

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

Findlay, Ohio

Consolidated Financial Statements and  
Supplementary Information

Year Ended December 31, 2014

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

Consolidated Financial Statements and Supplementary Information  
Year Ended December 31, 2014

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## **Independent Auditor's Report**

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

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

We have audited the accompanying consolidated financial statements of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity (the "Organization") which comprise the consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

## **Other Matters**

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of program activity, Schedules A-1 through A-6, and the schedule of expenditures of federal awards, Schedules B-1 to B-2, which includes the requirements of the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, are presented for purposes of additional analysis and are 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. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2015, on our consideration of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity'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 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 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 and Related Entity's internal control over financial reporting and compliance.

*Wipfli LLP*

Wipfli LLP

July 8, 2015

Madison, Wisconsin

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

## Consolidated Statement of Financial Position

December 31, 2014

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<i>Assets</i>	
Current assets:	
Cash and cash equivalents	\$ 1,291,338
Grants receivable	479,351
Accounts receivable	30,708
Inventory	34,669
Prepaid expenses	60,881
<hr/>	
Total current assets	1,896,947
<hr/>	
Other assets:	
Restricted cash	932,841
Deferred housing loans receivable, net	4,710,948
Second mortgage loans receivable	348,209
<hr/>	
Total other assets	5,991,998
<hr/>	
Property and equipment, net	2,921,819
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<b>TOTAL ASSETS</b>	<b>\$ 10,810,764</b>

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See accompanying notes to consolidated financial statements.

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*Liabilities and Net Assets*

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Current liabilities:

Current portion of note payable	\$ 11,491
Accounts payable	426,846
Accrued payroll and related expenses	438,138
Current portion of forgivable loans payable	12,027
Grant funds received in advance	326,400

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Total current liabilities 1,214,902

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Other liabilities:

Note payable	375,038
Forgivable loans payable	665,522
Second mortgage loans payable	348,209

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Total other liabilities 1,388,769

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Total liabilities 2,603,671

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Net assets:

Unrestricted	2,564,857
Temporarily restricted	5,642,236

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Total net assets 8,207,093

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**TOTAL LIABILITIES AND NET ASSETS** **\$ 10,810,764**

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

## Consolidated Statement of Activities

Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
<b>Revenue:</b>			
Grant revenue	\$ 0	\$ 7,466,496	\$ 7,466,496
Program contributions	0	57,486	57,486
Donations	0	18,710	18,710
Rental income	49,158	0	49,158
Gain on sale of property	1,000	0	1,000
Other income	0	8,391	8,391
Interest income	1,974	3,508	5,482
In-kind contributions	32,269	0	32,269
Net assets released from restriction through satisfaction of program restrictions	7,367,692	( 7,367,692)	0
<b>Total revenue</b>	<b>7,452,093</b>	<b>186,899</b>	<b>7,638,992</b>
<b>Expenses:</b>			
Personnel	4,415,753	0	4,415,753
Services provided	1,420,131	0	1,420,131
Occupancy	169,930	0	169,930
Telephone	59,106	0	59,106
Postage	10,754	0	10,754
Supplies	172,414	0	172,414
Minor equipment	3,966	0	3,966
Advertising	8,884	0	8,884
Professional/consulting	248,156	0	248,156
Repairs and maintenance	88,712	0	88,712
Insurance	111,714	0	111,714
Travel	37,992	0	37,992
Transportation	291,375	0	291,375
Development and training	60,576	0	60,576
In-kind expense	32,269	0	32,269
Depreciation	342,589	0	342,589
Other	64,868	0	64,868
<b>Total expenses</b>	<b>7,539,189</b>	<b>0</b>	<b>7,539,189</b>
Change in net assets	( 87,096)	186,899	99,803
Net assets - Beginning of the year	2,651,953	5,455,337	8,107,290
<b>Net assets - End of the year</b>	<b>\$ 2,564,857</b>	<b>\$ 5,642,236</b>	<b>\$ 8,207,093</b>

See accompanying notes to consolidated financial statements.

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

## Consolidated Statement of Cash Flows

Year Ended December 31, 2014

Increase (decrease) in cash and cash equivalents:	
Cash flows from operating activities:	
Change in net assets	\$ 99,803
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	342,589
Amortization of forgivable loans	( 12,027)
Changes in operating assets and liabilities:	
Grants receivable	88,132
Accounts receivable	29,384
Prepaid expenses	( 6,213)
Inventory	6,028
Restricted cash	( 295,357)
Accounts payable	80,279
Accrued payroll and related expenses	62,108
Grant funds received in advance	( 92,458)
Net cash provided by operating activities	302,268
Cash flows from investing activities:	
Capital expenditures	( 603,605)
Net cash used in investing activities	( 603,605)
Cash flows from financing activities:	
Principal payments on debt	( 11,242)
Net cash used in financing activities	( 11,242)
Change in cash and cash equivalents	( 312,579)
Cash and cash equivalents - Beginning of the year	1,603,917
Cash and cash equivalents - End of the year	\$ 1,291,338
<b>Supplemental schedule of other cash activity:</b>	
Interest paid and expensed	\$ 15,925



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

## Notes to Consolidated Financial Statements

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### **Note 1            Summary of Significant Accounting Policies**

#### **Nature of Operations**

Hancock-Hardin-Wyandot-Putnam Community Action Commission (HHWP) was organized as a nonprofit corporation in 1964. 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 36% and 26% 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.

#### **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.

#### **Principles of Consolidation**

The consolidated financial statements include 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.

#### **Classification of Net Assets**

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

Unrestricted net assets are not subject to donor-imposed stipulations.

Temporarily restricted net assets are subject to donor-imposed stipulations that may or may not be met, either by actions of HHWP or Accessible Housing, Inc. and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

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

## Notes to Consolidated Financial Statements

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

#### **Classification of Net Assets (Continued)**

Permanently restricted net assets are subject to donor-imposed stipulations that they be maintained permanently by HHWP and Accessible Housing, Inc. Generally, the donors of these assets permit the use of all or part of the income earned on any related investments for general or specific purposes. Currently, HHWP and Accessible Housing, Inc. do not have any permanently restricted net assets.

#### **Use of Estimates**

The preparation of 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.

#### **Property and Equipment**

Property and equipment are capitalized at cost and depreciated over their estimated useful lives using the straight-line method. HHWP and Accessible Housing, Inc. consider 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 acquired with grant funds are owned by HHWP and Accessible Housing, Inc. while used in the programs 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; therefore, the disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of property and equipment purchased with grant funds is \$1,011,611.

#### **Deferred Housing Loans Receivable**

HHWP received home investment partnership grants to provide housing assistance to low-income households. The grants were loaned to various partnerships for the development of housing projects. The loans bear interest at rates between 1% and 6.51%. Interest and principal are due at maturity of the loan. The loans are stated at the amount of unpaid principal and accrued interest reduced by an allowance for estimated uncollectible accrued interest. The allowance for uncollectible accrued interest is estimated by management based on the financial condition of each partnership.

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

## Notes to Consolidated Financial Statements

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

#### **Deferred Housing Loans Receivable (Continued)**

The allowance for doubtful accounts 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 collectability is unlikely. Subsequent recoveries, if any, are credited to the allowance.

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

#### **Accounts Receivable**

Accounts receivable consist primarily of short-term contributions, miscellaneous refunds, 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.

#### **Second Mortgage Loans Receivable**

Second mortgage loans receivable consist of forgivable loans receivable from eligible homeowners who were the recipients of ODOD subsidies to assist in purchasing a home (see Note 8). The loan receivable is in second position to bank financing and is forgivable upon the 20th anniversary of the home closing. The assistance provided is recorded as a loan receivable, with a corresponding increase in second mortgage loans payable, because upon sale of the home to a noneligible homebuyer, the funds must be repaid to HHWP and ultimately to ODOD. Any loans subsequently repaid will reduce the loans receivable and loans payable upon repayment to the funding source. The loans receivable are stated at the amount of principal to be forgiven. The loans are secured by property owned by the homeowners.

#### **Restricted Cash**

Restricted cash represents funds restricted for a HUD replacement reserve in the amount of \$27,163, a security deposit account in the amount of \$2,798, and funds for use in the self-insurance plan in the amount of \$902,880.

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

## Notes to Consolidated Financial Statements

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

#### **Revenue Recognition**

Contributions are recognized when the donor makes a promise to give to HHWP and Accessible Housing, Inc. that is, in substance, unconditional. Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Program contributions represent amounts contributed by program beneficiaries. The contributions are to help defray the cost of the specific program in which the beneficiary received assistance. The contributions are recorded as temporarily restricted revenue because of the implied stipulation that the contributions be used in the program the beneficiary received assistance. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as released from restriction.

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

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

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related expenses are incurred. Amounts received or receivable in excess of expenses are reflected as grant funds received in advance.

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

Exchange transactions reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

#### **Contributed Services**

Financial accounting standards require that only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of these financial accounting standards are different than the in-kind requirements of several of HHWP's grant awards.

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

## Notes to Consolidated Financial Statements

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

#### **Contributed Services (Continued)**

In accordance with these financial accounting standards, HHWP has reported \$32,522 of in-kind contributions for donated space and professional services received in relation to the Head Start program in these consolidated financial statements. These items would otherwise have been purchased by HHWP. In addition, HHWP has received \$1,130,054 of Head Start in-kind services that have not been reported in the consolidated statement of activities because they do not meet the requirements for recognition on the consolidated financial statements in accordance with financial accounting standards.

#### **Cost Allocation**

Joint costs are allocated to benefiting programs using various allocation methods depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all organization programs, which cannot be readily identified with a final cost objective.

#### **Income Taxes**

HHWP and Accessible Housing, Inc. are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. They are also exempt from Ohio franchise or income tax.

HHWP and Accessible Housing, Inc. are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position, assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. HHWP and Accessible Housing, Inc. have determined there are no amounts to record as assets or liabilities related to uncertain tax positions. Federal returns for the years ended 2011, 2012, and 2013 remain subject to examination by the Internal Revenue Service. The 2014 Federal return has not yet been filed.

#### **Cash and Cash Equivalents**

HHWP considers all cash accounts and repurchase sweep agreements to be cash and cash equivalents.

#### **Subsequent Events**

Subsequent events have been evaluated through July 8, 2015, which is the date the financial statements were available to be issued.

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

## Notes to Consolidated Financial Statements

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### Note 2 Concentration of Credit Risk

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. As of December 31, 2014, the bank has pledged collateral sufficient to cover their balances.

### Note 3 Grants Receivable

The grants receivable balance consists of the following:

Federal programs	\$	423,366
State and local programs		55,985
<hr/>		
Grants receivable	\$	479,351

### Note 4 Related Parties

HHWP participates in low-income housing projects. To facilitate ownership of these projects, CAC Housing Partners, Inc. (CAC), an Ohio corporation, was formed.

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

CAC Housing Partners, Inc.:		
HHWP	Stockholder	70.00%
Unrelated party	Stockholder	30.00%
<hr/>		
		100.00%

As of December 31, 2014, 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.

#### Related-Party Agreements

1. HHWP invested \$1,300 in CAC.
2. 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 deferred housing loans receivable in the accompanying consolidated statement of financial position at December 31, 2014. The terms of these loans are on the following page.

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

## Notes to Consolidated Financial Statements

### Note 4 Related Parties (Continued)

#### Related-Party Agreements (Continued)

<u>Terms</u>	<u>Balance</u>
Note receivable from Glenwood Village Limited Partnership, payable at maturity on December 31, 2023, including interest of 2.8% compounded annually.	\$ 200,000
Note receivable from Highland Village Limited Partnership, payable at maturity on December 3, 2026, including interest of 6.51% compounded annually.	500,000
Note receivable from Highland Village II Limited Partnership, payable at maturity on December 31, 2027, including interest of 6.31% compounded annually.	600,000
Note receivable from Wellington Place Limited Partnership, payable at maturity on December 31, 2016, including interest of 5.576% compounded semiannually. This note receivable contains a 30-year renewal provision to 2046 at the borrower's option if the borrower is in compliance with all terms at initial maturity.	450,000
Note receivable from Nantucket Greene Limited Partnership, payable at maturity on December 31, 2016, including interest of 5.00% compounded semiannually. This note receivable contains a 30-year renewal provision to 2046 at the borrower's option if the borrower is in compliance with all terms at initial maturity.	450,000
Note receivable from New Lima Homes Limited Partnership, payable at maturity on August 1, 2035, including interest of 4.28% compounded semiannually.	450,000
Note receivable from Meadow Glen Limited Partnership, payable at maturity on September 30, 2050, including interest of 6.00% compounded semiannually.	550,000
Note receivable from Forest Edge, LLC, payable at maturity on December 31, 2039, including interest of 2.00% compounded semiannually.	550,000
Note receivable from Autumn Run Limited Partnership, payable at maturity on March 27, 2042, including interest of 1.00% compounded semiannually.	960,948
<u>Total deferred housing loan receivables</u>	<u>\$ 4,710,948</u>

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

## Notes to Consolidated Financial Statements

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### Note 4 Related Parties (Continued)

Accrued interest receivable, as of December 31, 2014, on the above notes receivable was \$3,296,069. Management has elected to provide an allowance against this receivable in the amount of \$3,296,069. No interest was accrued in 2014 due to the uncertainty of collection. Net accrued interest at December 31, 2014 was \$0.

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. In addition, HHWP has not identified any loans that are past due according to the contractual terms; therefore, no loans have been placed on nonaccrual status.

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 2014.

The allowance for loan losses described below relates to loans evaluated collectively for collectability and relates to accrued interest earned but unpaid.

Summarized activity in the allowance for doubtful accounts for the years ended December 31, 2014, follows:

Balance at beginning	\$ 3,296,069
Provision for loan loss	0
<hr/>	
Balance at end	<u>\$ 3,296,069</u>

### Note 5 Property and Equipment

A summary of property and equipment is as follows:

Land	\$ 272,118
Buildings	3,904,855
Equipment	356,590
Vehicles	1,823,987
Construction in progress	323,074
Total property and equipment	<u>6,680,624</u>
Accumulated depreciation	<u>( 3,758,805)</u>
Property and equipment, net	<u>\$ 2,921,819</u>



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

## Notes to Consolidated Financial Statements

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### Note 6 Note Payable

The note payable consists of the following:

Note payable with interest in the amount of 6.5%. The Finance Fund, a nonprofit organization through their Linked Deposit Fund, has deposited \$500,000 in First Federal Bank for purposes of earning interest, for which the bank has agreed to lower the effective interest rate on this loan to 4%. Monthly payments are \$2,271, including interest, with final maturity in January 2019. The loan will be refinanced at that time. The mortgage is collateralized by real estate.

	\$ 386,529
<u>Current portion</u>	<u>( 11,491)</u>
<u>Long-term notes payable</u>	<u>\$ 375,038</u>

Future principal payments on the note payable are as follows:

2015	\$ 11,491
2016	11,975
2017	12,479
2018	13,001
2019	337,583
<u>Total</u>	<u>\$ 386,529</u>

### Note 7 Forgivable Loans Payable

Accessible Housing, Inc. has forgivable loans payable at December 31, 2014, as follows:

ODOD	\$ 204,449
HUD	473,100
Total	677,549
<u>Current portion</u>	<u>( 12,027)</u>
<u>Long-term forgivable loans</u>	<u>\$ 665,522</u>

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.

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

## Notes to Consolidated Financial Statements

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### **Note 7**                    **Forgivable Loans Payable (Continued)**

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.

### **Note 8**                    **Second Mortgage Loans Receivable** **Second Mortgage Loans Payable**

HHWP sold 10 houses to eligible participants in a prior year, which were funded with an ODOD subsidy, through the Ohio Housing Finance Authority (OHFA). The participant entered into a mortgage payable with HHWP that is in second position to the homeowner's bank financing. As a result of one foreclosure by the primary lender and two bankruptcy filings by homeowners for which OHFA relieved HHWP of the resale obligations, HHWP has seven homes remaining in second mortgage loans receivable and payable, with a balance of \$348,209 at December 31, 2014.

The mortgage payable to HHWP requires the participant to comply with a residency/ownership restriction of 20 years. If the homeowner complies, the principal value of the note is forgiven on the 20th anniversary of the initial sale.

Should the house be sold before 20 years, the homeowner could work with HHWP to sell it to another eligible individual. The resale price would be determined using an ODOD formula that allows the family to recoup their own capital investment in the property. The new eligible buyer would be subject to the remainder of the 20-year restriction period transferred. If the homeowner sells the property to someone who is not an eligible individual, the mortgage must be repaid to HHWP upon sale, and HHWP must return the funds to ODOD.

All of the second mortgage loans receivable are considered in the housing loan class for evaluation purposes. HHWP regularly evaluates various attributes of the loans to determine the appropriateness of the allowance for doubtful accounts. HHWP's housing class of loans is generally evaluated based on whether the loan is performing according to the contractual terms of the loan or not. HHWP has not identified any loans that are nonperforming. In addition, HHWP has not identified any loans that are past due according to the contractual terms, and these loans are non-interest-bearing thus there is no nonaccrual policy in place. HHWP has not had to grant any concessions to the borrowers as troubled debt restructurings due to financial difficulties, and has not individually evaluated certain loans for impairment. Management has determined that no allowance for loan losses is necessary related to the second mortgage loans receivable.

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

## Notes to Consolidated Financial Statements

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### Note 9 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.

A summary of the cost and accumulated depreciation on the housing facilities leased to others is as follows:

Land	\$ 145,470
<u>Buildings</u>	<u>1,080,055</u>
Total property	1,225,525
<u>Accumulated depreciation</u>	<u>( 415,138)</u>
<u>Property, net</u>	<u>\$ 810,387</u>

Rental income for the year ended December 31, 2014, was \$49,158.

### Note 10 Employee Retirement Plan

HHWP has a Section 403(b) defined contribution retirement plan for all permanent employees. During 2014, HHWP matched each participant's contribution up to 5% of gross wages. HHWP's retirement expense for the year ended December 31, 2014, was \$84,721.

### Note 11 Functional Classification of Expenses

The following program and supporting services are reflected in the consolidated statement of activities for the year ended December 31, 2014:

Program activities:	
Child education	\$ 2,602,773
Food	631,830
Weatherization	1,077,549
Housing	132,012
Energy assistance	1,057,280
Community services	419,346
<u>Transportation</u>	<u>1,155,621</u>
Total program activities	7,076,611
<u>Management and general</u>	<u>462,578</u>
<u>Total expenses</u>	<u>\$ 7,539,189</u>

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

## Notes to Consolidated Financial Statements

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### Note 12      **Operating Lease Agreements**

HHWP leases various facilities and equipment for operation of its programs. The operating lease payments for the year ended December 31, 2014, were \$38,538. HHWP has several leases with terms that expire in 2014. The future minimum lease payments for 2014 on noncancelable operating leases are \$23,619. There are no required future minimum lease payments beyond 2015.

### Note 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 or \$1,000,000 total paid in any fiscal year, with a maximum reimbursement of \$1,000,000 per individual in any plan year.

OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, limits the reserves an agency may build up to an amount equal to the present value of reasonably estimated self-insurance liabilities, which are payable within one year.

At December 31, 2014, HHWP's self-insurance reserve was \$838,815, which is below the present value of one year's estimated self-insurance liabilities. This reserve is included in temporarily restricted net assets, and the fund is to be used for claims submitted for reimbursement by agency employees covered by the policy.

### Note 14      **Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

Self-insurance plan	\$ 838,815
IDA program	17,426
Micro-enterprise revolving loan fund (RLF)	60,609
Lead screening	2,302
Other	12,136
<u>Deferred housing loans</u>	<u>4,710,948</u>
<u>Total</u>	<u>\$ 5,642,236</u>

The self-insurance activity represents charges to programs in excess of self-insurance claims and represents the present value of reasonably estimated self-insurance liabilities. See Note 13 for more information. The micro-enterprise RLF, transportation, lead screening, IDA program, and other amounts are available for future assistance to help individuals in these programs. The deferred housing loans, referred to in Notes 1 and 4, are restricted for housing activities upon repayment.

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

## Notes to Consolidated Financial Statements

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### **Note 15 Grant Awards**

At December 31, 2014, HHWP had commitments under various grants of approximately \$2,250,000. These commitments are not recognized in the accompanying consolidated financial statements because they are conditional awards.

### **Note 16 Commitments and Contingencies**

HHWP participates in a number of federally- 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 in June of 2021. A forgivable loan for \$198,382 was issued from the Wyandot County Board of 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.

### **Note 17 Grant Funds Received In Advance**

The following programs had grant funds received in advance as of December 31, 2014:

Home Energy Assistance Program – Emergency (CFDA #93.568)	\$	289,776
Home Weatherization Program – HHS (CFDA #93.568)		36,397
<u>Miscellaneous</u>		<u>227</u>
<u>Total</u>	\$	<u>326,400</u>

These programs received funds in advance to provide program support. The revenue was recognized in accordance with the revenue recognition policy in Note 1.

# **Supplementary Information**

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

Schedule A-1  
 Schedule of Program Activity  
 Year Ended December 31, 2014

	Department of Agriculture				Department of Transportation (DOT)			
	10.557		10.558		20.509			
	Women, Infants, and Children 32-6-001-1- WA-0714 (1)	Women, Infants, and Children 32-6-001-1- WA-0714 (2)	10.557 Subtotal	Child and Adult Care Food (3)	ODOT Transportation Operating Grant RPT-4032-033-131 (4)	ODOT Transportation Capital Grant RPT-0032-033-132 (5)	20.509 Subtotal	
Total								
<b>REVENUE</b>								
Grant revenue	\$ 7,466,496	\$ 392,466	\$ 115,672	\$ 508,138	\$ 178,355	\$ 879,494	\$ 242,300	\$ 1,121,794
Program contributions	57,486	0	0	0	0	52,310	0	52,310
Donations	18,710	0	0	0	0	1,251	0	1,251
Rental income	49,158	0	0	0	0	0	0	0
Gain on sale of property	1,000	0	0	0	0	0	1,000	1,000
Other income	8,391	0	0	0	0	0	0	0
Interest income	5,482	5	2	7	0	14	2	16
Transfers	0	2	0	2	0	23,879	24,847	48,726
In-kind contributions	32,269	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>7,638,992</b>	<b>392,473</b>	<b>115,674</b>	<b>508,147</b>	<b>178,355</b>	<b>956,948</b>	<b>268,149</b>	<b>1,225,097</b>
<b>EXPENSES</b>								
Personnel	4,415,753	338,734	102,972	441,706	20,515	666,590	0	666,590
Services provided	1,420,131	0	0	0	157,840	0	0	0
Occupancy	169,930	17,512	5,956	23,468	0	12,607	0	12,607
Telephone	59,106	7,079	2,307	9,386	0	9,467	0	9,467
Postage	10,754	2,122	229	2,351	0	839	0	839
Supplies	172,414	12,718	814	13,532	0	10,855	0	10,855
Minor equipment	3,966	12	0	12	0	6,229	237,776	244,005
Advertising	8,884	12	3	15	0	909	0	909
Professional/consulting	248,156	2,945	223	3,168	0	7,404	0	7,404
Repairs and maintenance	88,712	1,787	313	2,100	0	21,969	200	22,169
Insurance	111,714	2,753	615	3,368	0	26,294	0	26,294
Travel	37,992	2,187	618	2,805	0	1,066	0	1,066
Transportation	291,375	0	0	0	0	116,225	30,173	146,398
Development and training	60,576	1,755	0	1,755	0	2,357	0	2,357
In-kind expense	32,269	0	0	0	0	0	0	0
Depreciation	342,589	2,707	1,624	4,331	0	1,591	0	1,591
Other	64,868	150	0	150	0	72,546	0	72,546
<b>Total Expenses</b>	<b>7,539,189</b>	<b>392,473</b>	<b>115,674</b>	<b>508,147</b>	<b>178,355</b>	<b>956,948</b>	<b>268,149</b>	<b>1,225,097</b>
<b>Change in Net Assets</b>	<b>99,803</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of the year	8,107,290	0	0	0	0	0	0	0
<b>Net Assets - End of the year</b>	<b>\$ 8,207,093</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.

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

Schedule A-2  
 Schedule of Program Activity  
 Year Ended December 31, 2014

	FEDERAL PROGRAMS								
	Department of Energy			Department of Health and Human Services					
	81.042		81.042 Subtotal	93.568					
	Home Weatherization Assistance Program D-13-119 (6)	Home Weatherization Assistance Program D-14-119 (7)		Home Energy Assistance Program Admin. 14-HA-125 (8)	Home Energy Assistance Program Emergency 14-HE-225 (9)	Home Energy Assistance Program Admin. 15-HA-125 (10)	Home Energy Assistance Program Emergency 15-HE-225 (11)	HEAP Summer Cooling Program 14-HC-225 (12)	Home Weatherization Assistance Program H-13-119 (13)
<b>REVENUE</b>									
Grant revenue	\$ 124,672	\$ 206,732	\$ 331,404	\$ 225,551	\$ 310,574	\$ 108,005	\$ 351,032	\$ 133,312	\$ 424,844
Program contributions	620	0	620	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0	0
Gain on sale of property	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	0	0	0	0	0
Interest income	1	1	2	43	0	42	0	0	20
Transfers	( 171)	171	0	( 151)	( 152)	152	0	0	( 5,124)
In-kind contributions	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>125,122</b>	<b>206,904</b>	<b>332,026</b>	<b>225,443</b>	<b>310,422</b>	<b>108,199</b>	<b>351,032</b>	<b>133,312</b>	<b>419,740</b>
<b>EXPENSES</b>									
Personnel	33,511	126,730	160,241	176,963	0	82,733	0	0	250,718
Services provided	46,593	42,028	88,621	0	310,422	0	351,032	133,312	84,152
Occupancy	3,933	3,438	7,371	7,735	0	3,483	0	0	2,247
Telephone	698	666	1,364	4,933	0	1,665	0	0	623
Postage	141	18	159	819	0	391	0	0	493
Supplies	1,206	1,767	2,973	5,535	0	3,615	0	0	525
Minor equipment	14	0	14	8	0	1,220	0	0	4,772
Advertising	108	45	153	129	0	2	0	0	202
Professional/consulting	23,661	8,748	32,409	13,487	0	538	0	0	51,615
Repairs and maintenance	1,082	201	1,283	1,871	0	614	0	0	1,204
Insurance	6,868	5,382	12,250	2,023	0	873	0	0	11,201
Travel	712	837	1,549	840	0	705	0	0	444
Transportation	5,761	1,505	7,266	0	0	24	0	0	10,854
Development and training	834	1,471	2,305	237	0	504	0	0	307
In-kind expense	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	2,975	0	1,488	0	0	0
Other	0	14,068	14,068	7,888	0	10,344	0	0	383
<b>Total Expenses</b>	<b>125,122</b>	<b>206,904</b>	<b>332,026</b>	<b>225,443</b>	<b>310,422</b>	<b>108,199</b>	<b>351,032</b>	<b>133,312</b>	<b>419,740</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of the year	0	0	0	0	0	0	0	0	0
<b>Net Assets - End of the year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.



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

Schedule A-3

Schedule of Program Activity

Year Ended December 31, 2014

	FEDERAL PROGRAMS						STATE & LOCAL PROGRAMS		
	Department of Health and Human Services						Total Federal Programs	Homeless Crisis Response Program S-L-12-7MO-1 (19)	Columbia Gas Warm Choice (20)
	93.568	93.569	93.600	93.602	93.778				
	Home Weatherization Assistance Program H-14-119 (14)	93.568 Subtotal	Community Services Block Grant 1415-28 (15)	Head Start Full-Year, Part-Day Handicap/T&TA 05CH8372/01 (16)	IDA Program D03-580-2 (17)	Passport Transportation (18)			
<b>REVENUE</b>									
Grant revenue	\$ 391,593	\$ 1,944,911	\$ 277,903	\$ 2,707,431	\$ 1,000	\$ 30,736	\$ 7,101,672	\$ 84,714	\$ 4,968
Program contributions	3,430	3,430	0	266	0	0	56,626	0	0
Donations	0	0	0	5,459	12,000	0	18,710	0	0
Rental income	0	0	0	0	0	0	0	0	0
Gain on sale of property	0	0	0	0	0	0	1,000	0	0
Other income	0	0	0	0	0	0	0	0	0
Interest income	20	125	2	0	1	0	153	0	3
Transfers	23,979	18,704	0	12,732	0	0	80,164	0	3
In-kind contributions	0	0	0	1,162,323	0	0	1,162,323	0	0
<b>Total Revenue</b>	<b>419,022</b>	<b>1,967,170</b>	<b>277,905</b>	<b>3,888,211</b>	<b>13,001</b>	<b>30,736</b>	<b>8,420,648</b>	<b>84,714</b>	<b>4,974</b>
<b>EXPENSES</b>									
Personnel	145,847	656,261	164,607	2,098,390	( 158)	23,052	4,231,204	27,236	6
Services provided	147,768	1,026,686	40,121	20,604	2,000	0	1,335,872	54,420	3,441
Occupancy	3,028	16,493	6,968	99,291	0	0	166,198	36	0
Telephone	559	7,780	3,231	24,961	0	0	56,189	61	0
Postage	422	2,125	304	2,975	0	0	8,753	183	0
Supplies	1,419	11,094	2,556	106,004	0	0	147,014	462	0
Minor equipment	11,233	17,233	5,204	62	0	0	266,530	0	0
Advertising	270	603	537	2,851	0	0	5,068	0	0
Professional/consulting	58,047	123,687	17,297	43,073	0	0	227,038	51	1,527
Repairs and maintenance	2,349	6,038	1,175	29,583	0	0	62,348	0	0
Insurance	13,611	27,708	2,557	32,514	0	0	104,691	90	0
Travel	0	1,989	3,509	22,976	0	0	33,894	290	0
Transportation	10,335	21,213	0	74,143	0	7,684	256,704	0	0
Development and training	35	1,083	10,537	18,942	0	0	36,979	27	0
In-kind expense	0	0	0	1,162,323	0	0	1,162,323	0	0
Depreciation	0	4,463	3,451	34,001	0	0	47,837	0	0
Other	24,099	42,714	15,851	110,059	0	0	255,388	1,858	0
<b>Total Expenses</b>	<b>419,022</b>	<b>1,967,170</b>	<b>277,905</b>	<b>3,882,752</b>	<b>1,842</b>	<b>30,736</b>	<b>8,404,030</b>	<b>84,714</b>	<b>4,974</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,459</b>	<b>11,159</b>	<b>0</b>	<b>16,618</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of the year	0	0	0	6,677	6,267	0	12,944	0	0
<b>Net Assets - End of the year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,136</b>	<b>\$ 17,426</b>	<b>\$ 0</b>	<b>\$ 29,562</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.

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

Schedule A-4

Schedule of Program Activity

Year Ended December 31, 2014

STATE AND LOCAL PROGRAMS									
	2014 Micro- enterprise RLF (21)	AEP Refrigerators (22)	Project Approach (23)	Project Approach (24)	Lead Screening (25)	United Way of Putnam Co. (26)	United Way of Putnam Co. (27)	OBB OASHF Ohio Assoc Second Harvest Foodbanks (28)	OBB OASHF Ohio Assoc Second Harvest Foodbanks (29)
<b>REVENUE</b>									
Grant revenue	\$ 50,000	\$ 23,896	\$ 7,498	\$ 206	\$ 0	\$ 1,858	\$ 5,245	\$ 3,447	\$ 2,223
Program contributions	860	0	0	0	0	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0	0
Gain on sale of property	0	0	0	0	0	0	0	0	0
Other income	6,172	0	0	0	0	0	0	0	0
Interest income	307	10	0	0	1	0	0	0	0
Transfers	0	( 3,549)	0	0	0	0	0	( 4)	0
In-kind contributions	0	0	0	0	0	0	0	0	0
<b>Total Revenue</b>	<b>57,339</b>	<b>20,357</b>	<b>7,498</b>	<b>206</b>	<b>1</b>	<b>1,858</b>	<b>5,245</b>	<b>3,443</b>	<b>2,223</b>
<b>EXPENSES</b>									
Personnel	40,837	1,289	0	0	0	0	0	3,279	1,988
Services provided	703	17,480	95	0	0	1,858	5,245	0	0
Occupancy	285	0	0	0	0	0	0	0	0
Telephone	41	0	0	0	0	0	0	0	0
Postage	88	0	0	0	0	0	0	0	0
Supplies	2,024	0	7,189	206	0	0	0	0	0
Minor equipment	1	0	0	0	0	0	0	0	0
Advertising	1,970	130	0	0	0	0	0	164	0
Professional/consulting	443	1,222	0	0	0	0	0	0	0
Repairs and maintenance	91	0	0	0	0	0	0	0	0
Insurance	214	8	0	0	0	0	0	0	0
Travel	117	0	214	0	5	0	0	0	0
Transportation	0	0	0	0	0	0	0	0	0
Development and training	530	0	0	0	22	0	0	0	0
In-kind expense	0	0	0	0	0	0	0	0	0
Depreciation	0	0	0	0	0	0	0	0	0
Other	9,688	228	0	0	0	0	0	0	235
<b>Total Expenses</b>	<b>57,032</b>	<b>20,357</b>	<b>7,498</b>	<b>206</b>	<b>27</b>	<b>1,858</b>	<b>5,245</b>	<b>3,443</b>	<b>2,223</b>
<b>Change in Net Assets</b>	<b>307</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>( 26)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of the year	60,302	0	0	0	2,328	0	0	0	0
<b>Net Assets - End of the year</b>	<b>\$ 60,609</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 2,302</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

See Independent Auditor's Report.

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

Schedule A-5

Schedule of Program Activity

Year Ended December 31, 2014

	STATE AND LOCAL PROGRAMS					OTHER RESTRICTED FUNDS			
	Hancock County Jobs and Family Services (30)	Hardin County Jobs and Family Services (31)	Coalition on Homelessness and housing in Ohio (32)	Coalition on Homelessness and housing in Ohio (33)	Total State and Local Programs	Self-Insurance Fund (34)	GAAP Adjustments and Eliminations (35)	Marion Township Emergency Fund (36)	Deferred Housing Loans (37)
<b>REVENUE</b>									
Grant revenue	\$ 54,909	\$ 20,382	\$ 22,917	\$ 7,055	\$ 289,318	\$ 0	\$ 0	\$ 300	\$ 0
Program contributions	0	0	0	0	860	0	0	0	0
Donations	0	0	0	0	0	0	0	0	0
Rental income	0	0	0	0	0	0	0	0	0
Gain on sale of property	0	0	0	0	0	0	0	0	0
Other income	0	0	0	0	6,172	0	0	0	0
Interest income	0	0	0	0	321	3,034	0	0	0
Transfers	0	0	0	0	( 3,550)	0	0	( 100)	0
In-kind contributions	0	0	0	0	0	0	( 1,130,054)	0	0
<b>Total Revenue</b>	<b>54,909</b>	<b>20,382</b>	<b>22,917</b>	<b>7,055</b>	<b>293,121</b>	<b>3,034</b>	<b>( 1,130,054)</b>	<b>200</b>	<b>0</b>
<b>EXPENSES</b>									
Personnel	39,402	11,938	18,338	4,636	148,949	( 215,623)	0	0	0
Services provided	0	0	0	0	83,242	0	0	200	0
Occupancy	0	0	1,125	500	1,946	0	0	0	0
Telephone	0	0	467	155	724	0	0	0	0
Postage	0	0	48	0	319	0	0	0	0
Supplies	0	0	244	158	10,283	0	0	0	0
Minor equipment	0	0	300	0	301	0	0	0	0
Advertising	0	0	711	0	2,975	0	0	0	0
Professional/consulting	0	0	79	2	3,324	0	0	0	0
Repairs and maintenance	0	0	4	1	96	0	0	0	0
Insurance	2,119	0	0	41	2,472	0	0	0	0
Travel	0	0	813	349	1,788	0	0	0	0
Transportation	13,388	8,444	0	0	21,832	0	0	0	0
Development and training	0	0	250	0	829	0	0	0	0
In-kind expense	0	0	0	0	0	0	( 1,130,054)	0	0
Depreciation	0	0	0	0	0	0	0	0	0
Other	0	0	538	1,213	13,760	48,657	0	0	0
<b>Total Expenses</b>	<b>54,909</b>	<b>20,382</b>	<b>22,917</b>	<b>7,055</b>	<b>292,840</b>	<b>( 166,966)</b>	<b>( 1,130,054)</b>	<b>200</b>	<b>0</b>
<b>Change in Net Assets</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>281</b>	<b>170,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net assets - Beginning of the year	0	0	0	0	62,630	668,815	0	0	4,710,948
<b>Net Assets - End of the year</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 62,911</b>	<b>\$ 838,815</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 4,710,948</b>

See Independent Auditor's Report.

# Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entities

Schedule A-6  
 Schedule of Program Activity  
 Year Ended December 31, 2014

	AGENCY ACTIVITY					Total Agency Activity
	Total Program and Restricted Activities	Discretionary Activity (38)	Housing Programs (39)	Krystal Ridge Property Management (40)	Unrestricted Property Fund (41)	
<b>REVENUE</b>						
Grant revenue	\$ 7,391,290	\$ 59,681	\$ 0	\$ 15,525	\$ 0	\$ 75,206
Program contributions	57,486	0	0	0	0	0
Donations	18,710	0	0	0	0	0
Rental income	0	0	17,900	31,258	0	49,158
Gain on sale of property	1,000	0	0	0	0	0
Other income	6,172	2,219	0	0	0	2,219
Interest income	3,508	1,956	18	0	0	1,974
Transfers	76,514	( 76,514)	0	0	0	( 76,514)
In-kind contributions	32,269	0	0	0	0	0
<b>Total Revenue</b>	<b>7,586,949</b>	<b>( 12,658)</b>	<b>17,918</b>	<b>46,783</b>	<b>0</b>	<b>52,043</b>
<b>EXPENSES</b>						
Personnel	4,164,530	245,721	0	5,502	0	251,223
Services provided	1,419,314	817	0	0	0	817
Occupancy	168,144	1,196	688	27,045	( 27,143)	1,786
Telephone	56,913	2,193	0	0	0	2,193
Postage	9,072	1,613	0	69	0	1,682
Supplies	157,297	15,103	1	13	0	15,117
Minor equipment	266,831	4,975	0	0	( 267,840)	( 262,865)
Advertising	8,043	841	0	0	0	841
Professional/consulting	230,362	13,753	0	3,741	300	17,794
Repairs and maintenance	62,444	4,262	9,143	8,963	3,900	26,268
Insurance	107,163	1,541	1,155	1,855	0	4,551
Travel	35,682	2,230	78	2	0	2,310
Transportation	278,536	12,839	0	0	0	12,839
Development and training	37,808	22,766	0	2	0	22,768
In-kind expense	32,269	0	0	0	0	0
Depreciation	47,837	( 13,243)	0	0	307,995	294,752
Other	317,805	( 253,401)	0	464	0	( 252,937)
<b>Total Expenses</b>	<b>7,400,050</b>	<b>63,206</b>	<b>11,065</b>	<b>47,656</b>	<b>17,212</b>	<b>139,139</b>
<b>Change in Net Assets</b>	<b>186,899</b>	<b>( 75,864)</b>	<b>6,853</b>	<b>( 873)</b>	<b>( 17,212)</b>	<b>( 87,096)</b>
Net assets - Beginning of the year	5,455,337	1,285,029	29,124	0	1,337,800	2,651,953
<b>Net Assets - End of the year</b>	<b>\$ 5,642,236</b>	<b>\$ 1,209,165</b>	<b>\$ 35,977</b>	<b>(\$ 873)</b>	<b>\$ 1,320,588</b>	<b>\$ 2,564,857</b>

See Independent Auditor's Report.

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

## Schedule B-1

### Schedule of Expenditures of Federal Awards

Year Ended December 31, 2014

<b>Federal Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Funding Source/ Pass-Through Entity</b>	<b>Federal Expenditures</b>
<b>DEPARTMENT OF AGRICULTURE</b>			
Women, Infants, and Children 32-6-001-1-WA-0714	10.557	Ohio Department of Health	\$ 392,466
Women, Infants, and Children 32-6-001-1-WA-0815		Ohio Department of Health	<u>115,672</u>
		<b>Total Expenditures CFDA #10.557</b>	<b><u>508,138</u></b>
Child and Adult Care Food Program	10.558	Ohio Department of Education	<u>178,355</u>
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
Supportive Housing for Persons with Disabilities Outstanding Loan Balance	14.181	U.S. Department of Housing and Urban Development	<u>473,100</u>
Section 8 Housing Assistance Payments	14.871	Ohio Development Services Agency	<u>15,525</u>
<b>DEPARTMENT OF TRANSPORTATION</b>			
ODOT Transportation Operating Grant 103-RTPX-14-0100	20.509	Ohio Department of Transportation	879,494
ODOT Transportation Capital Grant RPTF-0103-034-144		Ohio Department of Transportation	<u>242,300</u>
		<b>Subtotal Expenditures CFDA #20.509</b>	<b><u>1,121,794</u></b>
<b>DEPARTMENT OF ENERGY</b>			
Home Weatherization Assistance Program - D-13-119	81.042	Ohio Development Services Agency	124,672
Home Weatherization Assistance Program - D-14-119		Ohio Development Services Agency	<u>206,732</u>
		<b>Subtotal Expenditures CFDA #81.042</b>	<b><u>331,404</u></b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
Home Energy Assistance Program Admin. - 14-HA-125	93.568	Ohio Development Services Agency	225,551
Home Energy Assistance Program Emergency - 13-HE-225		Ohio Development Services Agency	310,574
Home Energy Assistance Program Admin. - 15-HA-125		Ohio Development Services Agency	108,005
Home Energy Assistance Program Emergency - 15-HE-225		Ohio Development Services Agency	351,032
HEAP Summer Cooling Program 13-HC-225		Ohio Development Services Agency	133,312
Home Weatherization Assistance Program - H13-119		Ohio Development Services Agency	424,844
Home Weatherization Assistance Program - H14-119		Ohio Development Services Agency	391,593
		<b>Total Expenditures CFDA #93.568</b>	<b><u>1,944,911</u></b>

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

## Schedule B-2

### Schedule of Expenditures of Federal Awards

Year Ended December 31, 2014

<b>Federal Grantor/Program Title</b>	<b>CFDA Number</b>	<b>Funding Source/ Pass-Through Entity</b>	<b>Federal Expenditures</b>
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>			
Community Services Block Grant 1415-28	93.569	Ohio Development Services Agency	<u>277,903</u>
Head Start Full-Year, Part-Day Handicapped/Training and Technical Assistance 05CH8372/01	93.600	U.S. Department of Health and Human Services	<u>2,707,431</u>
IDA Program - D03-580-2 IDA Program Matching Funds	93.602	Fifth Third Bank, Citizens National Bank, AFI Academy	<u>1,000</u>
Passport Transportation	93.778	Area Agency on Aging 3	<u>30,736</u>
		<b>TOTAL FEDERAL EXPENDITURES</b>	<b><u>\$ 7,590,297</u></b>

#### Notes to Schedule of Expenditures of Federal Awards

NOTE 1 - Basis of Presentation - The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Hancock Hardin Wyandot Putnam Community Action Commission and Related Entity under programs of the federal government for the year ended December 31, 2014. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. 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.

NOTE 2 - Summary of Significant Accounting Policies - Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-122, *Cost Principles for Non-Profit Organizations*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where

NOTE 3 - This schedule includes federal expenditures incurred in a prior year for which there is an outstanding loan balance. Supportive Housing for Persons With Disabilities, CFDA #14.181, has continuing compliance requirements, which requires disclosure on this schedule.



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

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 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 (nonprofit organizations), which comprise the consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated July 8, 2015.

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

In planning and performing our audit, we considered Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's internal control over financial reporting (internal control) to determine the 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 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 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 the attention of those charged with governance.

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity'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 determination of financial statement amounts. 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 Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Wipfli LLP

July 8, 2015  
Madison, Wisconsin





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

Board of Directors

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

Findlay, Ohio

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

We have audited Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's (nonprofit organizations) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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

Management of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity are responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's compliance.

### **Opinion**

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, 2014.

## Report on Internal Control Over Compliance

Management of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's internal control over compliance with types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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 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 the attention of those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report 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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Wipfli LLP

July 8, 2015  
Madison, Wisconsin

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

## Schedule of Findings and Questioned Costs

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### A. Summary of Auditor's Results

1. The auditor's report expresses an unmodified opinion on the consolidated financial statements of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity.
2. No material weaknesses or significant deficiencies relating to the audit of the consolidated financial statements are reported in the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters.
3. No instances of noncompliance material to the consolidated financial statements of Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity were disclosed during the audit.
4. No material weaknesses or significant deficiencies were disclosed during the audit of the major federal award programs as reported in the Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.
5. The auditor's report on compliance for the major federal award programs for Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity.
7. The programs tested as major programs were:
  - U.S. Department of Agriculture
    - WIC, CFDA #10.557
  - U.S. Department of Health and Human Services
    - Low-Income Home Energy Assistance Program, CFDA #93.568
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Hancock-Hardin-Wyandot-Putnam Community Action Commission and Related Entity were determined to be low-risk auditees.

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

## Schedule of Findings and Questioned Costs

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**B. Findings - Financial Statements Audit**

None

**C. Findings and Questioned Costs – Major Federal Award Programs Audit**

**Findings:** None

**Questioned Costs:** None

**D. Prior-Year Findings**

There were no prior-year findings.