

Great Lakes Community Action Partnership

Fremont, Ohio

Financial Statements and
Supplementary Information

Year Ended September 30, 2021



Great Lakes Community Action Partnership

Financial Statements and Supplementary Information

Year Ended September 30, 2021

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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, 2021, 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, 2021, 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 which includes information 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 2, 2022, 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 2, 2022
Madison, Wisconsin

Great Lakes Community Action Partnership

Statement of Financial Position

September 30, 2021

Assets	
Current assets:	
Cash and cash equivalents	5,642,712
Investments	2,418,966
Accounts receivable, net	676,674
Grants receivable	6,444,735
Revolving loans receivable - Current, net	53,411
Loans receivable - Current	14,062
Prepaid expenses	449,279
Advance deposit	318,702
Other assets	136,051
Total current assets	16,154,592
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Property and equipment, net	9,424,302
Long-term assets:	
Revolving loans receivable - Long-term, net	454,682
Loans receivable - Long-term	147,586
Loans receivable - Related parties, net	2,340,842
Total long-term assets	2,943,110
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TOTAL ASSETS	28,522,004

Great Lakes Community Action Partnership

Statement of Financial Position (Continued)

September 30, 2021

<i>Liabilities and Net Assets</i>	
Current liabilities:	
Notes payable - Current portion	\$ 122,318
Loans payable - Current portion	14,062
Accounts payable	1,844,046
Accrued payroll and related expenses	1,348,868
Accrued vacation	802,901
Refundable advance liability	3,007,214
Other liabilities	539,828
Total current liabilities	7,679,237
Long-term liabilities:	
Notes payable	3,553,176
Loans payable	147,586
Loans payable - Related parties	2,340,842
Total long-term liabilities	6,041,604
Total liabilities	13,720,841
Net assets:	
Net assets without donor restrictions	10,975,974
Net assets without donor restrictions - Designated for self insurance	2,619,983
Net assets without donor restrictions - Board designated	277,852
Total net assets without donor restrictions	13,873,809
Net assets with donor restrictions	927,354
Total net assets	14,801,163
TOTAL LIABILITIES AND NET ASSETS	\$ 28,522,004

See accompanying notes to financial statements.

Great Lakes Community Action Partnership

Statement of Activities

Year Ended September 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Grant revenue:			
Federal	\$ 39,820,664	\$ 0	\$ 39,820,664
Other	3,806,692	134,253	3,940,945
Total grant revenue	43,627,356	134,253	43,761,609
Investment income	347,640	0	347,640
Loan interest income	74,851	6,445	81,296
Contract revenue	3,015,244	0	3,015,244
Program income	2,255,764	0	2,255,764
Donations	2,489,586	3,472	2,493,058
Rental income	101,383	0	101,383
Miscellaneous revenue	1,365,041	240	1,365,281
In-kind contributions	31,155	0	31,155
Net assets released from restrictions	26,473	(26,473)	0
Total revenue	53,334,493	117,937	53,452,430
Program activities:			
Child development	21,573,336	0	21,573,336
Adult and youth development	8,968,129	0	8,968,129
Community development	6,574,042	0	6,574,042
Housing and energy	3,692,576	0	3,692,576
Seniors	2,313,246	0	2,313,246
TRIPS	1,224,430	0	1,224,430
Corporate programs	57,646	0	57,646
Housing and workforce development	947,000	0	947,000
Total program activities	45,350,405	0	45,350,405
Management and general	3,023,802	0	3,023,802
Fundraising	10,274	0	10,274
Total expenses	48,384,481	0	48,384,481
Change in net assets	4,950,012	117,937	5,067,949
Net assets - Beginning of year	8,923,797	809,417	9,733,214
Net assets - End of year	\$ 13,873,809	\$ 927,354	\$ 14,801,163

See accompanying notes to financial statements.

Great Lakes Community Action Partnership

Statement of Functional Expenses

Year Ended September 30, 2021

	Program Activities	Management and General	Fundraising	Total
Personnel	\$ 22,002,352	\$ 2,372,296	\$ 0	\$ 24,374,648
Participant costs	894,611	0	0	894,611
Donated services	8,507	0	0	8,507
Training	370,226	29,523	0	399,749
Consultants	6,491,061	126,178	0	6,617,239
Subrecipients	3,357,196	0	0	3,357,196
Travel	237,334	3,042	0	240,376
Transportation	455,009	0	0	455,009
Space costs	2,319,669	157,590	969	2,478,228
Donated space	182	0	0	182
Operating costs	2,616,880	161,190	6,129	2,784,199
Food	666,749	0	195	666,944
Weatherization materials	694,213	0	0	694,213
Equipment	443,245	910	0	444,155
Depreciation	809,421	2,314	0	811,735
Miscellaneous	960,287	170,759	0	1,131,046
Interest expense	128,560	0	0	128,560
Emergency assistance	2,894,903	0	2,981	2,897,884
Total expenses	\$ 45,350,405	\$ 3,023,802	\$ 10,274	\$ 48,384,481

See accompanying notes to financial statements.

Great Lakes Community Action Partnership

Statement of Cash Flows

Year Ended September 30, 2021

Increase (decrease) in cash and cash equivalents:

Cash flows from operating activities:

Change in net assets \$ 5,067,949

Adjustments to reconcile change in net assets

to net cash provided by operating activities:

Depreciation 811,735

Contribution of property and equipment (2,205,888)

Provision for loan loss - Revolving loans 15,586

Provision for loan loss - Related parties 34,931

Forgiveness of paycheck protection program loan (298,292)

Interest earned on loans receivable - Related parties (73,475)

Interest accrued on loans payable - Related parties 38,544

Unrealized and realized gain on investments (255,664)

Changes in operating assets and liabilities:

Grants receivable (1,725,372)

Accounts receivable (48,875)

Prepaid expenses (291,521)

Advance deposit (11,338)

Other assets (20,618)

Accounts payable 61,288

Accrued payroll and related expenses 347,646

Accrued vacation 96,823

Refundable advance liability 51,967

Other liabilities 138,600

Net cash provided by operating activities 1,734,026

Great Lakes Community Action Partnership

Statement of Cash Flows (Continued)

Year Ended September 30, 2021

Cash flows from investing activities:	
Capital expenditures	(856,330)
Proceeds from sales and maturities of investments	14,652
Purchase of investments	(87,971)
Issuance of revolving loans	(197,017)
Principal payments received on revolving loans	135,506
Net cash used in investing activities	(991,160)
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Cash flows from financing activities:	
Principal payments on notes payable	(119,263)
Net cash used in financing activities	(119,263)
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Change in cash and cash equivalents	623,603
Cash and cash equivalents - Beginning of year	5,019,109
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Cash and cash equivalents - End of year	\$ 5,642,712
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Supplemental cash flow information:	
Interest paid	\$ 128,560

Great Lakes Community Action Partnership

Notes to Financial Statements

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

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 18.

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

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 GLCAP and/or the passage of time. Other donor-imposed stipulations are perpetual in nature, where the donor stipulates the resources to be maintained in perpetuity. 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. Currently, GLCAP does not have any net assets that are perpetual in nature.

Revenue Recognition

Contributions

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

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Grants

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 a refundable advance liability.

B. Grant Awards That Are Exchange Transactions

Exchange transactions are those in which the resource provider or grantor receives a commensurate value in exchange for goods or services transferred. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as a contract liability.

Rental Income

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

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.

Contract Revenue

Weatherization Contract Fees - GLCAP recognized revenues from Weatherization contracts for service contracts of \$657,351 in 2021. GLCAP Weatherization contracts with area utility providers to install insulation, energy efficient light bulbs, refrigerators, and energy efficient water measures for scheduled fees to low-income participants.

GLCAP considers the performance obligation defined by deliverables established within each contract and scope of work. Fees are set on a per deliverable fee basis with each utility contract. Transactions are allocated based on fees set for each contract deliverable and outlined scope of work. Revenue is recognized after an approved inspection of the work completed based on the contracted fee schedule.

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Contract Revenue (Continued)

Early Childhood Education Fees – GLCAP recognized revenues from early childhood fees of \$877,813 in 2021. GLCAP offers early childhood education to local Boards of Education. Contract terms are established to provide a 7 hour per day classroom experience in accordance with Early Education program requirements, four days a week for at least 130 days between August and May. Pricing is included within each contract with fees based on attendance sheets. Each month GLCAP invoices fees to the respective Board of Education for each unit of service completed.

GLCAP considers the performance obligation to be providing early childhood education services and the performance obligation is satisfied when days of service are provided. Revenue is recognized over time as the participant is simultaneously receiving and consuming the benefits of the service. GLCAP feels the output method is the most faithful depiction of the transfer of goods or services and day of service, as a result achieved, represents a satisfaction of a performance obligation. Neither the respective Board of Education, nor GLCAP, is obligated beyond that day.

Community Housing Impact and Preservation Fees - GLCAP recognized revenues from Community Housing Impact and Preservation (CHIP) contracts of \$1,480,080 in 2021. GLCAP CHIP contracts are established with various counties to provide administration of their Community Housing Impact and Preservation (CHIP) grants. Contracts are in place with the counties of Sandusky, Erie, Huron, Lorain, Ottawa, Putnam, Lucas, Hancock, Crawford, and with the City of Fostoria.

GLCAP considers the performance obligation as the performance obligation defined by deliverables established within each contract. Fees are set on a per deliverable basis with each community contract. Transactions are allocated based on fees set for each contract deliverable. Revenue is recognized after the completion of the tasks required per the contract.

Receivables from all contracts with customers was \$486,068 and \$321,540 at September 30, 2021 and 2020. There were no contract assets or contract liabilities at September 30, 2021.

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, 2021, GLCAP has recorded an allowance of \$60,672 related to accounts receivable.

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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, 2021, 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.

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revolving Loans Receivable (Continued)

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.

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.

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

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.

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 \$6,985,800 at September 30, 2021.

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, 2021, GLCAP received \$31,155 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 \$1,891,712 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

Note 1: Summary of Significant Accounting Policies (Continued)

Recently Adopted Accounting Pronouncements

In 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 replaces previous revenue recognition requirements and most industry-specific guidance. GLCAP has adopted ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* as of October 1, 2020. Management has adopted the guidance on a modified retrospective basis and analysis of various provisions of this standard resulted in no significant changes in the way GLCAP recognizes revenue. There was no cumulative effect on beginning net assets of applying the new standard and its amendments for the year ended September 30, 2021.

New Accounting Pronouncements

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, 2020, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. On June 3, 2020, FASB issued ASU 2020-05, *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 ASU Topic 842.

Subsequent Events

Subsequent events have been evaluated through May 2, 2022, 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).

Note 3: Grants Receivable

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

Federal programs	\$ 6,192,460
State and local programs	252,275
<u>Total grants receivable</u>	<u>\$ 6,444,735</u>

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 4: Investments

Investments consist of mutual funds. The fair value of these securities as of September 30, 2021, are as follows:

	Fair Value
Fixed income mutual funds	\$ 740,370
Equity mutual funds	1,678,596
Totals	\$ 2,418,966

Investment income as of September 30, 2021, consists of the following:

Interest and dividend income - Investments	\$ 111,862
Unrealized and realized gain on investments	255,664
Investment fees	(19,886)
Net investment income	\$ 347,640

Note 5: Property and Equipment

A summary of property and equipment is as follows:

Land	\$ 265,944
Buildings and improvements	9,545,373
Furniture, fixtures, and equipment	4,962,206
Computers	185,186
Total	14,958,709
Accumulated depreciation	(5,534,407)
Property and equipment, net	\$ 9,424,302

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.

Information regarding the assets measured at fair value on a recurring basis as of September 30, 2021, 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	\$ 740,370	\$ 740,370	\$ 0	\$ 0
Equity mutual funds	1,678,596	1,378,596	0	0
Total	\$ 2,418,966	\$ 2,418,966	\$ 0	\$ 0

Great Lakes Community Action Partnership

Notes to Financial Statements

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.

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	\$	359,066
Community loan fund (Safe Water) loans		22,579
RHED Loans		87,629
Daycare Loans		55,144
Business Loans		5,219
		<u>529,637</u>
Less: Allowance for revolving loans receivable		<u>21,544</u>
Total revolving loans receivable	\$	<u>508,093</u>

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 7: Revolving Loans Receivable (Continued)

Revolving loans receivable - Current	\$ 53,411
Revolving loans receivable - Long-term	454,682
Total revolving loans receivable	\$ 508,093

Revolving loan classifications at September 30, 2021 consist of the following:

Jobs and business development	\$ 507,058
Economic development	22,579
Subtotals	529,637
Allowance for loan losses - Job and business development	(21,544)
Allowance for loan losses - Economic development	(0)
Revolving loans receivable, net	\$ 508,093

An analysis of the allowance for loan losses for the job and business development loans for the year ended September 30, 2021, is as follows:

Balance at beginning of year	\$ 18,021
Loans charged off	(25,762)
Recoveries of loans previously charged off	13,699
Provision for loan loss	15,586
Balance at September 30, 2021	\$ 21,544

Detailed analysis of loans evaluated for impairment as of September 30, 2021, is as follows:

	Jobs and Bus. Devel.	Economic Development	Totals
Loans:			
Individually evaluated for impairment	\$ 147,992	\$ 22,579	\$ 170,571
Collectively evaluated for impairment	359,066	0	359,066
Totals	\$ 507,058	\$ 22,579	\$ 529,637

	Jobs and Bus. Devel.	Economic Development	Totals
Related Allowance for Loan Losses:			
Individually evaluated for impairment	\$ 0	\$ 0	\$ 0
Collectively evaluated for impairment	21,544	0	21,544
Totals	\$ 21,544	\$ 0	\$ 21,544

There were no impaired loans without a related allowance for loan loss as of September 30, 2021.

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.

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 7: Revolving Loans Receivable (Continued)

Information regarding the credit quality indicators most closely monitored by class of loan as of September 30, 2021, is as follows:

	<u>Performing</u>	<u>Nonperforming</u>	<u>Totals</u>
Credit exposure:			
Economic development	\$ 22,579	\$ 0	\$ 22,579
Jobs and business development	485,514	21,544	507,058
<u>Totals</u>	<u>\$ 508,093</u>	<u>\$ 21,544</u>	<u>\$ 529,637</u>

As of September 30, 2021, 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, 2021.

No troubled debt restructurings defaulted during the year ended September 30, 2021, within 12 months of their modification date.

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	\$ 161,648
Less: Allowance for uncollectable amounts	0
<u>Total loans receivable</u>	<u>\$ 161,648</u>
Loans receivable - Current	\$ 14,062
Loans receivable - Long-term	147,586
<u>Total loans receivable</u>	<u>\$ 161,648</u>

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 8: Loans Receivable/Loans Payable (Continued)

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.	\$ 161,648
Total	161,648
Current portion	(14,062)

<u>Long-term loans payable</u>	<u>\$ 147,586</u>
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Future principal payments due on loans payable at September 30, 2021, are as follows:

2022	\$ 14,062
2023	14,062
2024	12,829
2025	12,829
2026	12,829
Thereafter	95,037
<u>Total</u>	<u>\$ 161,648</u>

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, 2021:

Housing Entity	Amount	Accrued Interest	Allowance for Uncollectable Amounts	Loans Receivable Net	Due Date
Lake Towne, LLC	\$ 550,000	\$ 163,129	\$ 0	\$ 713,129	12/2039
Port Clinton Pointe, LLC	549,000	507,130	334,492	721,638	12/2054
Bellevue Housing, LP	500,000	16,189	0	516,189	10/2059
Commons at Little Bark	<u>350,000</u>	<u>39,886</u>	<u>0</u>	<u>389,886</u>	<u>10/2055</u>
Totals	<u>\$1,949,000</u>	<u>\$ 726,334</u>	<u>\$ 334,492</u>	<u>\$ 2,340,842</u>	

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 9: Loans Receivable – Related Parties (Continued)

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, 2021, is as follows:

Balance at beginning of year	\$ 299,561
Provision for loan loss	34,931
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<u>Balance at September 30, 2021</u>	<u>\$ 334,492</u>

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.

Loans payable – related parties at September 30, 2021:

<u>Housing Entity</u>	<u>Amount</u>	<u>Accrued Interest</u>	<u>Loans Payable Net</u>	<u>Affordability End Date</u>
Lake Towne, LLC	\$ 550,000	\$ 163,129	\$ 713,129	12/2039
Port Clinton Pointe, LLC	549,000	172,638	721,638	12/2054
Bellevue Housing, LP	500,000	16,189	516,189	10/2059
Commons at Little Bark	<u>350,000</u>	<u>39,886</u>	<u>389,886</u>	10/2055
Totals	<u>\$1,949,000</u>	<u>\$ 391,842</u>	<u>\$2,340,842</u>	

Great Lakes Community Action Partnership

Notes to Financial Statements

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. \$ 71,118

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. 3,604,376

Total notes payable 3,675,494
Current portion (122,318)

Long-term notes payable \$ 3,553,176

Future principal payments due on the notes payable outstanding at September 30, 2021, are as follows:

2022	\$ 122,318
2023	125,502
2024	128,775
2025	132,142
2026	121,688
Thereafter	<u>3,045,069</u>

Total note payable \$ 3,675,494

Note 12: Miscellaneous Revenue - Paycheck Protection Program

For the year ended September 30, 2021, GLCAP recorded PPP loan forgiveness of \$298,292 in miscellaneous income. 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, as the award conditions were overcome, the grant is recognized as revenue.

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	\$ 884,938
Conditional and foundation	<u>42,416</u>
Total	<u>\$ 927,354</u>

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 13: Net Assets with Donor Restrictions (Continued)

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

State and local	\$	23,867
Conditional and foundation		2,606
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Total	\$	26,473

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. 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.

At the beginning of each annual agreement, an advance deposit equal to one month's estimated claims is required from GLCAP. On September 30, 2021, the required amount of the advance deposit was \$318,702 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 \$2,710,086 and the minimum recommended reserve is \$813,026. On September 30, 2021, the self-insurance reserve balance was \$2,619,983 or 322% 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, 2021, but paid subsequent to September 30, 2021. On September 30, 2021, GLCAP has recorded a liability of \$423,672. This liability balance is included in other current liabilities on the statement of financial position.

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, 2021, were \$830,864.

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, 2021, were \$50,000.

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 16: Operating Leases

GLCAP leases various facilities and equipment for operation of its programs. Rent expense for the year ended September 30, 2021, was \$713,707. Future minimum lease payments on leases having terms beyond September 30, 2021, are as follows:

2022	\$	611,315
2023		256,484
2024		207,408
2025		131,605
2026		132,921
<u>Total</u>		<u>\$ 1,339,733</u>

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, 2021, was \$101,383. Future minimum lease payments to be received in 2022 are \$58,049.

A summary of the acquisition costs and accumulated depreciation on the property is as follows: land and building cost \$1,872,347, accumulated depreciation of \$1,304,966, for a net book value of \$567,381.

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.

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 Towne 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
- Secor Senior Lofts Housing Corp has a .0051% ownership in Secor Senior Lofts, LLC

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, 2021, are as follows:

Assets	\$	27,051,703
<u>Less - Liabilities</u>		<u>13,377,083</u>
Equity		13,674,620
<u>Net loss</u>		<u>(\$ 1,099,167)</u>

Great Lakes Community Action Partnership

Notes to Financial Statements

Note 19: Grant Awards

At September 30, 2021, GLCAP had received commitments for funding under various grant awards of approximately \$48,500,000. Additionally, GLCAP has commitments for funding under various grant awards to subrecipients at September 30, 2021, of approximately \$1,917,000. 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, 2021:

Cash and cash equivalents	\$ 5,642,712
Investments	2,418,996
Accounts receivable, net	676,674
Grants receivable	6,444,735
Subtotal financial assets	15,183,117
Less: Accounts payable	(1,844,046)
Less: Accrued payroll and related expenses	(1,348,868)
Less: Refundable advance liability	(3,007,214)
Less: Net assets designated for self-insurance	(2,619,983)
Less: Net assets designated by the board	(277,852)
Less: Net assets with donor restrictions	(927,354)
Total	\$ 5,157,800

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 \$48,500,000 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 2022 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, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	Assistance Listing Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
DEPARTMENT OF AGRICULTURE					
Rural Community Development Initiative	41-072-0340975934-23	10.446	USDA Rural Development	0	(441)
	41-072-0340975934-24		USDA Rural Development	0	71,277
	41-072-0340975934-25		USDA Rural Development	0	80,726
Stemming Opioid Crisis	RCDI Grant #26		USDA Rural Development	83,642	97,528
			Total Federal Expenditures AL #10.446	83,642	249,090
Child and Adult Care Food Program	IRN#-077222	10.558	Ohio Department of Education/ School Food Service	0	264,276
RUS/Technitrain	000C24001G165256	10.761	RCAP, Inc.	43,559	69,593
RUS/Technitrain	000C24001G167453		RCAP, Inc.	454,000	1,149,430
RUS/Technitrain	000C24001G172048		RCAP, Inc.	34,220	88,392
Tribal Technitrain	000C24001G168560		RCAP, Inc.	0	45,343
Tribal Technitrain	000C24001G172042		RCAP, Inc.	0	6,391
			Total Federal Expenditures AL #10.761	531,779	1,359,149
USDA Solid Waste 8009121	NPA 2 - 2020-2022	10.762	RCAP, Inc.	140,600	149,000
Community Facilities Loans and Grants Cluster:					
Community Facilities Cooperative	None	10.766	RCAP, Inc.	0	16,645
Household Water Well System	41-072-0340975934-27	10.862	USDA Rural Development	0	124,522
TOTAL DEPARTMENT OF AGRICULTURE PROGRAMS				756,021	2,162,682
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Housing Counseling Program	HC200321044	14.169	U.S. Department of HUD	0	15,823
COVID-19 CDBG-CV Home Relief Phase 2	N-D-20-6AM-1	14.228	U.S. Department of HUD	0	532,192
COVID-19 Cares Housing Stability	N-L-20-6AM-5	14.231	U.S. Department of HUD	0	223,708

Great Lakes Community Action Partnership

Schedule A-2

Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	AL Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)					
CDBG Rural LISC	42129-0027	14.252	Local Initiatives Support Corporation	0	17,641
Creative Placemaking	42129-0026		Local Initiatives Support Corporation	0	3,286
Healthy Housing	42129-0029		Local Initiatives Support Corporation	0	15,488
Healthy Homes	42129-0025		Local Initiatives Support Corporation	0	84
Total Federal Expenditures AL #14.252				0	36,499
Domestic Violence (HUD)	OH0420L5E071905	14.267	U.S. Department of HUD	0	131,535
Domestic Violence (HUD)	OH0420L5E072006		U.S. Department of HUD	0	123,891
Permanent Supportive Housing (PSH)	OH0183L5E091912		U.S. Department of HUD	0	644,789
Permanent Supportive Housing (PSH)	OH0183L5E072013		U.S. Department of HUD	0	108,186
Rapid Conversion (HUD)	OH0592L5E071902		U.S. Department of HUD	0	138,291
Rapid Conversion (HUD)	OH0592L5E072003		U.S. Department of HUD	0	31,396
Total Federal Expenditures AL #14.267				0	1,178,088
TOTAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROGRAMS				0	1,986,310
DEPARTMENT OF LABOR					
WIOA Cluster:					
Erie County WIOA Youth	18-273	17.259	Erie Co. Job and Family Services	0	85,906
Erie County WIOA Youth	18.273		Erie Co. Job and Family Services	0	16,546
Sandusky County WIOA Youth	2018-2019-02		Sandusky Co. Job and Family Services	0	47,451
Ottawa County WIOA Youth	None		Ottawa Co. Job and Family Services	0	139,029
Ottawa County WIOA Youth	None		Ottawa Co. Job and Family Services	0	31,479
Total Federal Expenditures WIOA Cluster AL #17.259				0	320,411
Youth Build	YB-32938-18-60-A-39	17.274	Ohio Area 7 Workforce Development Area	0	103,350
Job Corps Scholars	None		Terra State Community College	0	210,103
Total Federal Expenditures AL #17.274				0	313,453
TOTAL DEPARTMENT OF LABOR PROGRAMS				0	633,864

Great Lakes Community Action Partnership

Schedule A-3

Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	AL Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
DEPARTMENT OF STATE					
Minority Empowerment in Moldova Phase II	S-LMAQM-18-GR-2163	19.345	U.S. Department of State	85,101	122,573
Minority Empowerment in Moldova Phase III	S-LMAQM-19-GR-2204		U.S. Department of State	152,444	180,689
Total Federal Expenditures AL #19.345				237,545	303,262
Professional Fellows Program	S-ECAGD-18-CA-0019	19.415	U.S. Department of State	40,508	99,395
Professional Fellows Program	S-ECAGD-19-CA-0087		U.S. Department of State	46,431	115,513
Total Federal Expenditures AL #19.415				86,939	214,908
TOTAL DEPARTMENT OF STATE PROGRAMS				324,484	518,170
DEPARTMENT OF TRANSPORTATION					
Rural Transit	118-RPTF-20-0100	20.509	Ohio Dept. of Transportation	0	40,121
COVID-19 Rural Transit Cares	118-CARE-20-0100		Ohio Dept. of Transportation	0 (47,669)
COVID-19 Rural Transit Cares	118-CARE-21-0100		Ohio Dept. of Transportation	0	513,369
Capital Maintenance	118-BABF-20-0100		Ohio Dept. of Transportation	0	53,687
Capital Maintenance	118-RPTF-20-0100		Ohio Dept. of Transportation	0	3,165
COVID-19 Ohio Coordination - Cares Mobility Manager	OH-2020-024-00		Ohio Dept. of Transportation	0	55,814
COVID-19 Ohio Coordination - Cares Mobility Manager	Care-0118-024-210		Ohio Dept. of Transportation	0	62,497
Total Federal Expenditures AL #20.509				0	680,984
Transit Services Program Cluster:					
Ohio Coordination - Mobility Manager	OCPX-0072-061-191	20.513	Ohio Dept. of Transportation	0	99,434
Ohio Coordination - Mobility Manager	TSTP-0118-GRF-201		Ohio Dept. of Transportation	0	75,132
Ohio Coordination - Mobility Manager	OCPX-0118-038-210		Ohio Dept. of Transportation	0	101,209
Total Federal Expenditures Transit Services Program Cluster AL #20.513				0	275,775
TOTAL DEPARTMENT OF TRANSPORTATION PROGRAMS				0	956,759

Great Lakes Community Action Partnership

Schedule A-4

Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	AL Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
Department of Treasury					
COVID-19 ODA - Cares	None	21.019	Ohio Dept. of Aging	0	25,000
COVID-19 ODA - Cares 2nd Opportunity	None		Ohio Dept. of Aging	0	25,000
COVID-19 ODA - Cares 3rd Opportunity	None		Ohio Dept. of Aging	0	49,900
COVID-19 Cares Act COVID Relief HR Phase 1	CRF-ESP 2020-44		Ohio Department Services Agency	0	1,107,552
			Total Federal Expenditures AL #21.019	0	1,207,452
COVID-19 Home Relief Grant - Phase 3	CAA-HRG 2021-44	21.023	Ohio Department Services Agency	0	1,444,450
TOTAL DEPARTMENT OF TREASURY PROGRAMS				0	2,651,902
APPALACHIAN REGIONAL COMMISSION					
Appalachian Research Technical	OH-17152-C4-19	23.011	Appalachian Regional Commission	0	150,384
DEPARTMENT OF VETERANS AFFAIRS					
Supportive Services for Veterans Families	12-OH-064	64.033	Community Action Partnership, Inc.	0	140,224
Supportive Services for Veterans Families	12-OH-064		Community Action Partnership, Inc.	0	493,325
			Total Federal Expenditures AL #64.033	0	633,549
ENVIRONMENTAL PROTECTION AGENCY					
US EPA	83938701	66.424	Environmental Protection Agency	155,128	314,295
US EPA	NPA 1 - 2020-2022		Environmental Protection Agency	109,725	376,655
US EPA Capacity Building	None		Environmental Protection Agency	33,745	96,818
			Total Federal Expenditures AL #66.424	298,598	787,768
US EPA Private Well	83938801	66.436	RCAP, Inc.	0	130,579
US EPA Private Well	84007801		RCAP, Inc.	0	23,447
US EPA Waste Water	83938501		RCAP, Inc.	36,127	77,297
US EPA Waste Water	NPA 3 - 2020-2022		RCAP, Inc.	24,312	85,860
			Total Federal Expenditures AL #66.436	60,439	317,183

Great Lakes Community Action Partnership

Schedule A-5

Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	AL Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
ENVIRONMENTAL PROTECTION AGENCY (Continued)					
Drinking Water State Revolving Fund Cluster:					
Small System Technical Assistance	FS985954-20	66.468	Ohio Environmental Protection Agency	0	409,561
Small System Technical Assistance	FS985954-21		Ohio Environmental Protection Agency	0	124,054
Total Federal Expenditures Drinking Water State Revolving Fund Cluster AL #66.468				0	533,615
TOTAL ENVIRONMENTAL PROTECTION AGENCY PROGRAMS				359,037	1,638,566
DEPARTMENT OF ENERGY					
Home Weatherization Assistance Program	20-126	81.042	Ohio Department Services Agency	0	357,645
Home Weatherization Assistance Program	21-126		Ohio Department Services Agency	0	250,455
Total Federal Expenditures AL #81.042				0	608,100
DEPARTMENT OF HEALTH AND HUMAN SERVICES					
Aging Cluster:					
Older American Act - Title IIIB	N/A	93.044	Area Office on Aging of NW Ohio	0	29,434
COVID-19 Cares Act-Socialization/Recreation (Virtual)	N/A		Area Office on Aging of NW Ohio	0	8,042
COVID-19 Cares Act-Home Repair Sandusky Co	N/A		Area Office on Aging of NW Ohio	0	7,337
COVID-19 Cares Act-Client Finding/Outreach	N/A		Area Office on Aging of NW Ohio	0	5,344
Total Federal Expenditures AL #93.044				0	50,157
Older American Act - Title IIIC	N/A	93.045	Area Office on Aging of NW Ohio	0	193,100
COVID-19 Cares Act-Small Restaurant Initiative	N/A		Area Office on Aging of NW Ohio	0	37,752
COVID-19 Cares Act-Home Delivered Meals	N/A		Area Office on Aging of NW Ohio	0	(6,701)
Total Federal Expenditures AL #93.045				0	224,151
Total Federal Expenditures Aging Cluster AL #93.044, #93.045				0	274,308

Great Lakes Community Action Partnership

Schedule A-6

Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	AL Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)					
Early Childhood Daycare	None	93.558	OH Department of Job & Family Services	0	130,169
Erie County TANF	18-273		Erie Co. Job & Family Services	0	99,346
Erie County TANF	18-273		Erie Co. Job & Family Services	0	28,772
Erie County TANF Summer	18-273		Erie Co. Job & Family Services	0	29,206
Sandusky County TANF	2018-195		Sandusky Co. Job & Family Services	0	203,369
Seneca County TANF Summer	None		Seneca Co. Job & Family Services	0	33,602
Ottawa County TANF Summer	2018-2019		Ottawa Co. Job & Family Services	0	24,517
Ottawa County TANF	2018-2019		Ottawa Co. Job & Family Services	0	156,715
Ottawa County TANF	2018-2019		Ottawa Co. Job & Family Services	0	40,304
Housing Now for Homeless Families	N-L-20-6AM-5		Ohio Department Services Agency	0	93,928
			Total Federal Expenditures AL #93.558	0	839,928
Home Energy Assistance Program	21-HA-138	93.568	Ohio Department Services Agency	0	466,306
Home Energy Assistance Program	21-HE-238		Ohio Department Services Agency	0	416,958
Home Energy Assistance Program	20-HC-238		Ohio Department Services Agency	0	182,971
Home Energy Assistance Program	22-HA-138		Ohio Department Services Agency	0	48,258
Home Weatherization Assistance Program	20-126		Ohio Department Services Agency	0	813,199
Home Weatherization Assistance Program	21-126		Ohio Department Services Agency	0	154,076
Home Weatherization Assistance Enhancement	20-HE-126		Ohio Department Services Agency	0	275,557
Home Weatherization Assistance Enhancement	21-HE-126		Ohio Department Services Agency	0	25,087
			Total Federal Expenditures AL #93.568	0	2,382,412
Community Services Block Grant (CSBG)	2021-44	93.569	Ohio Department Services Agency	0	584,259
COVID-19 Community Services Block Grant Cares (CSBG)	2020-44		Ohio Department Services Agency	0	369,986
			Total Federal Expenditures AL #93.569	0	954,245
Rural Community Facilities Development	90EF0084-01-00	93.570	U.S. Department of Health and Human Services	426,800	1,148,059
Rural Community Facilities Development Regionalization	None		U.S. Department of Health and Human Services	0	8,676
Rural Community Facilities Development Regionalization	None		U.S. Department of Health and Human Services	0	64,430
			Total Federal Expenditures AL #93.570	426,800	1,221,165

Great Lakes Community Action Partnership

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Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	AL Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)					
CCDF Cluster:					
COVID-19 Pandemic Support - Child Dev Centers	None	93.575	Ohio Child Care Resource & Referral Association	<u>0</u>	<u>11,429</u>
Head Start Cluster:					
Head Start Full-Year, Part-Day Handicapped, Training and Technical Assistance	05CH011180-02-04	93.600	U.S. Department of Health and Human Services	0	6,306,388
Head Start Full-Year, Part-Day Handicapped, Training and Technical Assistance	05CH011180-03-00		U.S. Department of Health and Human Services	0	1,420,200
COVID-19 Head Start	05CH011180-01-C3		U.S. Department of Health and Human Services	0	21,221
COVID-19 Head Start	05CH011180-02-C3		U.S. Department of Health and Human Services	0	273,760
COVID-19 Head Start American Rescue Funds	05HE000430-01-C6		U.S. Department of Health and Human Services	0	4,299
Head Start CRRSA Funds	05HE000420-01-05		U.S. Department of Health and Human Services	0	130,660
Lucas Co. Head Start	05CH011027-00		Toledo Public Schools	0	460,704
Lucas Co. Head Start	05CH011027-00		Toledo Public Schools	0	1,721,458
COVID-19 Lucas Co. Head Start	05CH011027-00		Toledo Public Schools	0	39,789
COVID-19 Lucas Co. Head Start 21	05CH011027-00		Toledo Public Schools	0	53,875
Lucas Co. Head Start CRRSA Funds	05CH011027-00		Toledo Public Schools	0	8,954
Early Head Start-Child Care Provider Program	05HP000472-01-00		U.S. Department of Health and Human Services	122,218	887,242
COVID-19 EHS CCP Round 1	05HP000308-01-C3		U.S. Department of Health and Human Services	47,591	96,278
COVID-19 EHS CCP Round 2	05HP000107-02-C3		U.S. Department of Health and Human Services	0	2,566
COVID-19 EHS CCP Round 3	05HP000128-01-C3		U.S. Department of Health and Human Services	0	36,801

Great Lakes Community Action Partnership

Schedule A-8

Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2021

Federal Grantor / Pass-Through Grantor / Program or Cluster Title	Pass-Through Entity Identifying Number	AL Number	Funding Source/ Pass-Through Entity	Passed Through to Subrecipients	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)					
Head Start Cluster (Continued):					
COVID-19 EHS CCP Round 2	05HP000107-03-C3		U.S. Department of Health and Human Services	0	78,321
Early Head Start-Child Care Provider Program Expansion	05HP000107-02-00		U.S. Department of Health and Human Services	0	777
Early Head Start-Child Care Provider Program	05HP000128-01-00		U.S. Department of Health and Human Services	0	(547)
Early Head Start-Child Care Provider Program	05HP000107-03-00		U.S. Department of Health and Human Services	999,000	5,236,432
EHS CCP CRRSA Funds	05HE000430-01-00		U.S. Department of Health and Human Services	1,600	1,600
EHS CCP American Rescue Funds	05HE000430-01-00		U.S. Department of Health and Human Services	6,384	6,384
Migrant Head Start Program	90CM009853-01-03		U.S. Department of Health and Human Services	0	4,099,864
Migrant Head Start Program	90CM009853-02-01		U.S. Department of Health and Human Services	0	959,631
COVID-19 Migrant Head Start	90CM009853-01-C3		U.S. Department of Health and Human Services	0	143,799
COVID-19 Migrant Head Start CRRSA Funds	90HN000023-01-C5		U.S. Department of Health and Human Services	0	82
Total Federal Expenditures Head Start Cluster AL #93.600				1,176,793	21,990,538
Medicaid Cluster:					
Medicaid Title XIX (Sandusky County)	None	93.778	Sandusky Co. Dept. of Jobs & Family Services	0	201,673
DEPARTMENT OF HOMELAND SECURITY					
EFSP - Phase 38	685400-013	97.024	Emergency Food and Shelter Program	0	4,680
TOTAL DEPARTMENT OF HEALTH AND HUMAN SERVICES PROGRAMS				1,603,593	27,875,698
TOTAL FEDERAL EXPENDITURES				\$ 3,043,135	\$ 39,820,664

Great Lakes Community Action Partnership

Schedule A-9

Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2021

State and Local Programs	Funding Source/ Pass-Through Entity	State and Local Expenditures
Ohio Housing Trust Fund	Ohio Department Services Agency	208,345
Homeless Crisis Response Program	Ohio Department Services Agency	477,395
Ohio Housing Trust Fund Targeted	Ohio Department Services Agency	100,218
Percentage of Income Payment Plan	Ohio Development Services Agency	12,859
Percentage of Income Payment Plan	Ohio Development Services Agency	28,094
Criminal Justice Housing	Ohio Housing Financy Agency	33,269
Sandusky Seniors Programs	Area Office on Aging of NW Ohio	304,375
Sandusky Seniors Programs	Area Office on Aging of NW Ohio	700,625
Grab and Go Meals	Area Office on Aging of NW Ohio	2,981
Small Restaurant Initiative	Area Office on Aging of NW Ohio	37,222
Home Delivered Meals	Area Office on Aging of NW Ohio	2,475
Socialization/Recreation (Virtual)	Area Office on Aging of NW Ohio	2,424
Client Finding/Outreach	Area Office on Aging of NW Ohio	2,241
Strong Families Safe Communities	Sandusky County Board of Commissioners	37,449
Strong Families Safe Communities	Sandusky County Board of Commissioners	3,970
Home Repair Sandusky CO	Sandusky County Board of Commissioners	1,172
Ohio Water Development Authority	Ohio Water Development Authority	426,108
Ohio Water Development Authority	Ohio Water Development Authority	163,425
After School Programs	Sandusky Co. United Way	10,465
Financial Opportunity Center	Wood Co. United Way	4,556
Covid 19 Funds	Department of Developmental Disabilities	3,042
Ohio Childrens Trust Fund	Northwest Ohio Childrens Trust Fund	11,235
T.R.I.P.S.	Ohio Department of Transportation	126,081
Mobility Management 6m Pilot Project	Ohio Department of Transportation	6,501
Community to Immunity Rides	Ohio Department of Transportation	429
Senior Chore Program	Sandusky County Board of Commissioners	9,515
Senior Chore Program	Sandusky County Board of Commissioners	42,191
Senior Kitchen Renovation	Sandusky County Board of Commissioners	463,596
21st Century Learning Grant - Middle School/Clyde Elementary	Clyde City Schools	82,114
21st Century Learning Grant - Middle School/Clyde Elementary	Clyde City Schools	18,175

Great Lakes Community Action Partnership

Schedule A-10

Schedule of Expenditures of Federal, State, and Local Awards

Year Ended September 30, 2021

State and Local Programs	Funding Source/ Pass-Through Entity	State and Local Expenditures
21st Century Learning Grant - High School	Fremont City Schools	88,794
22nd Century Learning Grant - High School	Fremont City Schools	9,221
Mental Health & Recovery Board (Youthbuild Match)	Seneca Co. Mental Health & Recovery Board	260
Yamaha	Lake Erie Marine Trades	5,000
Cares	Ohio Department of Aging	20,700
COVID Housing	Ohio Housing Finance Agency	183,017
Covid Relief Fund	Seneca County Commissioners	269,131
HSTS Grant	Seneca County Commissioners	42,275
	Total State and Local Expenditures	<u>\$ 3,940,945</u>

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, 2021. 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 AL #10.766 has an outstanding loan balance of \$3,604,376 at September 30, 2021.

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, 2021, 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 2, 2022.

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.

Wipfli LLP

Wipfli LLP

May 2, 2022
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, 2021. 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, 2021.

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

Wipfli LLP

May 2, 2022
Madison, Wisconsin

Great Lakes Community Action Partnership

Schedule of Findings and Questioned Costs

Year Ended September 30, 2021

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?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

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

Identification of major federal programs:

Name of Federal Major Program or Cluster

AL No.

Coronavirus Relief Fund	21.019
Emergency Rental Assistance Program	21.023
Low Income Home Energy Assistance Program	93.568
Community Services Block Grant Discretionary Fund	93.570
Head Start Cluster	93.600

Dollar threshold used to distinguish between Type A and Type B programs: \$1,194,620

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