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STATE BOARD OF ACCOUNTS
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January 24, 2023

Board of Directors
South Central Community Action Program, Inc.
1500 W. 15th Street
Bloomington, IN 47404

We have reviewed the audit report of South Central Community Action Program, Inc., which was opined upon by Comer, Nowling and Associates, PC, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of South Central Community Action Program, Inc. as of December 31, 2021 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Comer, Nowling and Associates, PC prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The audit report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**South Central
Community Action
Program, Inc.**

**Financial Statements
For The Year Ended
December 31, 2021 and 2020
(With Single Audit Section)**

COMER  NOWLING

INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

Certified Public Accountants

**SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
FINANCIAL STATEMENTS**

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITOR’S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	4
Statements of Activities	5
Statements of Functional Expenses	6
Statements of Cash Flows.....	8
Notes to Financial Statements.....	9
SINGLE AUDIT SECTION	
Schedule of Expenditures of Federal Awards.....	19
Notes to Schedule of Expenditures of Federal Awards	20
Schedule of Expenditures of State and Local Awards.....	21
Summary Schedule of Prior Audit Findings.....	22
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements performed in Accordance with <i>Government Auditing Standards</i>	23
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the <i>Uniform Guidance</i>	25
Schedule of Findings and Questioned Costs.....	28



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
South Central Community Action Program, Inc.
Bloomington, IN

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements South Central Community Action Program, Inc. (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years 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 South Central Community Action Program, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 the South Central Community Action Program, 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 opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 the South Central Community Action Program, 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 the South Central Community Action Program, 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 audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the 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 schedule of expenditures of federal awards 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 June 10, 2022 on our consideration of the South Central Community Action Program, 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 the South Central Community Action Program, 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 the South Central Community Action Program, Inc.'s internal control over financial reporting and compliance.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

June 10, 2022

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS

	<u>2021</u>	<u>2020</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 509,671	\$ 395,524
Grants receivable	679,252	691,247
Other receivable, net	8,578	7,204
Prepaid expenses and deposits	8,111	7,726
Current portion of mortgage receivable	1,680	1,680
	<u>1,207,292</u>	<u>1,103,381</u>
PROPERTY AND EQUIPMENT:		
Property and equipment, net of accumulated depreciation	569,243	499,920
	<u>569,243</u>	<u>499,920</u>
OTHER ASSETS:		
Mortgage receivable	21,420	23,100
	<u>21,420</u>	<u>23,100</u>
Total assets	<u>\$ 1,797,955</u>	<u>\$ 1,626,401</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 100,038	\$ 60,869
Accrued payroll and payroll expenses	129,989	132,814
Current portion of long-term debt	-	1,901
	<u>230,027</u>	<u>195,584</u>
LONG-TERM LIABILITIES		
Long-term debt, net of current portion	-	751
	<u>-</u>	<u>751</u>
Total liabilities	<u>230,027</u>	<u>196,335</u>
NET ASSETS		
Without donor restrictions	1,540,192	1,204,518
With donor restrictions	27,736	225,548
	<u>1,567,928</u>	<u>1,430,066</u>
Total liabilities and net assets	<u>\$ 1,797,955</u>	<u>\$ 1,626,401</u>

See accompanying notes to financial statements.

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>			<u>2020</u>		
	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
REVENUE AND SUPPORT						
Grant Revenue	\$ 11,423,784	\$ 6,535	\$ 11,430,319	\$ 10,009,939	\$ 1,380	\$ 10,011,319
Contributions	9,421	14,003	23,424	434	223,454	223,888
In-kind contributions	252,799	-	252,799	205,921	-	205,921
Rental income	60,217	-	60,217	55,840	-	55,840
Interest income	21	-	21	18	-	18
Other income	90,558	2,119	92,677	86,146	9,350	95,496
Total revenue and support	11,836,800	22,657	11,859,457	10,358,298	234,184	10,592,482
Net assets released from restriction	220,469	(220,469)	-	118,245	(118,245)	-
Total revenue, support and net assets released from restriction	12,057,269	(197,812)	11,859,457	10,476,543	115,939	10,592,482
OPERATING EXPENSES						
Affordable housing program	104,511	-	104,511	121,200	-	121,200
Weatherization services	664,973	-	664,973	563,468	-	563,468
Energy assistance services	3,067,372	-	3,067,372	2,510,164	-	2,510,164
Head Start and Early Head Start services	4,038,999	-	4,038,999	3,897,272	-	3,897,272
Thriving Connections	236,257	-	236,257	190,141	-	190,141
Housing choice voucher program	2,989,907	-	2,989,907	2,543,677	-	2,543,677
Other program	159,748	-	159,748	203,556	-	203,556
Management and general	459,828	-	459,828	305,689	-	305,689
Total operating expenses	11,721,595	-	11,721,595	10,335,167	-	10,335,167
Increase (decrease) in net assets	335,674	(197,812)	137,862	141,376	115,939	257,315
NET ASSETS, BEGINNING OF YEAR	1,204,518	225,548	1,430,066	1,063,142	109,609	1,172,751
NET ASSETS, END OF YEAR	<u>\$ 1,540,192</u>	<u>\$ 27,736</u>	<u>\$ 1,567,928</u>	<u>\$ 1,204,518</u>	<u>\$ 225,548</u>	<u>\$ 1,430,066</u>

See accompanying notes to financial statements.

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Affordable Housing Program	Weatherization Services	Energy Assistance Services	Head Start & Early Head Start Services	Thriving Connections	Housing Choice Voucher Program	Other Program	Management and General	2021 Totals
OPERATING EXPENSES									
Salaries and wages	\$ 37,137	\$ 183,800	\$ 266,672	\$ 2,162,605	\$ 157,335	\$ 117,156	\$ 84,762	\$ 101,979	\$ 3,111,446
Employee benefits	6,817	64,888	29,852	390,788	28,679	25,435	1,740	43,371	591,570
Payroll taxes	2,889	14,048	20,231	170,586	12,142	9,008	6,508	7,599	243,011
Professional services	4,028	13,795	6,040	189,504	11,596	9,006	-	(2,226)	231,743
Technology	1,189	10,861	5,264	39,681	2,543	4,147	-	20,903	84,588
Telecommunications	180	4,142	454	30,785	1,713	1,487	850	15,271	54,882
Postage and supplies	2,737	11,326	17,138	127,433	9,739	7,805	6,186	15,801	198,165
Occupancy	6,050	3,924	3,384	131,257	3,342	3,384	10,783	6,182	168,306
Equipment leases and maintenance	7,906	4,643	1,342	122,067	1,410	1,342	645	(100,165)	39,190
Insurance	9,640	10,151	4,845	13,703	187	3,317	49	2,741	44,633
Depreciation and equipment expense	25,847	37,469	4,991	50,724	5,492	2,783	4,825	2,628	134,759
Direct client assistance	-	304,949	2,705,816	339,858	1,229	2,805,037	43,400	323,887	6,524,176
Other expenses	91	977	1,343	270,008	850	-	-	21,857	295,126
Total operating expenses by function	<u>\$ 104,511</u>	<u>\$ 664,973</u>	<u>\$ 3,067,372</u>	<u>\$ 4,038,999</u>	<u>\$ 236,257</u>	<u>\$ 2,989,907</u>	<u>\$ 159,748</u>	<u>\$ 459,828</u>	<u>\$ 11,721,595</u>

See accompanying notes to financial statements.

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Affordable Housing Program	Weatherization Services	Energy Assistance Services	Head Start & Early Head Start Services	Thriving Connections	Housing Choice Voucher Program	Other Program	Management and General	2020 Totals
OPERATING EXPENSES									
Salaries and wages	\$ 30,803	\$ 173,532	\$ 236,639	\$ 2,287,976	\$ 114,441	\$ 98,251	\$ 97,537	\$ 50,352	\$ 3,089,531
Employee benefits	2,333	56,654	16,029	443,814	20,551	23,311	3,925	31,193	597,810
Payroll taxes	2,431	13,971	19,001	188,678	9,051	7,950	8,071	(45,841)	203,312
Professional services	22,862	11,529	14,308	126,579	11,620	10,250	1,409	15,756	214,313
Technology	978	11,335	21,689	39,963	2,981	7,119	57	9,406	93,528
Telecommunications	175	3,999	434	24,758	700	972	1,895	17,791	50,724
Postage and supplies	1,334	12,446	10,092	89,086	15,885	7,531	7,330	47,977	191,681
Occupancy	5,861	3,267	2,729	126,182	1,021	3,035	6,796	6,017	154,908
Equipment leases and maintenance	16,345	9,558	2,032	33,362	1,993	2,028	669	(39,802)	26,185
Insurance	9,168	12,837	5,008	15,004	83	3,251	-	3,549	48,900
Depreciation and equipment expense	28,181	24,847	5,073	41,423	4,077	2,945	-	2,903	109,449
Direct client assistance	-	227,446	2,175,421	119,960	7,188	2,375,729	75,412	185,427	5,166,583
Other expenses	729	2,047	1,709	360,487	550	1,305	455	20,961	388,243
Total operating expenses by function	<u>\$ 121,200</u>	<u>\$ 563,468</u>	<u>\$ 2,510,164</u>	<u>\$ 3,897,272</u>	<u>\$ 190,141</u>	<u>\$ 2,543,677</u>	<u>\$ 203,556</u>	<u>\$ 305,689</u>	<u>\$ 10,335,167</u>

See accompanying notes to financial statements

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDING DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase (decrease) in net assets	\$ 137,862	\$ 257,315
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	104,831	100,976
(Increase) decrease in cash from changes in:		
Grants receivable	11,995	(12,743)
Other receivables	(1,374)	(949)
Prepaid expenses	(385)	(7,226)
Increase (decrease) in cash from changes in:		
Accounts payable	39,168	(14,829)
Accrued payroll and payroll expenses	(2,825)	(75,444)
	<u>289,272</u>	<u>247,100</u>
Net cash provided by (used in) operating activities		
	<u>289,272</u>	<u>247,100</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(174,153)	(72,464)
Receipts from mortgage receivable	1,680	1,680
	<u>1,680</u>	<u>1,680</u>
Net cash provided by (used in) investing activities		
	<u>(172,473)</u>	<u>(70,784)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on long-term debt	(2,652)	(5,837)
	<u>(2,652)</u>	<u>(5,837)</u>
Net cash provided by (used in) financing activities		
	<u>(2,652)</u>	<u>(5,837)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	114,147	170,479
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>395,524</u>	<u>225,045</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 509,671</u>	<u>\$ 395,524</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the year for interest	<u>\$ 105</u>	<u>\$ 506</u>

See accompanying notes to financial statements.

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS

South Central Community Action Program, Inc. (the Organization) is an Indiana nonprofit corporation incorporated in 1965. The Organization receives federal and state funds to provide for the planning and development of programs that will intervene at critical points in the cause of poverty and will enable families and individuals to become more self-sufficient, to provide continuing research related to the problems of poverty, and to provide coordination for community efforts focused on poverty and community development. Programs that the Organization offers include: Energy Assistance, Weatherization, Section 8 Housing, Head Start, and Self Sufficiency. The Organization offers these programs to residents of Monroe, Morgan, Owen and Brown Counties in the State of Indiana.

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.

FINANCIAL STATEMENT PRESENTATION

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board. Per the applicable standards, South Central Community Action Program, Inc. 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. A description of the net asset classes follows:

Net assets without donor restrictions represent the portion of net assets of South Central Community Action Program, Inc. that is not subject to donor-imposed restrictions. Net assets without donor restrictions include expendable funds available for the support of the Organization. Board designated net assets are net assets without donor restrictions with self-imposed designations by action of the governing board.

Net assets with donor restrictions represent contributions and other inflows of assets whose use by South Central Community Action Program, Inc. is limited by donor-imposed stipulations that either expire by passage of time, can be fulfilled and removed by actions of South Central Community Action Program, Inc. pursuant to those stipulations, or net assets that must be held in perpetuity.

Net assets with donor restrictions also include, pursuant to Indiana law, cumulative appreciation and reinvested gains on net assets with donor restrictions that are held in perpetuity, which have not been appropriated by the Board of Directors.

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

INCOME TAX STATUS

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

The Organization recognizes a tax benefit only if it is more likely than not the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more-likely-than-not test, no tax benefit will be recorded. With few exceptions, the Organization is no longer subject to examination by taxing authorities for the years before 2018.

REVENUE RECOGNITION

The majority of the Organization's revenue is earned under cost-reimbursement awards from governmental agencies. Revenues are recognized under such awards when costs allowable under the terms of the awards are incurred. Advances received in excess of allowable costs are reported as liabilities. Fees for services are recognized as revenue when the services are substantially performed. Fees received in advance of substantial performance are reported as liabilities. Deposits received from customers prior to the date of the performance of services are recorded as deferred revenue.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as net assets without donor restrictions.

CONTRIBUTED SERVICES

Contributions of services are recognized as revenue at their estimated fair value only when the services received create or enhance non-financial assets or require specialized skills possessed by the individuals providing the service and the service would typically need to be purchased if not donated.

GRANTS AND OTHER RECEIVABLES

Grants receivable are amounts due from various governmental funding sources and therefore no allowance for uncollectible accounts is considered necessary. Other receivables relate to program fees and rents from customers. Management assumes amounts due in-excess of ninety days are not collectible. The allowance for doubtful accounts balance was \$82,000 and \$63,000 as of December 31, 2021 and 2020, respectively.

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

PROPERTY AND EQUIPMENT

The Organization follows the practice of capitalizing all expenditures in excess of \$5,000 for property and equipment at cost; the fair value of donated fixed assets is similarly capitalized. Depreciation is provided using the straight-line method over estimated useful lives. The following is a summary of the lives for each class of asset:

Building and improvements	5 - 31.5 years
Rental houses	27.5 years
Equipment and vehicles	5 years

When property is sold, retired or otherwise disposed of, the related cost and accumulated depreciation are eliminated from the accounts and any resulting gain or loss is credited or charged to income. Expenditures for maintenance and repairs are expensed when incurred.

Accounting for the Impairment or Disposal of Long-Lived Assets guidance requires that long-lived assets and certain identifiable intangibles held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This guidance has not materially affected the Organization's net change in unrestricted net assets, statement of financial position or statement of cash flows.

USE OF ESTIMATES

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

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents. For the years ended December 31, 2021 and 2020, the Organization did not have cash equivalents.

SUBSEQUENT EVENTS

Subsequent events have been evaluated through June 10, 2022, which is the date the financial statements were available to be issued.

**SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020**

NOTE 1 – NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (continued)

RECENT ACCOUNTING PRONOUNCEMENTS

Leases

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*. The guidance in this ASU supersedes the leasing guidance in Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for fiscal years beginning after December 15, 2021, and interim periods for years beginning after December 15, 2022. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the impact the adoption of this guidance will have on the financial statements.

NOTE 2 – CONCENTRATION OF CREDIT RISK

The Organization’s cash and cash equivalents are on deposit with two financial institutions having branches in the local area. Each account is insured by the FDIC for up to \$250,000 for the years ended December 31, 2021 and 2020. The Organization’s uninsured balance at December 31, 2021 and 2020 was \$208,893 and \$142,634, respectively.

Approximately 91% and 90% of the Organization’s support and revenue for the years ended December 31, 2021 and December 31, 2020, respectively, was provided by federal grants.

NOTE 3 – GRANTS RECEIVABLE

The Organization’s grant receivables consisted of the following as of December 31:

	<u>2021</u>	<u>2020</u>
Federal Programs (Direct and pass-through)	\$ 668,402	\$ 682,942
State, Local, and Other Programs	10,850	8,305
Total	<u>\$ 679,252</u>	<u>\$ 691,247</u>

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 4 – PROPERTY AND EQUIPMENT

The Organization’s property and equipment are as follows on December 31:

	<u>2021</u>	<u>2020</u>
Land	\$ 39,918	\$ 39,918
Building and improvements	1,446,422	1,446,422
Rental real estate	680,168	680,168
Equipment and vehicle	<u>802,282</u>	<u>647,363</u>
	2,968,790	2,813,871
Less: accumulated depreciation	<u>(2,399,547)</u>	<u>(2,313,950)</u>
	<u>\$ 569,243</u>	<u>\$ 499,920</u>

Depreciation expense was \$104,831 and \$100,976 for the years ended December 31, 2021 and 2020, respectively.

NOTE 5 – LINE OF CREDIT

The Organization established a new \$200,000 line of credit with Old National Bank on May 8, 2015 and renewed on November 8, 2021 with a variable interest rate of prime plus 1.0% (4.25% at December 31, 2021). There was no outstanding balance as of December 31, 2021 or 2020. The line expires on November 8, 2022.

NOTE 6 – LONG TERM DEBT

As of December 31, the Organization’s long-term debt consisted of the following:

	<u>2021</u>	<u>2020</u>
Mortgage note payable to Owen Bank, payable in monthly installments of \$167, including interest at 6.75%, maturing June 11, 2028, secured by property in Spencer, Indiana.	<u>\$ -</u>	<u>\$ 2,652</u>
Sub-total	-	2,652
Less: current portion	<u>-</u>	<u>(1,901)</u>
Long-term debt (net of current portion)	<u>\$ -</u>	<u>\$ 751</u>

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 6 – LONG TERM DEBT – (continued)

Interest expense amounted to \$105 and \$506 for the years ended December 31, 2021 and 2020, respectively.

NOTE 7 – OPERATING LEASES

The Organization has several operating leases for office and program space and office equipment. These space leases generally contain renewal options for one-year periods. Rental expense for office and program space was \$84,662 and \$90,759 for the years ended December 31, 2021 and 2020, respectively. Office equipment leases for copiers and postage machines have lease terms ending through 2025. Rental expense for office equipment was \$23,506 and \$19,076 for the years ended December 31, 2021 and 2020, respectively.

Future minimum lease payments required by all long-term non-cancellable operating leases at December 31, 2021 are as follows:

2022	\$	111,355
2023		82,998
2024		65,026
2025		1,888
2026		-
Thereafter		-
		-
	\$	261,267

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions at December 31, 2021 are available for the following purposes:

	Balance <u>2020</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>2021</u>
Weatherization Program	\$ 3,102	\$ -	\$ -	\$ 3,102
Thriving Connections	5,300	10,230	5,698	9,832
Reading is Fun	274	-	-	274
Clear Result	-	6,535	-	6,535
TSMA - The Martin Fund	22,966	3,773	22,509	4,230
YXG - Youth Extracurricular Grant	1,762	2,119	118	3,763
2021 Donations	293	-	293	-
United Ways Phase 4	2,400	-	2,400	-
Anthem Blue Cross & Blue Shield Foundation Grant	43,000	-	43,000	-
City of Bloomington	95,451	-	95,451	-
Lilly Foundation Grant	51,000	-	51,000	-
	<u>\$ 225,548</u>	<u>\$ 22,657</u>	<u>\$ 220,469</u>	<u>\$ 27,736</u>

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 8 – NET ASSETS WITH DONOR RESTRICTIONS – (continued)

Net assets with donor restrictions at December 31, 2020 are available for the following purposes:

	Balance		Released from	Balance
	<u>2019</u>	<u>Contributions</u>	<u>Restrictions</u>	<u>2020</u>
Weatherization Program	\$ 27,900	\$ 9,350	\$ 34,148	\$ 3,102
Wheels to Work	7,403	-	7,403	-
Thriving Connections	8,414	6,582	9,696	5,300
Reading is Fun	274	-	-	274
Clear Result	14,019	1,380	15,399	-
Vectren Energy Mobile	1,599	-	1,599	-
Old National Bank				
Greenhouse Construction	5,000	-	5,000	-
Glick Foundation				
Greenhouse Construction	25,000	-	25,000	-
Geller Foundation				
Greenhouse Construction	20,000	-	20,000	-
TSMA - The Martin Fund	-	22,966	-	22,966
YXG - Youth Extracurricular				
Grant	-	1,762	-	1,762
2021 Donations	-	293	-	293
United Ways Phase 4	-	2,400	-	2,400
Anthem Blue Cross & Blue				
Shield Foundation Grant	-	43,000	-	43,000
City of Bloomington	-	95,451	-	95,451
Lilly Foundation Grant	-	51,000	-	51,000
	<u>\$ 109,609</u>	<u>\$ 234,184</u>	<u>\$ 118,245</u>	<u>\$ 225,548</u>

NOTE 9 – IN-KIND CONTRIBUTIONS

The Organization has recorded in-kind contributions for professional services on the Statement of Activities as required per the FASB Accounting Standards Codification for *Accounting for Contributions Received and Contributions Made*. This standard requires that only contributions of services received that create or enhance non-financial assets or require specialized skill and would typically need to be purchased if not provided by donation be recorded. The requirements of the FASB standard are different from the in-kind requirements of the Organization's grant funding sources.

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 9 – IN-KIND CONTRIBUTIONS – (continued)

The table below details the in-kind contributions for the year ended December 31:

	<u>2021</u>	<u>2020</u>
Head Start in-kind		
Professional services	\$ 48,410	\$ 62,843
Supplies/food/space in-kind	<u>204,389</u>	<u>143,078</u>
Total in-kind reported in financial statements	252,799	205,921
Head Start volunteer services	<u>293,094</u>	<u>189,586</u>
Total in-kind for all programs	<u><u>\$ 545,893</u></u>	<u><u>\$ 395,507</u></u>

NOTE 10 – EXPENSE ALLOCATION

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Direct and joint costs are allocated to the benefiting programs using cost pools under the following methodology:

1. Costs will be allocated to all programs on an equitable basis regardless of any limits imposed by funding sources.
2. As much as possible, costs will be charged directly to benefiting programs.
3. All remaining shared costs will be allocated on the most meaningful measures. The following basis will be used:
 - a. Facilities and related costs will be allocated based on square footage occupied
 - b. Costs of the Human Resources Department will be allocated based on number of employees
 - c. Fiscal and accounting-related costs will be allocated based on number of transactions.
4. Program-related costs will be allocated based on relevant activity measures, such as number of meals served, number of children or clients.

NOTE 11 – EMPLOYEE BENEFITS

The Organization sponsors a 403(b)-retirement savings plan for the benefit of substantially all of its employees. Participants in the Plan may elect to contribute up to the maximum annual amounts prescribed under the Internal Revenue Code. The Organization contributed \$26,185 and \$17,912 to the Plan in 2021 and 2020, respectively.

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021 AND 2020

NOTE 12 – INFORMATION ABOUT LIQUIDITY

South Central Community Action Program, Inc. has \$1,171,445 and \$870,107 of available financial assets as of December 31, 2021 and 2020, respectively. Certain financial assets are subject to donor or other external contractual restrictions that make them unavailable for general expenditures within one year of the statement of financial position.

The following represents financial assets available for cash needs for general expenditures within one year:

	<u>2021</u>	<u>2020</u>
Cash	\$ 509,671	\$ 395,524
Receivables	687,830	698,451
Mortgage Receivables - current	<u>1,680</u>	<u>1,680</u>
Total financial assets	1,199,181	1,095,655
Donor restrictions	<u>(27,736)</u>	<u>(225,548)</u>
Financial assets available for cash needs for general expenditures within one year	<u><u>\$ 1,171,445</u></u>	<u><u>\$ 870,107</u></u>

SINGLE AUDIT SECTION

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Identifying Number</u>	<u>Grant Award (in dollars \$)</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture				
Passed through the Indiana State Department of Education:				
Child and Adult Care Food Program - 2020	10.558	1530134	n/a	\$ 153,662
Child and Adult Care Food Program - 2021	10.558	1530134	n/a	66,086
Child and Adult Care Food Program - CARES	10.558	1530134	n/a	28,538
				<u>248,286</u>
U.S. Department of Housing and Urban Development				
Passed through the Indiana Housing & Community Development Authority:				
Section 8 Housing Choice Vouchers	14.871	None	n/a	2,989,907
				<u>2,989,907</u>
U.S. Department of Energy				
Passed through the Indiana Housing & Community Development Authority:				
Weatherization -DOE 20/21	81.042	WX-020-021	318,601	116,674
Weatherization -DOE 21/22	81.042	WX-021-021	288,863	149,483
				<u>266,157</u>
U.S. Department of Health and Human Services				
Direct Program:				
Head Start/ Early Head Start	93.600	05CH011004-03	3,423,200	3,069,357
Head Start/ Early Head Start	93.600	05CH011004-04	1,948,725	215,363
Head Start/ Early Head Start CARES ACT	93.600	05CH011004-02-02	284,734	166,090
Head Start American Rescue Plan	93.600	05HE00020701C6	485,180	56,925
				<u>3,507,735</u>
Passed through the Indiana State Department of Education:				
Child Care and Development Block Grant CRRSA	93.575	n/a	n/a	15,800
Passed through the Indiana Housing & Community Development Authority:				
Low-Income Home Energy Assistance	93.568	LI-021-021	2,796,663	1,299,588
Low-Income Home Energy Assistance	93.568	LI-022-021	2,547,339	60,116
Low-Income Home Energy American Rescue Plan Act	93.568	LI-ARPA-021-021	4,494,931	1,165,314
Low-Income Home Energy Assistance CARES ACT	93.568	LI-CV-020-021	731,854	482,249
Low-Income Home Energy Assistance	93.568	WL-021-021	287,946	205,358
Low-Income Home Energy Assistance ARPA	93.568	ARPA-WA-021-021	453,590	96,954
Community Services Block Grant CARES Act	93.569	CS-CV-020-021	583,796	80,836
Community Services Block Grant	93.569	CS-020-021	445,338	14,300
Community Services Block Grant	93.569	CS-021-021	429,628	388,086
				<u>3,792,801</u>
Total Expenditures of Federal Awards				<u>\$ 10,820,686</u>

See Notes to Schedule of Expenditures of Federal Awards

**SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

Note 1 – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of South Central Community Action Program, Inc. and is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 – Energy Assistance Payments

Energy Assistance Payments expenditures under CFDA Number 93.568 include \$2,504,156 of energy assistance payments that were disbursed by the Indiana Housing and Community Development Authority on behalf of the Organization during the year ended December 31, 2021.

Note 4 – Indirect Cost Rate

South Central Community Action Program, Inc. has elected not to use the 10% de minimis cost rate allowed under Uniform Guidance.

**SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF EXPENDITURES OF STATE AND LOCAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2021**

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Grant or Identifying Number</u>	<u>Grant Award (in dollars \$)</u>	<u>State and Local Expenditures</u>
Passed through the Indiana Housing & Community Development Authority: State LIHEAP 2020-2021	WS-020-021	8,182	\$ 8,182
Passed through the City of Bloomington			
City of Bloomington Weatherization Grant	COB21	100,000	59,443
City of Bloomington Digital Equity Grant	DIGEQ	9,300	4,256
Jack Hopkins Social Service	JH21	2,944	2,905
			<u>66,604</u>
Total Expenditures of State and Local Awards			<u><u>\$ 74,786</u></u>

SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2021

Section II – Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2020.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended December 31, 2020.



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

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

To the Board of Directors
South Central Community Action Program, Inc.
Bloomington, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the South Central Community Action Program, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements activities and changes in net assets, and cash flows for the year then ended, and the related notes to the financial statements and have issued our report thereon June 10, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered South Central Community Action Program, 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 the South Central Community Action Program, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control.

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether South Central Community Action Program, Inc.'s financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.
Indianapolis, Indiana
June 10, 2022



INDUSTRY ESTABLISHED | FOCUSED ON QUALITY

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

To the Board of Directors
South Central Community Action Program, Inc.
Bloomington, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited South Central Community Action Program, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of South Central Community Action Program, Inc.'s major federal programs for the year ended December 31, 2021. South Central Community Action Program, 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, South Central Community Action Program, 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 December 31, 2021.

We have audited South Central Community Action Program, 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 South Central Community Action Program, Inc.'s major federal programs for the year ended December 31, 2021. South Central Community Action Program, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Basis for Opinion on Each Major Federal Program

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

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

Comer, Nowling And Associates, P.C.

Comer, Nowling And Associates, P.C.

Indianapolis, Indiana

June 10, 2022

**SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes No

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiencies identified? Yes No

Type of auditor’s report issued: Unmodified

Any audit findings disclosed required to be reported in
Accordance with 2 CFR section 200.516(a) Yes No

Program tested as major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
81.042	U.S. Dept. of Energy – Weatherization Assistance for Low-Income Persons
93.568	U.S. Dept. of Health and Human Services – Low-Income Home Energy Assistance

Dollar threshold used to distinguish between type A and type B programs \$750,000

Auditee qualified as low-risk auditee? Yes No

**SOUTH CENTRAL COMMUNITY ACTION PROGRAM, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021**

Section II – Financial Statement Findings

There were no financial statement findings for the year ended December 31, 2021.

Section III – Federal Award Findings and Questioned Costs

There were no federal award findings for the year ended December 31, 2021.