

# Gateway Community Action Agency, Inc.

West Liberty, Kentucky

Financial Statements and  
Supplementary Information

Year Ended June 30, 2022



# Gateway Community Action Agency, Inc.

Financial Statements and Supplementary Information  
Year Ended June 30, 2022

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## **Independent Auditor's Report**

Board of Directors  
Gateway Community Action Agency, Inc.  
West Liberty, Kentucky

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Gateway Community Action Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Gateway Community Action Agency, Inc. as of June 30, 2022, 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.

#### ***Basis for Opinion***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States; 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Gateway Community Action Agency, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## ***Auditor's Responsibilities for the Audit of the Financial Statement***

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

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

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

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

## ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule A, schedule of program activity, Schedule B, schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedules C-1 through C-10 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. 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 December 29, 2022, on our consideration of Gateway Community Action Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Gateway Community Action Agency, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gateway Community Action Agency, Inc.'s internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP

December 29, 2022  
Madison, Wisconsin

# Gateway Community Action Agency, Inc.

## Statement of Financial Position

June 30, 2022

<i>Assets</i>	
Current assets:	
Cash	\$ 599,951
Grants receivable	1,170,025
Total current assets	1,769,976
Property and equipment, net	3,962,298
Property and equipment, held for sale	99,847
<b>TOTAL ASSETS</b>	<b>\$ 5,832,121</b>
<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current portion of mortgage payable	\$ 12,494
Current portion of capital lease obligation	26,462
Accounts payable	116,727
Accrued payroll and related expenses	311,096
Refundable advance liability	993,451
Total current liabilities	1,460,230
Long-term liabilities:	
Mortgage payable	146,328
Capital lease obligation	636,702
Total long-term liabilities	783,030
Total liabilities	2,243,260
Net assets:	
Without donor restrictions	3,432,178
With donor restrictions	156,683
Total net assets	3,588,861
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 5,832,121</b>

# Gateway Community Action Agency, Inc.

## Statement of Activities

Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue	\$ 17,541,145	\$ 12,486	\$ 17,553,631
Program income	127,441	0	127,441
Contributions	11,672	73,656	85,328
Other income	108,016	6,225	114,241
In-kind contributions	1,768,603	0	1,768,603
Total revenue	19,556,877	92,367	19,649,244
Expenses:			
Program services:			
Early childhood	10,832,811	0	10,832,811
Energy assistance	2,482,592	0	2,482,592
Fatherhood	2,585,762	0	2,585,762
Community services	591,760	0	591,760
Weatherization	404,556	0	404,556
Job training	549,309	0	549,309
Transportation	184,351	0	184,351
Food program	225,016	0	225,016
Housing	192,790	0	192,790
Total program services	18,048,947	0	18,048,947
Management and general expenses	1,119,629	0	1,119,629
Total expenses	19,168,576	0	19,168,576
Change in net assets	388,301	92,367	480,668
Net assets - Beginning of year	\$ 3,043,877	\$ 64,316	\$ 3,108,193
Net assets - End of year	\$ 3,432,178	\$ 156,683	\$ 3,588,861

See accompanying notes to financial statements.

# Gateway Community Action Agency, Inc.

## Statement of Functional Expenses Year Ended June 30, 2022

	<b>Program Services</b>	<b>Management and General</b>	<b>Total Expenses</b>
Salaries and wages	\$ 5,678,005	\$ 616,697	\$ 6,294,702
Program payments	447,552	0	447,552
Payroll fringe	3,001,025	320,545	3,321,570
Contracted services	1,203,587	27,500	1,231,087
Emergency assistance	2,589,918	0	2,589,918
Maintenance/equipment	484,674	2,486	487,160
Food costs	312,014	0	312,014
Insurance	178,520	10,375	188,895
Space and utilities	360,038	10,797	370,835
Other expenses	293,395	95,631	389,026
Postage	6,336	2,880	9,216
Program supplies	806,222	0	806,222
Training	425,225	13,591	438,816
Telephone	127,600	14,367	141,967
Travel	47,728	4,760	52,488
Depreciation and amortization	318,505	0	318,505
In-kind expenses	1,768,603	0	1,768,603
<b>Total expenses</b>	<b>\$ 18,048,947</b>	<b>\$ 1,119,629</b>	<b>\$ 19,168,576</b>

# Gateway Community Action Agency, Inc.

## Statement of Cash Flows

Year Ended June 30, 2022

Increase (decrease) in cash:	
Cash flows from operating activities:	
Change in net assets	\$ 480,668
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	318,505
Changes in operating assets and liabilities:	
Grants receivable	( 317,738)
Accounts payable	( 394,257)
Accrued payroll and related expenses	( 19,425)
Refundable advance liability	189,162
Net cash provided by operating activities	256,915
Cash flows from investing activities:	
Purchase of property and equipment	( 586,473)
Net cash used in investing activities	( 586,473)
Cash flows from financing activities:	
Principal payments on mortgage and notes payable	( 11,956)
Principal payments on capital lease obligation	( 3,128)
Payments on line of credit	( 200,000)
Net cash used in financing activities	( 215,084)
Change in cash	( 544,642)
Cash - Beginning of year	1,144,593
Cash - End of year	\$ 599,951
Supplemental schedule of other cash activity:	
Interest paid and expensed	\$ 48,221
Noncash investing and financing activities:	
Property and equipment acquired through capital lease obligations	74,109

# Gateway Community Action Agency, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies**

#### **Nature of Operations**

Gateway Community Action Agency, Inc. (the "Organization") is a private non-profit organization. The nature and purpose of the Organization is to administer state and federal programs aimed at identifying, relieving and eliminating the causes of poverty in the Kentucky counties of Montgomery, Bath, Menifee, Rowan and Morgan. Approximately 50% of the Organization's grant funding is received from its federal Head Start and Early Head Start grants, 17% of total grant funding is received from its Low-Income Home Energy Assistance Program grants, and 16% of total grant funding is received from its Fatherhood grants.

#### **Basis of Presentation**

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

#### **Classification of Net Assets**

Net assets and revenue, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

**Net Assets Without Donor Restrictions** - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

**Net Assets With Donor Restrictions** – Net assets subject to donor or certain grantor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor imposed restrictions are released when a restriction expires, that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As of June 30, 2022, the Organization has net assets with donor restrictions of \$156,683 that are temporary in nature and restricted for specific programs.

#### **Revenue Recognition**

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identifying of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

# Gateway Community Action Agency, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Revenue Recognition (Continued)**

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions.

Program income represent amounts contributed by program beneficiaries, individuals, or organizations. The income is to help defray the cost of a specific program.

#### **Grant Revenue**

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

##### **A. Grant Awards That Are Contributions**

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

##### **B. Grant Awards That Are Exchange Transactions**

Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the terms of the award and ASC Topic 958-606. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

#### **Use of Estimates**

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

#### **Functional Allocation**

The costs of providing the various programs and activities have been summarized on a functional basis in the statements of activities and functional expenses. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Occupancy and related costs are allocated based on square footage and utilization.

# Gateway Community Action Agency, Inc.

## Notes to Financial Statements

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### **Note 1: Summary of Significant Accounting Policies (Continued)**

#### **Property and Equipment**

Property and equipment are capitalized at cost and depreciated over their estimated useful life using the straight-line method. The Organization considers property and equipment to be items with a cost of \$5,000 or more and a useful life of over two years. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Property and equipment purchased with grant funds are owned by the Organization while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. Property and equipment purchased with grant funds or inherited from a previous Head Start grantee, net of depreciation and amortization, was \$4,054,979 as of June 30, 2022.

#### **Income Taxes**

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from Kentucky state income tax.

The Organization is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. The Organization has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

#### **In-Kind Contributions**

The Organization has recorded in-kind contributions for supplies, space, and professional services in the statement of activities in accordance with generally accepted accounting principles (GAAP). GAAP requires that only contributions of service received which create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of GAAP are different than the in-kind requirements of several of the Organization's grant awards. The Organization received in-kind contributions for nonprofessional volunteers during the year with a value of approximately \$98,182, primarily for its Head Start and Early Head Start programs, which are not recorded in the statement of activities.

#### **Cost Allocation**

Joint costs are allocated to benefiting programs using an indirect cost rate. Joint costs are those costs incurred for the common benefit of the Organization's programs that cannot be readily identified with a final cost objective. The indirect cost allocation plan has been approved by the U.S. Department of Health and Human Services (DHHS). A provisional rate of 16.34% of direct salaries and wages was approved by DHHS.

# Gateway Community Action Agency, Inc.

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies (Continued)

#### Recently Adopted Accounting Pronouncement

As of June 30, 2022, the Organization adopted ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*, which is intended to improve transparency in reporting contributed nonfinancial assets for not-for-profit entities through enhancements to presentation and disclosure. ASU No. 2021-07 requires not-for-profit entities to present contributed nonfinancial assets as a separate line item in the statements of activities, and additional disclosures about contributed nonfinancial assets.

#### Upcoming Accounting Pronouncement

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2021, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. The Organization is currently evaluating the impact of the provisions of ASU Topic 842.

#### Subsequent Events

Subsequent events have been evaluated through December 29, 2022, which is the date the financial statements were available to be issued.

### Note 2: Concentration of Credit Risk

The Organization maintains cash balances at financial institutions where the accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000. At certain times during the year, cash balances may be in excess of FDIC coverage. The Organization has mitigated this risk by obtaining pledged collateral for amounts in excess of FDIC coverage.

### Note 3: Liquidity and Availability of Financial Assets

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, are comprised of the following as of June 30, 2022:

Cash	\$ 599,951
Grants receivable	1,170,025
Less: Accounts payable	( 116,727)
Less: Accrued payroll and related	( 311,096)
Less: Refundable advance liability	( 993,451)
Less: Net assets with donor restrictions	( 156,683)
<u>Total available financial assets</u>	<u>\$ 192,019</u>

# Gateway Community Action Agency, Inc.

## Notes to Financial Statements

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### Note 3: Liquidity and Availability of Financial Assets (Continued)

The Organization has no formal liquidity policy, but its process of liquidity management calls for the Organization to maintain sufficient liquid financial assets in order to readily meet general expenditures and obligations as they become due. Management regularly reviews the Organization's liquid asset needs. The Organization can rely on lower balances of available financial assets as it is primarily funded with cost reimbursement grants. Under cost reimbursement grants, once expenses are incurred, the organization can request reimbursement from the funding source. As discussed in Note 12, the Organization has approximately \$3,900,000 in future grant commitments that it will receive once allowable expenses are incurred.

### Note 4: Grants Receivable

The grants receivable balance as of June 30, 2022, represents amounts due from the various funding sources as follows:

Federal programs	\$ 1,088,022
State and local programs	82,003
<b>Total</b>	<b>\$ 1,170,025</b>

### Note 5: Property and Equipment

A summary of property and equipment as of June 30, 2022, is as follows:

Land	\$ 168,000
Buildings	3,489,331
Equipment	353,296
Vehicles	1,897,208
Leasehold improvements	36,253
Subtotal	5,944,088
Accumulated depreciation and amortization	( 1,981,790)
<b>Total</b>	<b>\$ 3,962,298</b>

Property held for sale of \$99,847 consists of the net book value of one property that is listed for sale as of June 30, 2022. The Organization received funding source approval to sell the property.

### Note 6: Mortgage Payable

The Organization has a mortgage payable to Bath County, at 4.50% interest with annual payments of \$21,188 that matures in 2033. The mortgage is collateralized by real estate.

	\$ 158,822
Current maturity	( 12,494)
Long-term portion	\$ 146,328

# Gateway Community Action Agency, Inc.

## Notes to Financial Statements

### Note 6: Mortgage Payable (Continued)

Future debt maturities for the mortgage are as follows:

2023	\$	12,494
2024		13,056
2025		13,644
2026		14,258
2027		14,899
Thereafter		90,471
<u>Total mortgage payable</u>		<u>\$ 158,822</u>

### Note 7: Capital Lease

The Organization leases properties for operation of its programs and one of the leases qualifies as a capital lease. The capital leased building totaled \$601,075 and accumulated amortization as of June 30, 2022, was \$80,592, resulting in a net book value of the capital leased building of \$520,483 as of June 30, 2022.

During the year ended June 30, 2022, the Organization leased three vehicles which qualifies as a capital lease. The lease is for 48 months and requires annual payments of \$28,529, with an interest rate of 9.6%, and is due November 1, 2025. The net book value of the leased vehicles as of June 30, 2022, was \$75,559.

Minimum future payments under capital lease obligations consisted of the following for the years subsequent to June 30, 2022:

2023	\$	59,029
2024		61,529
2025		61,529
2026		33,000
2027		33,000
Thereafter		882,793
Total minimum lease payments		1,130,880
<u>Amount representing interest</u>		<u>( 467,716)</u>
Present value of net minimum lease payments		663,164
<u>Less – Current portion</u>		<u>26,462</u>
<u>Total long-term portion</u>		<u>\$ 636,702</u>

### Note 8: Line of Credit

The Organization has a \$200,000 line of credit with a financial institution that matures in February 2023. The line of credit has a fixed interest rate of 4.25%. There was no outstanding balance as of June 30, 2022.

# Gateway Community Action Agency, Inc.

## Notes to Financial Statements

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### Note 9: Refundable Advance Liability

Refundable advance liability represents grant funding received from funding sources for which allowable expenses have not been incurred or program services have not been provided. The revenue will be earned in the period in which the expenses occur, or the services are provided. The refundable advance balance as of June 30, 2022 consists of the following:

Coronavirus Aid, Relief, and Economic Security (CARES)	
Act Child Care Development Block Grant	\$ 468,294
Kentucky American Rescue Plan Child Care Sustainability Grant	512,810
WIOA Adult	12,347
<b>Total</b>	<b>\$ 993,451</b>

### Note 10: Operating Leases

The Organization leases space for operations. Building rental expense for the year ended June 30, 2022, was \$262,421. Future minimum lease payments under operating leases are as follows:

2023	\$ 147,553
2024	144,253
2025	120,853
2026	36,000
2027	36,000
Thereafter	504,600
<b>Total</b>	<b>\$ 989,259</b>

### Note 11: Retirement

The Organization contributes to the County Employees Retirement System's (CERS) non-hazardous plan which is a cost-sharing multi-employer defined benefit pension plan administered by the Board of Trustees of the Kentucky Retirement System. CERS provides retirement, health, disability and death benefits, which are established by state statute to plan members and beneficiaries.

Plan's legal name: Kentucky Employees Retirement System  
Employer identification number: 61-1431278

The Organization is one of over 1,100 CERS employers participating in the plan, which has a pension plan net position exceeding \$8.6 billion as of June 30, 2021, as reported in the most recently available Kentucky Retirement System's comprehensive annual financial report. As with any multi-employer plan, the plan's financial results may be affected by other employers entering or withdrawing from the plan, actions by the plan's board of trustees, and other events beyond the Organization's control. CERS' pension plan funded status was 51.80%, leaving an unfunded actual liability of approximately \$7.2 billion as of June 30, 2021. For additional CERS plan information, see [www.kyret.ky.gov](http://www.kyret.ky.gov).

Participating employees are required to contribute 5%-6% of their annual covered salary and the Organization is required to contribute 24.06% of annual covered payroll to the pension plan. Contributions requirements to CERS are established by state statute. The Organization's contribution to CERS for the year ended June 30, 2022, was \$1,627,303.

# Gateway Community Action Agency, Inc.

## Notes to Financial Statements

### Note 12: Grant Awards

At June 30, 2022, the Organization had commitments under various ongoing grant awards of approximately \$3,900,000. Additionally, the Organization had commitments for funding to a subrecipient at June 30, 2022, of approximately \$57,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

### Note 13: Contributed Nonfinancial Assets

For the years ending June 30, 2022, contributed nonfinancial assets included in in-kind revenue on the statements of activities are as follows:

	2022	Usage in Programs/Activities	Donor- imposed Restrictions	Valuation Techniques & Inputs
Rent	\$ 755,091	All activities	None	Rent is based on the estimated fair value on the basis of recent comparable rental price in the City's real estate market.
Program related services	319,115	All activities	None	Program related services are based on current rates of donor services provided by the donor.
Transportation	182,371	All activities	None	Transportation is based on current rates of donor services provided by the donor, expected fuel & maintenance expenses.
Supplies	94,284	All activities	None	Supplies are based on the estimated fair value on the basis of wholesale values that would be received for selling similar products in the United States.
Non-program related services	417,742	Management and General	None	Non-program related services are based on current rates of donor services provided by the donor.
Totals	\$ 1,768,603			

### Note 14: Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following programs as of June 30, 2022:

Transportation	\$ 127,932
Energy assistance	28,751
Total net assets with donor restriction	\$ 156,683

There were no net assets released from restriction during the year ended June 30, 2022.

## **Supplementary Information**

# Gateway Community Action Agency, Inc.

Schedule A-1  
Schedule of Program Activity  
Year Ended June 30, 2022

		FEDERAL PROGRAMS					
		Dept. of Ag.	HUD	DEPARTMENT OF LABOR			DOT
		10.558	14.239	17.258	17.259		20.509
			HOME				
		Child & Adult	Tenant-Based	WIOA-	WIOA-	17.258 &	Public
		Care Food	Rental	Adult	Youth	17.259	Transportation
		Program	Assistance	DTR20003	DTR20003	WIOA Cluster	Grant - MOCO
Total		(1)	(2)	(3)	(4)	Total	(5)
<b>REVENUE</b>							
Grant revenue	\$ 17,553,631	\$ 238,974	\$ 204,749	\$ 277,464	\$ 305,920	\$ 583,384	\$ 186,898
Program income	127,441	0	0	0	0	0	2,585
Contributions	85,328	0	0	0	0	0	79,960
Other income	114,241	0	0	0	0	0	0
In-kind contributions	1,768,603	0	0	0	0	0	0
Total Revenue	19,649,244	238,974	204,749	277,464	305,920	583,384	269,443
<b>EXPENSES</b>							
Salaries and wages	6,294,702	3,082	6,527	100,422	73,421	\$ 173,843	94,904
Program payments	447,552	0	0	75,290	157,739	233,029	1,774
Payroll fringe	3,321,570	1,067	3,628	59,884	47,139	107,023	61,657
Contracted services	1,231,087	0	0	0	0	0	0
Emergency assistance	2,589,918	0	191,398	0	0	0	0
Maintenance/equipment	487,160	0	0	1,486	382	1,868	5,919
Food costs	312,014	234,321	0	0	0	0	0
Insurance	188,895	0	0	3,063	0	3,063	5,340
Space and utilities	361,490	0	0	8,761	8,761	17,522	6,305
Other expenses	389,026	0	370	9,012	1,120	10,132	539
Postage	9,216	0	1,297	113	39	152	8
Program supplies	806,222	0	396	723	3,563	4,286	986
Training	438,816	0	0	140	0	140	70
Telephone	141,967	0	0	1,857	2,584	4,441	2,773
Travel	52,488	0	67	946	253	1,199	5
Depreciation and amortization	318,505	0	0	0	0	0	0
Equipment	9,345	0	0	0	0	0	0
Indirect	0	504	1,066	15,767	10,919	26,686	15,507
In-kind expenses	1,768,603	0	0	0	0	0	0
Total Expenses	19,168,576	238,974	204,749	277,464	305,920	583,384	195,787
Change in Net Assets	\$ 480,668	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 73,656
Net assets - Beginning of year	3,108,193	0	0	0	0	0	51,908
Transfers	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 3,588,861	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 125,564

# Gateway Community Action Agency, Inc.

Schedule A-2  
Schedule of Program Activity  
Year Ended June 30, 2022

	FEDERAL PROGRAMS					
	DOE 81.042	Department of Health and Human Services 93.086				93.568
	Weatherization Assistance Program WX22-0606-02 (6)	2020-2021 Fatherhood 90ZJ001201 (7)	2021-2022 Fatherhood 90ZJ001202 (8)	2020-2021 Frameworks 90ZB001301 (9)	2021-2022 Frameworks 90ZB001302 (10)	93.086 Subtotal (11)
<b>REVENUE</b>						
Grant revenue	\$ 191,669	\$ 321,655	\$ 1,034,825	\$ 362,003	\$ 1,056,210	\$ 2,774,693
Program income	0	0	0	0	0	0
Contributions	0	0	0	0	0	0
Other income	0	0	0	0	0	51
In-kind contributions	0	0	0	0	0	0
<b>Total Revenue</b>	<b>191,669</b>	<b>321,655</b>	<b>1,034,825</b>	<b>362,003</b>	<b>1,056,210</b>	<b>2,227,364</b>
<b>EXPENSES</b>						
Salaries and wages	55,950	109,780	317,383	76,484	256,668	760,315
Program payments	26,032	5,833	19,220	1,364	13,845	40,262
Payroll fringe	42,426	57,201	181,925	42,649	146,121	427,896
Contracted services	8,725	75,354	386,400	111,026	495,573	1,068,353
Emergency assistance	0	0	0	0	0	0
Maintenance/equipment	19,354	671	13,155	0	19,751	33,577
Food costs	0	0	0	0	0	0
Insurance	4,566	5,705	0	3,244	0	8,949
Space and utilities	4,336	5,169	20,865	10,409	24,367	60,810
Other expenses	8,677	15,432	( 651)	18,907	( 415)	33,273
Postage	60	55	470	22	156	703
Program supplies	3,339	23,458	30,056	73,638	43,128	170,280
Training	7,816	1,284	2,241	9,344	2,482	15,351
Telephone	1,063	2,205	8,319	1,573	8,285	20,382
Travel	80	1,570	3,582	845	4,309	10,306
Depreciation and amortization	0	0	0	0	0	0
Equipment	0	0	0	0	0	0
Indirect	9,245	17,938	51,860	12,498	41,940	124,236
In-kind expenses	0	0	0	0	0	0
<b>Total Expenses</b>	<b>191,669</b>	<b>321,655</b>	<b>1,034,825</b>	<b>362,003</b>	<b>1,056,210</b>	<b>2,227,364</b>
<b>Change in Net Assets</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Net assets - Beginning of year	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Gateway Community Action Agency, Inc.

Schedule A-3

Schedule of Program Activity

Year Ended June 30, 2022

	FEDERAL PROGRAMS							
	Department of Health and Human Services							
	93.568			93.569			93.575	93.600
	Low-Income Home Water Assistance Program (12)	LIHEAP- Weatherization LH22-0606-02 (13)	93.568 Subtotal	Community Services Block Grant PON2 736 2100001606 (14)	COVID-19 Community Services Block Grant (15)	93.569 Subtotal	COVID-19 2021-2022 Day Care Cares Funds (16)	2020-2021 HS/EHS 2 04CH011176-02 (17)
<b>REVENUE</b>								
Grant revenue	\$ 411,127	\$ 269,483	\$ 2,907,923	\$ 269,063	\$ 9,350	\$ 278,413	\$ 772,086	\$ 597,201
Program income	0	0	0	0	0	0	0	0
Contributions	0	0	0	0	0	0	0	0
Other income	0	0	51	0	0	0	0	0
In-kind contributions	0	0	0	60,169	0	60,169	0	100,935
<b>Total Revenue</b>	<b>411,127</b>	<b>269,483</b>	<b>2,907,974</b>	<b>329,232</b>	<b>9,350</b>	<b>338,582</b>	<b>772,086</b>	<b>698,136</b>
<b>EXPENSES</b>								
Salaries and wages	28,656	101,140	241,700	101,369	0	101,369	447,085	143,466
Program payments	0	29,233	29,233	0	0	0	0	14,205
Payroll fringe	15,487	58,441	136,788	54,946	0	54,946	216,440	77,840
Contracted services	0	15,810	15,810	0	0	0	0	0
Emergency assistance	353,922	0	2,378,739	12,328	9,350	21,678	0	0
Maintenance/equipment	0	24,656	24,656	27	0	27	18,137	154,438
Food costs	0	0	0	0	0	0	0	0
Insurance	0	947	947	2,497	0	2,497	0	0
Space and utilities	0	2,342	2,342	27,319	0	27,319	7,500	14,089
Other expenses	3,777	2,728	9,767	25,506	0	25,506	251	10,564
Postage	0	302	710	431	0	431	0	122
Program supplies	4,603	1,765	10,621	13,625	0	13,625	8,204	129,088
Training	0	12,564	12,564	1,340	0	1,340	0	14,140
Telephone	0	2,918	2,918	11,970	0	11,970	0	5,337
Travel	0	94	1,669	1,141	0	1,141	1,595	2,077
Depreciation and amortization	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	9,345
Indirect	4,682	16,543	39,510	16,564	0	16,564	72,874	22,490
In-kind expenses	0	0	0	60,169	0	60,169	0	100,935
<b>Total Expenses</b>	<b>411,127</b>	<b>269,483</b>	<b>2,907,974</b>	<b>329,232</b>	<b>9,350</b>	<b>338,582</b>	<b>772,086</b>	<b>698,136</b>
<b>Change in Net Assets</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Net assets - Beginning of year	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Gateway Community Action Agency, Inc.

## Schedule A-4

## Schedule of Program Activity

Year Ended June 30, 2022

	FEDERAL PROGRAMS						
	Department of Health and Human Services						
	93,600						
	2021-2022 HS/EHS 2 04CH011176-03 (18)	2020-2021 Head Start 04CH011236-02 (19)	2021-2022 Head Start 04CH011236-03 (20)	2020-2021 Early Head Start 04HP000080-04 (21)	2021-2022 Early Head Start 04HP000505-01 (22)	2021-2022 ARP Head Start 04HE000789-01-C6 (23)	2021-2022 ARP Head Start 04HE000789-01-C5 (24)
<b>REVENUE</b>							
Grant revenue	\$ 2,708,372	\$ 919,316	\$ 2,482,123	\$ 490,459	\$ 892,592	\$ 587,675	\$ 124,520
Program income	0	0	0	0	0	0	0
Contributions	2,000	205	1,507	0	0	0	0
Other income	( 3,500)	6	10,017	0	0	4,500	0
In-kind contributions	207,716	465,727	856,545	73,313	102,380	0	0
<b>Total Revenue</b>	<b>2,914,588</b>	<b>1,385,254</b>	<b>3,350,192</b>	<b>563,772</b>	<b>994,972</b>	<b>592,175</b>	<b>124,520</b>
<b>EXPENSES</b>							
Salaries and wages	1,188,724	314,673	1,154,368	113,240	405,883	200,173	0
Program payments	19,588	10,503	23,297	2,138	5,040	42,055	46
Payroll fringe	628,758	179,164	604,175	55,617	202,106	84,510	0
Contracted services	1,500	0	123,650	0	0	0	13,049
Emergency assistance	0	0	0	0	0	0	0
Maintenance/equipment	330,311	200,559	4,510	127,345	15,795	31,334	34,080
Food costs	0	0	0	0	0	0	76,536
Insurance	61,072	0	70,370	0	22,908	0	0
Space and utilities	85,661	13,020	55,678	13,782	69,007	15,000	0
Other expenses	22,906	26,136	10,930	5,134	7,935	53,736	0
Postage	972	507	1,041	59	242	0	0
Program supplies	95,174	80,033	33,227	85,006	54,741	122,524	809
Training	29,712	38,154	188,320	67,575	30,123	9,872	0
Telephone	27,802	5,168	30,329	1,997	11,131	0	0
Travel	19,546	192	5,132	63	1,360	83	0
Depreciation and amortization	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0
Indirect	195,146	51,418	188,620	18,503	66,321	32,888	0
In-kind expenses	207,716	465,727	856,545	73,313	102,380	0	0
<b>Total Expenses</b>	<b>2,914,588</b>	<b>1,385,254</b>	<b>3,350,192</b>	<b>563,772</b>	<b>994,972</b>	<b>592,175</b>	<b>124,520</b>
<b>Change in Net Assets</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
Net assets - Beginning of year	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

# Gateway Community Action Agency, Inc.

Schedule A-5  
Schedule of Program Activity  
Year Ended June 30, 2022

	FEDERAL PROGRAMS			STATE AND LOCAL PROGRAMS			
	DHHS						
	93.600	93.778					
	93.600	Kynect	Total	Kynect	Emergency	Child Care	SIMR
	Subtotal	Program	Federal	Program	Fund	Provider	
		KCHIP	Programs			Training	
		(25)		(26)	(27)	(28)	(29)
<b>REVENUE</b>							
Grant revenue	\$ 8,802,258	\$ 77,410	\$ 17,018,457	\$ 96,824	\$ 10,589	\$ 10,161	\$ 0
Program income	0	0	2,585	0	0	0	124,856
Contributions	3,712	0	83,672	0	0	0	0
Other income	11,023	0	11,074	0	6,225	0	0
In-kind contributions	1,806,616	0	1,866,785	0	0	0	0
<b>Total Revenue</b>	<b>10,623,609</b>	<b>77,410</b>	<b>18,982,573</b>	<b>96,824</b>	<b>16,814</b>	<b>10,161</b>	<b>124,856</b>
<b>EXPENSES</b>							
Salaries and wages	3,520,527	35,851	5,441,153	62,085	0	0	16,080
Program payments	116,872	0	447,202	0	0	0	0
Payroll fringe	1,832,170	23,478	2,907,519	25,412	0	0	10,547
Contracted services	138,199	0	1,231,087	0	0	0	0
Emergency assistance	0	0	2,591,815	0	( 1,897)	0	0
Maintenance/equipment	898,372	0	1,001,910	76	0	0	0
Food costs	76,536	0	310,857	0	0	0	0
Insurance	154,350	0	179,712	811	0	0	0
Space and utilities	266,237	1,750	394,121	7,760	0	0	0
Other expenses	137,341	2,755	228,611	3,433	0	1,312	1,117
Postage	2,943	32	6,336	0	0	0	0
Program supplies	600,602	4,568	816,907	325	0	0	256
Training	377,896	0	415,177	0	0	8,849	0
Telephone	81,764	857	126,168	1,432	0	0	0
Travel	28,453	875	45,390	1,671	0	0	667
Depreciation and amortization	0	0	0	0	0	0	0
Equipment	9,345	0	9,345	0	0	0	0
Indirect	575,386	7,244	888,822	8,759	0	0	2,627
In-kind expenses	1,806,616	0	1,866,785	0	0	0	0
<b>Total Expenses</b>	<b>10,623,609</b>	<b>77,410</b>	<b>18,908,917</b>	<b>111,764</b>	<b>( 1,897)</b>	<b>10,161</b>	<b>31,294</b>
<b>Change in Net Assets</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 73,656</b>	<b>(\$ 14,940)</b>	<b>\$ 18,711</b>	<b>\$ 0</b>	<b>\$ 93,562</b>
Net assets - Beginning of year	0	0	51,908	0	10,040	0	0
Transfers	0	0	0	0	0	0	0
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 125,564</b>	<b>(\$ 14,940)</b>	<b>\$ 28,751</b>	<b>\$ 0</b>	<b>\$ 93,562</b>

See Independent Auditor's Report

# Gateway Community Action Agency, Inc.

Schedule A-6

Schedule of Program Activity

Year Ended June 30, 2022

	STATE AND LOCAL PROGRAMS			DISCRETIONARY		
	Child Care Sustainability Beneficiary Assistance (30)	Public Transportation Grant - Morgan (31)	TOTAL PROGRAM ACTIVITY	Indirect (32)	GAAP Adjustments (33)	Agency General (34)
<b>REVENUE</b>						
Grant revenue	\$ 412,975	\$ 0	\$ 17,549,006	\$ 0	\$ 0	\$ 4,625
Program income	0	0	127,441	0	0	0
Contributions	0	0	83,672	0	0	1,656
Other income	0	0	17,299	0	0	96,942
In-kind contributions	0	0	1,866,785	0	( 98,182)	0
<b>Total Revenue</b>	<b>412,975</b>	<b>0</b>	<b>19,644,203</b>	<b>0</b>	<b>( 98,182)</b>	<b>103,223</b>
<b>EXPENSES</b>						
Salaries and wages	275,000	0	5,794,318	490,385	0	9,999
Program payments	0	0	447,202	0	0	350
Payroll fringe	93,040	0	3,036,518	275,890	0	9,162
Contracted services	0	0	1,231,087	0	0	0
Emergency assistance	0	0	2,589,918	0	0	0
Maintenance/equipment	0	0	1,001,986	7,321	( 554,859)	32,712
Food costs	0	0	310,857	535	0	622
Insurance	0	0	180,523	8,372	0	0
Space and utilities	0	0	401,881	10,797	( 51,188)	0
Other expenses	0	0	234,473	89,757	44,292	20,504
Postage	0	0	6,336	2,880	0	0
Program supplies	0	0	817,488	28,004	( 39,802)	532
Training	0	0	424,026	13,591	0	1,199
Telephone	0	0	127,600	14,367	0	0
Travel	0	0	47,728	4,760	0	0
Depreciation and amortization	0	0	0	0	318,505	0
Equipment	0	0	9,345	0	0	0
Indirect	44,935	0	945,143	( 946,659)	0	1,516
In-kind expenses	0	0	1,866,785	0	( 98,182)	0
<b>Total Expenses</b>	<b>412,975</b>	<b>0</b>	<b>19,473,214</b>	<b>0</b>	<b>( 381,234)</b>	<b>76,596</b>
<b>Change in Net Assets</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 170,989</b>	<b>\$ 0</b>	<b>\$ 283,052</b>	<b>\$ 26,627</b>
Net assets - Beginning of year	0	2,368	64,316	2,313	0	3,041,564
Transfers	0	0	0	0	( 283,052)	283,052
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 0</b>	<b>\$ 2,368</b>	<b>\$ 235,305</b>	<b>\$ 2,313</b>	<b>\$ 0</b>	<b>\$ 3,351,243</b>

# Gateway Community Action Agency, Inc.

## Schedule B-1

### Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	AL Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF AGRICULTURE</b>				
Passed-Through the Kentucky Department of Education				
Child and Adult Care Food Program	10.558	N/A	\$ 0	\$ 238,974
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
Passed-Through Kentucky Housing Corp.				
HOME Tenant-Based Rental Assistance	14.239	TB20-0079-01	0	204,749
<b>DEPARTMENT OF LABOR</b>				
Passed-Through Eastern Kentucky Concentrated Employment Program, Inc.				
WIOA Cluster				
WIOA - Adult	17.258	DTR20003	0	277,464
WIOA - Youth	17.259	DTR20003	0	305,920
<b>Total Federal Expenditures WIOA Cluster AL #17.258 and 17.259</b>			<b>0</b>	<b>583,384</b>
<b>DEPARTMENT OF TRANSPORTATION</b>				
Passed-Through Commonwealth of Kentucky Transportation Cabinet				
Formula Grants for Other Urbanized Areas	20.509	111821300	0	38,725
Formula Grants for Other Urbanized Areas	20.509	111120300	0	148,173
<b>Total Federal Expenditures AL #20.509</b>			<b>0</b>	<b>186,898</b>
<b>DEPARTMENT OF ENERGY</b>				
Passed-Through Kentucky Housing Corp.				
Weatherization Assistance Program	81.042	WX22-0606-02	0	191,669
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Direct Funding				
2020-2021 Fatherhood	93.086	90ZJ001201	75,354	321,655
2021-2022 Fatherhood	93.086	90ZJ001202	386,400	1,034,825
2020-2021 Frameworks	93.086	90ZB001301	111,026	362,003
2021-2022 Frameworks	93.086	90ZB001302	495,573	1,056,210
<b>Total Federal Expenditures AL #93.086</b>			<b>1,068,353</b>	<b>2,774,693</b>
Passed-Through Community Action Kentucky				
Low-Income Home Energy Assistance	93.568	PON 2 736 2100001642	0	2,227,313
COVID-19 Low-Income Home Water Assistance	93.568	PON 2 736 2100001642	0	411,127
Passed-Through Kentucky Housing Corp				
Low Income Home Energy Assistance - Weatherization	93.568	LH22-0606-02	0	269,483
<b>Total Federal Expenditures AL #93.568</b>			<b>0</b>	<b>2,907,923</b>
Passed-Through the Kentucky Cabinet for Health and Family Services				
Community Services Block Grant	93.569	PON2 736 2100001606	0	269,063
COVID-19 Community Services Block Grant	93.569	PON2 736 2100001606	0	9,350
<b>Total Federal Expenditures AL #93.569</b>			<b>0</b>	<b>278,413</b>

# Gateway Community Action Agency, Inc.

## Schedule B-2

### Schedule of Expenditures of Federal Awards

Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	AL Number	Pass-Through Entity Identifying Number	Passed-Through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>				
<b>Passed-Through the Kentucky Cabinet for Health and Family Services</b>				
<b>CCDF Cluster</b>				
COVID-19 Daycare CARES	93.575	N/A	0	772,086
<b>Direct Funding</b>				
<b>Head Start Cluster</b>				
2020-2021 Head Start/Early Head Start 2	93.600	04CH011176-02	0	597,201
2021-2022 Head Start/Early Head Start 2	93.600	04CH011176-03	0	2,708,372
2020-2021 Head Start	93.600	04CH011236-02	0	919,316
2021-2022 Head Start	93.600	04CH011236-03	0	2,482,123
2020-2021 Early Head Start	93.600	04HP000080-04	0	490,459
2021-2022 Early Head Start	93.600	04HP000505-01	0	892,592
COVID-19 2021-2022 ARP Head Start	93.600	04HE000789-01-C6	0	587,675
COVID-19 2021-2022 ARP Head Start	93.600	04HE000789-01-C5	0	124,520
<b>Total Federal Expenditures Head Start Cluster AL #93.600</b>			<b>0</b>	<b>8,802,258</b>
<b>Passed-Through Community Action Kentucky</b>				
Kentucky Health Benefit Exchange	93.778	kynect_R701	0	53,814
Kentucky Health Benefit Exchange	93.778	kynect_R504	0	23,596
<b>Total Federal Expenditures AL #93.778</b>			<b>0</b>	<b>77,410</b>
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS</b>			<b>1,068,353</b>	<b>15,612,783</b>
<b>TOTAL FEDERAL EXPENDITURES</b>			<b>\$ 1,068,353</b>	<b>\$ 17,018,457</b>

#### Notes to Schedule of Expenditures of Federal Awards

##### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Gateway Community Action Agency, Inc. under programs of the federal government for the year ended June 30, 2022. 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 of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Gateway Community Action Agency, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Gateway Community Action Agency, Inc.

##### Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

##### Note 3 - Indirect Cost Rate

Gateway Community Action Agency, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance. Gateway Community Action Agency, Inc. has an indirect rate that has been approved by the U.S. Department of Health and Human Services (DHHS).

# Gateway Community Action Agency, Inc.

Schedule C-1

Low Income Housing Energy Assistance Program (LIHEAP)

Contract # 736-2100001642

Sub Contract # 007

## Schedule of Budget and Actual Expenses

For the Year Ended June 30, 2022

Cost Category	Budget	Actual	(Over) Under Budget
<b>ADMINISTRATIVE</b>	\$ 202,547	\$ 202,547	\$ 0
<b>BENEFITS</b>			
Subsidy Benefits	846,417	846,128	289
Crisis Benefits	967,600	967,188	412
Spring Subsidy Benefits	211,450	211,450	0
<b>TOTAL</b>	<u>\$ 2,228,014</u>	<u>\$ 2,227,313</u>	<u>\$ 701</u>

## Schedule of Questioned Costs

For the Year Ended June 30, 2022

Cost Category	Actual Expenses	Questioned Costs	Allowable Costs
<b>ADMINISTRATIVE</b>	\$ 202,547	\$ 0	\$ 202,547
<b>BENEFITS</b>			
Subsidy Benefits	846,128	0	846,128
Crisis Benefits	967,188	0	967,188
Spring Subsidy Benefits	211,450	0	211,450
<b>TOTAL</b>	<u>\$ 2,227,313</u>	<u>\$ 0</u>	<u>\$ 2,227,313</u>

# Gateway Community Action Agency, Inc.

Schedule C-2

Low Income Housing Energy Assistance Program (LIHEAP)

Contract # 736-2100001642

Sub Contract # 007

Schedule of Program Expenses

For the Year Ended June 30, 2022

Cost Category	Amount
<b>ADMINISTRATIVE</b>	
Wages	\$ 111,904
Fringe	62,860
Supplies	3,866
Utilities/Phone	0
Training/Travel	1,575
Maintenance	0
Other	4,057
Indirect	18,285
Audit	0
<b>TOTAL ADMINISTRATIVE</b>	<b>202,547</b>
<b>BENEFITS</b>	
Subsidy Benefits	846,128
Crisis Benefits	967,188
Spring Subsidy Benefits	211,450
<b>TOTAL EXPENSES</b>	<b>2,227,313</b>
<b>LESS QUESTIONED COSTS</b>	<b>0</b>
<b>TOTAL ALLOWABLE COSTS</b>	<b>2,227,313</b>
<b>CONTRACT PAYMENT RECEIVED as of JUNE 30, 2022</b>	<b>2,184,093</b>
<b>OVER (UNDER) PAYMENT</b>	<b>(\$ 43,220)</b>

# Gateway Community Action Agency, Inc.

Schedule C-3

COVID-19 Low Income Home Water Assistance Program (LIHWAP)

Contract # 736-2100001642

Sub Contract # 007

## Schedule of Budget and Actual Expenses

For the Year Ended June 30, 2022

Cost Category	Budget	Actual	(Over) Under Budget
ADMINISTRATIVE	\$ 57,205	\$ 57,205	\$ 0
BENEFITS			
Subsidy Benefits	292,452	292,452	0
Crisis Benefits	61,470	61,470	0
TOTAL	\$ 411,127	\$ 411,127	\$ 0

## Schedule of Questioned Costs

For the Year Ended June 30, 2022

Cost Category	Actual Expenses	Questioned Costs	Allowable Costs
ADMINISTRATIVE	\$ 57,205	\$ 0	\$ 57,205
BENEFITS			
Subsidy Benefits	292,452	0	292,452
Crisis Benefits	61,470	0	61,470
TOTAL	\$ 411,127	\$ 0	\$ 411,127

# Gateway Community Action Agency, Inc.

Schedule C-4

COVID-19 Low Income Home Water Assistance Program (LIHWAP)

Contract # 736-2100001642

Sub Contract # 007

Schedule of Program Expenses

For the Year Ended June 30, 2022

<b>Cost Category</b>	<b>Amount</b>
<b>ADMINISTRATIVE</b>	
Wages	\$ 28,656
Fringe	15,487
Supplies	4,603
Utilities/Phone	0
Training/Travel	0
Maintenance	0
Other	3,777
Indirect	4,682
Audit	0
<b>TOTAL ADMINISTRATIVE</b>	<b>57,205</b>
<b>BENEFITS</b>	
Subsidy Benefits	292,452
Crisis Benefits	61,470
<b>TOTAL EXPENSES</b>	<b>411,127</b>
<b>LESS QUESTIONED COSTS</b>	<b>0</b>
<b>TOTAL ALLOWABLE COSTS</b>	<b>411,127</b>
<b>CONTRACT PAYMENT RECEIVED as of JUNE 30, 2022</b>	<b>411,127</b>
<b>OVER (UNDER) PAYMENT</b>	<b>\$ 0</b>

# Gateway Community Action Agency, Inc.

Schedule C-5

Community Services Block Grant Program

Contract # PON27362100001606

## Schedule of Budget and Actual Expenses

For the Year Ended June 30, 2022

Cost Category	Budget	Actual	(Over) Under Budget
Personnel	\$ 125,000	\$ 101,369	\$ 23,631
Benefits	69,321	54,946	14,375
Supplies	14,000	12,321	1,679
Space	25,000	20,994	4,006
Utilities	10,000	6,325	3,675
Travel	2,000	1,141	859
Staff Development	10,000	1,340	8,660
Other	66,850	63,413	3,437
Indirect	20,425	16,564	3,861
	<u>\$ 342,596</u>	<u>\$ 278,413</u>	<u>\$ 64,183</u>

## Schedule of Questioned Costs

For the Year Ended June 30, 2022

Cost Category	Actual Expenses	Questioned Costs	Allowable Costs
Personnel	\$ 101,369	\$ 0	\$ 101,369
Benefits	54,946	0	54,946
Supplies	12,321	0	12,321
Space	20,994	0	20,994
Utilities	6,325	0	6,325
Travel	1,141	0	1,141
Staff Development	1,340	0	1,340
Other	63,413	0	63,413
Indirect	16,564	0	16,564
	<u>\$ 278,413</u>	<u>\$ 0</u>	<u>\$ 278,413</u>

# Gateway Community Action Agency, Inc.

Schedule C-6

Community Services Block Grant Program

Contract # PON27361900004189

Schedule of Program Expenses

For the Year Ended June 30, 2022

Cost Category	Amount
<b>EXPENSES</b>	
Personnel	\$ 101,369
Benefits	54,946
Supplies	12,321
Space	20,994
Utilities	6,325
Travel	1,141
Staff Development	1,340
Other	63,413
Indirect	16,564
In-Kind	60,169
<b>TOTAL EXPENSES</b>	<b>338,582</b>
<b>LESS IN-KIND CONTRIBUTIONS</b>	<b>(60,169)</b>
<b>LESS OTHER INCOME</b>	<b>0</b>
<b>TOTAL ALLOWABLE COSTS</b>	<b>278,413</b>
<b>CONTRACT PAYMENT RECEIVED as of JUNE 30, 2022</b>	<b>169,783</b>
<b>OVER (UNDER) PAYMENT</b>	<b>(\$ 108,630)</b>

# Gateway Community Action Agency, Inc.

Schedule C-7

Weatherization Program

Contract # WX22-0606-02

Sub Contract # DOEWX-02

## Schedule of Budget and Actual Expenses

For the Year Ended June 30, 2022

Cost Category	Budget	Actual	(Over) Under Budget
Administrative	\$ 31,028	\$ 21,871	\$ 9,157
Program support	89,494	89,494	0
Labor	42,509	19,542	22,967
Materials	52,396	23,886	28,510
Insurance	4,565	4,566	(1)
Training	32,310	32,310	0
	<u>\$ 252,302</u>	<u>\$ 191,669</u>	<u>\$ 60,633</u>

## Schedule of Questioned Costs

For the Year Ended June 30, 2022

Cost Category	Actual Expenses	Questioned Costs	Allowable Costs
Administrative	\$ 21,871	\$ 0	\$ 21,871
Program support	89,494	0	89,494
Labor	19,542	0	19,542
Materials	23,886	0	23,886
Insurance	4,566	0	4,566
Training	32,310	0	32,310
	<u>\$ 191,669</u>	<u>\$ 0</u>	<u>\$ 191,669</u>

# Gateway Community Action Agency, Inc.

Schedule C-8

Weatherization Program

Contract # WX22-0606-02

Sub Contract # DOEWX-02

Schedule of Program Expenses

For the Year Ended June 30, 2022

Cost Category	Amount
<b>EXPENSES</b>	
Administrative	\$ 21,871
Program support	89,494
Labor	19,542
Materials	23,886
Insurance	4,566
Training	32,310
<b>TOTAL EXPENSES</b>	191,669
<b>CONTRACT PAYMENT RECEIVED as of JUNE 30, 2022</b>	102,570
<b>OVER (UNDER) PAYMENT</b>	<b>(\$ 89,099)</b>

# Gateway Community Action Agency, Inc.

## Schedule C-9

### Weatherization Program

Contract # LH22-0606-02

Sub Contract # LHWX-02

### Schedule of Budget and Actual Expenses

For the Year Ended June 30, 2022

Cost Category	Budget	Actual	(Over) Under Budget
Administrative	\$ 14,508	\$ 14,508	\$ 0
Program support	142,258	142,258	0
Labor	58,703	58,703	0
Materials	34,848	34,848	0
Liability Insurance	947	947	0
T&TA	16,819	16,819	0
WX READY	1,400	1,400	0
	<u>\$ 269,483</u>	<u>\$ 269,483</u>	<u>\$ 0</u>

### Schedule of Questioned Costs

For the Year Ended June 30, 2022

Cost Category	Actual Expenses	Questioned Costs	Allowable Costs
Administrative	\$ 14,508	\$ 0	\$ 14,508
Program support	142,258	0	142,258
Labor	58,703	0	58,703
Materials	34,848	0	34,848
Liability Insurance	947	0	947
T&TA	16,819	0	16,819
WX READY	1,400	0	1,400
	<u>\$ 269,483</u>	<u>\$ 0</u>	<u>\$ 269,483</u>

# Gateway Community Action Agency, Inc.

Schedule C-10

Weatherization Program

Contract # LH22-0606-02

Sub Contract # LHWX-02

Schedule of Program Expenses

For the Year Ended June 30, 2022

Cost Category	Amount
<b>EXPENSES</b>	
Administrative	\$ 14,508
Program support	142,258
Labor	58,703
Materials	34,848
Liability Insurance	947
Training	16,819
WX Ready	1,400
<b>TOTAL EXPENSES</b>	<b>269,483</b>
<b>CONTRACT PAYMENT RECEIVED as of June 30, 2021</b>	<b>144,377</b>
<b>OVER (UNDER) PAYMENT</b>	<b>(\$ 125,106)</b>

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Directors  
Gateway Community Action Agency, Inc.  
West Liberty, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States 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 Gateway Community Action Agency, Inc. (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 29, 2022.

### **Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2022-001, that we consider to be a material weakness.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Gateway Community Action Agency, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Gateway Community Action Agency, Inc.'s Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on Gateway Community Action Agency, Inc.'s response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs. Gateway Community Action Agency, Inc.'s response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 Gateway Community Action Agency, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Gateway Community Action Agency, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Wipfli LLP*

Wipfli LLP

December 29, 2022  
Madison, Wisconsin

## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

Board of Directors  
Gateway Community Action Agency, Inc.  
West Liberty, Kentucky

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

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

We have audited Gateway Community Action Agency, 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 Gateway Community Action Agency, Inc.'s major federal programs for the year ended June 30, 2022. Gateway Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Gateway Community Action Agency, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

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

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

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

#### **Responsibilities of Management for Compliance**

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

## **Auditor's Responsibilities for the Audit of Compliance**

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

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

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

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

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

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

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

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

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

*Wipfli LLP*

Wipfli LLP

December 29, 2022  
Madison, Wisconsin

# Gateway Community Action Agency, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2022

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### Section I - Summary of Auditor's Results

#### **Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified?	Yes
Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No

#### **Federal Awards**

Internal control over federal programs:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No
Identification of major federal programs:	

<b><u>Name of Federal Major Programs</u></b>	<b><u>AL No.</u></b>
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COVID-19 Child Care and Development Block Grant, CCDF Cluster	93.575
Head Start Cluster	93.600

Dollar threshold used to distinguish between Type A and Type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	No
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# Gateway Community Action Agency, Inc.

## Schedule of Findings and Questioned Costs Year Ended June 30, 2022

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### Section II - Financial Statement Findings

#### Finding 2022-001: Material Adjusting Journal Entries

**Condition:** During the audit, Wipfli LLP proposed a several adjusting journal entries to properly record property and equipment, capital lease obligations, and expenses which we deem to be material in relation to the financial statements. Since the internal controls of Gateway Community Action Agency, Inc. did not detect and record the adjustments described above prior to the audit, a material weakness exists in the Organization's internal controls over financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in the United States. This is a repeat finding from the June 30, 2021 and June 30, 2020 audits.

**Criteria:** Internal controls are effective if they are properly designed and implemented to prevent or detect account misstatements prior to the audit.

**Cause:** The internal controls of Gateway Community Action Agency, Inc. were not effective in preventing or detecting and correcting the misstatements described above prior to the audit.

**Effect:** As a result of the financial reporting matter identified in the condition paragraph, a material weakness exists in Gateway Community Action Agency, Inc.'s internal controls over financial reporting.

**Recommendation:** We recommend Gateway Community Action Agency, Inc. implement procedures, such as timely reconciling of accounts and review of all reconciliations to provide sufficient internal control over financial reporting so all necessary transactions are recorded in accordance with generally accepted accounting principles.

**View of responsible officials:** Management agrees with the assessment and has committed to a corrective action plan.

### Section III - Federal Award Findings and Questioned Costs

None

### Section IV - Summary Schedule of Prior Year Findings

#### Findings 2021-001 and 2020-001: Material Adjusting Journal Entries

**Current Status:** Management is still in the process of implementing its corrective action plan. This finding was repeated for the June 30, 2022 audit.