

**AUDUBON AREA COMMUNITY SERVICES, INC.**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2021 and 2020**

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
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**June 30, 2021 and 2020**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Audit Committee of  
Audubon Area Community Services, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Audubon Area Community Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Audubon Area Community Services, Inc. as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included on pages 26 through 54 is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on pages 55 through 57, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2022, on our consideration of Audubon Area Community Services, 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 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 Audubon Area Community Services, 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 Audubon Area Community Services, Inc.'s internal control over financial reporting and compliance.

*Altadena & Company CPAS PSC*

Owensboro, Kentucky  
March 15, 2022

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Statements of Financial Position**  
**June 30, 2021 and 2020**

|                                | <b>2021</b>          | <b>2020</b>          |
|--------------------------------|----------------------|----------------------|
| <b>Assets</b>                  |                      |                      |
| <b>CURRENT ASSETS</b>          |                      |                      |
| Cash and cash equivalents      | \$ 10,145,554        | \$ 7,915,924         |
| Restricted cash                | 14,198               | 6,075                |
| Grants receivable              | 4,541,867            | 4,354,851            |
| Accounts receivable            | 604,261              | 883,343              |
| Promises to give               | -                    | 53                   |
| Due from related organizations | 197,201              | 261,626              |
| Investments                    | 5,896,829            | 4,110,868            |
| Prepaid expenses               | 294,595              | 250,236              |
|                                | <b>21,694,505</b>    | <b>17,782,976</b>    |
| <b>PROPERTY AND EQUIPMENT</b>  |                      |                      |
| Land                           | 1,355,634            | 1,147,668            |
| Land improvements              | 524,263              | 535,450              |
| Buildings                      | 18,236,794           | 18,277,258           |
| Buildings improvements         | 10,427,795           | 6,324,012            |
| Furniture and furnishings      | 261,405              | 261,405              |
| Equipment                      | 4,911,476            | 4,624,575            |
| Vehicles                       | 9,975,184            | 10,144,774           |
| Construction in progress       | 901,769              | 1,002,545            |
|                                | 46,594,320           | 42,317,687           |
| Less accumulated depreciation  | (19,550,263)         | (18,602,781)         |
|                                | <b>27,044,057</b>    | <b>23,714,906</b>    |
| <b>OTHER ASSETS</b>            |                      |                      |
| Interest receivable - related  | 503,118              | 435,524              |
|                                | <b>503,118</b>       | <b>435,524</b>       |
| <b>TOTAL ASSETS</b>            | <b>\$ 49,241,680</b> | <b>\$ 41,933,406</b> |

See accompanying notes.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Statements of Financial Position**  
**June 30, 2021 and 2020**

|                                                    | <b>2021</b>          | <b>2020</b>          |
|----------------------------------------------------|----------------------|----------------------|
| <b>Liabilities and Net Assets</b>                  |                      |                      |
| <b>CURRENT LIABILITIES</b>                         |                      |                      |
| Accounts payable                                   | \$ 2,852,064         | \$ 1,807,668         |
| Accrued payroll                                    | 1,714,316            | 1,475,714            |
| Deferred revenue                                   | 303,060              | 4,378                |
| Due to related organizations                       | 157,914              | 146,490              |
| Payroll withholdings                               | 445,348              | 433,775              |
| Accrued compensated absences                       | 735,690              | 675,400              |
| Accrued interest                                   | 7,814                | 8,084                |
| Accrued workers' compensation surplus liability    | 88,121               | 79,524               |
| Accrued self-insurance claims                      | 156,458              | 261,677              |
| Current portion of capital lease obligations       | -                    | 317,500              |
| Current portion of long-term debt                  | 506,477              | 160,000              |
|                                                    | <b>6,967,262</b>     | <b>5,370,210</b>     |
| <b>LONG-TERM LIABILITIES</b>                       |                      |                      |
| Capital lease obligations, less current maturities | -                    | 1,484,419            |
| Long-term debt, net of current portion             | 2,234,536            | 1,236,472            |
|                                                    | <b>2,234,536</b>     | <b>2,720,891</b>     |
|                                                    | <b>9,201,798</b>     | <b>8,091,101</b>     |
| <b>NET ASSETS</b>                                  |                      |                      |
| Without donor restrictions                         | 40,039,882           | 33,842,305           |
|                                                    | <b>\$ 49,241,680</b> | <b>\$ 41,933,406</b> |

See accompanying notes.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Statements of Activities**  
**Years ended June 30, 2021 and 2020**

|                                                                  | <b>2021</b>          | <b>2020</b>          |
|------------------------------------------------------------------|----------------------|----------------------|
| <b>NET ASSETS WITHOUT DONOR RESTRICTIONS</b>                     |                      |                      |
| <b>REVENUES AND SUPPORT</b>                                      |                      |                      |
| Grants                                                           | \$ 53,486,768        | \$ 45,667,497        |
| Contributions (in-kind)                                          | 5,465,564            | 5,406,967            |
| Local sources                                                    | 1,316,386            | 1,379,509            |
| Program income                                                   | 1,545,445            | 1,685,175            |
| Fundraising                                                      | 33,294               | 25,216               |
| Gain on sale of capital assets                                   | 52,503               | 37,534               |
| Investment income, net                                           | 1,245,285            | 272,623              |
| <b>TOTAL REVENUES AND SUPPORT<br/>WITHOUT DONOR RESTRICTIONS</b> | <b>63,145,245</b>    | <b>54,474,521</b>    |
| <b>EXPENSES</b>                                                  |                      |                      |
| Program Services:                                                |                      |                      |
| Early childhood                                                  | 29,347,474           | 27,039,559           |
| Social support                                                   | 6,919,703            | 4,518,318            |
| Transportation                                                   | 15,151,350           | 12,264,759           |
| Employment                                                       | 1,251,567            | 1,378,863            |
| Housing                                                          | 689,381              | 801,354              |
| Community Services                                               | 1,028,529            | 1,263,901            |
| Total program services                                           | 54,388,004           | 47,266,754           |
| Supporting Services:                                             |                      |                      |
| Management and general                                           | 2,554,258            | 2,437,676            |
| Fundraising                                                      | 5,406                | 6,678                |
| Total supporting services                                        | 2,559,664            | 2,444,354            |
| <b>TOTAL EXPENSES</b>                                            | <b>56,947,668</b>    | <b>49,711,108</b>    |
| <b>INCREASE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>         | <b>6,197,577</b>     | <b>4,763,413</b>     |
| <b>NET ASSETS AT BEGINNING OF YEAR</b>                           | <b>33,842,305</b>    | <b>29,078,892</b>    |
| <b>NET ASSETS AT END OF YEAR</b>                                 | <b>\$ 40,039,882</b> | <b>\$ 33,842,305</b> |

See accompanying notes.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Statement of Functional Expenses**  
**Year ended June 30, 2021**

|                           | Program Services     |                     |                      |                     |                   |                     |                        | Supporting Services    |                 |                           | Totals               |
|---------------------------|----------------------|---------------------|----------------------|---------------------|-------------------|---------------------|------------------------|------------------------|-----------------|---------------------------|----------------------|
|                           | Early Childhood      | Social Support      | Transportation       | Employment          | Housing           | Community Service   | Total Program Services | Management and General | Fundraising     | Total Supporting Services |                      |
| Salaries                  | \$ 11,639,860        | \$ 1,429,370        | \$ 2,318,576         | \$ 874,428          | \$ 347,825        | \$ 252,447          | \$ 16,862,506          | \$ 919,081             | \$ -            | \$ 919,081                | \$ 17,781,587        |
| Payroll taxes             | 843,665              | 103,091             | 168,975              | 64,759              | 25,752            | 18,322              | 1,224,564              | 65,810                 | -               | 65,810                    | 1,290,374            |
| Employee benefits         | 3,748,113            | 462,952             | 757,506              | 210,653             | 110,636           | 98,643              | 5,388,503              | 313,644                | -               | 313,644                   | 5,702,147            |
| Accounting and auditing   | -                    | -                   | -                    | -                   | -                 | -                   | -                      | 106,450                | -               | 106,450                   | 106,450              |
| Travel                    | 21,557               | 18,905              | -                    | 3,531               | 502               | 683                 | 45,178                 | 724                    | -               | 724                       | 45,902               |
| Training                  | 141,512              | 25,257              | 14,852               | 1,061               | 1,327             | 550                 | 184,559                | 19,685                 | -               | 19,685                    | 204,244              |
| Occupancy                 | 1,832,305            | 100,229             | 118,576              | 17,174              | 23,440            | 27,760              | 2,119,484              | 53,056                 | -               | 53,056                    | 2,172,540            |
| Office expense            | 372,749              | 78,444              | 166,686              | 5,233               | 37,029            | 8,143               | 668,284                | 175,449                | 5,406           | 180,855                   | 849,139              |
| Direct assistance         | 77,852               | 3,998,192           | -                    | 38,224              | -                 | 143,433             | 4,257,701              | -                      | -               | -                         | 4,257,701            |
| Participant support costs | 67,513               | 95,466              | -                    | -                   | -                 | -                   | 162,979                | -                      | -               | -                         | 162,979              |
| Materials and supplies    | 3,964,388            | 162,652             | 544,254              | 18,601              | 53,700            | 453,494             | 5,197,089              | 27,831                 | -               | 27,831                    | 5,224,920            |
| Contracts and consultants | 4,629,281            | 16,332              | 9,757,047            | 3,760               | 40,505            | 3,109               | 14,450,034             | 506,805                | -               | 506,805                   | 14,956,839           |
| Insurance                 | 192,416              | 30                  | 197,884              | 180                 | 10,458            | 670                 | 401,638                | 57,012                 | -               | 57,012                    | 458,650              |
| Repairs and maintenance   | 393,856              | 300                 | -                    | 476                 | 15,090            | 129                 | 409,851                | -                      | -               | -                         | 409,851              |
| Stipends                  | -                    | 372,881             | -                    | -                   | -                 | -                   | 372,881                | -                      | -               | -                         | 372,881              |
| Telephone                 | 146,410              | 44,205              | 125,404              | 11,470              | 22,734            | 18,618              | 368,841                | 72,843                 | -               | 72,843                    | 441,684              |
| Postage                   | 10,550               | 4,567               | 2,857                | 1,726               | 50                | 706                 | 20,456                 | 5,807                  | -               | 5,807                     | 26,263               |
| Advertising               | 3,479                | -                   | -                    | 291                 | 333               | -                   | 4,103                  | 4,558                  | -               | 4,558                     | 8,661                |
| Donations                 | 158,760              | -                   | -                    | -                   | -                 | -                   | 158,760                | -                      | -               | -                         | 158,760              |
| Interest                  | 71,792               | -                   | -                    | -                   | -                 | -                   | 71,792                 | 70,869                 | -               | 70,869                    | 142,661              |
| Depreciation              | 1,031,416            | 6,830               | 978,733              | -                   | -                 | 1,822               | 2,018,801              | 154,634                | -               | 154,634                   | 2,173,435            |
|                           | <u>\$ 29,347,474</u> | <u>\$ 6,919,703</u> | <u>\$ 15,151,350</u> | <u>\$ 1,251,567</u> | <u>\$ 689,381</u> | <u>\$ 1,028,529</u> | <u>\$ 54,388,004</u>   | <u>\$ 2,554,258</u>    | <u>\$ 5,406</u> | <u>\$ 2,559,664</u>       | <u>\$ 56,947,668</u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Statement of Functional Expenses**  
**Year ended June 30, 2020**

|                           | Program Services     |                     |                      |                     |                   |                     | Supporting Services    |                        |                 | Totals              |                           |
|---------------------------|----------------------|---------------------|----------------------|---------------------|-------------------|---------------------|------------------------|------------------------|-----------------|---------------------|---------------------------|
|                           | Early Childhood      | Social Support      | Transportation       | Employment          | Housing           | Community Service   | Total Program Services | Management and General | Fundraising     |                     | Total Supporting Services |
| Salaries                  | \$ 10,739,368        | \$ 1,248,619        | \$ 2,355,457         | \$ 904,598          | \$ 329,528        | \$ 263,577          | \$ 15,841,147          | \$ 903,190             | \$ -            | \$ 903,190          | \$ 16,744,337             |
| Payroll taxes             | 769,565              | 90,798              | 169,541              | 66,090              | 24,332            | 18,983              | 1,139,309              | 64,391                 | -               | 64,391              | 1,203,700                 |
| Employee benefits         | 3,387,411            | 361,225             | 779,669              | 208,859             | 98,302            | 104,510             | 4,939,976              | 240,155                | -               | 240,155             | 5,180,131                 |
| Accounting and auditing   | -                    | -                   | -                    | -                   | -                 | -                   | -                      | 99,285                 | -               | 99,285              | 99,285                    |
| Travel                    | 138,806              | 44,030              | 9,817                | 46,551              | 6,883             | 5,244               | 251,331                | 11,971                 | -               | 11,971              | 263,302                   |
| Training                  | 112,192              | 13,970              | 13,578               | 2,685               | 952               | 6,294               | 149,671                | 13,261                 | -               | 13,261              | 162,932                   |
| Occupancy                 | 1,596,074            | 108,343             | 120,556              | 17,627              | 25,477            | 49,883              | 1,917,960              | 58,764                 | -               | 58,764              | 1,976,724                 |
| Office expense            | 225,625              | 37,152              | 136,331              | 6,018               | 9,382             | 12,172              | 426,680                | 176,300                | 6,678           | 182,978             | 609,658                   |
| Direct assistance         | 82,107               | 1,905,920           | -                    | 93,763              | -                 | 56,433              | 2,138,223              | -                      | -               | -                   | 2,138,223                 |
| Participant support costs | 84,149               | 145,432             | -                    | -                   | -                 | -                   | 229,581                | -                      | -               | -                   | 229,581                   |
| Materials and supplies    | 3,540,558            | 113,516             | 578,207              | 13,429              | 130,985           | 678,412             | 5,055,107              | 30,221                 | -               | 30,221              | 5,085,328                 |
| Contracts and consultants | 4,536,305            | 21,962              | 6,872,211            | 6,552               | 111,807           | 27,638              | 11,576,475             | 496,449                | -               | 496,449             | 12,072,924                |
| Insurance                 | 199,739              | 659                 | 182,647              | 184                 | 9,556             | 2,462               | 395,247                | 48,406                 | -               | 48,406              | 443,653                   |
| Repairs and maintenance   | 320,690              | 2,388               | 70,117               | -                   | 31,381            | 6,476               | 431,052                | 3,394                  | -               | 3,394               | 434,446                   |
| Stipends                  | -                    | 374,243             | -                    | -                   | -                 | -                   | 374,243                | -                      | -               | -                   | 374,243                   |
| Telephone                 | 132,137              | 40,838              | 123,454              | 11,652              | 22,709            | 17,548              | 348,338                | 7,360                  | -               | 7,360               | 355,698                   |
| Postage                   | 9,811                | 4,632               | 3,309                | 855                 | 60                | 494                 | 19,161                 | 3,400                  | -               | 3,400               | 22,561                    |
| Advertising               | 3,608                | 1,509               | -                    | -                   | -                 | -                   | 5,117                  | 3,307                  | -               | 3,307               | 8,424                     |
| Donations                 | 38,651               | -                   | -                    | -                   | -                 | -                   | 38,651                 | 1,000                  | -               | 1,000               | 39,651                    |
| Interest                  | 78,160               | -                   | -                    | -                   | -                 | -                   | 78,160                 | 146,298                | -               | 146,298             | 224,458                   |
| Depreciation              | 1,044,603            | 3,082               | 849,865              | -                   | -                 | 13,775              | 1,911,325              | 130,524                | -               | 130,524             | 2,041,849                 |
|                           | <u>\$ 27,039,559</u> | <u>\$ 4,518,318</u> | <u>\$ 12,264,759</u> | <u>\$ 1,378,863</u> | <u>\$ 801,354</u> | <u>\$ 1,263,901</u> | <u>\$ 47,266,754</u>   | <u>\$ 2,437,676</u>    | <u>\$ 6,678</u> | <u>\$ 2,444,354</u> | <u>\$ 49,711,108</u>      |

See accompanying notes.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Statements of Cash Flows**  
**Years ended June 30, 2021 and 2020**

|                                                                                             | <b>2021</b>          | <b>2020</b>         |
|---------------------------------------------------------------------------------------------|----------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                                 |                      |                     |
| Increase in net assets without donor restrictions                                           | \$ 6,197,577         | \$ 4,763,413        |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: |                      |                     |
| Depreciation                                                                                | 2,173,435            | 2,041,849           |
| Unrealized (gain) loss on investments                                                       | (901,004)            | 153,249             |
| Gain on sale of investments                                                                 | (52,510)             | (135,819)           |
| Gain from sale of capital assets                                                            | (52,503)             | (37,534)            |
| Change in operating assets and liabilities:                                                 |                      |                     |
| Decrease (increase) in:                                                                     |                      |                     |
| Accounts receivable                                                                         | 279,082              | 1,900,477           |
| Promise to give                                                                             | 53                   | 161                 |
| Contracts and grants receivable                                                             | (187,016)            | 669,256             |
| Due from related organizations                                                              | 64,425               | (97,248)            |
| Prepaid expenses                                                                            | (44,359)             | (34,052)            |
| Interest receivable-related                                                                 | (67,594)             | (81,648)            |
| Increase (decrease) in:                                                                     |                      |                     |
| Accounts payable                                                                            | 1,044,396            | (1,048,028)         |
| Accrued payroll and withholdings                                                            | 250,175              | 335,761             |
| Deferred revenue                                                                            | 298,682              | 4,119               |
| Accrued compensated absences                                                                | 60,290               | 109,993             |
| Accrued interest                                                                            | (270)                | (3,132)             |
| Due to related organizations                                                                | 11,424               | 18,920              |
| Accrued workers' compensation and surplus liability                                         | 8,597                | 10,218              |
| Accrued self-insurance claims                                                               | (105,219)            | 173,646             |
| <b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>                                            | <b>8,977,661</b>     | <b>8,743,601</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                                 |                      |                     |
| Purchase of property and equipment                                                          | (5,504,357)          | (3,300,441)         |
| Receipts from sale of capital assets                                                        | 54,274               | 263,957             |
| Receipts from sale of investments                                                           | 350,476              | 1,419,203           |
| Purchases of investments                                                                    | (1,182,923)          | (1,759,705)         |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>                                                | <b>(6,282,530)</b>   | <b>(3,376,986)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                                 |                      |                     |
| Repayments of long-term borrowings                                                          | (457,378)            | (471,773)           |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>                                                | <b>(457,378)</b>     | <b>(471,773)</b>    |
| <b>NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH</b>                           | <b>2,237,753</b>     | <b>4,894,842</b>    |
| <b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR</b>                        | <b>7,921,999</b>     | <b>3,027,157</b>    |
| <b>CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR</b>                              | <b>\$ 10,159,752</b> | <b>\$ 7,921,999</b> |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>                                   |                      |                     |
| Cash paid during year for interest                                                          | \$ 142,931           | \$ 227,590          |

See accompanying notes.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

Audubon Area Community Services, Inc. (Organization) is a private, non-profit agency chartered October 15, 1973 upon the submission of Articles of Incorporation to the office of the Kentucky Secretary of State. The Organization formally commenced operations on March 1, 1975 as successor to, and the consolidation of two parent agencies operating from April and August, 1966 in Henderson and Owensboro, respectively. Audubon Area Community Services, Inc. is a Community Action Agency created under the Economic Opportunity Act of 1964 (Public Law 88-452) and authorized under the Kentucky Revised Statutes (K.R.S.) 273.410 et seq, as revised under amendments by the 1982 General Assembly, entitled "Community Action Agencies."

The Organization conducts activities primarily in the seven-county Green River District with some of its services extending into several counties in Kentucky. It is the mission of Audubon Area Community Services, Inc. to serve as a multi-county operations vehicle for the development and delivery of quality services focusing on human development and self-sufficiency.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities Presentation of Financial Statements*. Under FASB ASU 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations that may be maintained temporarily or permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Acquisitions of property and equipment in excess of \$5,000 are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Property and Equipment (continued)

|                           |               |
|---------------------------|---------------|
| Land improvements         | 20 - 30 years |
| Buildings                 | 20 - 30 years |
| Building improvements     | 20 - 30 years |
| Furniture and furnishings | 5 - 10 years  |
| Equipment                 | 5 - 10 years  |
| Vehicles                  | 5 - 10 years  |

Property and equipment acquired by the Organization are considered to be owned by Audubon Area Community Services, Inc. However, Federal and State funding sources may maintain equitable interest in the property purchased with grant monies as well as the right to determine the use of any proceeds from the sale of these assets. The Federal and State agencies have a reversionary interest in those assets purchased with funds which cost \$5,000 and \$500 or more, respectively, and have an estimated useful life of at least two years. Depreciation expense was \$2,173,435 and \$2,041,849 for the years ended June 30, 2021 and 2020.

Accounts Receivable

Accounts receivable are stated at their outstanding principal. Accounts receivable are considered to be fully collectible and, accordingly, no allowance for doubtful accounts is considered necessary. In making that determination, management evaluated the financial condition of borrowers, the estimated value of the any underlying collateral and current economic conditions. Based on management's assessment of the credit history and current, the Organization, believes realization of losses, if any, will be immaterial. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Receivables from Grantor Agencies

Reimbursement procedures used for grants and contracts may result in timing differences between program reimbursements and expenses as of the beginning and end of the year. Receivables from grantor agencies represent an excess of expenses over cash basis reimbursements at year-end.

Deferred Revenue

Monies received from federal and state grants that are in excess of allowable expenses or received before other revenue recognition have been satisfied are recorded as deferred revenue and will be returned to the grantor upon their request, unless allowable expenses are incurred which satisfies the grantor compliance requirements or the revenue recognition criteria has been satisfied.

Compensated Absences

Compensated absences are absences for which employees will be paid for vacation. A liability for compensated absences that is attributable to services already rendered and that is not contingent on a specific event that is outside the control of the Organization and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Organization and its employees are accounted for in the period in which such services are rendered or such events take place.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Revenues – Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party receives essentially equal value, is recorded on the accrual basis when the exchange takes place. Non-exchange transactions, in which the Organization receives value without directly giving equal value in return, include grants, entitlements and donations. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year in which the resources are designated for use (or the fiscal year when use is first permitted), matching requirements, in which the Organization must provide local resources to be used for a specified purpose, and expense requirements, in which the resources are provided to the Organization on a reimbursement basis.

Program service fees are recognized as services are provided. The performance obligations of delivering daycare services for Head Start and providing transportation services for GRITS are simultaneously received and consumed by the recipients; therefore, the revenue is recognized as daycare and transportation services at a point in time.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Investment return includes dividend, interest and realized and unrealized gains and losses on investments at fair value, net of investment fees.

Contributed Goods and Services

The Organization receives a substantial amount of goods and services donated by the public which provides a means for matching funds on grants and contracts. The goods and services donated are in accordance with contract and grant provisions. Those that do not meet the criteria for recognition under FASB ASC 958-605, *Accounting for Contributions Received and Contributions Made* are not recorded.

Cash, Cash Equivalents and Restricted Cash

The Organization considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

At June 30, 2021, the Organization's bank balances totaled \$10,213,992; of that amount \$250,000 was covered by federal depository insurance and \$9,963,992 was covered by collateral held by Truist formerly known as Branch Banking Trust Company (BB&T). The Organization keeps separate bank accounts for programs when required by the grantors.

At June 30, 2020, the Organization's bank balances totaled \$8,309,076; of that amount \$250,000 was covered by federal depository insurance and \$8,059,076 was covered by collateral held by BB&T.

Employees are encouraged to make voluntary contributions each pay period to the Employee Fund Raising Account. The purpose of this account is to enable the Organization to participate, along with other Kentucky Community Action Agencies, in national, state and local legislative initiatives on behalf of the Organization's programs serving low-income children, families and seniors. The amounts in the Employee Fund Raising Account at June 30, 2021 and 2020 are \$14,198 and \$6,075, respectively and are considered restricted.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Cash, Cash Equivalents and Restricted Cash (continued)

|                                                  | 2021          | 2020         |
|--------------------------------------------------|---------------|--------------|
| Cash and cash equivalents                        | \$ 10,145,554 | \$ 7,915,924 |
| Restricted cash                                  | 14,198        | 6,075        |
| Total cash, cash equivalents and restricted cash | \$ 10,159,752 | \$ 7,921,199 |

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities.

Costs are allocated between fundraising, management and general expenses or the appropriate program based on evaluations of the related benefits. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Programs and Support Services

The agency maintains expenses for programs and support services as follows:

*Early Childhood Services*

Head Start and Early Head Start programs promote school readiness for at-risk children from birth to five years of age by providing child and family centered services that promote healthy development of children through health, education and family services.

USDA provides food service program for eligible children and adults.

*Social Support Services*

The Kynect program provides outreach, education, and enrollment assistance to individuals, families, and small businesses, enabling them to make informed decisions when selecting and enrolling in health insurance plans on the Kentucky Health Benefit Exchange.

LIHEAP provides financial and other assistance to low-income households through two components, subsidy and crisis.

Foster Grandparents program provides the opportunity for senior citizens fifty-five years of age or older to give guidance and one-to-one assistance for children and youth with special needs. Income-eligible participants receive a small stipend and other benefits for their service.

Senior Companion Program provides the opportunity for senior citizens fifty-five years of age or older or provide services for frail elderly people at their home in an effort to prevent or delay institutionalization. Income-eligible participants receive a small stipend and other benefits for their service.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Programs and Support Services (continued)

*Social Support Services (continued)*

Retired and Senior Volunteer program (RSVP) involves volunteers serving areas of senior services, children's services, health, safety disaster preparedness and other community needs. To be eligible, a person must be fifty-five years of age or older and willing to serve on a regular basis. RSVP members receive federally mandated benefits.

*Transportation Services*

The Green River Intra-county Transit System (GRITS) provides clean, safe and reliable public transportation at little or no cost to anyone in the seven-county areas (Davies, McLean, Henderson, Union, Webster, Hancock and Ohio). Medicaid eligible clients without a vehicle in their home are provided transportation to Medicaid approved appointments at cost. GRITS provides para-transit services for wheelchair bound clients. The general public may also ride with GRITS on a fee per mile basis regardless of income level, age or disability in the Green River area.

*Employment Services*

The Kentucky Works program provides career assessment, job skills training, job development and placement, and one year of career support after employment to recipients of public assistance in 34 counties in Kentucky.

*Housing Services*

The Weatherization program provides assistance and improvements to eligible homeowners and renters in order to achieve a more energy efficient and safer home.

*Community Service Block Grant (CSBG)*

CSBG provides a variety of services to alleviate the causes and conditions of poverty, including food, shelter or developmental assistance (education, job training).

Advertising Costs

The Organization uses advertising to promote its programs among the audiences it serves and employment ads. Advertising costs are expensed as incurred. Advertising expense for the year ended June 30, 2021 and 2020 was \$8,661 and \$8,424, respectively.

Tax Status

Audubon Area Community Services, Inc. has been classified as an exempt organization under Internal Revenue Code Section 501(c)(3) and as a public charity qualified for charitable contributions under Internal Revenue Code Section 170.

The Organization did not pay any interest or penalties as a result of its tax position. The tax years 2018 through 2020 remain subject to examination by the Internal Revenue Service.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which is intended to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. These amendments are effective for entities other than public business entities, certain non-profit entities, and certain employee benefit plans for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. These effective dates have been extended one year due to COVID-19. Application is to be applied using a modified retrospective approach with optional practical expedients and other special transition provisions. Early adoption is permitted. Management is evaluating the impact of adopting this new accounting standard on the financial statements.

**NOTE B – CONTRACTS AND GRANTS RECEIVABLE**

Grants receivable consisted of the following at June 30, 2021 and 2020:

|                                                 | <u>2021</u>        | <u>2020</u>        |
|-------------------------------------------------|--------------------|--------------------|
| U.S. Department of Health and Human Services    | \$1,791,371        | \$1,993,272        |
| Kentucky Transportation Cabinet                 | 1,704,947          | 1,339,878          |
| Kentucky Cabinet for Health and Family Services | 469,267            | 436,491            |
| Community Action Kentucky                       | 233,721            | 279,360            |
| Corporation for National and Community Service  | 86,185             | 60,234             |
| Other                                           | <u>256,376</u>     | <u>245,616</u>     |
|                                                 | <u>\$4,541,867</u> | <u>\$4,354,851</u> |

Contract assets receivable for the GRITS program is \$49,187 and \$8,481 at June 30, 2021 and 2020. Contract assets receivable for the Head Start program is \$2,186 and \$1,055 at June 30, 2021 and 2020.

**NOTE C - INVESTMENTS**

Investments at June 30, 2021 and 2020 consist of the following:

|                                    | <u>2021</u>         |                     | <u>2020</u>         |                     |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|
|                                    | <u>Cost</u>         | <u>Fair Value</u>   | <u>Cost</u>         | <u>Fair Value</u>   |
| Exchange Traded & Closed End Funds | \$ 2,008,913        | \$ 2,486,468        | \$ 1,694,746        | \$ 1,745,708        |
| Mutual Funds                       | <u>2,738,758</u>    | <u>3,410,361</u>    | <u>2,251,445</u>    | <u>2,365,160</u>    |
|                                    | <u>\$ 4,747,671</u> | <u>\$ 5,896,829</u> | <u>\$ 3,946,191</u> | <u>\$ 4,110,868</u> |

The following schedule summarizes the net investment income and its classification in the statement of activities for the years ended June 30, 2021 and 2020.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE C - INVESTMENTS (continued)**

|                                       | 2021         | 2020       |
|---------------------------------------|--------------|------------|
| Interest income                       | \$ 134,814   | \$ 168,280 |
| Dividend income                       | 156,957      | 121,773    |
| Unrealized gain (loss) on investments | 901,004      | (153,249)  |
| Gain on sale of investments           | 52,510       | 135,819    |
| Net investment income                 | \$ 1,245,285 | \$ 272,623 |

**NOTE D – RELATED LOAN RECEIVABLES**

The Organization has served as the developer on low income housing projects and is entitled to a developer's fee. As of June 30, 2021 and 2020, fees in the amount of \$10,159,522, respectively, had been earned. As part of the development agreements, the Organization was required to loan this money back to the limited partnerships. These loans are to be repaid as cash flows permit. Due to the questionability that the Organization will receive these payments, these loans are offset with allowance accounts for the same amount. The loan receivables as of June 30, 2021 and 2020 consist of:

|                                                                                                                                                          | 2021         | 2020         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| Loan receivable, Audubon Lincolnshire Apartments, LLLP, 2.6% interest rate; principal and interest due September 29, 2039, secured by real property.     | \$ 2,358,671 | \$ 2,358,671 |
| Loan receivable, Audubon Lincolnshire Apartments, LLLP, 2.6% interest rate; principal and interest due September 29, 2039, secured by real property.     | 1,192,783    | 1,192,783    |
| Loan receivable, Audubon Lincolnshire North Apartments, LLLP, 3% interest rate; principal and interest due September 29, 2039, secured by real property. | 3,548,567    | 3,548,567    |
| Loan receivable, Audubon Lincolnshire North Apartments, LLLP, 3% interest rate; principal and interest due September 29, 2039, secured by real property. | 1,275,595    | 1,275,595    |
| Loan receivable, The Learning Villa, Ltd., 5% interest rate; principal and interest due Friday 5, 2038, secured by real property.                        | 1,090,500    | 1,090,500    |
| Loan receivable, President's Place, LLLP, 8% interest rate; principal and interest due February 1, 2045, secured by real property.                       | 93,526       | 93,526       |
| Loan receivable, President's Place, LLLP, 8% interest rate; principal and interest due February 1, 2045, secured by real property.                       | 599,880      | 599,880      |
|                                                                                                                                                          | 10,159,522   | 10,159,522   |
| Less allowance for doubtful accounts                                                                                                                     | 10,159,522   | 10,159,522   |
| Total related loan receivables                                                                                                                           | \$ -         | \$ -         |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE D – RELATED LOAN RECEIVABLES (continued)**

Simple interest on the loans is recognized over the term of the loan. Interest income from the related loans amounted to \$124,718 and \$121,648 for the years ended June 30, 2021 and June 30, 2020, respectively. Interest receivable from the related loans less allowance amounted to \$503,118 and \$435,524 for the years ended June 30, 2021 and June 30, 2020, respectively.

**NOTE E – PARTNERSHIP INVESTMENTS**

The Organization has wholly-owned subsidiaries that are general partners in low income housing project partnerships. These subsidiaries each own 0.1% or less of the related partnership interest and do not have controlling financial interest of the partnerships. The Organization's wholly-owned subsidiaries and the percentage ownership interest of the related partnership are listed as follows:

| <u>Subsidiary</u>                   | <u>Ownership<br/>Interest</u> | <u>Partnership</u>                          |
|-------------------------------------|-------------------------------|---------------------------------------------|
| Audubon Learning Villa, LLC         | 0.050%                        | The Learning Villa, Ltd.                    |
| Audubon Independence/Horizon, Inc.  | 0.100%                        | Independence Heights, Ltd.                  |
| Audubon Independence/Horizon, Inc.  | 0.100%                        | Horizon Place, Ltd.                         |
| Audubon ORR, LLC                    | 0.005%                        | Owensboro Regional Recovery, Ltd.           |
| Audubon Presidents Place, Inc.      | 0.050%                        | Presidents Place, LLLP.                     |
| Audubon Beaver Dam Village, Inc.    | 0.100%                        | Beaver Dam Village, LLLP                    |
| Audubon Area Mya Manor, Inc.        | 0.100%                        | Mya Manor, LLLP                             |
| Lincolnshire Development, LLC       | 0.010%                        | Audubon Lincolnshire Apartments, LLLP       |
| Lincolnshire North Development, LLC | 0.010%                        | Audubon Lincolnshire North Apartments, LLLP |

**NOTE F – LONG-TERM DEBT**

Long-term debt at June 30 consisted of the following:

|                                                                                                                                                                                                                                          | <u>2021</u>         | <u>2020</u>         |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Building revenue bonds; interest payable monthly, floating rate based on initial fixed rate (4.73% at June 30, 2021 and 2020), principal payable annually in the amount of \$160,000 due January 1, 2029; collateralized by real estate. | \$ 1,280,000        | \$ 1,440,000        |
| Promissory note originally for \$1,793,856 maturing on Sept 1, 2025 with an interest rate of 2.37% paid monthly on unpaid principal                                                                                                      | 1,538,127           | -                   |
| Subtotal                                                                                                                                                                                                                                 | 2,818,127           | 1,440,000           |
| Less current portion                                                                                                                                                                                                                     | (506,477)           | (160,000)           |
| Less unamortized debt issuance costs                                                                                                                                                                                                     | (77,114)            | (43,528)            |
| Long-term debt, net of current portion                                                                                                                                                                                                   | <u>\$ 2,234,536</u> | <u>\$ 1,236,472</u> |

The Organization reports amortization of debt issuance costs of \$14,741 and \$4,836 in 2021 and 2020 for these loans as interest expense.

Maturities of the long-term debt over the remaining term are approximately as follows:

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE F – LONG-TERM DEBT (continued)**

| Year ending June 30, | <u>Amount</u>       |
|----------------------|---------------------|
| 2022                 | \$ 506,477          |
| 2023                 | 516,455             |
| 2024                 | 524,995             |
| 2025                 | 533,739             |
| 2026                 | 256,461             |
| Thereafter           | <u>480,000</u>      |
|                      | <u>\$ 2,818,127</u> |

**NOTE G – CAPITAL LEASE REFINANCED**

The Organization leased its administrative building from Daviess County Public Improvement Corporation under a capital lease. The economic substance of the lease was that the Organization was financing the acquisition of the asset through the lease, and accordingly, it is recorded in the Organization's assets and liabilities. The Organization refinanced through BB&T as of August 31, 2020. BB&T Community Holding Co, a Nevada corporation, purchased the bonds and loaned the proceeds to the Organization. It is no longer considered a lease.

The following is an analysis of the asset included in buildings as of June 30, 2021 and 2020:

|                                                                                                                                                                                       | <u>2021</u> | <u>2020</u>         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------------------|
| Building on 5 <sup>th</sup> Street, Owensboro, Kentucky                                                                                                                               | -           | \$ 4,588,981        |
| Less accumulated depreciation                                                                                                                                                         | -           | <u>(1,746,362)</u>  |
|                                                                                                                                                                                       | -           | <u>\$ 2,842,619</u> |
| Lease payable to corporation, interest rate 4.75%, payable in monthly payments of \$37,500 including interest, due January 1, 2028, secured by building, includes financial covenant. | -           | \$ 1,801,919        |
| Less current portion                                                                                                                                                                  | -           | <u>(317,500)</u>    |
| Capital lease obligation less current portion                                                                                                                                         | -           | <u>\$ 1,484,419</u> |

Amortization of assets held under the capital lease is included with depreciation expense for 2020.

**NOTE H – SELF-INSURANCE PROGRAM**

The Organization has a self-insured health plan for its eligible employees and their eligible dependents. The Organization has purchased stop-loss insurance in order to limit its exposure. It provides for the reimbursement to the Organization for claims per insured exceeding \$75,000 with an aggregate excess loss amount, which varies based on plan participants is currently set at \$2,170,451 and was \$2,188,137 at June 30, 2021 and 2020, respectively.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE H – SELF-INSURANCE PROGRAM (continued)**

The Organization maintains a self-insurance fund to pay actual claims. Self-insurance costs are accrued based on claims reported as of June 30. The total accrued liability for self-insurance costs was \$156,458 and \$261,677 as of June 30, 2021 and June 30, 2020, respectively.

**NOTE I – BOARD-DESIGNATED OPERATING RESERVES**

The Organization defines Board-Designated Operating Reserves as the portion of unrestricted net assets that the Board has designated for use in unusual or unforeseen financial emergencies. The general purpose of the Operating Reserve Fund is to help insure the long-term stability of the organization and position it to respond to varying economic conditions and changes affecting the organization's financial position and the ability to carry out its mission. The amount of accumulated unrestricted net assets is increased or decreased as the result of annual operating surpluses or deficits. The organization pursues financial stability by budgeting for and then achieving reasonable, modest surpluses year after year in order to meet their operating reserves objectives.

The long-term goal of the Board is to attain and maintain an Operating Reserve Fund balance that represents approximately 25% of the annual operating expenses or about three months of select operating expenses on average. Annually, the Board will designate an amount of available unrestricted net assets for the Operating Reserve Fund.

Of the Net Assets without donor restrictions for 2021 and 2020 fiscal years, the Board designated \$2,622,187, and \$1,897,835 of which \$1,622,187 and \$1,397,835 is for operational needs and \$250,000 is reserved for the agency's self-insurance fund. Also included is \$750,000 and \$250,000 for 2021 and 2020, respectively, to invest into the agency's investment portfolio. The Board granted further approval to the organization's management to draw up to \$243,328 and \$209,675 in 2021 and 2020 from this fund as needed with the provision that the funds are borrowed for a term of ninety days or less. Any amounts and/or terms outside of this policy's stipulations would require approval from either the Board or the Executive Committee.

**NOTE J – RELATED PARTY TRANSACTIONS**

The Organization is related to several entities through ownership/partnership relationships, or through control from sharing the same board members as the Organization. The Organization provides management services to several of these related parties. The Organization received \$185,627 and \$183,638 in management fees from related parties for the years ended June 30, 2021 and June 30, 2020, respectively. Receivables in the amount of \$27,995 and \$16,874 were due to the Organization from these related parties as of June 30, 2021 and June 30, 2020, respectively. Payables in the amount of \$1,034 and \$1,123 were due to related parties as of June 30, 2021 and June 30, 2020, respectively.

**NOTE K - IN-KIND/MATCHING**

The Organization records various types of in-kind contributions. Contributed services are recognized at fair value of the services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by entities or individuals possessing those skills, and would typically need to be purchased if not donated. Contributions of tangible assets are recognized at fair value when received. The amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses or additions to property and equipment. The following tables illustrate how the in-kind contributions were used in the Organization during 2021 and 2020:

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE K - IN-KIND/MATCHING (continued)**

June 30, 2021

|                       | Early<br>Childhood  | Transportation   | Social<br>Support | Community<br>Service | Total               |
|-----------------------|---------------------|------------------|-------------------|----------------------|---------------------|
| Space                 | \$ 1,483,206        | \$ 36,500        | \$ 39,747         | \$ -                 | \$ 1,559,453        |
| Professional services | 50,432              | -                | 3,382             | -                    | 53,814              |
| Transportation        | 1,357,959           | -                | -                 | -                    | 1,357,959           |
| Other                 | 2,039,698           | -                | 2,608             | 452,032              | 2,494,338           |
| <b>Total</b>          | <b>\$ 4,931,295</b> | <b>\$ 36,500</b> | <b>\$ 45,737</b>  | <b>\$ 452,032</b>    | <b>\$ 5,465,564</b> |

June 30, 2020

|                       | Early<br>Childhood  | Transportation   | Social<br>Support | Community<br>Service | Total               |
|-----------------------|---------------------|------------------|-------------------|----------------------|---------------------|
| Space                 | \$ 1,227,321        | \$ 36,600        | \$ 39,831         | \$ 11,675            | \$ 1,315,427        |
| Professional services | 167,856             | -                | 2,918             | -                    | 170,774             |
| Transportation        | 1,086,152           | -                | -                 | -                    | 1,086,152           |
| Other                 | 2,139,390           | -                | 24,925            | 670,299              | 2,834,614           |
| <b>Total</b>          | <b>\$ 4,620,719</b> | <b>\$ 36,600</b> | <b>\$ 67,674</b>  | <b>\$ 681,974</b>    | <b>\$ 5,406,967</b> |

In addition, a number of volunteers have donated over 186,935 hours and 222,036 hours to the Organization's services for the years ended June 30, 2021 and June 30, 2020, respectively. These in-kind contributions are not reflected in the financial statements since these services do not meet the criteria for recognition.

**NOTE L - RETIREMENT BENEFITS**

*Multi-Employer Pension Plan*

The Organization participates in the County Employee Retirement System (CERS) which is a cost-sharing multi-employer defined benefit pension plan and is administered by the Board of Trustees of the Kentucky Retirement Systems (KRS). The following presents certain information regarding the plan.

The risks of participating in multiemployer defined benefit pension plans differ from single-employer plans because: (a) assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers, (b) if a participating employer stops contributing to the plan, the unfunded obligations of the plan may be required to be borne by the remaining participating employers, and (c) if the Organization chooses to stop participating in the plan, it may be required to pay a withdrawal liability to the plan. At this time, the Organization has no plans to withdraw from the plan.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE L - RETIREMENT BENEFITS (continued)**

All full-time employees of the Audubon Area Community Services, Inc. are covered by the CERS (Non-Hazardous) plan. KRS 78.510 through 78.852 of the Commonwealth of Kentucky assigns the authority to establish and amend the benefit provision of the plan. The CERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, KY 40601-6124.

Participants have a vested right to retirement benefits at age 65 with at least 4 years of service or at any age with at least 27 years of service, if they do not withdraw deposits. A member may receive a reduced standard annuity at age 55 with 5 or more years of service or any age below 55 with 25 or more years of service. Benefits under CERS will vary based on final compensation, years of service and other factors as fully described in the plan documents.

Non-hazardous duty employees were required to contribute 5.0% (6.0% for new hires effective July 1, 2008) of their annual creditable compensation, which is withheld by the Organization. The Organization was required to contribute at an actuarially determined rate of 19.3% for the years ended June 30, 2021 and June 30, 2020 of participating non-hazardous duty employees' annual creditable compensation. Normal compensation and past service contribution rates are determined in accordance with KRS 61.565 (3) on the basis of an annual valuation.

The Organization contributed \$3,006,233 and \$2,696,991 for the years ending June 30, 2021 and June 30, 2020. There are no funding improvement, or rehabilitation plans, surcharges or collective bargaining agreements. There have been no significant changes that affect the comparability of 2021 and 2020 contributions.

All required contributions were paid at year-end or within thirty (30) days thereafter.

Based on latest annual actuarial valuation from KRS for fiscal years ended June 30, 2021 and 2020 for CERS Non-Hazardous employee group are as follows (\$ in Thousands):

*Multi-Employer Pension Plan (continued)*

|                         | 2020         | 2019         |
|-------------------------|--------------|--------------|
| Total Pension Liability | \$14,697,244 | \$14,192,966 |
| Fiduciary Net Pension   | 7,027,327    | 7,159,921    |
| Net Pension Liability   | \$ 7,669,917 | \$ 7,033,045 |
| Level of funding        | 47.81%       | 50.45%       |

The percentage of the Organization's contribution to total employers' contribution is .565912% and .557699% and the Organization's portion of the net pension liability is \$43,404,982 and \$39,223,222 for June 30, 2021 and June 30, 2020, respectively.

The Organization is not required to accrue its proportionate share of the unfunded liability shown above.

The Plan's Employer Identification Number is 61-1431278.

The Organization is providing less than 5% of the total contributions to the plan.

Form 5500 is not required for this plan.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE L - RETIREMENT BENEFITS (continued)**

*Multi-Employer Postretirement Benefits Other than Pension Plans (OPEB)*

The Organization has elected to participate in the Kentucky Retirement Systems Insurance Fund (KRS Insurance Fund), which is administered by the Board of Trustees of the Kentucky Retirement System. This is a multi-employer public post-retirement system established to provide hospital and medical insurance for members receiving benefits from CERS and other state-backed retirement systems. The KRS Insurance Fund pays a prescribed contribution for whole or partial payment of required premiums to purchase hospital and medical insurance. The dollar amount is subject to adjustment annually based on the retiree COLA and the Kentucky General Assembly reserves the right to suspend or reduce this benefit if, in its judgement, the welfare of the Commonwealth of Kentucky so demands.

Some spouses and dependents also qualify for the same proportion of coverage. The amount of contributions paid by the KRS Insurance Fund is based on a member's years of service. Effective January 1, 2013, the self-funding of healthcare benefits for most KRS Medicare eligible retirees ceased and these services were contracted through a fully-insured Medicare Advantage Plan with Humana Insurance Company.

Plan sponsors are required to contribute annually at an actuarially determined rate. The rate as of June 30, 2021 and 2020, the year end of the plan, was 4.76% of participating members' compensations. The contribution requirement of the Organization to the KRS Insurance Fund for the years ended June 30, 2021 and 2020 was \$741,434 and \$665,165, respectively. There have been no significant changes that affect comparability of 2021 and 2020 contributions.

All required contributions were paid at year-end or within thirty (30) days thereafter.

Based on latest annual actuarial valuation from KRS for fiscal years ended June 30, 2021 and 2020 for CERS Non-Hazardous employee group are as follows (\$ in Thousands):

*Multi-Employer Postretirement Benefits Other than Pension Plans (OPEB) (continued)*

|                                                                     | 2020         | 2019         |
|---------------------------------------------------------------------|--------------|--------------|
| Total OPEB Liability                                                | \$ 4,996,309 | \$ 4,251,466 |
| Plan Fiduciary Net Position                                         | 2,581,613    | 2,569,511    |
| Net OPEB Liability                                                  | \$ 2,414,696 | \$ 1,681,955 |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | 51.67%       | 60.44%       |

The percentage of the Organization's contribution to total employers' contribution is .565781% and .557699% and the Organization's portion of the net OPEB liability is \$13,661,891 and \$9,379,001 for June 30, 2021 and June 30, 2020, respectively.

**NOTE M – FAIR VALUE MEASUREMENTS**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE M – FAIR VALUE MEASUREMENTS (continued)**

There are three general valuation techniques that may be used to measure fair value, as described below:

- Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in an active market. This level includes common stocks, corporate bonds or mutual funds based on the closing price reported in the active market where the securities are traded.
- Level 2 – Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, inputs that are derived principally from or corroborated by observable market data by correlation, or other means.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Assets and liabilities itemized below were measured at fair value during the year ended using the market approach.

|                     |                     | Fair Value Measurements at Reporting Date Using                                           |                                                           |                                                    |
|---------------------|---------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
| June 30, 2021       | Fair Value          | Quoted Prices<br>In Active<br>Markets for<br>Identical<br>Assets/Liabilities<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Assets:             |                     |                                                                                           |                                                           |                                                    |
| ETCE funds          | \$ 2,486,468        | \$ 2,486,468                                                                              | \$ -                                                      | \$ -                                               |
| Mutual funds        | 3,410,361           | 3,410,361                                                                                 | -                                                         | -                                                  |
| <b>Total Assets</b> | <b>\$ 5,896,829</b> | <b>\$ 5,896,829</b>                                                                       | <b>\$ -</b>                                               | <b>\$ -</b>                                        |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE M – FAIR VALUE MEASUREMENTS (continued)**

|                     |                     | Fair Value Measurements at Reporting Date Using                                           |                                                           |                                                    |
|---------------------|---------------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------|----------------------------------------------------|
| June 30, 2020       | Fair Value          | Quoted Prices<br>In Active<br>Markets for<br>Identical<br>Assets/Liabilities<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| Assets:             |                     |                                                                                           |                                                           |                                                    |
| ETCE funds          | \$ 1,745,708        | \$ 1,745,708                                                                              | \$ -                                                      | \$ -                                               |
| Mutual funds        | 2,365,160           | 2,365,160                                                                                 | -                                                         | -                                                  |
| <b>Total Assets</b> | <b>\$ 4,110,868</b> | <b>\$ 4,110,868</b>                                                                       | <b>\$ -</b>                                               | <b>\$ -</b>                                        |

**NOTE N – CONCENTRATIONS OF CREDIT RISK**

The Organization's major source of funds is revenue from grants received directly or indirectly from federal sources as well as from the State of Kentucky. The Organization's two largest programs are the Head Start Program which is funded by the U.S. Department of Health and Human Services and the Green River Intra-county Transit System funded by the Kentucky Transportation Cabinet. During the year ended June 30, 2021, federal and state grants amounted to \$26,860,496 and \$16,741,944 which is 42.5% and 26.5% of the Organization's total support. During the year ended June 30, 2020, \$23,086,190 or 42.3% and \$14,947,317 or 27.4% of the Organization's total support was from these sources respectively. The Organization's market is concentrated in the geographic area of western Kentucky.

**NOTE O – DISAGGREGATED SUPPORT AND REVENUE**

A summary of disaggregated support and revenue information follows:

| For the years ended June 30, | 2021                 |                      | 2020                 |                      |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
|                              | GRITS                | Head Start           | GRITS                | Head Start           |
| Contracts with customers     | \$ 270,445           | \$ 1,205,816         | \$ 379,679           | \$ 1,183,249         |
| Federal and state grants     | 16,741,944           | 26,860,496           | 14,947,317           | 23,086,190           |
| In-kind                      | 36,500               | 5,181,856            | 36,600               | 5,097,372            |
| Other                        | 92,334               | 179,333              | 119,550              | 180,813              |
| <b>Total</b>                 | <b>\$ 17,141,223</b> | <b>\$ 33,427,501</b> | <b>\$ 15,483,146</b> | <b>\$ 29,547,624</b> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE P – COMMITMENTS AND CONTINGENCIES**

Grant Programs

The Organization participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent the Organization has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of Management, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Indirect Cost Rate

The Division of Cost Allocation assigned a provisional rate to the Organization and the Organization actually bills an indirect cost rate as follows:

| June 30 | Provisional<br>Rate | Actual<br>Rate |
|---------|---------------------|----------------|
| 2019    | 15.00%              | 15.00%         |
| 2020    | 15.20%              | 15.00%         |
| 2021    | 15.20%              | 15.00%         |

A contingent liability may exist when the Division of Cost Allocation assigns a final indirect cost rate less than the actual rate used by the Organization.

**NOTE Q – RISK MANAGEMENT**

The Organization is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Organization continues to carry commercial insurance for general liability, workers' compensation and all other risks of loss, including errors and omissions insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

The Organization is a defendant in a lawsuit. The Organization's insurance policy is defending the claim and potential damages would be within the limits of the policy. There is, however, a potential for liability to the Organization on the basis of certain legal doctrines.

**NOTE R – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization's financial assets available within one year of the balance sheet date for general expenditure are as follows:

|                                 | 2020          | 2020          |
|---------------------------------|---------------|---------------|
| Cash and cash equivalents       | \$ 10,159,752 | \$ 7,921,999  |
| Contracts and grants receivable | 4,541,867     | 4,354,851     |
| Accounts receivable             | 604,261       | 883,343       |
| Investments                     | 5,896,829     | 4,110,868     |
|                                 | \$ 21,202,709 | \$ 17,271,061 |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to the Financial Statements**  
**June 30, 2021 and 2020**

**NOTE R – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)**

The Organization is substantially supported by its grants with the U.S. Department of Health and Human Services. There have been no significant changes to the Organization's funding agreements. Financial assets are generally readily available for general expenditures within one year. In the event of unanticipated liquidity needs, the Organization could use cash reserves, the Board-Designated Operating Reserve Fund or obtain a line of credit.

**NOTE S – COVID-19**

On March 11, 2020, the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President of the United States declared a national emergency to confront the potential public health crisis. Due to the continued uncertainties surrounding COVID-19, the Organization is unable to determine the short or long-term impacts, however it is reasonable to assume operations will be disrupted in the short-term as a result. Management believes the Organization is in sound financial condition to handle any negative effects caused by the public health crisis.

**NOTE T – SUBSEQUENT EVENTS**

As the COVID-19 pandemic continues, the Organization is unable to determine all the short or long-term impacts of the public health crisis on its operations and financial statements as of the date of this report.

The Organization did not have any other subsequent events through March 15, 2022, which is the date the financial statements were available to be issued, for events requiring recording or disclosure on the financial statements for the year ended June 30, 2021.

**SUPPLEMENTARY INFORMATION**

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**HEAD START**  
**CONTRACT NUMBER 04CH010730**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period December 1, 2019 through November 30, 2020

|                                                                                                       | <u>Approved<br/>Budget</u> | <u>Actual</u>     | <u>COB Balance<br/>Current Year</u> |
|-------------------------------------------------------------------------------------------------------|----------------------------|-------------------|-------------------------------------|
| <b>REVENUE</b>                                                                                        |                            |                   |                                     |
| Contract or grant                                                                                     | \$ 26,817,889              | \$ 23,968,456     | \$ 2,849,433                        |
| Local sources                                                                                         | -                          | 55,337            | (55,337)                            |
| Grantee's contribution                                                                                | 4,569,851                  | 4,860,281         | (290,430)                           |
| <b>TOTAL REVENUE</b>                                                                                  | <u>31,387,740</u>          | <u>28,884,074</u> | <u>2,503,666</u>                    |
| <b>EXPENSES</b>                                                                                       |                            |                   |                                     |
| Administration for<br>Children and Families Share:<br>Head Start Full-Year/<br>Part-Day (CAN G044122) |                            |                   |                                     |
| Direct Costs                                                                                          |                            |                   |                                     |
| Personnel                                                                                             | 6,284,687                  | 6,254,979         | 29,708                              |
| Fringe benefits                                                                                       | 2,629,693                  | 2,679,282         | (49,589)                            |
| Travel                                                                                                | 9,200                      | 4,532             | 4,668                               |
| Occupancy                                                                                             | 323,100                    | 241,726           | 81,374                              |
| Program supplies                                                                                      | 2,075,648                  | 1,689,952         | 385,696                             |
| Other                                                                                                 | 9,447,345                  | 6,682,050         | 2,765,295                           |
| Total Direct Costs                                                                                    | 20,769,673                 | 17,552,521        | 3,217,152                           |
| Indirect Costs                                                                                        | 942,703                    | 943,088           | (385)                               |
| Total                                                                                                 | <u>21,712,376</u>          | <u>18,495,609</u> | <u>3,216,767</u>                    |
| Early Head Start (CAN G044125)                                                                        |                            |                   |                                     |
| Direct Costs                                                                                          |                            |                   |                                     |
| Personnel                                                                                             | 2,961,499                  | 3,015,580         | (54,081)                            |
| Fringe benefits                                                                                       | 1,316,134                  | 1,237,870         | 78,264                              |
| Travel                                                                                                | 100                        | 687               | (587)                               |
| Occupancy                                                                                             | 55,396                     | 86,712            | (31,316)                            |
| Program supplies                                                                                      | 30,750                     | 142,888           | (112,138)                           |
| Other                                                                                                 | 36,316                     | 307,208           | (270,892)                           |
| Total Direct Costs                                                                                    | 4,400,195                  | 4,790,945         | (390,750)                           |
| Indirect Costs                                                                                        | 444,225                    | 448,142           | (3,917)                             |
| Total                                                                                                 | <u>4,844,420</u>           | <u>5,239,087</u>  | <u>(394,667)</u>                    |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**HEAD START**  
**CONTRACT NUMBER 04CH010730**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period December 1, 2019 through November 30, 2020

|                                                                                         | <u>Approved<br/>Budget</u> | <u>Actual</u>         | <u>COB Balance<br/>Current Year</u> |
|-----------------------------------------------------------------------------------------|----------------------------|-----------------------|-------------------------------------|
| <b>EXPENSES (continued)</b>                                                             |                            |                       |                                     |
| Head Start T & TA - CDA<br>(CAN G044120 and G044121)                                    |                            |                       |                                     |
| Direct Costs                                                                            |                            |                       |                                     |
| Travel                                                                                  | \$ 201,742                 | \$ 48,733             | \$ 153,009                          |
| Supplies                                                                                | 9,301                      | 117,252               | (107,951)                           |
| Other                                                                                   | 50,050                     | 84,285                | (34,235)                            |
|                                                                                         | <u>261,093</u>             | <u>250,270</u>        | <u>10,823</u>                       |
| <br>Total Direct Costs                                                                  | <br><u>261,093</u>         | <br><u>250,270</u>    | <br><u>10,823</u>                   |
| <br>Total Expenses - Administration<br>for Children and Families                        | <br>26,817,889             | <br>23,984,966        | <br>2,832,923                       |
| <br>Grantee's Share<br>Head Start Full-Year/Part-Day and<br>Early Head Start<br>Grantee | <br><u>4,569,851</u>       | <br><u>4,860,281</u>  | <br><u>(290,430)</u>                |
| <br><b>TOTAL EXPENSES</b>                                                               | <br><u>31,387,740</u>      | <br><u>28,845,247</u> | <br><u>2,542,493</u>                |
| <br><b>REVENUE OVER (UNDER) EXPENSES</b>                                                | <br><u>\$ -</u>            | <br><u>38,827</u>     | <br><u>\$ (38,827)</u>              |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**HEAD START**  
**CONTRACT NUMBER 04CH010730-C3**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period December 1, 2019 through November 30, 2020

|                                                                                | <u>Approved<br/>Budget</u> | <u>Actual</u>  | <u>COB Balance<br/>Current Year</u> |
|--------------------------------------------------------------------------------|----------------------------|----------------|-------------------------------------|
| <b>REVENUE</b>                                                                 |                            |                |                                     |
| Contract or grant                                                              | \$ 1,687,310               | \$ 358,260     | \$ 1,329,050                        |
| Local sources                                                                  | -                          | -              | -                                   |
| Grantee's contribution                                                         | -                          | -              | -                                   |
|                                                                                | <u>1,687,310</u>           | <u>358,260</u> | <u>1,329,050</u>                    |
| <b>TOTAL REVENUE</b>                                                           | <u>1,687,310</u>           | <u>358,260</u> | <u>1,329,050</u>                    |
| <b>EXPENSES</b>                                                                |                            |                |                                     |
| Administration for<br>Children and Families Share:<br>Head Start (CAN G040900) |                            |                |                                     |
| Direct Costs                                                                   |                            |                |                                     |
| Occupancy                                                                      | 255,940                    | -              | 255,940                             |
| Program supplies                                                               | 639,234                    | 316,983        | 322,251                             |
| Other                                                                          | 506,524                    | 19,595         | 486,929                             |
|                                                                                | <u>1,401,698</u>           | <u>336,578</u> | <u>1,065,120</u>                    |
| Total                                                                          | <u>1,401,698</u>           | <u>336,578</u> | <u>1,065,120</u>                    |
| Early Head Start (CAN G040900)                                                 |                            |                |                                     |
| Direct Costs                                                                   |                            |                |                                     |
| Occupancy                                                                      | 21,020                     | -              | 21,020                              |
| Program supplies                                                               | 168,100                    | 21,206         | 146,894                             |
| Other                                                                          | 96,492                     | 476            | 96,016                              |
|                                                                                | <u>285,612</u>             | <u>21,682</u>  | <u>263,930</u>                      |
| Total                                                                          | <u>285,612</u>             | <u>21,682</u>  | <u>263,930</u>                      |
| <b>TOTAL EXPENSES</b>                                                          | <u>1,687,310</u>           | <u>358,260</u> | <u>1,329,050</u>                    |
| <b>REVENUE OVER (UNDER) EXPENSES</b>                                           | <u>\$ -</u>                | <u>\$ -</u>    | <u>\$ -</u>                         |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**EARLY HEAD START**  
**CONTRACT NUMBER 04HP000356**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period September 1, 2019 through August 31, 2020

|                                                              |                  |
|--------------------------------------------------------------|------------------|
| <b>REVENUE</b>                                               |                  |
| Contract or grant                                            | \$ 1,675,865     |
| Program income                                               | 89,306           |
| Local sources                                                | 30,911           |
| Grantee's contribution                                       | <u>127,632</u>   |
| <b>TOTAL REVENUE</b>                                         | <u>1,923,714</u> |
| <b>EXPENSES</b>                                              |                  |
| Administration for                                           |                  |
| Children and Families Share:                                 |                  |
| Early Head Start (CAN G049128)                               |                  |
| Direct Costs                                                 |                  |
| Personnel                                                    | 716,101          |
| Fringe benefits                                              | 270,430          |
| Travel                                                       | 118              |
| Occupancy                                                    | 6,721            |
| Program supplies                                             | 37,966           |
| Other                                                        | <u>607,026</u>   |
| Total Direct Costs                                           | 1,638,362        |
| Indirect Costs                                               | <u>105,910</u>   |
| Total                                                        | <u>1,744,272</u> |
| Early Head Start T & TA (CAN G049121)                        |                  |
| Direct Costs                                                 |                  |
| Personnel                                                    | 12,680           |
| Fringe benefits                                              | 5,492            |
| Travel                                                       | 4,969            |
| Supplies                                                     | 589              |
| Other                                                        | <u>12,505</u>    |
| Total Direct Costs                                           | <u>36,235</u>    |
| Indirect Costs                                               | <u>1,902</u>     |
| Total                                                        | <u>38,137</u>    |
| Total Expenses - Administration<br>for Children and Families | 1,782,409        |
| Grantee's Share:                                             |                  |
| Early Head Start<br>Grantee                                  | <u>127,632</u>   |
| <b>TOTAL EXPENSES</b>                                        | <u>1,910,041</u> |
| <b>REVENUE OVER (UNDER) EXPENSES</b>                         | <u>\$ 13,673</u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**HEAD START - DELEGATE AGENCY CONTRACT 04CH011269**  
**WITH WESTERN KENTUCKY UNIVERSITY**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period November 1, 2019 through October 31, 2020

|                                                              | <u>Approved<br/>Budget</u> | <u>Actual</u>  | <u>COB Balance<br/>Current Year</u> |
|--------------------------------------------------------------|----------------------------|----------------|-------------------------------------|
| <b>REVENUE</b>                                               |                            |                |                                     |
| Contract or grant                                            | \$ 565,121                 | \$ 565,121     | \$ -                                |
| Local sources                                                | -                          | -              | -                                   |
| Grantee's contribution                                       | <u>136,985</u>             | <u>112,620</u> | <u>24,365</u>                       |
| <b>TOTAL REVENUE</b>                                         | <u>702,106</u>             | <u>677,741</u> | <u>24,365</u>                       |
| <b>EXPENSES</b>                                              |                            |                |                                     |
| Western Kentucky University:                                 |                            |                |                                     |
| Head Start Full-Year/Part Day<br>(Program Account 22)        |                            |                |                                     |
| Direct Costs                                                 |                            |                |                                     |
| Personnel                                                    | 104,304                    | 106,443        | (2,139)                             |
| Fringe benefits                                              | 45,210                     | 42,273         | 2,937                               |
| Occupancy                                                    | 24,225                     | 15,636         | 8,589                               |
| Program supplies                                             | 27,840                     | 13,673         | 14,167                              |
| Other                                                        | <u>344,102</u>             | <u>367,489</u> | <u>(23,387)</u>                     |
| Total Direct Costs                                           | 545,681                    | 545,514        | 167                                 |
| Indirect Cost                                                | <u>15,649</u>              | <u>15,816</u>  | <u>(167)</u>                        |
| Total                                                        | <u>561,330</u>             | <u>561,330</u> | <u>-</u>                            |
| Head Start CDA Training (Program<br>Account 20) Direct Costs |                            |                |                                     |
| Travel                                                       | 2,161                      | 1,448          | 713                                 |
| Supplies                                                     | 780                        | 476            | 304                                 |
| Other                                                        | <u>850</u>                 | <u>1,867</u>   | <u>(1,017)</u>                      |
| Total                                                        | <u>3,791</u>               | <u>3,791</u>   | <u>-</u>                            |
| Total Expenses - Western<br>Kentucky University              | <u>565,121</u>             | <u>565,121</u> | <u>-</u>                            |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**HEAD START - DELEGATE AGENCY CONTRACT 04CH011269**  
**WITH WESTERN KENTUCKY UNIVERSITY**  
**STATEMENT OF REVENUE AND EXPENSES**  
 For the period November 1, 2019 through October 31, 2020

|                                                       | <u>Approved<br/>Budget</u> | <u>Actual</u>      | <u>COB Balance<br/>Current Year</u> |
|-------------------------------------------------------|----------------------------|--------------------|-------------------------------------|
| <b>EXPENSES (continued)</b>                           |                            |                    |                                     |
| Delegate Agency's Share:                              |                            |                    |                                     |
| Head Start Full-Year/Part Day<br>(Program Account 22) | \$                         | \$                 | \$                                  |
| Delegate Agency                                       | <u>136,985</u>             | <u>112,620</u>     | <u>24,365</u>                       |
| <b>TOTAL EXPENSES</b>                                 | <u>702,106</u>             | <u>677,741</u>     | <u>24,365</u>                       |
| <b>REVENUE OVER (UNDER) EXPENSES</b>                  | \$ <u><u>-</u></u>         | \$ <u><u>-</u></u> | \$ <u><u>-</u></u>                  |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**HEAD START - DELEGATE AGENCY CONTRACT 04CH011269-01 - COVID**  
**WITH WESTERN KENTUCKY UNIVERSITY**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period November 1, 2019 through October 31, 2020

|                                                       | <u>Approved<br/>Budget</u> | <u>Actual</u> | <u>COB Balance<br/>Current Year</u> |
|-------------------------------------------------------|----------------------------|---------------|-------------------------------------|
| <b>REVENUE</b>                                        |                            |               |                                     |
| Contract or grant                                     | \$ 31,637                  | \$ 5,357      | \$ 26,280                           |
| Local sources                                         | -                          | -             | -                                   |
| Grantee's contribution                                | -                          | -             | -                                   |
|                                                       | <u>31,637</u>              | <u>5,357</u>  | <u>26,280</u>                       |
| <b>TOTAL REVENUE</b>                                  | <u>31,637</u>              | <u>5,357</u>  | <u>26,280</u>                       |
| <b>EXPENSES</b>                                       |                            |               |                                     |
| Western Kentucky University:                          |                            |               |                                     |
| Head Start Full-Year/Part Day<br>(Program Account 22) |                            |               |                                     |
| Direct Costs                                          |                            |               |                                     |
| Program supplies                                      | 22,900                     | 5,345         | 17,555                              |
| Other                                                 | 8,737                      | 12            | 8,725                               |
|                                                       | <u>31,637</u>              | <u>5,357</u>  | <u>26,280</u>                       |
| Total Direct Costs                                    | 31,637                     | 5,357         | 26,280                              |
| Total Expenses - Western<br>Kentucky University       | <u>31,637</u>              | <u>5,357</u>  | <u>26,280</u>                       |
| <b>TOTAL EXPENSES</b>                                 | <u>31,637</u>              | <u>5,357</u>  | <u>26,280</u>                       |
| <b>REVENUE OVER (UNDER) EXPENSES</b>                  | <u>\$ -</u>                | <u>\$ -</u>   | <u>\$ -</u>                         |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**HEAD START - DISASTER ASSISTANCE**  
**CONTRACT NUMBER 04ND000032-01**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the initial period January 1, 2021 through June 30, 2021

**REVENUE**

|                   |                   |
|-------------------|-------------------|
| Contract or grant | \$ <u>224,659</u> |
|-------------------|-------------------|

**EXPENSES**

|                         |                |
|-------------------------|----------------|
| Repairs and maintenance | <u>224,659</u> |
|-------------------------|----------------|

|                                      |                           |
|--------------------------------------|---------------------------|
| <b>REVENUE OVER (UNDER) EXPENSES</b> | <b>\$ <u><u>-</u></u></b> |
|--------------------------------------|---------------------------|

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**HEAD START - CRRSA**  
**CONTRACT NUMBER 04HE000640-01-C5,C6**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the initial period April 1, 2021 through June 30, 2021

**REVENUE**

Contract or grant \$ 139,469

**EXPENSES**

Repairs and maintenance 139,469

**REVENUE OVER (UNDER) EXPENSES** \$ -

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**CHILD AND ADULT CARE FOOD PROGRAM**  
**CONTRACT NUMBER 11381**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period October 1, 2019 through September 30, 2020

|                                      |                           |
|--------------------------------------|---------------------------|
| <b>REVENUE</b>                       |                           |
| USDA - Special food service program  | \$ <u>504,220</u>         |
| <b>EXPENSES</b>                      |                           |
| Food                                 | <u>514,260</u>            |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | \$ <u><u>(10,040)</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**COMMUNITY SERVICES BLOCK GRANT**  
**CONTRACT NUMBER 736-2000002656**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                                               |                    |
|---------------------------------------------------------------|--------------------|
| <b>REVENUE</b>                                                |                    |
| Kentucky Cabinet for Health & Family Services                 | \$ 291,806         |
| Other revenue                                                 | -                  |
| In-kind                                                       | <u>455,316</u>     |
| <b>TOTAL REVENUE</b>                                          | <u>747,122</u>     |
| <br><b>EXPENSES</b>                                           |                    |
| Salaries                                                      | 142,425            |
| Fringes                                                       | 68,293             |
| Travel                                                        | 683                |
| Space costs                                                   | 26,955             |
| Office supplies                                               | 8,571              |
| Direct assistance                                             | 1,427              |
| Telephone                                                     | 18,012             |
| Other                                                         | 4,715              |
| Indirect costs                                                | <u>20,725</u>      |
| Total expense - Kentucky Cabinet for Health & Family Services | 291,806            |
| Non-federal in-kind                                           | <u>455,316</u>     |
| <b>TOTAL EXPENSES</b>                                         | <u>747,122</u>     |
| <b>REVENUE OVER (UNDER) EXPENSES</b>                          | <u><u>\$ -</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**COMMUNITY SERVICES BLOCK GRANT**  
**CONTRACT NUMBER 736-2000002656 COVID**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                                               |            |
|---------------------------------------------------------------|------------|
| <b>REVENUE</b>                                                |            |
| Kentucky Cabinet for Health & Family Services                 | \$ 222,978 |
| Other revenue                                                 | -          |
| In-kind                                                       | -          |
|                                                               | -          |
| <b>TOTAL REVENUE</b>                                          | 222,978    |
| <br><b>EXPENSES</b>                                           |            |
| Salaries                                                      | 100,731    |
| Fringes                                                       | 44,122     |
| Travel                                                        | -          |
| Space costs                                                   | -          |
| Office supplies                                               | -          |
| Direct assistance                                             | 64,640     |
| Telephone                                                     | -          |
| Other                                                         | -          |
| Indirect costs                                                | 13,485     |
|                                                               | 13,485     |
| Total expense - Kentucky Cabinet for Health & Family Services | 222,978    |
| Non-federal in-kind                                           | -          |
|                                                               | -          |
| <b>TOTAL EXPENSES</b>                                         | 222,978    |
| <b>REVENUE OVER (UNDER) EXPENSES</b>                          | \$ -       |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**FAMILY PRESERVATION PROGRAM**  
**CONTRACT NUMBER 736-2000003287**  
**STATEMENT OF REVENUE AND EXPENSES**  
 For the period July 1, 2020 through June 30, 2021

|                                                 |                        |
|-------------------------------------------------|------------------------|
| <b>REVENUE</b>                                  |                        |
| Kentucky Cabinet for Health and Family Services | \$ <u>1,436,420</u>    |
| <br><b>EXPENSES</b>                             |                        |
| Salaries                                        | 772,673                |
| Fringes                                         | 309,040                |
| Travel                                          | 15,399                 |
| Space costs                                     | 23,773                 |
| Office supplies                                 | 122,423                |
| Direct assistance                               | 19,769                 |
| Telephone                                       | 20,513                 |
| Other                                           | 38,484                 |
| Indirect costs                                  | <u>114,346</u>         |
| <br><b>TOTAL EXPENSES</b>                       | <br><u>1,436,420</u>   |
| <br><b>REVENUE OVER (UNDER) EXPENSES</b>        | <br>\$ <u><u>-</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**KENTUCKY WORKS**  
**CONTRACT NUMBER 736-2000001597**  
**STATEMENT OF REVENUE AND EXPENSES**  
 For the period July 1, 2020 through June 30, 2021

|                                               |                        |
|-----------------------------------------------|------------------------|
| <b>REVENUE</b>                                |                        |
| Kentucky Cabinet for Health & Family Services | \$ <u>822,533</u>      |
| <br><b>EXPENSES</b>                           |                        |
| Salaries                                      | 486,622                |
| Fringes                                       | 200,735                |
| Travel                                        | 2,948                  |
| Space costs                                   | 11,085                 |
| Wage subsidy                                  | 38,224                 |
| Supplies                                      | 2,197                  |
| Other                                         | 8,533                  |
| Indirect                                      | <u>72,189</u>          |
| <br><b>TOTAL EXPENSES</b>                     | <br><u>822,533</u>     |
| <br><b>REVENUE OVER (UNDER) EXPENSES</b>      | <br>\$ <u><u>-</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**SNAP E&T**  
**CONTRACT NUMBER 736-2000001597**  
**STATEMENT OF REVENUE AND EXPENSES**  
 For the period July 1, 2020 through June 30, 2021

|                                               |                        |
|-----------------------------------------------|------------------------|
| <b>REVENUE</b>                                |                        |
| Kentucky Cabinet for Health & Family Services | \$ <u>152,230</u>      |
| <br><b>EXPENSES</b>                           |                        |
| Salaries                                      | 92,179                 |
| Fringes                                       | 38,022                 |
| Travel                                        | -                      |
| Space costs                                   | 400                    |
| Supplies                                      | 2,197                  |
| Other                                         | 5,608                  |
| Indirect                                      | <u>13,824</u>          |
| <br><b>TOTAL EXPENSES</b>                     | <br><u>152,230</u>     |
| <br><b>REVENUE OVER (UNDER) EXPENSES</b>      | <br>\$ <u><u>-</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**LOW-INCOME HOME ENERGY ASISTANCE PROGRAM**  
**CONTRACT NUMBER 736-2000001658**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                      |                     |
|--------------------------------------|---------------------|
| <b>REVENUE</b>                       |                     |
| Community Action Kentucky            | \$ <u>3,622,160</u> |
| <b>EXPENSES</b>                      |                     |
| Salaries                             | 178,122             |
| Fringes                              | 51,722              |
| Direct assistance                    | 3,347,912           |
| Other                                | 18,459              |
| Indirect costs                       | <u>25,945</u>       |
| <b>TOTAL EXPENSES</b>                | <u>3,622,160</u>    |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | \$ <u><u>-</u></u>  |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**LOW-INCOME HOME ENERGY ASISTANCE PROGRAM**  
**CONTRACT NUMBER 736-2000001658 COVID**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                      |                    |
|--------------------------------------|--------------------|
| <b>REVENUE</b>                       |                    |
| Community Action Kentucky            | \$ <u>659,353</u>  |
| <b>EXPENSES</b>                      |                    |
| Salaries                             | 17,983             |
| Fringes                              | 6,581              |
| Direct assistance                    | 630,511            |
| Other                                | 1,308              |
| Indirect costs                       | <u>2,970</u>       |
| <b>TOTAL EXPENSES</b>                | <u>659,353</u>     |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | \$ <u><u>-</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**LIHEAP WEATHERIZATION PROGRAM**  
**CONTRACT NUMBER LHWX-001**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                          |                        |
|------------------------------------------|------------------------|
| <b>REVENUE</b>                           |                        |
| Community Action Kentucky                | \$ <u>196,433</u>      |
| <br><b>EXPENSES</b>                      |                        |
| Administration                           | 8,172                  |
| WX materials                             | 5,359                  |
| WX support                               | 156,929                |
| WX labor                                 | 5,728                  |
| H&S materials                            | 9,053                  |
| H&S labor                                | 9,364                  |
| Liability insurance                      | 1,828                  |
| T&TA                                     | -                      |
|                                          | -                      |
| <br><b>TOTAL EXPENSES</b>                | <br><u>196,433</u>     |
| <br><b>REVENUE OVER (UNDER) EXPENSES</b> | <br>\$ <u><u>-</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**SENIOR COMMUNITY SERVICES EMPLOYMENT PROGRAM**  
**CONTRACT NUMBER 725-2000002889**  
**STATEMENT OF REVENUE AND EXPENSES**  
 For the period July 1, 2020 through June 30, 2021

|                                      |                    |
|--------------------------------------|--------------------|
| <b>REVENUE</b>                       |                    |
| Grant revenue                        | \$ 330,896         |
| In-kind                              | <u>59,213</u>      |
| <b>TOTAL REVENUE</b>                 | <u>390,109</u>     |
| <b>EXPENSES</b>                      |                    |
| Salaries                             | 280,280            |
| Fringes                              | 28,861             |
| Travel                               | 471                |
| Other                                | <u>21,285</u>      |
| Total expenses - grant               | 330,896            |
| Non-federal in-kind expense          | <u>59,213</u>      |
| <b>TOTAL EXPENSES</b>                | <u>390,109</u>     |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | <u><u>\$ -</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**IMAGINATION LIBRARY**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

| <b>REVENUE</b>                       |                         |
|--------------------------------------|-------------------------|
| Local sources                        | \$ 73,186               |
| Realized gain on investments         | 7,385                   |
| Unrealized gain(loss) on investments | 64,729                  |
| Investment income                    | <u>13,790</u>           |
| <b>TOTAL REVENUE</b>                 | <u>159,090</u>          |
| <b>EXPENSES</b>                      |                         |
| Program materials and supplies       | <u>80,091</u>           |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | <u><u>\$ 78,999</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**GREEN RIVER INTRA-COUNTY TRANSIT SYSTEM**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                                 |                            |
|-------------------------------------------------|----------------------------|
| <b>REVENUE</b>                                  |                            |
| Kentucky Transportation Cabinet                 | \$ 16,741,943              |
| Program income                                  | 270,445                    |
| Local sources                                   | 92,335                     |
| In-kind                                         | <u>36,500</u>              |
| <b>TOTAL REVENUE</b>                            | <u>17,141,223</u>          |
| <b>EXPENSES</b>                                 |                            |
| Salaries                                        | 2,318,576                  |
| Fringes                                         | 926,481                    |
| Travel                                          | -                          |
| Space costs                                     | 81,717                     |
| Office supplies                                 | 163,967                    |
| Fuel                                            | 380,718                    |
| Parts & maintenance                             | 163,764                    |
| Vehicles & equipment                            | 658,737                    |
| Contractual & consulting                        | 9,588,919                  |
| Vehicle insurance                               | 165,931                    |
| Telephone                                       | 125,404                    |
| Other                                           | 722,563                    |
| Indirect                                        | <u>345,165</u>             |
| Total expense - Kentucky Transportation Cabinet | 15,641,942                 |
| Non-federal in-kind                             | <u>36,500</u>              |
| <b>TOTAL EXPENSES</b>                           | <u>15,678,442</u>          |
| <b>REVENUE OVER (UNDER) EXPENSES</b>            | <u><u>\$ 1,462,781</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**WINTERCARE PROGRAM**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                      |                           |
|--------------------------------------|---------------------------|
| <b>REVENUE</b>                       |                           |
| Grant revenue                        | \$ <u>7,049</u>           |
| <b>EXPENSES</b>                      |                           |
| Direct assistance                    | <u>7,049</u>              |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | <b>\$ <u><u>-</u></u></b> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**WEATHERIZATION PROGRAM**  
**CONTRACT NUMBER DOE WX-001**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                          |                        |
|------------------------------------------|------------------------|
| <b>REVENUE</b>                           |                        |
| Community Action Kentucky                | \$ <u>161,833</u>      |
| <br><b>EXPENSES</b>                      |                        |
| Administration                           | 21,352                 |
| WX materials                             | 30,747                 |
| WX support                               | 68,464                 |
| WX labor                                 | 28,149                 |
| H&S materials                            | 3,025                  |
| H&S labor                                | 4,927                  |
| Liability insurance                      | 4,565                  |
| Training                                 | <u>604</u>             |
| <br><b>TOTAL EXPENSES</b>                | <br><u>161,833</u>     |
| <br><b>REVENUE OVER (UNDER) EXPENSES</b> | <br>\$ <u><u>-</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**SENIOR COMPANION PROGRAM**  
**CONTRACT NUMBER 18SCSKY003**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                      |                         |
|--------------------------------------|-------------------------|
| <b>REVENUE</b>                       |                         |
| Grant revenue                        | \$ 387,772              |
| Local sources                        | 28,413                  |
| In-kind                              | <u>15,489</u>           |
| <b>TOTAL REVENUE</b>                 | <u>431,674</u>          |
| <b>EXPENSES</b>                      |                         |
| Federal:                             |                         |
| Salaries                             | 74,887                  |
| Fringe benefits                      | 30,474                  |
| Occupancy                            | 4,784                   |
| Volunteer travel                     | 15,301                  |
| Volunteer stipends                   | 227,195                 |
| Other expenses                       | 24,094                  |
| Indirect costs                       | <u>11,037</u>           |
| Total expenses - grant               | <u>387,772</u>          |
| Non-federal:                         |                         |
| Volunteer travel                     | 2,926                   |
| Volunteer stipends                   | -                       |
| Other expenses                       | 4,846                   |
| In-kind - services and other         | <u>15,489</u>           |
| Total expenses - non-federal         | <u>23,262</u>           |
| <b>TOTAL EXPENSES</b>                | <u>411,034</u>          |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | <u><u>\$ 20,640</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**FOSTER GRANDPARENT PROGRAM**  
**CONTRACT NUMBER 18SFSKY002**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                      |                         |
|--------------------------------------|-------------------------|
| <b>REVENUE</b>                       |                         |
| Grant revenue                        | \$ 248,134              |
| Local sources                        | 18,696                  |
| In-kind                              | <u>13,451</u>           |
| <b>TOTAL REVENUE</b>                 | <u>280,281</u>          |
| <b>EXPENSES</b>                      |                         |
| Federal:                             |                         |
| Salaries                             | 54,106                  |
| Fringe benefits                      | 23,282                  |
| Volunteer travel                     | 872                     |
| Volunteer stipends                   | 145,686                 |
| Other expenses                       | 16,388                  |
| Indirect costs                       | <u>7,800</u>            |
| Total expenses - grant               | <u>248,134</u>          |
| Non-federal:                         |                         |
| Volunteer travel                     | 1,797                   |
| Other expenses                       | 1,489                   |
| In-kind - services and other         | <u>13,451</u>           |
| Total expenses - non-federal         | <u>16,737</u>           |
| <b>TOTAL EXPENSES</b>                | <u>264,871</u>          |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | <u><u>\$ 15,410</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**RETIRED AND SENIOR VOLUNTEER PROGRAM**  
**CONTRACT NUMBER 18SRSKY004**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period April 1, 2020 through March 31, 2021

|                                      |                        |
|--------------------------------------|------------------------|
| <b>REVENUE</b>                       |                        |
| Grant revenue                        | \$ 148,529             |
| Local sources                        | 23,066                 |
| In-kind                              | <u>16,307</u>          |
| <b>TOTAL REVENUE</b>                 | <u>187,902</u>         |
| <br><b>EXPENSES</b>                  |                        |
| Federal:                             |                        |
| Salaries                             | 60,203                 |
| Fringe benefits                      | 25,346                 |
| Volunteer travel                     | 20,890                 |
| Other expenses                       | 33,031                 |
| Indirect costs                       | <u>9,059</u>           |
| Total expenses - grant               | <u>148,529</u>         |
| Non-federal:                         |                        |
| Volunteer travel                     | 8,651                  |
| Other expenses                       | 8,986                  |
| In-kind - services and other         | <u>16,307</u>          |
| Total expenses - non-federal         | <u>33,944</u>          |
| <b>TOTAL EXPENSES</b>                | <u>182,473</u>         |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | <u><u>\$ 5,429</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**ENERGY CARES PROGRAM**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period January 1, 2020 through December 31, 2020

|                                      |                         |
|--------------------------------------|-------------------------|
| <b>REVENUE</b>                       |                         |
| Atmos Energy                         | \$ <u>46,254</u>        |
| <b>EXPENSES</b>                      |                         |
| Materials and supplies               | 19,658                  |
| Contract labor                       | -6,632                  |
| Overhead expense                     | <u>5,725</u>            |
| <b>TOTAL EXPENSES</b>                | <u>18,751</u>           |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | <u><u>\$ 27,503</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**KYNECTOR PROGRAM**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                      |                    |
|--------------------------------------|--------------------|
| <b>REVENUE</b>                       |                    |
| Grant revenue                        | \$ <u>472,967</u>  |
| <b>TOTAL REVENUE</b>                 | <u>472,967</u>     |
| <b>EXPENSES</b>                      |                    |
| Salaries                             | 271,686            |
| Fringes                              | 118,933            |
| Travel                               | 1,063              |
| Space costs                          | 17,243             |
| Other                                | 23,945             |
| Indirect costs                       | <u>40,097</u>      |
| <b>TOTAL EXPENSES</b>                | <u>472,967</u>     |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | \$ <u><u>-</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**VISTA PROGRAM**  
**STATEMENT OF REVENUE AND EXPENSES**  
For the period July 1, 2020 through June 30, 2021

|                                      |                        |
|--------------------------------------|------------------------|
| <b>REVENUE</b>                       |                        |
| Grant revenue                        | \$ -                   |
| Local sources                        | <u>7,068</u>           |
| <b>TOTAL REVENUE</b>                 | <u>7,068</u>           |
| <b>EXPENSES</b>                      |                        |
| Contractual & consulting             | 5,068                  |
| <b>TOTAL EXPENSES</b>                | <u>5,068</u>           |
| <b>REVENUE OVER (UNDER) EXPENSES</b> | <u><u>\$ 2,000</u></u> |

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2021**

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> |      | <u>Pass-Through Entity Identifying Number</u> | <u>Total Federal Expenditures</u> |
|----------------------------------------------------------------------|------------------------------------------|------|-----------------------------------------------|-----------------------------------|
| <b><u>U.S. Department of Agriculture</u></b>                         |                                          |      |                                               |                                   |
| Passed through Kentucky Department of Education:                     |                                          |      |                                               |                                   |
| Child and Adult Care Food Program                                    | 10.558                                   | (1)  | 11381                                         | \$ 110,402                        |
| Child and Adult Care Food Program                                    | 10.558                                   | (2)  | 11381                                         | <u>432,269</u>                    |
| <b>Total U.S. Department of Agriculture</b>                          |                                          |      |                                               | <b><u>542,671</u></b>             |
| <b><u>U.S. Department of Health and Human Services</u></b>           |                                          |      |                                               |                                   |
| Direct:                                                              |                                          |      |                                               |                                   |
| Head Start                                                           | 93.600                                   | (3)  | 04CH010730-02                                 | 11,882,216                        |
| Head Start                                                           | 93.600                                   | (4)  | 04CH010730-03                                 | 11,688,840                        |
| COVID-19 Head Start                                                  | 93.600                                   | (5)  | 04CH010730-02-C3                              | 334,442                           |
| COVID-19 Head Start                                                  | 93.600                                   | (6)  | 04CH010730-03-C3                              | 325,531                           |
| Head Start - CRRSA                                                   | 93.600                                   | (7)  | 04HE000640-01-C5,C6                           | 139,469                           |
| Head Start                                                           | 93.600                                   | (8)  | 04HP000356-01                                 | 281,759                           |
| Head Start                                                           | 93.600                                   | (9)  | 04HP000356-02                                 | 1,440,190                         |
| COVID-19 Head Start                                                  | 93.600                                   | (10) | 04HP000356-02-C3                              | 32,268                            |
| Passed through Western Kentucky University:                          |                                          |      |                                               |                                   |
| Head Start                                                           | 93.600                                   | (11) | 04CH011269-01                                 | 144,439                           |
| Head Start                                                           | 93.600                                   | (12) | 04CH011269-02                                 | 360,261                           |
| COVID-19 Head Start                                                  | 93.600                                   | (13) | 04CH011269-01                                 | 5,357                             |
| COVID-19 Head Start                                                  | 93.600                                   | (14) | 04CH011269-02                                 | <u>1,065</u>                      |
| Total 93.600                                                         |                                          |      |                                               | <u>26,635,837</u>                 |
| Direct:                                                              |                                          |      |                                               |                                   |
| Head Start - Disaster Assistance                                     | 93.356                                   | (15) | 04ND000032-01                                 | <u>224,659</u>                    |
| Total Head Start Cluster                                             |                                          |      |                                               | <u>26,860,496</u>                 |
| Passed through Kentucky Cabinet for Health and Family Services:      |                                          |      |                                               |                                   |
| Community Services Block Grant                                       | 93.569                                   |      | 736-2000002656                                | 291,806                           |
| COVID-19 Community Services Block Grant                              | 93.569                                   |      | 736-2000002656                                | <u>222,978</u>                    |
| Total 93.569                                                         |                                          |      |                                               | <u>514,784</u>                    |
| Passed through Kentucky Cabinet for Health and Family Services:      |                                          |      |                                               |                                   |
| Temporary Assistance for Needy Families                              | 93.558                                   |      | 736-2000001597                                | 822,533                           |
| Temporary Assistance for Needy Families                              | 93.558                                   |      | 736-2000001597                                | 152,230                           |
| Temporary Assistance for Needy Families                              | 93.558                                   |      | 736-2000003287                                | <u>389,718</u>                    |
| Total 93.558                                                         |                                          |      |                                               | <u>1,364,481</u>                  |
| Passed through Kentucky Cabinet for Health and Family Services:      |                                          |      |                                               |                                   |
| Title IV-E Prevention Program                                        | 93.472                                   |      | 736-2000003287                                | <u>757,293</u>                    |
| Passed through Kentucky Cabinet for Health and Family Services:      |                                          |      |                                               |                                   |
| Promoting Safe and Stable Families                                   | 93.556                                   |      | 736-2000003287                                | <u>214,409</u>                    |
| Passed through Kentucky Housing Corporation:                         |                                          |      |                                               |                                   |
| Low-Income Home Energy Assistance Program                            | 93.568                                   |      | LHWX-001                                      | 196,433                           |
| Passed through Community Action Kentucky:                            |                                          |      |                                               |                                   |
| Low-Income Home Energy Assistance Program                            | 93.568                                   |      | 736-2000001658                                | 3,622,160                         |
| COVID-19 Low-Income Home Energy Assistance Program                   | 93.568                                   |      | 736-2000001658                                | <u>659,353</u>                    |
| Total 93.568                                                         |                                          |      |                                               | <u>4,477,946</u>                  |
| <b>Total U.S. Department of Health and Human Services</b>            |                                          |      |                                               | <b><u>34,189,409</u></b>          |

See accompanying notes to schedule of expenditure of federal awards.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2021**

| <u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u> | <u>Federal Assistance Listing Number</u> | <u>Pass-Through Entity Identifying Number</u> | <u>Total Federal Expenditures</u> |
|----------------------------------------------------------------------|------------------------------------------|-----------------------------------------------|-----------------------------------|
| <b><u>U.S. Department of Labor</u></b>                               |                                          |                                               |                                   |
| Passed through the Department for Aging and Independent Living:      |                                          |                                               |                                   |
| Senior Community Service Employment Program                          | 17.235                                   | 725-2000002889                                | \$ <u>330,896</u>                 |
| <b>Total U.S. Department of Labor</b>                                |                                          |                                               | <b><u>330,896</u></b>             |
| <b><u>U.S. Department of Transportation</u></b>                      |                                          |                                               |                                   |
| Passed through Kentucky Transportation Cabinet:                      |                                          |                                               |                                   |
| Federal Transit Cluster                                              |                                          |                                               |                                   |
| Section 5339 Vehicle Grant                                           | 20.526                                   | KY-2018-021-01;<br>C3921181111                | 313,755                           |
| Transit Services Programs Cluster                                    |                                          |                                               |                                   |
| Section 5310 Elderly & Disabled                                      | 20.513                                   | KY-2018-006-01;<br>C100618111                 | 301,255                           |
| RTAP Grant R%                                                        | 20.509                                   | KY-2018-015-01;<br>R11518635                  | <u>13,196</u>                     |
| <b>Total U.S. Department of Transportation</b>                       |                                          |                                               | <b><u>628,206</u></b>             |
| <b><u>U.S. Department of Energy</u></b>                              |                                          |                                               |                                   |
| Passed through Kentucky Housing Corporation:                         |                                          |                                               |                                   |
| Weatherization Assistance for Low-Income Persons                     | 81.042                                   | DOE WX-001                                    | <u>161,833</u>                    |
| <b>Total U.S. Department of Energy</b>                               |                                          |                                               | <b><u>161,833</u></b>             |
| <b><u>Corporation for National and Community Service</u></b>         |                                          |                                               |                                   |
| Foster Grandparent/Senior Companion Cluster                          |                                          |                                               |                                   |
| Direct:                                                              |                                          |                                               |                                   |
| Foster Grandparent Program                                           | 94.011                                   | 18SFSKY002                                    | 248,134                           |
| Senior Companion Program                                             | 94.016                                   | 18SCSKY003                                    | <u>387,772</u>                    |
| Total Foster Grandparent/Senior Companion Cluster                    |                                          |                                               | <u>635,906</u>                    |
| Direct:                                                              |                                          |                                               |                                   |
| Retired and Senior Volunteer Program                                 | 94.002                                   | 18SRSKY004                                    | 111,413                           |
| Retired and Senior Volunteer Program                                 | 94.002                                   | (17) 18SRSKY004                               | <u>38,378</u>                     |
| Total 94.002                                                         |                                          |                                               | <u>149,791</u>                    |
| <b>Total Corporation for National and Community Service</b>          |                                          |                                               | <b><u>785,697</u></b>             |
| <b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>                            |                                          |                                               | <b>\$ <u>36,638,712</u></b>       |

See accompanying notes to schedule of expenditures of federal awards.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended June 30, 2021**

- (1) 3 months through September 30, 2020
- (2) 9 months through June 30, 2021
- (3) 5 months through November 30, 2020
- (4) 7 months through June 30, 2021
- (5) 5 months through November 30, 2020
- (6) 7 months through June 30, 2021
- (7) 3 months through June 30, 2021
- (8) 2 months through August 31, 2020
- (9) 10 months through June 30, 2021
- (10) 10 months through June 30, 2021
- (11) 4 months through October 31, 2020
- (12) 8 months through June 30, 2021
- (13) 4 months through October 31, 2020
- (14) 8 months through June 30, 2021
- (15) 6 months through June 30, 2021
- (16) 9 months through March 31, 2021
- (17) 3 months through June 30, 2021

See accompanying notes to schedule of expenditures of federal awards.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Notes to Schedule of Expenditures of Federal Awards**  
**June 30, 2021**

**NOTE A – BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Audubon Area Community Services, Inc. under programs of the federal government for the year ended June 30, 2021. 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*. Because the Schedule presents only a selected portion of the operations of Audubon Area Community Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Audubon Area Community Services, Inc.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- (1) 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.
- (2) Pass-through entity identifying numbers are presented where available.

**NOTE C – OTHER FEDERAL AWARDS**

Audubon Area Community Services, Inc. did not receive any noncash insurance or have any loan or loan guarantees outstanding at the end of the year.

**NOTE D – INDIRECT COST RATE**

Audubon Area Community Services, Inc. has a negotiated indirect rate and therefore does not use the 10% de minimus indirect cost rate.



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

To the Board of Directors and Audit Committee of  
Audubon Area Community Services, Inc.

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Audubon Area Community Services, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, 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 March 15, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Audubon Area Community Services, Inc.'s internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Audubon Area Community Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Audubon Area Community Services, 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 the 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 may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Audubon Area Community Services, 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 those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any 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.

*Altada & Company CPAS PSC*

Owensboro, Kentucky  
March 15, 2022



## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors and Audit Committee of  
Audubon Area Community Services, Inc.

### **Report on Compliance for Each Major Federal Program**

We have audited Audubon Area Community Services, Inc.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Audubon Area Community Services, Inc.'s major federal programs for the year ended June 30, 2021. Audubon Area Community Services, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

#### ***Management's Responsibility***

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

#### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Audubon Area Community Services, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Audubon Area Community Services, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Audubon Area Community Services, Inc.'s compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, Audubon Area Community Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

### **Report on Internal Control Over Compliance**

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

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

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

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

*Altada & Company CPAs PSC*

Owensboro, Kentucky  
March 15, 2022

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Schedule of Findings and Questioned Costs**  
**Year Ended June 30, 2021**

**SUMMARY OF AUDITORS' RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Audubon Area Community Services, Inc. were prepared in accordance with GAAP.
2. No significant deficiencies were disclosed during the audit of the financial statements. No material weaknesses are reported.
3. No instances of noncompliance material to the financial statements of Audubon Area Community Services, Inc. which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs disclosed during the audit is reported in the Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance. No material weaknesses are reported.
5. The auditor's report on compliance for the major federal award programs for Audubon Area Community Services, Inc. expresses an unmodified opinion on all major federal programs.
6. No audit findings that are required to be reported in accordance with 2CFR Section 200.516(a) are reported in the Schedule.
7. The programs tested as a major programs are:
  - 93.600 Head Start
  - 93.568 Low-Income Home Energy Assistance
8. The threshold for distinguishing Types A and B programs was \$1,099,161.
9. The Organization was determined to be a low-risk auditee.

**AUDUBON AREA COMMUNITY SERVICES, INC.**  
**Schedule of Findings and Questioned Costs**  
**Year ended June 30, 2021**

**FINDINGS - FINANCIAL STATEMENT AUDIT**

None

**FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

None

**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**

**FINDINGS - FINANCIAL STATEMENT AUDIT**

**FINDING 2020-001**

Condition: During the course of our audit we proposed a journal entry that was material to the financial statements individually and in the aggregate.

Recommendation: We recommended that the Organization evaluate entries affecting Grants Receivable so that receivables are recorded accurately at year end.

Current Status: This issue has been corrected.

**FINDING 2020-002**

Condition: The Organization materially overstated amounts on the initial SEFA provided for audit.

Recommendation: We recommended that the Organization improve their internal controls to track federal expenses more accurately within the accounting software.

Current Status: This issue has been corrected.