrued, increased annually

COLA are provided at the discretion of the General Assembly. Retirement is based on a factor of the number of years' service and hire date multiplied by the average of the highest 5 years of earnings. Reduced benefits are based on factors of both of these components. Participating employees become eligible to receive the health insurance benefit after at least 180 months of service. Death benefits are provided for both death after retirement and death prior to retirement. Death benefits after retirement are provided in one lump sum payment of \$5,000. Five years of service is required for death benefits prior to retirement and the employee must have suffered a duty-related death. The decedent's beneficiary will receive the higher of the normal death benefit or \$10,000 plus 25% of the decedent's monthly final rate of pay and any dependent child will receive 10% of the decedent's monthly final rate of pay up to 40% for all dependent children. Five years of service is required for nonservice-related disability benefits.

Multi-Purpose Community Action Agency, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023
(Continued)

Note 7. County Employees Retirement System Plan *(Continued)*

Pension Liabilities

At June 30, 2023, the Organization estimates that its total unfunded liability would be approximately \$1,057,894, based upon its proportionate share of the total net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Organization's proportion of the net pension liability was based on a projection of the Organization's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Organization's proportion was 0.014634% which was an increase of 0.000847% from its proportion measured as of June 30, 2021. The liability is not recorded on the Organization's financial statements, in accordance with FASB standards.

OPEB Liabilities

At June 30, 2023, the Organization estimates that its total unfunded liability would be approximately \$288,745, based upon its proportionate share of the total OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Organization's proportion of the net OPEB liability was based on a projection of the Organization's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2022, the Organization's proportion was 0.014631% which was an increase of 0.000848% from its proportion as of June 30, 2021. The liability is not recorded on the Organization's financial statements, in accordance with FASB standards.

Actuarial Assumptions

The total pension and OPEB liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.3%
Salary increases	3.3% to 10.3%, varies by service, including inflation
Investment rate of return	6.25%, net of Plan investment expense, including inflation
Healthcare trend	
Pre-65	Initial trend starting at 6.4% on January 1, 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 14 years
Post-65	Initial trend starting at 6.3% on January 1, 2023, and gradually decreasing to an ultimate trend rate of 4.05% over a period of 13 years

Mortality rates were based on the PUB-2010 General Mortality Table projected with the ultimate rates from the MP-2014 Mortality Improvement Scale using a base year of 2010. The Mortality Table used for healthy retired members was a system-specific mortality table based on mortality experience from 2013 through 2018, projected with the ultimate rates from MP-2014 Mortality Improvement Scale using a base year of 2020. The Mortality Table used for disabled members was PUB-2010 Disabled Mortality Table, with a 4-year set-forward for both male and female rates, projected with the ultimate rates from MP-2014 Mortality Improvement Scale using a base year of 2010.

Multi-Purpose Community Action Agency, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023
(Continued)

Note 7. County Employees Retirement System Plan *(Continued)*

Actuarial Assumptions *(Continued)*

The actuarial assumption used in the June 30, 2022 valuation was based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018. The total pension and OPEB liabilities were rolled-forward from the valuation date (June 30, 2021) to the Plan's fiscal year ending June 30, 2022.

The long-term expected rate of return was determined by using a building-block method in which best estimate ranges of expected future real rates of return are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimate of arithmetic real rate of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-term Expected Real Rate of Return</u>	<u>Target Allocation</u>
Equity		60.00%
Public equity	4.45%	50.00%
Private equity	10.15%	10.00%
Fixed Income		20.00%
Core fixed income	0.28%	10.00%
Specialty credit	2.28%	10.00%
Cash	(0.91)%	0.00%
Inflation Protected		20.00%
Real estate	3.67%	7.00%
Real return	4.07%	13.00%
Expected real return		100.00%
Long term inflation assumption		2.30%
Expected nominal return for portfolio		6.25%

Pension Discount Rate

The discount rate used to measure the total pension liability was 6.25% for the year ended June 30, 2022 for non-hazardous classifications. The projection of cash flows used to determine the discount rate assumed that local employers would contribute funds as required by the current funding policy established in Statute as last amended by House Bill 362 (passed in 2018). The discount rate determination does not use a municipal bond rate.

OPEB Discount Rate

The discount rate used to measure the total OPEB liability was 5.70% for the year ended June 30, 2022 for non-hazardous classifications. The projection of cash flows used to determine the discount rate assumed that local employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 24-year amortization period of the unfunded actuarial accrued liability.

Multi-Purpose Community Action Agency, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023
(Continued)

Note 7. County Employees Retirement System Plan *(Continued)*

OPEB Discount Rate *(Continued)*

The discount rate determination used an expected rate of return of 6.25%, and a municipal bond rate of 1.92%, as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of June 28, 2022. However, the cost associated with the implicit employer subsidy was not included in the calculation of the KPPA's actuarial determined contributions, and any cost associated with the implicit subsidy will not be paid out of the KPPA's trusts. Therefore, the municipal bond rate was applied to future expected benefit payments associated with the implicit subsidy.

Total Pension Plan Assets, Liabilities, and Funded Status

The Plan's total pension liability is approximately \$15,192,599,000 and fiduciary net position was \$7,963,586,000 resulting in a net pension liability of \$7,229,013,000. Therefore, the Plan's net position as a percentage of the total pension liability was 52.42%.

Total OPEB Plan Assets, Liabilities, and Funded Status

The Plan's total OPEB liability is approximately \$5,053,498,000 and fiduciary net position was \$3,079,984,000 resulting in a net OPEB liability of \$1,973,514,000. Therefore, the Plan's net position as a percentage of the total OPEB liability was 60.95%.

Note 8. Leases

The Organization leased office equipment under leases whose terms are less than 1 year. Rental expense for those leases totaled \$672 for the year ended June 30, 2023. The Organization also leased office equipment under leases whose terms are greater than 1 year. Amortization expenses for those leases totaled \$5,095 for the year ended June 30, 2023. Future minimum rental commitments for these leases are as follows:

Year Ended June 30,	Interest	Principal
2024	\$ 245	\$ 3,907
2025	106	2,269
2026	10	875
Total	<u>\$ 361</u>	<u>\$ 7,051</u>

Note 9. Donated Services, Materials, and Facilities

Various individuals and organizations donate significant services, materials, and facilities to the Organization. Donated materials and facilities are recorded at their market value on the date of donation and have been included in revenues and expenses for the year. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. Other donated services were not recognized in the financial statements because they did not meet the criteria for recognition. Donated materials and facilities of \$18,702 and \$115,020, respectively, have been included in revenues and expenses for the year.

Multi-Purpose Community Action Agency, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023
(Continued)

Note 10. Schedule of Functional Expenses

Program Services

	<u>Weather- ization</u>	<u>Utility Assistance</u>	<u>Emergency Services</u>	<u>Other Program Services</u>	<u>Total</u>
Weatherization	\$ 536,150	\$	\$	\$	\$ 536,150
Heating and energy assistance		496,307			496,307
Other program services		28,097	24,059	871	53,027
Equipment and software purchases	286	110	25	5,012	5,433
In-kind			18,702	115,020	133,722
Total expenses	<u>\$ 536,436</u>	<u>\$ 524,514</u>	<u>\$ 42,786</u>	<u>\$ 120,903</u>	<u>\$ 1,224,639</u>

Supporting Services

	<u>Total</u>
Personnel	\$ 558,170
Contract labor	88,036
Supplies and postage	12,626
Rent	4,517
Insurance and bonding	11,536
Travel	2,529
Utilities, telephone, and internet	35,062
Equipment leases, rental, and usage	11,649
Staff training	32,297
Depreciation	15,330
Maintenance and repairs	17,451
Dues, subscriptions, fees, and permits	10,139
Professional fees	11,895
Interest	3,804
Indirect costs	233,733
Other administrative	16,241
Total expenses	<u>\$ 1,065,015</u>

Multi-Purpose Community Action Agency, Inc.
Notes to the Financial Statements
For the Year Ended June 30, 2023
(Continued)

Note 11. Property and Equipment

Property and equipment activity consist of the following:

	Beginning Balance		Increase		Decrease		Ending Balance
Equipment and furnishings	\$ 10,715	\$		\$		\$	10,715
Leasehold improvements	50,591						50,591
Vehicles	82,833		25,294		36,864		71,263
Total property and equipment	\$ 144,139	\$	25,294	\$	36,864	\$	132,569
Less: Accumulated depreciation	105,246		15,330		36,864		83,712
Property and equipment, net	\$ 38,893	\$	9,964	\$		\$	48,857

Note 12. Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions within 1 year of the balance sheet date:

Financial assets, at year-end	\$ 286,310
Financial assets available to meet cash needs for general expenditures within 1 year	\$ 286,310

The Organization does not have a formal liquidity policy, but its process of liquidity management calls for the Organization to maintain sufficient liquid financial assets in order to readily meet general expenditures and obligations as they become due. Management regularly reviews the Organization's liquid asset needs.

Note 13. New Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases that are not excluded by the standard. Such leases, which are not excluded by the standard, create an asset and a liability from the lessee in accordance with FASB Concepts Statement No. 6, *Elements of Financial Statements*, and therefore, will result in recognition of lease assets and lease liabilities for most leases. The Organization adopted the requirements of Topic 842 as of July 1, 2022. These changes had no impact on the beginning net assets of the entity.

Note 14. Cost Allocation

Certain categories of expenses are attributable to more than 1 program or supporting function and are allocated on a reasonable basis that is consistently applied. These expenses are allocated based on time, effort, and utilization.

Note 15. Subsequent Events

The Organization has evaluated subsequent events through October 18, 2023, the date which the financial statements were available to be issued.

Jones & Associates CPAs, PSC

Certified Public Accountants



121 Prosperous Place, Suite 2A, Lexington, KY 40509 (859) 687-0303

To the Board of Directors of
Multi-Purpose Community Action Agency, Inc.

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*

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 Multi-Purpose Community Action Agency, Inc. (a nonprofit Organization), which comprise the Statement of Financial Position as of June 30, 2023, and the related Statements of Activities and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated October 18, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Multi-Purpose Community Action Agency, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Multi-Purpose Community Action Agency, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Multi-Purpose Community Action Agency, Inc.'s internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Multi-Purpose Community Action Agency, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with

**To the Board of Directors of
Multi-Purpose Community Action Agency, Inc.
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*
(Continued)**

Report on Compliance and Other Matters (Continued)

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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Jones & Associates CPAs, PSC

Jones & Associates CPAs, PSC
Certified Public Accountants
Lexington, KY

October 18, 2023

Reports Required by the Uniform Guidance

Jones & Associates CPAs, PSC

Certified Public Accountants



121 Prosperous Place, Suite 2A, Lexington, KY 40509 (859) 687-0303

To the Board of Directors of
Multi-Purpose Community Action Agency, Inc.

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Multi-Purpose Community Action Agency, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on Multi-Purpose Community Action Agency, Inc.'s major federal program for the year ended June 30, 2023. Multi-Purpose Community Action Agency, Inc.'s major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, Multi-Purpose Community Action Agency, 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 June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Multi-Purpose Community Action Agency, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Multi-Purpose Community Action Agency, Inc.'s compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Multi-Purpose Community Action Agency, Inc.'s federal programs.

**To the Board of Directors of
Multi-Purpose Community Action Agency, Inc.
Independent Auditor's Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance
(Continued)**

Report on Compliance for Each Major Federal Program (Continued)

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 Multi-Purpose Community Action Agency, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Multi-Purpose Community Action Agency, Inc.'s compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Multi-Purpose Community Action Agency, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Multi-Purpose Community Action Agency, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Multi-Purpose Community Action Agency, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

**To the Board of Directors of
Multi-Purpose Community Action Agency, Inc.
Independent Auditor’s Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance
(Continued)**

Report on Internal Control over Compliance (Continued)

of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor’s Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Respectfully submitted,

Jones & Associates CPAs, PSC

Jones & Associates CPAs, PSC
Certified Public Accountants
Lexington, KY

October 18, 2023

Multi-Purpose Community Action Agency, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2023

Summary of Results

1. The auditor's report expresses an unmodified opinion on the financial statements of Multi-Purpose Community Action Agency, Inc.
2. No significant deficiencies or material weaknesses are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Multi-Purpose Community Action Agency, Inc. were disclosed during the audit.
4. No significant deficiencies or material weaknesses relating to the audit of the major federal award program are reported in the Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award program for Multi-Purpose Community Action Agency, Inc. expresses an unmodified opinion on the major federal program.
6. There are no audit findings required to be reported in accordance with the Uniform Guidance.
7. The following was tested as a major program: Low-Income Home Energy Assistance Program (93.568).
8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. Multi-Purpose Community Action Agency, Inc. does not qualify as a low-risk auditee.

Findings – Financial Statement

There were no financial statement findings.

Findings and Questioned Costs – Major Federal Award Program

There were no federal award findings and questioned costs.

Summary Schedule of Prior Audit Findings

There were no prior year audit findings.

**Multi-Purpose Community Action Agency, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assist- ance Listing Number</u>	<u>Pass-through Grantors Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Award Expenditures</u>	<u>Federal Program and/or Cluster Total</u>
<u>U.S. Department of Health and Human Services</u>					
Passed through Kentucky Cabinet for Health and Family Services					
CSBG - Community Services Block Grant	93.569	PON2-736-2200002040	\$	\$ 169,060	\$ 169,060
Passed through Community Action Kentucky, Inc. and Kentucky Housing Corporation					
MP Weatherization LIHEAP	93.568	LH23-0614-02		\$ 536,535	\$ 536,535 *
Passed through Community Action Kentucky, Inc. LIHEAP					
	93.568	736-2200003098		\$ 545,967	\$ 545,967 *
Passed through Kentuckiana Regional Planning and Development Agency					
Aging Cluster					
Title III-B Support Services	93.044	PON3 725 2200000036	\$	127,332	
Title III-C Nutrition	93.045	PON3 725 2200000036		91,490	\$ 218,822
Total Aging Cluster					\$ 218,822
Total U.S. Department of Health and Human Services			\$		\$ 1,470,384
<u>U.S. Department of Energy</u>					
Passed through Community Action Kentucky, Inc. and Kentucky Housing Corporation					
MP Weatherization Assistance (DOE)	81.042	WX23-0614-02	\$	\$ 336,006	
BIL EE-0009989 Pre-Award	81.255	BIL23-0614-02		23,876	\$ 359,882
Total U.S. Department of Energy			\$		\$ 359,882
Total Federal Awards			\$		\$ 1,830,266

* Tested as a major program.

See the accompanying Notes to the Schedule of Expenditures of Federal Awards.

Multi-Purpose Community Action Agency, Inc.
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2023

Note 1. Basis of Presentation

The Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Multi-Purpose Community Action Agency, Inc., and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented on this Schedule may differ from amounts presented or used in the preparation of the financial statements.

Note 2. 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 the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Subrecipients

There were no awards passed through to subrecipients for the year ended June 30, 2023.

Note 4. Indirect Cost Rate

Multi-Purpose Community Action Agency, Inc. has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 5. Other

There were no federal awards expended for loan or loan guarantee programs or for other noncash awards.

Supplementary Information

Weatherization Program

Multi-Purpose Community Action Agency, Inc.
Weatherization: Contracts WX23-0614-02, LH23-0614-02, BIL23-0614-02, and HR21-0028-01
Schedule of Allowable Expenses
For the Year Ended June 30, 2023

	<u>DOE</u>	<u>LIHEAP</u>	<u>AHTF Home Repair</u>	<u>BIL</u>	<u>Total</u>
Expenses					
Administration	\$ 27,209	\$ 22,425	\$ 127	\$ 194	\$ 49,955
Wx materials	56,333	68,102			124,435
Wx program support	82,201	153,947		23,625	259,773
Wx labor	88,085	116,308			204,393
Health and safety materials	16,569	83,321			99,890
Health and safety labor	25,215	82,218			107,433
Liability insurance	9,130	2,406			11,536
Financial audit	7,826				7,826
Training and technical assistance	<u>23,438</u>	<u>9,808</u>		<u>57</u>	<u>33,303</u>
Total expenses	\$ 336,006	\$ 538,535	\$ 127	\$ 23,876	\$ 898,544
Less: Other resources	500	1,500			2,000
Less: Contract payments received	<u>315,662</u>	<u>377,858</u>			<u>693,520</u>
Amount due (to) from Kentucky Housing Corporation	<u>\$ 19,844</u>	<u>\$ 159,177</u>	<u>\$ 127</u>	<u>\$ 23,876</u>	<u>\$ 203,024</u>

Note: Contract payments in the amount of \$203,024 were received after June 30, 2023.

CSBG Program

Multi-Purpose Community Action Agency, Inc.
CSBG: Contract PON2-736-2200002040
Statement of Activities
For the Year Ended June 30, 2023

Revenues and other support	
Cabinet for Health and Family Services	\$ 152,094
Fiscal court	37,907
In-kind contributions	<u>38,042</u>
Total revenues and other support	\$ <u>228,043</u>
 Cost categories	
Salaries and wages	\$ 102,733
Fringe benefits	33,161
Consumable supplies	2,205
Utilities	11,912
Transportation and travel	561
Client services	76
Staff development	4,062
Indirect	59,411
Other	12,452
In-kind	<u>38,042</u>
Total cost categories	\$ <u>264,615</u>
Revenues and other support over (under) cost categories	\$ <u><u>(36,572)</u></u>

Multi-Purpose Community Action Agency, Inc.
CSBG: Contract PON2-736-2200002040
Schedule of Allowable Expenses
For the Year Ended June 30, 2023

	Programs		Contract Total
	CSBG	CSBG Other	
Cost categories			
Salaries and wages	\$ 102,733	\$	\$ 102,733
Fringe benefits	33,232		33,232
Consumable supplies	2,005		2,005
Utilities	12,556		12,556
Transportation and travel	561		561
Client services	76		76
Staff development	4,062		4,062
Indirect	23,040		23,040
Other	11,735		11,735
In-kind	38,042		38,042
Total cost categories	\$ 228,042	\$	\$ 228,042
Less: Questioned costs			
Total allowable costs	\$ 228,042	\$	\$ 228,042
Less: In-kind received	38,042		38,042
Less: Contract payments received	173,100		173,100
Amount due (to) from Cabinet for Health and Family services	\$ 16,900	\$	\$ 16,900

Note: Contract payments in the amount of \$16,900 were received after June 30, 2023.

Multi-Purpose Community Action Agency, Inc.
CSBG: Contract PON2-736-2200002040
Schedule of Budget and Actual Expenses
For the Year Ended June 30, 2023

Cost categories	Budget*	Actual	Variance with Budget Positive (Negative)**
Salaries and wages	\$ 97,308	\$ 102,733	\$ (5,425)
Fringe benefits	32,300	33,232	(932)
Consumable supplies	2,000	2,005	(5)
Utilities	19,000	12,556	6,444
Transportation and travel	625	561	64
Client services	500	76	424
Staff development	15,209	4,062	11,147
Indirect	23,040	59,411	(36,371) ***
Other	17,596	11,735	5,861
Total cost categories	\$ 207,578	\$ 226,371	\$ (18,793)

* Contract budget dated July 1, 2022.

** The contract specifies that the actual cost cannot exceed the budget by more than 10% for any cost category.

*** Budget variance is over 10%.

Multi-Purpose Community Action Agency, Inc.
CSBG: Contract PON2-736-2200002040
Schedule of Questioned Costs
For the Year Ended June 30, 2023

Cost categories	Actual Costs	Questioned Costs	Balance
Salaries and wages	\$ 102,733	\$	\$ 102,733
Fringe benefits	33,232		33,232
Consumable supplies	2,005		2,005
Utilities	12,556		12,556
Transportation and travel	561		561
Client services	76		76
Staff development	4,062		4,062
Indirect	59,411		59,411
Other	11,735		11,735
Total cost categories	\$ 226,371	\$	\$ 226,371

Note: There were no questioned costs.

CSBG CARES Program

Multi-Purpose Community Action Agency, Inc.
CSBG CARES: Contract PON2-736-2200002040
Statement of Activities
For the Year Ended June 30, 2023

Revenues and other support	
Cabinet for Health and Family Services	\$ <u>16,967</u>
Total revenues and other support	\$ <u>16,967</u>
Cost categories	
Salaries and wages	\$ 2,713
Fringe benefits	873
Indirect costs	827
Consumable supplies	49
Utilities	363
Client services	10,743
Other	<u>1,399</u>
Total cost categories	\$ <u>16,967</u>
Revenues and other support over (under) cost categories	\$ <u><u> </u></u>

Multi-Purpose Community Action Agency, Inc.
CSBG CARES: Contract PON2-736-2200002040
Schedule of Allowable Expenses
For the Year Ended June 30, 2023

	<u>Programs</u>		Contract Total
	<u>CSBG</u>	<u>CSBG Other</u>	
Cost categories			
Salaries and wages	\$ 2,713	\$	\$ 2,713
Fringe benefits	873		873
Indirect costs	827		827
Consumable supplies	49		49
Utilities	363		363
Client services	10,743		10,743
Other	1,399		1,399
Total cost categories	\$ 16,967	\$	\$ 16,967
Less: Questioned costs			
Total allowable costs	\$ 16,967	\$	\$ 16,967
Less: Contract payments received	16,967		16,967
Amount due (to) from Cabinet for Health and Family services	\$	\$	\$

Multi-Purpose Community Action Agency, Inc.
CSBG CARES: Contract PON2-736-2200002040
Schedule of Budget and Actual Expenses
For the Year Ended June 30, 2023

Cost categories	Budget*	Actual	Variance with Budget Positive (Negative)**
Salaries and wages	\$ 4,869	\$ 2,713	\$ 2,156
Fringe benefits	2,029	873	1,156
Indirect costs	947	827	120
Consumable supplies	50	49	1
Utilities	400	363	37
Client services	9,869	10,743	(874)
Transportation	50		50
Other	2,100	1,399	701
Total cost categories	\$ 20,314	\$ 16,967	\$ 3,347

* Contract budget dated July 1, 2022.

** The contract specifies that the actual cost cannot exceed the budget by more than 10% for any cost category.

Multi-Purpose Community Action Agency, Inc.
CSBG CARES: Contract PON2-736-2200002040
Schedule of Questioned Costs
For the Year Ended June 30, 2023

Cost categories	Actual Costs	Questioned Costs	Balance
Salaries and wages	\$ 2,713	\$	\$ 2,713
Fringe benefits	873		873
Indirect costs	827		827
Consumable supplies	49		49
Utilities	363		363
Client services	10,743		10,743
Other	1,399		1,399
Total cost categories	\$ 16,967	\$	\$ 16,967

Note: There were no questioned costs.

LIHEAP Program

Multi-Purpose Community Action Agency, Inc.
LIHEAP: Contract 736-2200003098; Subcontract LIHEAP-017
Statement of Program Activities
For the Year Ended June 30, 2023

Expenses

Administration	
Personnel	\$ 52,212
Postage	73
Travel	56
Utilities, telephone, and internet	1,341
Advertising	632
Supplies	1,379
Other	3,132
Indirect	<u>11,743</u>
Total administration	\$ <u>70,568</u>
Benefits	
Summer cooling subsidy	\$ 47,800
Summer cooling crisis	51,814
Fall subsidy	71,293
Winter crisis	264,034
Spring subsidy	<u>61,366</u>
Total benefits	\$ <u>496,307</u>
Total expenses	\$ 566,875
Less: Contract payments received	<u>545,967</u>
Excess of revenues under (over) expenses	\$ <u><u>20,908</u></u>

Multi-Purpose Community Action Agency, Inc.
LIHEAP: Contract 736-220003098; Subcontract LIHEAP-017
Schedule of Budget and Actual Expenses
For the Year Ended June 30, 2023

	<u>Budget*</u>	<u>Actual</u>	<u>Variance with Budget Positive (Negative)**</u>
Expenses			
Administration	\$ 89,675	\$ 70,568	\$ 19,107
Benefits			
Summer cooling subsidy	\$ 47,853	\$ 47,800	\$ 53
Summer cooling crisis	51,814	51,814	
Fall subsidy	112,339	71,293	41,046
Winter crisis	572,762	264,034	308,728
Spring subsidy	112,040	61,366	50,674
Total benefits	\$ 896,808	\$ 496,307	\$ 400,501
Total expenses	<u>\$ 986,483</u>	<u>\$ 566,875</u>	<u>\$ 419,608</u>

* Contract budget dated July 1, 2022.

** The contract specifies that the actual cost cannot exceed the budget by more than 10% for any cost category.

Multi-Purpose Community Action Agency, Inc.
LIHEAP: Contract 736-2200003098; Subcontract LIHEAP-017
Schedule of Questioned Costs
For the Year Ended June 30, 2023

	<u>Actual costs</u>	<u>Questioned costs</u>	<u>Balance</u>
Expenses			
Administration			
Personnel	\$ 52,212	\$	\$ 52,212
Postage	73		73
Travel	56		56
Utilities, telephone, and internet	1,341		1,341
Advertising	632		632
Supplies	1,379		1,379
Other	3,132		3,132
Indirect	<u>11,743</u>		<u>11,743</u>
Total administration	<u>\$ 70,568</u>	<u>\$</u>	<u>\$ 70,568</u>
Benefits			
Summer cooling subsidy	\$ 47,800	\$	\$ 47,800
Summer cooling crisis	51,814		51,814
Fall subsidy	71,293		71,293
Winter crisis	264,034		264,034
Spring subsidy	<u>61,366</u>		<u>61,366</u>
Total benefits	<u>\$ 496,307</u>	<u>\$</u>	<u>\$ 496,307</u>
Total expenses	<u><u>\$ 566,875</u></u>	<u><u>\$</u></u>	<u><u>\$ 566,875</u></u>

Note: There were no questioned costs.

Title III-B Program

Multi-Purpose Community Action Agency, Inc.
TITLE III-B Aging Service Grant: Contract PON3 725 2200000036
Schedule of Program Activities
For the Year Ended June 30, 2023

	Budget*	Actual	Variance with Budget Positive (Negative)**
Revenues and other support			
Federal funds	\$ 63,916	\$ 127,332	\$ 63,416
State funds	79,545		(79,545)
Local match	25,317	22,299	(3,018)
Fiscal court and city council support		63,256	63,256
Total revenues and other support	\$ 168,778	\$ 212,887	\$ 44,109
	Amount Earned	Questioned Costs	Balance
Cost categories			
Bullitt County	\$ 112,865	\$	\$ 112,865
Shelby County	48,842		48,842
Spencer County	35,479		35,479
Total cost categories	\$ 197,186	\$	\$ 197,186
Revenues and other support over (under) cost categories			\$ 15,701
			Actual Units Provided
Service categories			
Advocacy			166
Education			1,593
Employment services			37
Outreach			853
Health promotion			3,517
Info and referral			766
Recreation			6,260
Telephone reassurance			2,027
			15,219

* Contract budget dated July 1, 2022.

** The contract specifies that the actual cost cannot exceed the budget by more than 10% for any cost category.

Note: There were no questioned costs.

Title III-C Program

Multi-Purpose Community Action Agency, Inc.
Title III-C Nutrition Program: Contract PON3 725 220000036
Schedule of Program Activities
For the Year Ended June 30, 2023

	Budget*	Actual	Variance with Budget Positive (Negative)**		
Revenues and other support					
Federal funds	\$ 114,327	\$ 89,343	\$ (24,984)		
State funds	2,333	2,147	(186)		
Local match	20,587	15,868	(4,719)		
Program income		1,648	1,648		
Fiscal court and local government		27,372	27,372		
	<u>\$ 137,247</u>	<u>\$ 136,378</u>	<u>\$ (869)</u>		
Total revenues and other support					
	<u>\$ 137,247</u>	<u>\$ 136,378</u>	<u>\$ (869)</u>		
	Actual Units Provided	Rate	Amount Earned	Questioned Costs	Balance
Service categories					
III-C1 meal services	2,172	4.70	\$ 10,208	\$	\$ 10,208
III-C2 home delivered meal services	22,125	3.88	85,845		85,845
III-C1 Eligibility services congregate meals services	N/A		13,230		13,230
	<u>24,297</u>		<u>\$ 109,283</u>	<u>\$</u>	<u>\$ 109,283</u>
Total service categories					
	<u>24,297</u>		<u>\$ 109,283</u>	<u>\$</u>	<u>\$ 109,283</u>
Revenues and other support over (under) service categories					<u>\$ 27,095</u>

* Contract budget dated July 1, 2022.

** The contract specifies that the actual cost cannot exceed the budget by more than 10% for any cost category.

Notes:

There were no questioned costs.

Contract payments in the amount of \$19,229 were received after June 30, 2023.