

Ashtabula County Community Action Agency

Ashtabula, Ohio

Financial Statements

March 31, 2025

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
MARCH 31, 2025

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Ashtabula County Community Action Agency
Ashtabula, Ohio

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Ashtabula County Community Action Agency (a nonprofit organization) and affiliates (the "Organization"), which comprise the consolidated statement of assets, liabilities, and net assets – modified cash basis as of March 31, 2025; the related consolidated statements of support, revenue, and expenses – modified cash basis, changes in net assets – modified cash basis, and functional expenses – modified cash basis for the fiscal year then ended; and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Ashtabula County Community Action Agency and affiliates as of March 31, 2025, and their support, revenue, and expenses, and changes in net assets, for the fiscal year then ended, in accordance with the modified cash basis of accounting as described in Note 1.

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

Basis of Accounting

We draw attention to Note 1 of the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the consolidated financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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



Supplementary Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, 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.

S.R. Snodgrass, P.C. d/b/a SR Snodgrass A.C.

Wheeling, West Virginia
December 11, 2025

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
CONSOLIDATED STATEMENT OF ASSETS, LIABILITIES, AND NET ASSETS –
MODIFIED CASH BASIS
MARCH 31, 2025

ASSETS	
Cash and cash equivalents	\$ 1,490,061
Grants and contracts receivable	1,356,494
Inventory	45,548
Property and equipment, net	<u>2,125,575</u>
TOTAL ASSETS	<u>\$ 5,017,678</u>
LIABILITIES	
Payroll accruals and related liabilities	\$ 139,230
Deferred revenue	1,395,043
Notes payable, net	<u>327,106</u>
TOTAL LIABILITIES	<u>1,861,379</u>
NET ASSETS	
Net assets without donor restriction – Program	1,357,830
Net assets without donor restriction – Plant	<u>1,798,469</u>
TOTAL NET ASSETS	<u>3,156,299</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,017,678</u>

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

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
CONSOLIDATED STATEMENT OF SUPPORT, REVENUE, AND EXPENSES –
MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

	<u>Without Donor Restriction</u>
PUBLIC SUPPORT AND REVENUE	
Grants and contracts	\$ 12,835,173
Contributions	<u>16,951</u>
Total public support and revenue	<u>12,852,124</u>
OTHER REVENUE	
Miscellaneous income	45,109
Interest income	<u>1,361</u>
Total other revenue	<u>46,470</u>
Total public support and revenue and other revenue	<u>12,898,594</u>
EXPENSES	
Program services	12,033,109
Management and general	<u>851,680</u>
Total expenses	<u>12,884,789</u>
Excess of public support and revenue and other revenue over expenses	<u>\$ 13,805</u>

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

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS –
MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

	Net Assets Without Donor Restriction		
	<u>Program</u>	<u>Plant</u>	<u>Total Net Assets</u>
BALANCES, MARCH 31, 2024	\$ 1,222,155	\$ 1,920,339	\$ 3,142,494
Excess of public support and revenue and other revenue over expenses	149,953	(136,148)	13,805
Transfer to Plant Fund: principal reduction	<u>(14,278)</u>	<u>14,278</u>	<u>-</u>
BALANCES, MARCH 31, 2025	<u>\$ 1,357,830</u>	<u>\$ 1,798,469</u>	<u>\$ 3,156,299</u>

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

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

	ACCHDO	Community Services	HEAP	Head Start/ Early Head Start	Health Services Programs	Housing Services	Food Services Program
EXPENDITURES							
Salaries and wages	\$ 15,941	\$ 385,497	\$ 239,565	\$ 2,647,564	\$ 655,154	\$ 1,297,418	\$ 131,072
Fringe benefits	2,968	64,597	80,852	737,709	220,623	368,776	48,463
Contracted services	34,959	52,184	12,243	71,467	11,846	266,888	2,757
Travel and training	-	53,100	3,264	79,960	21,116	78,788	724
Occupancy	561	14,369	14,720	200,787	17,577	78,538	1,200
Supplies and program materials	75,639	12,945	7,341	208,992	91,312	928,079	344,497
Equipment purchases	-	721	1,017	-	213	26,789	-
Insurance	133	4,584	5,547	44,056	7,769	40,476	1,163
Other costs	1,845	15,788	12,008	86,910	36,086	92,147	18,540
Direct assistance to individuals	-	189,482	795,275	200	-	104,068	-
Depreciation	-	-	-	-	-	-	-
Total expenditures	<u>\$ 132,046</u>	<u>\$ 793,267</u>	<u>\$ 1,171,832</u>	<u>\$ 4,077,645</u>	<u>\$ 1,061,696</u>	<u>\$ 3,281,967</u>	<u>\$ 548,416</u>

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

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

	Homemaker Program	Senior Nutrition Program	Speech Services	HUB	Program Services	Management and General	Total Expenses
EXPENDITURES							
Salaries and wages	\$ 16,540	\$ 197,583	\$ 5,947	\$ -	\$ 5,592,281	\$ 418,230	\$ 6,010,511
Fringe benefits	1,879	35,513	652	(10)	1,562,022	89,642	1,651,664
Contracted services	746	17,556	39	-	470,685	72,336	543,021
Travel and training	1,258	27,789	-	407	266,406	23,144	289,550
Occupancy	538	69,456	-	1,680	399,426	29,629	429,055
Supplies and program materials	76	559,831	-	-	2,228,712	3,632	2,232,344
Equipment purchases	-	-	-	-	28,740	3,691	32,431
Insurance	307	5,934	-	276	110,245	21,516	131,761
Other costs	803	21,215	-	225	285,567	53,712	339,279
Direct assistance to individuals	-	-	-	-	1,089,025	-	1,089,025
Depreciation	-	-	-	-	-	136,148	136,148
Total expenditures	<u>\$ 22,147</u>	<u>\$ 934,877</u>	<u>\$ 6,638</u>	<u>\$ 2,578</u>	<u>\$ 12,033,109</u>	<u>\$ 851,680</u>	<u>\$ 12,884,789</u>

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

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Background and Nature of Activities

Ashtabula County Community Action Agency (“ACCAA” or the “Agency”) is a 501(c)(3) nonprofit organization that is funded by the federal government, the State of Ohio, and various local funding sources. ACCAA was originally created in 1965 by a resolution of the County Commissioners as Ashtabula County Community Action Committee. The County Commissioners enacted resolutions to abolish the Committee and create ACCAA with a new governing board in 1972. ACCAA became an unincorporated nonprofit agency. The Agency has its own governing board and is not considered as part of the county government.

ACCAA provides services to the community through a variety of programs, as follows:

ACCHDO – Ashtabula County Community Housing Development Organization (ACCHDO) manages two programs, as follows: (i) the New Hope Supportive Housing Program, a homelessness prevention program, and (ii) the Emergency Home Repair Program, a program that assists senior citizens with home repairs, as well as structural, plumbing, and furnace problems, that would force them from their homes.

Community Services – The Community Services Division oversees the 2-1-1 Program, the Rental Assistance Program, and Youth Services. The 2-1-1 Program provides an easy to remember three-digit number that can be dialed anywhere in Ashtabula County to connect people that are in need with community, social, and health and human service programs and resources. 2-1-1 Ashtabula County has been in operation for many years, providing a vital link by connecting people that are in need to the services that assist with practical problems in their lives. 2-1-1 Ashtabula County is available 24 hours a day, 7 days a week, and is provided to callers toll-free from anywhere in Ashtabula County. The Rental Assistance Program provides rental and other housing assistance to qualified applicants that have been impacted by the COVID-19 pandemic. Youth Services oversees the Community Learning Center partnership with Ashtabula Area City Schools. This partnership, known as the Dragon Empowerment Center, provides various assistance to school families, such as food, clothing, and hygiene items. This program also offers an after-school program focused on academic and soft skills for high school students and assistance with school health initiatives like the School Based Health Clinic.

HEAP – The Home Energy Assistance Program (HEAP) is a federally funded program that is administered by the Ohio Department of Development and is designed to help eligible low-income Ohioans meet the high costs of home heating and summertime cooling.

Head Start/Early Head Start – The Head Start/Early Head Start Programs are comprehensive child and family development school readiness programs that are available to income-eligible families in Ashtabula County. School readiness means that children are ready for school, families are ready to support their children’s learning, and schools are ready for children.

Health Services Programs – The Health Services Division manages several programs, including Women, Infants, and Children (WIC), and Help Me Grow (HMG), programs. These programs provide nutrition education, health screenings and referrals, breastfeeding education and support, early intervention, and home visiting services that promote good health for pregnant, postpartum, and breastfeeding women, as well as infants and children up to age five with a health or nutrition risk.

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Background and Nature of Activities (Continued)

Housing Services – The Housing Services Division manages several programs, including the Home Weatherization Assistance Program (HWAP). This program provides weatherization, minor home repair, and a variety of utility home energy assistance programs that are designed to improve energy efficiency, reduce energy consumption, and ensure safe environments for income-eligible households.

Food Services Program – The Food Services Program is a fee-for-service program that provides prepared food for purchase by ACCAA programs and outside consumers.

Homemaker Program – The Homemaker Program provides basic housecleaning services to seniors, ages 60 and older, who reside in Ashtabula County. The provision of this home-based service allows seniors to remain in their own homes and live independently in safe, clean, and healthy environments.

Senior Nutrition Program – The Senior Nutrition Program (SNP) is comprised of two different activities, as follows: Congregate Meals and Home Delivered Meals. The Congregate Meals program involves the sharing of midday hot, nutritious meals amongst community members. The Home Delivered Meals program is a program that aims to allow Ashtabula County seniors to remain in their homes and avoid premature institutionalization by providing a hot, nutritious meal that is delivered to the home each weekday.

Speech Services – Provides high-quality speech services to youth through partnerships with the local school districts.

HUB – The Pathways Community HUB (PCH) is designed to centralize care coordination for low-income, under-resourced individuals and families; its focus is to address the social determinants of health that negatively impact the well-being of the citizens of northeast Ohio, particularly those that are enrolled in Medicaid health plans. The goal is to realign the current siloed service delivery model through the PCH evidence-based model. PCH utilizes a standard set of “Pathways” or interventions that are linked to specific modifiable risk factors, in order to connect individuals with a network of community-based organizations, agencies, and providers that are available to address those needs. ACCAA is the “HUB” for Ashtabula, Lake, and Geauga Counties, performing administrative duties and oversight for Care Coordination Agencies (CCAs). The CCAs employ Community Health Workers to assist participants one-on-one in order to improve their health outcomes, establish risk-reduction strategies, and become more self-sufficient. Each confirmed “Pathway” that is completed ties to payment through the Managed Care Organizations.

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Consolidation Policy and Related Parties

ACCAA has two related entities, Ashtabula County Community Action Agency Properties Corporation (Properties) and Ashtabula County Community Housing Development Organization (ACCHDO), which are under the control of ACCAA. The purpose of Properties is to purchase, acquire, hold, own, mortgage, sell, convey, or otherwise dispose of real and personal property of every class and description in the State of Ohio. ACCHDO's purpose is to provide affordable housing to low- to moderate-income families. The accompanying consolidated financial statements include the accounts of ACCAA, Properties, and ACCHDO. Significant intercompany transactions and balances have been eliminated in consolidation.

In addition, ACCAA serves as a co-sponsor to two nonprofit corporations, Ridgeview Terrace, Inc. and Terra Quest, Inc., under the United States Housing and Urban Development (HUD) Sections 202 and 811 programs for supportive rental housing for the elderly or persons with disabilities. ACCAA appoints certain individuals to the boards of the sponsored organizations but does not exercise control over the sponsored organizations. Since ACCAA does not control the sponsored organizations, the accounts of the sponsored organizations have not been included in the accompanying consolidated financial statements.

Basis of Accounting and Reporting

The consolidated financial statements of ACCAA and its related entities have been prepared on a modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). Cash receipts and disbursements are modified by reporting grants and contracts receivable and deferred revenue, for most programs, in order to properly reflect the excess or deficit of program receipts over the program expenses (see Note 3). Payroll withholding and similar liabilities as of fiscal year-end are also included in the Consolidated Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis. In addition, the recording of certain property and equipment, along with a related provision for depreciation, and the recording of long-term debt has also been made in the Plant Fund. Materials that have been purchased for use in the housing programs inventory are also recorded for financial reporting purposes and are expensed to the programs as the materials are used. Except for these noted modifications, all revenues are recognized only when cash is received, and expenses are recognized only when cash is paid. Under U.S. GAAP, revenues and expenses are recognized on the accrual basis of accounting.

Use of Estimates

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

Account Classification

The accounts of ACCAA are maintained in accordance with the principles of fund accounting. Revenue and expenditure information is maintained separately for each grant to ACCAA, as required by the various funding sources. Management and general accounts are also maintained on an individual basis. All significant interfund transactions have been eliminated for financial reporting purposes.

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Account Classification (Continued)

The assets, liabilities, and net assets of ACCAA are reported in two self-balancing fund groups, as follows:

- a. The Program Fund represents the portion of expendable funds that are available for the Agency's general operations.
- b. The Plant Fund represents the major fixed assets of the Agency, net of accumulated depreciation and mortgage and notes payable balances.

Cash and Cash Equivalents

Cash and cash equivalents include cash in banks and any unrestricted highly liquid investments with an initial maturity of three months or less. The Agency paid no income taxes during the fiscal year ended March 31, 2025, but did pay \$18,785 in interest expense during the same period.

Grants and Contracts Receivable

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

Inventory

Normally, minor materials and supplies are charged to expense during the period of purchase. However, ACCAA is required to purchase inventory that is needed for the various housing programs, specifically HWAP, and expense the materials as they are used in the program. The HWAP program inventory is recorded at cost by using the first-in, first-out method. This balance on hand at fiscal year-end is recognized on the Consolidated Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis.

Property and Equipment

Equipment and Vehicles

In accordance with grant award budgets that have been approved by the funding sources, certain equipment and vehicles that have been purchased with those grant funds are charged to expense when they are purchased, instead of being recognized as an asset and depreciated over their useful lives. Equipment and vehicles in excess of \$5,000 that are purchased with general corporate funds, debt financed, or donated are capitalized and recorded in ACCAA's Plant Fund.

Buildings and Improvements

ACCAA owns the Child and Family Development building, and Properties owns the other buildings that are used by the administration and the other divisions of ACCAA. All of the building and improvements that have been debt financed or purchased with general corporate funds or private funding are included in the Plant Fund. Generally, expenditures in excess of \$5,000 for buildings and for improvements that add value to the property, or materially prolong the useful life of the property, are capitalized and recorded in ACCAA's Plant Fund.

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment (Continued)

Buildings and Improvements (Continued)

Buildings and improvements that are funded with grant awards are expensed to the Program Fund when the assets are purchased or renovated, with the corresponding recognition given to the capital fixed assets in the Plant Fund. In this case, depreciation charges are not recognized as an operational expense but are recorded and accumulated as contra-account balances of the respective capital assets and as adjustments to unrestricted net assets in the Plant Fund.

General

Property and equipment that are capitalized are recorded at cost or, if donated, at fair value at the date of donation. Repairs, maintenance, and improvements that do not add value to, or extend the lives of, the applicable assets are charged to expense as they are incurred. Depreciation on capitalized assets is calculated by using the straight-line method over the estimated useful lives of the assets, which are 5 years for equipment and vehicles, and 15 to 39 years for buildings and improvements (see Note 4).

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

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

Payroll Accruals and Related Liabilities

ACCAA recognizes liabilities for funds that are withheld from employees and are related to employee benefits but have not yet been paid by fiscal year-end on the Consolidated Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis.

Deferred Revenue

Deferred revenue balances that have been recorded on the Consolidated Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis represent the excess of funds that have been received, including advances, for program expenses over the amount of grant funds that have been expended through March 31, 2025.

Classification of Net Assets

The Agency reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets without Donor Restriction

Net assets without donor restriction are resources that are available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application of tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into during the course of its operations.

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Net Assets (Continued)

Net Assets with Donor Restriction

Net assets with donor restriction are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions, or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Agency must continue to use the resources in accordance with the donor's instructions. Unspent contributions are included in this class if the donor has limited their use.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passage of time, the expiration of the restriction is reported in the consolidated financial statements by reclassifying the net assets from net assets with donor restriction to net assets without donor restriction. However, when the restriction is met during the same period in which the revenue is recognized, the Agency may elect to report the revenue as without donor restriction. Net assets that are restricted for the acquisition of buildings or equipment (or, less commonly, the contribution of those assets directly) are reported as net assets with donor restriction until the specified asset is placed in service, unless the donor provides more specific directions about the period of its use.

Revenue Recognition

In regard to revenue recognition, the following accounting policies have been adopted:

a. Grants and Contracts

A significant portion of ACCAA's revenue is derived from cost reimbursement or performance grants and contracts with federal and state government agencies, which are conditioned upon the payment of allowable qualifying expenses or the completion of certain performance requirements. Accordingly, the award amounts are recognized as revenue when the Agency has paid the allowable expenses or completed the applicable performance requirements in accordance with the specific grant or contract provisions. Any grant or contract funds received in excess of allowable expenses paid or performance requirements completed are reported as deferred revenue until conditions for recognition are met. Likewise, any allowable expenses paid or performance requirements completed in excess of grant or contract funds received are reported as grant and contract revenue on the Consolidated Statement of Support, Revenue, and Expenses – Modified Cash Basis and grants and contracts receivable on the Consolidated Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis. The grantors may, at their discretion, request reimbursement for any unallowed expenses as a result of noncompliance with the terms of a grant. For certain grants, if the advances exceed the eligible costs, the funds must be returned to the grantor.

b. Contributions

Contributions are recognized as revenue when they are received.

c. Interest Income

Interest income is recognized during the accounting period in which it is received. ACCAA maintains the funds that have been received from various sources in an interest-bearing sweep account. The portion of interest that is earned on federal funds is applied to the federal funding sources in accordance with grant requirements; the interest that is earned on other funds is transferred to the non-federal accounts and is used to support the programs of ACCAA.

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 1 – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

In-Kind Contributions

The Agency receives significant amounts of donated services, classroom space, and supplies from various individuals and organizations in support of the federal Head Start and Early Head Start programs. Since the consolidated financial statements are prepared on a modified cash basis of accounting, these noncash contributions and related noncash expenses are not recognized for financial reporting purposes. However, these amounts are recognized for grant reporting purposes. See Note 7 for additional details.

Functional Expenses

The costs of providing the Agency's various programs and other activities have been summarized on a functional basis in the accompanying Consolidated Statement of Support, Revenue, and Expenses – Modified Cash Basis, as well as detailed by function and natural expense classification in the Consolidated Statement of Functional Expenses – Modified Cash Basis. General and administrative costs are accumulated by function for financial reporting purposes and are then allocated to the various benefitting programs and activities for grant reporting purposes. Costs that benefit multiple functions are accumulated and allocated following the processes noted in allocations of costs below.

Allocation of Costs

Costs that are incurred for program and management and general functions will be charged to the applicable program based on the following methodologies: (i) personnel costs, including salaries and fringe benefits that are not directly allocated to a program, are allocated to each program based on the actual hours that are incurred by each program on a rolling 12-month period, and (ii) non-personnel costs that are not directly allocated to a program are allocated to each program based on the actual non-personnel expenses that are incurred by each program on a rolling 12-month period.

Interest Expense

Interest expense is allocated to non-federal funds for those grants that do not allow interest expense.

Federal Income Taxes

ACCAA is a nonprofit organization that is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and, accordingly, no provision has been recorded for income taxes in the accompanying consolidated financial statements.

The Agency has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. The Agency believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on the Agency's financial condition or the results of operations. Accordingly, the Agency has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions as of March 31, 2025.

The Agency is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Agency believes that it is no longer subject to income tax examinations for years prior to fiscal year 2022.

Concentration of Credit Risk

ACCAA maintains cash balances at several financial institutions located in Ashtabula, Ohio. Accounts with those institutions are insured by the Federal Deposit Insurance Corporation, up to \$250,000 per depositor. Cash balances exceeding federally insured limitations as of March 31, 2025, were \$1,005,542.

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 2 – LIQUIDITY

The Agency's financial assets that are available within one year of the Consolidated Statement of Assets, Liabilities, and Net Assets – Modified Cash Basis date for general expenditures are as follows:

Cash and cash equivalents	\$ 1,490,061
Grants and contracts receivable	1,356,494
Revenue received in advance (deferred revenue)	<u>(1,395,043)</u>
Total	<u>\$ 1,451,512</u>

The Agency is supported by government grants and contracts, which are funded on a cost reimbursement basis. Under these grants, reimbursement is requested from the funding source once the expenses are incurred. The Agency maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 3 – GRANTS AND CONTRACTS RECEIVABLE AND DEFERRED REVENUE

The current grants and contracts receivable and deferred revenue balances are comprised of the results of each program's operations that ACCAA maintains as a direct recipient or subrecipient. The balances for grants and contracts receivable and deferred revenue as of March 31, 2025, consist of the following:

GRANTS AND CONTRACTS RECEIVABLE:

Federal Programs

CACFP	\$ 10,314
Community Learning Centers	18,347
CSBG	199,457
Head Start	163,698
HEAP – Administration	24,169
HWAP – DOE	29,758
HWAP – Bipartisan Infrastructure Law – DOE	105,783
HWAP – Weatherization Readiness – DOE	14,491
HWAP – HHS	211,780
HWAP Enhancement – HHS	190,481
Medical Assistance Program	6,433
Senior Nutrition Services	28,517
Social Services Block Grant	2,733
TANF	7,553
WIC	100,873
WIOA Adult Program	<u>12,592</u>
Total grants and contracts receivable – federal	<u>\$ 1,126,979</u>

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 3 – GRANTS AND CONTRACTS RECEIVABLE AND DEFERRED REVENUE (Continued)

GRANTS AND CONTRACTS RECEIVABLE (Continued):

<u>State, Local, and Other Programs</u>	
Community Connections	\$ 2,368
Country Neighbor	13
DEC	5,500
Elderly Home Maintenance	2,702
Emergency Home Repair	17,683
Food Services Program	46,497
Help Me Grow	33,660
Homeless Crisis Response	15,391
Homemaker Program	1,130
Housewarming	36,320
LARC	75
Senior Levy	2,137
Senior Nutrition Program	61,495
Speech	4,544
Total grants and contracts receivable – state, local, and other	<u>229,515</u>
Total grants and contracts receivable	<u>\$ 1,356,494</u>

DEFERRED REVENUE:

<u>Federal Programs</u>	
Coronavirus State and Local Fiscal Recovery Funds	\$ 8,344
CSBG	138,524
HEAP – Administration	67,594
HEAP – Winter Crisis	5,089
HWAP – DOE	45,946
HWAP – Bipartisan Infrastructure Law – DOE	891,632
HWAP – HHS	147,666
HWAP Enhancement – HHS	53,306
Senior Supportive Services	18,000
TANF	995
WIC	15,869
Total deferred revenue – federal	<u>1,392,965</u>
<u>State, Local, and Other Programs</u>	
PIPP	<u>2,078</u>
Total deferred revenue – state, local, and other	<u>2,078</u>
Total deferred revenue	<u>\$ 1,395,043</u>

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of March 31, 2025:

Description	ACCAA	Properties	Consolidated
Land	\$ 17,872	\$ 119,746	\$ 137,618
Buildings and improvements	1,838,256	2,641,080	4,479,336
Equipment and vehicles	10,880	70,349	81,229
Software in development	22,598	-	22,598
Total property and equipment	1,889,606	2,831,175	4,720,781
Accumulated depreciation	(1,809,309)	(785,897)	(2,595,206)
Property and equipment, net	<u>\$ 80,297</u>	<u>\$ 2,045,278</u>	<u>\$ 2,125,575</u>

Depreciation charges for ACCAA and Properties were \$53,732 and \$82,416, respectively, resulting in total depreciation expense of \$136,148 for the fiscal year ended March 31, 2025.

NOTE 5 – NOTES PAYABLE

Notes payable consist of the following as of March 31, 2025:

Note payable to a financial institution with a rate of 5.5 percent per annum through December 2029. Thereafter, the interest rate is subject to change based on the weekly average yield on U.S. Treasury securities, adjusted to a constant maturity of one year. Payable in monthly installments of \$2,755 through December 2029; \$2,724 through November 2039; and a final payment of remaining principal and interest in December 2039; collateralized with assets of the Agency.

\$ 333,636

Unamortized debt issuance costs

(6,530)

Total notes payable, net of unamortized debt issuance costs

\$ 327,106

Scheduled principal payments for the fiscal years ending March 31 are as follows:

2026	\$ 15,092
2027	15,943
2028	16,807
2029	17,826
2030	18,857
Thereafter	<u>249,111</u>
Total	<u>\$ 333,636</u>

Total interest expense for the fiscal year ended March 31, 2025, was \$18,785.

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 6 – OPERATING LEASES

The Agency has an 18-month facility lease that expires during fiscal year 2026. The Agency also had leases for copier equipment that expired during fiscal year 2025. These leases were replaced with a new 60-month equipment lease that expires during fiscal year 2030. Rent expense related to these various leases amounted to \$80,584 for the fiscal year ended March 31, 2025. Expense amounts are included in occupancy and other costs in the Consolidated Statement of Functional Expenses – Modified Cash Basis. The future minimum lease payments for the fiscal years ending March 31, are as follows:

2026	\$ 45,881
2027	20,881
2028	20,881
2029	20,881
2030	<u>5,220</u>
Total	<u>\$ 113,744</u>

NOTE 7 – IN-KIND CONTRIBUTIONS

The Agency receives significant amounts of donated services, classroom space, and supplies from various individuals and organizations in support of the federal Head Start and Early Head Start programs. As mentioned in Note 1, these noncash contributions and related noncash expenses are not recognized for financial reporting purposes because the consolidated financial statements are prepared on a modified cash basis of accounting.

However, while these in-kind contributions are not recognized for financial reporting purposes, they are recognized for grant reporting purposes. The total estimated amount of in-kind contributions received for the Head Start and Early Head Start programs for the fiscal year ended March 31, 2025, was \$1,291,955, which was comprised of the estimated amounts of \$980,021 in donated services, \$306,541 in donated space, and \$5,393 in donated supplies. These in-kind contributions were valued as follows:

In-Kind Services – In-kind services were calculated using the following hourly rates: \$27.04 for parents and classroom volunteers, \$44.91 for the policy council, and \$49.02 for Board members. The rates include salary and benefit amounts for comparable paid positions performing similar services. The hourly rate for other community volunteers was based upon their respective professions.

In-Kind Space – In-kind space was calculated using the Agency’s assumption of fair value for the space that is used to operate the respective program.

In-Kind Supplies – In-kind supplies were valued based on the local market costs and conditions.

The total estimated amount of in-kind contributions of \$1,291,955 exceeded the required recipient share amount of \$1,072,361 for the Head Start and Early Head Start programs for the fiscal year ended March 31, 2025.

NOTE 8 – PENSION PLAN

The Agency maintains a 403(b) “tax deferred annuity” pension plan for eligible employees. To be eligible, an employee must have worked over 1,000 hours during that year of service. The pension expense for the fiscal year ended March 31, 2025, was \$342,184.

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 9 – CONTINGENCIES AND UNCERTAINTIES

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

On January 27, 2025, the Office of Management and Budget (OMB) of the United States Federal Government instituted a pause or freeze on the disbursement of certain federal grants and loan funds, which became effective on January 28, 2025. The extent to which this funding freeze will impact the Agency's financial results, both current and future, will depend on future developments, which cannot be predicted with any measure of certainty or probability. As a result, the Agency is unable to estimate the impact, if any, that the funding freeze will have on its consolidated financial statements or its future operations. The consolidated financial statements as of March 31, 2025, and for the fiscal year then ended, do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 10 – CONCENTRATION OF GRANTS

The Agency receives approximately 82 percent of its public support and revenue and other revenue through federal government grants.

NOTE 11 – FEDERAL INTEREST

A Notice of Federal Interest remains in effect for the property located at 4510 Main Avenue, Ashtabula, Ohio. The federal interest is in place because federal Head Start funds, which were awarded by the U.S. Department of Health and Human Services, Administration for Children and Families, Office of Head Start, were used to acquire said property. Under these conditions, said property cannot be further mortgaged, encumbered, used for collateral, sold, or otherwise transferred to another party without written permission by a responsible Head Start official. The property may not be used for any purpose inconsistent with that authorized by Head Start.

NOTE 12 – SUBSEQUENT EVENTS

Management of the Agency has evaluated events and transactions occurring subsequent to March 31, 2025, through December 11, 2025, which is the date the consolidated financial statements were available to be issued and the report date, for potential recognition and disclosure in the consolidated financial statements. No events or transactions have occurred that would require adjustments to, or disclosure in, the consolidated financial statements.

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number (ALN)	Grant or Program Number	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<u>PASSED THROUGH OHIO DEPARTMENT OF HEALTH:</u>			
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	00460011WA1724	\$ 304,643
WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	00460011WA1825	286,750
Subtotal – WIC Special Supplemental Nutrition Program for Women, Infants, and Children – 10.557			591,393
<u>PASSED THROUGH OHIO DEPARTMENT OF EDUCATION AND WORKFORCE:</u>			
Child and Adult Care Food Program	10.558	N/A	106,193
Subtotal – Child and Adult Care Food Program – 10.558			106,193
TOTAL U.S. DEPARTMENT OF AGRICULTURE			697,586
U.S. DEPARTMENT OF LABOR			
<u>PASSED THROUGH CAO OF SCIOTO COUNTY, INC.:</u>			
WIOA Adult Program – State Special – Car Repair Program	17.258	N/A	94,647
Subtotal – WIOA Adult Program – 17.258			94,647
Subtotal – WIOA Cluster – 17.258			94,647
TOTAL U.S. DEPARTMENT OF LABOR			94,647
U.S. DEPARTMENT OF THE TREASURY			
<u>PASSED THROUGH OHIO DEPARTMENT OF DEVELOPMENT:</u>			
COVID-19 – Emergency Rental Assistance Program – American Rescue Plan Act 2021 – Home Relief Grant (ARPAHRG)	21.023	ARPAHRG 2022-04	9,535
Subtotal – Emergency Rental Assistance Program – 21.023			9,535
<u>PASSED THROUGH OHIO HOUSING FINANCE AGENCY:</u>			
COVID-19 – Homeowner Assistance Fund – Save the Dream Ohio – Utility Assistance Plus	21.026	HAF-UAP 2021	132,132
Subtotal – Homeowner Assistance Fund – 21.026			132,132
<u>PASSED THROUGH ASHTABULA REGIONAL MEDICAL CENTER:</u>			
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Appalachian Community Grant Program (School-Based Health Center Project)	21.027	N/A	5,156
Subtotal – Coronavirus State and Local Fiscal Recovery Funds – 21.027			5,156
TOTAL U.S. DEPARTMENT OF THE TREASURY			146,823

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number (ALN)	Grant or Program Number	Federal Expenditures
U.S. DEPARTMENT OF ENERGY			
<u>PASSED THROUGH OHIO DEPARTMENT OF DEVELOPMENT:</u>			
Weatherization Assistance for Low-Income Persons – HWAP	81.042	23-102	27,375
Weatherization Assistance for Low-Income Persons – HWAP	81.042	24-102	406,326
Weatherization Assistance for Low-Income Persons – HWAPR Readiness	81.042	23-HR-102	14,075
Weatherization Assistance for Low-Income Persons – HWAPR Readiness	81.042	24-HR-102	31,440
Weatherization Assistance for Low-Income Persons – Bipartisan Infrastructure Law (BIL)	81.042	23-BIL-102	887,229
Subtotal – Weatherization Assistance for Low-Income Persons – 81.042			1,366,445
TOTAL U.S. DEPARTMENT OF ENERGY			1,366,445
U.S. DEPARTMENT OF EDUCATION			
<u>PASSED THROUGH OHIO DEPARTMENT OF EDUCATION AND WORKFORCE:</u>			
Twenty-First Century Community Learning Centers – YR1	84.287	19674	65,492
Twenty-First Century Community Learning Centers – YR2	84.287	19674	141,602
Subtotal – Twenty-First Century Community Learning Centers – 84.287			207,094
TOTAL U.S. DEPARTMENT OF EDUCATION			207,094
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>PASSED THROUGH DIRECTION HOME OF EASTERN OHIO, INC.:</u>			
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers – Additional Rent	93.044	Title III-B	36,000
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers – Home Maintenance	93.044	Title III-B	5,000
Subtotal – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers – 93.044			41,000
<u>PASSED THROUGH DIRECTION HOME OF EASTERN OHIO, INC.:</u>			
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Title III-C	177,733
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Title III-C	48,501
COVID-19 – Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	Title III-C	117,270
Subtotal – Special Programs for the Aging, Title III, Part C, Nutrition Services – 93.045			343,504

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number (ALN)	Grant or Program Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
<u>PASSED THROUGH DIRECTION HOME OF EASTERN OHIO, INC.:</u>			
Nutrition Services Incentive Program (NSIP)	93.053	N/A	94,249
Nutrition Services Incentive Program (NSIP)	93.053	N/A	17,381
Subtotal – Nutrition Services Incentive Program – 93.053			111,630
Subtotal – Aging Cluster – 93.044, 93.045, 93.053			496,134
<u>DIRECT RECIPIENT:</u>			
Congressional Directives – Pathways Community HUB	93.493	90XP0496-01-00	(56,464)
Subtotal – Congressional Directives – 93.493			(56,464)
<u>PASSED THROUGH ASHTABULA COUNTY JOB AND FAMILY SERVICES:</u>			
Temporary Assistance for Needy Families	93.558	24-1001-TANF	21,797
Temporary Assistance for Needy Families	93.558	25-1001-TANF	15,190
Subtotal – Temporary Assistance for Needy Families – 93.558			36,987
<u>PASSED THROUGH OHIO DEPARTMENT OF DEVELOPMENT:</u>			
Low-Income Home Energy Assistance (Administrative – Operations)	93.568	HEAP 2024-102	204,739
Low-Income Home Energy Assistance (Winter Crisis)	93.568	WCP 2024-102	33,852
Low-Income Home Energy Assistance (Summer Cooling)	93.568	SCP 2024-102	303,190
Low-Income Home Energy Assistance (Administrative – Operations)	93.568	HEAP 2025-102	190,361
Low-Income Home Energy Assistance (Winter Crisis)	93.568	WCP 2025-102	458,233
Subtotal – HEAP			1,190,375
COVID-19 – Low-Income Home Energy Assistance (Low-Income Household Water Assistance Program) (LIHWAP)	93.568	LIHWAP 2021-102	2,738
Subtotal – LIHWAP			2,738
Low-Income Home Energy Assistance (HWAP)	93.568	23-102	410,690
Low-Income Home Energy Assistance (HWAP Enhancement)	93.568	23-HE-102	256,901
Low-Income Home Energy Assistance (HWAP)	93.568	24-102	555,175
Low-Income Home Energy Assistance (HWAP Enhancement)	93.568	24-HE-102	448,020
Subtotal – HWAP			1,670,786
Subtotal – Low-Income Home Energy Assistance – 93.568			2,863,899
<u>PASSED THROUGH OHIO DEPARTMENT OF DEVELOPMENT:</u>			
Community Services Block Grant	93.569	CSBG 2024-2025-04	273,250
Subtotal – Community Services Block Grant – 93.569			273,250

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Assistance Listing Number (ALN)	Grant or Program Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)			
<u>DIRECT RECIPIENT:</u>			
Head Start	93.600	05CH010863-05	134,632
Head Start	93.600	05CH012542-01	4,134,004
Subtotal – Head Start – 93.600			4,268,636
Subtotal – Head Start Cluster – 93.600			4,268,636
<u>PASSED THROUGH ASHTABULA COUNTY JOB AND FAMILY SERVICES:</u>			
Social Services Block Grant – Title XX (I&R)	93.667	25-2002-XX	9,000
Social Services Block Grant – Title XX (SNP)	93.667	24-2001-XX	15,146
Social Services Block Grant – Title XX (SNP)	93.667	25-2001-XX	5,571
Subtotal – Social Services Block Grant – 93.667			29,717
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			7,912,159
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 10,424,754

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. Basis of Presentation – The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of Ashtabula County Community Action Agency under programs of the federal government for the fiscal year ended March 31, 2025. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Ashtabula County Community Action Agency, it is not intended to, and does not, present the assets, liabilities, and net assets; support, revenue, and expenses; or changes in net assets of Ashtabula County Community Action Agency.
- B. Basis of Accounting – Expenditures that are reported on the SEFA are reported on the modified cash basis of accounting. Amounts included in the SEFA include expenses related to payroll accruals and related liabilities as well as expenses paid during the fiscal year, including amounts that have been paid for property and equipment under various grant awards. 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 2 – DE MINIMIS INDIRECT COST RATE

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

NOTE 3 – ADDITIONAL FEDERAL GRANT/EXPENDITURE INFORMATION

- A. Totals for amounts that have been received from various pass-through and federal funding sources are grouped by assistance listing numbers and identified clusters on the SEFA.
- B. N/A – indicates no pass-through number assigned by the grantor.
- C. Ashtabula County Community Action Agency had no subrecipients for the fiscal year ended March 31, 2025.

NOTE 4 – NONCASH ASSISTANCE

Approximately \$1,291,955 in noncash assistance was expended as part of the Head Start program. This amount represented the recipient share of the Head Start program and, accordingly, is not included in the federal expenditures for Head Start on the SEFA. Details of the noncash assistance are included in Note 7 of the consolidated financial statements.

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Consolidated Financial Statements

Type of auditor’s report issued:

The report on the consolidated financial statements of Ashtabula County Community Action Agency as of and for the fiscal year ended March 31, 2025, is unmodified. The opinion is dated December 11, 2025.

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

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

An unmodified opinion has been issued on the compliance for major programs of Ashtabula County Community Action Agency as of and for the fiscal year ended March 31, 2025. The opinion is dated December 11, 2025.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	___ Yes	_X_ No
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Identification of Major Programs

<u>Assistance Listing Number (ALN)</u>	<u>Name of Federal Program</u>
81.042	U.S. Department of Energy: Weatherization Assistance for Low-Income Persons
93.568	U.S. Department of Health and Human Services: Low-Income Home Energy Assistance

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

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

Identification of Major Programs (Continued)

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

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

SECTION II – FINANCIAL STATEMENT FINDINGS

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

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

We noted no findings or questioned or likely questioned costs for federal awards for the fiscal year ended March 31, 2025.



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 Trustees of
Ashtabula County Community Action Agency

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 consolidated financial statements of Ashtabula County Community Action Agency (a nonprofit organization) and affiliates (the "Organization"), which comprise the consolidated statement of assets, liabilities, and net assets – modified cash basis as of March 31, 2025, and the related consolidated statements of support, revenue, and expenses – modified cash basis, changes in net assets – modified cash basis, and functional expenses – modified cash basis for the fiscal year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 11, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 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.

S.R. Smolygrass, P.C. d/b/a SR Smolygrass A.C.

Wheeling, West Virginia
December 11, 2025



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

To the Board of Trustees of
Ashtabula County Community Action Agency

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Ashtabula County Community Action Agency's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Ashtabula County Community Action Agency's major federal programs for the fiscal year ended March 31, 2025. Ashtabula County Community Action Agency'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, Ashtabula County Community Action Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended March 31, 2025.

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 Ashtabula County Community Action Agency 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 Ashtabula County Community Action Agency'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 Ashtabula County Community Action Agency'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 Ashtabula County Community Action Agency'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 Ashtabula County Community Action Agency's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Ashtabula County Community Action Agency'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 Ashtabula County Community Action Agency'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 Ashtabula County Community Action Agency'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.



Report on Internal Control over Compliance (Continued)

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.

S.R. Smoldgrass, P.C. d/b/a SR Smoldgrass A.C.

Wheeling, West Virginia
December 11, 2025

ASHTABULA COUNTY COMMUNITY ACTION AGENCY
STATUS OF PRIOR YEAR AUDIT FINDINGS/COMMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2025

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