

Great Lakes Community Action Partnership

Fremont, Ohio

Audit Report

September 30, 2023



GREAT LAKES COMMUNITY ACTION PARTNERSHIP
SEPTEMBER 30, 2023

	<u>Page Number</u>
INDEPENDENT AUDITOR’S REPORT	1–3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Activities	5
Consolidated Statement of Functional Expenses	6–7
Consolidated Statement of Cash Flows	8
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	9–31
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	32–37
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS	38
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	39–42
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	43–44
INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE	45–47
MANAGEMENT’S CORRECTIVE ACTION PLAN	48–49
STATUS OF PRIOR YEAR AUDIT FINDINGS/COMMENTS	50



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Great Lakes Community Action Partnership

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Great Lakes Community Action Partnership (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2023, the related consolidated statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Great Lakes Community Action Partnership as of September 30, 2023, and the changes in its net assets and its cash flows for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of Great Lakes Community Action Partnership and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the consolidated financial statements, on October 1, 2022, Great Lakes Community Action Partnership adopted Financial Accounting Standards Board Accounting Standards Update No. 2016-02 – *Leases* (Topic 842) and the subsequent amendments thereto, using a modified retrospective approach. Accordingly, the impact of this new standard is reflected in the consolidated statement of financial position as of September 30, 2023, and in the related consolidated statements of activities, functional expenses, and cash flows for the fiscal year then ended. Our opinion is not modified with respect to this matter.

PITTSBURGH, PA

2009 Mackenzie Way • Suite 340
Cranberry Township, PA 16066
(724) 934-0344

PHILADELPHIA, PA

2100 Renaissance Blvd. • Suite 110
King of Prussia, PA 19406
(610) 278-9800

WHEELING, WV

980 National Road
Wheeling, WV 26003
(304) 233-5030

STEUBENVILLE, OH

511 N. Fourth Street
Steubenville, OH 43952
(304) 233-5030



Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not absolute assurance, and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Great Lakes Community Action Partnership's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Great Lakes Community Action Partnership's ability to continue as a going concern for a reasonable period of time.

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



Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 28, 2024, 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.

S. R. Snodgrass, P.C. d/b/a S. R. Snodgrass, A.C. in West Virginia

Wheeling, West Virginia
June 28, 2024

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2023

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 5,334,524
Investments	2,395,295
Accounts receivable, net	280,216
Grants receivable	7,873,750
Revolving loans receivable – current, net	24,711
Loans receivable – current	12,829
Prepaid expenses	522,694
Advance deposit	378,528
Other current assets	127,672
Total current assets	16,950,219

PROPERTY AND EQUIPMENT, NET

8,610,770

OTHER ASSETS

Revolving loans receivable – long-term, net	327,078
Loans receivable – long-term	120,695
Loans receivable – related parties, net	2,420,152
Right-of-use assets – operating leases	2,037,907
Investments in housing projects	2,432,035
Total other assets	7,337,867

TOTAL ASSETS

\$ 32,898,856

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Notes payable – current portion	128,779
Loans payable – current portion	12,829
Operating lease liability – current portion	576,117
Accounts payable	1,440,158
Accrued payroll and related expenses	729,057
Accrued vacation	1,096,994
Refundable advance liability	3,715,231
Other current liabilities	595,415
Total current liabilities	8,294,580

LONG-TERM LIABILITIES

Notes payable – net of current portion	3,298,797
Loans payable – net of current portion	120,695
Loans payable – related parties	2,420,152
Operating lease liability – net of current portion	1,475,174
Total long-term liabilities	7,314,818

TOTAL LIABILITIES

15,609,398

NET ASSETS

Net assets without donor restriction	14,341,046
Net assets without donor restriction – designated for self-insurance	1,670,932
Net assets without donor restriction – Board designated	311,750
Total net assets without donor restriction	16,323,728
Net assets with donor restriction	965,730
TOTAL NET ASSETS	17,289,458

TOTAL LIABILITIES AND NET ASSETS

\$ 32,898,856

The accompanying notes are an integral part of the consolidated financial statements.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Without Donor Restriction	With Donor Restriction	Total
REVENUE			
Grants revenue:			
Federal	\$ 45,857,094	\$ -	\$ 45,857,094
Other	4,802,370	-	4,802,370
Total grant revenue	50,659,464	-	50,659,464
Investment return, net	229,844	-	229,844
Loan interest income	79,551	5,885	85,436
Contract revenue	5,587,854	-	5,587,854
Program income	442,266	525	442,791
Donations	410,436	37,961	448,397
Rental income	101,676	-	101,676
Investment income from housing projects	144,035	-	144,035
Gain (loss) on disposal of property and equipment	(14,591)	-	(14,591)
Miscellaneous revenue	67,200	-	67,200
Contributions of nonfinancial assets (in-kind contributions)	10,028	-	10,028
Net assets released from restrictions	90,606	(90,606)	-
Total revenue	<u>57,808,369</u>	<u>(46,235)</u>	<u>57,762,134</u>
EXPENSES			
Program activities:			
Child development	23,797,706	-	23,797,706
Adult and youth development	8,333,692	-	8,333,692
Community development	8,169,199	-	8,169,199
Housing and energy	3,763,492	-	3,763,492
Seniors	1,838,682	-	1,838,682
TRIPS	1,707,521	-	1,707,521
Corporate programs	3,020,579	-	3,020,579
Housing and workforce development	548,442	-	548,442
Total program activities	51,179,313	-	51,179,313
Management and general support services	3,619,001	-	3,619,001
Fundraising	1,339	-	1,339
Total expenses	<u>54,799,653</u>	<u>-</u>	<u>54,799,653</u>
CHANGE IN NET ASSETS	3,008,716	(46,235)	2,962,481
NET ASSETS, BEGINNING OF YEAR	<u>13,315,012</u>	<u>1,011,965</u>	<u>14,326,977</u>
NET ASSETS, END OF YEAR	<u>\$ 16,323,728</u>	<u>\$ 965,730</u>	<u>\$ 17,289,458</u>

The accompanying notes are an integral part of the consolidated financial statements.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>Child Development</u>	<u>Adult and Youth Development</u>	<u>Community Development</u>	<u>Housing and Energy</u>	<u>Seniors</u>	<u>TRIPS</u>
Personnel	\$ 14,060,945	\$ 2,490,857	\$ 4,659,396	\$ 1,887,472	\$ 1,053,646	\$ 1,304,608
Participant costs	15,759	667,075	-	-	-	6
Nonfinancial assets – in-kind services	991	-	-	-	-	-
Training	237,902	15,702	48,223	21,771	14,102	7,447
Consultants and contractors	3,708,656	278,801	115,701	865,238	98,470	(1)
Subrecipients	1,339,676	415,504	2,161,658	-	-	-
Travel	238,388	36,884	547,298	14,415	9,412	8,175
Transportation	164,905	-	910	64,356	51,426	234,659
Space costs	1,631,402	46,380	69,303	23,308	119,011	57,826
Communications, supplies, and other operating	1,908,741	214,507	292,359	106,823	158,658	80,225
Nonfinancial assets – in-kind supplies	9,037	-	-	-	-	-
Food	456,374	-	9,368	-	312,097	-
Weatherization materials	-	-	-	763,901	-	-
Depreciation	4,823	-	-	6,774	10,723	-
Software support and other miscellaneous	20,107	275,015	264,983	9,434	11,137	14,576
Interest expense	-	-	-	-	-	-
Emergency assistance	-	3,892,967	-	-	-	-
Total expenses	<u>\$ 23,797,706</u>	<u>\$ 8,333,692</u>	<u>\$ 8,169,199</u>	<u>\$ 3,763,492</u>	<u>\$ 1,838,682</u>	<u>\$ 1,707,521</u>

The accompanying notes are an integral part of the consolidated financial statements.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

	Corporate Programs	Housing and Workforce Development	Program Activities	Management and General	Fundraising	Total
Personnel	\$ 1,134,234	\$ 438,415	\$ 27,029,573	\$ 3,032,273	\$ -	\$ 30,061,846
Participant costs	1,876	10,199	694,915	-	-	694,915
Nonfinancial assets – in-kind services	-	-	991	-	-	991
Training	48,468	534	394,149	35,927	-	430,076
Consultants and contractors	105,731	17,845	5,190,441	110,558	-	5,300,999
Subrecipients	-	92,820	4,009,658	-	-	4,009,658
Travel	5,268	6,477	866,317	14,923	-	881,240
Transportation	(12,417)	-	503,839	2,448	-	506,287
Space costs	427,264	2,446	2,376,940	22,416	-	2,399,356
Communications, supplies, and other operating	20,974	4,489	2,786,776	125,283	1,339	2,913,398
Nonfinancial assets – in-kind supplies	-	-	9,037	-	-	9,037
Food	1,369	690	779,898	250	-	780,148
Weatherization materials	4,231	-	768,132	-	-	768,132
Depreciation	853,482	-	875,802	5,194	-	880,996
Software support and other miscellaneous	306,705	(25,473)	876,484	269,729	-	1,146,213
Interest expense	123,394	-	123,394	-	-	123,394
Emergency assistance	-	-	3,892,967	-	-	3,892,967
Total expenses	\$ 3,020,579	\$ 548,442	\$ 51,179,313	\$ 3,619,001	\$ 1,339	\$ 54,799,653

The accompanying notes are an integral part of the consolidated financial statements.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 2,962,481
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:	
Depreciation	880,996
Provision for loan loss	19,773
Interest earned on loans receivable – related parties	(79,296)
Interest accrued on loans payable – related parties	40,030
Loss on disposal of property and equipment	14,591
Net unrealized and realized gain on investments	(148,407)
Investment income from housing projects	(144,035)
Noncash donation expense	29,820
Noncash lease expense	13,384
Changes in operating assets and liabilities:	
Grants receivable	(2,764,745)
Accounts receivable	484,421
Prepaid expenses	163,088
Advance deposit	(35,020)
Other current assets	20,440
Accounts payable	(102,583)
Accrued payroll and related expenses	(277,358)
Accrued vacation	127,940
Refundable advance liability	(382,384)
Other current liabilities	47,587
Net cash provided by operating activities	<u>870,723</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Capital expenditures	(519,078)
Proceeds from sale of property and equipment	527,000
Investment in housing projects	(2,288,000)
Proceeds from sales and maturities of investments	228,006
Purchase of investments	(339,600)
Issuance of revolving loans	(32,230)
Principal payments received on revolving loans	129,764
Net cash used in investing activities	<u>(2,294,138)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	
Principle payments on notes payable	(125,550)
Net cash used in financing activities	<u>(125,550)</u>
Change in cash and cash equivalents	(1,548,965)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>6,883,489</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 5,334,524</u></u>
SUPPLEMENTAL CASH FLOW INFORMATION	
Interest paid	<u><u>\$ 124,384</u></u>

The accompanying notes are an integral part of the consolidated financial statements.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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 the Head Start Program, 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 that serves over 100 children ages birth to age 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 Development provides youth summer programing, homelessness prevention services, energy assistance and fatherhood services throughout our service area. Temporary Assistance for Needy Families (TANF) youth and summer programs are provided to assist out-of-school youth prepare for employment and attain educational goals. Homelessness prevention 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. Home Energy Assistance Program (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 Rural Community Assistance Partnership (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 the 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 THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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, and individuals with disabilities as well as the general public.

Basis of Consolidation

GLCAP has several wholly owned and majority-owned subsidiaries that are corporations, and accordingly these subsidiaries have been included in these consolidated financial statements. The purpose of these subsidiaries is to assist low- to moderate-income individuals with affordable housing.

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

- Harbor Town Senior Residence Housing Corp. – an Ohio corporation
- Commons at Little Bark Creek Housing Corp. – an Ohio corporation
- Secor Senior Lofts Housing Corp. – an Ohio corporation
- Trailside Lofts Housing Corporation – an Ohio corporation

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

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

These subsidiaries are general partners or members in various low-income housing projects as described in Note 17, and they hold investments in each of the respective projects. Therefore, the consolidated financial statements include the investment in housing projects of \$2,432,035 as of September 30, 2023, which is comprised of investments of \$2,288,000 made during the fiscal year ended September 30, 2023, and investment income of \$144,035 earned during the same period.

Basis of Presentation

The consolidated financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Use of Estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP 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 THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification of Net Assets

GLCAP reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

Net Assets without Donor Restriction

Net assets without donor restriction are resources that are available to support operations. The only limits on the use of these net assets are the broad limits resulting from the nature of the organization, the environment in which it operates, the purposes specified in its corporate documents and its application of tax-exempt status, and any limits resulting from contractual agreements with creditors and others that are entered into during the course of its operations. The governing board has designated from net assets without donor restriction, a self-insurance reserve of \$1,670,932 and a general board-designated reserve of \$311,750 as of September 30, 2023.

Net Assets with Donor Restriction

Net assets with donor restriction are resources that are restricted by a donor for use for a particular purpose, or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions, or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature, wherein an organization must continue to use the resources in accordance with the donor's instructions. Currently, GLCAP does not have any net assets with donor-imposed restrictions that are perpetual in nature.

When a donor's restriction is satisfied, either by using the resources in the manner specified by the donor or by the passing of time, the net assets with donor restriction are reclassified as net assets without donor restriction in the Consolidated Statement of Financial Position and are also reported as net assets released from restriction in the Consolidated Statement of Activities. However, donor-restricted contributions or grants whose restrictions are met during the same reporting period are reported as without donor restriction in the Consolidated Statement of Activities. Net assets that are restricted for the acquisition of buildings or equipment (or, less commonly, the contribution of those assets directly) are reported as net assets with donor restriction until the specified asset is placed in service by GLCAP, unless the donor provides more specific directions about the period of its use.

Revenue Recognition

a. 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.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

a. Contributions (Continued)

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 Consolidated 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.

b. Grants

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

- 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.
- 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.

c. 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.

d. 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.

e. Contract Revenue

Weatherization Contract Fees – GLCAP recognized revenues from Weatherization contracts for service contracts of \$1,059,388 in 2023. 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 obligations to be defined by the 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 THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

e. Contract Revenue (Continued)

Early Childhood Education Fees – GLCAP recognized revenues from early childhood fees of \$947,199 in 2023. GLCAP offers early childhood education to local Boards of Education. Contract terms are established to provide a seven-hours-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 as the provision of early childhood education services and considers the performance obligation to have been 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 \$1,485,418 in 2023. 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 obligations to be defined by the 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 were \$1,257,525 as of September 30, 2023. There were no contract assets or contract liabilities as of September 30, 2023.

f. Contributions of Nonfinancial Assets (In-Kind Contributions)

GLCAP receives in-kind contributions of supplies and services from various individuals and organizations primarily for use in its Head Start program. However, for these contributions of nonfinancial assets to be recognized in the consolidated financial statements, they must meet the criteria for recognition as outlined in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) No. 958-605 – *Not-for-Profit Entities – Revenue Recognition*. Specific to contributed services, FASB ASC 958-605 allows the recognition of the services only if (i) the services create or enhance nonfinancial assets or (ii) the services require specialized skills, are provided by individuals possessing those skills, and would be purchased, if not provided by contribution. Donated goods and services that meet the applicable requirements are recorded as both revenues and expenses in the Consolidated Statement of Activities at their estimated fair values when they are received. Donated goods and services that do not meet the requirements are not recognized for financial reporting purposes, but they are recognized for grant reporting purposes. See Note 20 for additional details. GLCAP's policy related to in-kind contributions is to utilize the goods and services that have been received to carry out its mission. If GLCAP receives an item or asset that cannot be utilized in the normal course of operations, then the item or asset is sold, and the money that is received is used in the operations of the organization.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2023, GLCAP has recorded an allowance of \$48,437 related to accounts receivable.

Grants Receivable

Grants receivable are primarily unsecured noninterest-bearing amounts that are due from grantors on cost reimbursement or performance grants. Management believes that all outstanding grants and contracts receivable are collectible in full; therefore, no allowance for uncollectible receivables has been provided.

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 Consolidated 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 I, defined as observable inputs such as quoted market prices in active markets; Level II, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level III, 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 U.S. GAAP. Other assets and liabilities, such as impaired investments, are measured at fair value on a nonrecurring basis. As of September 30, 2023, 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.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revolving Loans Receivable (Continued)

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 consolidated financial statements.

At such time when a loan is determined to be past due, the interest-bearing loans are placed on nonaccrual status. The determination of past-due loans to be placed on nonaccrual 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 nonaccrual status 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 status. 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. Loan 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 percent 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 loans receivable represent 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, 1/15 of the principal sum of the development assistance loan is forgiven each year for up to 15 years.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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. The estimated useful lives of the various asset classes are as follows: 20 to 40 years for buildings and improvements; 5 to 12 years for furniture, fixtures, and equipment; and 2 to 5 years for computer software and equipment. 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 cost, accumulated depreciation, and net book value of equipment purchased with grant funds were \$4,563,502, \$3,007,740, and \$1,555,762, respectively, as of September 30, 2023.

Fixed assets are reviewed for impairment when a significant change in the asset's use, or another indicator of possible impairment, is present. No impairment losses were recognized in the consolidated financial statements during the fiscal year ended September 30, 2023.

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. Accordingly, no provision has been recorded for income taxes or franchise taxes in the accompanying consolidated financial statements.

GLCAP has analyzed tax positions taken for filing with the Internal Revenue Service and all state jurisdictions where it operates. GLCAP believes that income tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on GLCAP's financial condition or the results of operations. Accordingly, GLCAP has not recorded any reserves or related accruals for interest and penalties for uncertain income tax positions as of September 30, 2023.

GLCAP is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. GLCAP believes it is no longer subject to income tax examinations for fiscal years prior to 2020.

Functional Allocation

The costs of program and supporting services activities have been summarized on a functional basis in the Consolidated Statement of Activities. The Consolidated 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.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Adoption of New Accounting Standards

On October 1, 2022, GLCAP adopted FASB ASU No. 2016-02 – *Leases* (Topic 842) and the subsequent amendments thereto, which require GLCAP to recognize most of its leases on its Consolidated Statement of Financial Position. GLCAP considers the increased recognition of leases under the new standard to be preferable to the requirements of the previous lease standard. GLCAP used a modified retrospective approach in adopting the new standard, with no cumulative-effect adjustment to retained earnings as of October 1, 2022, and no significant impact to the change in net assets for the fiscal year ended September 30, 2023.

In accordance with the provisions of FASB ASU No. 2016-02, leases are classified by lessees as operating or finance leases at the lease commencement date, with corresponding right-of-use (ROU) assets and lease liabilities recognized on the Consolidated Statement of Financial Position. An ROU asset represents GLCAP's right to use the underlying asset for the lease term, and the lease liability represents GLCAP's obligation to make lease payments arising from the respective lease. Operating leases result in lease expense, which is recognized on a straight-line basis over the respective lease terms. Finance leases result in lease expense, segregated between the amortization of the ROU assets and interest on the lease liabilities. Further disclosures regarding GLCAP's leases are presented in Note 15.

In adopting FASB ASU No. 2016-02, GLCAP has elected to apply several of the available practical expedients. Short-term leases with an initial term of 12 months or less will not be recognized in the Consolidated Statement of Financial Position; however, short-term lease expense will be recognized in the Consolidated Statement of Activities on a straight-line basis over the term of the lease. In addition, GLCAP has elected to adopt the package of transition practical expedients, which means that GLCAP does not need to reassess its prior conclusions under the previous accounting standard, FASB ASC 840, as to (a) whether a preexisting contract is or contains a lease, (b) whether a preexisting lease should be classified as an operating or finance lease, or (c) whether the initial direct costs that are capitalized for a preexisting lease under FASB ASC 840 qualify for capitalization. GLCAP has also adopted a \$5,000 capitalization threshold, similar to the one that is used for property and equipment. Accordingly, leases that have a present value of future lease payments under \$5,000 will not be recognized in the Consolidated Statement of Financial Position; however, lease expense will be recognized in the Consolidated Statement of Activities on a straight-line basis over the term of the lease. In addition, GLCAP has elected to use the applicable risk-free rate to calculate ROU assets and liabilities for space and equipment leases.

Subsequent Events

Subsequent events have been evaluated through June 28, 2024, which is the date the consolidated financial statements were available to be issued. Subsequent to year end, GLCAP received a loan of \$300,000 from the Ohio Housing Finance Agency, and, in turn, lent those funds to Trailside Lofts, LLC, a related party, for the purpose of funding the housing project known as Trailside Lofts. See Notes 9 and 10 for additional information. No other events or transactions have occurred that would require adjustment to, or disclosure in, the consolidated financial statements.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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. KeyBank excess balances are secured by a pledged security with a maturity date of April 25, 2044, and a market value of \$1,296,522 as of September 30, 2023. The excess balance in the Huntington Bank main operating account is secured by a pledged security with a maturity date of June 25, 2048, and a market value of \$3,294,720 as of September 30, 2023. The remaining Huntington Bank accounts, which totaled \$997,670 as of September 30, 2023, are not insured. In addition, investment accounts are not insured (see Note 4). Management does not believe that GLCAP is exposed to any significant risk of loss relating to these uninsured accounts.

NOTE 3 – GRANTS RECEIVABLE

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

Federal programs	\$ 7,112,002
State and local programs	<u>761,748</u>
Total grants receivable	<u>\$ 7,873,750</u>

NOTE 4 – INVESTMENTS

Investments consist of mutual funds. The fair value of these securities as of September 30, 2023, is as follows:

	<u>Fair Value</u>
Fixed income mutual funds	\$ 825,876
Equity mutual funds	<u>1,569,419</u>
Total	<u>\$ 2,395,295</u>

Investment income as of September 30, 2023, consists of the following:

Interest and dividend income – investments	\$ 98,934
Unrealized and realized gain on investments	148,407
Investment fees	<u>(17,497)</u>
Investment return, net	<u>\$ 229,844</u>

NOTE 5 – PROPERTY AND EQUIPMENT

A summary of property and equipment is as follows:

Land	\$ 179,130
Buildings and improvements	9,467,926
Furniture, fixtures, and equipment	5,366,396
Computers	220,786
Construction in progress	<u>50,000</u>
Total	15,284,238
Accumulated depreciation	<u>(6,673,468)</u>
Property and equipment, net	<u>\$ 8,610,770</u>

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

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, 2023, is as follows:

	Recurring Fair Value Measurements Using			
	Assets Measured at Fair Value	Quoted Prices in Active Markets for Identical Assets (Level I)	Significant Other Observable Inputs (Level II)	Significant Unobservable Inputs (Level III)
Fixed income mutual funds	\$ 825,876	\$ 825,876	\$ -	\$ -
Equity mutual funds	1,569,419	1,569,419	-	-
Total	\$ 2,395,295	\$ 2,395,295	\$ -	\$ -

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 receivables represent loans to low- to moderate-income owner-occupied homeowners 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 percent 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 percent to 6 percent. 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.

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 percent and 10.5 percent. The loans can be used for, but are not limited to, working capital, creating jobs, inventory, equipment, etc.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – REVOLVING LOANS RECEIVABLE (Continued)

Revolving loans receivable balances consist of the following:

Household Well Water loans	\$ 305,316
Community loan fund (Safe Water) loans	21,562
Daycare loans	41,396
Business loans	<u>1,834</u>
	370,108
Less: Allowance for revolving loans receivable	<u>(18,319)</u>
Revolving loans receivable, net	<u>351,789</u>
Revolving loans receivable – current	24,711
Revolving loans receivable – long-term	<u>327,078</u>
Revolving loans receivable, net	<u>\$ 351,789</u>

Revolving loan classifications at September 30, 2023, consist of the following:

Jobs and business development	\$ 348,546
Economic development	<u>21,562</u>
	370,108
Allowance for loan losses – job and business development	(18,319)
Allowance for loans losses – economic development	<u>-</u>
Revolving loans receivable, net	<u>\$ 351,789</u>

An analysis of the allowance for loan losses for the job and business development loans for the year ended September 30, 2023, is as follows:

Balance at beginning of year	\$ 22,508
Loans charged off	(9,340)
Recoveries of loans previously charged off	24,644
Provision for loan losses	<u>(19,493)</u>
Balance as of September 30, 2023	<u>\$ 18,319</u>

Detailed analysis of loans evaluated for impairment as of September 30, 2023, is as follows:

	<u>Jobs and Bus. Devel.</u>	<u>Economic Development</u>	<u>Total</u>
Loans:			
Individually evaluated for impairment	\$ 43,230	\$ 21,562	\$ 64,792
Collectively evaluated for impairment	<u>305,316</u>	<u>-</u>	<u>305,316</u>
Total	<u>\$ 348,546</u>	<u>\$ 21,562</u>	<u>\$ 370,108</u>

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 7 – REVOLVING LOANS RECEIVABLE (Continued)

	<u>Jobs and Bus. Devel.</u>	<u>Economic Development</u>	<u>Totals</u>
Related allowance for loan losses:			
Individually evaluated for impairment	\$ -	\$ -	\$ -
Collectively evaluated for impairment	<u>18,319</u>	<u>-</u>	<u>18,319</u>
Total	<u>\$ 18,319</u>	<u>\$ -</u>	<u>\$ 18,319</u>

Loan impairments relate to the Household Well Water loans, which are evaluated collectively per the grant requirement to maintain a 6 percent allowance account.

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

Information regarding the credit quality indicators most closely monitored by class of loan as of September 30, 2023, is as follows:

	<u>Performing</u>	<u>Nonperforming</u>	<u>Totals</u>
Credit exposure:			
Economic development	\$ 21,562	\$ -	\$ 21,562
Jobs and business development	<u>348,546</u>	<u>-</u>	<u>348,546</u>
Total	<u>\$ 370,108</u>	<u>\$ -</u>	<u>\$ 370,108</u>

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, 2023.

No troubled debt restructurings defaulted during the year ended September 30, 2023, 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.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 8 – LOANS RECEIVABLE/LOANS PAYABLE (Continued)

Loans receivable consist of the following:

Down-payment assistance loan program	\$ 133,524
Less: Allowance for uncollectable amounts	<u> -</u>
Total loans receivable	<u>\$ 133,524</u>
Loans receivable – Current	\$ 12,829
Loans receivable – Long-term	<u>120,695</u>
Total loans receivable	<u>\$ 133,524</u>

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 percent interest with the principal balance forgiven in equal installments over 15 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.	<u>\$ 133,524</u>
Total	133,524
Current portion	<u>(12,829)</u>
Long-term loans payable	<u>\$ 120,695</u>

Future principal payments due on loans payable at September 30, 2023, are as follows:

2024	\$ 12,829
2025	12,829
2026	12,829
2027	10,562
2028	10,562
Thereafter	<u>73,913</u>
Total	<u>\$ 133,524</u>

NOTE 9 – LOANS RECEIVABLE – RELATED PARTIES

Loans receivable – related parties represent loans provided to the housing entities described in Note 17. These loans were made with funds received under the Housing Development Assistance Program through the Ohio Housing Finance Agency and have interest rates ranging from 0.5 percent to 4.82 percent. Annual repayments are based on a percentage, ranging from 25 percent to 50 percent, of each related party’s available cash flows in excess of a minimum balance, ranging from \$1 to \$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.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 9 – LOANS RECEIVABLE – RELATED PARTIES (Continued)

Loans receivable – related parties at September 30, 2023:

Housing Entity	Amount	Accrued Interest	Allowance for Uncollectable Amounts	Loans Receivable Net	Due Date
Lake Towne Senior Village, LLC	\$ 550,000	\$ 192,084	\$ -	\$ 742,084	12/2039
Port Clinton Pointe, Ltd.	549,000	612,780	410,800	750,980	12/2054
Bellevue Housing L.P.	500,000	21,371	-	521,371	10/2059
Commons at Little Bark Creek, L.P.	<u>350,000</u>	<u>55,717</u>	-	<u>405,717</u>	10/2055
Total	<u>\$1,949,000</u>	<u>\$ 881,952</u>	<u>\$ 410,800</u>	<u>\$ 2,420,152</u>	

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

An analysis for the allowance for uncollectible amounts for the years ended September 30, 2023, is as follows:

Balance at beginning of year	\$ 371,534
Provision for loan loss	<u>39,266</u>
Balance as of September 30, 2023	<u>\$ 410,800</u>

On August 15, 2023, GLCAP executed a related-party loan agreement with Trailside Lofts LLC, an Ohio limited liability company and related party, with a maturity date of August 15, 2055. However, since the loan was not made until 2024, no amounts were recorded on the consolidated financial statements as of September 30, 2023. Subsequent to year-end, a loan of \$300,000 was made with funds received under the Housing Development Assistance Program through the Ohio Housing Finance Agency. The loan has an interest rate of 2 percent, and annual repayments are based on 50 percent of the project’s available cash flow in excess of \$1.

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 to the related parties described in Note 17. 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 loans have interest rates ranging from 0.5 percent to 2.0 percent. Annual repayments are based on a percentage, ranging from 25 percent to 50 percent, of the respective related party’s available cash flows in excess of a minimum balance, ranging from \$1 to \$10,000. GLCAP owns a secondary position related to amounts owed from the respective related parties. The loans are collateralized by buildings. All outstanding balances are due on the due date or are forgivable provided certain requirements have been met.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 10 – LOANS PAYABLE – RELATED PARTIES (Continued)

Loans payable – related parties at September 30, 2023:

Housing Entity	Amount	Accrued Interest	Loans Payable Net	Affordability End Date
Lake Towne Senior Village, LLC	\$ 550,000	\$ 192,084	\$ 742,084	12/2039
Port Clinton Pointe, Ltd.	549,000	201,980	750,980	12/2054
Bellevue Housing L.P.	500,000	21,371	521,371	10/2059
Commons at Little Bark Creek, L.P.	<u>350,000</u>	<u>55,717</u>	<u>405,717</u>	10/2055
Total	<u>\$1,949,000</u>	<u>\$ 471,152</u>	<u>\$2,420,152</u>	

On August 15, 2023, GLCAP entered another loan agreement with the Ohio Housing Finance Agency for the project known as Trailside Lofts with a maturity date of August 15, 2055. However, since the loan was not made until 2024, no amounts were recorded on the consolidated financial statements as of September 30, 2023. Subsequent to year-end, a loan of \$300,000 was made from Ohio Housing Finance Agency to GLCAP. The loan has an interest rate of 2 percent, and annual repayments are based on 50 percent of the project's available cash flow in excess of \$1.

NOTE 11 – NOTES PAYABLE

Mortgage payable to an unrelated third party with interest fixed at 4.0 percent for a ten-year term. Monthly payments are \$1,519, including interest, due December 2025. The mortgage is collateralized by real estate.

\$ 39,155

Mortgage payable to the United States Department of Agriculture with interest rate fixed at 2.375 percent 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.

3,388,421

Total notes payable

3,427,576

Current portion

(128,779)

Long-term notes payable

\$ 3,298,797

Future principal payments due on the notes payable outstanding at September 30, 2023, are as follows:

2024	\$ 128,779
2025	132,141
2026	121,749
2027	120,019
2028	122,886
Thereafter	<u>2,802,002</u>
Total note payable	<u>\$ 3,427,576</u>

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 12 – NET ASSETS WITH DONOR RESTRICTION

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

State and local	\$ 887,252
Conditional and foundation	<u>78,478</u>
Total	<u>\$ 965,730</u>

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

State and local	\$ 81,982
Conditional and foundation	<u>8,624</u>
Total	<u>\$ 90,606</u>

NOTE 13 – 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, 2023, the required amount of the advance deposit was \$378,528, 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 percent of projected annual claims. For the current agreement, claims are projected to total \$3,071,613 and the minimum recommended reserve is \$921,484. On September 30, 2023, the self-insurance reserve balance was \$1,670,932 or 181 percent 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, 2023, but paid subsequent to September 30, 2023. On September 30, 2023, GLCAP has recorded a liability of \$550,945. This liability balance is included in other current liabilities on the Consolidated Statement of Financial Position.

NOTE 14 – 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 percent of base salary and, additionally, matches employee contributions of up to 4 percent of base salary. Contributions to the plan for the fiscal year ended September 30, 2023, were \$1,107,307.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 14 – RETIREMENT PLAN (Continued)

GLCAP maintains a non-qualified deferred compensation plan, 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, 2023, were \$41,000.

During 2023, upon approval of the Board of Directors, GLCAP established a second non-qualified deferred compensation plan, a 457(f) Retirement Plan, for eligible employees. This Tax-Exempt Organization 457(f) 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. GLCAP did not make any contributions to this plan for the fiscal year ended September 30, 2023.

NOTE 15 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

As discussed in Note 1, on October 1, 2022, GLCAP adopted FASB ASU No. 2016-02. In accordance with the provisions of FASB ASU No. 2016-02, leases are classified by lessees as operating or finance leases at the lease commencement date, with corresponding right-of-use (ROU) assets and lease liabilities recognized on the Consolidated Statement of Financial Position. Operating leases result in lease expense, which is recognized on a straight-line basis over the respective lease terms. Finance leases result in lease expense, segregated between the amortization of the ROU assets and interest on the lease liabilities. GLCAP did not have any finance leases as of September 30, 2023, or for the year then ended.

In June 2019, GLCAP entered into a 5-year lease renewal for classroom space for the Head Start Program located at 6701 W. Bancroft, Holland, Ohio. The monthly lease rate was \$3,016. However, in 2023, this lease property was torn down and replaced with a new property and a new 5-year lease with the same landlord commencing on May 1, 2023. The new monthly lease rate is \$4,169. GLCAP has an option to renew the lease for two additional 5-year periods at a rental rate that is 3 percent higher than the existing rate in the first year of renewal and increasing by an additional 3 percent each year thereafter. Since GLCAP is not reasonably certain that it will exercise these renewal options, these additional periods were not included in the ROU asset and lease liability calculations as of May 1, 2023. GLCAP elected to use the risk-free rate equal to the 5-year Treasury Note rate to calculate the ROU asset and lease liability as of May 1, 2023. The ROU asset and lease liability for this lease amounted to \$210,991 and \$218,656, respectively, as of September 30, 2023.

In July 2020, GLCAP entered into a 3-year lease for classroom, office, and storage space located at 1224 West Street, Genoa, Ohio. The lease had a monthly lease rate of \$2,333, \$2,415, and 2,500 for years 1 through 3, respectively. In July 2023, GLCAP entered into a new 3-year lease with the same landlord for the same space. The new lease has a monthly lease rate of \$2,588, \$2,679, and \$2,773 for years 1 through 3, respectively. The lease does not contain any renewal options. GLCAP elected to use the risk-free rate equal to the 3-year Treasury Note rate to calculate the ROU asset and lease liability as of July 1, 2023. The ROU asset and lease liability for this lease amounted to \$82,925 and \$83,201, respectively, as of September 30, 2023.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 15 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

In October 2020, GLCAP entered into a 10-year lease for classroom and office space for the Head Start Program located at 1848 E. Perry Street, Port Clinton, Ohio. The monthly lease rate was \$10,539 in the first year of the lease and increases by 1 percent each year thereafter. The lease does not contain any renewal options. GLCAP elected to use the risk-free rate equal to the 7-year Treasury Note rate to calculate the ROU asset and lease liability as of October 1, 2022. The ROU asset and lease liability for this lease amounted to \$813,118 and \$817,725, respectively, as of September 30, 2023.

In August 2021, GLCAP entered into a 1-year lease for classroom space for the Migrant Head Start Program located at 476 North Dayton-Lakeview Road, New Carlisle, Ohio. The monthly lease rate is \$10,600. GLCAP has an option to renew the lease for four additional 1-year periods with the same terms and conditions. Since GLCAP was reasonably certain to extend the lease through the end of the current grant period, which ends on July 31, 2026, these additional periods were included in the ROU asset and lease liability calculations as of October 1, 2022. GLCAP elected to use the risk-free rate equal to the 3-year Treasury Note rate to calculate the ROU asset and lease liability as of October 1, 2022. The ROU asset and lease liability for this lease amounted to \$338,755 as of September 30, 2023.

In July 2022, GLCAP entered into a 3-year lease for classroom and office space for the Head Start Program located at 7240 Erie Street, Sylvania, Ohio. The initial monthly lease rate was \$2,357 but increases each year based on the change in the Producer Price Index. The lease automatically renews for successive 1-year periods unless it is otherwise terminated through other lease provisions. At lease inception, GLCAP was not reasonably certain that it would extend this lease beyond the initial term because the existing grant period was ending during the initial term, and GLCAP could not be reasonably certain that the grant would be renewed. Therefore, no additional periods beyond the initial lease term were included in the ROU asset and lease liability calculations as of October 1, 2022. GLCAP elected to use the risk-free rate equal to the 3-year Treasury Note rate to calculate the ROU asset and lease liability as of October 1, 2022. The ROU asset and lease liability for this lease amounted to \$49,707 and \$50,544, respectively, as of September 30, 2023.

In August 2022, GLCAP entered a 1-year lease for classroom space for the Migrant Head Start Program located at 910 3rd Steet, Napoleon, Ohio. The monthly lease rate is \$3,275. GLCAP has the option to renew this lease for additional 1-year periods. At lease inception, GLCAP was reasonably certain to extend this lease through the end of the current grant period, which ends on July 31, 2026. Therefore, those additional periods were included in the ROU asset and lease liability calculations as of October 1, 2022. GLCAP elected to use the risk-free rate equal to the 3-year Treasury Note rate to calculate the ROU asset and lease liability as of October 1, 2022. The ROU asset and lease liability for this lease amounted to \$104,662 as of September 30, 2023.

In September 2023, GLCAP entered a 2-year lease for office space located at 4030 St. Rt. 43, Kent, Ohio. The monthly lease rate is \$3,700. The lease does not contain any renewal options. GLCAP elected to use the risk-free rate equal to the 2-year Treasury Note rate to calculate the ROU asset and lease liability as of September 30, 2023. The ROU asset and lease liability for this lease amounted to \$84,609 as of September 30, 2023.

In December 2022, GLCAP entered a 4-year lease for copier equipment. The monthly lease rate is \$3,153. The lease automatically renews for successive 1-year periods unless it is otherwise terminated through other lease provisions. At lease inception, GLCAP was not reasonably certain that it would extend this lease beyond the initial lease term. Therefore, no additional periods beyond the initial lease term were included in the ROU asset and lease liability calculations at lease inception. GLCAP elected to use the risk-free rate equal to the 5-year Treasury Note rate to calculate the ROU asset and lease liability at lease commencement. The ROU asset and lease liability for this lease amounted to \$115,114 as of September 30, 2023.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 15 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

GLCAP has entered other long-term leases for classroom, office, storage, and senior center space and for equipment at various locations and under various terms and conditions. These additional long-term leases are not considered to be material to the consolidated financial statements. The ROU asset and lease liability relating to all these leases amounted to \$238,025 as of September 30, 2023.

GLCAP leases other space and equipment under short-term leases with an initial term of 12 months or less and leases certain space under leases that are under the capitalization threshold. As discussed in Note 1, short-term leases and leases under the capitalization threshold are not recognized in the Consolidated Statement of Financial Position; however, lease expense is recognized on a straight-line basis over the respective lease terms.

The components of lease cost for the fiscal year ended September 30, 2023, are as follows:

Operating lease expense	\$ 622,455
Short-term lease expense	601,513
Lease expense for leases under capitalization threshold	<u>2,400</u>
Total lease expense	<u>\$ 1,226,368</u>

Future minimum lease payments for the long-term operating lease noted above are as follows:

Fiscal Year Ending	
<u>September 30,</u>	
2024	\$ 647,851
2025	526,410
2026	423,278
2027	200,524
2028	177,380
Thereafter	<u>275,267</u>
Total future minimum lease payments	2,250,710
Imputed interest	<u>(199,419)</u>
Total operating lease liability as of September 30, 2023	<u>\$ 2,051,291</u>

Reported as of September 30, 2023:

Operating lease liability – current portion	\$ 576,117
Operating lease liability – net of current portion	<u>1,475,174</u>
Total operating lease liability as of September 30, 2023	<u>\$ 2,051,291</u>

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 15 – RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Continued)

Other information related to the long-term operating lease for the fiscal year ended September 30, 2023, is as follows:

Supplemental Cash Flow Information:

Cash paid for amounts included in the measurement of lease liabilities:

Operating cash flows	\$ 609,071
----------------------	------------

Noncash activity:

Right-of-use assets obtained in exchange for lease liabilities	\$ 2,619,988
--	--------------

Weighted-Average Remaining Lease Term	4.6 years
---------------------------------------	-----------

Weighted-Average Discount Rate	4.098%
--------------------------------	--------

NOTE 16 – LESSOR ACTIVITY

GLCAP owns two buildings that are partially rented to unrelated third parties under 1-year lease contracts. One of the leases includes a lessee option to renew for successive 1-year periods. The lease payment terms vary depending upon the square footage occupied. Rental income for the year ended September 30, 2023, was \$101,676. Future minimum lease payments to be received in 2024 are \$58,571.

A summary of the acquisition costs and accumulated depreciation on the property is as follows: land and building cost \$2,212,700, accumulated depreciation of \$1,460,817, for a net book value of \$751,883.

NOTE 17 – 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 Towne Housing Corporation has a .051 percent ownership in Lake Towne Senior Village, LLC.
- Port Clinton Pointe Housing Corp. has a .051 percent ownership in Port Clinton Pointe, Ltd.
- Nickel Plate Plaza Housing Corp. has a .051 percent ownership in Bellevue Housing L.P.
- Harbor Town Senior Residence Housing Corp. has a .051 percent ownership in Harbor Town Senior Residence, LLC.
- Commons at Little Bark Creek Housing Corp. has a .051 percent ownership in Commons at Little Bark Creek, L.P.
- Secor Senior Lofts Housing Corp. has a .0051 percent ownership in Secor Senior Lofts LLC.
- Trailside Lofts Housing Corporation has a .051 percent ownership in Trailside Lofts LLC.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 17 – RELATED PARTIES (Continued)

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, 2023, are as follows:

Assets	\$ 50,889,873
Less – Liabilities	<u>24,620,200</u>
Equity	<u>26,269,673</u>
Net loss	<u>\$ (1,696,102)</u>

NOTE 18 – GRANT AWARDS

At September 30, 2023, GLCAP had received commitments for funding under various grant awards of approximately \$38,421,000. Additionally, GLCAP has commitments for funding under various grant awards to subrecipients at September 30, 2023, of approximately \$2,131,000. These commitments are not recognized in the accompanying consolidated financial statements as they are conditional awards.

NOTE 19 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions or designations limiting their use, within 12 months of the Consolidated Statement of Financial Position date, comprise the following as of September 30, 2023:

Cash and cash equivalents	\$ 5,334,524
Investments	2,395,295
Accounts receivable, net	280,216
Grants receivable	<u>7,873,750</u>
Subtotal financial assets	15,883,785
Less:	
Refundable advance liability	(3,715,231)
Net assets designated for self-insurance	(1,670,932)
Net assets designated by the Board	(311,750)
Net assets with donor restrictions	<u>(965,730)</u>
Total	<u>\$ 9,220,142</u>

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 \$38,421,000 as further described in Note 18.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 20 – CONTRIBUTIONS OF NONFINANCIAL ASSETS (IN-KIND CONTRIBUTIONS)

GLCAP receives in-kind contributions of supplies and services from various individuals and organizations primarily for use in its Head Start program. However, as mentioned in Note 1, for these contributions of nonfinancial assets (in-kind contributions) to be recognized in the consolidated financial statements, they must meet the criteria for recognition as outlined in FASB ASC No. 958-605. During the fiscal year ended September 30, 2023, the total amount of in-kind contributions that were received was \$1,722,803. However, of that amount, \$1,712,775 of nonprofessional volunteer services and benefits were not recognized in the consolidated financial statements because the applicable criteria had not been met. The remaining amount of \$10,028, which did meet the applicable criteria, has been recognized as contributions of nonfinancial assets in the Consolidated Statement of Activities for the fiscal year ended September 30, 2023, and is comprised of the following amounts as shown on the Consolidated Statement of Functional Expenses:

Professional volunteer services and benefits	\$	991
Supplies		<u>9,037</u>
Total	\$	<u>10,028</u>

Contributions of services are recognized at fair value on the date of donation based upon the current rate of pay for the applicable positions, such as teachers, therapists, and other professional volunteers. Contributions of supplies are recognized at fair value on the date of donation based upon estimated wholesale values for similar products.

All in-kind contributions that were received and recognized by GLCAP during the fiscal year ended September 30, 2023, were considered as without donor restriction and were able to be used by the organization, as determined by the Board of Directors and management.

While certain in-kind contributions are not recognized for financial reporting purposes, they are recognized and used as matching funds for grant reporting purposes.

NOTE 21 – COMMITMENTS AND CONTINGENCIES

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as inappropriate expenditures. Such audits could lead to reimbursements to the grantor agencies. Management believes that disallowances, if any, will be immaterial.

NOTE 22 – ECONOMIC DEPENDENCY

For the fiscal year ended September 30, 2023, GLCAP received approximately 79 percent of its revenue from federal grants. Approximately 50 percent of GLCAP's federal grant funding is received under GLCAP's federal Head Start program. The future of the organization is dependent upon the continuance of this funding.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER (ALN)	DIRECTOR PASS-THROUGH GRANTOR'S NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE				
<u>Passed through National Migrant and Seasonal Head Start Association:</u>				
COVID-19 – Pandemic Relief Activities: Farm and Food Worker Relief Grant Program	10.181	AM22FFWDC0010-00	-	11,114
Subtotal – Pandemic Relief Activities: Farm and Food Worker Relief Grant Program – 10.181			-	11,114
<u>Direct recipient (acting through Rural Business-Cooperative Service):</u>				
Rural Business Development Grant	10.351	41-072-392077778	-	38,137
Subtotal – Rural Business Development Grant – 10.351			-	38,137
<u>Direct recipient (acting through Rural Housing Service):</u>				
Rural Community Development Initiative	10.446	41-072-0340975934-25	-	67,922
Rural Community Development Initiative	10.446	41-072-0340975934-25	-	49,184
Subtotal – Rural Community Development Initiative – 10.446			-	117,106
<u>Passed through Ohio Department of Education/School Food Service:</u>				
Child and Adult Care Food Program	10.558	N/A	-	465,488
Subtotal – Child and Adult Care Food Program – 10.558			-	465,488
<u>Passed through Rural Community Assistance Partnership Incorporated (RCAP, Inc.):</u>				
Water and Waste Technical Assistance and Training Grants	10.761	000C2400IG172048	-	(578)
Water and Waste Technical Assistance and Training Grants	10.761	000C24003G177011	486,000	1,205,126
Water and Waste Technical Assistance and Training Grants	10.761	N/A	-	58,874
Water and Waste Technical Assistance and Training Grants	10.761	000C24003G177010	-	53,462
Water and Waste Technical Assistance and Training Grants	10.761	N/A	-	4,505
Subtotal – Water and Waste Technical Assistance and Training Grants – 10.761			486,000	1,321,389
<u>Passed through RCAP, Inc.:</u>				
Solid Waste Management Grants	10.762	000C2400IG171991	113,000	124,583
Subtotal – Solid Waste Management Grants – 10.762			113,000	124,583
<u>Direct recipient:</u>				
Community Facilities Loans and Grants	10.766	N/A	-	3,497,621
Subtotal – Community Facilities Loans and Grants – 10.766			-	3,497,621
Subtotal – Community Facilities Loans and Grants Cluster – 10.766			-	3,497,621
<u>Direct recipient (acting through Rural Utilities Service):</u>				
Rural Decentralized Water Systems Grant Program	10.862	41-072-0340975934-27	-	20,742
Subtotal – Rural Decentralized Water Systems Grant Program – 10.862			-	20,742
TOTAL U.S. DEPARTMENT OF AGRICULTURE			599,000	5,596,180
U.S. DEPARTMENT OF COMMERCE				
<u>Passed through The Ohio Manufacturers' Association:</u>				
COVID-19 – Economic Adjustment Assistance	11.307	GJC.ISP 017	-	70,569
Subtotal – Economic Adjustment Assistance – 11.307			-	70,569
Subtotal – Economic Development Cluster – 11.307			-	70,569
TOTAL U.S. DEPARTMENT OF COMMERCE			-	70,569
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
<u>Direct recipient:</u>				
Housing Counseling Assistance Program	14.169	HC220321027	-	22,511
Subtotal – Housing Counseling Assistance Program – 14.169			-	22,511

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER (ALN)	DIRECTOR PASS-THROUGH GRANTOR'S NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
(Continued)				
<u>Passed through Ohio Department of Development:</u>				
Emergency Solutions Grant Program	14.231	N-L-21-6AM-2	-	660,423
Subtotal – Emergency Solutions Grant Program – 14.231			-	660,423
<u>Passed through Local Initiatives Support Corporation:</u>				
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	B-20-CB-NY-0001	-	10,993
Section 4 Capacity Building for Community Development and Affordable Housing	14.252	B-19-CB-NY-0001	-	149
Subtotal – Section 4 Capacity Building for Community Development and Affordable Housing – 14.252			-	11,142
<u>Direct recipient:</u>				
Continuum of Care Program	14.267	OH0420L5E072107	-	128,327
Continuum of Care Program	14.267	OH0420L5E072208	-	105,356
Continuum of Care Program	14.267	OH0183L5E072013	-	(950)
Continuum of Care Program	14.267	OH0183L5E072114	-	547,812
Continuum of Care Program	14.267	OH0183L5E072215	-	240,183
Continuum of Care Program	14.267	OH0592L5E072104	-	266,859
Continuum of Care Program	14.267	OH0592L5E072205	-	78,347
Subtotal – Continuum of Care Program – 14.267			-	1,365,934
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
			-	2,060,010
U.S. DEPARTMENT OF LABOR				
<u>Passed through Ottawa County Department of Job and Family Services:</u>				
WIOA Youth Activities	17.259	N/A	-	115,910
Subtotal – WIOA Youth Activities – 17.259			-	115,910
Subtotal – WIOA Cluster – 17.259			-	115,910
<u>Passed through Terra State Community College:</u>				
YouthBuild	17.274	N/A	-	53,257
Subtotal – YouthBuild – 17.274			-	53,257
TOTAL U.S. DEPARTMENT OF LABOR				
			-	169,167
U.S. DEPARTMENT OF STATE				
<u>Direct recipient:</u>				
International Programs to Support Democracy, Human Rights, and Labor	19.345	S-LMAQM-19-GR-2204	-	(36,820)
International Programs to Support Democracy, Human Rights, and Labor	19.345	S-LMAQM-19-GR-2204-MDA-DR.4	168,766	222,838
Subtotal – International Programs to Support Democracy, Human Rights, and Labor – 19.345			168,766	186,018
<u>Direct recipient:</u>				
Professional and Cultural Exchange Programs – Citizen Exchanges	19.415	S-ECAGD-19-CA-0087	183,146	346,924
Professional and Cultural Exchange Programs – Citizen Exchanges	19.415	S-ECAGD-21-CA-3104	75,296	264,099
Professional and Cultural Exchange Programs – Citizen Exchanges	19.415	S-ECAGD-22-CA-0108	27,180	147,710
Subtotal – Professional and Cultural Exchange Programs – Citizen Exchanges – 19.415			285,622	758,733
TOTAL U.S. DEPARTMENT OF STATE				
			454,388	944,751

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER (ALN)	DIRECTOR PASS-THROUGH GRANTOR'S NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF TRANSPORTATION				
<u>Passed through Ohio Department of Transportation:</u>				
Formula Grants for Rural Areas and Tribal Transit Program	20.509	OH-2020-005	-	182,236
Formula Grants for Rural Areas and Tribal Transit Program	20.509	OH-2023-X01	-	646,857
Formula Grants for Rural Areas and Tribal Transit Program	20.509	OCP X-0118-004-231	-	257,513
Subtotal – Formula Grants for Rural Areas and Tribal Transit Program – 20.509			-	1,086,606
<u>Passed through Ohio Department of Transportation:</u>				
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	OCP X-0118-038-210	-	(60,386)
Subtotal – Enhanced Mobility of Seniors and Individuals with Disabilities – 20.513			-	(60,386)
Subtotal – Transit Services Program Cluster – 20.513			-	(60,386)
<u>Passed through Ohio Department of Transportation:</u>				
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	RPTM-0118-005-222	-	32,453
Subtotal – Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs – 20.526			-	32,453
Subtotal – Federal Transit Cluster – 20.526			-	32,453
TOTAL U.S. DEPARTMENT OF TRANSPORTATION				
			-	1,058,673
U.S. DEPARTMENT OF THE TREASURY				
<u>Passed through Ohio Department of Development:</u>				
COVID-19 – Emergency Rental Assistance Program	21.023	ARPAHRG 2022-44	-	2,081,225
Subtotal – Emergency Rental Assistance Program – 21.023			-	2,081,225
<u>Passed through Ohio Housing Finance Agency:</u>				
COVID-19 – Homeowner Assistance Fund	21.026	HAF-UAP	-	995,172
Subtotal – Homeowner Assistance Fund – 21.026			-	995,172
<u>Passed through Board of Commissioners of Lucas County, State of Ohio:</u>				
COVID-19 – Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	-	1,500,000
Subtotal – Coronavirus State and Local Fiscal Recovery Funds – 21.027			-	1,500,000
TOTAL U.S. DEPARTMENT OF THE TREASURY				
			-	4,576,397
U.S. DEPARTMENT OF VETERANS AFFAIRS				
<u>Passed through Mental Health Services for Homeless Persons, Inc. (d.b.a. Frontline Service):</u>				
VA Supportive Services for Veteran Families Program	64.033	12-OH-064	-	418,125
VA Supportive Services for Veteran Families Program	64.033	2012-OH-064-023	-	349,986
VA Supportive Services for Veteran Families Program	64.033	OH-2012-HL	-	16,622
VA Supportive Services for Veteran Families Program	64.033	12-OH-064	-	6,258
VA Supportive Services for Veteran Families Program	64.033	12-OH-064SS	-	174,767
VA Supportive Services for Veteran Families Program	64.033	12-OH-064-LT	-	40,150
Subtotal – VA Supportive Services for Veteran Families Program – 64.033			-	1,005,908
TOTAL U.S. DEPARTMENT OF VETERANS AFFAIRS				
			-	1,005,908
U.S. ENVIRONMENTAL PROTECTION AGENCY				
<u>Direct recipient:</u>				
Environmental Finance Center Grants	66.203	00E03342	(3,327)	93,904
<u>Passed through RCAP, Inc.:</u>				
Environmental Finance Center Grants	66.203	84059501-0	3,327	10,692
Environmental Finance Center Grants	66.203	N/A	2,523	2,806
Subtotal – Environmental Finance Center Grants – 66.203			2,523	107,402

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER (ALN)	DIRECTOR PASS-THROUGH GRANTOR'S NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. ENVIRONMENTAL PROTECTION AGENCY (Continued)				
<u>Passed through RCAP, Inc.:</u>				
Surveys, Studies, Investigations, Demonstrations, and Training Grants – Section 1442 of the Safe Drinking Water Act	66.424	84025001	166,674	195,203
Surveys, Studies, Investigations, Demonstrations, and Training Grants – Section 1442 of the Safe Drinking Water Act	66.424	84044501	301,229	930,187
Subtotal – Surveys, Studies, Investigations, Demonstrations, and Training Grants – Section 1442 of the Safe Drinking Water Act – 66.424			467,903	1,125,390
<u>Passed through RCAP, Inc.:</u>				
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements – Section 104(b)(3) of the Clean Water Act	66.436	84024901	-	37,164
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements – Section 104(b)(3) of the Clean Water Act	66.436	84044601	-	49,610
Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements – Section 104(b)(3) of the Clean Water Act	66.436	84044801	20,860	42,537
Subtotal – Surveys, Studies, Investigations, Demonstrations, and Training Grants and Cooperative Agreements – Section 104(b)(3) of the Clean Water Act – 66.436			20,860	129,311
<u>Passed through RCAP, Inc.:</u>				
Innovative Water Infrastructure Workforce Development Program (SDWA 1459E)	66.445	84034901	-	8,484
Subtotal – Innovative Water Infrastructure Workforce Development Program (SDWA 1459E) – 64.445			-	8,484
<u>Passed through RCAP, Inc.:</u>				
Technical Assistance for Treatment Works (Clean Water Act [CWA] Section 104(b)(8))	66.446	84035601	143,487	308,063
Subtotal – Technical Assistance for Treatment Works (Clean Water Act [CWA] Section 104(b)(8)) – 66.446			143,487	308,063
<u>Passed through Ohio Environmental Protection Agency:</u>				
Clean Water State Revolving Fund	66.458	N/A	-	365,650
Subtotal – Clean Water State Revolving Fund – 66.458			-	365,650
Subtotal – Clean Water State Revolving Fund (CWSRF) Cluster – 66.458			-	365,650
<u>Passed through Ohio Environmental Protection Agency:</u>				
Drinking Water State Revolving Fund	66.468	4D00E03246	-	727,867
Drinking Water State Revolving Fund	66.468	4D00E03246	-	166,510
Subtotal – Drinking Water State Revolving Fund – 66.468			-	894,377
Subtotal – Drinking Water State Revolving Fund (DWSRF) Cluster – 66.468			-	894,377
TOTAL U.S. ENVIRONMENTAL PROTECTION AGENCY			634,773	2,938,677
U.S. DEPARTMENT OF ENERGY				
<u>Passed through Ohio Department of Development:</u>				
Weatherization Assistance for Low-Income Persons	81.042	22-126	-	392,981
Weatherization Assistance for Low-Income Persons	81.042	23-126	-	218,349
Weatherization Assistance for Low-Income Persons	81.042	23-226	-	31,133
Subtotal – Weatherization Assistance for Low-Income Persons – 81.042			-	642,463
TOTAL U.S. DEPARTMENT OF ENERGY			-	642,463

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER (ALN)	DIRECTOR PASS-THROUGH GRANTOR'S NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION				
<u>Passed through Ohio Department of Education:</u>				
COVID-19 – Education Stabilization Fund	84.425	N/A	123	376,712
Education Stabilization Fund	84.425	N/A	-	25,055
Education Stabilization Fund	84.425	N/A	-	185,736
Subtotal – Education Stabilization Fund – 84.425			123	587,503
TOTAL U.S. DEPARTMENT OF EDUCATION				
			123	587,503
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
<u>Passed through Area Office on Aging of Northwestern Ohio, Inc.:</u>				
COVID 19 – Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services	93.043	N/A	-	5,233
Subtotal – Special Programs for the Aging, Title III, Part D, Disease Prevention and Health Promotion Services – 93.043			-	5,233
<u>Passed through Area Office on Aging of Northwestern Ohio, Inc.:</u>				
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	N/A	-	60,593
Subtotal – Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers – 93.044			-	60,593
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	N/A	-	34,283
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	N/A	-	133,512
Subtotal – Special Programs for the Aging, Title III, Part C, Nutrition Services – 93.045			-	167,795
Nutrition Services Incentive Program	93.053	N/A	-	30,044
Subtotal – Nutrition Services Incentive Program – 93.053			-	30,044
Subtotal – Aging Cluster – 93.044, 93.045, 93.053			-	258,432
<u>Passed through Ottawa County Department of Job and Family Services:</u>				
Temporary Assistance for Needy Families	93.558	2021-2022	-	76,913
<u>Passed through Sandusky County Department of Job and Family Services:</u>				
Temporary Assistance for Needy Families	93.558	N/A	20,798	210,935
Subtotal – Temporary Assistance for Needy Families – 93.558			20,798	287,848
<u>Passed through Ohio Department of Development:</u>				
Low-Income Home Energy Assistance	93.568	HEAP-2023-138	-	467,319
Low-Income Home Energy Assistance	93.568	HEAP-2024-138	-	36,465
Low-Income Home Energy Assistance	93.568	WCP 2023-138	-	327,277
Low-Income Home Energy Assistance	93.568	SCP-2022-138	-	690
Low-Income Home Energy Assistance	93.568	SCP-2023-138	-	254,759
Low-Income Home Energy Assistance	93.568	LIHWAP 2021-138	-	194,719
Low-Income Home Energy Assistance	93.568	22-126	-	608,043
Low-Income Home Energy Assistance	93.568	23-126	-	152,771
Low-Income Home Energy Assistance	93.568	22-HE-126	-	344,507
Low-Income Home Energy Assistance	93.568	23-HE-126	-	85,093
Low-Income Home Energy Assistance	93.568	23-HE-226	-	3,370
Subtotal – Low-Income Home Energy Assistance – 93.568			-	2,475,013
<u>Passed through Ohio Department of Development:</u>				
Community Services Block Grant	93.569	CSBG 2022-2023 44	-	471,988
Subtotal – Community Services Block Grant – 93.569			-	471,988

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER (ALN)	DIRECTOR PASS-THROUGH GRANTOR'S NUMBER	PASSED THROUGH TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
<u>Direct recipient:</u>				
Community Services Block Grant Discretionary Awards	93.570	90EF0084-03-00	464,600	1,280,191
Community Services Block Grant Discretionary Awards	93.570	90EF0084-04-01	-	62
Subtotal – Community Services Block Grant Discretionary Awards – 93.570			464,600	1,280,253
<u>Passed through Ohio Child Care Resource and Referral Association:</u>				
COVID-19 – Child Care and Development Block Grant	93.575	N/A	-	3,459
COVID-19 – Child Care and Development Block Grant	93.575	N/A	-	1,785,370
Subtotal – Child Care and Development Block Grant – 93.575			-	1,788,829
Subtotal – CCDF Cluster – 93.575			-	1,788,829
<u>Direct recipient:</u>				
Head Start	93.600	05CH011180-04-00	-	6,607,444
Head Start	93.600	05CH011180-05-00	-	1,265,592
Head Start	93.600	05HP 000472-02-00	1,011,563	5,182,741
Head Start	93.600	05HP 000472-03-00	219,185	994,908
Head Start	93.600	90CM009853-02-01	-	(59,203)
Head Start	93.600	90CM009853-03-00	-	4,403,299
Head Start	93.600	90CM009853-04-00	-	1,016,782
COVID-19 – Head Start	93.600	05HE000430-01-C5	18,400	18,400
COVID-19 – Head Start	93.600	05HE000430-01-C6	69,607	692,628
COVID-19 – Head Start	93.600	90HN000023-01-C3	-	251,682
COVID-19 – Head Start	93.600	90HN000023-01-C6	-	33,184
<u>Passed through Toledo Public Schools:</u>				
Head Start	93.600	05CH011027-00	-	374,825
Head Start	93.600	05CH011027-00	-	1,612,133
COVID-19 – Head Start	93.600	05HE001113-01-03	-	213
COVID-19 – Head Start	93.600	05HE001113-01-03	-	139,209
Subtotal – Head Start – 93.600			1,318,755	22,832,467
Subtotal – Head Start Cluster – 93.600			1,318,755	22,832,467
<u>Passed through Sandusky County Department of Job and Family Services:</u>				
Medical Assistance Program	93.778	N/A	-	304,354
Subtotal – Medical Assistance Program – 93.778			-	304,354
Subtotal – Medicaid Cluster – 93.778			-	304,354
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			1,804,153	29,704,417
TOTAL EXPENDITURES OF FEDERAL AWARDS			3,492,437	49,354,715

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT POLICIES

- A. The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Great Lakes Community Action Partnership under programs of the federal government for the fiscal year ended September 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (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.
- B. The Schedule of Expenditures of Federal Awards was prepared using 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 2 – INDIRECT COST RATE

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

NOTE 3 – BALANCE OF OUTSTANDING LOANS

The United States Department of Agriculture (USDA) Facility Loan Grant, which was reported in previous years under Assistance Listing Number 10.766, has an outstanding loan balance of \$3,388,421 at September 30, 2023.

NOTE 4 – ADDITIONAL FEDERAL GRANT/EXPENDITURES INFORMATION

- A. N/A – indicates no pass-through number assigned by the grantor.
- B. Expense amounts that are reported on the Schedule of Expenditures of Federal Awards include expenses for capital items purchased with grant funds.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Consolidated Financial Statements

Type of auditor’s report issued:

The report on the consolidated financial statements of Great Lakes Community Action Partnership as of and for the fiscal year ended September 30, 2023, is unmodified. The opinion is dated June 28, 2024.

Internal control over financial reporting:

Material weakness(es) identified?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None Reported
Noncompliance material to consolidated financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant deficiency(ies) identified not considered to be material weaknesses?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> None Reported

An unmodified opinion has been issued on the compliance for major programs of Great Lakes Community Action Partnership as of and for the fiscal year ended September 30, 2023. The opinion is dated June 28, 2024.

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
--	---	-----------------------------

Identification of Major Programs

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
	U.S. Department of the Treasury:
21.023	Emergency Rental Assistance Program
21.027	Coronavirus State and Local Fiscal Recovery Funds
	U.S. Department of Health and Human Services:
93.575	CCDF Cluster
93.600	Head Start Cluster

Dollar threshold used to distinguish between Type A and Type B programs: **\$1,375,713**

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS (Continued)

Identification of Major Programs (Continued)

Great Lakes Community Action Partnership qualified as a low-risk auditee for the fiscal year ended September 30, 2023.

SECTION II – FINANCIAL STATEMENT FINDINGS

Financial Statement Findings in Accordance with GAGAS

Finding 2023-001 – Preparation and Review Processes over the Schedule of Expenditures of Federal Awards (SEFA) (Material Weakness)

Criteria – Management is responsible for establishing and maintaining internal controls to ensure that the financial statements and required supplemental information are prepared in an accurate and timely manner in accordance with U.S. generally accepted accounting principles and specific criteria set forth in the Uniform Guidance. In accordance with 2 CFR Part 200.510, the auditee must prepare a schedule of expenditures of federal awards for the period covered by the financial statements. The Schedule of Expenditures of Federal Awards (SEFA) must include the total federal awards expended from each federal award agency in all applicable federal programs of the auditee. Required information on the SEFA includes: amounts expended under federal awards received directly from the federal agency or those received from a pass-through entity as a subrecipient; identifying numbers assigned to any pass-through entity; the proper Assistance Listing Number (ALN) for each federal program and federal cluster; total awards passed through to other subrecipients; and certain note disclosures related to outstanding loan balances and significant accounting policies relative to the SEFA. COVID-19 funding must also be identified.

Condition and Context – Management provided information related to the SEFA for the audit period ending September 30, 2023. The SEFA included errors such as missing grant award expenditures; expenditures improperly identified as federal that were part of state awards; COVID-19 funding not being properly identified; federal program clusters not being properly identified; incorrect ALN and pass-through numbers; and incorrect pass-through entities. Appropriate internal controls over the preparation and review of the SEFA, to ensure its completeness and accuracy, failed to detect many of these errors prior to providing the SEFA for audit.

Cause – The GLCAP underwent major changes in the Fiscal Department during and after the fiscal year-end, including a major accounting software conversion and several changes in key financial department employees. This appears to have created issues with adequate training regarding year-end closing processes, as well as requirements for the preparation of the SEFA.

Effect – An incomplete or inaccurate SEFA presentation could result in major programs not being identified properly and incomplete testing of federal award expense amounts. This also contributed to delays and inefficiencies in the audit process.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION II – FINANCIAL STATEMENT FINDINGS (Continued)

Financial Statement Findings in Accordance with GAGAS (Continued)

Finding 2023-001 – Preparation and Review Process over the Schedule of Expenditures of Federal Awards (SEFA) (Material Weakness) (Continued)

Questioned Costs – None

Repeat Finding – No

Recommendation – The GLCAP should evaluate the process used to track and report items that are required for the SEFA presentation. This would include evaluation of the accounting system to determine whether a more automated process can be used to track and report the expenditure amounts and a more robust system of organizing the data to provide greater efficiency and accuracy for SEFA reporting. A thorough review and reconciliation process should also be in place to determine that the SEFA is both accurate and complete as part of the year-end closing process. Cross-training should be conducted to ensure that multiple personnel can assist in the organization of the SEFA data and preparation and review process.

View of Responsible Officials – Management agrees with this finding. Please see Management’s Corrective Action Plan.

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

Finding 2023-002 – Federal Funding Accountability and Transparency Act Reporting (Significant Deficiency)

Federal Agency:	U. S. Department of Health and Human Services
Pass-through Agency:	N/A Direct Award
Program Name:	Head Start Cluster
Assistance Listing Number:	93.600
Award Numbers:	05HP000472-02-00; 05HP000472-03-00; 05HE000430-01-C5 (COVID-19); 05HE000430-01-C6 (COVID-19)
Category of Finding:	Reporting

Criteria – Under the requirements of the Federal Funding Accountability and Transparency Act (FFATA), modified in 2 CFR Part 170, direct recipients of grants are required to report first-tier subawards of \$30,000 or more to the FFATA Subaward Reporting System (FSRS) no later than the end of the month following the month in which the subaward obligation was made.

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS (Continued)

Finding 2023-002 – Federal Funding Accountability and Transparency Act Reporting (Significant Deficiency) (Continued)

Condition and Context – During our testing of the reporting compliance requirement related to the Head Start Cluster, it was determined that the FFATA reporting to FSRS was not completed for the subrecipient tested.

Transactions Tested	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
1	1	-	-	-
Dollar Amount of Tested Transactions	Subaward Not Reported	Report Not Timely	Subaward Amount Incorrect	Subaward Missing Key Elements
\$1,318,755	\$1,318,755	-	-	-

Cause – Great Lakes Community Action Partnership’s internal controls failed to detect that the FFATA reporting had not been performed.

Effect – Failure to submit the required FFATA reports by the end of the month following an award given to a subrecipient results in noncompliance with 2 CFR Part 170 and could impact future funding.

Questioned Costs – None

Repeat Finding – No

Recommendation – Great Lakes Community Action Partnership should evaluate each award for applicability of FFATA reporting and develop processes and internal controls to ensure proper submission of reports in accordance with the requirements of the Federal Funding Accountability and Transparency Act.

View of Responsible Officials – Management agrees with this finding. Please see Management’s Corrective Action Plan.



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

To the Board of Directors of
Great Lakes Community Action Partnership

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of Great Lakes Community Action Partnership (a nonprofit organization), which comprise the consolidated statement of financial position as of September 30, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the fiscal year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 28, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated 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 consolidated 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 consolidated financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001, that we consider to be a material weakness.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Great Lakes Community Action Partnership's consolidated 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 consolidated 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*.

Organization's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Organization's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Great Lakes Community Action Partnership's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

S. R. Snodgrass, P.C. d/b/k S. R. Snodgrass, A.C. in West Virginia

Wheeling, West Virginia
June 28, 2024



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

To the Board of Directors of
Great Lakes Community Action Partnership

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Great Lakes Community Action Partnership’s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Great Lakes Community Action Partnership’s major federal programs for the fiscal year ended September 30, 2023. 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.

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 fiscal year ended September 30, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Great Lakes Community Action Partnership’s federal programs.



Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2023-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Great Lakes Community Action Partnership's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Great Lakes Community Action Partnership's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.



Report on Internal Control over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a significant deficiency.

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

Government Auditing Standards requires the auditor to perform limited procedures on Great Lakes Community Action Partnership's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Great Lakes Community Action Partnership's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

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.

S. R. Snodgrass, P.C. d/b/a S. R. Snodgrass, A.C. in West Virginia

Wheeling, West Virginia
June 28, 2024



GREAT LAKES COMMUNITY ACTION PARTNERSHIP
MANAGEMENT'S CORRECTIVE ACTION PLAN

Financial Statement Findings

Identifying Number: Finding 2023-001 – Preparation and Review Process over the Schedule of Expenditures of Federal Awards (Material Weakness) (SEFA)

Finding: The SEFA presented for audit contained several errors and missing information required in accordance with Uniform Guidance criteria. Preparation and review controls failed to detect these errors.

Name of contact person and title: David Chimahusky, CFO, GLCAP

Anticipated completion date: September 2024

Great Lakes Community Action Partnership's response: Concur

Great Lakes Community Action Partnership agrees with this finding and provided the following response and corrective actions:

Corrective Actions Taken or Planned: Management understands that a complete and accurate SEFA presentation is essential in ensuring accurate financial reporting of federal awards and agrees that effective internal controls over the preparation and review of the SEFA can mitigate the potential for inaccuracy.

To ensure accurate reporting, management will review procedures and identify, develop, and implement improvements to prevent or correct errors. Specific areas of consideration will include evaluating SEFA training and education opportunities (to include cross-training of staff), identifying applicable knowledge-base resources, incorporating additional levels of review, and documenting all procedural steps.

Person(s) Responsible for Implementation: David Chimahusky, CFO

Findings and Questioned Costs for Federal Awards

Identifying Number: Finding 2023-002 – Federal Funding Accountability and Transparency Act Reporting (Significant Deficiency)

Finding: Reports in compliance with the Federal Funding Accountability and Transparency Act (FFATA) were not completed.

U.S. Department of Health and Human Services, Head Start Cluster: Assistance Listing Number 93.600



GREAT LAKES COMMUNITY ACTION PARTNERSHIP
MANAGEMENT'S CORRECTIVE ACTION PLAN (Continued)

Financial Statement Findings (Continued)

Findings and Questioned Costs for Federal Awards (Continued)

Name of contact person and title: David Chimahusky, CFO, GLCAP

Anticipated completion date: July 31, 2024

Great Lakes Community Action Partnership's response: Concur

Great Lakes Community Action Partnership agrees with this finding and provided the following response and corrective actions:

Corrective Actions Taken or Planned: Management agrees that ineffective controls resulted in missed reporting required by the Federal Funding Accountability and Transparency Act (FFATA). To correct this, management will review all current awards for reporting applicability and will develop procedures to ensure all future awards are evaluated for FFATA reporting requirements and submitted in a timely manner. Tracking of awards and FFATA submission dates will be maintained for regular secondary review.

Person(s) Responsible for Implementation: David Chimahusky, CFO

GREAT LAKES COMMUNITY ACTION PARTNERSHIP
STATUS OF PRIOR YEAR AUDIT FINDINGS/COMMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

There were no findings or recommendations in the prior year's report requiring the preparation of this schedule.