

# Great Lakes Community Action Partnership

Fremont, Ohio

Financial Statements and  
Supplementary Information

Year Ended September 30, 2020



# Great Lakes Community Action Partnership

## Financial Statements and Supplementary Information

Year Ended September 30, 2020

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## **Independent Auditor's Report**

Board of Directors  
Great Lakes Community Action Partnership  
Fremont, Ohio

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

We have audited the accompanying financial statements of Great Lakes Community Action Partnership, which comprise the statement of financial position as of September 30, 2020, and the related statements of activities, functional expenses and cash flows for the year then ended and the related notes to the financial statements.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Great Lakes Community Action Partnership as of September 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Other Matters**

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal, state, and local 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. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2021, on our consideration of Great Lakes Community Action Partnership'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 Great Lakes Community Action Partnership'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 Great Lakes Community Action Partnership's internal control over financial reporting and compliance.



Wipfli LLP

May 29, 2021  
Madison, Wisconsin

# Great Lakes Community Action Partnership

## Statement of Financial Position

September 30, 2020

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<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 5,019,109
Investments	2,089,983
Accounts receivable, net	627,799
Grants receivable	4,719,363
Revolving loans receivable - Current, net	55,198
Loans receivable - Current	14,062
Prepaid expenses	157,758
Advance deposit	307,364
Other assets	115,433
<b>Total current assets</b>	<b>13,106,069</b>
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Property and equipment, net	7,173,819
Long-term assets:	
Revolving loans receivable - Long-term, net	406,970
Loans receivable - Long-term	161,648
Loans receivable - Related parties, net	2,302,298
<b>Total long-term assets</b>	<b>2,870,916</b>
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<b>TOTAL ASSETS</b>	<b>\$ 23,150,804</b>

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# Great Lakes Community Action Partnership

## Statement of Financial Position (Continued)

September 30, 2020

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<i>Liabilities and Net Assets</i>	
Current liabilities:	
Notes payable - Current portion	\$ 119,214
Loans payable - Current portion	14,062
Accounts payable	1,782,758
Accrued payroll and related expenses	1,001,222
Accrued vacation	706,078
Refundable advance liability	2,955,247
Refundable advance liability - Paycheck Protection Program	298,292
Other liabilities	401,228
<b>Total current liabilities</b>	<b>7,278,101</b>
Long-term liabilities:	
Notes payable	3,675,543
Loans payable	161,648
Loans payable - Related parties	2,302,298
<b>Total long-term liabilities</b>	<b>6,139,489</b>
<b>Total liabilities</b>	<b>13,417,590</b>
Net assets:	
Net assets without donor restrictions	6,465,985
Net assets without donor restrictions - Designated for self insurance	2,201,153
Net assets without donor restrictions - Board designated	256,659
<b>Total net assets without donor restrictions</b>	<b>8,923,797</b>
Net assets with donor restrictions	809,417
<b>Total net assets</b>	<b>9,733,214</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 23,150,804</b>

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See accompanying notes to financial statements.

# Great Lakes Community Action Partnership

## Statement of Activities

Year Ended September 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue:			
Federal	\$ 30,896,559	\$ 0	\$ 30,896,559
Other	3,377,833	72,059	3,449,892
Total grant revenue	34,274,392	72,059	34,346,451
Investment income	179,319	0	179,319
Loan interest income	145,550	6,668	152,218
Program income	3,938,618	0	3,938,618
Donations	256,683	4,833	261,516
Rental income	94,800	0	94,800
Miscellaneous revenue	40,411	10,757	51,168
In-kind contributions	175,261	0	175,261
Net assets released from restrictions	24,654	( 24,654)	0
Total revenue	39,129,688	69,663	39,199,351
Program activities:			
Child development	17,117,911	0	17,117,911
Adult and youth development	5,351,070	0	5,351,070
Community development	6,372,447	0	6,372,447
Housing and energy	3,407,267	0	3,407,267
Seniors	1,671,837	0	1,671,837
TRIPS	1,156,593	0	1,156,593
Corporate programs	3,670	0	3,670
Housing and workforce development	391,986	0	391,986
Total program activities	35,472,781	0	35,472,781
Management and general	3,028,359	0	3,028,359
Fundraising	5,024	0	5,024
Total expenses	38,506,164	0	38,506,164
Change in net assets	623,524	69,663	693,187
Net assets - Beginning of year	8,300,273	739,754	9,040,027
Net assets - End of year	\$ 8,923,797	\$ 809,417	\$ 9,733,214

See accompanying notes to financial statements.

# Great Lakes Community Action Partnership

## Statement of Functional Expenses

Year Ended September 30, 2020

	<b>Program Activities</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Personnel	\$ 18,175,550	\$ 2,282,695	\$ 0	\$ 20,458,245
Participant costs	242,824	0	0	242,824
Donated services	175,261	0	0	175,261
Training	299,817	6,586	0	306,403
Consultants	4,408,333	244,483	0	4,652,816
Subrecipients	3,205,856	0	0	3,205,856
Travel	501,588	10,041	0	511,629
Transportation	319,459	0	0	319,459
Space costs	1,143,726	164,104	900	1,308,730
Donated space	4,847	0	0	4,847
Operating costs	2,634,201	176,275	772	2,811,248
Food	591,873	0	0	591,873
Weatherization materials	508,364	0	0	508,364
Equipment	259,775	0	0	259,775
Depreciation	623,546	1,050	0	624,596
Miscellaneous	500,098	143,125	0	643,223
Interest expense	144,280	0	0	144,280
Emergency assistance	1,733,383	0	3,352	1,736,735
<b>Total expenses</b>	<b>\$ 35,472,781</b>	<b>\$ 3,028,359</b>	<b>\$ 5,024</b>	<b>\$ 38,506,164</b>

# Great Lakes Community Action Partnership

## Statement of Cash Flows Year Ended September 30, 2020

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Increase (decrease) in cash and cash equivalents:

Cash flows from operating activities:

Change in net assets \$ 693,187

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Adjustments to reconcile change in net assets

to net cash provided by operating activities:

Depreciation 624,596

Provision for loan loss - Revolving loans 8,198

Provision for loan loss - Related parties 32,924

Recovery of bad debt ( 606)

Interest earned on loans receivable - Related parties ( 70,746)

Interest accrued on loans payable - Related parties 37,822

Unrealized and realized gain on investments ( 134,319)

Changes in operating assets and liabilities:

Grants receivable ( 177,096)

Accounts receivable 56,890

Prepaid expenses 202,709

Advance deposit 6,378

Other assets ( 5,326)

Accounts payable 181,695

Accrued payroll and related expenses 235,142

Accrued vacation 56,641

Refundable advance liability 2,016,182

Refundable advance liability - Paycheck Protection Program 298,292

Other liabilities ( 56,289)

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Net cash provided by operating activities 4,006,274

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# Great Lakes Community Action Partnership

## Statement of Cash Flows (Continued)

Year Ended September 30, 2020

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Cash flows from investing activities:	
Capital expenditures	( 838,682)
Proceeds from sales and maturities of investments	721,514
Purchase of investments	( 1,748,533)
Issuance of revolving loans	( 104,752)
Principal payments received on revolving loans	114,166
<b>Net cash used in investing activities</b>	<b>( 1,856,287)</b>
<hr/>	
Cash flows from financing activities:	
Principal payments on notes payable	( 116,243)
<b>Net cash used in financing activities</b>	<b>( 116,243)</b>
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Change in cash and cash equivalents	2,033,744
Cash and cash equivalents - Beginning of year	2,985,365
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Cash and cash equivalents - End of year	\$ 5,019,109

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### Supplemental cash flow information:

Interest paid	\$ 116,244
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### Supplemental schedule of non-cash activities:

Release of loan receivable/payable obligations through transfer of ownership	\$ 737,244
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# Great Lakes Community Action Partnership

## Notes to Financial Statements

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### Note 1: Summary of Significant Accounting Policies

#### Nature of Operations

Great Lakes Community Action Partnership (GLCAP) was organized as a nonprofit corporation in 1965 to provide financial and other assistance to other communities, community organizations, voluntary associations, and other entities that undertake similar activities for the benefit of residents. These services are provided by cooperating with and assisting governmental and private agencies in initiating, coordinating, planning, and developing programs for the alleviation of conditions of poverty and to expand economic opportunities. GLCAP operates over 200 different programs including Head Start, Housing and Weatherization Program, the Rural Community Assistance Program and the Sandusky County Senior Services program.

Child Development operates the Head Start program, which is a comprehensive child development program which serves over 100 children ages Birth-5 and their families. It is a child-focused program designed to increase the social competence of young children in low-income families. The program supports the child's social, emotional, cognitive, and physical development in a developmentally appropriate play-based environment. The overarching goal is to prepare children for kindergarten and offer family members with opportunities and support to help them develop to their fullest potential. Child Development also operates after school and summer programming to over 50 middle school and high school students. The after school program students receive homework assistance, meals, enrichment programming, tutoring and other activities in a safe environment.

Adult and Youth Services provide youth summer programming, homelessness prevention services, energy assistance and fatherhood services throughout our service area. TANF youth and summer programs are provided to assist out-of-school youth prepare for employment and attain educational goals. Homelessness services include HUD Permanent Supportive Housing and Domestic Violence housing options for those in need. Supportive Services are also provided to veterans in need of housing and support. Additional employment and training services are provided to those unemployed. HEAP services provide emergency heating and summer cooling assistance.

Community Development, serving rural Ohio communities for 40 years, provides free and low-cost services to help rural communities address their planning, infrastructure and economic development needs. Each year, GLCAP's RCAP program serves over 200 communities in Ohio, Illinois, Michigan and Wisconsin, and an additional 100 communities in Indiana, Kentucky and West Virginia through sub-recipients. Field agents assist with project development and provide training for capacity building. The Great Lakes RCAP network receives funding from a number of federal programs as well as Ohio EPA and the Ohio Water Development Authority to provide technical assistance to communities with populations under 10,000. International programs funded by the Department of State focus on civil society and leadership development, primarily in central and Eastern Europe.

The Housing and Energy programming primarily operates the Home Weatherization Assistance Program (HWAP), a federally funded energy conservation program intended to assist income-eligible residents in making their homes more energy efficient. Services include home insulation, furnace repair or replacement, and other minor health and safety improvements, all at no cost to the homeowner. The program is available to both homeowners and renters. Weatherization employees apply energy conservation measures utilizing state-of-the-art tools, materials, and equipment.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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

#### **Nature of Operations (Continued)**

The Sandusky County Senior Services Program is designed to serve seniors ages 60 and over, and their spouses, regardless of age. GLCAP operates three senior centers and provides Meals on Wheels to homebound senior citizens. The Senior program is funded by the Area Office on Aging of Northwestern Ohio with additional support from Sandusky County levy funds and the United Way of Sandusky County.

The Transportation Resources for Independent Persons in Sandusky County (TRIPS) program, administered by GLCAP, provides curb to curb transportation services for residents of Sandusky County. Low fare rides must be scheduled at least 24 hours in advance for employment, medical, shopping, etc. Transportation services are provided to low income persons, senior citizens, individuals with disabilities as well as the general public.

In addition, GLCAP has several wholly owned and majority-owned subsidiaries that are corporations. The purpose of these subsidiaries is to assist low- to moderate-income individuals with affordable housing. These subsidiaries are general partners in low-income housing partnerships described in Note 17.

GLCAP has a 75% ownership interest in the following subsidiaries:

- Lake Towne Housing Corporation - an Ohio corporation
- Port Clinton Pointe Housing Corporation - an Ohio corporation
- Nickel Plate Plaza Housing Corporation - an Ohio corporation

GLCAP has a 100% ownership interest in the following subsidiaries:

- Harbor Towne Senior Residence Housing Corporation - an Ohio corporation
- Commons at Little Bark Creek Housing Corporation - an Ohio corporation

The equity investments in the LLC's and LP's noted above along with the financial activity of the housing corporations noted above are immaterial; therefore, no activity has been recorded or consolidated into these financial statements.

Approximately 55% GLCAP's federal grant funding is received under GLCAP's federal Head Start program.

#### **Basis of Presentation**

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

#### **Use of Estimates**

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

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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

#### Classification of Net Assets

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

**Net Assets Without Donor Restrictions** - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution. The governing board has designated, from net assets without donor restrictions, a self-insurance reserve and a general board designated reserve.

**Net Assets With Donor Restrictions** - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organization and/or the passage of time. When a restriction expires, net assets with donor restrictions are transferred to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Generally, the donors of these assets permit GLCAP to use all or part of the income earned on any related investments for general or specific purposes.

#### Revenue Recognition

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

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

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

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If the restriction is satisfied in the same period the contribution is received, the contribution is reported as revenue without donor restrictions.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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

#### Revenue Recognition (Continued)

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

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

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

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

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed. Amounts received in excess of those earned are reflected as deferred revenue.

Rental income represents income received from various sources for use of property or space owned by GLCAP. This income is recognized in the period in which it is earned.

Program income is generated by a supported activity or earned as a result of a federal award during the period of performance. Program income must be used for the purposes under the award and for current, allowable costs under the federal guidelines and conditions in the federal grant.

#### Cash Equivalents

For purposes of financial statement presentation, GLCAP includes money market investments and certificates of deposit with an original maturity of three months or less as cash equivalents.

#### Accounts Receivable

Accounts receivable represent amounts due from various entities for performance contracts. Amounts are reviewed for collectability by management, and an allowance for doubtful accounts is recorded as needed based on collection history and customer attributes. If an amount becomes delinquent after all collection efforts have failed, the account is written off. For the year ended September 30, 2020, GLCAP has recorded an allowance of \$24,880 related to accounts receivable.

#### Investments

Marketable securities are carried at fair value. The fair value of the investments is generally determined by references to quoted market prices. Investments consist of fixed income mutual funds and equity mutual funds. Investment income, gains and losses, and any investment-related expenses are recorded as changes in net assets without donor restrictions in the statement of activities unless their use is restricted by explicit donor stipulations or law. Investment fees, if any, are netted against investment return.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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

#### **Fair Value Measurements**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs for which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Some assets and liabilities are measured at fair value on a recurring basis under accounting principles generally accepted in the United States. Other assets and liabilities, such as impaired investments, are measured at fair value on a nonrecurring basis. At September 30, 2020, GLCAP does not have any liabilities that are measured at fair value on a recurring basis, nor are there assets or liabilities measured on a nonrecurring basis.

#### **Revolving Loans Receivable**

GLCAP operates several loan funds that provide assistance to business owners or low-income homeowners in Ohio and Michigan. The assistance provided is in the form of low- or no-interest deferred payment or installment loans and the loans are secured by property owned by the home or business owners. The assistance provided is recorded as a loan receivable with a corresponding increase in net assets with donor restrictions. Any loans subsequently repaid will reduce the loan receivable and provide funds for loans or other assistance to other eligible participants.

Management has the intent and ability to hold all loans for the foreseeable future or until maturity or pay-off generally and has reported the loans at their outstanding unpaid principal balances adjusted for charge-offs and the allowance for expected loan losses. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs are recognized as income or expense when received or incurred since capitalization of these fees or costs would not have a significant impact on the financial statements.

At such time when a loan is determined to be past due, the interest-bearing loans are placed on non-accrual status. The determination of past due loans for purposes of placing on non-accrual status is made on a case-by-case basis after a review by the Chief Financial Officer. All interest accrued but not collected for loans that are placed on non-accrual or charged off is reversed against interest income. The interest on these loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

#### **Allowance for Loan Losses**

The allowance for loan losses is a valuation allowance for probable incurred credit losses based on an evaluation of the outstanding loans. Loans losses are charged against the allowance when management believes the collectability of the principal is unlikely. Subsequent recoveries, if any, are credited to the allowance.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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

#### **Allowance for Loan Losses (Continued)**

Management regularly evaluates the allowance for loan losses taking into consideration such factors as historical loss experience, changes in the nature and volume of the loan portfolio, overall portfolio quality, and review of specific problem loans, and current economic conditions that may affect the borrower's ability to pay.

A loan is considered impaired when, based on current information and events, it is probable that GLCAP will be unable to collect the scheduled payments of principal or interest when due according to the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. Impairment is measured on a loan-by-loan basis for business loans by either the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's obtainable market price, or the fair value of the collateral if the loan is collateral dependent. Impairment for household well water loans are measured collectively per the grant requirement to maintain a 6% allowance account.

#### **Loans Receivable/Loans Payable**

GLCAP operates loan programs funded by various funding sources that provide capital to local governments, public and private nonprofits, regional water and sewer districts, homeowner associations, start-up businesses and housing development. The loan receivable represents the unpaid principal balance. A corresponding liability has also been recorded as funds are ultimately repayable to the various funding sources. Any funds repaid must be used in accordance with the original grant agreement. This program provided funding for low income housing units. As part of the purchase contract, one fifteenth of the principal sum of the development assistance loan is forgiven each year for up to fifteen years.

#### **Property and Equipment**

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful life of the asset. GLCAP capitalizes property and equipment purchased with a cost greater than \$5,000 and a useful life of more than one year. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as support without donor restrictions unless the donor has restricted the donated asset to a specific purpose. If there are no donor restrictions regarding how long a donated asset must be maintained, GLCAP reports expirations of donor restrictions when the donated assets are placed in service.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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

#### **Property and Equipment (Continued)**

Property and equipment purchased with grant funds are owned by GLCAP while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of equipment purchased with grant funds was \$6,196,348 at September 30, 2020.

#### **Income Taxes**

GLCAP is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from Ohio franchise and income tax.

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

#### **Functional Allocation**

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related benefits have been allocated based on estimated time spent in program and supporting services. Other costs are directly charged when possible.

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

In-kind contributions for space, supplies, and professional services are recorded in the statement of activities as revenue and expenses in the period they are received in accordance with a financial accounting standard. This standard requires that only contributions of services received that create or enhance a non-financial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of this standard are different than the in-kind requirements of several of GLCAP' grant awards. During the year ended September 30, 2020, GLCAP received \$175,261 of such contributions, primarily for its Aging, Nutrition, and Head Start programs. In addition, GLCAP received contributions of nonprofessional volunteer services during the year with an approximate value of \$1,517,953 primarily for its Aging, Nutrition, and Head Start programs. The nonprofessional volunteer services are not reported in the statement of activities.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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

#### **Change in Accounting Policy**

In June 21, 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The Amendments in the Update assists entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to Accounting Standards Codification 606 and determining whether a transaction is conditional. The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. GLCAP has applied the amendments in this ASU as of October 1, 2019 on a modified retrospective basis. There was no change in opening balances of net assets and no prior period results were restated.

#### **New Accounting Pronouncements**

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 605, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic companies for annual periods beginning after December 15, 2018. On June 3, 2020, FASB issued ASU No. 2020-05, that extended the effective date for certain entities to annual periods beginning after December 15, 2019. GLCAP is currently evaluating the impact of the provisions of the new standard.

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. On June 3, 2020, FASB issued ASU 2020, ASU No. 2016-12, *Leases (Topic 842)* that extended the effective date for certain entities to annual periods beginning after December 15, 2021. GLCAP is currently evaluating the impact of the provisions of the new standard.

#### **Subsequent Events**

Subsequent events have been evaluated through May 29, 2021, which is the date the financial statements were available to be issued.

### **Note 2: Concentration of Credit Risk**

GLCAP maintains cash balances in various financial institutions. Balances in the accounts are insured by Federal Deposit Insurance Corporation (FDIC) coverage up to \$250,000. The excess balances are secured through a \$7,000,000 Pledged Collateral Agreement with KeyBank. KeyBank agrees to secure active and interim deposits by depositing with Safe-Keeping Trustees, Federal Reserve Bank of Boston and / or New York, New York, eligible securities in the amount and in a manner required by the Ohio Uniform Depository Act and the provisions of the Ohio Revised Code (ORC Chapter 135.181). Investments are uninsured (see Note 4).

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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### Note 3: Grants Receivable

This balance consists of amounts due from various agencies as follows:

Federal programs	\$ 4,103,901
State and local programs	615,462
<u>Total grants receivable</u>	<u>\$ 4,719,363</u>

### Note 4: Investments

Investments consist of mutual funds. The fair value of these securities as of September 30, 2020, are as follows:

	<b>Fair Value</b>
Fixed income mutual funds	\$ 738,416
Equity mutual funds	1,351,567
<u>Totals</u>	<u>\$ 2,089,983</u>

Investment income as of September 30, 2020, consists of the following:

Interest and dividend income - Investments	\$ 59,102
Unrealized and realized gain on investments	134,319
Investment fees	( 14,102)
<u>Net investment income</u>	<u>\$ 179,319</u>

### Note 5: Property and Equipment

A summary of property and equipment is as follows:

Land	\$ 142,744
Buildings and improvements	8,177,173
Furniture, fixtures, and equipment	3,596,289
Computers	185,186
Total	12,101,392
Accumulated depreciation	( 4,927,573)
<u>Property and equipment, net</u>	<u>\$ 7,173,819</u>

### Note 6: Fair Value Measurements

Following is a description of the valuation methodology used for each asset measured at fair value on a recurring basis:

- Fixed income mutual funds are valued at quoted market prices.
- Equity mutual funds are valued at quoted market prices.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

### Note 6: Fair Value Measurements (Continued)

Information regarding the assets measured at fair value on a recurring basis as of September 30, 2020, is as follows:

	Assets Measured at Fair Value	Recurring Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed income mutual funds	\$ 738,416	\$ 738,416	\$ 0	\$ 0
Equity mutual funds	1,351,567	1,351,567	0	0
<b>Total</b>	<b>\$ 2,089,983</b>	<b>\$ 2,089,983</b>	<b>\$ 0</b>	<b>\$ 0</b>

### Note 7: Revolving Loans Receivable

GLCAP operates several programs that provide assistance to low-income business owners and participants. The assistance is provided in the form of various low- or no-interest deferred or installment loans, which are secured by various property owned by the recipients. Loan funds repaid are available to loan to other eligible participants.

Household Well Water receivable represent loans to low- to moderate-income owner occupied home owners in Ohio, Michigan and Wisconsin. The purpose of the loan fund is to assist low-income homeowners in meeting their drinking water needs through the drilling of new wells or rehabilitation of existing ones. This will allow homeowners to keep their homes habitable and safe. Individual loans are limited to \$11,000 and are to be repaid over 20 years at a 1% fixed interest rate.

Community Loan Funds (Safe Water loans) receivable represent loans to local governments, public and private nonprofits, regional water and sewer districts, and homeowner associations for predevelopment costs, gap financing, small equipment replacement, and minor system upgrades. The loans are determined on a case-by-case basis with interest rates that vary from 3% to 6%. The repayment terms are set at five years. All loans are secured either with future assessments made by the community or district or by real estate. Loan funds repaid are loaned to other eligible communities or businesses.

RHED loans receivable represents loans made in Meigs County to new and existing private for profit businesses located within the county. Loans are to be repaid over an individually established period varying from 36 to 84 months with a 1% interest rate. The loan maximum is \$30,000 and one full-time job needs to be created or retained for every \$30,000 borrowed. Loans can be used for working capital, machinery and equipment, or inventory.

Day care loans receivable represent loans to private day care centers throughout a ten-county area in northwest Ohio. Loans are to be repaid within five years with a fixed simple interest rate of 2/3 of prime at the time of the GLCAP Board's approval. The loans can be used for, but are not limited to, working capital, creating jobs, inventory, equipment, etc.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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### Note 7: Revolving Loans Receivable (Continued)

Business loans receivable represent loans to small businesses operated by or employing low- to moderate-income individuals in northwest Ohio. The loans are to be repaid within three years at a fixed simple interest rate set at the time of the GLCAP Board's approval. Interest rates will vary between 7.75% and 10.5%. The loans can be used for, but are not limited to, working capital, creating jobs, inventory, equipment, etc.

Revolving loans receivable balances consist of the following:

Household Well-water	\$	300,343
Community loan fund (Safe Water) loans		63,746
RHED Loans		78,447
Daycare Loans		31,164
Business Loans		6,489
		<u>480,189</u>
Less: Allowance for revolving loans receivable		<u>18,021</u>

Total revolving loans receivable	\$	<u>462,168</u>
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Revolving loans receivable - Current	\$	55,198
Revolving loans receivable - Long-term		406,970

Total revolving loans receivable	\$	<u>462,168</u>
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Revolving loan classifications at September 30, 2020 consist of the following:

Jobs and business development	\$	416,443
Economic development		63,746
Subtotals		<u>480,189</u>
Allowance for loan losses - Job and business development	(	18,021)
Allowance for loan losses - Economic development	(	0)
Revolving loans receivable, net	\$	<u>462,168</u>

An analysis of the allowance for loan losses for the job and business development loans for the year ended September 30, 2020, is as follows:

Balance at beginning of year	\$	17,306
Loans charged off	(	8,523)
Recoveries of loans previously charged off		1,040
Provision for loan loss		8,198
Balance at September 30, 2020	\$	<u>18,021</u>

# Great Lakes Community Action Partnership

## Notes to Financial Statements

### Note 7: Revolving Loans Receivable (Continued)

Detailed analysis of loans evaluated for impairment as of September 30, 2020, is as follows:

	<b>Jobs and Bus. Devel.</b>	<b>Economic Development</b>	<b>Totals</b>
Loans:			
Individually evaluated for impairment	\$ 116,100	\$ 63,746	\$ 179,846
Collectively evaluated for impairment	300,343	0	300,343
<b>Totals</b>	<b>\$ 416,443</b>	<b>\$ 63,746</b>	<b>\$ 480,189</b>

	<b>Jobs and Bus. Devel.</b>	<b>Economic Development</b>	<b>Totals</b>
Related Allowance for Loan Losses:			
Individually evaluated for impairment	\$ 0	\$ 0	\$ 0
Collectively evaluated for impairment	18,021	0	18,021
<b>Totals</b>	<b>\$ 18,021</b>	<b>\$ 0</b>	<b>\$ 18,021</b>

There were no impaired loans without a related allowance for loan loss as of September 30, 2020.

GLCAP regularly evaluates attributes of loans to determine the appropriateness of the allowance for loan losses. Jobs and business development and economic development loans are generally evaluated based on whether or not the loan is performing according to the contractual terms of the loan.

Information regarding the credit quality indicators most closely monitored by class of loan as of September 30, 2020, is as follows:

	<b>Performing</b>	<b>Nonperforming</b>	<b>Totals</b>
Credit exposure:			
Economic development	\$ 63,746	\$ 0	\$ 63,746
Jobs and business development	398,422	18,021	416,443
<b>Totals</b>	<b>\$ 462,168</b>	<b>\$ 18,021</b>	<b>\$ 480,189</b>

As of September 30, 2020, GLCAP has placed all non-performing loans on non-accrual status.

When, for economic or legal reasons related to the borrower's financial difficulties, GLCAP grants a concession to the borrower that GLCAP would not otherwise consider, the modified loan is classified as a troubled debt restructuring. Loan modifications may consist of forgiveness of interest and/or principal, a reduction of the interest rate, interest-only payments for a period of time, and/or extending amortization terms.

There were no modifications of loans that are classified as troubled debt restructurings during the year ended September 30, 2020.

No troubled debt restructurings defaulted during the year ended September 30, 2020, within 12 months of their modification date.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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### Note 8: Loans Receivable/Loans Payable

GLCAP provided six loans totaling \$248,550 to five homebuyers to provide down-payment assistance. These loans were received under the Housing Development Assistance Program through the Ohio Housing Finance Agency. These loans are interest free and will be forgiven over a 15-year period provided the homebuyer retains the property as their principal residence throughout the affordability period.

Loans receivable consist of the following:

Down-payment assistance loan program	\$ 175,710
<u>Less: Allowance for uncollectable amounts</u>	<u>0</u>

<u>Total loans receivable</u>	<u>\$ 175,709</u>
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Loans receivable - Current	\$ 14,062
<u>Loans receivable - Long-term</u>	<u>161,648</u>

<u>Total loans receivable</u>	<u>\$ 175,710</u>
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The funding used to provide financing for the loans receivable above consists of the following loans payable:

Mortgages payable to Ohio Housing Finance Agency at 0% interest with the principal balance forgiven in equal installments over fifteen years. The loan will become immediately due upon the sale of the underlying properties by the homeowners.

GLCAP has a loan receivable from the homeowners for the same amount as the mortgage payable.	\$ 175,710
<u>Total</u>	<u>175,710</u>
<u>Current portion</u>	<u>( 14,062)</u>

<u>Long-term loans payable</u>	<u>\$ 161,648</u>
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Future principal payments due on loans payable at September 30, 2020, are as follows:

2021	\$ 14,062
2022	14,062
2023	14,062
2024	12,828
2025	12,828
<u>Thereafter</u>	<u>107,868</u>
<u>Total</u>	<u>\$ 175,710</u>

# Great Lakes Community Action Partnership

## Notes to Financial Statements

### Note 9: Loans Receivable – Related Parties

Loans receivable – related parties represent loans provided to the housing entities described on Note 18. These loans were received under the Housing Development Assistance Program through the Ohio Housing Finance Agency with interest receivable at 6%. Repayments from the respective LLC's are due on April 30 each year based on 50% of the respective LLC's cash flows greater than \$10,000. In accordance with the grant award, the LLC agrees to retain ownership of the property throughout the affordability period. In the event that the LLC defaults on any of the contract agreements or sells the property, the loan will be immediately due and payable.

Loans receivable – related parties at September 30, 2020:

Housing Entity	Amount	Accrued Interest	Allowance for Uncollectible Amounts	Loans Receivable Net	Due Date
Lake Towne, LLC	\$ 550,000	\$ 149,077	\$ 0	\$ 699,077	12/2039
Port Clinton Pointe, LLC	549,000	457,961	299,561	707,400	12/2054
Bellevue Housing, LP	500,000	13,618	0	513,618	10/2059
Commons at Little Bark	<u>350,000</u>	<u>32,203</u>	<u>0</u>	<u>382,203</u>	<u>10/2055</u>
Totals	<u>\$1,949,000</u>	<u>\$ 652,859</u>	<u>\$ 299,561</u>	<u>\$ 2,302,298</u>	

All of the loans receivable listed in this note are from related parties and are considered in the related party loan class for evaluation purposes. GLCAP regularly evaluates various attributes of loans to determine the appropriateness of the allowance for loan loss. GLCAP's related party class of loans is generally evaluated based on whether the loan is performing according to the contractual terms of the loan or not and the financial condition of the partnership. GLCAP has not identified any loans that are nonperforming.

An analysis for the allowance for uncollectible amounts for the years ended September 30, 2020, is as follows:

Balance at beginning of year	\$ 842,869
Release of loan loss provision	(576,232)
Provision for loan loss	<u>32,924</u>
<b>Balance at September 30, 2020</b>	<b><u>\$ 299,561</u></b>

### Note 10: Loans Payable – Related Parties

Loans payable – related parties represent loans provided to GLCAP from the Ohio Housing Finance Agency that were subsequently loaned out the related parties described in Note 18. In accordance with the terms of the loans, each respective related party has agreed to retain ownership of the property throughout the affordability period. In the event of default on any of the respective contracts or sale of the property, the loan is immediately due and payable. The outstanding amounts are charged interest at 2% with payments based on 50% of cash flow of the respective related party (prior to owner distribution, owner or investor debt but subsequent to all first and second mortgage debt or debt provided by the federal government). GLCAP owns a secondary position related to amounts owed from the respective related parties. The loans are collateralized by buildings. All outstanding balances are due on the due date or are forgivable provided certain requirements have been met.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

### Note 10: Loans Payable – Related Parties (Continued)

Loans payable – related parties at September 30, 2020:

Housing Entity	Amount	Accrued Interest	Loans Payable Net	Affordability End Date
Lake Towne, LLC	\$ 550,000	\$ 149,077	\$ 699,077	12/2039
Port Clinton Pointe, LLC	549,000	158,400	707,400	12/2054
Bellevue Housing, LP	500,000	13,618	513,618	10/2059
Commons at Little Bark	<u>350,000</u>	<u>32,203</u>	<u>382,203</u>	10/2055
Totals	<u>\$1,949,000</u>	<u>\$ 353,297</u>	<u>\$2,302,298</u>	

### Note 11: Notes Payable

Mortgage payable to an unrelated third party with interest fixed at 4.0% for a ten year term. Monthly payments are \$1,519, including interest, due December, 2026. The mortgage is collateralized by real estate. \$ 86,169

Mortgage payable to the United States Department of Agriculture with interest rate fixed at 2.375% for a 30 year term. The loan is approved for \$4.0 million, with the full \$4.0 million drawn to date. Semi-annual payments of \$95,840, including interest, due December, 2046. The mortgage is collateralized by real estate. 3,708,588

Total notes payable	3,794,757
Current portion	( 119,214)
<u>Long-term notes payable</u>	<u>\$ 3,675,543</u>

Future principal payments due on the notes payable outstanding at September 30, 2020, are as follows:

2021	\$ 119,214
2022	122,315
2023	125,502
2024	128,775
2025	132,137
Thereafter	3,166,814
<u>Total note payable</u>	<u>\$ 3,794,757</u>

### Note 12: Refundable Advance - Paycheck Protection Program

At September 30, 2020, GLCAP has a liability of \$298,292 that is being accounted for as a refundable advance. This amount represents the receipt of an award from the Small Business Administration's (SBA) Paycheck Protection Program (PPP) as a result of legislation passed to assist businesses in navigating the Coronavirus Pandemic. GLCAP has determined the award is a conditional grant and has applied the policy as described in Note 1. Accordingly, the award is reported as a refundable advance liability.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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### Note 12: Refundable Advance - Paycheck Protection Program (Continued)

GLCAP has interpreted the condition of the award to be the approval of the forgiveness application by the lender and SBA. Should the conditions of the award not be substantially met or explicitly waived, all or a portion of the award will be treated as a loan bearing interest at 1% and repayable in monthly amounts of principal and interest of \$16,703, beginning November 10, 2020 with final maturity May 26, 2022. In March 2021, the GLCAP received notification the note payable was fully forgiven.

### Note 13: Net Assets with Donor Restrictions

Net assets with donor restrictions are to be used to alleviate conditions of poverty and consist of the following programs:

State and local	\$	767,986
Conditional and foundation		41,431
<u>Total</u>	<u>\$</u>	<u>809,417</u>

Net assets released from restrictions during the year consist of the following:

State and local	\$	12,865
Conditional and foundation		11,789
<u>Total</u>	<u>\$</u>	<u>24,654</u>

### Note 14: Self-Insurance Plan

GLCAP maintains a self-insurance benefit agreement with Medical Mutual of Ohio for its eligible employees and their eligible dependents. The agreement includes a stop loss provision to reduce the risk of excessive claims in any one period.

At the beginning of each annual agreement, an advance deposit equal to one month's estimated claims is required from GLCAP. On September 30, 2020, the required amount of the advance deposit was \$307,364 and this amount was fully funded by GLCAP. The advance deposit is maintained by Medical Mutual of Ohio until after the termination effective date, as defined within the agreement.

GLCAP maintains a self-insurance fund to pay actual claims. The minimum recommended balance for this fund is 30% of projected annual claims. For the current agreement, claims are projected to total \$2,813,665 and the minimum recommended reserve is \$844,099. On September 30, 2020, the self-insurance reserve balance was \$2,201,153 or 261% of the minimum recommended, which is included in net assets without donor restrictions.

A liability is also maintained to fund the cost of "run out" claims. "Run out" claims are charges incurred under the plan prior to September 30, 2020, but paid subsequent to September 30, 2020. On September 30, 2020, GLCAP has recorded a liability of \$364,715. This liability balance is included in other current liabilities on the statement of financial position. In addition, GLCAP has a \$110,000 per individual stop loss contract to minimize risk, as well as an aggregate maximum limit of reimbursement liability of \$2,000,000.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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### Note 15: Retirement Plan

GLCAP maintains a Tax Sheltered Annuity Retirement Plan for its employees. All employees are eligible to contribute to the plan through payroll deductions. Additionally, GLCAP makes contributions to individual accounts for employees who have met applicable service requirements. The employer contributes an amount equal to 3% of base salary and, additionally, matches employee contributions of up to 4% of base salary. Contributions to the plan for the fiscal year ended September 30, 2020, were \$767,961.

GLCAP maintains a 457(b) Retirement Plan for eligible employees. This Tax-Exempt Organization 457(b) Plan is designed to be exempt from Title I of ERISA. As such, any Eligible Employee under this Plan must be a member of a select group of management or highly compensated employees of the employer as described under Title I of ERISA. Contributions to the plan for the fiscal year ended September 30, 2020, were \$38,000.

### Note 16: Operating Leases

GLCAP leases various facilities and equipment for operation of its programs. Rent expense for the year ended September 30, 2020, was \$479,930. Future minimum lease payments on leases having terms beyond September 30, 2020, are as follows:

2021	\$	310,480
2022		141,991
2023		128,369
2024		77,106
<hr/>		
Total	\$	657,946

### Note 17: Lessor Activity

GLCAP owns two buildings that are partially rented to unrelated third parties. The lease payment terms vary depending upon square footage occupied. Rental income for the year ended September 30, 2020, was \$100,023. Future minimum lease payments to be received in 2021 are \$57,137.

A summary of the acquisition costs and accumulated depreciation on the property is as follows: land and building cost \$1,810,347, accumulated depreciation of \$1,238,469, for a net book value of \$571,878.

### Note 18: Related Parties

As described in Note 1, GLCAP has formed majority owned subsidiaries for the purpose of assisting low-to moderate-income families and seniors with housing. These subsidiaries have invested in limited liability corporations (LLC) and limited partnerships (LP) to accomplish these objectives. During fiscal year 2020, GLCAP transferred its ownership in Tremont Greene Housing Corporation to another organization. As a result, GLCAP was released from \$737,244 in related loans and accrued interest and released ownership in a matching amount in loans receivable and net accrued interest.

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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### Note 18: Related Parties (Continued)

The ownership percentages in the LLC's and LP's are as follows:

- Lake Town Housing Corporation has a .051% ownership in Lake Towne, LLC
- Port Clinton Point Housing Corporation has a .051% ownership in Port Clinton Point, LLC
- Nickel Plate Plaza Housing Corporation has a .051% ownership in Bellevue Housing, LP
- Harbor Town Senior Residence Housing Corporation has a .051% ownership in Harbor Town Senior Residence, LLC
- Commons at Little Bark Creek Housing Corporation has a .0051% ownership in Commons at Little Bark Creek, LP

The aggregate financial status and activity (without any required eliminating entries) of the LLC's and LP's as of and for the year ended December 31, 2020, are as follows:

Assets	\$ 28,298,723
<u>Less - Liabilities</u>	<u>13,928,807</u>
Equity	14,369,916
<u>Net loss</u>	<u>( \$ 1,069,055)</u>

### Note 19: Grant Awards

At September 30, 2020, GLCAP had received commitments for funding under various grant awards of approximately \$37,300,000. Additionally, GLCAP has commitments for funding under various grant awards to subrecipients at September 30, 2020, of approximately \$2,135,000. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

### Note 20: Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within twelve months of the statement of financial position date, comprise the following as of September 30, 2020:

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Cash and cash equivalents	\$ 5,019,109
Investments	2,089,983
Accounts receivable, net	627,799
Grants receivable	4,719,363
<u>Subtotal financial assets</u>	<u>12,456,254</u>
Less: Accounts payable	(1,782,758)
Less: Accrued payroll and related expenses	(1,001,222)
Less: Refundable advance liability	(3,253,539)
Less: Net assets designated for self-insurance	(2,201,153)
Less: Net assets designated by the board	( 256,659)
<u>Less: Net assets with donor restrictions</u>	<u>( 809,417)</u>
<u>Total</u>	<u>\$ 3,151,506</u>

# Great Lakes Community Action Partnership

## Notes to Financial Statements

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### **Note 20: Liquidity and Availability** (Continued)

GLCAP does not have a formal liquidity policy but uses a guideline of maintaining financial assets in liquid form such as cash and cash equivalents for approximately three to four months of operating expenses. GLCAP also has grant commitments for future expenses of approximately \$37,300,000 as further described in Note 19.

### **Note 21: Business Conditions**

Beginning in March 2020, the United States economy began suffering adverse effects from the COVID-19 Crisis including financial markets, supply chains, businesses, and communities. Specific to GLCAP, COVID-19 may impact various parts of its 2021 operations and financial results. Management believes GLCAP is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

# **Supplementary Information**

# Great Lakes Community Action Partnership

## Schedule A-1

### Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF AGRICULTURE</b>					
Rural Community Development Initiative	41-072-0340975934-23	10.446	USDA Rural Development	0	134,306
	41-072-0340975934-24		USDA Rural Development	0	80,887
Stemming Opioid Crisis	RCDI Grant #26		USDA Rural Development	59,820	65,494
			<b>Total Federal Expenditures CFDA #10.446</b>	<b>59,820</b>	<b>280,687</b>
Child and Adult Care Food Program	IRN#-077222	10.558	Ohio Department of Education/ School Food Service	<b>0</b>	<b>229,699</b>
RUS/Technitrain	000C24001G165256	10.761	RCAP, Inc.	428,441	1,152,121
RUS/Technitrain	000C24001G167453		RCAP, Inc.	0	36,503
Tribal Technitrain	000C24001G165268		RCAP, Inc.	0	57,542
Tribal Technitrain	000C24001G168560		RCAP, Inc.	0	2,407
			<b>Total Federal Expenditures CFDA #10.761</b>	<b>428,441</b>	<b>1,248,573</b>
USDA Solid Waste	000C24001G168560	10.762	RCAP, Inc.	<b>128,000</b>	<b>136,400</b>
Household Water Well System	41-072-0340975934-25	10.862	USDA Rural Development	0	6,185
			USDA Rural Development	0	75,478
			<b>Total Federal Expenditures CFDA #10.862</b>	<b>0</b>	<b>81,663</b>
National WealthWorks Technical Assistance Program	RD-BU-18-02-RCAP	10.890	USDA Rural Development	<b>0</b>	<b>-11</b>
<b>TOTAL DEPARTMENT OF AGRICULTURE PROGRAMS</b>				<b>616,261</b>	<b>1,977,011</b>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>					
Housing Counseling Program	HC190321024	14.169	U.S. Department of HUD	0	14,075
	HC200321044		U.S. Department of HUD	0	19
			<b>Total Federal Expenditures CFDA #14.169</b>	<b>0</b>	<b>14,094</b>

See Independent Auditor's Report.

# Great Lakes Community Action Partnership

## Schedule A-2

### Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)</b>					
COVID-19 Cares Housing Stability	N-L-20-6AM-5	14.231	U.S. Department of HUD	0	2,877
Domestic Violence (HUD)	OH0420L5E071804	14.235	U.S. Department of HUD	0	106,841
Domestic Violence (HUD)	OH0420L5E071905		U.S. Department of HUD	0	86,579
Permanent Supportive Housing (PSH)	OH0183L5E071811		U.S. Department of HUD	0	629,378
Permanent Supportive Housing (PSH)	OH0183L5E091912		U.S. Department of HUD	0	120,160
<b>Total Federal Expenditures CFDA #14.235</b>				<b>0</b>	<b>942,958</b>
CDBG Rural LISC	42129-0027	14.252	Local Initiatives Support Corporation	0	17,359
Creative Placemaking	42129-0026		Local Initiatives Support Corporation	0	9,164
Healthy Homes	42129-0025		Local Initiatives Support Corporation	0	15,726
<b>Total Federal Expenditures CFDA #14.252</b>				<b>0</b>	<b>42,249</b>
Rapid Conversion (HUD)	OH0420L5E071801	14.267	U.S. Department of HUD	0	246,077
Rapid Conversion (HUD)	OH0592L5E071902		U.S. Department of HUD	0	26,586
<b>Total Federal Expenditures CFDA #14.267</b>				<b>0</b>	<b>272,663</b>
<b>TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS</b>				<b>0</b>	<b>1,274,841</b>
<b>DEPARTMENT OF LABOR</b>					
<b>WIOA Cluster:</b>					
Erie County WIOA Youth	18-273	17.259	Erie Co. Job and Family Services	0	86,922
Erie County WIOA Youth	18.273		Erie Co. Job and Family Services	0	28,416
Sandusky County WIOA Youth	2018-2019-01		Sandusky Co. Job and Family Services	0	50,363
Sandusky County WIOA Youth	2018-2019-02		Sandusky Co. Job and Family Services	0	9,424
Ottawa County WIOA Youth	None		Ottawa Co. Job and Family Services	0	164,154
Ottawa County WIOA Youth	None		Ottawa Co. Job and Family Services	0	59,105
<b>Total Federal Expenditures CFDA #17.259</b>				<b>0</b>	<b>398,384</b>

# Great Lakes Community Action Partnership

## Schedule A-3

### Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF LABOR (Continued)</b>					
Youth Build	YB-32938-18-60-A-39	17.274	Ohio Area 7 Workforce Development Area	0	321,608
Job Corps Scholars	None		Terra State Community College	0	15,933
<b>Total Federal Expenditures CFDA #17.274</b>				<b>0</b>	<b>337,541</b>
<b>TOTAL DEPARTMENT OF LABOR PROGRAMS</b>				<b>0</b>	<b>735,925</b>
<b>DEPARTMENT OF STATE</b>					
Minority Empowerment in Moldova Phase II	S-LMAQM-18-GR-2163	19.345	U.S. Department of State	121,224	160,180
Minority Empowerment in Moldova Phase III	S-LMAQM-19-GR-2204		U.S. Department of State	96,697	106,465
<b>Total Federal Expenditures CFDA #19.345</b>				<b>217,921</b>	<b>266,645</b>
Professional Fellows Program	S-ECAGD-17-CA-1078	19.415	U.S. Department of State	41,628	76,327
Professional Fellows Program	S-ECAGD-18-CA-0019		U.S. Department of State	85,947	284,235
Professional Fellows Program	S-ECAGD-19-CA-0087		U.S. Department of State	30,225	80,195
<b>Total Federal Expenditures CFDA #19.415</b>				<b>157,800</b>	<b>440,757</b>
<b>TOTAL DEPARTMENT OF STATE PROGRAMS</b>				<b>375,721</b>	<b>707,402</b>
<b>DEPARTMENT OF TRANSPORTATION</b>					
Rural Transit	118-RPTF-19-0100	20.509	Ohio Dept. of Transportation	0	137,096
Rural Transit	118-RPTF-20-0100		Ohio Dept. of Transportation	0	148,848
COVID-19 Rural Transit Cares	118-CARE-20-0100		Ohio Dept. of Transportation	0	566,418
Capital Maintenance	118-RPTF-19-0100		Ohio Dept. of Transportation	0	1,924
Capital Maintenance	118-RPTF-20-0100		Ohio Dept. of Transportation	0	18,746
Ohio Coordination - Mobility Manager	OH-2020-024-00		Ohio Dept. of Transportation	0	144,907
<b>Total Federal Expenditures CFDA #20.509</b>				<b>0</b>	<b>1,017,939</b>

# Great Lakes Community Action Partnership

## Schedule A-4

### Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF TRANSPORTATION (Continued)</b>					
<b>Transit Services Program Cluster:</b>					
Ohio Coordination - Mobility Manager	OCPX-0072-010-181	20.513	Ohio Dept. of Transportation	0	11,048
Ohio Coordination - Mobility Manager	OCPX-0072-061-191		Ohio Dept. of Transportation	0	82,566
<b>Total Federal Expenditures CFDA #20.513</b>				<b>0</b>	<b>93,614</b>
<b>TOTAL DEPARTMENT OF TRANSPORTATION PROGRAMS</b>				<b>0</b>	<b>1,111,553</b>
<b>APPALACHIAN REGIONAL COMMISSION</b>					
Appalachian Research Technical	OH-17152-C3-17	23.011	Appalachian Regional Commission	0	67,043
Appalachian Research Technical	OH-17152-C4-19		Appalachian Regional Commission	0	95,529
<b>Total Federal Expenditures CFDA #23.011</b>				<b>0</b>	<b>162,572</b>
<b>DEPARTMENT OF VETERANS AFFAIRS</b>					
Supportive Services for Veterans Families	12-OH-064	64.033	Community Action Partnership, Inc.	0	377,028
Supportive Services for Veterans Families	12-OH-064		Community Action Partnership, Inc.	0	167,000
<b>Total Federal Expenditures CFDA #64.033</b>				<b>0</b>	<b>544,028</b>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>					
US EPA	83938701	66.424	Environmental Protection Agency	<b>110,235</b>	<b>314,920</b>
US EPA Private Well	83938801	66.436	RCAP, Inc.	0	101,400
US EPA Waste Water	83938501		RCAP, Inc.	47,286	107,143
<b>Total Federal Expenditures CFDA #66.436</b>				<b>47,286</b>	<b>208,543</b>

# Great Lakes Community Action Partnership

## Schedule A-5

### Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
<b>ENVIRONMENTAL PROTECTION AGENCY (Continued)</b>					
<b>Drinking Water State Revolving Fund Cluster:</b>					
Small System Technical Assistance	FS985954-19	66.468	Ohio Environmental Protection Agency	0	428,431
Small System Technical Assistance	FS985954-20		Ohio Environmental Protection Agency	0	140,438
<b>Total Federal Expenditures Drinking Water State Revolving Fund Cluster CFDA #66.468</b>				<b>0</b>	<b>568,869</b>
<b>TOTAL ENVIRONMENTAL PROTECTION AGENCY PROGRAMS</b>				<b>157,521</b>	<b>1,092,332</b>
<b>DEPARTMENT OF ENERGY</b>					
Home Weatherization Assistance Program	19-126	81.042	Ohio Department Services Agency	0	317,094
Home Weatherization Assistance Program	20-126		Ohio Department Services Agency	0	344,046
<b>Total Federal Expenditures CFDA #81.042</b>				<b>0</b>	<b>661,140</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>					
<b>Aging Cluster:</b>					
Older American Act - Title IIIB	N/A	93.044	Area Office on Aging of NW Ohio	0	46,488
Older American Act - Title IIIC	N/A	93.045	Area Office on Aging of NW Ohio	0	205,040
COVID-19 Older American Act - Title IIIC Cares	N/A		Area Office on Aging of NW Ohio	0	72,699
First Coronavirus Response Act	N/A		Area Office on Aging of NW Ohio	0	50,388
<b>Total Federal Expenditures CFDA #93.045</b>				<b>0</b>	<b>328,127</b>
<b>Total Federal Expenditures Aging Cluster CFDA #93.044, #93.045</b>				<b>0</b>	<b>374,615</b>

# Great Lakes Community Action Partnership

## Schedule A-6

### Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>					
Early Childhood Daycare	None	93.558	OH Department of Job & Family Services	0	162,086
Erie County TANF	18-273		Erie Co. Job & Family Services	0	154,540
Erie County TANF	18-273		Erie Co. Job & Family Services	0	45,255
Sandusky County TANF	2018-195		Sandusky Co. Job & Family Services	0	278,821
Sandusky County TANF	2018-195		Sandusky Co. Job & Family Services	0	93,632
Ottawa County TANF	2018-2019		Ottawa Co. Job & Family Services	0	171,632
Ottawa County TANF	2018-2019		Ottawa Co. Job & Family Services	0	41,134
Housing Now for Homeless Families	N-L-20-6AM-5		Ohio Department Services Agency	0	2,073
<b>Total Federal Expenditures CFDA #93.558</b>				<b>0</b>	<b>949,173</b>
Home Energy Assistance Program	20-HA-138	93.568	Ohio Department Services Agency	0	481,462
Home Energy Assistance Program	20-HE-238		Ohio Department Services Agency	0	491,942
Home Energy Assistance Program	20-HC-238		Ohio Department Services Agency	0	174,580
Home Energy Assistance Program	21-HA-138		Ohio Department Services Agency	0	40,292
Home Weatherization Assistance Program	19-126		Ohio Department Services Agency	0	899,218
Home Weatherization Assistance Program	20-126		Ohio Department Services Agency	0	79,011
Home Weatherization Assistance Enhancement	19-HE-126		Ohio Department Services Agency	0	123,362
Home Weatherization Assistance Enhancement	20-HE-126		Ohio Department Services Agency	0	39,985
<b>Total Federal Expenditures CFDA #93.568</b>				<b>0</b>	<b>2,329,852</b>
Community Services Block Grant (CSBG)	1819-44	93.569	Ohio Department Services Agency	0	107,808
Community Services Block Grant (CSBG)	2021-44		Ohio Department Services Agency	0	179,925
COVID 19 Community Services Block Grant	2020-44		Ohio Department Services Agency	0	94,684
<b>Total Federal Expenditures CFDA #93.569</b>				<b>0</b>	<b>382,417</b>

# Great Lakes Community Action Partnership

## Schedule A-7

### Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>					
Rural Community Facilities Development	90EF0082-05-00	93.570	U.S. Department of Health and Human Services	473,500	1,195,792
Rural Community Facilities Development Regionalization	None		U.S. Department of Health and Human Services	0	29,202
Rural Community Facilities Development Regionalization	None		U.S. Department of Health and Human Services	0	98,250
<b>Total Federal Expenditures CFDA #93.570</b>				<b>473,500</b>	<b>1,323,244</b>
<b>CCDF Cluster:</b>					
Step Up To Quality	None	93.575	Ohio Child Care Resource & Referral Association	<b>0</b>	<b>250</b>
<b>Head Start Cluster</b>					
Head Start Full-Year, Part-Day Handicapped, Training and Technical Assistance	05CH011180/01	93.600	U.S. Department of Health and Human Services	0	6,437,966
Head Start Full-Year, Part-Day Handicapped, Training and Technical Assistance	05CH011180/02		U.S. Department of Health and Human Services	0	1,347,346
COVID-19 Head Start	05CH011180/01/02		U.S. Department of Health and Human Services	0	263,941
Lucas Co. Head Start	05CH8473-05-02		Toledo Public Schools	0	714,549
Lucas Co. Head Start	05CH011027-00		Toledo Public Schools	0	1,594,754
COVID-19 Lucas Co. Head Start	05CH011027-00		Toledo Public Schools	0	23,160
Early Head Start-Child Care Provider Program	05HP00308-01-00		U.S. Department of Health and Human Services	1,019,909	1,790,112
Early Head Start-Child Care Provider Program	05HP00308-01-01		U.S. Department of Health and Human Services	184,502	747,699
COVID-19 EHS CCP	05HP000308-01-C3		U.S. Department of Health and Human Services	8,653	8,967
Early Head Start-Child Care Provider Program Expansion	05HP000107-02-00		U.S. Department of Health and Human Services	-	1,717,103
COVID-19 EHS CCP	05HP000107-03-02		U.S. Department of Health and Human Services	-	17,538

# Great Lakes Community Action Partnership

## Schedule A-8

### Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2020

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	CFDA Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>					
<b>Head Start Cluster (Continued)</b>					
Early Head Start-Child Care Provider Program	05HP000128-01-00		U.S. Department of Health and Human Services	-	2,326,659
COVID-19 EHS CCP	05HP000128-01-03		U.S. Department of Health and Human Services	-	40,534
Migrant Head Start Program	90CM009853-01-02		U.S. Department of Health and Human Services	-	8,970
<b>Total Federal Expenditures CFDA #93.600</b>				<b>1,213,064</b>	<b>17,039,298</b>
<b>Medicaid Cluster:</b>					
Medicaid Title XIX (Sandusky County)	None	93.778	Sandusky Co. Dept. of Jobs & Family Services	<b>0</b>	<b>223,463</b>
<b>DEPARTMENT OF HOMELAND SECURITY</b>					
EFSP - Phase 37	685400-013	97.024	Emergency Food and Shelter Program	<b>0</b>	<b>7,444</b>
<b>TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS</b>				<b>1,686,564</b>	<b>22,622,312</b>
<b>TOTAL FEDERAL EXPENDITURES</b>				<b>\$ 2,836,066</b>	<b>30,896,560</b>

# Great Lakes Community Action Partnership

## Schedule A-9

### Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2020

State and Local Programs	Funding Source/ Pass-Through Entity	State and Local Expenditures
Ohio Housing Trust Fund	Ohio Department Services Agency	38,097
Ohio Housing Trust Fund	Ohio Department Services Agency	41,610
Homeless Crisis Response Program	Ohio Department Services Agency	77,252
Homeless Crisis Response Program	Ohio Department Services Agency	420,437
Ohio Housing Trust Fund Targeted	Ohio Department Services Agency	67,954
Criminal Justice Housing	Ohio Housing Financy Agency	4,172
Percentage of Income Payment Plan	Ohio Development Services Agency	13,291
Percentage of Income Payment Plan	Ohio Development Services Agency	30,668
Sandusky Seniors Programs	Area Office on Aging of NW Ohio	300,856
Sandusky Seniors Programs	Area Office on Aging of NW Ohio	828,145
Strong Families Safe Communities	Sandusky County Board of Commissioners	36,469
Strong Families Safe Communities	Sandusky County Board of Commissioners	10,551
Ohio Water Development Authority	Ohio Water Development Authority	507,062
Ohio Water Development Authority	Ohio Water Development Authority	273,134
After School Programs	Sandusky Co. United Way	12,894
COVID ES 20	Erie County Board of Commissioners	81,600
Child Care Services	Sandusky Co. Job & Family Services	83,675
Mental Health & Recovery Board (Youthbuild Match)	Seneca Co. Mental Health & Recovery Board	460
T.R.I.P.S.	Ohio Department of Transportation	256,568
Senior Chore Program	Sandusky County Board of Commissioners	7,793
21st Century Learning Grant - Middle School/Clyde Elementary	Clyde City Schools	102,648
21st Century Learning Grant - Middle School/Clyde Elementary	Clyde City Schools	12,936

# Great Lakes Community Action Partnership

## Schedule A-10

### Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2020

State and Local Programs	Funding Source/ Pass-Through Entity	State and Local Expenditures
21st Century Learning Grant - High School	Fremont City Schools	126,757
First Coronavirus Response Act	Area Office on Aging of NW Ohio	10,123
COVID Housing	Ohio Housing Finance Agency	83,131
Neighborhood Initiative Program	Ohio Housing Finance Agency	735
HSTS Grant	Seneca County Commissioners	20,875
	<b>Total State and Local Expenditures</b>	<b><u>3,449,892</u></b>

#### Notes to Schedule of Expenditures of Federal, State, and Local Awards

##### Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal, state, and local awards (the "Schedule") includes the federal, state and local award activity of Great Lakes Community Action Partnership under programs of the federal state and local government for the year ended September 30, 2020. 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 Great Lakes Community Action Partnership, it is not intended to and does not present the financial position, changes in net assets or cash flows of Great Lakes Community Action Partnership.

##### 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. 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.

##### Note 3 - Indirect Cost Allocation

Great Lakes Community Action Partnership has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

##### Note 4 - Balance of Outstanding Loans

The United States Department of Agriculture (USDA) Facility Loan Grant is reported in previous years under CFDA #10.766 has an outstanding loan balance of \$3,708,588 at September 30, 2020.

## **Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters**

Board of Directors  
Great Lakes Community Action Partnership  
Fremont, Ohio

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Great Lakes Community Action Partnership, which comprise the statement of financial position as of September 30, 2020, and the related statement 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 May 29, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Great Lakes Community Action Partnership'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 Great Lakes Community Action Partnership's internal control. Accordingly, we do not express an opinion on the effectiveness of Great Lakes Community Action Partnership'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 may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether Great Lakes Community Action Partnership'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 Great Lakes Community Action Partnership's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Great Lakes Community Action Partnership's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature of Wipfli LLP in cursive script.

Wipfli LLP

May 29, 2021  
Madison, Wisconsin

## **Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance**

Board of Directors  
Great Lakes Community Action Partnership  
Fremont, OH

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

We have audited Great Lakes Community Action Partnership's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020. Great Lakes Community Action Partnership's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### **Management's Responsibility for Compliance**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Great Lakes Community Action Partnership's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Great Lakes Community Action Partnership's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Great Lakes Community Action Partnership's compliance.

### **Opinion**

In our opinion, Great Lakes Community Action Partnership 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 September 30, 2020.

## Report on Internal Control Over Compliance

Management of Great Lakes Community Action Partnership is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Great Lakes Community Action Partnership's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Great Lakes Community Action Partnership's 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Wipfli LLP

May 29, 2021  
Madison, Wisconsin

# Great Lakes Community Action Partnership

## Schedule of Findings and Questioned Costs

Year Ended September 30, 2020

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### Section I - Summary of Auditor's Results and Questioned Costs

#### Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified?	No
Noncompliance material to financial statements noted?	No

#### Federal Awards

Internal control over major federal and state programs:	
Material weakness identified?	No
Significant deficiency identified?	No
Type of auditor's report issued on compliance for major program	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No

Identification of major federal programs:

<u>Name of Federal Major Program or Cluster</u>	<u>CFDA No.</u>
Technical Assistance and Training Grants	10.761
Formula Grants for Rural Area	20.509
Temporary Assistance for Needy Families	93.558
Head Start	93.600

Dollar threshold used to distinguish between Type A and Type B programs:	\$926,897
Auditee qualified as low-risk auditee?	Yes

### Section II - Financial Statement Findings

None

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

None

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

None