

Community Action Program, Inc. of Western Indiana

**Financial Statements with Supplementary Information
December 31, 2024 and 2023, with
Independent Auditors' Report**

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA
December 31, 2024 and 2023

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Independent Auditors' Report

Board of Directors
Community Action Program, Inc. of
Western Indiana
Covington, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Community Action program, Inc. of Western Indiana (CAPWI), which comprise the statements of financial position as of December 31, 2024 and 2023, 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 CAPWI as of December 31, 2024 and 2023, 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of CAPWI and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Restatement of Prior Year Financial Statements

As discussed in Note 11 to the financial statements, an error relating to not recording an assigned note payable as of December 31, 2023 was discovered by management during the current year. Accordingly, amounts reported for notes payable have been restated in the 2023 financial statements now presented, and an adjustment has been made to net assets as of January 1, 2023, to correct the error. Our opinion is not modified with respect to that matter.

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 CAPWI's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Independent Auditors' Report
(Continued)**

Auditors' 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 CAPWI'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 CAPWI'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.

**Independent Auditors' Report
(Continued)**

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2025, on our consideration of CAPWI'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 CAPWI'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 CAPWI's internal control over financial reporting and compliance.

Barnes, Dennig & Co., Ltd.

September 26, 2025
Indianapolis, Indiana

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Statements of Financial Position
December 31, 2024 and 2023**

	2024	2023
		Restated, Note 11
Assets		
Cash	\$ 365,011	\$ 242,318
Grants receivable	529,572	443,387
Prepaid expenses	53,177	40,490
Investments	599,454	573,408
Loans receivable, net	88,036	89,315
Property and equipment, net	6,706,623	7,093,989
Total assets	\$ 8,341,873	\$ 8,482,907
 Liabilities and Net Assets		
Liabilities		
Accounts payable	\$ 98,766	\$ 100,766
Security deposits	46,990	44,240
Accrued expenses	335,814	281,328
Notes payable	2,443,156	2,588,641
Total liabilities	2,924,726	3,014,975
 Net assets without donor restrictions	 5,417,147	 5,467,932
Total liabilities and net assets	\$ 8,341,873	\$ 8,482,907

See accompanying notes to financial statements

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Statements of Activities
Years Ended December 31, 2024 and 2023**

	2024	2023
Revenues		
Grants	\$ 8,687,722	\$ 8,528,513
Rental income, including Section 8	1,500,708	1,318,482
Other	425,487	353,803
Contributed nonfinancial assets	226,382	132,928
Contributions	271,060	288,072
Gain on sales	172,015	339,094
Management fee revenue	160,650	170,320
Total revenues	11,444,024	11,131,212
Expenses		
Program:		
Child education	4,741,061	4,571,300
Community service	3,052,705	3,221,117
Housing	1,752,993	1,557,616
CAPWI properties	1,618,090	1,771,579
Total program	11,164,849	11,121,612
General and administrative	329,960	325,760
Total expenses	11,494,809	11,447,372
Change in net assets	(50,785)	(316,160)
Net assets without donor restrictions - beginning of year as originally reported	5,467,932	5,942,712
Adjustment applicable to prior periods	-	(158,620)
Net assets without donor restrictions - end of year	\$ 5,417,147	\$ 5,467,932

See accompanying notes to financial statements

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Statement of Functional Expenses
Year Ended December 31, 2024**

	Child Education	Community Services	Housing	CAPWI Properties	Program Total	General and Administrative	Total
Personnel	\$ 3,353,007	\$ 901,245	\$ 501,714	\$ 223,958	\$ 4,979,924	\$ 254,193	\$ 5,234,117
Program services	-	1,673,620	3,500	-	1,677,120	-	1,677,120
Occupancy	277,511	115,880	461,917	534,326	1,389,634	17,907	1,407,541
Supplies general	284,492	180,756	29,101	182,287	676,636	8,182	684,818
Contracted services	31,885	49,077	610,128	33,540	724,630	675	725,305
Depreciation	84,252	31,758	50,482	396,759	563,251	23,656	586,907
Supplies program	261,418	2,754	7,276	64,849	336,297	-	336,297
Contributed nonfinancial assets	196,245	4,565	-	-	200,810	-	200,810
Insurance	29,412	5,380	22,784	75,727	133,303	2,130	135,433
Travel	62,031	18,965	14,730	2,119	97,845	4,245	102,090
Transportation	37,569	33,581	3,427	12,088	86,665	-	86,665
Interest	-	-	-	56,774	56,774	-	56,774
Office expense	12,472	5,208	20,759	24,013	62,452	805	63,257
Telephone	21,908	20,860	5,164	6,536	54,468	1,803	56,271
Professional fees	46,672	7,559	8,516	5,074	67,821	6,748	74,569
Training	42,187	1,497	13,495	40	57,219	9,616	66,835
	<u>\$ 4,741,061</u>	<u>\$ 3,052,705</u>	<u>\$ 1,752,993</u>	<u>\$ 1,618,090</u>	<u>\$ 11,164,849</u>	<u>\$ 329,960</u>	<u>\$ 11,494,809</u>

See accompanying notes to financial statements

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Statement of Functional Expenses
Year Ended December 31, 2023**

	Child Education	Community Services	Housing	CAPWI Properties	Program Total	General and Administrative	Total
Personnel	\$ 3,202,546	\$ 848,852	\$ 618,939	\$ 189,184	\$ 4,859,521	\$ 254,951	\$ 5,114,472
Program services	-	1,877,446	4,950	-	1,882,396	-	1,882,396
Occupancy	421,148	98,852	235,979	622,288	1,378,267	19,917	1,398,184
Supplies general	277,312	204,870	24,357	197,014	703,553	4,391	707,944
Contracted services	34,283	61,523	505,490	47,352	648,648	2,586	651,234
Depreciation	97,245	25,361	38,280	402,405	563,291	23,656	586,947
Supplies program	166,464	5,255	41,127	81,058	293,904	-	293,904
Contributed nonfinancial assets	131,543	1,385	-	-	132,928	-	132,928
Insurance	28,185	3,661	16,731	80,608	129,185	1,892	131,077
Travel	61,285	17,255	28,016	1,527	108,083	2,386	110,469
Interest	-	-	-	83,986	83,986	-	83,986
Transportation	37,883	45,713	9,734	9,778	103,108	-	103,108
Telephone	30,134	18,452	6,274	10,268	65,128	2,195	67,323
Office expense	24,448	5,738	13,699	36,124	80,009	1,157	81,166
Professional fees	37,191	5,907	5,627	9,883	58,608	5,731	64,339
Training	21,633	847	8,413	104	30,997	6,898	37,895
	<u>\$ 4,571,300</u>	<u>\$ 3,221,117</u>	<u>\$ 1,557,616</u>	<u>\$ 1,771,579</u>	<u>\$ 11,121,612</u>	<u>\$ 325,760</u>	<u>\$ 11,447,372</u>

See accompanying notes to financial statements

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Statements of Cash Flows
Years Ended December 31, 2023 and 2023**

	2024	2023
Cash flows from operating activities		
Change in net assets	\$ (50,785)	\$ (316,160)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	586,907	586,947
Net realized and unrealized (gains) losses on investments	73,954	(42,507)
Gain on disposal of property and equipment	(172,015)	(339,094)
Noncash donation of property and equipment	(67,070)	-
Allowance for bad debts	(12,165)	(6,116)
Changes to:		
Grants receivable	(86,185)	75,977
Security deposits	2,750	(2,988)
Prepaid expenses	(12,687)	(200)
Accounts payable	(2,000)	12,059
Accrued expenses	54,486	(56,726)
	<u>315,190</u>	<u>(88,808)</u>
Net cash provided by (used in) operating activities		
Cash flows from investing activities		
Purchases of investments	(100,000)	(100,000)
Principal payments on loans receivable	13,444	13,444
Proceeds from disposal of property and equipment	194,150	465,998
Purchase of property and equipment	(154,606)	(270,656)
	<u>(47,012)</u>	<u>108,786</u>
Net cash provided by (used in) investing activities		
Cash flows from financing activities		
Principal payments on notes payable	(145,485)	(119,352)
	<u>(145,485)</u>	<u>(119,352)</u>
Net change in cash	122,693	(99,374)
Cash - beginning of year	<u>242,318</u>	<u>341,692</u>
Cash - end of year	<u>\$ 365,011</u>	<u>\$ 242,318</u>
Supplemental disclosures		
Interest paid	\$ 56,774	\$ 83,986

See accompanying notes to financial statements

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

Notes to Financial Statements

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Community Action Program, Inc. of Western Indiana (CAPWI) was established in February 1966 to develop and provide resources for the purpose of assisting low-income individuals through a variety of programs in Benton, Fountain, Montgomery, Parke, Vermillion, Tippecanoe, Boone, White, Carroll, and Warren counties in Indiana.

During 2024 and 2023, CAPWI was actively involved in:

- Child education
- Community services
- Housing and property development

CAPWI receives funding from many organizations, but its primary sources of revenue are state and federal government grants.

Financial Statement Presentation

These financial statements are prepared using the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP). CAPWI is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, which are available for use in general operations and not subject to donor restrictions; and net assets with donor restrictions, which are either temporary in nature, such as those that will be met by the passage of time or other events specified by the donor, or are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. CAPWI has no net assets with donor restrictions for which the donor stipulated that the contribution be maintained in perpetuity.

Fair Value Measurements

Investments are reported at fair value in accordance with current accounting and reporting standards. These standards established a three-level hierarchy for fair value measurements: Level 1 – inputs are unadjusted quoted prices for identical assets in active markets; Level 2 – inputs are observable quoted prices for similar assets in active markets; Level 3 – inputs are unobservable and reflect management's best estimates of what market participants would use as fair value. Because Level 3 investments are not readily marketable, the estimated fair value is subject to additional uncertainty and the fair value realized upon disposition may vary significantly from the currently reported fair values.

Cash

CAPWI maintains its cash in deposit accounts that, at times, may exceed federally insured limits. CAPWI has not experienced any losses in its accounts and management believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments and Investment Return

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Other investments are valued at the lower of cost or fair value. Investment return includes dividends, interest and realized and unrealized gains and losses on investments, net of investment expenses.

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments and Investment Return (Continued)

Investment return that is initially restricted by donor stipulation and for which the restriction will be satisfied in the same year is included in net assets without donor restrictions. Other investment return is reflected in the statements of activities as with donor restrictions or without donor restrictions based on the existence and nature of any donor or legally imposed restrictions.

Loans Receivable

Loans receivable are stated at the amount of the unpaid principal balance, reduced by an allowance for possible loan losses. The allowance for loan losses is increased by charges to income and decreased by charge-offs (net of recoveries). The allowance is determined based on known and inherent risks, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, estimated forgiveness rates, and current economic conditions.

Property and Equipment

Property and equipment used in operations is recorded at cost if the value exceeds \$5,000. Constructed assets are transferred from construction in progress when the units are placed in service. Depreciation is recognized over the estimated useful life of 3 to 30 years using the straight-line method.

CAPWI reviews its property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value of such property may not be recoverable. If the property is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount of the property exceeds the fair value of such property. There were no impairment losses recognized in 2024 or 2023.

Support and Contributions

CAPWI records gifts of cash and other assets at their fair value as of the date of contribution. Such donations are recorded as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. A gift that is originally restricted by the donor and for which the restriction is met in the same year that the gift is received is recorded as revenue without donor restrictions and net assets without donor restrictions.

Unconditional promises to give expected to be collected within one year are reported at their net realizable value. Unconditional gifts expected to be collected in future years are reported at the present value of estimated cash flows. The resulting discount is amortized and reported as contribution revenue.

Conditional promises to give are recognized as revenues when the conditions on which they depend are substantially met. CAPWI has numerous grants for which the grantor agencies' promises to give are conditioned upon CAPWI incurring certain qualifying expenses under the grant programs. At December 31, 2024 and 2023, CAPWI had remaining available award balances on conditional grants of \$2,006,429 and \$1,795,230, respectively. These award balances are not recognized as assets and will be recognized as revenue without donor restrictions as the conditions are met.

Management does not believe that a reserve for doubtful accounts is necessary.

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

Notes to Financial Statements (Continued)

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Fees and Grants

Federal and state grant awards are recognized as revenue without donor restrictions subject to compliance with grant restrictions. Unexpended funds are reported as revenue with donor restrictions. Grant activities and outlays are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

Revenue Recognition

The majority of CAPWI'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 deferred revenue. Deposits received from customers prior to the date of the performance of services are recorded as liabilities.

Fees for rent and other contract revenues are recognized at a point in time. Rents are due at the beginning of the month and are considered earned by month's end. All leases between CAPWI and the tenants are operating leases.

Functional Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Expenses have been classified based upon the actual direct expenditures and cost allocations. The most significant allocations are salaries and related expenses, which were allocated based upon estimates of time spent by CAPWI personnel, and occupancy and depreciation, which were allocated based on use of resources.

Income Taxes

CAPWI has been granted an exemption from income taxes as a not-for-profit organization under Section 501(c)(3) of the Internal Revenue Code and a similar provision of Indiana law. Management believes that CAPWI has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Notes to Financial Statements
(Continued)**

NOTE 1 NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

Subsequent Events

Management has evaluated subsequent events for disclosure through September 26, 2025, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

NOTE 2 LIQUIDITY AND AVAILABILITY

CAPWI's total financial assets are as follows as of December 31:

	2024	2023
Cash	\$ 365,011	\$ 242,318
Grants receivable	529,572	443,387
Investments	599,454	573,408
Loans receivable, net	88,036	89,315
Total financial assets available	1,582,073	1,348,428
Less:		
Long term loans receivable	(88,036)	(89,315)
Net financial assets available	\$ 1,494,037	\$ 1,259,113

CAPWI has a goal to maintain financial assets which consist of cash and long-term investments on hand to meet normal operating expenses. CAPWI has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 3 INVESTMENTS

Investments at December 31 consisted of the following:

	2024	2023
Level 1:		
Equities	147,011	124,420
Cash and money market	5,929	7,193
Fixed income mutual funds	446,514	441,795
	\$ 599,454	\$ 573,408

Fair values of the mutual funds are estimated using quoted prices in active markets. There were no valuations using level 2 or 3 inputs.

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Notes to Financial Statements
(Continued)**

NOTE 4 LOANS RECEIVABLE

CAPWI operates a Rural Business Enterprise program that provides loans to low-income business owners. The loans are at 0% through 10% interest and are repayable on an installment basis over various loan maturities. Repaid loans and interest are used by CAPWI for similar purposes. As of December 31, 2024 and 2023, \$72,957 and \$73,252 was recorded in deferred loans receivable (revolving funds), respectively. When reduced by an allowance of \$36,552 and \$36,552 net revolving loans totaled \$36,405 and \$36,700 as of December 31, 2024 and 2023, respectively. Interest payments are recorded as revenue when received.

CAPWI also holds \$257,510 and \$258,495 in other mortgages and notes receivable related to community development and housing activities. When reduced by an allowance of \$205,879 and \$205,880, net loans receivable totaled \$51,631 and \$52,615 at December 31, 2024 and 2023, respectively.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
Land	\$ 259,410	\$ 268,210
Building	14,854,183	14,844,782
Equipment	1,388,178	1,394,245
Less accumulated depreciation	<u>(9,795,148)</u>	<u>(9,413,248)</u>
	<u>\$ 6,706,623</u>	<u>\$ 7,093,989</u>

Two vehicles with a net book value of \$60,770 and \$17,130 as of December 31, 2024 and 2023 were subject to a lien by the Indiana Department of Transportation. The liens for each vehicle will be released 4 years after delivery. One vehicle's lien was released in 2024 and the other vehicle is expected to be released in 2028.

The following is a summary of property held for lease as of December 31:

	<u>2024</u>	<u>2023</u>
Land	\$ 259,410	\$ 268,210
Building	12,938,833	12,929,432
Less accumulated depreciation	<u>(7,704,057)</u>	<u>(7,386,210)</u>
	<u>\$ 5,494,186</u>	<u>\$ 5,811,432</u>

Depreciation on the property held for lease during 2024 and 2023 was \$424,047 and \$427,542, respectively.

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Notes to Financial Statements
(Continued)**

NOTE 6 NOTES PAYABLE

As of December 31, notes payable consisted of the following:

	2024	2023
		Restated, Note 11
<p>Promissory note from Indiana Housing and Community Development Corp. (IHCDA) in the original amount of \$165,000. Principal and interest is payable in annual payments over a 15 year period limited to 59% of available cash flow up to a maximum of \$11,040 per year. The note interest rate is one quarter of one percent per annum. The original loan maturity date was December 10, 2024, but IHCDA extended this to January 1, 2026. The note is secured by rental property.</p>	\$ 37,428	\$ 37,428
<p>Promissory note from Farmers and Merchants Bank to refinance six loans in the original amount of \$155,000 with interest rate of 4.5% adjustable after the 10th payment. Monthly payments are \$1,606 with the outstanding balance due March 2029. The note is secured by rental property.</p>	74,437	89,985
<p>Promissory note from Farmers and Merchants Bank in the original amount of \$120,000 with interest rate of 5.25%, adjustable every 5 years. Monthly payments are \$809 with the outstanding balance due December 15, 2042. The note is secured by real estate.</p>	112,812	116,505
<p>Promissory note from Farmers and Merchants Bank to refinance five loans in the original amount of \$371,719 with interest of 4.5% adjustable every 10 years. Monthly payments are \$2,844 with the outstanding balance due August 2029. The note is secured by rental property.</p>	266,983	288,580
<p>Note with Farmers and Merchants bank in the amount of \$126,618 with interest at the rate of 3.5% and monthly payments of \$734 with the outstanding balance due July 30, 2041. The note is secured by rental property.</p>	110,745	115,588
<p>Promissory note with Farmers and Merchants Bank in the amount of \$136,329 with interest at the rate of 3.5% and monthly payments of \$1,348 with the outstanding balance due July 30, 2031. The note is secured by real estate.</p>	94,998	107,610
<p>Promissory note with Farmers and Merchants Bank in the amount of \$107,279 with interest rate of 3.5%. Monthly payments are \$622, with the outstanding balance due July 2041. The note is secured by rental property.</p>	93,830	97,934
<p>Promissory note from Farmers and Merchants Bank in the original amount of \$126,170 with interest at the rate of 4.07%. Monthly payments are \$769, with the outstanding balance due October 2041 and is secured by real estate.</p>	112,159	116,724

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Notes to Financial Statements
(Continued)**

NOTE 6 NOTES PAYABLE (CONTINUED)

	<u>2024</u>	<u>2023</u>
		Restated, Note 11
Promissory note from the U.S. Department of Agriculture in the original amount of \$282,000 with interest at the rate of 4.25%. Monthly payments are \$1,224, with the outstanding balance due September 2043. The note is secured by real estate.	188,899	195,408
Promissory note from IHEDA in the original amount of \$179,500 with interest at the rate of 1%. Semi-annual payments of \$3,470 began in 2010. Outstanding balance is due June 30, 2025. The note is secured by rental property. The loan was fully repaid in 2025.	96,288	102,221
Promissory note with Farmers and Merchants Bank in the amount of \$92,946 with interest rate of 3.5%. Monthly payments are \$539, with outstanding balance due July 2041. The note is secured by rental property.	81,294	84,849
Promissory note from Fountain Trust Company in the original amount of \$100,000, with interest rate 4.25% adjustable August 2027 and annually thereafter, and monthly payments of \$619 with the outstanding balance due July 2042. The note is secured by rental property.	91,331	94,729
Promissory note from IHEDA in the original amount of \$240,000 with interest at the rate of 1%. Monthly payments are \$773 with the outstanding balance due June 2025. The note is secured by rental property. The loan was fully repaid in 2025.	128,961	146,176
Promissory note with Farmers and Merchants Bank in the amount of \$80,489 with interest rate of 3.5%. Monthly payments are \$467, with the outstanding balance due July 2041. The note is secured by rental property.	70,399	73,478
Promissory note with Farmers and Merchants Bank in the amount of \$63,485 with interest rate of 3.5%. Monthly payments are \$368, with the outstanding balance due July 2041. The note is secured by rental property.	55,526	57,955
Promissory note with Farmers and Merchants Bank in the amount of \$442,634 with interest rate of 3.5%. Monthly payments are \$2,567, with the outstanding balance due July 2041. The note is secured by real estate.	387,144	410,251
Promissory note from Farmers and Merchants Bank in the original amount of \$75,000 with interest of 3.9%. Monthly payments are \$457 with the outstanding balance due January 2037. The note is secured by rental property.	52,157	55,422

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Notes to Financial Statements
(Continued)**

NOTE 6 NOTES PAYABLE (CONTINUED)

	2024	2023
		Restated, Note 11
Promissory note from The Farmers and Merchants Bank in the original amount of \$100,000 with interest of 4.6% adjustable every 5 years. Monthly payments are \$638 with the outstanding balance due April 16, 2038. The note is secured by rental property.	77,325	80,718
Promissory note with Farmers and Merchants Bank in the amount of \$96,265 with interest rate of 3.5%. Monthly payments are \$558, with the outstanding balance due July 2041. The note is secured by rental property.	84,197	87,879
Promissory note with Farmers and Merchants Bank in the amount of \$77,316 with interest rate of 3.5%. Monthly payments are \$448, with the outstanding balance due July 2041. The note is secured by rental property.	67,623	70,581
Promissory note from IHEDA in the original amount of \$158,620 with interest at the rate of 0%. Loan was assigned to CAPWI in 2017. Outstanding balance is due August 15, 2025. The note is secured by rental property. The loan was fully repaid in 2025.	158,620	158,620
	\$ 2,443,156	\$ 2,588,641

Aggregate annual maturities on the notes payable are as follows:

Year ending December 31,	
2025	\$ 517,074
2026	137,705
2027	158,566
2028	137,328
2029	271,667
Thereafter	1,220,816
	\$ 2,443,156

NOTE 7 LINE OF CREDIT

During 2022, CAPWI obtained a line of credit up to \$250,000 with the Fountain Trust Company for a housing project. The line bore interest at the prime rate (7.50% at December 31, 2022) and matured July 1, 2023. No draws were made on the line of credit. The line of credit was renewed in 2023 but expired in 2024 and was not renewed.

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

Notes to Financial Statements (Continued)

NOTE 8 CONTRIBUTED NONFINANCIAL ASSETS

CAPWI receives contributions of non-financial assets from various donors. It is the policy of CAPWI to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase revenue and support by the same amount.

CAPWI has recorded contributions for professional services on the statement of activities. CAPWI is required by GAAP to only report contributions of services received that create or enhance a nonfinancial asset or require specialized skills by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. These requirements are different than the requirements of CAPWI's grant funding sources.

Donations of property and equipment or supplies are recorded based on fair values of similar products and do not have donor restrictions. All contributed nonfinancial assets for services are recorded based on fair market value of services and do not have donor restrictions.

For the years ended December 31, 2024 and 2023, respectively, contributed nonfinancial assets amounted to \$226,382 and \$132,928 of services, rent, and equipment, which is included on the statement of activities. During the year ended December 31, 2024 and 2023, respectively, CAPWI also received contributed services of \$744,971 and \$678,142 related to its Head Start program which includes services from non-professional volunteers and are not recorded in the statement of activities.

NOTE 9 EMPLOYEE RETIREMENT PLAN

CAPWI offers a 401(k) retirement plan. An employee must be 21 years of age and have completed one-year of employment to be eligible. CAPWI's Board of Directors determines the amount of matching contributions (if any) that will be made each year not to exceed \$1,500 per plan participant per plan year. Matching contributions made by CAPWI totaled \$64,716 and \$62,397 for the years ended December 31, 2024 and 2023, respectively.

NOTE 10 CONTINGENCIES

During the normal course of business, CAPWI is involved in various claims and lawsuits. In the opinion of management, there are no pending legal actions for which the ultimate liability, net of insurance, will have a material effect on the net assets of CAPWI.

NOTE 11 PRIOR PERIOD ADJUSTMENT

During 2024 management identified an error related to a loan that was assigned to CAPWI in 2017 but was not recorded in the financial statement at that time. The omission resulted in an understatement of notes payable in prior financial statements. To correct this error, the prior year financial statements were adjusted, resulting in an increase in notes payable and a decrease in net assets without donor restrictions of \$158,620.

SUPPLEMENTARY INFORMATION

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Agriculture:			
Indiana State Dept. of Health			
Special Supplemental Nutrition Program for WIC	10.557	76439	\$ 360,849
Special Supplemental Nutrition Program for WIC	10.557	88387	<u>131,228</u>
Total Special Supplemental Nutrition Program for WIC			<u>492,077</u>
Child and Adult Care Food Program	10.558	1230043	<u>194,371</u>
Total Child and Adult Care Food Program			<u>194,371</u>
Direct Program			
Community Facilities Program	10.766	15-23-356062298	<u>195,408</u>
Total U.S. Department of Agriculture			<u>881,856</u>
U.S. Department of Housing and Urban Development:			
Indiana Housing and Community Development Authority			
Section 8 Housing Choice Vouchers	14.871	HCV-2024-06	<u>672,247</u>
Total U.S. Department of Housing and Urban Development			<u>672,247</u>
U.S. Department of Energy:			
Indiana Housing and Community Development Authority			
Weatherization Assistance for Low-Income Persons	81.042	WX-023-009	353,939
Weatherization Assistance for Low-Income Persons	81.042	WX-024-009	36,048
Weatherization Assistance for Low-Income Persons	81.042	BIL-WX-022-009	<u>183,800</u>
Total Weatherization Assistance for Low-Income Persons			<u>573,787</u>
Total U.S. Department of Energy			<u>573,787</u>

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Schedule of Expenditures of Federal Awards
Year Ended December 31, 2024
(Continued)**

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal Assistance Listing Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Health and Human Services:			
Area IV			
Special Programs for the Aging Title III	93.044	AAA-4-105:24	<u>25,406</u>
Indiana Housing and Community Development Authority			
Low-Income Home Energy Assistance	93.568	LI-024-009	176,850
Low-Income Home Energy Assistance	93.568	LI-025-009	60,759
Low-Income Home Energy Assistance	93.568	Passthrough	1,664,797
Low-Income Home Energy Assistance	93.568	LI-ES-023-009	72,583
Low-Income Home Energy Assistance	93.568	WL-024-009	249,833
Low-Income Home Energy Assistance	93.568	ES-WL-023-009	<u>27,993</u>
Total Low-Income Home Energy Assistance			<u>2,252,815</u>
Indiana Housing and Community Development Authority			
Community Services Block Grant	93.569	CS-023-009	32,099
Community Services Block Grant	93.569	CS-024-009	274,830
Community Services Block Grant	93.569	CS-023-009-D	<u>9,500</u>
Total Community Services Block Grant			<u>316,429</u>
Direct Funded			
Head Start Cluster			
Head Start	93.600	05CH010793-05-00	265,529
Head Start	93.600	05CH012490	<u>3,439,838</u>
Total Head Start			<u>3,705,367</u>
Total Head Start Cluster			<u>3,705,367</u>
Total U.S. Department of Health and Human Services			<u>6,300,017</u>
Department of Transportation			
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	N/A	<u>53,734</u>
Total Department of Transportation			<u>53,734</u>
Department of the Treasury			
Emergency Rental Assistance Program	21.023	ERA-2022-007	<u>136,000</u>
Total Department of the Treasury			<u>136,000</u>
Department of Homeland Security			
Emergency Food and Shelter National Board Program	97.024	EFS 22-005 Phase 39	13,190
Emergency Food and Shelter National Board Program	97.024	EFS Cares 22-044	35,781
Emergency Food and Shelter National Board Program	97.024	2628-00 Phase 40	3,500
Emergency Food and Shelter National Board Program	97.024	2670-00 Phase 40	3,500
Emergency Food and Shelter National Board Program	97.024	2742-00 Phase 40	6,039
Emergency Food and Shelter National Board Program	97.024	2756-00 Phase 40	3,668
Emergency Food and Shelter National Board Program	97.024	2812-00 Phase 40	3,500
Emergency Food and Shelter National Board Program	97.024	2742-00 Phase 41	<u>11,705</u>
Total Department of Homeland Security			<u>80,883</u>
Total Expenditure of Federal Awards			<u>\$ 8,698,524</u>

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

Notes to the Schedule of Expenditures of Federal Awards Year Ended December 31, 2024

The following describes the significant accounting policies used in the preparation of the schedule of expenditures of federal awards:

Basis of Presentation – The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of Community Action Program, Inc. of Western Indiana (CAPWI) under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of the *Uniform Guidance*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Because the schedule presents only a selected portion of the operations of CAPWI, it is not intended to and does not present the financial position, changes in net assets or cash flows of CAPWI.

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. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

Energy Assistance Payments – Energy Assistance Payments expenditures under assistance listing number 93.568 include \$1,664,797 of energy assistance payments that were disbursed by the Indiana Housing and Community Development Authority on behalf of CAPWI during the year ended December 31, 2024.

USDA Community Facilities Loan – CAPWI obtained a USDA Communities Facilities Loan in September 2003 in the amount of \$282,000. The loan bears an interest rate of 4.25% per annum and requires monthly payments of \$1,224. The loan matures in September 2043.

Indirect Cost Rate – CAPWI has elected not to use the 10% de minimis cost rate allowed under Uniform Guidance.

Subrecipients – CAPWI provided no federal awards to subrecipients.

**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
Community Action Program, Inc. of
Western Indiana
Covington, 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 Community Action Program, Inc. of Western Indiana (CAPWI), which comprise the statement of financial position as December 31, 2024, 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 September 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered CAPWI's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of CAPWI's internal control. Accordingly, we do not express an opinion on the effectiveness of CAPWI'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 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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-01 and 2024-02 that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-03 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether CAPWI'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 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*.

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

CAPWI's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on CAPWI's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. CAPWI'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 CAPWI's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CAPWI's internal control and compliance. Accordingly, this communication is not suitable of any other purpose.



September 26, 2025
Indianapolis, Indiana

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

To the Board of Directors
Community Action Program, Inc. of Western Indiana
Covington, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Community Action Program, Inc. of Western Indiana's (CAPWI) 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 CAPWI's major federal programs for the year ended December 31, 2024. CAPWI'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, CAPWI 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, 2024.

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 CAPWI 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 CAPWI'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 CAPWI'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 CAPWI'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 CAPWI's compliance with the requirements of each major federal program as a whole.

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

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 CAPWI'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 CAPWI'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 CAPWI's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control over Compliance

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

Report on Internal Control over Compliance (Continued)

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

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

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



COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2024**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No
- Significant deficiency(ies) identified that is not considered to be a material weakness? X Yes None reported
- Noncompliance material to financial statements noted? Yes x No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes x No
- Significant deficiency(ies) identified that are not considered to be a material weakness? Yes x None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR section 200.516(a)? Yes x No

Identification of major programs

<u>CFDA Number(s)</u>	<u>Name of Federal Program</u>
93.600	Head Start Cluster
93.568	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 x No

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2024
(Continued)**

Section II - Financial Statement Findings

2024-01: Audit Adjustments

Criteria – CAPWI is responsible for establishing and maintaining effective internal control over financial reporting.

Condition and Context – During the course of the audit, we identified misstatements in the financial statements for the year under audit that were not initially identified by CAPWI's internal controls and CAPWI identified an error related to a prior period. Audit adjustments were necessary to correct errors in the financial statements in order for the financial statements to be presented in accordance with GAAP.

Effect – Misstated financial statements

Cause – Incorrect posting of various activity during the year, including asset purchases and disposals, notes payable, and equity including a prior period adjustment

Recommendation – Perform regular review of general ledger activity for proper GAAP recording, including review of equity and fixed asset activity.

Views of responsible officials and planned corrective actions - We will make every effort to properly record activity during the year.

2024-02: Fixed Asset Tracking and Recording

Criteria – CAPWI is responsible for establishing and maintaining effective internal control over their fixed asset schedules.

Condition and Context – During the course of the audit, we identified multiple fixed assets that were not included or properly removed from the internal fixed asset tracking schedules.

Effect – Fixed asset schedules were missing multiple purchases and disposals during the year.

Cause – Fixed assets were not properly recorded for the Federal share for donated assets and some items that were disposed of were not properly removed from the schedule.

Recommendation – Update the fixed asset schedule periodically and verify it matches the working trial balance and that the activity is properly recorded in the general ledger.

Views of responsible officials and planned corrective actions - We will make every effort to account for the purchase and disposal of assets properly and in a timely manner.

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Schedule of Findings and Questioned Costs
Year Ended December 31, 2024
(Continued)**

2024-03: Grant Tracking and SEFA Preparation

Criteria – CAPWI is responsible for establishing and maintaining effective internal control over the grant schedule and preparation of the SEFA.

Condition and Context – During the course of the audit, we identified misstatements to the grant tracking schedule as well as the SEFA that CAPWI's controls did not immediately identify or correct.

Effect – Misstated SEFA and grant tracking sheet did not match the general ledger.

Cause – Grants were not included on the grant schedule or were not properly recorded.

Recommendation – Periodically review the grant tracking schedule to make sure activity in the general ledger is properly identified and recorded on the grant tracking schedule and SEFA and ties back to the general ledger.

Views of responsible officials and planned corrective actions – We will work to make sure the grant schedule and SEFA are properly reconciled and recorded periodically.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable

COMMUNITY ACTION PROGRAM, INC. OF WESTERN INDIANA

**Summary Schedule of Prior Audit Findings
Year Ended December 31, 2024**

Reference Number	Summary of Finding	Status
FS 2023-001	Audit adjustments	Repeat finding in 2024