



**CLARK SCHAEFER HACKETT**  
BUSINESS ADVISORS

## **Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity**

Consolidated Financial Statements and Supplemental Information

December 31, 2021

with Independent Auditors' Report

## TABLE OF CONTENTS

Independent Auditors' Report .....	1 – 3
Consolidated Financial Statements:	
Consolidated Statement of Financial Position .....	4
Consolidated Statement of Activities .....	5
Consolidated Statement of Functional Expenses .....	6
Consolidated Statement of Cash Flows.....	7
Notes to the Consolidated Financial Statements.....	8 – 19
Supplemental Information:	
Schedule of Program Activity.....	20 – 28
Schedule of Expenditures of Federal Awards .....	29 – 30
Notes to the Schedule of Expenditures of Federal Awards .....	31
Independent Auditors' 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> .....	32 – 33
Independent Auditors' Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance.....	34 – 36
Schedule of Findings and Questioned Costs.....	37 – 38

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors of  
Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity  
Findlay, Ohio

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying consolidated financial statements of Hancock-Hardin-Wyandot-Putnam Community Action Commission (a not-for-profit corporation) and Related Entity, which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity 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.

#### ***Responsibilities of Management for the 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 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 Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hancock-Hardin-Wyandot-Putnam Community Action Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hancock-Hardin-Wyandot-Putnam Community Action Commission'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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022, on our consideration of Hancock-Hardin-Wyandot-Putnam Community Action Commission'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 Hancock-Hardin-Wyandot-Putnam Community Action Commission'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 Hancock-Hardin-Wyandot-Putnam Community Action Commission's internal control over financial reporting and compliance.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 23, 2022

Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity  
Consolidated Statement of Financial Position  
December 31, 2021

Assets

Current assets:

Cash and cash equivalents	\$	1,064,733
Restricted cash		1,271,876
Accounts receivable		119,578
Grants receivable		1,232,785
Inventory		31,308
Prepaid expenses		79,707
		3,799,987

Other assets:

Loans and interest receivable-related parties, net	738,439
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Property and equipment, net	3,753,549
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Total assets	\$ <u>8,291,975</u>
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Liabilities and Net Assets

Current liabilities:

Note payable, current portion	\$	18,098
Forgivable loans payable, current portion		21,904
Accounts payable		782,269
Accrued payroll and associated liabilities		292,021
Grant funds received in advance		688,921
		1,803,213

Long-term liabilities:

Note payable, long-term portion	965,817
Unamortized debt issuance costs	(6,969)
Forgivable loans payable, long-term portion	676,135
	1,634,983

Total liabilities	3,438,196
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Net assets:

Without donor restrictions	3,090,044
With donor restrictions	1,763,735
	4,853,779

Total liabilities and net assets	\$ <u>8,291,975</u>
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Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity  
Consolidated Statement of Activities  
Year Ended December 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Grants revenue	\$ -	12,824,279	12,824,279
Contract and fee for service revenue	270,414	-	270,414
Rental income	48,916	-	48,916
Interest income	403	1,285	1,688
Donations	510	14,382	14,892
In-kind contributions	3,299	-	3,299
Other revenue	43,023	-	43,023
Net assets released from restrictions	<u>13,006,480</u>	<u>(13,006,480)</u>	<u>-</u>
 Total revenues	 <u>13,373,045</u>	 <u>(166,534)</u>	 <u>13,206,511</u>
Program activities:			
Child care and education	3,435,974	-	3,435,974
Food	613,181	-	613,181
Weatherization/emergency assistance	1,183,968	-	1,183,968
Housing	4,155,125	-	4,155,125
Energy assistance	1,151,088	-	1,151,088
Community services	235,076	-	235,076
Transportation	<u>1,796,443</u>	<u>-</u>	<u>1,796,443</u>
 Total program expenses	 12,570,855	 -	 12,570,855
Support services:			
Management and general	593,937	-	593,937
Fundraising	<u>70,914</u>	<u>-</u>	<u>70,914</u>
Total support services	<u>664,851</u>	<u>-</u>	<u>664,851</u>
 Total expenses	 <u>13,235,706</u>	 <u>-</u>	 <u>13,235,706</u>
 Change in net assets	 137,339	 (166,534)	 (29,195)
Net assets, beginning of year	<u>2,952,705</u>	<u>1,930,269</u>	<u>4,882,974</u>
Net assets, end of year	<u>\$ 3,090,044</u>	<u>1,763,735</u>	<u>4,853,779</u>

See accompanying notes to the consolidated financial statements.

Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity  
Consolidated Statement of Functional Expenses  
Year Ended December 31, 2021

	<u>Program</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel	\$ 5,286,023	385,929	48,084	5,720,036
Travel and training	112,168	6,627	754	119,549
Supplies and materials	567,463	34,565	5,105	607,133
Consultants and contracts	325,679	107,221	8,351	441,251
Sub-grants	290,887	-	-	290,887
Depreciation	369,219	7,570	1,966	378,755
Occupancy	200,496	10,692	1,528	212,716
Utilities, telephone and internet	195,500	6,557	1,251	203,308
Insurance	126,802	13,939	1,420	142,161
Repairs and maintenance	68,707	1,460	290	70,457
Advertising	57,279	950	227	58,456
Direct assistance	4,477,507	-	-	4,477,507
Transportation	255,677	11	1	255,689
In-kind expenses	3,299	-	-	3,299
Other	<u>234,149</u>	<u>18,416</u>	<u>1,937</u>	<u>254,502</u>
Total expenses	<u>\$ 12,570,855</u>	<u>593,937</u>	<u>70,914</u>	<u>13,235,706</u>

See accompanying notes to the consolidated financial statements.



Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity  
Consolidated Statement of Cash Flows  
Year Ended December 31, 2021

Cash flows from operating activities:	
Change in net assets	\$ (29,195)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Depreciation	378,755
Amortization of debt issuance costs	1,927
Amortization of forgivable loans	(21,903)
Effects of changes in operating assets and liabilities:	
Accounts receivable	(61,951)
Grants receivable	(240,852)
Inventory	17,612
Prepaid expenses	45,532
Accounts payable	(50,719)
Accrued payroll and associated liabilities	(190,278)
Grant funds received in advance	<u>(183,367)</u>
Net cash flows from operating activities	(334,439)
 Cash flows from investing activities:	
Purchase of property and equipment	(312,218)
 Cash flows from financing activities:	
Principal payments on notes payable	<u>(17,260)</u>
 Net change in cash and cash equivalents	(663,917)
Cash and cash equivalents, beginning of year	<u>3,000,526</u>
Cash and cash equivalents, end of year	\$ <u><u>2,336,609</u></u>
 Reconciliation of cash and cash equivalents within the consolidated statement of financial position	
Cash and cash equivalents	\$ 1,064,733
Restricted cash	<u>1,271,876</u>
Cash and cash equivalents shown in the consolidated statement of cash flows	\$ <u><u>2,336,609</u></u>
 Supplemental disclosure of cash flow information:	
Interest paid	\$ <u><u>49,111</u></u>

See accompanying notes to the consolidated financial statements.

## **1. ORGANIZATION:**

Hancock-Hardin-Wyandot-Putnam Community Action Commission (HHWP) was organized as a nonprofit corporation in 1965. HHWP was formed to provide social services to low-income residents of Hancock, Hardin, Wyandot, and Putnam counties in Ohio. HHWP is primarily supported through federal and state government grants. Approximately 28% and 13% of grant revenue is provided by the U.S. Department of Health and Human Services (DHHS) for Head Start and Low-income Home Energy Assistance programs, respectively.

Accessible Housing, Inc. is a nonprofit organization that was organized to provide affordable housing to low-income individuals and families. Accessible Housing, Inc. currently owns and operates an eight-unit housing project. The project is funded through forgivable loans from the State of Ohio, Department of Development (ODOD), and the U.S. Department of Housing and Urban Development (HUD). The project is also funded with Section 8 Housing Assistance payments from HUD.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

### **Principles of consolidation**

The consolidated financial statements include the accounts of HHWP and Accessible Housing, Inc., a related nonprofit organization. HHWP has economic interest and control through majority voting interest of Accessible Housing, Inc.'s Board of Directors. All material intercompany transactions and accounts are eliminated in the consolidation.

### **Basis of accounting**

The consolidated financial statements of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity (the Organization) are prepared using the accrual basis of accounting in accordance U.S. generally accepted accounting principles (GAAP).

### **Basis of presentation**

The consolidated financial statements of the Organization have been prepared in accordance with GAAP, which requires the Organization to report information regarding its financial position and activities according to the following net asset classifications:

- Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of the Organization's management and the Board of Directors.
- Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions that are likely to be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. There were no funds required to be maintained in perpetuity at December 31, 2021.

### **Use of estimates**

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

### **Revenue recognition**

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

- An explicit identifying 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 barriers to entitlement are overcome. Unconditional contributions are recognized as revenue when received.

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

In-kind contributions are recorded at fair value and represent donated materials, space and services that create or enhance nonfinancial assets or require specialized skills.

#### *Grant Awards That Are Contributions*

Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award and Accounting Standards Codification (ASC) Topic 605. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received in excess of expenses are reflected as a grant funds received in advance.

#### *Grant Awards That Are Exchange Transactions*

Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the terms of the award and ASC Topic 606. 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. The Organization has no grant awards that are exchange transactions.

#### *Contracted Services*

HHWP provides transportation services to the general public. The program is operated using grants provided by the Ohio Department of Transportation and fare box revenue. Grants provided by the Ohio Department of Transportation are reported as contributions. Fare box revenue reported at the point in time the ride is provided to the customer, at an amount that reflects the consideration to which HHWP believes it is entitled in exchange for providing the transportation service. Customers pay per ride upon entering the bus through cash deposits into the fareboxes on the buses, or they may purchase passes from the Transportation office, at a stand-alone selling price. Advance ticket sales and ride pass revenue is non-refundable based on the transportation system rules. The amount recorded for transportation services provided at the point in time the service is performed was \$871 for the year ended December 31, 2021.

**Revenue recognition (continued)**

HHWP has contracts to provide transportation for clients whose fee is paid through contracts with 3rd parties. The contracts contain only one performance obligation which is to provide rides during the agreed upon dates and times specified in the contract. Revenue from these contracts is recognized over the term of the contract as HHWP provides the service. Providing the transportation or ride, is when management considers to be the best available measure of progress of HHWP's delivery of the service. Revenue is reported at the amount of consideration that HHWP expects to be entitled to in exchange for providing the service. HHWP determines the transaction price based on standard charges for the service provided. The amount recorded for contracted transportation services provided over time was \$192,414 for the year ended December 31, 2021.

*Tenant Rents*

Tenant rent represents income received for use of affordable housing property owned by the Organization. This income is recognized in the period in which it is earned.

*Interest Income*

Interest income is recognized in the accounting period when it is received. The Organization maintains funds received from various sources in an interest-bearing checking account. The interest earned on funds is included in without donor restrictions funds and is used to support the Organization's programs.

**Functional expense allocation and joint costs**

The consolidated financial statements report certain categories of expenses that are attributable to one or more program or supporting function of the Organization. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Cost allocation methods are as follows:

Personnel: Most employees are charged to programs based on actual hours when possible. For positions where actual hours are allocated to programs, time is charged on the number of employees, number of transactions, number of children, number of applications, or number of providers/families, whichever is most representative for each employee's job description.

Occupancy: Occupancy costs (maintenance, depreciation, insurance, etc.) are allocated based on the number of square feet of space each program occupies. Space occupied by administrative staff is allocated to all grants based on time allocations.

Other costs: Other costs are allocated on a full-time equivalency basis.

**Cash and cash equivalents**

Cash and cash equivalents consist of cash in operating bank accounts for consolidated statement of cash flow purposes.

**Restricted cash**

Restricted cash represents funds restricted for a HUD replacement reserve in the amount of \$37,967, a security deposit account in the amount of \$3,984, funds for use in the self-insurance plan in the amount of \$804,385, Microenterprise Revolving Loan Fund of \$60,843, transportation local match funds of \$59,987, ODOT transit local reserve of \$214,206 and other restricted cash of \$90,504.

**Accounts receivable**

Accounts receivable consist primarily of miscellaneous refunds, transportation, billings, and rental receivables. Amounts are reviewed for collectability by management, and an allowance for doubtful accounts is recorded as needed based on collection history and customer attributes. Management has assessed the collectability of these receivables and has deemed that all accounts are fully collectible; therefore, no allowance has been recorded.

**Grants receivable**

Grants receivable consist primarily of amounts billed under performance and cost 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. The Organization considers these receivables to be collectible and, therefore, no allowance for uncollectible amounts has been recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

**Inventory**

Inventory consists of weatherization materials for use in HHWP's weatherization program. Inventory is stated at the lower of cost, determined by the first-in, first-out (FIFO) method, or net realizable value.

**Loans and interest receivable – related parties**

The Organization has received grant awards from the State of Ohio for housing development. The Organization has loaned these funds to various affiliated limited partnerships (see Note 6). The Organization assesses the collectability of these loans based on the financial condition of the affiliates. As of the year ended December 31, 2021, the Organization has elected to record an allowance for uncollectible accounts of \$2,872,509 due to the uncertain collectability of these balances. Bad debt expense was \$-0- for the year ended December 31, 2021.

**Property and equipment**

Property and equipment are capitalized at cost when purchased and at fair value when donated. Depreciation is provided using the straight-line method over the estimated useful life of the asset. The Organization considers property and equipment to be items with a cost of \$5,000 or more and a useful life of over one year.

Property and equipment purchased with grant funds are owned by the Organization 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. Their disposition, as well as the ownership of any related proceeds is subject to funding source regulations. The net book value of property and equipment purchased with grant funds is \$1,465,577.

**Income taxes**

HHWP and Accessible Housing, Inc. are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. The Organization's reporting returns are subject to audit by federal and state taxing authorities. No income tax provision has been included in the consolidated financial statements as there was no unrelated business income.

**Subsequent events**

The Organization evaluates events and transactions occurring subsequent to the date of the consolidated financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying consolidated financial statements consider events through June 23, 2022, the date which the consolidated financial statements were available to be issued.

**3. GRANTS RECEIVABLE:**

The grants receivable balance as of December 31, 2021, represents amounts due from various funding sources as follows:

Federal programs	\$ 1,140,065
State programs	59,411
Local programs	<u>33,309</u>
	<u>\$ 1,232,785</u>

**4. PROPERTY AND EQUIPMENT:**

A summary of property and equipment as of December 31, 2021, is as follows:

Land	\$ 460,693
Buildings	4,709,957
Equipment	558,645
Vehicles	2,109,889
Construction in progress	<u>7,048</u>
Subtotal	7,846,232
Accumulated depreciation	<u>(4,092,683)</u>
Property and equipment, net	<u>\$ 3,753,549</u>

**5. LESSOR ACTIVITY:**

HHWP owns projects that are a mix of low- to moderate-income housing facilities. Tenant leases are all for one year or less. Rental income for the year ended December 31, 2021, was \$48,916. A summary of the cost and accumulated depreciation on the housing facilities leased to others and included in the property and equipment balance in Note 4 is as follows:

Land	\$ 156,970
Buildings	<u>1,216,712</u>
Subtotal	1,373,682
Accumulated depreciation	<u>(713,528)</u>
Property and equipment, net	<u>\$ 660,154</u>

**6. LOANS AND INTEREST RECEIVABLE – RELATED PARTIES, NET:**

HHWP participates in low-income housing projects. To facilitate ownership of these projects, CAC Housing Partners, Inc. (CAC), an Ohio corporation, was formed which owns between .0049% and .51% of eight different housing projects. CAC has not been included in the accompanying consolidated financial statements. The amounts associated with CAC are considered to be immaterial to these consolidated financial statements after eliminations of intercompany accounts.

The working relationships and ownership interests of CAC are as follows:

CAC Housing Partners, Inc.		
HHWP	Stockholder	70%
Unrelated party	Stockholder	<u>30%</u>
		<u>100%</u>

HHWP invested \$1,300 in CAC.

CAC has invested minimal amounts in various housing partnerships. HHWP made loans to several of these partnerships. The loans are secured with real estate but are subordinate to the partnership's primary debt. These loans are recorded as loans receivable in the accompanying consolidated statement of financial position December 31, 2021. The terms of these loans are as follows:

Glenwood Village Limited Partnership, payable at maturity on December 31, 2023, including interest of 2.8% compounded annually.	\$ 200,000
Wellington Place Limited Partnership, payable at maturity on December 31, 2046, including interest of 5.576% compounded semiannually.	450,000
Nantucket Greene Limited Partnership, payable at maturity on December 31, 2046, including interest of 5.00% compounded semiannually.	450,000
New Lima Homes Limited Partnership, payable at maturity on August 1, 2035, including interest of 4.28% compounded semiannually.	450,000
Meadow Glen Limited Partnership, payable at maturity on September 30, 2050, including interest of 6.00% compounded semiannually.	550,000
Forest Edge, LLC, payable at maturity on December 31, 2039, including interest of 2.00% compounded semiannually.	550,000
Autumn Run Limited Partnership, payable at maturity on March 27, 2042, including interest of 1.00% compounded semiannually.	<u>960,948</u>
Allowance for loan loss	<u>3,610,948</u> <u>(2,872,509)</u>
Loans and interest receivable - related parties, net	\$ <u><u>738,439</u></u>



**6. LOANS AND INTEREST RECEIVABLE – RELATED PARTIES, NET (CONTINUED):**

Interest earned but not paid related to the above loans receivable as of December 31, 2021 was approximately \$3,000,000. Management has elected to place these notes receivable on nonaccrual status due to the uncertainty of collection. Therefore, no accrued interest is recorded at December 31, 2021.

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. HHWP regularly evaluates various attributes of loans to determine the appropriateness of the allowance for loan loss. HHWP’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. HHWP has not identified any loans that are nonperforming. There were no changes to the allowance for loan loss during 2021.

When, for economic or legal reasons related to the borrower’s financial difficulties, HHWP grants a concession to the borrower that HHWP would not otherwise consider, the modified loan is classified as a troubled debt restructuring. Loan modifications may consist of extending amortization terms, a reduction of the interest rate, and/or forgiveness of interest and/or principal. There were no troubled debt restructurings in 2021.

**7. FORGIVEABLE LOANS PAYABLE:**

Forgivable loans payable at December 31, 2021, consist of the following:

<b>Accessible Housing, Inc.:</b>	
ODOD	\$ 120,260
HUD	473,100
<b>HHWP:</b>	
Wyandot County Board of Developmental Disabilities (Wyandot DD)	78,756
Ohio Department of Developmental Disabilities (ODODD) #1	16,142
Ohio Department of Developmental Disabilities (ODODD) #2	<u>9,781</u>
Total	698,039
Current portion	<u>(21,904)</u>
Forgivable loans payable, long-term portion	<u>\$ 676,135</u>

**Accessible Housing, Inc.**

Accessible Housing, Inc. developed a low-income housing project financed through forgivable loans from ODOD and HUD of \$361,800 and \$473,100, respectively. The non-interest-bearing ODOD loan is forgiven at the rate of \$12,027 per year over 30 years. If the property is sold or is no longer used for its intended purpose, the remaining balance of the loan not yet forgiven is due to ODOD. The loan from HUD is forgiven at the end of 40 years if the property is not sold and continues to be used for its intended purpose over that period. There is no interest on the loan unless a default occurs, at which time an interest rate of 6.25% per year is applied.



**7. FORGIVEABLE LOANS PAYABLE (CONTINUED):**

**HHWP**

HHWP has three forgivable loans. The forgivable loan from Wyandot DD was for the use in the acquisition of a property to be used for housing of developmentally disabled individuals. The loan is non-interest bearing and is forgiven at a rate of \$635 per month over 180 months. As long as the property is used for that purpose, no amount needs to be repaid. Forgiveness is at the end of the 15-year compliance period or 2032.

The two forgivable loans from ODODD were for the same property and were used for capital improvements. The first loan is forgivable at a rate of \$129 per month over a 180-month compliance period ending in 2032. The second loan is forgivable at a rate of \$59 per month over a 180-month compliance period ending in 2034.

Future forgiveness on the forgivable loans payable are as follows:

2022	\$	21,904
2023		21,904
2024		21,904
2025		21,904
2026		21,904
Thereafter		<u>588,519</u>
	\$	<u><u>698,039</u></u>

**8. NOTE PAYABLE:**

HHWP has a variable interest rate note payable to Superior Credit Union, Inc. for the Tiffin Avenue property. The interest rate at December 31, 2021 is 4.75%. Monthly principal and interest payments began April 2020 and are \$5,371 with the final payment due in April 2034. The note is secured by the building.

Future maturities of the note payable are as follows:

2022	\$	18,098
2023		18,976
2024		19,897
2025		20,863
2026		21,876
Thereafter		<u>884,205</u>
		983,915
Current portion		<u>(18,098)</u>
Note payable, long-term payable	\$	<u><u>965,817</u></u>

Debt issuance costs of \$8,896 will be amortized over the remaining life of the note using the straight-line method. At December 31, 2021 , the unamortized debt issuance costs were \$6,969.

**9. GRANT FUNDS RECEIVED IN ADVANCE:**

The following programs had grant funds received in advance as of December 31, 2021:

Home Energy Assistance Program - Emergency (CFDA #93.568)	\$	145,639
Home Weatherization Assistance Program - HHS (CFDA #93.568)		260,010
Community Services Block Grant - (CFDA #93.569)		131,337
Transportation Local Grants for fiscal year 2021		20,488
Other		<u>131,447</u>
 Total	 \$	 <u><u>688,921</u></u>

These programs received funds in advance to provide program support. The revenue was recognized in accordance with the revenue recognition policy in Note 2.

**10. NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions are available for the following purposes as of December 31, 2021:

Subject to spending policy and appropriation:

Self-insurance plan	\$	568,529
Deferred housing loans		738,839
Transportation local match		89,215
ODOT transit local reserve		214,206
Micro-enterprise revolving loan fund (RLF)		60,843
Step up to quality		56,940
Head Start donations		30,829
IDA program		2,000
Other restricted contributions		<u>2,334</u>

Total net assets with donor restrictions:	\$	<u><u>1,763,735</u></u>
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The self-insurance activity (see Note 13) represents charges to programs in excess of self-insurance claims and represents the present value of reasonably estimated self-insurance liabilities. The deferred housing loans, referred to in Notes 2 and 6, are restricted for housing activities upon repayment. All other amounts included above contain purpose restrictions where the donation needs to be used for the related program activity.

**11. IN-KIND CONTRIBUTIONS:**

The Organization received donated space, supplies, and professional services in the amount of \$3,299 for the year ended December 31, 2021.

Additional donated services have not been recognized in the consolidated financial statements as they did not meet the criteria for recognition, however, are still able to be used to meet programmatic matching requirements. The fair value of donated services received for the Head Start program but not recognized totaled \$484,313.

**12. OPERATING LEASE AGREEMENTS:**

The Organization leases various facilities and equipment for operations of its programs. Lease expense for the year ended December 31, 2021, was \$25,507. The future minimum lease obligations are as follows:

2022		\$	14,573
2023			12,123
2024			12,123
2025			6,980
2026			439
		\$	46,238

**13. SELF-INSURANCE PLAN:**

HHWP maintains a self-insured benefit plan for medical benefits. This program is administered by an independent company, which furnishes verification, processing, and payment services. A specific excess major medical reinsurance policy indemnifies HHWP for any amount over \$50,000 per individual. The reinsurance policy also indemnifies HHWP against aggregate losses once a certain threshold has been reached. The threshold is dependent on the number of individuals enrolled in the plan and the mix of plan tiers selected. In 2021, the estimated aggregate loss limit is \$913,680.

At December 31, 2021, HHWP's self-insurance reserve was \$804,385 of which, \$568,529 is restricted for future medical claims. The restricted portion of the reserve is included in net assets with donor restrictions, and the fund is to be used for claims submitted for reimbursement by agency employees covered by the policy. At December 31, 2021, HHWP accrued \$166,200 for medical claims incurred in 2021 but not paid as of year-end.

**14. GRANT AWARDS:**

At December 31, 2021, HHWP had commitments under various grants of approximately \$9,900,000. These commitments are not recognized in the accompanying consolidated financial statements because they are conditional awards.

**15. CONCENTRATION OF RISK:**

The Organization depends on grants from federal, state, and local sources for its continued existence. The Head Start Program, funded through the Department of Health and Human Services, the Home Energy Assistance Program, funded through the Ohio Development Services Agency, and the Weatherization Assistance Program, funded through the Ohio Development Services Agency, provide approximately 27%, 13%, and 4%, respectively, of the Organization's revenue.

HHWP maintains cash balances at various financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per institution. The bank balances in excess of \$250,000 are placed in repurchase sweep accounts held at one bank. At another bank, the bank balance is collaterally secured by various government bonds. Management of HHWP believes they have minimized the risk associated with the concentration of credit risk on cash balances.

**16. RETIREMENT PLAN:**

HHWP has a Section 403(b) defined contribution retirement plan for all permanent employees. During 2021, HHWP matched each participant's contribution up to 5% of gross wages. HHWP's retirement expense for the year ended December 31, 2021, was \$141,711.

**17. COMMITMENTS AND CONTINGENCIES:**

HHWP participates in a number of federal and state-assisted grant programs. These programs are subject to program compliance audits by the grantors and their representatives. Any disallowed costs may constitute a liability of HHWP. HHWP is also required to match 25% of the grant funds received from the Head Start program with local resources. HHWP believes that it is in substantial compliance with all grant requirements, including those related to matching. Disallowed costs, if any, would not be significant.

HHWP also has constructed two facilities to be maintained as low-income housing for individuals with disabilities. A forgivable loan for \$66,787 was issued from the Wyandot County Board of MR/DD on June 7, 2006, that specified HHWP must maintain compliance with program requirements for 15 years. If compliance is maintained for the 15-year period, the loan is forgivable at that point. The compliance period ended in June 2021 at the loan was forgiven. A forgivable loan for \$198,382 was issued from the Wyandot County Board of MR/DD on November 1, 2011, that specified HHWP must maintain compliance with program requirements for 15 years. If compliance is maintained for the 15-year period, the loan is forgivable at that point in November 2026. If any of the compliance requirements are violated, HHWP must repay the loan to the funding source. HHWP does not anticipate violating any compliance requirements and thus has not recorded a liability on the consolidated statement of financial position.

**18. UPCOMING PRONOUNCEMENT:**

In February 2016, the FASB issued ASU 2016-02, *Leases*. The standard requires all leases with lease terms over 12 months to be capitalized as a right-of-use asset and lease liability on the statement of financial position at the date of the lease commencement. Leases will be classified as either financing or operating. This distinction will be relevant for the pattern of expense recognition in the consolidated statement of activities. This standard will be effective for the Organization's year ending December 31, 2022.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The standard requires contributed nonfinancial assets be presented as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The standard will be effective for the Organization's year ending December 31, 2022. The Organization is currently in the process of evaluating the impact of adoption of this ASU on the consolidated financial statements.

The Organization is currently in the process of evaluating the impact of adoption of this ASU on the consolidated financial statements.

**19. AVAILABILITY OF FINANCIAL ASSETS:**

The Organization is substantially supported by federal, state, and local grant and contract revenue and earned revenue generated from the Organization's programs. As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Financial assets:	
Cash and cash equivalents	\$ 2,336,609
Accounts receivable	119,578
Grants receivable	<u>1,232,785</u>
Financial assets available at year-end	3,688,972
Less those unavailable for general expenditures within one year due to donor imposed restrictions:	
Net assets with donor restrictions, included in cash or accounts receivable	1,024,896
Restricted cash not expected to be available for general expenditures	819,508
Grant funds received in advance, included in cash and cash equivalents	<u>688,921</u>
Financial assets available to meet cash needs for general expenditures within one year	\$ <u>1,155,647</u>

	FEDERAL PROGRAMS							Dept. of HUD				
	Department of Agriculture			10.558		14.228		14.871				
	10.557	Women, Infants, and Children 03260011WA1421	Women, Infants, and Children 03260011WA1522	10.557 Subtotal	Child and Adult Care Food Program 2020-21	Child and Adult Care Food Program 2021-22	10.558 Subtotal	Community Development Block Grants N-D-20-6AV-1	Section 8 Housing Assistance Payments			
<b>REVENUE</b>												
Federal grant awards	\$	400,087	\$	519,072	\$	66,591	\$	52,468	\$	560,736	\$	22,659
State and local grant awards		-	-	-	-	-	-	-	-	-	-	-
Grant revenue		400,087	118,985	519,072	66,591	52,468	119,059	560,736	22,659			
Contract and fee for service income		-	-	-	-	-	-	-	-	-	-	
Rental income		-	-	-	-	-	-	-	-	-	-	
Interest income		-	-	-	-	-	-	-	-	-	22,291	
Donations		-	-	-	-	-	-	-	-	-	-	
In-kind contributions		-	-	-	-	-	-	-	-	-	-	
Other revenue		-	-	-	-	-	-	-	-	-	-	
Transfers		3,885	-	3,885	-	-	-	-	-	-	-	
<b>Total Revenue</b>		<b>403,972</b>	<b>118,985</b>	<b>522,957</b>	<b>66,591</b>	<b>52,468</b>	<b>119,059</b>	<b>560,743</b>	<b>7</b>	<b>(1,560)</b>	<b>43,390</b>	
<b>EXPENSES</b>												
Personnel		310,503	91,661	402,164	44,720	26,007	70,727	54,472	949	4,852	2	
Travel and training		1,153	397	1,550	-	-	-	-	-	-	-	
Capital expenses/equipment		-	-	-	-	-	-	-	-	-	-	
Supplies and materials		6,733	386	7,119	377	43	420	1,944	1,944	195	195	
Consultants and contracts		6,054	2,602	8,656	716	252	968	6,266	6,266	2,282	2,282	
Sub-grants		-	-	-	-	-	-	-	-	-	-	
Depreciation		2,451	422	2,873	725	318	1,043	1,533	1,533	117	117	
Occupancy		28,963	8,735	37,698	652	309	961	2,587	2,587	9,335	9,335	
Utilities, telephone, internet		11,129	3,967	15,096	633	344	977	1,490	1,490	13,725	13,725	
Insurance		142,161	717	142,878	589	254	843	602	602	2,257	2,257	
Repairs and maintenance		70,457	19	70,476	76	15	91	189	189	6,671	6,671	
Advertising		50	-	50	65	23	88	269	269	26	26	
Direct assistance		4,477,507	-	4,477,507	13,186	22,139	35,325	483,390	483,390	-	-	
Transportation		255,689	15	255,704	12	10	22	5	5	90	90	
In-kind expense		3,299	-	3,299	-	-	-	-	-	-	-	
Other		254,502	23	254,525	76	24	100	359	359	234	234	
Indirect costs		34,128	10,041	44,169	4,764	2,730	7,494	6,688	6,688	3,604	3,604	
<b>Total Expenses</b>		<b>403,972</b>	<b>118,985</b>	<b>522,957</b>	<b>66,591</b>	<b>52,468</b>	<b>119,059</b>	<b>560,743</b>	<b>560,743</b>	<b>43,390</b>	<b>43,390</b>	
Change in net assets		(29,195)	-	(29,195)	-	-	-	-	-	-	-	
Net assets (deficit) - beginning of the year		4,882,974	-	4,882,974	-	-	-	-	-	-	-	
<b>Net assets (deficit) - end of the year</b>		<b>\$ 4,853,779</b>	<b>\$ -</b>	<b>\$ 4,853,779</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	

FEDERAL PROGRAMS									
Department of Transportation									
20.509									
2021									
	ODOT Transportation Operating Grant RPTF-4103-024-211	ODOT Capitalized Maintenance Grant RPTM-4103-024-211	ODOT Transportation Capital Grant	ODOT Transportation CARES Grant CARE-4103-024-211	ODOT Bus & Bus Facilities Grant 103-CARE-21-0200	ODOT Mobility Mgmt. CARES Section 5311 CARE-0229-024-210	20.509 Subtotal	ODOT Mobility Mgmt. Section 5310 OCPX-0229-038-210	20.513
<b>REVENUE</b>									
Federal grant awards	241,985	38,240	-	986,832	4,762	33,715	1,305,534	24,816	
State and local grant awards	178,328	9,560	-	942	476	-	189,306	6,205	
Grant revenue	420,313	47,800	-	987,774	5,238	33,715	1,494,840	31,021	
Contract and fee for service income	64,315	-	-	1,116	-	-	65,431	-	
Rental income	-	-	-	-	-	-	-	-	
Interest Income	-	-	-	-	-	-	-	-	
Donations	215	-	-	570	-	-	785	-	
Other revenue	-	-	-	-	-	-	-	-	
In-kind contributions	-	-	-	-	-	-	-	-	
Transfers	-	-	-	-	-	-	-	-	
<b>Total Revenue</b>	<b>484,843</b>	<b>47,800</b>	<b>-</b>	<b>989,460</b>	<b>5,238</b>	<b>33,715</b>	<b>1,561,056</b>	<b>31,021</b>	
<b>EXPENSES</b>									
Personnel	348,379	-	-	715,961	-	20,924	1,085,264	26,318	
Travel and training	1,033	-	-	1,684	-	514	3,231	414	
Capital expenses/equipment	-	-	-	-	-	-	-	-	
Supplies and materials	3,264	-	-	4,265	4,762	3,210	15,501	249	
Consultants and contracts	4,320	-	-	10,390	-	1,234	15,944	155	
Sub-grants	-	-	-	-	-	-	-	-	
Depreciation	4,034	-	-	3,880	-	971	8,885	3	
Occupancy	2,658	-	-	10,385	-	1,549	14,592	9	
Utilities, telephone, internet	15,680	-	-	24,512	-	1,393	41,585	518	
Insurance	16,042	-	-	30,166	-	454	46,662	131	
Repairs and maintenance	7,005	(15,379)	-	877	-	61	(7,436)	-	
Advertising	1,405	-	-	1,245	-	194	2,844	233	
Direct assistance	-	-	-	-	-	-	-	-	
Transportation	35,519	63,179	-	89,935	-	8	188,641	-	
In-kind expense	-	-	-	-	-	-	-	-	
Other	2,044	(4,780)	-	7,238	-	322	4,824	182	
Indirect costs	43,460	4,780	-	88,922	476	2,881	140,519	2,809	
<b>Total Expenses</b>	<b>484,843</b>	<b>47,800</b>	<b>-</b>	<b>989,460</b>	<b>5,238</b>	<b>33,715</b>	<b>1,561,056</b>	<b>31,021</b>	
Change in net assets	-	-	-	-	-	-	-	-	
Net assets (deficit) - beginning of the year	-	-	-	-	-	-	-	-	
<b>Net assets (deficit) - end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	







FEDERAL PROGRAMS									
Department of Health and Human Services (HHS)									
93.568									
	Home Energy Assistance Program 21-HE-225	HEAP Summer Cooling Program 21-HC-225	Home Weatherization Assistance Program H-20-119	Home Weatherization Assistance Program H-21-119	HWAP Enhancement Program 20-HE-119	HWAP Enhancement Program 20-HE-119	HWAP Enhancement Program 20-HE-119	Low Income Home Water Assistance Program LIHWAP 2021-125	Community Services Block Grant 2021-28
	176,775	224,140	478,633	48,757	41,571	151,162	416	1,677,489	93,569
<b>REVENUE</b>									
Federal grant awards	\$	\$	\$	\$	\$	\$	\$	\$	\$
State and local grant awards	-	-	-	-	-	-	-	-	-
Grant revenue	176,775	224,140	478,633	48,757	41,571	151,162	416	1,677,489	241,848
Contract and fee for service income	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-
In-kind contributions	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>176,775</b>	<b>224,140</b>	<b>478,633</b>	<b>48,757</b>	<b>41,571</b>	<b>151,162</b>	<b>416</b>	<b>1,677,489</b>	<b>241,848</b>
<b>EXPENSES</b>									
Personnel	-	-	179,392	296	15,349	7,841	-	508,191	134,927
Travel and training	-	-	140	-	-	-	-	2,829	1,748
Capital expenses/equipment	-	-	-	-	-	-	-	-	-
Supplies and materials	-	-	131,259	37,376	17,213	86,918	-	286,256	6,494
Consultants and contracts	-	-	82,347	2,035	9,017	42,661	-	175,813	33,386
Sub-grants	-	-	-	-	-	-	-	-	-
Depreciation	-	-	8,049	875	-	-	-	17,191	3,233
Occupancy	-	-	7,299	750	-	-	-	22,089	6,046
Utilities, telephone, internet	-	-	2,748	303	-	-	-	10,518	4,328
Insurance	-	-	11,281	1,500	-	-	-	16,060	1,270
Repairs and maintenance	-	-	1,033	191	-	-	-	2,018	287
Advertising	-	-	980	14	-	-	-	2,866	783
Direct assistance	176,775	224,140	-	688	-	-	416	518,444	18,616
Transportation	-	-	8,633	212	-	-	-	8,876	6,216
In-kind expense	-	-	-	-	-	-	-	-	-
Other	-	-	3,394	-	(4,165)	-	-	4,077	5,911
Indirect costs	-	-	42,078	4,226	4,157	13,742	-	102,261	18,603
<b>Total Expenses</b>	<b>176,775</b>	<b>224,140</b>	<b>478,633</b>	<b>48,757</b>	<b>41,571</b>	<b>151,162</b>	<b>416</b>	<b>1,677,489</b>	<b>241,848</b>
Change in net assets	-	-	-	-	-	-	-	-	-
Net assets (deficit) - beginning of the year	-	-	-	-	-	-	-	-	-
<b>Net assets (deficit) - end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

FEDERAL PROGRAMS										
Department of Health and Human Services (HHS)										
93.569										
Community Services										
93.575										
Ohio Step Up To Quality OCCRA Grant										
93.600										
Head Start Federal Supplement CRRSA & ARP 05HE000506										
Head Start Non Federal 05CH01075902										
Head Start Federal 05CH01075903										
93.569										
Block Grant CARES 2020-28										
93.569										
Subtotal										
93.600										
Subtotal										
Total Revenue										
Total Expenses										
Net assets (deficit) - beginning of the year										
Net assets (deficit) - end of the year										
REVENUE										
Federal grant awards										
State and local grant awards										
Grant revenue										
Contract and fee for service income										
Rental income										
Interest income										
Donations										
In-kind contributions										
Other revenue										
Transfers										
<b>Total Revenue</b>	<b>60</b>	<b>\$ 241,908</b>	<b>\$ 56,940</b>	<b>\$ 3,437,980</b>	<b>\$ -</b>	<b>\$ 150,564</b>	<b>\$ -</b>	<b>\$ 3,588,544</b>	<b>\$ 12,395,249</b>	<b>\$ 248,011</b>
EXPENSES										
Personnel	54	134,981	-	2,493,439	-	366	-	2,493,805	5,230,313	-
Travel and training	-	1,748	-	64,668	-	25,402	-	90,070	111,022	-
Capital expenses/equipment	-	-	-	-	-	-	-	-	229,728	-
Supplies and materials	-	6,494	-	103,144	-	49,050	-	152,194	553,598	-
Consultants and contracts	-	33,386	-	34,349	-	-	-	34,349	318,493	-
Sub-grants	-	-	-	-	-	-	-	-	104,435	-
Depreciation	-	3,233	-	36,896	-	-	-	36,896	85,536	-
Occupancy	-	6,046	-	91,091	-	-	-	91,091	204,533	-
Utilities, telephone, internet	-	4,328	-	98,543	-	-	-	98,543	194,603	-
Insurance	-	1,270	-	34,201	-	-	-	34,201	123,130	-
Repairs and maintenance	-	287	-	48,188	-	-	-	48,188	76,844	-
Advertising	-	783	-	24,961	-	27,643	-	75,831	57,180	-
Direct assistance	-	18,616	-	68,798	-	21,149	-	46,110	68,837	-
Transportation	-	6,216	-	14,212	-	39	-	28,236	249,142	-
In-kind expense	-	-	-	-	-	487,612	-	487,612	487,612	-
Other	-	5,911	-	24,938	-	36	-	24,974	36,477	-
Indirect costs	6	18,609	-	300,552	-	12,855	-	313,407	702,989	-
<b>Total Expenses</b>	<b>60</b>	<b>\$ 241,908</b>	<b>\$ 56,940</b>	<b>\$ 3,437,980</b>	<b>\$ 487,612</b>	<b>\$ 150,564</b>	<b>\$ 4,076,156</b>	<b>\$ 4,076,156</b>	<b>\$ 13,164,771</b>	<b>\$ -</b>
Change in net assets	-	-	56,940	-	-	-	-	-	56,940	-
Net assets (deficit) - beginning of the year	-	-	-	-	-	-	-	-	-	-
<b>Net assets (deficit) - end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,940</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,940</b>	<b>\$ -</b>

STATE & LOCAL PROGRAMS

	AEP Refrigerators	Homeless Crisis Response Program S-L-15-7MO-2	HCRP Emergency Services Grant	Transition Age Youth Grant	OHFA Emergency Services Grant	House Warming Dominion	2019 Micro-enterprise Ops. & Revolving Loan Fund (RLF)	OLCA Grant for WIC	Percentage of Income Payment Plus Program Operations and Admin 21-PA-125
<b>REVENUE</b>									
Federal grant awards	-	-	-	-	-	-	-	-	-
State and local grant awards	-	58,712	40,865	5,888	2,028	-	-	-	26,494
Grant revenue	-	58,712	40,865	5,888	2,028	-	-	-	26,494
Contract and fee for service income	10,331	-	-	-	-	9,758	-	-	-
Rental income	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-
In-kind contributions	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-
Transfers	(3,480)	1,621	-	-	-	15,714	-	-	-
<b>Total Revenue</b>	<b>6,851</b>	<b>60,333</b>	<b>40,865</b>	<b>5,888</b>	<b>2,028</b>	<b>25,472</b>	-	-	<b>26,494</b>
<b>EXPENSES</b>									
Personnel	1,702	14,231	5,809	2,869	-	16,682	-	-	19,241
Travel and training	-	186	1	32	-	-	-	-	6
Capital expenses/equipment	-	-	-	-	-	-	-	-	-
Supplies and materials	4,242	551	234	101	-	2,595	-	840	674
Consultants and contracts	30	764	329	159	-	195	-	-	1,882
Sub-grants	-	-	-	-	-	-	-	-	-
Depreciation	66	334	151	69	-	738	-	-	499
Occupancy	77	558	245	112	-	853	-	-	829
Utilities, telephone, internet	16	295	110	57	-	219	-	-	423
Insurance	98	131	60	27	-	1,125	-	-	195
Repairs and maintenance	2	30	16	6	-	70	-	-	55
Advertising	3	77	31	14	-	24	-	-	100
Direct assistance	-	39,712	33,170	2,088	2,102	-	-	-	-
Transportation	-	1	1	-	-	2	-	-	2
In-kind expense	-	-	-	-	-	-	-	-	-
Other	3	1,666	43	25	(74)	779	-	-	294
Indirect costs	612	1,797	665	329	-	2,190	-	84	2,294
<b>Total Expenses</b>	<b>6,851</b>	<b>60,333</b>	<b>40,865</b>	<b>5,888</b>	<b>2,028</b>	<b>25,472</b>	-	<b>924</b>	<b>26,494</b>
Change in net assets	-	-	-	-	-	-	-	(924)	-
Net assets (deficit) - beginning of the year	-	-	-	-	-	-	60,843	957	-
<b>Net assets (deficit) - end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 60,843</b>	<b>\$ 33</b>	<b>\$ -</b>

	STATE & LOCAL PROGRAMS						OTHER RESTRICTED FUNDS					
	Electric Partnership Program (EPP) 20-EPP-14	Electric Partnership Program (EPP) 21-EPP-14	United Way of Putnam Co. 2020-21	United Way of Putnam Co. 2021-22	Lead Screening	Ohio Transit Partnership Program OTTP-4103-GRF-202	OTPP-4229-GRF-211	Columbia Gas Warm Choice	Total State and Local Programs	Head Start Donations	IDA Net Assets	Deferred Housing Loans
<b>REVENUE</b>												
Federal grant awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State and local grant awards	105,694	80,758	1,571	1,728	-	40,729	-	-	364,467	-	-	-
Grant revenue	105,694	80,758	1,571	1,728	-	40,729	-	-	364,467	-	-	-
Contract and fee for service income	-	-	-	-	-	-	-	35,924	56,013	-	-	-
Rental income	-	-	-	-	-	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	11,000	-	-
In-kind contributions	-	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	2,500	-	-	-	-	-	-	2,500	10,944	-	-
Transfers	-	-	-	-	-	-	(9,949)	-	3,906	-	-	-
<b>Total Revenue</b>	<b>105,694</b>	<b>83,258</b>	<b>1,571</b>	<b>1,728</b>	<b>-</b>	<b>40,729</b>	<b>25,975</b>	<b>-</b>	<b>426,886</b>	<b>21,944</b>	<b>-</b>	<b>-</b>
<b>EXPENSES</b>												
Personnel	-	-	-	-	-	1	12,057	-	72,592	-	-	-
Travel and training	-	-	-	-	-	-	-	-	225	-	-	-
Capital expenses/equipment	-	-	-	-	-	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	-	-	5,260	-	14,497	-	-	-
Consultants and contracts	-	-	-	-	-	1,029	3,459	-	7,847	-	-	-
Sub-grants	105,694	80,758	-	-	-	-	-	-	186,452	-	-	-
Depreciation	-	-	-	-	-	-	566	-	2,423	-	-	-
Occupancy	-	-	-	-	-	-	528	-	3,202	-	-	-
Utilities, telephone, internet	-	-	-	-	-	-	162	-	1,282	-	-	-
Insurance	-	-	-	-	-	-	844	-	2,480	-	-	-
Repairs and maintenance	-	-	-	-	-	-	47	-	226	-	-	-
Advertising	-	-	-	-	-	-	12	-	261	-	-	-
Direct assistance	-	-	1,571	1,728	-	-	-	-	80,371	-	-	-
Transportation	-	-	-	-	-	38,367	-	-	38,376	-	-	-
In-kind expense	-	-	-	-	-	-	3	-	-	-	-	-
Other	-	-	-	-	-	-	770	-	3,506	5,718	-	-
Indirect costs	-	2,500	-	-	-	1,332	2,267	-	14,070	-	-	-
<b>Total Expenses</b>	<b>105,694</b>	<b>83,258</b>	<b>1,571</b>	<b>1,728</b>	<b>-</b>	<b>40,729</b>	<b>25,975</b>	<b>-</b>	<b>427,810</b>	<b>5,718</b>	<b>-</b>	<b>-</b>
Change in net assets	-	-	-	-	-	-	-	-	(924)	16,226	-	-
Net assets (deficit) - beginning of the year	-	-	-	-	2,301	-	-	-	64,101	14,603	2,000	738,839
<b>Net assets (deficit) - end of the year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,301</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 63,177</b>	<b>\$ 30,829</b>	<b>\$ 2,000</b>	<b>\$ 738,839</b>

	OTHER RESTRICTED FUNDS						AGENCY ACTIVITY					
	Self-Insurance Fund	Transportation Local Match Fund	Transit Fund	ODOT Transit Reserve Fund	GAAP Adjustments & Eliminations	Total Program and Restricted Activities	Discretionary Activity	Housing Programs	Accessible Housing Property & Net Assets	Grant-funded Property Fund	Total Agency Activity	
<b>REVENUE</b>												
Federal grant awards	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,395,249	\$ -	\$ -	\$ -	\$ -	\$ -	
State and local grant awards	-	(183,448)	-	-	-	429,030	-	-	-	-	-	
Grant revenue	-	(183,448)	-	-	-	12,824,279	-	-	-	-	-	
Contract and fee for service income	-	-	128,970	-	-	250,414	-	20,000	-	-	20,000	
Rental income	-	-	-	-	-	22,291	-	26,625	-	-	26,625	
Interest Income	1,285	-	-	-	-	1,285	403	-	-	-	403	
Donations	-	2,597	-	-	-	14,382	510	-	-	-	510	
In-kind contributions	-	-	-	-	(484,313)	3,299	-	-	-	-	-	
Other revenue	-	1,611	-	-	-	15,055	3,219	-	12,027	12,722	27,968	
Transfers	-	-	-	-	-	6,238	428,276	(32,803)	1,560	(403,271)	(6,238)	
<b>Total Revenue</b>	<b>1,285</b>	<b>(179,240)</b>	<b>128,970</b>	<b>128,970</b>	<b>(484,313)</b>	<b>13,137,243</b>	<b>432,408</b>	<b>13,822</b>	<b>13,587</b>	<b>(390,549)</b>	<b>69,268</b>	
<b>EXPENSES</b>												
Personnel	-	-	-	-	-	5,302,905	412,181	4,950	-	-	417,131	
Travel and training	-	-	-	-	-	111,247	8,302	-	-	-	8,302	
Capital expenses/equipment	-	-	-	35,875	-	265,603	(35,875)	-	-	(229,728)	(265,603)	
Supplies and materials	-	74	-	-	-	568,169	38,963	1	-	-	38,964	
Consultants and contracts	-	-	-	-	-	326,340	114,814	97	-	-	114,911	
Sub-grants	-	-	-	-	-	290,887	-	-	-	-	-	
Depreciation	-	-	-	-	-	87,959	8,098	2,573	26,942	253,183	290,796	
Occupancy	-	-	-	-	-	207,735	4,974	7	-	-	4,981	
Utilities, telephone, internet	-	-	-	-	-	195,885	7,032	391	-	-	7,423	
Insurance	-	-	-	-	-	125,610	14,887	1,664	-	-	16,551	
Repairs and maintenance	-	-	-	-	-	79,070	1,576	2,380	(3,447)	(9,122)	(8,613)	
Advertising	-	-	-	-	-	57,441	1,015	-	-	-	1,015	
Direct assistance	-	-	-	-	-	4,477,507	-	-	-	-	-	
Transportation	-	(32,276)	-	-	-	255,242	11	436	-	-	447	
In-kind expense	-	-	-	-	(484,313)	3,299	-	-	-	-	-	
Other	179,060	7,059	-	-	-	231,820	22,382	300	-	-	22,682	
Indirect costs	-	-	-	-	-	717,059	(718,082)	1,023	-	-	(717,059)	
<b>Total Expenses</b>	<b>179,060</b>	<b>(25,143)</b>	<b>35,875</b>	<b>35,875</b>	<b>(484,313)</b>	<b>13,303,778</b>	<b>(119,722)</b>	<b>13,822</b>	<b>23,495</b>	<b>14,333</b>	<b>(68,072)</b>	
Change in net assets	(177,775)	(154,097)	93,095	93,095	-	(166,535)	552,130	-	(9,908)	(404,882)	137,340	
Net assets (deficit) - beginning of the year	746,304	243,312	121,111	121,111	-	1,930,270	1,776,591	-	(318,591)	1,494,704	2,952,704	
<b>Net assets (deficit) - end of the year</b>	<b>\$ 568,529</b>	<b>\$ 89,215</b>	<b>\$ 214,206</b>	<b>\$ 214,206</b>	<b>\$ -</b>	<b>\$ 1,763,735</b>	<b>\$ 2,328,721</b>	<b>\$ -</b>	<b>\$ (328,499)</b>	<b>\$ 1,089,822</b>	<b>\$ 3,090,044</b>	

Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

Federal Grantor Program Title	Assistance Listing Number	Funding Source/ Pass-Through Entity	Pass-Through Entity Identifying Number	Federal Expenditures	Pass thru to Subrecipients
<u>U.S. Department of Agriculture:</u>					
WIC Special Supplemental Nutrition Program	10.557	Ohio Department of Health	03260011WA1421	\$ 400,087	-
WIC Special Supplemental Nutrition Program	10.557	Ohio Department of Health	03260011WA1522	118,985	-
Total Federal Expenditures CFDA 10.557				519,072	-
Child and Adult Care Food Program	10.558	Ohio Department of Education	2020-21	66,591	-
Child and Adult Care Food Program	10.558	Ohio Department of Education	2021-22	52,468	-
Total Federal Expenditures CFDA 10.558				119,059	-
Total U.S. Department of Agriculture				<b>638,131</b>	-
<u>U.S. Department of Housing and Urban Development:</u>					
Supportive Housing for Persons with Disabilities Outstanding Loan Balance	14.181	U.S. Department of Housing and Urban Development	n/a	473,100	-
Community Development Block Grants	14.228	Ohio Development Services Agency	N-D-20-6AV-1	560,736	-
<i>Housing Voucher Cluster</i> Section 8 Housing Assistance Payments	14.871	U.S. Department of Housing and Urban Development	n/a	22,659	-
Total U.S. Department of Housing and Urban Development				<b>1,056,495</b>	-
<u>U.S. Department of Transportation:</u>					
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Ohio Department of Transportation	RPTF-4103-024-211	241,985	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	Ohio Department of Transportation	RPTM-4103-024-211	38,240	-
COVID-19: Formula Grants for Rural Areas – CARES Act	20.509	Ohio Department of Transportation	CARE-4103-024-211	986,832	-
COVID-19: Formula Grants for Rural Areas – CARES Act	20.509	Ohio Department of Transportation	103-CARE-21-0200	4,762	-
COVID-19: Formula Grants for Rural Areas – CARES Act	20.509	Ohio Department of Transportation	CARE-0229-024-210	33,715	-
Total Federal Expenditures CFDA 20.509				1,305,534	-
<i>Transit Services Program Cluster</i> Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	Ohio Department of Transportation	OCPX-0229-038-210	24,816	-
<i>Federal Transit Cluster</i> ODOT Transportation	20.526	Ohio Department of Transportation	Capital Grant	133,968	-
National Infrastructure Investments	20.933	Ohio Department of Transportation	TTGR0103 036201	43,260	-
Total U.S. Department of Transportation				<b>1,507,578</b>	-
<u>U.S. Department of Treasury</u>					
COVID-19: Coronavirus Relief Fund	21.019	Ohio Development Services Agency	CRF-ESP 2020-28	248,178	-
COVID-19: Coronavirus Relief Fund	21.019	Hancock County	HC2020-1	104,435	104,435
Total Federal Expenditures CFDA 21.019				352,613	104,435
Emergency Rental Assistance Program	21.023	Ohio Department of Development	CAA-HRG 2021-28	3,221,430	-
Homeowner Assistance Fund	21.026	Ohio Housing Finance Agency	HAF-UAP	454	-
Total U.S. Department of Treasury				<b>\$ 3,574,497</b>	<b>104,435</b>

Hancock-Hardin-Wyandot-Putnam Community Action Commission  
Schedule of Expenditures of Federal Awards (Continued)  
Year Ended December 31, 2021

Federal Grantor Program Title	Assistance Listing Number	Funding Source/ Pass-Through Entity	Pass-Through Entity Identifying Number	Federal Expenditures	Pass thru to Subrecipients
<b>U.S. Department of Energy:</b>					
Weatherization Assistance for Low-Income Persons	81.042	Ohio Development Services Agency	D-20-119	\$ 81,788	-
Weatherization Assistance for Low-Income Persons	81.042	Ohio Development Services Agency	D-21-119	<u>437,320</u>	-
Total U.S. Department of Energy				<u><b>519,108</b></u>	-
<b>U.S. Department of Health and Human Services:</b>					
<i>TANF Cluster:</i>					
Temporary Assistance for Needy Families	93.558	Hancock Dept. of JFS / Hardin Dept/ of JFS	921	6,489	-
Temporary Assistance for Needy Families	93.558	Hancock Dept. of JFS / Hardin Dept/ of JFS	922	<u>1,170</u>	-
Total Federal Expenditures CFDA 93.558				<u>7,659</u>	-
Low-Income Home Energy Assistance	96.568	Ohio Development Services Agency	21-HA-125	288,073	-
Low-Income Home Energy Assistance	93.568	Ohio Development Services Agency	22-HA-125	151,537	-
Low-Income Home Energy Assistance	96.568	Ohio Development Services Agency	20-HE-225	116,425	-
Low-Income Home Energy Assistance	93.568	Ohio Development Services Agency	21-HE-225	176,775	-
Low-Income Home Energy Assistance HEAP Summer Cooling Program	93.568	Ohio Development Services Agency	21-HC-225	224,140	-
Low-Income Home Energy Assistance Home Weatherization Assistance Program	93.568	Ohio Development Services Agency	H-20-119	478,633	-
Low-Income Home Energy Assistance Home Weatherization Assistance Program	93.568	Ohio Development Services Agency	H-21-119	48,757	-
Low-Income Home Energy Assistance HWAP Enhancement	93.568	Ohio Development Services Agency	20-HE-119	41,571	-
Low-Income Home Energy Assistance HWAP Enhancement	93.568	Ohio Development Services Agency	21-HE-119	151,162	-
Low-Income Water Assistance Program	93.568	Ohio Development Services Agency	LIHWAP 2021-125	<u>416</u>	-
Total Federal Expenditures CFDA 93.568				<u>1,677,489</u>	-
Community Services Block Grant	93.569	Ohio Development Services Agency	2021-28	241,848	-
COVID-19: Community Services Block Grant CARES Act Funds	93.569	Ohio Development Services Agency	CARES 2020-28	<u>60</u>	-
Total Federal Expenditures CFDA 93.569				241,908	-
Child Care and Development Block Grant	93.575	Ohio Child Care Resource & Referral Association	n/a	56,940	-
<i>Head Start Cluster:</i>					
Head Start	93.600	U.S. Dept. of Health and Human Services	05CH010759-03	3,437,980	-
COVID-19: Head Start Supplement	93.600	U.S. Dept. of Health and Human Services	05HE000506-01	<u>150,564</u>	-
Total Federal Expenditures CFDA 93.600				3,588,544	-
Total U.S. Department of Health and Human Services				<u><b>5,572,540</b></u>	-
Total Expenditures of Federal Awards				<u><b>\$ 12,868,349</b></u>	<u><b>104,435</b></u>



**1. BASIS OF PRESENTATION:**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity.

**2. SIGNIFICANT ACCOUNTING POLICIES:**

(a) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

(b) Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity has elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.

(c) This schedule includes federal expenditures incurred in a prior year for which there is an outstanding loan balance. Supportive Housing for Persons With Disabilities, Assistance Listing Number #14.181, has continuing compliance requirements, which requires disclosure on this schedule. The balance above represents the January 1, 2021 balance. The balance at December 31, 2021 was \$473,100.

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

Board of Directors  
Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity  
Findlay, Ohio

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 Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated June 23, 2022.

**Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 23, 2022

## **INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Directors  
Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity  
Findlay, Ohio

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

#### ***Opinion on Each Major Federal Program***

We have audited Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity'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 Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's major federal programs for the year ended December 31, 2021. Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

#### ***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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity 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 Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity'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 Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's federal programs.

## ***Auditors' 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 Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity'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 Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity'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 Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity'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 Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity'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 Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's internal control over compliance. Accordingly, no such opinion is expressed.

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

## **Report on Internal Control over Compliance**

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

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

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

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

*Clark, Schaefer, Hackett & Co.*

Springfield, Ohio  
June 23, 2022

**Summary of Auditors' Results**

***Financial Statements***

Type of auditor's report issued:			<u>unmodified</u>	
Internal control over financial reporting:				
Material weakness identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency identified not considered to be material weaknesses?	_____	Yes	_____ <u>X</u> _____	None reported
Noncompliance material to financial statements noted?	_____	Yes	_____ <u>X</u> _____	No

***Federal Awards***

Type of auditor's report issued on compliance for major programs:			<u>unmodified</u>	
Internal control over financial reporting:				
Material weakness identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency identified not considered to be material weaknesses?	_____	Yes	_____ <u>X</u> _____	None reported
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____	Yes	_____ <u>X</u> _____	No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster
21.023	Emergency Rental Assistance Program
81.042	Weatherization Assistance for Low-Income Persons

Dollar threshold used to distinguish between Type A and Type B programs:			<u>\$750,000</u>	
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Auditee qualified as low-risk auditee?	<u>X</u>	Yes	_____	No
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**Financial Statement Findings**

There were no findings or questioned costs relative to the financial statements.

**Federal Award Findings and Questioned Costs**

There were no findings or questioned costs relative to federal awards.

**Prior Year Findings**

None reported



