

GREATER FLINT HEALTH COALITION, INC.

FLINT, MICHIGAN

AUDIT REPORT FOR THE YEAR ENDED MARCH 31, 2022



November 4, 2022

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Greater Flint Health Coalition, Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Greater Flint Health Coalition, Inc. (a nonprofit organization), which comprise the statements of financial position as of March 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Greater Flint Health Coalition, Inc. as of March 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Greater Flint Health Coalition, Inc. 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 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 financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Greater Flint Health Coalition, Inc. ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 Greater Flint Health Coalition, Inc.'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 Greater Flint Health Coalition, Inc.'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 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 November 4, 2022, on our consideration of Greater Flint Health Coalition, Inc.'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 Greater Flint Health Coalition, Inc.'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 Greater Flint Health Coalition, Inc.'s internal control over financial reporting and compliance.

Other Information

Management is responsible for the other information included in the annual report. The financial information in the annual report comprises of audited balance sheet, revenue, and expenditure sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Lewis & Knopf, P.C.

LEWIS & KNOPF, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

GREATER FLINT HEALTH COALITION, INC. – FLINT, MICHIGAN

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GREATER FLINT HEALTH COALITION, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF MARCH 31, 2022 AND 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
<u>CURRENT ASSETS</u>		
Cash and Cash Equivalents	\$3,528,103	\$2,439,095
Receivables	1,359,333	1,314,401
Prepaid Expenses	39,074	42,647
Total Current Assets	<u>\$4,926,510</u>	<u>\$3,796,143</u>
<u>FIXED ASSETS</u>		
Computer Equipment	8,587	0
Less: Accumulated Depreciation	143	0
Net Fixed Assets	<u>\$8,444</u>	<u>\$0</u>
<u>OTHER ASSETS</u>		
Security Deposit	500	500
<u>TOTAL ASSETS</u>	<u>\$4,935,454</u>	<u>\$3,796,643</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>CURRENT LIABILITIES</u>		
Accounts Payable	\$2,522	\$22,457
PPP Loan Payable	0	581,469
Accrued Salaries and Related Expenses	109,929	117,668
Deferred Revenue	2,802,255	1,962,246
Total Current Liabilities	<u>\$2,914,706</u>	<u>\$2,683,840</u>
<u>NET ASSETS</u>		
<u>Without Donor Restrictions</u>		
Undesignated	2,020,748	1,112,803
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$4,935,454</u>	<u>\$3,796,643</u>

See accompanying notes and auditor's opinion.

GREATER FLINT HEALTH COALITION, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	TOTAL	Without Donor Restrictions	With Donor Restrictions	TOTAL
<u>CHANGES IN NET ASSETS:</u>						
Support and Revenue:						
Contributions	\$487,000	\$0	\$487,000	\$360,000	\$0	\$360,000
Grants and Contributions for Program Activities	0	7,439,388	7,439,388	0	5,410,252	5,410,252
Interest Income	746	0	746	3,624	0	3,624
(Loss) on Sale of Fixed Assets	0	0	0	(572)	0	(572)
Other Income	581,687	0	581,687	513	0	513
Total Support and Revenue	<u>\$1,069,433</u>	<u>\$7,439,388</u>	<u>\$8,508,821</u>	<u>\$363,565</u>	<u>\$5,410,252</u>	<u>\$5,773,817</u>
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>	<u>7,439,388</u>	<u>(7,439,388)</u>	<u>0</u>	<u>5,410,252</u>	<u>(5,410,252)</u>	<u>0</u>
Total Support and Revenue and Reclassifications	<u>\$8,508,821</u>	<u>\$0</u>	<u>\$8,508,821</u>	<u>\$5,773,817</u>	<u>\$0</u>	<u>\$5,773,817</u>
<u>EXPENSES</u>						
Program Services	7,600,760	0	7,600,760	5,370,900	0	5,370,900
Management and General	116	0	116	319,039	0	319,039
Total Expenses	<u>\$7,600,876</u>	<u>\$0</u>	<u>\$7,600,876</u>	<u>\$5,689,939</u>	<u>\$0</u>	<u>\$5,689,939</u>
Change in Net Assets	\$907,945	\$0	\$907,945	\$83,878	\$0	\$83,878
<u>NET ASSETS - BEGINNING OF YEAR</u>	<u>1,112,803</u>	<u>0</u>	<u>1,112,803</u>	<u>1,028,925</u>	<u>0</u>	<u>1,028,925</u>
<u>NET ASSETS - END OF YEAR</u>	<u>\$2,020,748</u>	<u>\$0</u>	<u>\$2,020,748</u>	<u>\$1,112,803</u>	<u>\$0</u>	<u>\$1,112,803</u>

See accompanying notes and auditor's opinion.

GREATER FLINT HEALTH COALITION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	2022			2021		
	Program	Management and General	Total	Program	Management and General	Total
<u>EXPENSES</u>						
Salaries	\$2,561,450	\$214,997	\$2,776,447	\$2,165,722	\$202,794	\$2,368,516
Payroll Taxes	227,260	14,794	242,054	192,366	9,218	201,584
Employee Benefits	400,577	65,823	466,400	367,042	46,548	413,590
Total	\$3,189,287	\$295,614	\$3,484,901	\$2,725,130	\$258,560	\$2,983,690
Accounting and Audit	20,761	100,735	121,496	39,654	88,843	128,497
Conferences, Conventions and Meetings	9,481	5,028	14,509	1,835	2,465	4,300
Contract Services	2,534,864	22,079	2,556,943	1,236,965	163,149	1,400,114
Depreciation	0	143	143	0	312	312
Dues	357	3,970	4,327	1,075	4,943	6,018
Indirect Costs	660,754	(660,754)	0	560,214	(560,214)	0
Insurance	3,353	42,703	46,056	8,227	34,229	42,456
Legal	3,713	2,840	6,553	0	11,775	11,775
Marketing	200,992	0	200,992	55,047	(350)	54,697
Occupancy	130,226	43,087	173,313	80,445	45,751	126,196
Office Expense	62,495	90,141	152,636	115,462	230,828	346,290
Parking	31,491	949	32,440	24,362	879	25,241
Postage and Shipping	5,620	668	6,288	4,163	1,112	5,275
Printing	5,915	408	6,323	35,711	3	35,714
Recruitment	34,593	0	34,593	64,224	0	64,224
Supplies	124,528	19,198	143,726	116,690	9,355	126,045
Telephone/IMS	35,693	27,829	63,522	28,078	27,172	55,250
Training and Support Services	533,827	0	533,827	267,992	0	267,992
Travel and Transportation	12,810	478	13,288	3,626	227	3,853
Tuition Reimbursement	0	5,000	5,000	2,000	0	2,000
<u>TOTAL EXPENSES</u>	\$7,600,760	\$116	\$7,600,876	\$5,370,900	\$319,039	\$5,689,939

See accompanying notes and auditor's opinion.

GREATER FLINT HEALTH COALITION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED MARCH 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in Net Assets	\$907,945	\$83,878
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities		
Forgiveness of Paycheck Protection Program Loan	(581,469)	0
Depreciation	143	312
Loss on the Sale of Assets	0	572
(Increase) Decrease in Assets:		
Receivables	(44,932)	(289,999)
Prepaid Expenses	3,573	(4,344)
Increase (Decrease) in Liabilities:		
Accounts Payable	(19,935)	(1,395)
Accrued Salaries and Related Expenses	(7,739)	44,899
Deferred Revenue	840,009	813,995
Net Cash Provided By Operating Activities	<u>\$1,097,595</u>	<u>\$647,918</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	(8,587)	0
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds - PPP Loan	<u>0</u>	<u>581,469</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>\$1,089,008</u>	<u>\$1,229,387</u>
Cash and Cash Equivalents - Beginning of Year	<u>2,439,095</u>	<u>1,209,708</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u><u>\$3,528,103</u></u>	<u><u>\$2,439,095</u></u>

See accompanying notes and auditor's opinion.

GREATER FLINT HEALTH COALITION, INC.
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) NATURE OF ACTIVITIES

Greater Flint Health Coalition, Inc. (Coalition) is a nonprofit corporation whose mission is to improve the health status of the residents of Genesee County and improve the quality and cost effectiveness of the health care system of Genesee County. It is both a community/institutional partnership and multifaceted collaboration.

B) BASIS OF ACCOUNTING

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles.

C) FINANCIAL STATEMENT PRESENTATION

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing body has designated, from net assets without donor restrictions, net assets that are undesignated, net assets for an operating reserve, and board-designated assets.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

D) REVENUE RECOGNITION

Grant revenue received for grants determined to be exchange transactions is recognized as services are provided. Revenue from conditional grant awards under expense reimbursement programs is recognized in the period during which the conditions are substantially met. In cases where the conditions are substantially met in advance of receiving the grant reimbursement, revenue and grants receivable are recorded. In cases where a grant advance is received prior to the conditions being substantially met, the advance is recorded as deferred revenue.

Payments under cost-reimbursable contracts are recognized at the point in time that the expenditures are incurred.

E) INTERGOVERNMENTAL PROGRAMS AND GRANTS

The Coalition receives a significant amount of revenue from programs and grants. Grant income is derived from various federal, state, and local sources and primarily is used to support the Coalition's programs. Both program and grant revenue is recognized as services are rendered and earned.

F) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of highly liquid investments with an initial maturity of three months or less. The Coalition places temporary cash investments with local financial institutions. At times, such investments may be in excess of the FDIC insurance limit.

GREATER FLINT HEALTH COALITION, INC.
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G) RECOGNITION OF CONTRIBUTIONS

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions that increases that net asset class. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional promises to give are recognized as revenues or gains in the period received. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

H) GRANTS RECEIVABLE

Grants receivable consists of amounts due from granting agencies and contract reimbursements. The Coalition considers grants receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

I) FIXED ASSETS

Fixed asset acquisitions are recorded at cost. Depreciation is provided on the estimated useful life of each class of depreciable assets and is computed using the straight-line method. When items of fixed assets are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in income (results of operations). The Coalition's capitalization policy is \$5,000.

J) FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing programs have been summarized on a functional basis in the Statements of Activities and detailed in the Statements of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Although the methods of allocation used are considered reasonable, other methods could be used that would produce different amounts. The various allocation methodologies are noted, below:

- * Salaries and employee benefits – Most staff salaries are directly charged to the program for which services are provided. Certain positions are charged based on board and funder approved cost allocation methods. These include allocations based on the number of participants involved in the program and case-load ratio for care management. Fringes and payroll taxes follow the same allocation as salaries and wages.
- * Non-personnel shared costs, which are subdivided between administrative and non-administrative are directly charged to the program, which is benefited by the expense.
- * Professional fees, supplies, communications, technology, travel, meals and conferences, advertising and public relations, purchase of services, professional services, contractual services, miscellaneous, and other expenses – Costs are directly charged to the program which is benefited by the expense. Costs for certain purchases benefitting more than one program are split based on the budget allocation.
- * Facilities allocation – Costs are directly charged to the program using the space.

K) ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

GREATER FLINT HEALTH COALITION, INC.
NOTES TO FINANCIAL STATEMENTS

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L) INCOME TAXES

Greater Flint Health Coalition, Inc. is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Coalition has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code.

The Organization does not have any accruals or uncertain tax positions that materially impact the financial statements. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within the next twelve months of the reporting date.

M) DONATED SERVICES

The value of donated services is not reflected in the accompanying financial statements, since there is no objective basis available by which to measure the value of such services. However, a substantial number of volunteers have donated significant amounts of their time to program operations.

N) FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying values of cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate fair values due to short maturities of these financial instruments. Based on current borrowing rates, the carrying amount of notes payable approximate their fair values.

2) CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying value of the cash, on the Organization's books is \$3,528,103 and \$2,439,095 for 2022 and 2021, respectively.

The Organization's bank balance, classified as to risk is as follows:

	<u>2022</u>	<u>2021</u>
Insured (FDIC or FSLIC)	\$ 500,000	\$ 500,000
Uninsured – Uncollateralized	3,604,394	2,367,250
<u>TOTAL</u>	<u>\$ 4,104,394</u>	<u>\$ 2,867,250</u>

3) LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 3,528,103	\$ 2,439,095
Accounts Receivable	1,359,333	1,314,401
<u>TOTAL</u>	<u>\$ 4,887,436</u>	<u>\$ 3,753,496</u>

GREATER FLINT HEALTH COALITION, INC.
NOTES TO FINANCIAL STATEMENTS

4) FIXED ASSETS

Fixed assets and the estimated useful lives consist of the following at March 31:

	2022	2021	USEFUL LIVES (YEARS)
Computer Equipment	\$ 8,587	\$ 0	5
Less: Accumulated Depreciation	143	0	
<u>NET FIXED ASSETS</u>	<u>\$ 8,444</u>	<u>\$ 0</u>	

Depreciation expense for the years ended March 31, 2022 and 2021 was \$143 and \$312, respectively.

5) PENSION

The Coalition has implemented a 403(b) retirement plan. The Coalition will contribute a matching amount of 100% on the first 5% of an employee's salary. The Coalition contributed \$67,004 and \$69,837 as a match during the years ended March 31, 2022 and 2021, respectively.

The Coalition offers the President and CEO the opportunity to defer compensation under a 457(b) plan. Employee contributions are not required and the Coalition contributions are based on a percentage of salary. The Coalition contributed \$33,929 and \$11,186 for the years ended March 31, 2022 and 2021, respectively.

6) RELATED PARTY

The Coalition has established contractual relationships with various organizations in the community. Representatives from these organizations sit on the board at the Coalition, in some instances.

In 2019, the Organization created a LLC (Mid Michigan Health Consortium, LLC) owned 100% by Greater Flint Health Coalition. However, as of April 1, 2021 the Board decided Mid Michigan Health Consortium, LLC will be a separate legal entity, a 501 (c) (3), and will be a supportive organization to Greater Flint Health Coalition, which will have its own filing requirements. Effective on March 1, 2022, the Greater Flint Health Coalition entered month to month lease agreement with Mid-Michigan Health Consortium for \$13,000 a month for building rent. The Coalition also granted \$250,000 and \$150,000 for the years ended March 31, 2022 and 2021, respectively.

7) CONTINGENCIES AND COMMITMENTS

The Coalition participates in a number of federal, state and locally assisted grant programs. These programs are subject to compliance audits. The amount, if any, of expenditures which may be disallowed by the grant agencies cannot be determined at this time, although management expects such amounts, if any, to be immaterial.

8) PAYCHECK PROTECTION PROGRAM LOAN

In May 2020, the Coalition entered into a loan (the "PPP Loan") with Huntington Bank (the "Lender") evidencing an unsecured promissory note in the amount of \$581,469 (the "PPP Note") pursuant to the Paycheck Protection Program (the "PPP") under the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Subject to the terms of the PPP Note, the PPP Loan bears interest at a fixed rate of 1% per year, with the first ten months of interest deferred, and payable over a term of two to five years. The PPP Loan is unsecured and guaranteed by the Small Business Administration.

The PPP Loan may be used for payroll costs, costs related to certain group health care benefits and insurance premiums, rent payments, utility payments, and also interest payments on any debt obligation that were entered into before February 15, 2020. PPP loan recipients can apply for and be granted forgiveness for all or a portion of the loan granted under the PPP, with such forgiveness to be determined, subject to limitations, based on the use of the loan proceeds for payment of payroll costs and any payments of mortgage interest, rent, and utilities.

GREATER FLINT HEALTH COALITION, INC.
NOTES TO FINANCIAL STATEMENTS

- 8) PAYCHECK PROTECTION PROGRAM LOAN (Continued)
The Coalition incurred costs during the eligible period that resulted in full forgiveness of the loan balance. Pursuant to the guidance under the Debt Topic of the Financial Accounting Standards Board Accounting Standards Codification (ASC) 470, the Company has recorded the loan as a government grant by analogy to International Accounting Standard (IAS) 20, Accounting for Government Grants and Disclosure of Government Assistance. Management elected to record the PPP loan forgiveness in other income under guidance provided by IAS 20.
- 9) SUBSEQUENT EVENTS
Management has evaluated subsequent events through the date of the auditor's opinion, the date on which the financial statements were available to be issued.
- 10) UPCOMING ACCOUNTING STANDARDS
In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which replaces existing leasing rules with a comprehensive lease measurement and recognition standard and expanded disclosure requirements. ASU 2016-02 will require lessees to recognize most leases on their balance sheets as liabilities, with corresponding "right-of-use" assets. For income statement recognition purposes, leases will be classified as either a finance or an operating lease without relying upon the bright-line test under current U.S. GAAP. ASU 2021-05, *Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities*, which was issued in June 2021, revised the effective date for this ASU to annual periods beginning on or after December 15, 2021. The Organization is currently evaluating the impact of adopting the guidance.

GREATER FLINT HEALTH COALITION, INC.
SUMMARY OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency (ies) identified? Yes None reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? Yes No
- Significant deficiency (ies) identified? Yes None reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516 (a)? Yes No

Identification of major programs:

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>
17.258/17.259/17.278	WIOA Cluster

Dollar threshold use to distinguish between type A and type B programs: \$ 750,000.00

Auditee qualified as low-risk auditee? Yes No

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no current year findings.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

There were no current year findings.

STATUS OF PRIOR YEAR FINDINGS

There were no prior year findings.