

Community Action Agency
Jackson, Michigan



Financial Statements
For the Years Ended September 30, 2016 and 2015

Community Action Agency

Financial Statements and Additional Information
For the Years Ended September 30, 2016 and 2015

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INDEPENDENT AUDITORS' REPORT

February 22, 2017

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, 2016 and 2015, 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, 2016 and 2015, 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 audit was conducted for the purpose of forming an opinion 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 audit 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 22, 2017, 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>2016</i>	<i>2015</i>
Current assets:		
Cash and cash equivalents	\$ 161,918	\$ 98,022
Restricted cash and cash equivalents	618,345	748,801
Accounts receivable - grants, interest and other	1,294,046	1,439,609
Prepaid expenses	135,957	34,889
Mortgage receivable	1,500	650
Total current assets	2,211,766	2,321,971
Property and equipment:		
Land	295,304	306,776
Buildings and improvements	4,215,163	4,210,069
Fixtures and equipment	601,819	595,469
Vehicles	146,999	127,720
Leasehold improvements	314,745	314,745
Total	5,574,030	5,554,779
Less accumulated depreciation	2,540,478	2,397,473
Property and equipment, net	3,033,552	3,157,306
Beneficial interest in community foundations	84,670	79,191
Other noncurrent assets:		
Mortgage receivable	10,537	12,599
Assets held for resale	0	61,550
Total other noncurrent assets	10,537	74,149
Total assets	\$ 5,340,525	\$ 5,632,617

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

September 30,

<i>Liabilities and Net Assets</i>	2016	2015
Current liabilities:		
Accounts payable	\$ 278,744	\$ 351,071
Accrued interest payable	11,022	11,349
Accrued personnel expenses	820,490	725,338
Advanced program income	879,605	990,720
Current portion of long-term debt	44,698	260,474
Total current liabilities	2,034,559	2,338,952
Noncurrent liabilities:		
Revolving loans reserve	0	13,674
Long-term debt, net of current portion	1,093,492	919,803
Total noncurrent liabilities	1,093,492	933,477
Total liabilities	3,128,051	3,272,429
Net assets:		
Unrestricted		
Investment in property and equipment	1,709,485	1,813,517
Undesignated	502,989	546,671
Total unrestricted	2,212,474	2,360,188
Total net assets	2,212,474	2,360,188
Total liabilities and net assets	\$ 5,340,525	\$ 5,632,617

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

Community Action Agency

Statements of Activities

For the Years Ended September 30,

	<u>2016</u>	<u>2015</u>
Change in unrestricted net assets:		
Support and revenue:		
Program revenue	\$ 14,760,822	\$ 14,557,367
Contributions	244,082	199,263
Contributed services, facilities, and materials	674,714	622,955
Fees and services	65,283	65,380
Investment income	6,337	(3,906)
Other	62,835	53,144
Total support and revenue - unrestricted	15,814,073	15,494,203
Expenses:		
Program services:		
Community development	624,028	554,231
Housing services	3,352,666	3,247,920
Health and nutrition	657,799	638,101
Education	9,400,260	9,324,506
Administrative and general	1,915,562	1,872,598
Total expenses - unrestricted	15,950,315	15,637,356
Excess (Deficiency) of Support and Revenue	(136,242)	(143,153)
Net gain (loss) on disposal of property and equipment	(11,472)	0
Change in unrestricted net assets	(147,714)	(143,153)
Net assets - beginning of period	2,360,188	2,503,341
Net assets - end of period	\$ 2,212,474	\$ 2,360,188

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>2016</u>	<u>2015</u>
Cash flows from operating activities:		
Change in net assets	(\$ 147,714)	(\$ 143,153)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	183,470	182,839
Loss on disposal of property	11,472	0
Change in value of assets held by community foundations	(5,479)	4,021
Changes in operating assets and liabilities:		
Accounts receivable - grants, interest and other	145,563	(199,328)
Prepaid expenses	(101,068)	(12,696)
Accounts payable	(72,327)	10,271
Accrued interest payable	(327)	(313)
Accrued personnel expenses	95,152	166,645
Advanced program income and due to grantors and other	(111,115)	215,665
Net Cash Provided by Operating Activities	(2,373)	223,951
Cash flows from investing activities:		
Restricted cash	130,456	(150,565)
Acquisition of property and equipment	(71,188)	(147,740)
Sale of assets held for resale	61,550	73,763
Revolving loans reserve distributed to applicable Counties	(13,674)	(5,176)
Collections net of loan increase on mortgage receivable	1,212	90,546
Net Cash Provided (Used) in Investing Activities	108,356	(139,172)
Cash flows used in financing activities:		
Payments on long-term debt	(42,087)	(41,236)
Net increase (decrease) in cash and cash equivalents	63,896	43,543
Cash and cash equivalents - beginning of period	98,022	54,479
Cash and cash equivalents - end of period	\$ 161,918	\$ 98,022
Supplemental other cash activity:		
Interest paid and expensed	\$ 49,256	\$ 52,137
Supplemental non-cash activity:		
Revolving loans forgiven	\$ 8,611	\$ 91,182

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 the skills, knowledge, and motivations and to secure the 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 50% for the year ended September 30, 2016 and 49% for the year ended September 30, 2015 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.

	2016	2015
Head Start	\$ 134,552	\$ 255,343
Early Head Start	540,162	367,612
Total	\$ 674,714	\$ 622,955

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.

Income Taxes

The Agency is 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 Company was granted income tax exemption by the Internal Revenue Service, such exemption does not apply to "unrelated business taxable income."

Community Action Agency

Notes to Financial Statements

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

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, 2015 was 14.9% and the provisional rate for the year ended September 30, 2016 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, 2016 and 2015 of \$618,345 and \$748,801, respectively. The Independence Demonstration Grant programs had restricted cash as of September 30, 2016 and 2015 in the amount of \$550,076 and \$680,593, 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, 2016 and 2015 in the amount of \$10,082 and \$10,076, 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, 2016 and 2015 in the amount of \$58,187 and \$58,132, respectively.

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).

Community Action Agency

Notes to Financial Statements

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

Fair Value Measurements (Continued)

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 2012 through 2016, the years which remain subject to examination as of September 30, 2016. 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, 2016 or 2015, and is not aware of any claims for such amounts by federal or state income tax authorities.

Reclassifications

Certain amounts as reported in the 2015 financial statements have been reclassified to conform with the 2016 presentation.

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, 2016, the most recent statement of financial position presented herein, through February 22, 2017, the date these financial statements were available to be issued. There were no such significant subsequent events identified, except for the matter described in Note 4.

Community Action Agency

Notes to Financial Statements

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, 2014	\$ 39,826	\$ 25,260	\$ 18,126	\$ 83,212
Contributions	0	0	0	0
Realized and unrealized gain (loss)	(2,981)	(624)	(416)	(4,021)
Balance, September 30, 2015	\$ 36,845	\$ 24,636	\$ 17,710	\$ 79,191
Contributions	0	0	0	0
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

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 \$67,323, \$137,452 and \$46,825, respectively.

Community Action Agency

Notes to Financial Statements

Note 3 Revolving Loan Program (Concluded)

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

	Balance 09/30/15	Balance 09/30/16
County of Jackson	\$ 1,080,478	\$ 1,039,094
County of Lenawee	1,591,102	1,514,284
County of Hillsdale	690,682	648,269
<u>Revolving Loans Total</u>	<u>\$ 3,362,262</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, 2016 and 2015 of \$12,037 and \$13,249, respectively, including an escrow balance of \$4,892 and \$6,630, 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, 2016 and 2015 consists of the following:

	2016	2015
Note Payable – 2013 Ford Edge – payable in monthly installments of \$518 with no interest charged, final payment January 2018.	\$ 8,252	\$ 14,467
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.	218,387	227,239
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.	911,551	938,520
	<u>1,138,190</u>	<u>1,180,277</u>
<u>Current portion</u>	<u>(44,698)</u>	<u>(260,474)</u>
<u>Net long-term debt</u>	<u>\$1,093,492</u>	<u>\$ 919,803</u>

The principal payments required at September 30, 2016, during the succeeding years, are as follows:

2017	\$ 44,698
2018	42,222
2019	41,965
2020	43,799
2021	206,723
Thereafter	758,783
<u>Total</u>	<u>\$1,138,190</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, 2016 and 2015 was \$155,097 and \$117,411, respectively. The Agency also leases office equipment under noncancelable operating leases expiring at various times through March 2018. Expenses for equipment leases for the years ending September 30, 2016 and 2015 were \$22,320 and \$22,320, 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
2017	\$ 0	\$ 22,320	\$ 199,404
2018	0	11,160	11,160
2019	0	0	0
2020	0	0	0
2021	0	0	0
Thereafter	0	0	0
Totals	\$ 0	\$ 33,480	\$ 210,564

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%

Beginning October 1, 2014 the Agency changed the contribution calculation to an Agency contribution of 4% plus a match of up to 4% of employee's contribution made on covered wages. The Agency's employer contribution was \$381,308 and \$349,212 for the years ended September 30, 2016 and 2015, respectively.

Note 8 Commitments and 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 **Commitments and 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 2015 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 through 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, 2015, 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	2016 Totals	2015 Totals
Current assets:				
Cash and cash equivalents	\$ 336,773	(\$ 174,855)	\$ 161,918	\$ 98,022
Restricted cash and cash equivalents	618,345	0	618,345	748,801
Accounts receivable - grants, interest, and other	1,294,046	0	1,294,046	1,439,609
Prepaid expenses	135,957	0	135,957	34,889
Mortgage receivable	1,500		1,500	650
Total current assets	2,386,621	(174,855)	2,211,766	2,321,971
Property and equipment:				
Land	0	295,304	295,304	306,776
Buildings and improvements	0	4,215,163	4,215,163	4,210,069
Fixtures and equipment	0	601,819	601,819	595,469
Vehicles	0	146,999	146,999	127,720
Leasehold improvements	0	314,745	314,745	314,745
Total	0	5,574,030	5,574,030	5,554,779
Less accumulated depreciation	0	2,540,478	2,540,478	2,397,473
Property and equipment, net	0	3,033,552	3,033,552	3,157,306
Beneficial interest in community foundations	84,670	0	84,670	79,191
Other noncurrent assets:				
Mortgage receivable	10,537	0	10,537	12,599
Assets held for resale	0	0	0	61,550
Total other noncurrent assets	10,537	0	10,537	74,149
Total assets	\$ 2,481,828	\$ 2,858,697	\$ 5,340,525	\$ 5,632,617

Liabilities and Net Assets

	Operations	Property and Equipment	2016 Totals	2015 Totals
Current liabilities:				
Accounts payable	\$ 278,744	\$ 0	\$ 278,744	\$ 351,071
Accrued interest payable	0	11,022	11,022	11,349
Accrued personnel expenses	820,490	0	820,490	725,338
Advanced program income	879,605	0	879,605	990,720
Current portion of long-term debt	0	44,698	44,698	260,474
Total current liabilities	1,978,839	55,720	2,034,559	2,338,952
Noncurrent liabilities:				
Revolving loans reserve	0	0	0	13,674
Long-term debt, net of current portion	0	1,093,492	1,093,492	919,803
Total noncurrent liabilities	0	1,093,492	1,093,492	933,477
Total liabilities	1,978,839	1,149,212	3,128,051	3,272,429
Net assets:				
Unrestricted				
Investment in property and equipment	0	1,709,485	1,709,485	1,813,517
Undesignated	502,989	0	502,989	546,671
Total unrestricted	502,989	1,709,485	2,212,474	2,360,188
Total net assets	502,989	1,709,485	2,212,474	2,360,188
Total liabilities and net assets	\$ 2,481,828	\$ 2,858,697	\$ 5,340,525	\$ 5,632,617

Community Action Agency

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

	Operations	Property and Equipment	2016 Totals	2015 Totals
Change in unrestricted net assets:				
Support and revenue:				
Program revenue	\$ 14,760,822	\$ 0	\$ 14,760,822	\$ 14,557,367
Contributions	244,082	0	244,082	199,263
Contributed services, facilities, and materials	674,714	0	674,714	622,955
Fee for services	65,283	0	65,283	65,380
Investment income	6,282	55	6,337	(3,906)
Other	56,127	6,708	62,835	53,144
Total support and revenue - unrestricted	15,807,310	6,763	15,814,073	15,494,203
Expenses:				
Program services:				
Community development	616,689	7,339	624,028	554,231
Housing services	3,321,476	31,190	3,352,666	3,247,920
Health and nutrition	639,452	18,347	657,799	638,101
Education	9,292,013	108,247	9,400,260	9,324,506
Administrative and general	1,886,347	29,215	1,915,562	1,872,598
Total expenses - unrestricted	15,755,977	194,338	15,950,315	15,637,356
Excess (Deficiency) of Support and Revenue	51,333	(187,575)	(136,242)	(143,153)
Net gain (loss) on disposal of property and equip.	0	(11,472)	(11,472)	0
Transfers from property and equipment	(95,015)	95,015	0	0
Change in unrestricted net assets	(43,682)	(104,032)	(147,714)	(143,153)
Net assets - beginning of period	546,671	1,813,517	2,360,188	2,503,341
Net assets - end of period	\$ 502,989	\$ 1,709,485	\$ 2,212,474	\$ 2,360,188

Community Action Agency

Schedule C-1

Schedule of Activities for Operations by Program
For the Year Ended September 30, 2016

	COMMUNITY DEVELOPMENT						
	Community Service Block Grant (1)	CHDO City of Jackson (2)	Family Self Sufficiency (3)	Community Development Fund (4)	CSBG Discretionary (5)	Jackson U/W Financial Freedom (6)	Partners in Transportation (7)
SUPPORT AND REVENUE							
Program revenue	\$ 508,796	\$ 91,366	\$ 4,943	\$ 0	\$ 24,000	\$ 8,798	\$ 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	0	0	0	0	0	0
Investment income	0	0	0	0	0	0	6
Other	0	0	0	10,370	0	0	0
Total Support and Revenue	508,796	91,366	4,943	10,370	24,000	8,798	6
EXPENSES							
Salaries and Related Benefits							
Salaries and wages	91,526	591	2,272	0	6,928	2,482	0
Employee benefits	32,070	205	1,202	0	2,869	1,675	0
Payroll taxes	9,709	39	269	0	754	454	0
Total Salaries and Related Benefits	133,305	835	3,743	0	10,551	4,611	0
Professional services	5,349	89,791	51	0	994	194	0
Occupancy	26,459	97	286	30	348	409	0
Vehicle expenses	0	0	0	0	0	0	0
Repairs and maintenance	0	245	0	6,120	0	0	0
Telephone	2,159	4	28	0	41	294	0
Office expense	5,159	2	61	0	33	283	0
Travel	10,537	0	33	0	992	1,485	0
Supplies	151	0	0	0	2,910	171	0
Training	5,418	0	0	350	243	388	0
Client services	81	0	0	1,148	13,600	0	0
Other	801	391	183	0	0	276	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0
Indirect cost share	19,862	124	558	0	1,572	687	0
Total Expenses	209,281	91,489	4,943	7,648	31,284	8,798	0
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	299,515	(123)	0	2,722	(7,284)	0	6
Net Assets - Unrestricted - October 1, 2015	0	0	0	7,512	0	0	1,140
Operating transfers in (out)	(299,515)	125	0	(26)	7,284	0	0
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2016	0	2	0	10,208	0	0	1,146
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, 2016

COMMUNITY DEVELOPMENT								
	Migrant Services (8)	IDA AFI - 5 (9)	IDA's-OLHSA (10)	IDA's Regional Coordination (11)	IDA - T/ TA (12)	IRS VITA Tax Program (13)	Jackson U/W VITA (14)	IDA AFI - 6 (15)
SUPPORT AND REVENUE								
Program revenue	\$ 0	\$ 105,987	\$ 34,850	\$ 3,660	\$ 10,140	\$ 98,058	\$ 20,145	\$ 25,841
Contributions	0	0	0	0	0	0	367	0
Contributed services, facilities, and materials	0	0	0	0	0	103,000	0	0
Fees and services	0	0	0	0	0	0	0	0
Investment income	0	747	0	0	0	0	0	51
Other	0	0	0	0	0	3,250	0	3,971
Total Support and Revenue	0	106,734	34,850	3,660	10,140	204,308	20,512	29,863
EXPENSES								
Salaries and Related Benefits								
Salaries and wages	338	0	15,913	794	0	42,402	10,280	6,438
Employee benefits	0	0	5,713	81	0	9,232	1,980	2,694
Payroll taxes	70	0	1,294	140	0	4,438	993	672
Total Salaries and Related Benefits	408	0	22,920	1,015	0	56,072	13,253	9,804
Professional services	4,004	0	7,907	79	0	7,561	239	158
Occupancy	1,171	747	563	1,035	0	18,321	1,228	1,090
Vehicle expenses	0	0	0	0	0	0	0	0
Repairs and maintenance	0	0	0	0	0	0	0	0
Telephone	23	0	45	27	0	1,878	417	49
Office expense	228	0	0	263	0	6,120	2,533	0
Travel	656	0	0	287	0	1,303	0	0
Supplies	0	0	0	0	10,140	2,468	122	0
Training	84	0	0	46	0	0	745	0
Client services	1,977	105,987	0	0	0	0	0	20,008
Other	131	0	0	757	0	315	0	0
Contributed services, facilities, and materials	0	0	0	0	0	103,000	0	0
Indirect cost share	61	0	3,415	151	0	8,355	1,975	1,461
Total Expenses	8,743	106,734	34,850	3,660	10,140	205,393	20,512	32,570
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers								
	(8,743)	0	0	0	0	(1,085)	0	(2,707)
Net Assets - Unrestricted - October 1, 2015	0	0	0	0	0	0	0	0
Operating transfers in (out)	8,743	0	0	0	0	1,085	0	2,707
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2016	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, 2016

	HOUSING SERVICES						
	IDA AFI - 7 (16)	IDA AFI - 8 (17)	Total Community Development	FEMA/EFSP (18)	MCA MEAP (19)	COC Planning Project Jackson (20)	Mechanic PP Permanent Housing (21)
SUPPORT AND REVENUE							
Program revenue	\$ 5,330	\$ 4,998	\$ 946,912	\$ 9,556	\$ 216,000	\$ 0	\$ 63,287
Contributions	0	0	367	0	0	0	0
Contributed services, facilities, and materials	0	0	103,000	0	0	0	0
Fees and services	0	0	0	0	48,503	0	0
Investment income	0	0	804	0	0	0	0
Other	0	0	17,591	0	0	0	4,612
Total Support and Revenue	5,330	4,998	1,068,674	9,556	264,503	0	67,899
EXPENSES							
Salaries and Related Benefits							
Salaries and wages	3,461	3,367	186,792	0	26,490	0	17,643
Employee benefits	1,506	1,299	60,526	0	9,844	0	8,518
Payroll taxes	364	332	19,528	0	2,156	0	1,829
Total Salaries and Related Benefits	5,331	4,998	266,846	0	38,490	0	27,990
Professional services	71	82	116,480	0	910	0	783
Occupancy	462	570	52,816	0	2,741	0	16,177
Vehicle expenses	0	0	0	0	0	0	0
Repairs and maintenance	0	0	6,365	0	0	0	21,869
Telephone	21	39	5,025	0	336	0	464
Office expense	0	0	14,682	0	0	0	424
Travel	0	0	15,293	0	216	0	45
Supplies	0	0	15,962	0	0	0	0
Training	0	0	7,274	0	0	0	60
Client services	0	0	142,801	9,556	216,000	0	0
Other	0	0	2,854	0	75	43	1,041
Contributed services, facilities, and materials	0	0	103,000	0	0	0	0
Indirect cost share	794	745	39,760	0	5,735	0	4,171
Total Expenses	6,679	6,434	789,158	9,556	264,503	43	73,024
Excess (Deficiency) of Support and Revenue							
Over Expenses Before Transfers	(1,349)	(1,436)	279,516	0	0	(43)	(5,125)
Net Assets - Unrestricted - October 1, 2015	0	0	8,652	0	0	0	0
Operating transfers in (out)	1,349	1,436	(276,812)	0	0	43	5,125
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2016	0	0	11,356	0	0	0	0
NET ASSETS - TEMPORARILY RESTRICTED - END OF YEAR	\$ 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, 2016

	HOUSING SERVICES							
	Permanent Supportive Housing I (22)	Permanent Supportive Housing II (23)	Weatherization (24)	LIHEAP Weatherization (25)	Homeless MIS (26)	Housing Advocacy Expansion (27)	Support Service for Veterans Families (28)	Homeless Veterans Initiatives (29)
SUPPORT AND REVENUE								
Program revenue	\$ 43,628	\$ 41,682	\$ 249,495	\$ 147,539	\$ 63,823	\$ 188,910	\$ 782,300	\$ 841
Contributions	0	0	0	0	0	0	391	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Fees and services	0	0	0	0	2,353	0	0	0
Investment income	0	0	0	0	0	0	0	0
Other	6,250	0	0	0	0	0	0	0
Total Support and Revenue	49,878	41,682	249,495	147,539	66,176	188,910	782,691	841
EXPENSES								
Salaries and Related Benefits								
Salaries and wages	9,684	9,752	39,557	25,098	24,427	43,951	231,305	604
Employee benefits	5,044	3,729	19,878	16,362	8,863	21,234	63,816	96
Payroll taxes	927	896	4,219	3,062	3,033	4,592	27,396	32
Total Salaries and Related Benefits	15,655	14,377	63,654	44,522	36,323	69,777	322,517	732
Professional services	261	267	161,032	92,598	1,045	19,615	57,407	0
Occupancy	1,270	1,287	7,474	2,878	5,489	3,431	40,452	0
Vehicle expenses	0	0	0	0	0	0	0	0
Repairs and maintenance	0	0	0	545	0	0	0	0
Telephone	177	134	1,242	310	1,118	3,321	6,239	0
Office expense	0	0	759	0	15,516	1,786	9,540	0
Travel	210	126	4,146	101	4	744	41,586	0
Supplies	0	0	139	0	2,724	0	6,683	0
Training	0	35	1,565	0	0	1,724	16,491	0
Client services	31,681	25,108	0	0	0	86,256	233,496	0
Other	0	0	0	0	0	0	225	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Indirect cost share	2,333	2,142	9,484	6,634	5,412	10,397	48,055	109
Total Expenses	51,587	43,476	249,495	147,588	67,631	197,051	782,691	841
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	(1,709)	(1,794)	0	(49)	(1,455)	(8,141)	0	0
Net Assets - Unrestricted - October 1, 2015	0	0	0	0	0	0	0	0
Operating transfers in (out)	1,709	1,794	0	49	1,455	8,141	0	0
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2016	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-5

Schedule of Activities for Operations by Program
For the Year Ended September 30, 2016

	HOUSING SERVICES							
	MSHDA Emergency Shelter Grant (30)	MSHDA - ESG Hillsdale I (31)	MSHDA - ESG Jackson (32)	MSHDA - ESG Hillsdale II (33)	Garfield Square Supportive Housing (34)	Home Links/FSS/ Housing (35)	Housing Education Program (36)	CDBG Hillsdale (37)
	SUPPORT AND REVENUE							
Program revenue	\$ 3,185	\$ 81,261	\$ 203,122	\$ 1,300	\$ 221,995	\$ 0	\$ 24,769	\$ 172,118
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	7,763	0	1,535	1,980	0	0
Total Support and Revenue	3,185	81,261	210,885	1,300	223,530	1,980	24,769	172,118
EXPENSES								
Salaries and Related Benefits								
Salaries and wages	302	25,977	36,761	0	51,417	0	9,257	10,441
Employee benefits	336	14,076	9,311	0	26,026	0	4,185	5,650
Payroll taxes	22	2,810	3,321	0	6,216	0	1,053	1,223
Total Salaries and Related Benefits	660	42,863	49,393	0	83,659	0	14,495	17,314
Professional services	0	634	36,712	0	14,276	0	3,705	2,299
Occupancy	0	18,948	7,007	0	22,315	0	1,360	2,713
Vehicle expenses	0	0	0	0	0	0	0	0
Repairs and maintenance	0	4,813	0	0	8,508	0	0	145,661
Telephone	0	2,869	896	0	1,892	0	125	194
Office expense	0	972	1,104	0	437	0	1,196	136
Travel	0	156	387	0	68	0	481	1,161
Supplies	0	283	209	1,300	0	0	20	0
Training	0	0	0	0	1,011	44	371	0
Client services	2,525	8,152	105,335	0	96,579	6,823	0	0
Other	0	0	7,763	0	665	500	1,346	60
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Indirect cost share	98	6,387	7,359	0	12,465	0	2,159	2,580
Total Expenses	3,283	86,077	216,165	1,300	241,875	7,367	25,258	172,118
Excess (Deficiency) of Support and Revenue								
Over Expenses Before Transfers	(98)	(4,816)	(5,280)	0	(18,345)	(5,387)	(489)	0
Net Assets - Unrestricted - October 1, 2015	0	0	0	0	0	25,857	0	0
Operating transfers in (out)	98	4,816	5,280	0	18,345	(489)	489	0
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2016	0	0	0	0	0	19,981	0	0
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, 2016

	HOUSING SERVICES							
	NSP - Leoni Township (38)	HUD Housing Counseling (39)	National Mortgage Settlement-2 (40)	National Mortgage Settlement (41)	National Foreclosure Mitigation (42)	Voices of Action (41)	Getting Ahead Program (42)	CASS (43)
SUPPORT AND REVENUE								
Program revenue	\$ 98,324	\$ 13,721	\$ 35,953	\$ 116,650	\$ 1,049	\$ 2,165	\$ 5,000	\$ 35,133
Contributions	0	0	0	0	0	0	5,025	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	0	0
Total Support and Revenue	98,324	13,721	35,953	116,650	1,049	2,165	10,025	35,133
EXPENSES								
Salaries and Related Benefits								
Salaries and wages	4,743	6,696	4,585	55,915	377	1,606	1,531	5,927
Employee benefits	2,228	2,649	1,204	23,770	213	100	680	4,085
Payroll taxes	501	617	688	4,098	27	178	164	668
Total Salaries and Related Benefits	7,472	9,962	6,477	83,783	617	1,884	2,375	10,680
Professional services	437	72	17,624	1,154	0	0	1,851	1,768
Occupancy	3,713	0	0	7,403	0	0	246	1,420
Vehicle expenses	0	0	0	0	0	0	0	0
Repairs and maintenance	137,445	0	0	0	0	0	0	0
Telephone	64	127	0	646	50	0	33	116
Office expense	68	57	681	4,246	128	0	38	561
Travel	8	1,693	4,879	493	103	0	892	827
Supplies	0	0	14	90	0	0	137	2,413
Training	0	10	427	0	0	0	638	1,657
Client services	0	0	0	0	0	0	6,863	14,100
Other	854	316	4,886	8,496	85	0	0	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Indirect cost share	1,113	1,484	965	12,484	92	281	354	1,591
Total Expenses	151,174	13,721	35,953	118,795	1,075	2,165	13,427	35,133
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	(52,850)	0	0	(2,145)	(26)	0	(3,402)	0
Net Assets - Unrestricted - October 1, 2015	0	0	0	0	0	0	0	0
Operating transfers in (out)	0	0	0	2,145	26	0	3,402	0
Transfers from (to) property and equipment fund (general admin.)	52,850	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2016	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, 2016

	HOUSING SERVICES					HEALTH AND NUTRITION		
	Heat a Home (44)	DHS Deliverable Fuels (45)	Unmet Needs (46)	DHS-LCA Supplemental (47)	HCCF Grant (48)	Total Housing Services	Warm the Children (49)	Child Obesity Prevention MSU (50)
SUPPORT AND REVENUE								
Program revenue	\$ 73	\$ 260,400	\$ 18,192	\$ 106,708	\$ 3,536	\$ 3,211,715	\$ 0	\$ 58,975
Contributions	184,672	0	2,373	0	1,170	193,631	47,204	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Fees and services	5,664	1,728	0	0	0	58,248	0	0
Investment income	0	0	0	0	0	0	0	0
Other	0	0	95	0	0	22,235	0	0
Total Support and Revenue	190,409	262,128	20,660	106,708	4,706	3,485,829	47,204	58,975
EXPENSES								
Salaries and Related Benefits								
Salaries and wages	1,800	24,845	0	0	0	670,691	0	15,950
Employee benefits	856	5,705	0	0	0	258,458	0	5,555
Payroll taxes	130	2,638	0	0	0	72,496	0	2,298
Total Salaries and Related Benefits	2,786	33,188	0	0	0	1,001,645	0	23,803
Professional services	78	1,015	779	0	0	416,322	0	170
Occupancy	839	5,871	433	0	0	153,467	0	1,187
Vehicle expenses	0	0	0	0	0	0	0	0
Repairs and maintenance	0	0	0	0	0	318,841	0	0
Telephone	59	513	0	0	0	20,925	0	90
Office expense	262	19	0	0	0	37,930	0	71
Travel	536	0	0	0	0	58,862	0	1,344
Supplies	0	55	398	0	0	14,465	0	321
Training	0	0	17	0	0	24,050	0	0
Client services	184,745	216,522	18,983	106,708	4,706	1,374,138	47,204	28,442
Other	689	0	50	0	0	27,094	0	0
Contributed services, facilities, and materials	0	0	0	0	0	0	0	0
Indirect cost share	415	4,945	0	0	0	149,244	0	3,547
Total Expenses	190,409	262,128	20,660	106,708	4,706	3,596,983	47,204	58,975
Excess (Deficiency) of Support and Revenue	0	0	0	0	0	(111,154)	0	0
Over Expenses Before Transfers	0	0	0	0	0	25,857	0	0
Net Assets - Unrestricted - October 1, 2015	0	0	0	0	0	52,428	0	0
Operating transfers in (out)	0	0	0	0	0	52,850	0	0
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	0	0	0
Net Assets - Unrestricted - September 30, 2016	0	0	0	0	0	19,981	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, 2016

	HEALTH AND NUTRITION			Total Health and Nutrition	EDUCATION		
	Lenawee WIC (51)	Substance Abuse Prevention (52)	MAXIMUS Michigan Enrolls (53)		Head Start (54)	Early Head Start (55)	Fetal Alcohol Syndrome (56)
SUPPORT AND REVENUE							
Program revenue	\$ 423,044	\$ 123,000	\$ 98,643	\$ 703,662	\$ 6,038,245	\$ 2,051,808	\$ 4,200
Contributions	100	0	0	47,304	197	0	0
Contributed services, facilities, and materials	1,364,159	0	0	1,364,159	1,406,287	681,116	0
Fees and services	0	2,264	0	2,264	209	15	0
Investment income	0	0	0	0	0	0	0
Other	0	0	0	0	13,919	13	0
Total Support and Revenue	1,787,303	125,264	98,643	2,117,389	7,458,857	2,732,952	4,200
EXPENSES							
Salaries and Related Benefits							
Salaries and wages	218,486	60,468	45,873	340,777	2,566,938	979,946	2,502
Employee benefits	52,891	26,679	14,787	99,912	1,031,870	376,231	823
Payroll taxes	25,976	6,436	5,212	39,922	331,541	104,042	278
Total Salaries and Related Benefits	297,353	93,583	65,872	480,611	3,930,349	1,460,219	3,603
Professional services	34,974	6,203	1,582	42,929	675,379	41,349	58
Occupancy	51,554	8,725	4,821	66,287	292,212	96,114	0
Vehicle expenses	0	0	0	0	3,483	7,502	0
Repairs and maintenance	1,621	0	0	1,621	72,654	31,066	0
Telephone	2,722	493	1,382	4,687	46,758	29,797	2
Office expense	4,970	2,633	15,171	22,845	85,272	16,860	0
Travel	5,028	1,552	0	7,924	32,243	36,749	0
Supplies	4,961	2,192	0	7,474	244,939	21,648	0
Training	2,060	490	0	2,550	36,390	7,572	0
Client services	0	420	0	76,066	13,348	19,766	0
Other	80	650	0	730	33,921	5,875	0
Contributed services, facilities, and materials	1,364,159	0	0	1,364,159	1,406,287	681,117	0
Indirect cost share	44,306	13,944	9,815	71,612	585,622	217,573	537
Total Expenses	1,813,788	130,885	98,643	2,149,495	7,458,857	2,673,207	4,200
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	(26,485)	(5,621)	0	(32,106)	0	59,745	0
Net Assets - Unrestricted - October 1, 2015	0	0	0	0	0	0	0
Operating transfers in (out)	26,485	5,621	0	32,106	0	0	0
Transfers from (to) property and equipment fund (general admin.)	0	0	0	0	0	(59,745)	0
Net Assets - Unrestricted - September 30, 2016	0	0	0	0	0	0	0
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, 2016

	EDUCATION				ADMINISTRATION		
	Great Start School Readiness Hillsdale (57)	Great Start School Readiness Jackson (58)	Least Literate (59)	Total Education	Total Program Services	General Admin. (60)	Copy Postage Cost Pool (61)
SUPPORT AND REVENUE							
Program revenue	\$ 435,400	\$ 1,281,700	\$ 87,180	\$ 9,898,533	\$ 14,760,822	\$ 0	\$ 0
Contributions	95	308	0	600	241,902	2,180	0
Contributed services, facilities, and materials	0	0	0	2,087,403	3,554,562	0	0
Fees and services	22	4,525	0	4,771	65,283	0	0
Investment income	0	0	0	0	804	5,478	0
Other	389	758	0	15,079	54,905	1,222	118,208
Total Support and Revenue	435,906	1,287,291	87,180	12,006,386	18,678,278	8,880	118,208
EXPENSES							
Salaries and Related Benefits							
Salaries and wages	226,919	638,333	0	4,414,638	5,612,898	0	0
Employee benefits	75,772	251,216	0	1,735,912	2,154,808	0	0
Payroll taxes	30,869	90,842	0	557,572	689,518	0	0
Total Salaries and Related Benefits	333,560	980,391	0	6,708,122	8,457,224	0	0
Professional services	23,901	141,806	87,180	969,673	1,545,404	2,000	0
Occupancy	9,300	84,547	0	482,173	754,743	0	0
Vehicle expenses	0	0	0	10,985	10,985	3,092	0
Repairs and maintenance	11,967	7,474	0	123,161	449,988	0	4,986
Telephone	5,146	3,221	0	84,924	115,561	0	0
Office expense	6,952	16,248	0	125,332	200,789	0	104,863
Travel	2,762	2,538	0	74,292	156,371	0	0
Supplies	35,877	41,673	0	344,137	382,038	0	8,359
Training	1,177	1,778	0	46,917	80,791	1,118	0
Client services	1,970	3,081	0	38,165	1,631,170	998	0
Other	3,294	4,534	0	47,624	78,302	35,077	0
Contributed services, facilities, and materials	0	0	0	2,087,404	3,554,563	0	0
Indirect cost share	49,700	146,078	0	999,510	1,260,126	0	0
Total Expenses	485,606	1,433,369	87,180	12,142,419	18,678,055	42,285	118,208
Excess (Deficiency) of Support and Revenue							
Over Expenses Before Transfers	(49,700)	(146,078)	0	(136,033)	223	(33,405)	0
Net Assets - Unrestricted - October 1, 2015	0	0	0	0	34,509	478,709	0
Operating transfers in (out)	49,700	146,078	0	195,778	3,500	(3,500)	0
Transfers from (to) property and equipment fund (general admin.)	0	0	0	(59,745)	(6,895)	(3,605)	0
Net Assets - Unrestricted - September 30, 2016	0	0	0	0	31,337	438,199	0
NET ASSETS - TEMPORARILY RESTRICTED - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Community Action Agency

Schedule C-10

Schedule of Activities for Operations by Program

For the Year Ended September 30, 2016 (with comparative total Year Ended September 30, 2015)

	Occupancy Pool (62)	Indirect Cost Pool (63)	Total Administration	Grand Total	Eliminations	2016 Operations Total	2015 Operations Total
SUPPORT AND REVENUE							
Program revenue	\$ 0	\$ 0	\$ 0	\$ 14,760,822	\$ 0	\$ 14,760,822	\$ 14,557,367
Contributions	0	0	2,180	244,082	0	244,082	199,263
Contributed services, facilities, and materials	0	0	0	3,554,562	(2,879,848)	674,714	622,955
Fees and services	0	1,295,662	1,295,662	1,360,945	(1,295,662)	65,283	65,380
Investment income	0	0	5,478	6,282	0	6,282	(3,919)
Other	624,515	0	743,945	798,850	(742,723)	56,127	43,460
Total Support and Revenue	624,515	1,295,662	2,047,265	20,725,543	(4,918,233)	15,807,310	15,484,506
EXPENSES							
Salaries and Related Benefits							
Salaries and wages	174,904	699,124	874,028	6,486,926	0	6,486,926	6,455,039
Employee benefits	34,039	203,164	237,203	2,392,011	0	2,392,011	2,340,711
Payroll taxes	29,552	72,048	101,600	791,118	0	791,118	812,860
Total Salaries and Related Benefits	238,495	974,336	1,212,831	9,670,055	0	9,670,055	9,608,610
Professional services	3,412	73,514	78,926	1,624,330	0	1,624,330	1,427,874
Occupancy	126,048	127,770	253,818	1,008,561	(624,515)	384,046	366,546
Vehicle expenses	5,699	4,974	13,765	24,750	0	24,750	32,572
Repairs and maintenance	91,465	0	96,451	546,439	(4,986)	541,453	798,810
Telephone	13,027	15,184	28,211	143,772	0	143,772	160,245
Office expense	8,497	25,483	138,843	339,632	(104,863)	234,769	233,383
Travel	225	10,545	10,770	167,141	0	167,141	169,848
Supplies	12,361	32,785	53,505	435,543	(8,359)	427,184	435,639
Training	1,778	6,818	9,714	90,505	0	90,505	97,184
Client services	0	0	998	1,632,168	0	1,632,168	1,382,150
Other	6,068	21,642	62,787	141,089	0	141,089	106,038
Contributed services, facilities, and materials	0	0	0	3,554,563	(2,879,848)	674,715	622,955
Indirect cost share	35,536	0	35,536	1,295,662	(1,295,662)	0	0
Total Expenses	542,611	1,293,051	1,996,155	20,674,210	(4,918,233)	15,755,977	15,441,854
Excess (Deficiency) of Support and Revenue Over Expenses Before Transfers	81,904	2,611	51,110	51,333	0	51,333	42,652
Net Assets - Unrestricted - October 1, 2015	0	0	478,709	513,218	0	546,671	526,045
Operating transfers in (out)	0	0	(3,500)	0	0	0	0
Transfers from (to) property and equipment fund (general admin.)	(81,904)	(2,611)	(88,120)	(95,015)	0	(95,015)	(22,026)
Net Assets - Unrestricted - September 30, 2016	0	0	438,199	469,536	0	502,989	546,671
NET ASSETS - TEMPORARILY RESTRICTED - END OF YEAR							
	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

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

February 22, 2017

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, 2016, and the related notes to the financial statements. We have issued our report thereon dated February 22, 2017, 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.



Community Action Agency

Schedule A-1
 Schedule of Expenditures of Federal Awards
 For the Year Ended September 30, 2016

Federal Grantor/Pass Through Agency/Program Title	Grant Period	Federal CFDA Number	Pass Through/ Grantor's Number	Program/ Award Amount	Accrued (Deferred) Revenue 10/01/15	Current Year Cash Payment/ In Kind Received	Federal Expenses		Accrued (Deferred) Revenue 09/30/16
							Prior Year	Current Year	
U.S. DEPARTMENT OF AGRICULTURE									
Passed-Through Regents of the University of Michigan Enhancing Self Reg. as a Strategy for Obesity Prev. in HS Preschoolers	03/15/11 - 09/14/15	10.310	3001825559	\$ 382,743	\$ -	\$ -	\$ 65,265	\$ -	\$ -
Passed-Through Regents of the Michigan State University Differing Levels Support for Family Mealtimes on Obesity Prev.in HS	03/15/15 - 03/14/19	10.310	20156800123239	220,819	5,152	27,058	5,152	58,975	37,069
Subtotal 10.310					\$ 5,152	\$ 27,058	\$ 70,417	\$ 58,975	\$ 37,069
Passed-Through Michigan Department of Health & Human Services Special Supplemental Food Program for Women, Infants, and Children-BFPC	10/01/14 - 09/30/15	10.557	20150388	35,000	\$ 3,030	\$ 3,030	\$ 35,000	\$ -	\$ -
Special Supplemental Food Program for Women, Infants, and Children	10/01/14 - 09/30/15	10.557	20150389	353,364	-	-	353,364	-	-
Special Supplemental Food Program for Women, Infants, and Children	10/01/15 - 09/30/16	10.557	20160331-002	379,515	-	374,811	-	379,515	4,704
Special Supplemental Food Program for Women, Infants, and Children	10/01/15 - 09/30/16	10.557	20160323-002	42,023	-	36,754	-	42,023	5,269
Subtotal 10.557					\$ 3,030	\$ 414,595	\$ 388,364	\$ 421,538	\$ 9,973
Passed-Through Michigan Department of Education Child Care Food Program	10/01/15 - 09/30/16	10.558	38-000-0001A	N/A	\$ 21,696	\$ 262,512	\$ 236,028	\$ 248,847	\$ 8,031
Subtotal 10.558					\$ 21,696	\$ 262,512	\$ 236,028	\$ 248,847	\$ 8,031
Total U.S. Department of Agriculture					\$ 29,878	\$ 704,165	\$ 694,809	\$ 729,360	\$ 55,073
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT									
Direct Programs									
Housing Counseling	10/01/13 - 03/31/15	14.169	HC14-0321-007	17,780	\$ -	\$ -	\$ 13,342	\$ -	\$ -
Housing Counseling	04/01/15 - 03/31/16	14.169	HC15-0321-011	18,448	9,163	18,447	9,163	9,284	-
Housing Counseling	4/01/16 - 03/31/17	14.169	HC16-0321-011	27,501	-	-	-	4,437	4,437
Subtotal 14.169					\$ 9,163	\$ 18,447	\$ 22,505	\$ 13,721	\$ 4,437
Passed-Through MSHDA Through the County of Jackson Community Development Block Grant	08/01/13 - 07/31/15	14.228	MSC-2012-0727-HOA	300,000	-	-	162,963	-	-
Passed-Through MSHDA Through the County of Lenawee Community Development Block Grant	08/23/13 - 08/22/15	14.228	MSC-2012-0797-HOA	300,000	91,312	91,312	154,109	-	-
Community Development Block Grant	01/01/16 - 12/31/17	14.228	MSC-2015-0797-HOA	354,000	-	-	-	-	-
Passed-Through MSHDA Through the County of Hillsdale Community Development Block Grant	05/01/14 - 04/30/16	14.228	MSC-2012-0764-HOA	N/A	-	132,186	-	132,186	-
Community Development Block Grant	05/01/14 - 04/30/16	14.228	MSC-2012-0764-HOA	225,000	23,342	23,342	81,636	-	-
Subtotal 14.228					\$ 114,654	\$ 246,840	\$ 398,708	\$ 132,186	\$ -
Passed-Through Michigan Coalition Against Homelessness Homeless Management Information System - Hillsdale	03/01/15 - 01/31/17	14.235	N/A	16,228	\$ 2,305	\$ 6,423	\$ 7,110	\$ 9,118	\$ 5,000
Direct Programs									
Housing Advocacy Program Expansion	11/01/13 - 10/31/14	14.235	MI0258L5F171205	274,402	-	-	25,007	-	-
Housing Advocacy Program Expansion	11/01/14 - 10/31/15	14.235	MI0258L5F171306	233,045	46,418	81,674	170,949	35,256	-
Housing Advocacy Program Expansion	11/01/15 - 03/31/17	14.235	MI0258L5F171407	189,417	-	145,115	-	153,654	8,539
Supportive Housing Program	04/01/14 - 03/31/15	14.235	MI0259L5F171306	55,979	-	-	33,080	-	-
Supportive Housing Program	04/01/15 - 03/31/16	14.235	MI0259L5F171407	55,979	6,206	39,819	22,366	33,613	-
Supportive Housing Program	04/01/16 - 03/31/17	14.235	MI0259L5F171508	55,979	-	22,724	-	23,444	720
Permanent Supportive Housing Program	10/01/14 - 09/30/15	14.235	MI0421L5F171300	43,628	15,719	15,719	30,992	-	-
Permanent Supportive Housing Program	10/01/15 - 09/30/16	14.235	MI0421L5F171401	43,628	-	29,489	-	43,628	14,139
Permanent Supportive Housing Program-2	10/01/15 - 09/30/16	14.235	MI0457L5F171400	43,628	-	22,613	-	41,682	19,069
Partnership Park Permanent Housing	10/01/14 - 09/30/15	14.235	MI0261B5F171306	63,287	21,467	21,467	63,287	-	-
Partnership Park Permanent Housing	10/01/15 - 09/30/16	14.235	MI0261B5F171407	63,287	-	42,358	-	63,287	20,929
Supportive Housing Program-Garfield Square Development	05/01/14 - 04/30/15	14.235	MI0257L5F171306	193,870	-	-	125,022	-	-
Supportive Housing Program-Garfield Square Development	05/01/15 - 04/30/16	14.235	MI0257L5F171407	193,870	47,855	176,094	65,631	128,239	-
Supportive Housing Program-Garfield Square Development	05/01/16 - 04/30/17	14.235	MI0257L5F171508	193,870	-	80,557	-	93,756	13,199
Subtotal 14.235					\$ 139,970	\$ 684,052	\$ 543,444	\$ 625,677	\$ 81,595

Community Action Agency

Schedule A-2
 Schedule of Expenditures of Federal Awards (continued)
 For the Year Ended September 30, 2016

Federal Grantor/Pass Through Agency/Program Title	Grant Period	Federal CFDA Number	Pass Through/ Grantor's Number	Program/ Award Amount	Accrued (Deferred) Revenue 10/01/15	Current Year Cash Payment/ In Kind Received	Federal Expenses		Accrued (Deferred) Revenue 09/30/16
							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	\$ 882	\$ 926	\$ 39,015	\$ 44	\$ -
CHDO - City of Jackson	05/11/16-05/10/17	14.239	N/A	128,339	-	-	-	60,871	60,871
Subtotal 14.239					\$ 882	\$ 926	\$ 39,015	\$ 60,915	\$ 60,871
Passed-Through Michigan State Housing Development Authority									
HOME - Family Self Sufficiency	04/01/13 - 12/31/14	14.871	13-43	N/A	\$ -	\$ -	\$ 2,593	\$ -	\$ -
HOME - Family Self Sufficiency	01/01/15 - 12/31/16	14.871	15-26	N/A	(1,033)	10,700	4,592	4,943	(6,790)
Subtotal 14.871					\$ (1,033)	\$ 10,700	\$ 7,185	\$ 4,943	\$ (6,790)
Total U.S. Department of Housing and Urban Development					\$ 263,636	\$ 960,965	\$ 1,010,857	\$ 837,442	\$ 140,113
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	\$ -	\$ -	\$ 3,371	\$ -	\$ -
National Foreclosure Mitigation Counseling (NFMC)	10/01/14 - 12/31/15	21.000	PL113-235X1350	N/A	3,151	4,200	4,555	1,049	-
Subtotal 21.000					\$ 3,151	\$ 4,200	\$ 7,926	\$ 1,049	\$ -
Direct Program									
Volunteer Income Tax Assistance (VITA)	07/01/14 - 06/30/15	21.009	15VITA0157	103,000	\$ -	\$ -	\$ 78,558	\$ -	\$ -
Volunteer Income Tax Assistance (VITA)	07/01/15 - 06/30/16	21.009	16VITA0032	103,000	15,179	103,000	15,179	87,821	-
Volunteer Income Tax Assistance (VITA)	08/01/16 - 08/31/18	21.009	17VITA0045	100,000	-	-	-	9,737	9,737
Subtotal 21.009					\$ 15,179	\$ 103,000	\$ 93,737	\$ 97,558	\$ 9,737
Total U.S. Department of Treasury					\$ 18,330	\$ 107,200	\$ 101,663	\$ 98,607	\$ 9,737
DEPARTMENT OF VETERANS AFFAIRS									
Direct Program									
VA Supportive Services for Veteran Families Program	10/01/13 - 11/30/14	64.033	14-MI-220	668,673	\$ -	\$ -	\$ 156,220	\$ -	\$ -
VA Supportive Services for Veteran Families Program	12/01/14 - 11/30/15	64.033	14-MI-220	682,046	63,833	208,825	537,054	144,992	-
VA Supportive Services for Veteran Families Program	12/01/15 - 10/31/16	64.033	14-MI-220	682,046	-	573,829	-	637,308	63,479
Total Department of Veterans Affairs 64.033					\$ 63,833	\$ 782,654	\$ 693,274	\$ 782,300	\$ 63,479
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	\$ 8,983
Passed-Through Michigan Department of Health & Human Services									
Weatherization Assistance for Low-Income Persons	07/01/14 - 06/30/15	81.042	DOE-13-38026-2	393,580	-	-	274,210	-	-
Weatherization Assistance for Low-Income Persons	07/01/15 - 06/30/16	81.042	DOE-13-38026-3	312,635	49,771	290,283	59,023	240,512	-
Total U.S. Department of Energy					\$ 49,771	\$ 290,283	\$ 333,233	\$ 249,495	\$ 8,983
U.S. DEPARTMENT OF EDUCATION									
Passed-Through Workforce Development Agency, State of Michigan									
Title II - Federal Adult Education ABE	07/01/14 - 06/30/15	84.002A	151130-151617	80,000	\$ -	\$ -	\$ 67,149	\$ -	\$ -
Title II - Federal Adult Education ABE	07/01/15 - 06/30/16	84.002A	161130-161617	104,000	-	87,180	-	87,180	-
Total U.S. Department of Education					\$ -	\$ 87,180	\$ 67,149	\$ 87,180	\$ -

Community Action Agency

Schedule A-3
 Schedule of Expenditures of Federal Awards (concluded)
 For the Year Ended September 30, 2016

Federal Grantor/Pass Through Agency/Program Title	Grant Period	Federal CFDA Number	Pass Through/ Grantor's Number	Program/ Award Amount	Accrued (Deferred) Revenue 10/01/15	Current Year Cash Payment/ In Kind Received	Federal Expenses		Accrued (Deferred) Revenue 09/30/16
							Prior Year	Current Year	
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES									
Passed-Through Michigan Depart. Of HHS through Michigan Agency for Energy through Michigan Community Action									
MCA/MEAP	10/01/15 - 09/30/16	93.568	MEAP 2015	128,231	\$ -	\$ 128,231	\$ -	\$ 128,231	\$ -
Passed-Through Michigan Department of Health & Human Services									
LIHEAP	02/01/14 - 09/30/15	93.568	LIHEAP-13-38026-2	218,358	55,130	55,130	120,516	-	-
LIHEAP	10/01/15 - 09/30/16	93.568	LIHEAP-13-38026-3	147,539	-	131,109	-	147,539	16,430
LIHEAP-LCA	10/01/15 - 08/31/16	93.568	LCA-13-38026(NFA12)	111,600	-	-	-	106,708	106,708
Subtotal 93.568					<u>\$ 55,130</u>	<u>\$ 314,470</u>	<u>\$ 120,516</u>	<u>\$ 382,478</u>	<u>\$ 123,138</u>
Passed-Through Michigan Department of Health & Human Services									
Community Service Block Grant	10/01/14 - 09/30/15	93.569	CSBG-14-38026-2	654,420	\$ 187,376	\$ 187,376	\$ 642,996	\$ -	\$ -
Community Service Block Grant	10/01/15 - 09/30/16	93.569	CSBG-14-38026-3	619,717	-	414,862	-	508,796	93,934
Community Service Block Grant - Discretionary	10/01/14 - 09/30/15	93.569	CSBGD14-38026(NFA3)	23,900	7,538	7,538	23,900	-	-
Community Service Block Grant - Discretionary	10/01/15 - 09/30/16	93.569	CSBGD14-38026(NFA7)	24,000	-	11,386	-	24,000	12,614
Subtotal 93.569					<u>\$ 194,914</u>	<u>\$ 621,162</u>	<u>\$ 666,896</u>	<u>\$ 532,796</u>	<u>\$ 106,548</u>
Direct Programs									
Head Start (1)	07/01/14 - 06/30/15	93.600	05CH4054/49	5,666,106	\$ -	\$ -	\$ 4,541,956	\$ -	\$ -
Head Start (1)	07/01/15 - 06/30/16	93.600	05CH10092-01-00	5,666,106	77,836	4,824,106	919,836	4,746,270	-
Head Start (1)	07/01/16 - 06/30/17	93.600	05CH10092-02-00	5,767,081	-	963,000	-	1,108,099	145,099
Early Head Start (1)	07/01/14 - 06/30/15	93.600	05CH4054/49	2,088,010	88,010	88,010	1,618,754	-	-
Early Head Start (1)	07/01/15 - 06/30/16	93.600	05CH10092-01-00	2,088,010	66,210	1,667,010	487,210	1,600,800	-
Early Head Start (1)	07/01/16 - 06/30/17	93.600	05CH10092-02-00	2,124,689	-	380,000	-	450,031	70,031
Subtotal 93.600					<u>\$ 232,056</u>	<u>\$ 7,922,126</u>	<u>\$ 7,567,756</u>	<u>\$ 7,905,200</u>	<u>\$ 215,130</u>
Direct Programs									
Assets for Independence Demonstration Program (IDA)	09/01/08 - 08/31/14	93.602	90EI0564-01	218,824	\$ -	\$ -	\$ 62,101	\$ -	\$ -
Assets for Independence Demonstration Program (IDA)	04/01/10 - 03/31/16	93.602	90EI0620-01-03	88,235	(52,993)	-	(17,372)	52,993	-
Assets for Independence Demonstration Program (IDA)	09/30/12 - 09/29/17	93.602	90EI0786-01-00	88,235	(82,479)	-	1,332	2,665	(79,814)
Assets for Independence Demonstration Program (IDA)	09/30/14 - 09/29/19	93.602	90EI0866-01-01	88,235	(87,615)	-	620	2,499	(85,116)
Assets for Independence Demonstration Program (IDA)	09/30/11 - 09/29/17	93.602	90EI0723-01-02	114,706	(100,902)	-	(5,490)	14,906	(85,996)
Subtotal 93.602					<u>\$ (323,989)</u>	<u>\$ -</u>	<u>\$ 41,191</u>	<u>\$ 73,063</u>	<u>\$ (250,926)</u>
Passed-Through Michigan Department of Health & Human Services									
Passed-Through Lenawee Community Mental Health Authority									
Substance Abuse Prevention and Treatment	10/01/14 - 09/30/15	93.959	N/A	67,080	\$ 9,552	\$ 9,552	\$ 67,080	\$ -	\$ -
Substance Abuse Prevention and Treatment	10/01/15 - 09/30/16	93.959	N/A	119,970	-	89,667	-	114,390	24,723
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)	-	3,263	-	(1,987)
Subtotal 93.959					<u>\$ 7,565</u>	<u>\$ 99,219</u>	<u>\$ 70,343</u>	<u>\$ 114,390</u>	<u>\$ 22,736</u>
Passed-Through Michigan Department of Health & Human Services									
Fetal Alcohol Education & Awareness Project	10/01/14 - 09/30/15	93.994	20150351	10,000	\$ 52	\$ 52	\$ 10,000	\$ -	\$ -
Fetal Alcohol Education & Awareness Project	10/01/15 - 09/30/16	93.994	20160233-002	4,200	-	4,200	-	4,200	-
Subtotal 93.994					<u>\$ 52</u>	<u>\$ 4,252</u>	<u>\$ 10,000</u>	<u>\$ 4,200</u>	<u>\$ -</u>
Total U.S. Department of Health and Human Services					<u>\$ 165,728</u>	<u>\$ 8,961,229</u>	<u>\$ 8,476,702</u>	<u>\$ 9,012,127</u>	<u>\$ 216,626</u>
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	\$ (1,793)	\$ 4,000	\$ 2,207	\$ 5,793	\$ -
FEMA/EFSP	02/01/16 - 03/31/17	97.024	LRO-469600-002	8,500	-	4,250	-	3,764	(486)
Total Department of Homeland Security 97.024					<u>\$ (1,793)</u>	<u>\$ 8,250</u>	<u>\$ 2,207</u>	<u>\$ 9,557</u>	<u>\$ (486)</u>
TOTAL FEDERAL AWARDS					<u>\$ 589,383</u>	<u>\$ 11,901,926</u>	<u>\$ 11,379,894</u>	<u>\$ 11,806,068</u>	<u>\$ 493,525</u>
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, 2016. 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 22, 2017

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, 2016, 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

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 EACH MAJOR
FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE

February 22, 2017

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, 2016. 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, 2016.

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.

Rehmann Johnson LLC

COMMUNITY ACTION AGENCY

Schedule of Findings and Questioned Costs For the Year Ended September 30, 2016

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, 2016

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, 2016

None reported.

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