

Community Action Agency

Jackson, Michigan



Financial Statements
For the Years Ended September 30, 2017 and 2016

Community Action Agency

Financial Statements and Additional Information
For the Years Ended September 30, 2017 and 2016

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INDEPENDENT AUDITORS' REPORT

February 20, 2018

Board of Directors
Community Action Agency
Jackson, Michigan**Report on the Financial Statements**

We have audited the accompanying basic financial statements of *Community Action Agency* (the "Agency"), which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Agency as of September 30, 2017 and 2016, 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.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements of Community Action Agency as a whole. The Schedule of Financial Position by Fund, Schedule of Activities by Fund, and Schedule of Activities for Operations by Program are presented for the purpose of additional analysis and are not a required part of the financial statements. These Schedules have not been subjected to the auditing procedures applied in the audits of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2018, on our consideration of the Agency's internal control over financial reporting and 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 the Agency's internal control over financial reporting and compliance.

Rehmann Lobson LLC

Community Action Agency

Statements of Financial Position

September 30,

<i>Assets</i>	<i>2017</i>	<i>2016</i>
Current assets:		
Cash and cash equivalents	\$ 114,813	\$ 161,918
Restricted cash and cash equivalents	488,528	618,345
Accounts receivable - grants, interest and other	1,000,340	1,294,046
Prepaid expenses	134,537	135,957
Current portion of mortgage receivable	1,500	1,500
Total current assets	1,739,718	2,211,766
Property and equipment:		
Land	295,304	295,304
Buildings and improvements	4,096,383	4,215,163
Fixtures and equipment	562,018	601,819
Vehicles	204,899	146,999
Leasehold improvements	314,745	314,745
Total	5,473,349	5,574,030
Less accumulated depreciation	2,525,445	2,540,478
Property and equipment, net	2,947,904	3,033,552
Beneficial interest in community foundations	93,919	84,670
Other noncurrent assets:		
Mortgage receivable, net of current portion	8,995	10,537
Total assets	\$ 4,790,536	\$ 5,340,525

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

September 30,

<i>Liabilities and Net Assets</i>	<i>2017</i>	<i>2016</i>
Current liabilities:		
Accounts payable	\$ 166,874	\$ 278,744
Accrued interest payable	10,680	11,022
Accrued personnel expenses	807,539	820,490
Advanced program income	723,007	879,605
Current portion of long-term debt	42,220	44,698
Total current liabilities	1,750,320	2,034,559
Noncurrent liabilities:		
Long-term debt, net of current portion	1,051,270	1,093,492
Total liabilities	2,801,590	3,128,051
Net assets:		
Unrestricted		
Investment in property and equipment	1,483,535	1,709,485
Undesignated	505,411	502,989
Total unrestricted	1,988,946	2,212,474
Total net assets	1,988,946	2,212,474
Total liabilities and net assets	\$ 4,790,536	\$ 5,340,525

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

Community Action Agency

Statements of Activities

For the Years Ended September 30,

	<u>2017</u>	<u>2016</u>
Change in unrestricted net assets:		
Support and revenue:		
Program revenue	\$ 13,786,915	\$ 14,760,822
Contributions	144,059	244,082
Contributed services, facilities, and materials	997,775	674,714
Fees and services	74,885	65,283
Investment income	9,471	6,337
Other	50,897	62,835
Total support and revenue - unrestricted	15,064,002	15,814,073
Expenses:		
Program services:		
Community development	848,001	624,028
Housing services	2,678,073	3,352,666
Health and nutrition	556,558	657,799
Education	9,200,263	9,400,260
Administrative and general	1,843,223	1,915,562
Total expenses - unrestricted	15,126,118	15,950,315
Excess (Deficiency) of Support and Revenue	(62,116)	(136,242)
Net gain (loss) on disposal of property and equipment	(161,412)	(11,472)
Change in unrestricted net assets	(223,528)	(147,714)
Net assets - beginning of period	2,212,474	2,360,188
Net assets - end of period	\$ 1,988,946	\$ 2,212,474

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

Community Action Agency

Statements of Cash Flows

For the Years Ended September 30,

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	(\$ 223,528)	(\$ 147,714)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	202,339	183,470
(Gain) Loss on disposal of property	161,412	11,472
Change in value of assets held by community foundations	(9,249)	(5,479)
Changes in operating assets and liabilities:		
Accounts receivable - grants, interest and other	293,706	145,563
Prepaid expenses	1,420	(101,068)
Accounts payable	(111,870)	(72,327)
Accrued interest payable	(342)	(327)
Accrued personnel expenses	(12,951)	95,152
Advanced program income	(156,598)	(111,115)
Net Cash Provided (Used) in Operating Activities	144,339	(2,373)
Cash flows from investing activities:		
Restricted cash	129,817	130,456
Acquisition of property and equipment	(278,103)	(71,188)
Sale of assets held for resale	0	61,550
Revolving loans reserve distributed to applicable Counties	0	(13,674)
Collections net of loan increase on mortgage receivable	1,542	1,212
Net Cash Provided (Used) in Investing Activities	(146,744)	108,356
Cash flows used in financing activities:		
Payments on long-term debt	(44,700)	(42,087)
Net increase (decrease) in cash and cash equivalents	(47,105)	63,896
Cash and cash equivalents - beginning of period	161,918	98,022
Cash and cash equivalents - end of period	\$ 114,813	\$ 161,918
Supplemental other cash activity:		
Interest paid and expensed	\$ 59,324	\$ 49,256
Supplemental non-cash activity:		
Revolving loans forgiven	\$ 22,016	\$ 8,611

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

Community Action Agency

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies

The summary of significant accounting policies of Community Action Agency (the “Agency”) is presented to assist in understanding the Agency’s financial statements. The financial statements and notes are representations of the Agency’s management, who is responsible for their integrity and objectivity. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

Nature of Operations

The Agency was established to focus available resources on enabling low-income families and individuals in Jackson, Lenawee, and Hillsdale counties to attain skills, knowledge, and motivations and to secure opportunities needed to become fully self-sufficient. The Agency provides services, instructions, and programs to further this mission.

The Agency receives funds primarily in the form of grants from federal, state, and local governmental agencies. Grants are applied for annually and management anticipates subsequent grants to be renewed at current levels. Approximately 54% for the year ended September 30, 2017 and 50% for the year ended September 30, 2016 of the Agency’s funding is received under a federal Head Start/Early Head Start grant.

Basis of Accounting

These statements have been prepared on the accrual basis of accounting.

Contributed Support

The Agency reports grants received from foundations and corporations as restricted contributions if they are received with donor stipulations that limit the use of the contributed assets. When a donor restriction expires, that is, when the purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If a donation restriction is satisfied in the year of donation, the donation is recorded as an unrestricted contribution.

Contributed Services, Facilities, and Materials

Some of the Agency’s operations are located in various buildings owned by others. If rent is charged, it is typically at a reduced rate. The difference between the fair market value and the rent charged is classified as contributed facilities. Various materials have been donated by individuals and local businesses that have been reported at their fair market value.

These values are reflected in the accompanying financial statements as both support and expense.

Community Action Agency

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Contributed Services, Facilities, and Materials (Continued)

Volunteers provide assistance to the Agency on its program and support activities. Contributed professional services requiring a specialized skill were provided to the following programs as summarized below. The Agency assigns values to these services based on similar occupations within the community.

	<u>2017</u>	<u>2016</u>
Head Start	\$ 648,503	\$ 134,552
Early Head Start	349,272	540,162
<u>Total</u>	<u>\$ 997,775</u>	<u>\$ 674,714</u>

Program Revenue

The Agency reports grants received from governmental agencies as operating support if the grants are received with stipulations that specify the method of delivery of services to third-party recipients or that the grants are received in exchange for specified or specific benefits. Amounts received, but not yet earned, are reported as advanced program income. Amounts earned, but not yet received, are reported as accounts receivable. No provision for uncollectible amounts has been recorded inasmuch as management expects all amounts billed by the Agency will be received.

Property, Equipment, and Depreciation

Property and equipment assets acquired by the Agency are stated at cost. Included in such assets are assets purchased with grant funds and in which the grantor retains a reversionary interest. Expenses, which represent additions or betterments, are capitalized. Expenses for maintenance and repairs are charged directly to operations at the time the expense is incurred. Management annually reviews these assets to determine whether carrying values have been impaired.

Depreciation is provided using the straight-line method over the estimated useful lives of the respective assets, which range from 5 to 40 years. The Agency considers property and equipment to be items with a cost of \$5,000 or more and a useful life of over one year.

Functional Allocation of Expenses

The costs of provision of programs and the administration of the Agency have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Community Action Agency

Notes to Financial Statements

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

Income Taxes

The Agency is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from similar state and local taxes. Although the Agency was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to “unrelated business taxable income.”

Use of Estimates

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

Cost Allocation

The Agency accumulates administrative costs in an indirect cost pool and allocates these costs to programs based on each program’s total direct salaries and wages including all fringe benefits. Administrative costs are those costs incurred for the common benefit of all Agency programs that cannot be readily identified with a final cost objective. This plan has been approved by the Department of Health and Human Services. The approved final rate for the year ended September 30, 2016 was 14.9% and the provisional rate for the year ended September 30, 2017 was 14.9%.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Agency considers all certificates of deposit and short-term investments purchased with a maturity date of three months or less to be cash equivalents.

Restricted Cash

The Agency had restricted cash as of September 30, 2017 and 2016 of \$488,528 and \$618,345, respectively. The Independence Demonstration Grant programs had restricted cash as of September 30, 2017 and 2016 in the amount of \$412,722 and \$550,076, respectively, which is used to match funds deposited by participants into their individual development accounts which are the participant’s bank accounts and are not reflected in these financial statements. The Agency runs a Partners in Transportation program that provides transportation assistance to low-income clients for which there was restricted cash as of September 30, 2017 and 2016 in the amount of \$10,087 and \$10,082, respectively. The Agency constructed a facility in Hillsdale County funded in part by a United States Department of Agriculture (USDA) loan in the amount of \$1,100,000 which required the establishment of a Replacement and Repair Reserve Account which had a balance at September 30, 2017 and 2016 in the amount of \$65,719 and \$58,187, respectively.

Community Action Agency

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Continued)

Fair Value Measurements

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants in the market in which the reporting entity transacts such sales or transfers based on the assumptions market participants would use when pricing an asset or liability. Assumptions are developed based on prioritizing information within a fair value hierarchy that gives the highest priority to quoted prices in active markets (Level 1) and the lowest priority to unobservable data (Level 3).

A description of each category in the fair value hierarchy is as follows:

Level 1: Valuation is based upon quoted prices for identical instruments traded in active markets.

Level 2: Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.

Level 3: Valuation is generated from model-based techniques that use at least one significant assumption not observable in the market. These unobservable assumptions reflect the estimates of assumptions that market participants would use in pricing the asset or liability.

For a further discussion of Fair Value Measurements, refer to Note 2 to the financial statements.

Income Tax Uncertain Tax Positions

The Agency analyzes its income tax filing positions in the federal and state jurisdictions where it is required to file income tax returns, as well as all open tax years in these jurisdictions, to identify potential uncertain tax positions. The Agency treats interest and penalties attributable to income taxes, and reflects any charges for such, to the extent they arise, as a component of its supporting services expenses. The Agency has evaluated its income tax filing positions for fiscal years 2013 through 2017, the years which remain subject to examination as of September 30, 2017. The Agency concluded that there are no significant uncertain tax positions requiring recognition in the Agency's financial statements. The Agency does not expect the total amount of unrecognized tax benefits ("UTB") (e.g. tax deductions, exclusions, or credits claimed or expected to be claimed) to significantly change in the next twelve months. The Agency does not have any amounts accrued for interest and penalties related to UTBs at September 30, 2017 or 2016, and is not aware of any claims for such amounts by federal or state income tax authorities.

Reclassifications

Certain amounts as reported in the 2016 financial statements have been reclassified to conform with the 2017 presentation.

Community Action Agency

Notes to Financial Statements

Note 1 Summary of Significant Accounting Policies (Concluded)

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to September 30, 2017, the most recent statement of financial position presented herein, through February 20, 2018, the date these financial statements were available to be issued.

Note 2 Beneficial Interest in Community Foundations

The Agency utilizes fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. The beneficial interest in community foundations is recorded at fair value on a recurring basis.

Following is a description of the valuation methodologies and key inputs used to measure the beneficial interest in community foundations recorded at fair value. The asset description includes an indication of the level of the fair value hierarchy in which the assets are classified.

Beneficial Interest in Community Foundations: The underlying assets cannot be liquidated or redeemed by the Agency. As such, no quoted prices or active market are available for this asset and this asset is classified as Level 3. As a practical expedient, the carrying value of this asset is equal to the fair value of the total investments held in the community foundation, as determined by the community foundation.

The preceding methods described may produce a fair value calculation that may not be reflective of future fair values. Furthermore, although the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth the summary of changes in the fair value of the Agency's beneficial interest in community foundations (level 3 assets):

	Jackson	Lenawee	Hillsdale	Total
Balance, October 1, 2015	\$ 36,845	\$ 24,636	\$ 17,710	\$ 79,191
Realized and unrealized gain (loss)	1,972	1,681	1,826	5,479
Balance, September 30, 2016	\$ 38,817	\$ 26,317	\$ 19,536	\$ 84,670
Realized and unrealized gain (loss)	3,935	2,964	2,350	9,249
Balance, September 30, 2017	\$ 42,752	\$ 29,281	\$ 21,886	\$ 93,919

Community Action Agency

Notes to Financial Statements

Note 3 Revolving Loan Program

The Agency operates a CDBG revolving loan program as the third party administrator for Jackson, Lenawee and Hillsdale Counties, which provides assistance to income eligible participants for housing rehabilitation. Assistance is expensed to the appropriate grant award when the assistance is provided and a lien is placed on the property by the appropriate County. The majority of CDBG loans require no debt payments and defers repayment until the home is sold or title of the home transfers. As the third party administrator, the Agency collects proceeds from loan repayments on behalf of the appropriate County to be re-loaned in accordance with the terms of the original grant. Loan repayments, in the form of restricted cash, were held by the County of Jackson, Lenawee and Hillsdale in the amounts of \$135,702, \$89,954 and \$45,010, respectively.

The Revolving loan balances of each respective County are as follows:

	Balance 09/30/17	Balance 09/30/16
County of Jackson	\$ 970,316	\$ 1,039,094
County of Lenawee	1,492,267	1,514,284
County of Hillsdale	647,604	648,269
<u>Revolving Loans Total</u>	<u>\$ 3,110,187</u>	<u>\$ 3,201,647</u>

Note 4 Mortgage Receivable

The Agency received a grant from the U.S. Department of Housing and Urban Development (HUD) and the Michigan State Housing Development Authority (MSHDA) to purchase and rehab a dwelling to be used for transitional housing of low-income individuals. The Agency transferred \$89,910 of these grant funds to Aware, Inc. to purchase a home and took a twenty-five year mortgage on the home, which bears no interest and has no payments due as long as HUD and MSHDA program regulations are followed. The mortgage was to be forgiven January 2, 2027. In October 2015, Aware, Inc. transferred ownership of the home to the Agency and the mortgage was forgiven. The Agency will operate housing programs at this location following HUD and MSHDA program regulations through the required period.

The Agency purchased a house that was later sold to an outside party on a mortgage which bears interest at a rate of 6%, had an initial value of \$7,210 and a maturity date of November 1, 2015, at which time any remaining balance is payable in full. As the outside party was unable to repay the remaining balance in full, the Agency executed a new mortgage with the outside party on December 31, 2016 which has an initial balance of \$11,336, maturity date of December 25, 2026, and charges no interest. The mortgage has a balance as of September 30, 2017 and 2016 of \$10,495 and \$12,037, respectively, including an escrow balance of \$0 and \$4,892, respectively. The mortgagor is currently making timely monthly payments.

Community Action Agency

Notes to Financial Statements

Note 5 Long-Term Debt

Long-term debt at September 30, 2017 and 2016 consists of the following:

	<u>2017</u>	<u>2016</u>
Note Payable – 2013 Ford Edge – payable in monthly installments of \$518 with no interest charged, final payment January 2018.	\$ 2,032	\$ 8,252
Mortgage payable – collateralized by building and land, with interest at 5.05% per annum, payable in monthly installments of \$1,774, including interest, with a final payment due in April 2021.	208,041	218,387
Mortgage payable – loaned through the United States Department of Agriculture, collateralized by building and land, with interest at 4.125% per annum, payable in yearly installments of \$65,736, including interest, with a final payment due in June 2037.	883,417	911,551
	<u>1,093,490</u>	<u>1,138,190</u>
<u>Current portion</u>	<u>(42,220)</u>	<u>(44,698)</u>
<u>Net long-term debt</u>	<u>\$1,051,270</u>	<u>\$1,093,492</u>

The principal payments required at September 30, 2017, during the succeeding years, are as follows:

2018	\$ 42,220
2019	41,965
2020	43,799
2021	206,723
2022	34,436
Thereafter	724,347
<u>Total</u>	<u>\$1,093,490</u>

Note 6 Leases

The Agency rents a number of facilities for Head Start classrooms. These facilities are rented on an annual basis. The Agency is responsible for all the minor repairs, maintenance, and utilities of some of these facilities. Rent expense for the years ending September 30, 2017 and 2016 was \$200,975 and \$157,709, respectively. The Agency also leases office equipment under noncancelable operating leases expiring at various times through December 2022. Expenses for equipment leases for the years ending September 30, 2017 and 2016 were \$46,560 and \$46,560, respectively.

Community Action Agency

Notes to Financial Statements

Note 6 Leases (Concluded)

Future minimum lease payments are as follows:

Years Ended September 30	Building Leases	Equipment Leases	Total
2018	\$ 0	\$ 43,680	\$ 43,680
2019	0	42,720	42,720
2020	0	42,720	42,720
2021	0	42,720	42,720
2022	0	10,680	10,680
Totals	\$ 0	\$ 182,520	\$ 182,520

Note 7 Retirement Plan

The Agency has a defined contribution retirement plan authorized under Section 403(b) of the Internal Revenue Code. The plan is open to all employees who have been employed by the Agency for six months and are at least 18 years of age. The Agency's contributions vest as follows:

Years of Service	Vesting Percentage
One	0%
Two	0%
Three	100%

The Agency contributes 4% plus a match of up to 4% of each employee's contribution made on covered wages. The Agency's employer contribution was \$379,004 and \$381,308 for the years ended September 30, 2017 and 2016, respectively.

Note 8 Contingencies

The Agency receives a substantial amount of its support from federal, state, and local governments. A significant reduction in the level of this support, if it were to occur, may have a negative effect on the Agency's programs and activities.

Federal, state, and local government grants received by the Agency are subject to audit and adjustment by grantor agencies. If grant revenue is received for expenses, which are subsequently disallowed, the Agency may be required to repay the revenue. In the opinion of management of the Agency, liabilities resulting from such disallowed expenses, if any, will not be material to the financial statements.

Community Action Agency

Notes to Financial Statements

Note 8 **Contingencies (Concluded)**

The Agency received a grant in fiscal year 2002 from the HUD and MSHDA to purchase and renovate three houses as part of the Garfield Square Development. The Agency loaned \$89,910 of grant funds to Aware, Inc. to purchase one of the homes. As described in Note 4, in October 2016 Aware, Inc. transferred ownership of the home to the Agency and the mortgage was forgiven. The other two houses were purchased by the Agency for \$134,393. According to the terms of the grant, the Agency must comply with HUD and MSHDA guidelines until January 2, 2024. Should the Agency or Aware, Inc. fail to adhere to HUD and MSHDA grant terms, the Agency would have to re-pay HUD and MSHDA.

The Agency received a grant in fiscal year 2005 from HUD and MSHDA to purchase and renovate two houses as part of the Partnership Park Acquisition and rehab Grant. The two houses were purchased and renovated for a total cost of \$387,821 of which \$384,000 was paid for equally by the two grantors. The Agency was required to comply with the MSHDA grant guidelines until March 14, 2015. According to the terms of the HUD grant, the Agency must comply with its guidelines until March 14, 2025. Should the Agency fail to adhere to the HUD grant terms through March 14, 2015 the Agency would have to re-pay the full amount of the acquisition and rehab (\$192,000) to HUD. Beginning March 14, 2016, HUD is reducing the percentage of the amount required to be repaid by 10% each year until March 14, 2025.

Community Action Agency

Schedule A-1

Schedule of Financial Position by Fund

As of September 30,

<i>Assets</i>				
	Operations	Property and Equipment	2017 Totals	2016 Totals
Current assets:				
Cash and cash equivalents	\$ 475,012	(\$ 360,199)	\$ 114,813	\$ 161,918
Restricted cash and cash equivalents	488,528	0	488,528	618,345
Accounts receivable - grants, interest, and other	1,000,340	0	1,000,340	1,294,046
Prepaid expenses	134,537	0	134,537	135,957
Mortgage receivable	1,500	0	1,500	1,500
Total current assets	2,099,917	(360,199)	1,739,718	2,211,766
Property and equipment:				
Land	0	295,304	295,304	295,304
Buildings and improvements	0	4,096,383	4,096,383	4,215,163
Fixtures and equipment	0	562,018	562,018	601,819
Vehicles	0	204,899	204,899	146,999
Leasehold improvements	0	314,745	314,745	314,745
Total	0	5,473,349	5,473,349	5,574,030
Less accumulated depreciation	0	2,525,445	2,525,445	2,540,478
Property and equipment, net	0	2,947,904	2,947,904	3,033,552
Beneficial interest in community foundations	93,919	0	93,919	84,670
Other noncurrent assets:				
Mortgage receivable	8,995	0	8,995	10,537
Total assets	\$ 2,202,831	\$ 2,587,705	\$ 4,790,536	\$ 5,340,525

Liabilities and Net Assets

	Operations	Property and Equipment	2017 Totals	2016 Totals
Current liabilities:				
Accounts payable	\$ 166,874	\$ 0	\$ 166,874	\$ 278,744
Accrued interest payable	0	10,680	10,680	11,022
Accrued personnel expenses	807,539	0	807,539	820,490
Advanced program income	723,007	0	723,007	879,605
Current portion of long-term debt	0	42,220	42,220	44,698
Total current liabilities	1,697,420	52,900	1,750,320	2,034,559
Noncurrent liabilities:				
Long-term debt, net of current portion	0	1,051,270	1,051,270	1,093,492
Total liabilities	1,697,420	1,104,170	2,801,590	3,128,051
Net assets:				
Unrestricted				
Investment in property and equipment	0	1,483,535	1,483,535	1,709,485
Undesignated	505,411	0	505,411	502,989
Total unrestricted	505,411	1,483,535	1,988,946	2,212,474
Total net assets	505,411	1,483,535	1,988,946	2,212,474
Total liabilities and net assets	\$ 2,202,831	\$ 2,587,705	\$ 4,790,536	\$ 5,340,525

Community Action Agency

Schedule B-1 Schedule of Activities by Fund For the Years Ended September 30,

	Operations	Property and Equipment	2017 Totals	2016 Totals
Change in unrestricted net assets:				
Support and revenue:				
Program revenue	\$ 13,786,915	\$ 0	\$ 13,786,915	\$ 14,760,822
Contributions	144,059	0	144,059	244,082
Contributed services, facilities, and materials	997,775	0	997,775	674,714
Fee for services	74,885	0	74,885	65,283
Investment income	9,440	31	9,471	6,337
Other	42,929	7,968	50,897	62,835
Total support and revenue - unrestricted	15,056,003	7,999	15,064,002	15,814,073
Expenses:				
Program services:				
Community development	837,884	10,117	848,001	624,028
Housing services	2,647,722	30,351	2,678,073	3,352,666
Health and nutrition	538,347	18,211	556,558	657,799
Education	9,076,837	123,426	9,200,263	9,400,260
Administrative and general	1,812,049	31,174	1,843,223	1,915,562
Total expenses - unrestricted	14,912,839	213,279	15,126,118	15,950,315
Excess (Deficiency) of Support and Revenue	143,164	(205,280)	(62,116)	(136,242)
Net gain (loss) on disposal of property and equip.	0	(161,412)	(161,412)	(11,472)
Transfers from property and equipment	(140,742)	140,742	0	0
Change in unrestricted net assets	2,422	(225,950)	(223,528)	(147,714)
Net assets - beginning of period	502,989	1,709,485	2,212,474	2,360,188
Net assets - end of period	\$ 505,411	\$ 1,483,535	\$ 1,988,946	\$ 2,212,474

Community Action Agency

Schedule C-1

Schedule of Activities for Operations by Program
For the Year Ended September 30, 2017

	COMMUNITY DEVELOPMENT						
	Community Service Block Grant	CHDO City of Jackson	Family Self Sufficiency	Community Development Fund	CSBG Discretionary	Jackson U/W Financial Freedom	Partners in Transportation
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
SUPPORT AND REVENUE							
Program revenue	\$ 696,047	\$ 112,101	\$ 16,611	\$ 0	\$ 20,000	\$ 20,117	\$ 0
Contributions	0	0	0	0	0	0	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0
Fees and services	0	13,500	0	0	0	0	0
Investment income	0	0	0	0	0	0	6
Other	0	0	0	15,260	0	1,046	0
Total Support and Revenue	696,047	125,601	16,611	15,260	20,000	21,163	6
EXPENSES							
Salaries and Related Benefits							
Salaries and wages	205,220	1,720	6,328	0	6,112	5,670	0
Employee benefits	75,228	790	3,476	0	3,410	2,536	0
Payroll taxes	22,052	236	632	0	598	697	0
Total Salaries and Related Benefits	302,500	2,746	10,436	0	10,120	8,903	0
Professional services	37,856	109,159	175	1,500	451	397	0
Occupancy	28,592	692	4,185	0	871	873	0
Vehicle expenses	0	0	0	0	0	0	0
Repairs and maintenance	69	100	0	5,114	0	0	0
Telephone	3,601	55	120	0	109	605	0
Office expense	6,410	0	81	0	29	189	0
Travel	12,071	14	35	309	110	485	0
Supplies	133	2	4	71	413	34	0
Training	14,997	0	0	0	89	812	0
Client services	0	0	0	2,283	6,300	823	0
Other	2,103	0	20	712	0	6,715	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0
Indirect cost share	45,072	409	1,555	0	1,508	1,327	0
Total Expenses	453,404	113,177	16,611	9,989	20,000	21,163	0
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers							
	242,643	12,424	0	5,271	0	0	6
Net Assets - Unrestricted - October 1, 2016	0	2	0	10,208	0	0	1,146
Operating transfers in (out)	(242,643)	(12,426)	0	12,332	0	0	0
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2017	0	0	0	27,811	0	0	1,152
NET ASSETS - TEMPORARILY RESTRICTED - END OF YEAR							
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Community Action Agency

Schedule C-2

Schedule of Activities for Operations by Program

For the Year Ended September 30, 2017

	COMMUNITY DEVELOPMENT							
	Migrant Services (8)	IDAs-OLHSA (9)	IDA's Regional Coordination (10)	IDA - T/ TA (11)	IRS VITA Tax Program (12)	Jackson U/W VITA (13)	IDA AFI - 6 (14)	IDA AFI - 7 (15)
SUPPORT AND REVENUE								
Program revenue	\$ 0	\$ 46,608	\$ 980	\$ 9,930	\$ 100,727	\$ 13,552	\$ 110,924	\$ 9,628
Contributions	0	0	0	0	0	0	0	0
Contributed services, facilities, and materials	0	0	0	0	100,000	0	0	0
Fees and services	0	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	185	0
Other	0	0	0	0	0	0	0	0
Total Support and Revenue	0	46,608	980	9,930	200,727	13,552	111,109	9,628
EXPENSES								
Salaries and Related Benefits								
Salaries and wages	0	20,706	0	0	38,772	7,365	0	6,454
Employee benefits	0	8,580	29	0	18,620	1,106	0	2,475
Payroll taxes	0	2,157	0	0	4,215	953	0	699
Total Salaries and Related Benefits	0	31,443	29	0	61,607	9,424	0	9,628
Professional services	4,201	6,883	0	0	10,246	179	0	140
Occupancy	0	3,283	0	0	10,182	900	185	928
Vehicle expenses	0	0	0	0	0	0	0	0
Repairs and maintenance	0	0	0	0	25	0	0	0
Telephone	0	314	0	0	806	1,338	0	45
Office expense	364	0	219	0	4,428	0	0	0
Travel	596	0	186	0	1,147	0	0	0
Supplies	58	0	0	9,930	2,394	4	0	3
Training	97	0	86	0	3	303	0	0
Client services	1,796	0	0	0	0	0	110,924	0
Other	0	0	456	0	710	0	0	0
Contributed services, facilities, and materials	0	0	0	0	100,000	0	0	0
Indirect cost share	0	4,685	4	0	9,179	1,404	0	1,435
Total Expenses	7,112	46,608	980	9,930	200,727	13,552	111,109	12,179
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	(7,112)	0	0	0	0	0	0	(2,551)
Net Assets - Unrestricted - October 1, 2016	0	0	0	0	0	0	0	0
Operating transfers in (out)	7,112	0	0	0	0	0	0	2,551
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2017	0	0	0	0	0	0	0	0
NET ASSETS - TEMPORARILY RESTRICTED - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Community Action Agency

Schedule C-3

Schedule of Activities for Operations by Program
For the Year Ended September 30, 2017

	COMMUNITY DEVELOPMENT		HOUSING SERVICES					
	IDA AFI - 8 (16)	Total Community Development	FEMA/EFSP (17)	MCAA/MPSC Energy Assistance (18)	Rapid Rehousing Program (19)	COC Planning Project Jackson (20)	Permanent Supportive Housing III (21)	PSH-SSO Supportive Service (22)
SUPPORT AND REVENUE								
Program revenue	\$ 5,640	\$ 1,162,865	\$ 5,891	\$ 213,300	\$ 54,250	\$ 26,080	\$ 53,188	\$ 99,417
Contributions	0	0	0	0	0	0	0	0
Contributed services, facilities, and materials	0	100,000	0	0	0	0	0	0
Fees and services	0	13,500	0	52,630	0	0	0	0
Investment income	0	191	0	0	0	0	0	0
Other	0	16,306	0	0	0	0	0	0
Total Support and Revenue	5,640	1,292,862	5,891	265,930	54,250	26,080	53,188	99,417
EXPENSES								
Salaries and Related Benefits								
Salaries and wages	4,108	302,455	0	29,924	11,463	0	15,459	59,985
Employee benefits	1,128	117,378	0	7,028	6,264	0	6,389	24,615
Payroll taxes	404	32,643	0	3,303	967	0	1,395	5,641
Total Salaries and Related Benefits	5,640	452,476	0	40,255	18,694	0	23,243	90,241
Professional services	81	171,268	0	842	636	26,065	2,399	0
Occupancy	420	51,111	0	4,435	2,693	0	4,927	0
Vehicle expenses	0	0	0	0	0	0	0	0
Repairs and maintenance	0	5,308	0	0	0	0	0	0
Telephone	38	7,031	0	472	709	0	1,041	962
Office expense	0	11,720	0	49	447	0	559	0
Travel	0	14,953	0	429	553	0	188	939
Supplies	2	13,048	0	85	0	0	9	0
Training	0	16,387	0	0	0	15	110	0
Client services	0	122,126	5,891	213,300	31,876	0	25,584	0
Other	0	10,716	0	65	0	0	0	0
Contributed services, facilities, and materials	0	100,000	0	0	0	0	0	0
Indirect cost share	840	67,418	0	5,998	2,785	0	3,463	13,446
Total Expenses	7,021	1,043,562	5,891	265,930	58,393	26,080	61,523	105,588
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	(1,381)	249,300	0	0	(4,143)	0	(8,335)	(6,171)
Net Assets - Unrestricted - October 1, 2016	0	11,356	0	0	0	0	0	0
Operating transfers in (out)	1,381	(231,693)	0	0	4,143	0	8,335	6,171
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2017	0	28,963	0	0	0	0	0	0
NET ASSETS - TEMPORARILY RESTRICTED - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Community Action Agency

Schedule C-4

Schedule of Activities for Operations by Program
For the Year Ended September 30, 2017

	HOUSING SERVICES							
	Mechanic PP Permanent Housing (23)	Permanent Supportive Housing I (24)	Permanent Supportive Housing II (25)	Weatherization (26)	Weatherization Initiatives (27)	HUD-Jackson Housing Commission (28)	Homeless MIS (29)	Homeless MIS Hillsdale (30)
SUPPORT AND REVENUE								
Program revenue	\$ 64,733	\$ 43,628	\$ 43,628	\$ 45,511	\$ 0	\$ 18,748	\$ 53,837	\$ 3,157
Contributions	0	0	0	0	0	0	0	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Fees and services	0	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	0	0
Other	1,809	0	0	0	0	13,750	0	0
Total Support and Revenue	66,542	43,628	43,628	45,511	0	32,498	53,837	3,157
EXPENSES								
Salaries and Related Benefits								
Salaries and wages	15,399	9,350	7,148	22,558	0	20,311	29,101	2,071
Employee benefits	6,462	2,015	4,273	10,482	0	5,080	5,808	557
Payroll taxes	1,784	1,574	930	2,427	0	1,642	3,241	120
Total Salaries and Related Benefits	23,645	12,939	12,351	35,467	0	27,033	38,150	2,748
Professional services	564	66	162	662	0	128	773	0
Occupancy	20,988	1,191	2,833	2,567	3,704	1,163	4,521	0
Vehicle expenses	0	0	0	0	0	0	0	0
Repairs and maintenance	19,560	0	0	0	4,078	0	0	0
Telephone	706	144	1,180	608	0	146	3,261	0
Office expense	390	108	39	477	0	0	917	0
Travel	175	254	463	432	0	0	3	0
Supplies	48	222	3	13	0	0	2,174	0
Training	200	0	900	0	0	0	0	0
Client services	0	28,407	28,854	0	6,417	0	0	0
Other	3,368	0	0	0	0	0	0	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Indirect cost share	3,523	1,928	1,840	5,285	0	4,028	5,684	409
Total Expenses	73,167	45,259	48,625	45,511	14,199	32,498	55,483	3,157
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	(6,625)	(1,631)	(4,997)	0	(14,199)	0	(1,646)	0
Net Assets - Unrestricted - October 1, 2016	0	0	0	0	0	0	0	0
Operating transfers in (out)	6,625	1,631	4,997	0	0	0	1,646	0
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2017	0	0	0	0	(14,199)	0	0	0
NET ASSETS - TEMPORARILY RESTRICTED - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Community Action Agency

Schedule C-5

Schedule of Activities for Operations by Program

For the Year Ended September 30, 2017

	HOUSING SERVICES							
	Housing Expansion (31)	Service for Veterans Families (32)	Homeless Veterans Initiatives (33)	MSHDA Emergency Shelter Grant (34)	MSHDA - ESG Hillsdale I (35)	MSHDA - ESG Hillsdale II (36)	Garfield Square Supportive Housing (37)	Home Links/FSS/ Housing (38)
SUPPORT AND REVENUE								
Program revenue	\$ 35,762	\$ 733,604	\$ 16,637	\$ 216,930	\$ 770	\$ 82,192	\$ 100,114	\$ 0
Contributions	0	0	0	0	0	0	0	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Fees and services	0	0	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	1,050	4,802
Total Support and Revenue	35,762	733,604	16,637	216,930	770	82,192	101,164	4,802
EXPENSES								
Salaries and Related Benefits								
Salaries and wages	3,730	224,184	2,185	35,578	0	27,811	21,832	0
Employee benefits	2,487	76,382	677	4,376	0	13,066	12,462	0
Payroll taxes	544	25,666	269	3,904	0	2,595	3,168	0
Total Salaries and Related Benefits	6,761	326,232	3,131	43,858	0	43,472	37,462	0
Professional services	1,708	55,001	29	42,152	0	776	7,942	0
Occupancy	238	36,667	301	5,270	0	19,756	12,177	0
Vehicle expenses	0	0	0	0	0	0	0	0
Repairs and maintenance	0	0	0	0	0	3,052	5,304	0
Telephone	0	7,073	59	1,192	0	3,213	957	6
Office expense	241	10,031	0	748	0	73	850	0
Travel	14	26,455	0	5	0	0	242	0
Supplies	11	1,444	1	23	0	43	488	0
Training	570	3,336	0	0	0	0	0	0
Client services	27,493	232,000	12,649	117,800	770	10,246	51,271	0
Other	0	225	0	0	0	0	104	1,225
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Indirect cost share	1,007	48,609	467	6,535	0	6,477	5,582	0
Total Expenses	38,043	747,073	16,637	217,583	770	87,108	122,379	1,231
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	(2,281)	(13,469)	0	(653)	0	(4,916)	(21,215)	3,571
Net Assets - Unrestricted - October 1, 2016	0	0	0	0	0	0	0	19,981
Operating transfers in (out)	2,281	13,469	0	653	0	4,916	21,215	(4,322)
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2017	0	0	0	0	0	0	0	19,230
NET ASSETS - TEMPORARILY RESTRICTED - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Community Action Agency

Schedule C-6

Schedule of Activities for Operations by Program
For the Year Ended September 30, 2017

HOUSING SERVICES

	Housing Education Program (39)	CDBG Lenawee (40)	NSP - Leoni Township (41)	HUD Housing Counseling (42)	Getting Ahead Program (43)	CASS (44)	Heat a Home (45)	Unmet Needs (46)
SUPPORT AND REVENUE								
Program revenue	\$ 32,370	\$ 181,894	\$ 95,619	\$ 36,642	\$ 19,110	\$ 73,846	\$ 43,226	\$ 8,083
Contributions	0	0	0	0	3,075	0	94,222	2,253
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Fees and services	0	0	0	0	0	0	8,529	0
Investment income	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	608	0	110
Total Support and Revenue	32,370	181,894	95,619	36,642	22,185	74,454	145,977	10,446
EXPENSES								
Salaries and Related Benefits								
Salaries and wages	14,012	27,622	4,211	13,420	5,004	21,377	0	0
Employee benefits	6,577	12,073	867	6,127	2,121	10,277	0	0
Payroll taxes	1,435	2,716	409	1,375	411	2,100	0	0
Total Salaries and Related Benefits	22,024	42,411	5,487	20,922	7,536	33,754	0	0
Professional services	377	4,277	0	389	1,430	2,733	0	100
Occupancy	3,406	3,078	0	4,768	482	6,379	0	350
Vehicle expenses	0	0	0	0	0	0	0	0
Repairs and maintenance	0	123,381	89,769	0	0	0	0	0
Telephone	290	488	3	244	72	276	0	45
Office expense	1,175	309	5	3,701	23	343	23	105
Travel	3,922	1,447	0	1,722	27	1,202	0	38
Supplies	7	121	0	51	1,243	1,418	50	1,495
Training	754	0	0	270	624	2,251	0	0
Client services	0	0	0	0	9,625	20,532	139,511	8,313
Other	1,455	63	40	1,458	0	536	60	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Indirect cost share	3,282	6,319	818	3,117	1,123	5,030	0	0
Total Expenses	36,692	181,894	96,122	36,642	22,185	74,454	139,644	10,446
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	(4,322)	0	(503)	0	0	0	6,333	0
Net Assets - Unrestricted - October 1, 2016	0	0	0	0	0	0	0	0
Operating transfers in (out)	4,322	0	503	0	0	0	(6,333)	0
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2017	0	0	0	0	0	0	0	0
NET ASSETS - TEMPORARILY RESTRICTED - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Community Action Agency

Schedule C-7

Schedule of Activities for Operations by Program
For the Year Ended September 30, 2017

	HOUSING SERVICES			HEALTH AND NUTRITION				Total Health and Nutrition
	HCCF Grant (47)	LIHEAP LCA (48)	Total Housing Services	Warm the Children (49)	Child Obesity Prevention MSU (50)	Lenawee WIC (51)	MAXIMUS MCAA (52)	
SUPPORT AND REVENUE								
Program revenue	\$ 1,890	\$ 230,292	\$ 2,634,349	\$ 0	\$ 34,606	\$ 431,294	\$ 119,599	\$ 585,499
Contributions	1,340	0	100,890	41,500	0	0	0	41,500
Contributed services, facilities, and materials	0	0	0	0	0	1,166,490	0	1,166,490
Fees and services	0	0	61,159	0	0	0	0	0
Investment income	0	0	0	0	0	0	0	0
Other	0	0	22,129	0	0	1,696	0	1,696
Total Support and Revenue	3,230	230,292	2,818,527	41,500	34,606	1,599,480	119,599	1,795,185
EXPENSES								
Salaries and Related Benefits								
Salaries and wages	0	21,318	645,053	0	9,524	226,070	57,337	292,931
Employee benefits	0	6,709	233,174	0	2,147	52,868	16,970	71,985
Payroll taxes	0	1,977	69,593	0	1,706	28,228	6,206	36,140
Total Salaries and Related Benefits	0	30,004	947,820	0	13,377	307,166	80,513	401,056
Professional services	0	615	149,826	0	0	42,685	1,398	44,083
Occupancy	0	3,453	145,347	0	5,400	53,623	12,202	71,225
Vehicle expenses	0	0	0	0	0	0	0	0
Repairs and maintenance	0	0	245,144	0	290	1,721	0	2,011
Telephone	0	333	23,480	0	0	2,794	1,205	3,999
Office expense	0	140	20,753	0	0	4,212	12,248	16,460
Travel	0	34	38,544	0	255	4,477	0	4,732
Supplies	0	10	8,959	0	564	5,567	37	6,168
Training	0	0	9,030	0	90	1,935	0	2,025
Client services	3,230	191,232	1,165,001	41,500	12,637	0	0	54,137
Other	0	0	8,599	0	0	1,320	0	1,320
Contributed services, facilities, and materials	0	0	0	0	0	1,166,490	0	1,166,490
Indirect cost share	0	4,471	141,226	0	1,993	45,768	11,996	59,757
Total Expenses	3,230	230,292	2,903,729	41,500	34,606	1,637,758	119,599	1,833,463
Excess (Deficiency) of Support and Revenue								
Over Expenses Before Transfers	0	0	(85,202)	0	0	(38,278)	0	(38,278)
Net Assets - Unrestricted - October 1, 2016	0	0	19,981	0	0	0	0	0
Operating transfers in (out)	0	0	70,252	0	0	38,278	0	38,278
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2017	0	0	5,031	0	0	0	0	0
NET ASSETS - TEMPORARILY RESTRICTED -								
END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Community Action Agency

Schedule C-8

Schedule of Activities for Operations by Program
For the Year Ended September 30, 2017

	EDUCATION						Total Program Services
	Head Start (53)	Early Head Start (54)	Great Start School Readiness Hillsdale (55)	Great Start School Readiness Jackson (56)	Least Literate (57)	Total Education	
SUPPORT AND REVENUE							
Program revenue	\$ 5,968,497	\$ 2,193,129	\$ 464,225	\$ 708,547	\$ 69,804	\$ 9,404,202	\$ 13,786,915
Contributions	0	0	0	0	0	0	142,390
Contributed services, facilities, and materials	1,778,175	785,219	0	0	0	2,563,394	3,829,884
Fees and services	150	60	8	8	0	226	74,885
Investment income	0	0	0	0	0	0	191
Other	602	0	0	4	0	606	40,737
Total Support and Revenue	7,747,424	2,978,408	464,233	708,559	69,804	11,968,428	17,875,002
EXPENSES							
Salaries and Related Benefits							
Salaries and wages	2,566,575	1,059,025	222,772	328,064	0	4,176,436	5,416,875
Employee benefits	1,027,591	385,279	79,124	121,332	0	1,613,326	2,035,863
Payroll taxes	326,286	110,383	31,548	43,759	0	511,976	650,352
Total Salaries and Related Benefits	3,920,452	1,554,687	333,444	493,155	0	6,301,738	8,103,090
Professional services	636,450	39,431	68,948	148,280	69,804	962,913	1,328,090
Occupancy	374,425	116,990	11,633	40,831	0	543,879	811,562
Vehicle expenses	5,125	10,462	0	0	0	15,587	15,587
Repairs and maintenance	28,197	14,116	5,100	2,620	0	50,033	302,496
Telephone	52,802	29,212	5,100	1,581	0	88,695	123,205
Office expense	48,987	14,861	6,494	6,746	0	77,088	126,021
Travel	40,204	42,471	316	81	0	83,072	141,301
Supplies	153,440	29,655	26,247	7,285	0	216,627	244,802
Training	66,807	37,958	1,421	3,803	0	109,989	137,431
Client services	23,100	20,600	1,733	2,192	0	47,625	1,388,889
Other	35,113	7,698	3,797	1,985	0	48,593	69,228
Contributed services, facilities, and materials	1,778,175	785,219	0	0	0	2,563,394	3,829,884
Indirect cost share	584,147	231,648	49,683	73,480	0	938,958	1,207,359
Total Expenses	7,747,424	2,935,008	513,916	782,039	69,804	12,048,191	17,828,945
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	0	43,400	(49,683)	(73,480)	0	(79,763)	46,057
Net Assets - Unrestricted - October 1, 2016	0	0	0	0	0	0	31,337
Operating transfers in (out)	0	0	49,683	73,480	0	123,163	0
Transfers from (to) property and equipment fund (general admin.)	0	(43,400)	0	0	0	(43,400)	(43,400)
Net Assets - Unrestricted - September 30, 2017	0	0	0	0	0	0	33,994
NET ASSETS - TEMPORARILY RESTRICTED - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Community Action Agency

Schedule C-9

Schedule of Activities for Operations by Program

For the Year Ended September 30, 2017

	ADMINISTRATION					Grand Total	Eliminations	2017 Operations Total	2016 Operations Total
	General Admin. (58)	Copy Postage Cost Pool (59)	Occupancy Pool (60)	Indirect Cost Pool (61)	Total Administration (61)				
SUPPORT AND REVENUE									
Program revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 13,786,915	\$ 0	\$ 13,786,915	\$ 14,760,822
Contributions	1,669	0	0	0	1,669	144,059	0	144,059	244,082
Contributed services, facilities, and materials	0	0	0	0	0	3,829,884	(2,832,109)	997,775	674,714
Fees and services	0	0	0	1,245,666	1,245,666	1,320,551	(1,245,666)	74,885	65,283
Investment income	9,249	0	0	0	9,249	9,440	0	9,440	6,282
Other	2,192	108,947	656,261	0	767,400	808,137	(765,208)	42,929	56,127
Total Support and Revenue	13,110	108,947	656,261	1,245,666	2,023,984	19,898,986	(4,842,983)	15,056,003	15,807,310
EXPENSES									
Salaries and Related Benefits									
Salaries and wages	0	0	184,684	674,704	859,388	6,276,263	0	6,276,263	6,486,926
Employee benefits	0	0	40,954	164,305	205,259	2,241,122	0	2,241,122	2,392,011
Payroll taxes	0	0	31,455	67,885	99,340	749,692	0	749,692	791,118
Total Salaries and Related Benefits	0	0	257,093	906,894	1,163,987	9,267,077	0	9,267,077	9,670,055
Professional services	118	0	3,497	89,488	93,103	1,421,193	0	1,421,193	1,624,330
Occupancy	0	0	130,238	115,235	245,473	1,057,035	(528,221)	528,814	384,046
Vehicle expenses	3,433	0	3,691	4,494	11,618	27,205	0	27,205	24,750
Repairs and maintenance	0	5,477	92,139	0	97,616	400,112	(97,616)	302,496	541,453
Telephone	0	0	13,213	15,112	28,325	151,530	(13,213)	138,317	143,772
Office expense	0	95,132	7,110	22,809	125,051	251,072	(102,242)	148,830	234,769
Travel	0	0	61	11,998	12,059	153,360	0	153,360	167,141
Supplies	0	8,338	15,578	43,220	67,136	311,938	(23,916)	288,022	427,184
Training	5,000	0	1,512	11,665	18,177	155,608	0	155,608	90,505
Client services	0	0	0	0	0	1,388,889	0	1,388,889	1,632,168
Other	1,189	0	2,696	22,140	26,025	95,253	0	95,253	141,089
Contributed services, facilities, and materials	0	0	0	0	0	3,829,884	(2,832,109)	997,775	674,715
Indirect cost share	0	0	38,307	0	38,307	1,245,666	(1,245,666)	0	0
Total Expenses	9,740	108,947	565,135	1,243,055	1,926,877	19,755,822	(4,842,983)	14,912,839	15,755,977
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	3,370	0	91,126	2,611	97,107	143,164	0	143,164	51,333
Net Assets - Unrestricted - October 1, 2016	438,199	0	0	0	438,199	469,536	0	502,989	546,671
Operating transfers in (out)	0	0	0	0	0	0	0	0	0
Transfers from (to) property and equipment fund (general admin.)	(3,605)	0	(91,126)	(2,611)	(97,342)	(140,742)	0	(140,742)	(95,015)
Net Assets - Unrestricted - September 30, 2017	437,964	0	0	0	437,964	471,958	0	505,411	502,989
NET ASSETS - TEMPORARILY RESTRICTED - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

**INDEPENDENT AUDITORS' REPORT ON THE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

February 20, 2018

Board of Directors
Community Action Agency
Jackson, Michigan

We have audited the financial statements of *Community Action Agency* (the "Agency"), as of and for the year ended September 30, 2017, and the related notes to the financial statements. We have issued our report thereon dated February 20, 2018, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and is not a required part of the basic 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 basic financial statements as a whole.

Rehmann Robson LLC

Community Action Agency

Schedule A-1
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2017

Federal Grantor/Pass Through Agency/Program Title	Grant Period	Federal CFDA Number	Pass Through/ Grantor's Number	Program/ Award Amount	Accrued (Deferred) Revenue 10/01/16	Current Year Cash Payment/ In Kind Received	Federal Expenses		Accrued (Deferred) Revenue 09/30/17
							Prior Year	Current Year	
U. S. DEPARTMENT OF AGRICULTURE									
Passed-Through Michigan State University									
Differing Levels Support for Family Mealtimes on Obesity Prev.in HS	03/15/15 - 03/14/19	10.310	20156800123239	\$ 262,923	\$ 37,069	\$ 66,026	\$ 58,975	\$ 34,606	\$ 5,649
Subtotal 10.310					\$ 37,069	\$ 66,026	\$ 58,975	\$ 34,606	\$ 5,649
Passed-Through Michigan Department of Health & Human Services									
Special Supplemental Food Program for Women, Infants, and Children	10/01/15 - 09/30/16	10.557	20160331-002	379,515	\$ 4,704	\$ 4,704	\$ 379,515	\$ -	\$ -
Special Supplemental Food Program for Women, Infants, and Children-BFFC	10/01/15 - 09/30/16	10.557	20160323-002	42,023	5,269	5,269	42,023	-	-
Special Supplemental Food Program for Women, Infants, and Children	10/01/16 - 09/30/17	10.557	E20172285-001	379,515	-	365,229	-	379,515	14,286
Special Supplemental Food Program for Women, Infants, and Children-BFFC	10/01/16 - 09/30/17	10.557	E20172373-000	46,391	-	43,165	-	46,391	3,226
Subtotal 10.557					\$ 9,973	\$ 418,367	\$ 421,538	\$ 425,906	\$ 17,512
Passed-Through Michigan Department of Education									
Child Care Food Program	10/01/16 - 09/30/17	10.558	38-000-0001A	N/A	\$ 8,031	\$ 74,230	\$ 248,847	\$ 76,892	\$ 10,693
Subtotal 10.558					\$ 8,031	\$ 74,230	\$ 248,847	\$ 76,892	\$ 10,693
Total U.S. Department of Agriculture									
					\$ 55,073	\$ 558,623	\$ 729,360	\$ 537,404	\$ 33,854
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
Direct Programs									
Housing Counseling	04/01/15- 03/31/16	14.169	HC15-0321-011	18,448	\$ -	\$ -	\$ 9,284	\$ -	\$ -
Housing Counseling	10/01/15 - 03/31/17	14.169	HC16-0321-011	27,501	4,437	27,501	4,437	23,064	-
Housing Counseling	10/01/16 - 03/31/18	14.169	HC17-0321-014	31,025	-	-	-	13,578	13,578
Subtotal 14.169					\$ 4,437	\$ 27,501	\$ 13,721	\$ 36,642	\$ 13,578
Passed-Through MEDC Through the County of Lenawee									
Community Development Block Grant	01/01/16 - 12/31/17	14.228	MSC-2015-0797-HOA	354,000	\$ -	\$ 66,334	\$ -	\$ 108,496	\$ 42,162
Passed-Through MEDC Through the County of Hillsdale									
Community Development Block Grant	05/01/14 - 04/30/16	14.228	MSC-2012-0764-HOA	225,000	-	-	132,186	-	-
Subtotal 14.228					\$ -	\$ 66,334	\$ 132,186	\$ 108,496	\$ 42,162
Direct Programs									
Rapid Housing Program	05/01/17 - 04/30/18	14.235	MI0545L5F171600	147,748	\$ -	\$ 36,844	\$ -	\$ 54,250	\$ 17,406
Continuum of Care Planning Project - Jackson	10/01/16 - 09/30/17	14.235	MI0491L5F171500	26,080	-	11,950	-	26,080	14,130
Permanent Supportive Housing Program III	10/01/16 - 09/30/17	14.235	MI0513L5F171500	90,000	-	39,640	-	53,188	13,548
Permanent Supportive Housing - Supportive Services	10/01/16 - 09/30/17	14.235	MI0512L5F171500	99,417	-	73,208	-	99,417	26,209
Housing Advocacy Program Expansion	11/01/14 - 10/31/15	14.235	MI0258L5F171306	233,045	-	-	35,256	-	-
Housing Advocacy Program Expansion	11/01/15 - 03/31/17	14.235	MI0258L5F171407	189,417	8,539	44,301	153,654	35,762	-
Jackson HMIS	04/01/15 - 03/31/16	14.235	MI0259L5F171407	55,979	-	-	33,613	-	-
Jackson HMIS	04/01/16 - 03/31/17	14.235	MI0259L5F171508	55,979	720	33,255	23,444	32,535	-
Jackson HMIS	04/01/17 - 03/31/18	14.235	MI0259L5F171609	55,979	-	13,751	-	21,302	7,551
Permanent Supportive Housing Program	10/01/15 - 09/30/16	14.235	MI0421L5F171401	43,628	14,139	14,139	43,628	-	-
Permanent Supportive Housing Program	10/01/16 - 09/30/17	14.235	MI0421L5F171502	43,628	-	36,591	-	43,628	7,037
Permanent Supportive Housing Program-II	10/01/15 - 09/30/16	14.235	MI0457L5F171400	43,628	19,069	19,069	41,682	-	-
Permanent Supportive Housing Program-II	10/01/16 - 09/30/17	14.235	MI0457L5F171501	43,628	-	36,650	-	43,628	6,978
Partnership Park Permanent Housing	10/01/15 - 09/30/16	14.235	MI0261L5F171407	63,287	20,929	20,929	63,287	-	-
Partnership Park Permanent Housing	10/01/16 - 09/30/17	14.235	MI0261L5F171508	64,733	-	59,449	-	64,733	5,284
Supportive Housing Program-Garfield Square Development	05/01/15- 04/30/16	14.235	MI0257L5F171407	193,870	-	-	128,239	-	-
Supportive Housing Program-Garfield Square Development	05/01/16- 04/30/17	14.235	MI0257L5F171508	193,870	13,199	113,314	93,756	100,115	-
Subtotal 14.235					\$ 76,595	\$ 553,090	\$ 616,559	\$ 574,638	\$ 98,143

Community Action Agency

Schedule A-2
 Schedule of Expenditures of Federal Awards (continued)
 For the Year Ended September 30, 2017

Federal Grantor/Pass Through Agency/Program Title	Grant Period	Federal CFDA Number	Pass Through/ Grantor's Number	Program/ Award Amount	Accrued (Deferred) Revenue 10/01/16	Current Year Cash Payment/ In Kind Received	Federal Expenses		Accrued (Deferred) Revenue 09/30/17
							Prior Year	Current Year	
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (continued)									
Passed-Through City of Jackson									
CHDO - City of Jackson	05/13/13-10/31/15	14.239	N/A	\$ 152,175	\$ -	\$ -	\$ 44	\$ -	\$ -
CHDO - City of Jackson	05/11/16-05/10/17	14.239	N/A	128,339	60,871	183,822	60,871	122,951	-
Subtotal 14.239					\$ 60,871	\$ 183,822	\$ 60,915	\$ 122,951	\$ -
Passed-Through Michigan State Housing Development Authority									
HMS - Coordinated Entry Stipend	06/01/15 - 11/30/17	14.267	MI046464L5001500	2,000	\$ -	\$ 2,000	\$ -	\$ -	\$ (2,000)
Passed-Through Michigan Coalition Against Homelessness									
BOS - HMIS Stipend	03/01/16-01/31/17	14.267	N/A	5,000	5,000	5,000	9,118	-	-
BOS - HMIS Stipend	03/01/17-01/31/18	14.267	N/A	4,500	-	-	-	3,157	3,157
Subtotal 14.267					\$ 5,000	\$ 7,000	\$ 9,118	\$ 3,157	\$ 1,157
Passed-Through Jackson Housing Commission									
HUD through Jackson Housing Commission	07/01/16 - 03/31/17	14.850	N/A	18,750	\$ -	\$ 18,749	\$ -	\$ 18,749	\$ -
Subtotal 14.850					\$ -	\$ 18,749	\$ -	\$ 18,749	\$ -
Passed-Through Michigan State Housing Development Authority									
HOME - Family Self Sufficiency	01/01/15 - 12/31/16	14.871	15-26	N/A	\$ (6,790)	\$ 850	\$ 4,943	\$ 7,640	\$ -
HOME - Family Self Sufficiency	01/01/17 - 12/31/18	14.871	16-82-FSS	N/A	-	8,418	-	8,971	553
Subtotal 14.871					\$ (6,790)	\$ 9,268	\$ 4,943	\$ 16,611	\$ 553
Total U.S. Department of Housing and Urban Development					\$ 140,113	\$ 865,764	\$ 837,442	\$ 881,244	\$ 155,593
U.S. DEPARTMENT OF TREASURY									
Passed-Through Neighbor Works Through Michigan State Housing Development Authority									
National Foreclosure Mitigation Counseling (NFMC)	07/01/14 - 02/05/15	21.000	PL113-76X1350	N/A	\$ -	\$ -	\$ 149	\$ -	\$ -
National Foreclosure Mitigation Counseling (NFMC)	10/01/14 - 12/31/15	21.000	PL113-235X1350	N/A	-	-	900	-	-
Subtotal 21.000					\$ -	\$ -	\$ 1,049	\$ -	\$ -
Direct Program									
Volunteer Income Tax Assistance (VITA)	07/01/15 - 06/30/16	21.009	16VITA0032	103,000	\$ -	\$ -	\$ 87,821	\$ -	\$ -
Volunteer Income Tax Assistance (VITA)	08/01/16 - 07/31/18	21.009	17VITA0045	100,000	9,737	87,262	9,737	100,141	22,616
Subtotal 21.009					\$ 9,737	\$ 87,262	\$ 97,558	\$ 100,141	\$ 22,616
Total U.S. Department of Treasury					\$ 9,737	\$ 87,262	\$ 98,607	\$ 100,141	\$ 22,616
DEPARTMENT OF VETERANS AFFAIRS									
Direct Program									
VA Supportive Services for Veteran Families Program	10/01/15 - 09/30/16	64.033	14-MI-220	682,046	\$ -	\$ -	\$ 144,992	\$ -	\$ -
VA Supportive Services for Veteran Families Program	10/01/15 - 09/30/16	64.033	14-MI-220	682,046	63,479	108,217	637,308	44,738	-
VA Supportive Services for Veteran Families Program	10/01/16 - 09/30/17	64.033	14-MI-220	688,866	-	659,531	-	688,866	29,335
Total Department of Veterans Affairs 64.033					\$ 63,479	\$ 767,748	\$ 782,300	\$ 733,604	\$ 29,335
U.S. DEPARTMENT OF ENERGY									
Passed-Through Michigan Dept. of HHS through Monroe Co. Opport.Prog.									
Weatherization Assistance for Low-Income Persons-Sub-recipient	07/01/16 - 06/30/17	81.042	DOE-58020	45,000	\$ 8,983	\$ 45,000	\$ 8,983	\$ 36,017	\$ -
Weatherization Assistance for Low-Income Persons-Sub-recipient	07/01/17 - 06/30/18	81.042	WAP16-58020 (DOE)	20,000	-	-	-	9,494	9,494
					\$ 8,983	\$ 45,000	\$ 8,983	\$ 45,511	\$ 9,494
Passed-Through Michigan Department of Health & Human Services									
Weatherization Assistance for Low-Income Persons	07/01/15 - 06/30/16	81.042	DOE-13-38026-3	312,635	-	-	240,512	-	-
Total U.S. Department of Energy					\$ 8,983	\$ 45,000	\$ 249,495	\$ 45,511	\$ 9,494
U.S. DEPARTMENT OF EDUCATION									
Passed-Through Workforce Development Agency, State of Michigan									
Title II - Federal Adult Education ABE	07/01/15 - 06/30/16	84.002A	161130-161617	104,000	\$ -	\$ -	\$ 87,180	\$ -	\$ -
Title II - Federal Adult Education ABE	07/01/16 - 06/30/17	84.002A	171130-171617	80,000	-	69,804	-	69,804	-
Subtotal 84.002A					\$ -	\$ 69,804	\$ 87,180	\$ 69,804	\$ -
Passed-Through Michigan Department of Education and Jackson ISD									
McKinney-Vento Homeless Students' Assistance Grant	07/01/16 - 06/30/17	84.196A	172320-1617	N/A	-	194	-	194	-
Total U.S. Department of Education					\$ -	\$ 69,998	\$ 87,180	\$ 69,998	\$ -

Community Action Agency

Schedule A-3
 Schedule of Expenditures of Federal Awards (concluded)
 For the Year Ended September 30, 2017

Federal Grantor/Pass Through Agency/Program Title	Grant Period	Federal CFDA Number	Pass Through/ Grantor's Number	Program/ Award Amount	Accrued (Deferred) Revenue 10/01/16	Current Year Cash Payment/ In Kind Received	Federal Expenses		Accrued (Deferred) Revenue 09/30/17
							Prior Year	Current Year	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Passed-Through Michigan Depart. Of HHS though Michigan Agency for Energy through Michigan Community Action									
MCA/MEAP	10/01/15 - 09/30/16	93.568	MEAP 2015	\$ 128,231	\$ -	\$ -	\$ 128,231	\$ -	\$ -
MCA/MEAP	10/01/16 - 09/30/17	93.568	MEAP 2016-2017	119,669	-	119,070	-	119,669	599
Passed-Through Michigan Department of Health & Human Services									
LIHEAP	10/01/15 - 09/30/16	93.568	LIHEAP-13-38026-3	147,539	16,430	16,430	147,539	-	-
LIHEAP	10/01/16 - 08/31/17	93.568	LCA-16-38026 #2	283,520	-	230,292	-	230,292	-
LIHEAP-LCA	10/01/15 - 08/31/16	93.568	LCA-13-38026(NFA12)	111,600	106,708	106,708	106,708	-	-
Subtotal 93.568					\$ 123,138	\$ 472,500	\$ 382,478	\$ 349,961	\$ 599
Passed-Through Michigan Department of Health & Human Services									
Community Service Block Grant	10/01/15 - 09/30/16	93.569	CSBG-14-38026-3	619,717	\$ 93,934	\$ 93,934	\$ 508,796	\$ -	\$ -
Community Service Block Grant	10/01/16 - 09/30/17	93.569	CSBG-14-38026-15	714,501	-	597,551	-	696,047	98,496
Community Service Block Grant - Discretionary	10/01/15 - 09/30/16	93.569	CSBGD14-38026(NFA7)	24,000	12,614	12,614	24,000	-	-
Community Service Block Grant - Discretionary	10/01/16 - 09/30/17	93.569	CSBGD14-38026(NFA12)	20,000	-	17,765	-	20,000	2,235
Subtotal 93.569					\$ 106,548	\$ 721,864	\$ 532,796	\$ 716,047	\$ 100,731
Direct Programs									
Head Start (1)	07/01/15 - 06/30/16	93.600	05CH10092-01-00	5,666,106	\$ -	\$ -	\$ 4,746,270	\$ -	\$ -
Head Start (1)	07/01/16 - 06/30/17	93.600	05CH10092-02-01	5,767,081	145,099	4,804,081	1,108,099	4,658,982	-
Head Start (1)	07/01/17 - 06/30/18	93.600	05CH10092-03-01	6,481,755	-	1,057,045	-	1,253,833	196,788
Early Head Start (1)	07/01/15 - 06/30/16	93.600	05CH10092-01-00	2,088,010	-	-	1,600,800	-	-
Early Head Start (1)	07/01/16 - 06/30/17	93.600	05CH10092-02-01	2,124,689	70,031	1,744,689	450,031	1,674,658	-
Early Head Start (1)	07/01/17 - 06/30/18	93.600	05CH10092-03-01	2,145,433	-	431,000	-	518,247	87,247
Subtotal 93.600					\$ 215,130	\$ 8,036,815	\$ 7,905,200	\$ 8,105,720	\$ 284,035
Direct Programs									
Assets for Independence Demonstration Program (IDA)	04/01/10 - 03/31/16	93.602	90EI0620-01-03	88,235	\$ -	\$ -	\$ 52,993	\$ -	\$ -
Assets for Independence Demonstration Program (IDA)	09/30/12 - 09/29/18	93.602	90EI0786-01-02	88,235	(79,814)	-	2,665	4,814	(75,000)
Assets for Independence Demonstration Program (IDA)	09/30/14 - 09/29/19	93.602	90EI0866-01-01	88,235	(85,116)	-	2,499	2,820	(82,296)
Assets for Independence Demonstration Program (IDA)	09/30/11 - 09/29/17	93.602	90EI0723-01-02	114,706	(85,996)	-	14,906	55,462	(30,534)
Subtotal 93.602					\$ (250,926)	\$ -	\$ 73,063	\$ 63,096	\$ (187,830)
Passed-Through Michigan Department of Health & Human Services									
Passed-Through Lenawee Community Mental Health Authority									
Substance Abuse Prevention and Treatment	10/01/15 - 09/30/16	93.959	N/A	119,970	\$ 24,723	\$ 24,723	\$ 114,390	\$ -	\$ -
Passed-Through Washtenaw Community Health Organization Through McCullough Vargas & Assoc.									
Substance Abuse Prevention and Treatment	02/01/15 - 09/30/15	93.959	N/A	5,250	(1,987)	-	-	-	(1,987)
Subtotal 93.959					\$ 22,736	\$ 24,723	\$ 114,390	\$ -	\$ (1,987)
Passed-Through Michigan Department of Health & Human Services									
Fetal Alcohol Education & Awareness Project	10/01/15 - 09/30/16	93.994	20160233-002	4,200	\$ -	\$ -	\$ 4,200	\$ -	\$ -
Subtotal 93.994					\$ -	\$ -	\$ 4,200	\$ -	\$ -
Total U.S. Department of Health and Human Services					\$ 216,626	\$ 9,255,902	\$ 9,012,127	\$ 9,234,824	\$ 195,548
DEPARTMENT OF HOMELAND SECURITY									
Passed-Through United Way Through Hillsdale County Community Foundation									
FEMA/EFSP	09/01/14 - 01/31/16	97.024	LRO-469600-002	8,000	\$ -	\$ -	\$ 5,793	\$ -	\$ -
FEMA/EFSP	02/01/16 - 03/31/17	97.024	LRO-469600-002	8,500	(486)	4,250	3,764	4,736	-
FEMA/EFSP	08/01/17 - 01/31/18	97.024	LRO-469600-002	7,000	-	3,500	-	1,155	(2,345)
Total Department of Homeland Security 97.024					\$ (486)	\$ 7,750	\$ 9,557	\$ 5,891	\$ (2,345)
TOTAL FEDERAL AWARDS					\$ 493,525	\$ 11,658,047	\$ 11,806,068	\$ 11,608,617	\$ 444,095

See Notes to Expenditures of Federal Awards

Community Action Agency

Notes to Schedule of Expenditures of Federal Awards

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Community Action Agency (the "Agency") under programs of the federal government for the year ended September 30, 2017. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements of Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Agency, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Agency.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting, which is described in Note 1 to the financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

For purposes of charging indirect costs to federal awards, the Agency has not elected to use the 10 percent de minimis cost rate as permitted by §200.414 of the Uniform Guidance.

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

February 20, 2018

Board of Directors
Community Action Agency
Jackson, Michigan

We have audited in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial statements contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of *Community Action Agency* (the "Agency"), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 20, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 the 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 the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rehmann Lobson LLC

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

February 20, 2018

Board of Directors
Community Action Agency
Jackson, Michigan

Report on Compliance for the Major Federal Program

We have audited the compliance of *Community Action Agency* (the "Agency") with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Agency's major federal program for the year ended September 30, 2017. The Agency's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Agency'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 of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the requirement of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Agency'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 the major federal program. However, our audit does not provide a legal determination of the Agency's compliance.

Opinion on the Major Federal Program

In our opinion, the Agency complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2017.

Report on Internal Control Over Compliance

Management of the Agency 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 the Agency's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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

Handwritten signature of Rehmann Lobson LLC in black ink.

COMMUNITY ACTION AGENCY

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2017

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____ yes X no

Significant deficiency(ies) identified? _____ yes X none reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major programs and type of auditors' report issued on compliance for each major program:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Type of Report</u>
93.600	Head Start	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

COMMUNITY ACTION AGENCY

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2017

SECTION II - FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

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COMMUNITY ACTION AGENCY

Summary Schedule of Prior Audit Findings For the Year Ended September 30, 2017

None reported.

