

**TRI-COUNTY COMMUNITY ACTION
AGENCY, INC.**

FINANCIAL REPORT

June 30, 2025

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Jones, Nale & Mattingly PLC

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tri-County Community Action Agency, Inc.
LaGrange, Kentucky

Opinion

We have audited the accompanying financial statements of Tri-County Community Action Agency, Inc. (a non-profit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, 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 Tri-County Community Action Agency, Inc. as of June 30, 2025 and 2024, 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 Tri-County Community Action Agency, Inc. 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States 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 Tri-County Community Action Agency, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial 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 Tri-County Community Action Agency, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tri-County Community Action Agency, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025 on our consideration of Tri-County Community Action Agency'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 Tri-County Community Action Agency'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 Tri-County Community Action Agency's internal control over financial reporting and compliance.

Jones, Nale & Mattingly PC

Louisville, Kentucky
December 15, 2025

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

STATEMENTS OF FINANCIAL POSITION

June 30, 2025 and 2024

ASSETS	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash	\$ 240,000	\$ 186,986
Certificates of deposit	217,146	415,979
Accounts receivable	16,815	9,101
Grants receivable	187,013	263,577
Prepaid expenses	2,362	751
Total current assets	<u>663,336</u>	<u>876,394</u>
PROPERTY AND EQUIPMENT		
Building	142,315	142,315
Equipment and furniture	90,807	90,807
Vehicles	422,901	422,901
Leasehold improvements	330,719	303,214
	<u>986,742</u>	<u>959,237</u>
Less: accumulated depreciation	<u>(716,217)</u>	<u>(649,649)</u>
	270,525	309,588
Finance lease right-of-use assets, net	14,851	14,569
	<u>285,376</u>	<u>324,157</u>
Total assets	<u><u>\$ 948,712</u></u>	<u><u>\$ 1,200,551</u></u>

The Notes to Financial Statements are an integral part of these statements.

LIABILITIES AND NET ASSETS	<u>2025</u>	<u>2024</u>
CURRENT LIABILITIES		
Current maturities of finance leases	\$ 5,578	\$ 5,799
Accounts payable	1,727	210
Accrued expenses	58,878	85,052
Deferred revenue	754	3,066
Total current liabilities	<u>66,937</u>	<u>94,127</u>
LONG-TERM LIABILITIES		
Finance leases, less current maturities	<u>9,678</u>	<u>9,241</u>
Total long-term liabilities	<u>9,678</u>	<u>9,241</u>
Total liabilities	<u>76,615</u>	<u>103,368</u>
NET ASSETS		
Without donor restrictions	869,682	1,091,693
With donor restrictions	<u>2,415</u>	<u>5,490</u>
Total net assets	<u>872,097</u>	<u>1,097,183</u>
Total liabilities and net assets	<u>\$ 948,712</u>	<u>\$ 1,200,551</u>

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

STATEMENTS OF ACTIVITIES
Years Ended June 30, 2025 and 2024

NET ASSETS WITHOUT DONOR RESTRICTIONS	2025	2024
Support and revenue		
Grant funds	\$ 1,225,095	\$ 1,201,341
Fiscal court	68,600	96,984
Metro United Way	7,500	9,508
Contributions	16,896	4,877
Program fees	173,991	110,514
Rental income	29,250	35,650
Contributed nonfinancial assets	128,044	129,619
Interest income	16,537	27,730
Other income	112	8,644
Total support and revenue	1,666,025	1,624,867
Net assets released from restrictions	3,075	27,061
Expenses		
Program services	1,530,509	1,683,824
Supporting services:		
Administrative	359,680	228,389
Fundraising	922	-
Total expenses	1,891,111	1,912,213
(Decrease) in net assets without donor restrictions	(222,011)	(260,285)
NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	-	30,000
Net assets released from restrictions	(3,075)	(27,061)
Increase (decrease) in net assets with donor restrictions	(3,075)	2,939
(Decrease) in net assets	(225,086)	(257,346)
Net assets at beginning of year	1,097,183	1,354,529
Net assets at end of year	\$ 872,097	\$ 1,097,183

The Notes to Financial Statements are an integral part of these statements.

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2025

	2025			
		Supporting Services		
	Program Services	General and Administrative	Fundraising	Totals
Salaries	\$ 589,442	\$ 85,391	\$ --	\$ 674,833
Client assistance	366,326	--	--	366,326
Rent	127,444	--	--	127,444
Contract labor	8,400	--	--	8,400
Employee benefits	125,748	29,606	--	155,354
Professional fees	68,194	68,037	--	136,231
Depreciation and amortization	--	73,019	--	73,019
Payroll taxes	44,603	9,329	--	53,932
Utilities	43,952	734	--	44,686
Insurance - general	41,601	--	--	41,601
Travel	17,529	4,571	--	22,100
Miscellaneous	1,230	15,819	--	17,049
Supplies	26,290	15,408	922	42,620
Vehicle	31,979	9,439	--	41,418
Training	9,943	2,889	--	12,832
Telephone	17,790	1,006	--	18,796
Advertising	323	85	--	408
Maintenance and repairs	254	1,095	--	1,349
Equipment rent	2,983	3,995	--	6,978
Equipment purchase	--	32,220	--	32,220
Memberships, subscriptions, and fees	6,035	5,630	--	11,665
Interest	--	486	--	486
Postage	443	921	--	1,364
TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSES	\$ 1,530,509	\$ 359,680	\$ 922	\$ 1,891,111

The Notes to Financial Statements are an integral part of this statement.

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2024

	2024		
	Program Services	Supporting Services	Totals
		General and Administrative	
Salaries	\$ 580,812	\$ 84,125	\$ 664,937
Client assistance	385,796	--	385,796
Rent	127,444	--	127,444
Contract labor	18,289	--	18,289
Employee benefits	118,006	43,548	161,554
Professional fees	145,348	--	145,348
Depreciation and amortization	--	75,641	75,641
Payroll taxes	45,006	2,752	47,758
Utilities	42,556	564	43,120
Insurance - general	30,682	--	30,682
Travel	20,610	1,814	22,424
Miscellaneous	12,091	1,485	13,576
Supplies	39,643	2,478	42,121
Vehicle	42,716	388	43,104
Training	6,876	4,772	11,648
Telephone	14,790	792	15,582
Advertising	616	30	646
Maintenance and repairs	9,860	--	9,860
Equipment rent	4,111	1,951	6,062
Equipment purchase	32,385	--	32,385
Memberships, subscriptions, and fees	5,460	7,071	12,531
Interest	514	--	514
Postage	213	978	1,191
TOTAL PROGRAM AND SUPPORTING SERVICES EXPENSES	\$ 1,683,824	\$ 228,389	\$ 1,912,213

The Notes to Financial Statements are an integral part of this statement.

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

STATEMENTS OF CASH FLOWS
Years Ended June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) in net assets	\$ (225,086)	\$ (257,346)
Adjustments to reconcile (decrease) in net assets to net cash (used in) operating activities:		
Depreciation	66,568	69,492
Amortization of finance lease right-of-use asset	6,451	6,149
Changes in assets and liabilities, net of the effects of investing and financing activities:		
Certificates of deposit	(15,494)	(15,979)
Accounts receivable	(7,714)	(5,781)
Grants receivable	76,564	(68,059)
Prepaid expenses	(1,611)	4,020
Accounts payable	1,517	(5,405)
Accrued expenses	(26,174)	6,946
Deferred revenue	(2,312)	(134)
Net cash (used in) operating activities	<u>(127,291)</u>	<u>(266,097)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of certificate of deposit	--	(200,000)
Redemption of certificate of deposit	214,327	--
Purchase of property and equipment	(27,505)	(28,959)
Net cash provided by (used in) investing activities	<u>186,822</u>	<u>(228,959)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance leases	(6,517)	(6,163)
Net cash (used in) financing activities	<u>(6,517)</u>	<u>(6,163)</u>
 Net increase (decrease) in cash	 53,014	 (501,219)
Cash at beginning of year	<u>186,986</u>	<u>688,205</u>
Cash at end of year	<u>\$ 240,000</u>	<u>\$ 186,986</u>
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
 Cash payments for interest	 <u>\$ 486</u>	 <u>\$ 514</u>

The Notes to Financial Statements are an integral part of these statements.

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

Nature of operations

Tri-County Community Action Agency, Inc. (the Organization), incorporated in January 1974 under the provisions of Title III of the Older Americans Act of 1965, is a non-profit corporation whose established purpose is to help the general welfare of the community by providing services to the elderly and low-income persons in Oldham, Trimble, and Henry counties in Kentucky. The Organization receives a significant portion of their funding in the form of grants from various federal, state, and local agencies.

The Organization's primary programs consist of the following major categories:

- Adult Day Care
- CSBG Emergency Assistance
- Emergency Food and Shelter National Board Association
- Homecare
- Low Income Housing Energy Assistance Program (LIHEAP)
- Title III-B Support Services
- Title III-C Nutrition and Other Nutrition Services
- Title III-D Health Promotion
- Weatherization
- Wintercare
- Winterhelp

Use of estimates

The preparation of financial statements in accordance 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.

Cash

The Organization maintains its cash balances in bank deposit accounts which, at times, may exceed coverage provided by the Federal Deposit Insurance Corporation (FDIC). The Organization has not experienced any losses in such accounts. Management believes the Organization is not exposed to any significant risk on bank deposits.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Accounts receivable and allowance for credit losses

The Organization operates as a community action agency, and its accounts receivable are primarily derived from fees for adult day care services. Trade accounts receivable are stated at net realizable value based on contracted prices. The Organization uses the allowance method to account for uncollectible accounts receivable. Management maintains an allowance for potential credit losses based on its assessment of the current status of the customer accounts. At each statement of financial position date, the Organization recognizes an expected allowance for credit losses. In addition, also at each reporting date, this estimate is updated to reflect any changes in credit risk since the receivable was initially recorded. This estimate is calculated on a pooled basis where similar risk characteristics exist. Accounts receivable are usually collected within thirty days. The balance in accounts receivable as of June 30, 2025, 2024, and 2023 was \$16,815, \$9,101, and \$3,320, respectively.

The allowance estimate is derived from a review of the Organization's historical losses based on the aging of receivables. This estimate is adjusted for management's assessment of current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization believes historical loss information is a reasonable starting point with which to calculate the expected allowance for credit losses as the Organization's portfolio segments have remained consistent since the Organization's inception.

The Organization writes off receivables when there is information that indicates the debtor is facing significant financial difficulty and there is no possibility of recovery. If any recoveries are made from any accounts previously written off, they will be recognized in income or an offset to credit loss expense in the year of recovery, in accordance with the Organization's accounting policy election. The allowance for credit losses as of June 30, 2025 and 2024 was not material to the financial statements.

Certificates of deposit

Certificates of deposit are carried at cost, which approximates fair value. Fair value is determined by quoted prices for similar certificates of deposit in active markets (Level 2 inputs).

Property and equipment

Property and equipment are stated at cost for purchased assets and at fair market value on the date of contribution for donated assets. Depreciation is provided over the estimated useful lives of respective assets on a straight-line basis. Amortization expense from finance leases is included with depreciation expense.

Leases

The Organization leases copiers and determines if an arrangement is a lease at inception. Finance leases are included in finance lease right-of-use assets, current maturities of finance leases, and finance leases, less current maturities on the statements of financial position.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Leases (continued)

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. When a lease does not provide an implicit rate, the Organization uses a risk-free rate based on the information available at commencement date in determining the present value of lease payments. The lease terms may include options to extend or terminate the lease when it is reasonably certain the option will be exercised.

The Organization's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Organization has lease agreements with lease and non-lease components, which are generally accounted for separately. For certain leases, the lease and non-lease components are accounted for as a single lease component. For arrangements accounted for as a single lease component, there may be variability in future lease payments as the amount of the non-lease components is typically revised from one period to the next. These variable lease payments, which are primarily comprised of supply and maintenance costs, are recognized in operating expenses in the period in which the obligation for those payments was incurred.

Functional expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. The functional expense statements report certain categories of expenses that are attributable to more than one program or supporting function. These expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, which are allocated on a square-footage or specific identification basis, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

Grant and deferred revenue

Funds acquired from grants are generally recognized as revenue when the expenditure is incurred for the grant support program or projects and in the manner specified by the respective grant. In some instances, revenue is recorded in units of service as it has been provided by the grants. Deferred revenue consists of grant revenue received prior to incurrence of related expenditure.

Contributions

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 a 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. The Organization treats contributions with donor restrictions whose restrictions are met in the same reporting period as contributions without donor restrictions.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Contributions (continued)

The Organization reports contributions as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Contributions of long-lived assets with explicit restrictions that specify how the assets are to be used and contributions of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the long-lived assets are acquired.

Contributed nonfinancial assets

Contributions of donated goods are recorded at fair value in the period received. Contributed services are reflected in the financial statements at the fair value of the services received. The contributions of services are recognized if the services received create or enhance nonfinancial assets or require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed nonfinancial assets are recorded as support and expenses in the statement of activities. Contributed nonfinancial assets are not sold and goods are only distributed for program use. There were no donor-imposed restrictions associated with contributed nonfinancial assets for the years ended June 30, 2025 and 2024.

Revenue recognition

Revenue from contracts with customers

Revenue is measured as the amount of consideration expected to be received in exchange for transferring goods or providing services. The Organization recognizes contract revenue for financial reporting purposes at a point in time. Performance obligations include transportation services, adult day care services, and equipment usage charges, and revenues are recognized when the related service is provided.

Advertising costs

Advertising costs are expensed when incurred. Advertising costs for the years ended June 30, 2025 and 2024 totaled \$408 and \$646, respectively.

Income taxes

The Organization's accounting policy provides that a tax expense/benefit from an uncertain tax position may be recognized when it is more likely than not that the position will be sustained upon examination, including resolutions of any related appeals or litigation processes, based on the technical merits. The Organization has no uncertain tax positions resulting in an accrual of tax expense or benefit.

The Organization's Federal Return of Organization Exempt from Income Tax, Form 990, is subject to examination by the taxing authorities until the expiration of the related statutes of limitations on the return, which is generally three years.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies (Continued)

Subsequent events

Subsequent events have been evaluated through December 15, 2025, which is the date the financial statements were available to be issued.

Note 2. Liquidity and Availability of Resources

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30:

	2025	2024
Financial assets at year end:		
Cash	\$ 240,000	\$ 186,986
Certificates of deposit	217,146	415,979
Accounts receivable	16,815	9,101
Grants receivable	187,013	263,577
Total financial assets	660,974	875,643
Less amounts unavailable to be used within one year:		
Net assets with donor restrictions	(2,415)	(5,490)
	\$ 658,559	\$ 870,153

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTES TO FINANCIAL STATEMENTS

Note 3. Grants Receivable

Grants receivable is composed of the following as of June 30:

	2025	2024
Kentuckiana Regional Planning and Development Agency:		
Title III-B (including transportation and adult day)	\$ 44,003	\$ 85,401
Title III-C	21,581	44,056
Title III-D	2,576	16,334
Home Care	29,424	36,048
 Kentucky Cabinet for Health and Family Services:		
Community Services Block Grant	20,332	38,234
LIHEAP	18,781	517
 Community Action Kentucky		
Home Energy Assistance Program	4,433	--
 Kentucky Housing Corporation:		
Weatherization LIHEAP	43,361	29,882
Weatherization Assistance Program	2,522	13,105
Total grants receivable	\$ 187,013	\$ 263,577

Note 4. Leases

The Organization has finance leases for copiers and printers. The leases have remaining lease terms of 2 to 5 years.

The components of lease expense were as follows for the year ended June 30:

	2025	2024
Finance lease cost		
Right-of-use asset amortization	\$ 6,451	\$ 6,149
Interest expense	486	514
Total lease cost, net	\$ 6,937	\$ 6,663

NOTES TO FINANCIAL STATEMENTS

Note 4. Leases (Continued)

Other information related to leases was as follows for the year ended June 30:

	2025	2024
Supplemental cash flow information		
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 486	\$ 514
Financing cash flows from finance leases	6,517	6,163
Right-of-use assets obtained in exchange for lease obligations		
Finance leases	6,733	--
Weighted average remaining lease term		
Finance leases	3.09 years	2.93 years
Weighted average discount rate		
Finance leases	3.37%	2.88%

Future undiscounted lease payments for finance leases with initial terms of one year or more consist of the following:

Years ending June 30:	
2026	\$ 5,993
2027	5,163
2028	2,830
2029	1,485
2030	619
	16,090
Less: imputed interest	(834)
Net lease liabilities	\$ 15,256

The Organization also leases out office space in one of its buildings to other non-profits with lease terms of up to one year. Total lease income related to these leases is \$29,250 and \$35,650 for the years ended June 30, 2025 and 2024, respectively.

NOTES TO FINANCIAL STATEMENTS

Note 5. Net Assets with Donor Restrictions

Net assets with donor restrictions were available for the following purposes as of June 30:

	2025	2024
Subject to expenditure for a specific purpose:		
Compass	\$ - -	\$ 3,075
Eyeglasses and exams	588	588
Winterhelp	77	77
WX-WDRP	1,750	1,750
Net assets with donor restrictions	\$ 2,415	\$ 5,490

Note 6. Contributed Nonfinancial Assets

The Organization occupies, without charge, office space in Oldham, Henry and Trimble Counties. The estimated fair rental value of the premises is reported as support and expense in the period in which the buildings are used and totaled \$71,124 for Oldham County, \$16,320 for Henry County, and \$40,000 for Trimble County for the years ended June 30, 2025 and 2024.

The Organization also received vouchers, exchangeable for goods at certain Goodwill store locations. The amount of vouchers received were \$600 and \$2,175 for the years ended June 30, 2025 and 2024, respectively.

Note 7. Retirement Plans

Certain employees of the Organization participate in the Kentucky County Employee Retirement System (CERS), which is a cost-sharing, multiple-employer defined benefit plan administered by the Kentucky Retirement System. During the year ended June 30, 2025 and 2024, salaries paid by the Organization totaling \$296,776 and \$319,834, respectively, were covered by CERS. The CERS provides for death, disability, and retirement benefits. Participating employees contribute 5% of their compensation to the CERS. The Organization contributed 19.71% and 23.34% of the covered employees' compensation for the years ended June 30, 2025 and 2024, respectively. Pension expense includes contributions of \$58,494 and \$74,649 made by the Organization for its employees for the years ended June 30, 2025 and 2024, respectively.

Vesting in retirement benefits begins immediately upon entry into CERS. The participant has fully-vested interest after the completion of sixty months of service, twelve of which are current service. At a minimum, terminated employees are refunded their contributions with credited interest of 4%.

NOTES TO FINANCIAL STATEMENTS

Note 7. Retirement Plans (Continued)

The pension benefits obligation is a standard disclosure measure of the present value of pension benefits, adjusted for the effect of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of the employee's service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the CERS's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits due, and make comparisons among public employee retirement systems and employers. Detailed information about the pension plan's underfunded status and the Organization's proportionate share thereof have not been included in these financial statements. Additional information can be obtained about the pension plan's fiduciary net position in the separately issued Kentucky Retirement System financial report.

Accrued expenses includes a liability for vested sick pay of \$22,224 and \$46,262 as of June 30, 2025 and 2024, respectively. Employees who are fully-vested in CERS can use up to six months of sick pay towards their retirement benefits.



Jones, Nale & Mattingly PLC

INDEPENDENT AUDITOR'S REPORT ON THE SUPPLEMENTARY INFORMATION

Board of Directors
Tri-County Community Action Agency, Inc.
LaGrange, Kentucky

We have audited the financial statements of Tri-County Community Action Agency as of and for the years ended June 30, 2025 and 2024, and have issued our report thereon dated December 15, 2025, which expressed an unmodified opinion on those financial statements and appears on pages 1-3. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole.

The list of the board of directors and the statements of activities detailed on pages 19-30 are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards on pages 31-32 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Jones, Nale & Mattingly PLC

Louisville, Kentucky
December 15, 2025

**TRI-COUNTY COMMUNITY ACTION AGENCY, INC.
LIST OF BOARD OF DIRECTORS
JUNE 30, 2025**

<u>Name</u>	<u>Address</u>
Will McCoy	Bedford, KY 40006
Judge John Ogburn	Bedford, KY 40006
Jane Proctor	Bedford, KY 40006
Susan Smithson	Bedford, KY 40006
Crystal Whitice	Bedford, KY 40006
Judge Scott Bates	Eminence, KY 40019
Keith Perry	New Castle, KY 40050
John Logan Brent	Turners Station, KY 40075
Melodye Ansman	Campbellsburg, KY 40011
Lorraine Hawkins	Campbellsburg, KY 40011
Dotty Sparrow	LaGrange, KY 40031
Chasity Tuggle	LaGrange, KY 40031
Zackary Wilt	LaGrange, KY 40031
Judge David Voegele	LaGrange, KY 40031
Elsie Carter	LaGrange, KY 40031
Wayne Theiss	LaGrange, KY 40031

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

**COMMUNITY SERVICES BLOCK GRANT PROGRAM
STATEMENT OF FINANCIAL PARTICIPATION
Year Ended June 30, 2025**

	CSBG State Funds	CSBG	Total
<u>Obligated Funds</u>			
Total Contract Ceiling	\$ 60,644	\$ 83,089	\$ 143,733
General Fund Participation	\$ 60,644	\$ --	\$ 60,644
CSBG Financial Participation	--	83,089	83,089
Total Financial Participation/Allowable Expense	60,644	83,089	143,733
Less: Allowable Expense	(60,644)	(83,089)	(143,733)
Total Obligated Funds	\$ --	\$ --	\$ --
<u>CSBG Over/Underpayment</u>			
Total Allowable Expense	\$ 60,644	\$ 83,089	\$ 143,733
Less: Contract payments received as of June 30, 2025	(60,644)	(62,757)	(123,401)
Payment due to the Agency at June 30, 2025	--	20,332	20,332
Payment received subsequent to June 30, 2025	--	20,332	20,332
Overpayment due grantor	\$ --	\$ --	\$ --
<u>CSBG Local Match Requirement</u>			
CSBG Allowable Expense		\$ 143,733	
Funding Level Restated at 100%		\$ 143,733	
Local Match Required		\$ 35,933	
Less Local In-kind Match Provided		(35,933)	
Excess Local Match		\$ --	

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

**COMMUNITY SERVICES BLOCK GRANT PROGRAM
STATEMENT OF ALLOWABLE EXPENSES**

Year Ended June 30, 2025

	<u>State Funds</u>	<u>CSBG</u>	<u>Total</u>
Expenses:			
Personnel and fringes	\$ 27,765	\$ 59,190	\$ 86,955
Utilities	2,699	4,587	7,286
Supplies	2,701	756	3,457
Transportation	111	284	395
Client services	--	1,339	1,339
Staff developement	6,015	2,154	8,169
Indirect costs	6,468	13,581	20,049
Other	14,885	37,131	52,016
Total Expenses	<u>60,644</u>	<u>119,022</u>	<u>179,666</u>
In-kind contributions	<u>--</u>	<u>(35,933)</u>	<u>(35,933)</u>
Total Allowable CSBG Expenses	60,644	83,089	143,733
Less contract payments	<u>(60,644)</u>	<u>(62,757)</u>	<u>(123,401)</u>
Net CSBG Under Payment Reflected in the Financial Statements	<u>\$ --</u>	<u>\$ 20,332</u>	<u>\$ 20,332</u>

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

**LOW INCOME HOUSING ENERGY ASSISTANCE PROGRAM (LIHEAP)
STATEMENT OF PROGRAM EXPENDITURES
CONTRACT NUMBER LIHEAP-022
Year Ended June 30, 2025**

Expenses:	
Administrative	
Salary	\$ 20,182
Utilities	3,270
Other	7,652
Total Administrative	<u>31,104</u>
Benefits	
Subsidy	173,981
Crisis	137,066
Total Benefits	<u>311,047</u>
 Total Expenses	 <u><u>\$ 342,151</u></u>
 Allowable Expenses:	
Administration	\$ 31,104
Benefits	<u>311,047</u>
 Total Allowable Expenses	 342,151
 Less: Contract payments received as of June 30, 2025	 <u>(323,370)</u>
 Payment due the Agency at June 30, 2025	 <u><u>\$ 18,781</u></u>

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

**LOW INCOME HOUSING ENERGY ASSISTANCE PROGRAM (LIHEAP)
SCHEDULE OF BUDGET AND ACTUAL EXPENSES
CONTRACT NUMBER LIHEAP-022
Year Ended June 30, 2025**

SCHEDULE OF BUDGET AND ACTUAL EXPENSES

	<u>Budget</u>	<u>Actual</u>	<u>Under Budget</u>
Administrative Costs	\$ 49,110	\$ 31,104	\$ 18,006
Subsidy Benefits	237,740	173,981	63,759
Crisis Benefits	255,901	137,066	118,835
Total	<u>\$ 542,751</u>	<u>\$ 342,151</u>	<u>\$ 200,600</u>

TRI-COUNTY COMMUNITY ACTION AGENCY, INC

**TITLE III-B SUPPORT SERVICES
SCHEDULE OF PROGRAM ACTIVITIES
CONTRACT NUMBER KIPDA-FY2025-1017 (TCCAA)
Year Ended June 30, 2025**

	Contract Budget	Actual
Revenue:		
Federal Funds	\$ 250,019	\$ 217,690
Federal Funds (ARPA)	25,012	9,382
State Funds	34,094	54,559
Required Match	50,138	46,276
Total Revenue	\$ 359,263	\$ 327,907

	Amount Earned
Funding For Each Center	
Combined Special Funding-All Centers	\$ 12,380
Henry	48,040
Oldham	92,197
Trimble	46,557
Tri-County Transportation	128,733
Totals	\$ 327,907

Amount Earned is the lesser of:

Contract Amount (Federal and State Amounts)	\$ 284,113
Adult Day Care (provided as needed)	7,018
	\$ 291,131

Service Provided	\$ 272,249
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Amount Earned	\$ 272,249
Contract payments received as of June 30, 2025	228,246

Payment received subsequent to June 30, 2025	\$ 44,003
--	-----------

TRI-COUNTY COMMUNITY ACTION AGENCY, INC

**TITLE III-C CONGREGATE & HOME DELIVERED MEAL SERVICES
SCHEDULE OF PROGRAM ACTIVITIES**

Year Ended June 30, 2025

	Contract Budget	Actual
Revenues:		
Federal Funds	\$ 116,043	\$ 110,321
Federal Funds (ARPA)	10,085	10,085
State Funds	36,342	30,973
Required Match	26,891	24,934
 Total Revenues	 \$ 189,361	 \$ 176,313

	Contract Budget	Actual Units Provided	Rate	Amount Earned
UNITS OF SERVICE				
C1 Food Service/Meal Delivery	\$ 78,375	18,356	\$ 4.75	\$ 87,191
C2 Food Service/Meal Delivery	179,277	17,610	3.62	63,748
Total		35,966		150,939
Eligibility Services				15,289
Additional ARPA Funding				10,085
 Total Amount Earned				 \$ 176,313

Amount Earned is the lesser of:

Contract Amount	\$ 162,470
Service Provided	\$ 151,379
Amount Earned	\$ 151,379
Contract payments received as of June 30, 2025	129,798
Payment received subsequent to June 30, 2025	\$ 21,581

TRI-COUNTY COMMUNITY ACTION AGENCY, INC

**TITLE III-D HEALTH PROMOTION/DISEASE PREVENTION SERVICES
SCHEDULE OF PROGRAM ACTIVITIES
CONTRACT NUMBER KIPDA-FY2025-1017 (TCCAA)
Year Ended June 30, 2025**

	<u>Contract Budget</u>	<u>Actual</u>
Revenue:		
Federal Funds	\$ 20,480	\$ 24,436
State Funds	<u> --</u>	<u> --</u>
Total Revenue	<u>\$ 20,480</u>	<u>\$ 24,436</u>

	<u>Funded Service</u>	<u>Federal Amount Earned</u>	<u>State Amount Earned</u>	<u>Total</u>
Funding For Each Center:				
All Locations	Bingocize	\$ 13,086	\$ --	\$ 13,086
All Locations	Walk with Ease	<u>11,350</u>	<u>--</u>	<u>11,350</u>
Totals		<u>\$ 24,436</u>	<u>\$ --</u>	<u>\$ 24,436</u>

Amount Earned is the lesser of:

Contract Amount (Federal and State Amounts)	\$ 20,480
Overage Allowed	<u>3,956</u>
	<u>\$ 24,436</u>
Service Provided	<u>\$ 24,436</u>
Amount Earned	\$ 24,436
Contract payments received as of June 30, 2025	<u>21,860</u>
Payment received subsequent to June 30, 2025	<u>\$ 2,576</u>

TRI-COUNTY COMMUNITY ACTION AGENCY, INC

**HEMOCARE PROGRAM
SCHEDULE OF PROGRAM ACTIVITIES
CONTRACT NUMBER KIPDA-FY2025-1017 (TCCAA)
Year Ended June 30, 2025**

State Grantor: Commonwealth of Kentucky, Cabinet for Health Services
 Pass-through Grantor: KIPDA
 Program Title: Homecare Program
 Pass-through Contract No.: CONTRACT NUMBER KIPDA-FY2025-1017 (TCCAA)
 Period of Contract: July 1, 2024 to June 30, 2025

	<u>Contract Budget</u>	<u>Actual</u>
Revenues:		
State Funds	As Approved	\$ 147,880
Local Match	--	16,431
	<u> </u>	<u> </u>
Total Revenues	\$ --	\$ 164,311

UNITS OF SERVICE	<u>Contract Budget</u>	<u>Actual Units Provided</u>	<u>Rate</u>	<u>Amount Earned</u>
Personal Care	As Approved	1,073.50	\$ 34.46	\$ 36,993
Chore	As Approved	68.50	44.52	3,050
Chore (HC)	As Approved	20.00	44.52	891
Escort	As Approved	163.50	30.74	5,027
Escort (HC)	As Approved	4.00	30.74	123
Homemaking	As Approved	2,133.50	41.92	89,436
Respite	As Approved	835.50	34.46	28,791
		<u> </u>		<u> </u>
Total		4,299		164,311
				<u> </u>
Less Match				(16,431)
Total Amount Earned				<u>\$ 147,880</u>

Amount Earned is the lesser of:

Contract Amount	As Ordered
Service Provided	<u>\$ 147,880</u>

Amount Earned	\$ 147,880
Contract payments received as of June 30, 2025	<u>118,456</u>

Payment received subsequent to June 30, 2025	<u>\$ 29,424</u>
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TRI-COUNTY COMMUNITY ACTION AGENCY, INC

**HEMOCARE PROGRAM
SCHEDULE OF PROGRAM ACTIVITIES (CONTINUED)
CONTRACT NUMBER KIPDA-FY2025-1017 (TCCAA)
Year Ended June 30, 2025**

	<u>Amount</u>
Revenues:	
State funds	\$ 147,880
Local match	16,431
Total Revenues	<u>164,311</u>
Expenses:	
Salaries and fringes	110,511
Travel	15,672
Supplies	4,541
Insurance	2,463
Utilities	2,689
Contract/subscription	239
Other	3,238
Total Expenses	<u>139,353</u>
Total Revenues over Expenses	24,958
Indirect Expenses	<u>24,177</u>
Net Revenues over Expenses	<u><u>\$ 781</u></u>

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.
DOE - WEATHERIZATION
STATEMENT OF EXPENSES
DOE WX25-0619-02
Year Ended June 30, 2025

	DOE Weatherization Assistance
Expenses:	
Administration	\$ 13,247
WX Materials & Labor	7,361
Program support	19,198
Health and Safety Materials & Labor	861
Insurance	757
Audit	4,064
Training	1,555
Total Expenses	\$ 47,043
 Contract payments received as of June 30, 2025	 44,521
 Payment received subsequent to June 30, 2025	 <u><u>\$ 2,522</u></u>

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.
LIHEAP - WEATHERIZATION
STATEMENT OF EXPENSES
LIHEAP LH25-0619-02
Year Ended June 30, 2025

	LIHEAP Weatherization Assistance
Expenses:	
Administration	\$ 1,859
Materials & Labor	7,740
Program support	31,084
Health and Safety Materials & Labor	28,984
Insurance	146
Total Expenses	\$ 69,813
 Contract payments received as of June 30, 2025	 26,452
 Payment received subsequent to June 30, 2025	 \$ 43,361

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Expenditures
U.S. Department of Energy Kentucky Housing Corporation Weatherization Assistance for Low-Income Persons Total Number 81.042	81.042	DOE WX25-0619-02	\$ 47,043 <u>47,043</u>
U.S. Department for Health and Human Services Kentucky Housing Corporation Low-Income Home Energy Assistance Program (LIHEAP) Weatherization Assistance Program	93.568	LIHEAP LH25-0619-02	69,813
U.S. Department for Health and Human Services Community Action Kentucky Low-Income Home Energy Assistance Program (LIHEAP) Total Number 93.568	93.568	LIHEAP-022	342,151 <u>411,964</u>
U.S. Department for Health and Human Services Cabinet for Health and Family Services Community Services Block Grant Program Total 477 Cluster (93.569)	93.569	PON2 736 2300001909	83,089 <u>83,089</u>

The accompanying notes are an integral part of this schedule.

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal ALN	Pass-Through Entity Identifying Number	Expenditures
U.S. Department for Health and Human Services			
Kentuckiana Regional Planning and Development Agency			
Title III-B Transportation, Support and Emergency In-Home Services	93.044	FY2025-1017 (TCCAA)	217,690
Title III-B Transportation, Support and Emergency In-Home Services (ARPA)	93.044	FY2025-1017 (TCCAA)	9,382
Title III-C1 Congregate Meal Services	93.045	FY2025-1017 (TCCAA)	84,346
Title III-C1 Congregate Meal Services (ARPA)	93.045	FY2025-1017 (TCCAA)	10,085
Title III-C2 Home Delivered Meal Services	93.045	FY2025-1017 (TCCAA)	25,975
Total Aging Cluster (93.044/93.045)			<u>347,478</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027	FY2025-1017 (TCCAA)	874
Title III-D Health Promotion Disease	93.043	FY2025-1017 (TCCAA)	24,436
Total Department for Health and Human Services			<u>867,841</u>
Total expenditures of federal awards			<u>\$ 914,884</u>

The accompanying notes are an integral part of this schedule.

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Tri-County Community Action Agency, Inc. under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Tri-County Community Action Agency, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Tri-County Community Action Agency, Inc.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Tri-County Community Action Agency, Inc. has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 3. Subrecipients

There were no awards passed through to subrecipients for the year ended June 30, 2025.



Jones, Nale & Mattingly PLC

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

Board of Directors
Tri-County Community Action Agency, Inc.
LaGrange, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Tri-County Community Action Agency (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

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.

Jones, Nale & Mattingly P.C.

Louisville, Kentucky
December 15, 2025



Jones, Nale & Mattingly PLC

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

Board of Directors
Tri-County Community Action Agency, Inc.
LaGrange, Kentucky

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Tri-County Community Action Agency, 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 Tri-County Community Action Agency, Inc.'s major federal programs for the year ended June 30, 2025. Tri-County Community Action Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Tri-County Community Action Agency, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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

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

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

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

Jones, Nale & Mattingly PC

Louisville, Kentucky
December 15, 2025

TRI-COUNTY COMMUNITY ACTION AGENCY, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

Section I- Summary of Auditors' Results

1. The auditors' report expresses an unmodified opinion on whether the financial statements of Tri-County Community Action Agency were prepared in accordance with U.S. GAAP.
2. Internal control over financial reporting:
 - Material weakness identified? Yes No
 - Significant deficiency identified? Yes None reported
3. Noncompliance material to financial statements noted? Yes No
4. Internal control over major programs:
 - Material weakness identified? Yes No
 - Significant deficiency identified? Yes None reported
5. The auditors' report on compliance for the major federal award programs for Tri-County Community Action Agency expresses an unmodified opinion on all major federal programs.
6. The audit did not disclose audit findings required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as a major program were:

<u>Federal ALN</u> 93.568	<u>Name of Major Federal Program</u> Department of Health and Human Services: Low-Income Home Energy Assistance
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8. The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.
9. The auditee did qualify as a low-risk auditee.

Section II- Findings - Financial Statement Audit

There are no findings required to be reported.

Section III- Findings and Questioned Costs - Major Federal Award Programs Audit

There are no findings required to be reported.