

**Northeast Michigan Community
Service Agency, Inc.**

Alpena, Michigan

Financial Statements and Supplementary Information
Year Ended September 30, 2019

Northeast Michigan Community Service Agency, Inc.

Financial Statements and Supplementary Information
Year Ended September 30, 2019

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Independent Auditor's Report

Board of Directors
Northeast Michigan Community Service Agency, Inc.
Alpena, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of Northeast Michigan Community Service Agency, Inc., which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses and cash flows for the year 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; 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 the auditor's 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 Northeast Michigan Community Service Agency, Inc. as of September 30, 2019, and the changes in its net assets, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Northeast Michigan Community Service Agency, Inc.

Notes to Financial Statements

Emphasis of Matter

As discussed in Note 1 to the financial statements, Northeast Michigan Community Service Agency, Inc. adopted the amendments in Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities – Presentation of Financial Statements for Not-for-Profit Entities*, as of and for the year ended September 30, 2019.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the AASA schedule of service categories by funding source are presented for purposes of additional analysis, and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2020, on our consideration of Northeast Michigan Community Service Agency, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Northeast Michigan Community Service Agency, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Northeast Michigan Community Service Agency, Inc.'s internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

March 6, 2020
Madison, Wisconsin

Northeast Michigan Community Service Agency, Inc.

Statement of Financial Position

September 30, 2019

<i>Assets</i>	
Current assets:	
Cash and cash equivalents	\$ 8,769,228
Grants receivable	3,938,073
Accounts receivable	79,465
Inventory	369,455
Prepaid expenses	27,312
Total current assets	13,183,533
Other assets:	
Certificates of deposit	313,947
Total other assets	313,947
Property and equipment, net	1,563,787
TOTAL ASSETS	\$ 15,061,267

<i>Liabilities and Net Assets</i>	
Current liabilities:	
Accounts payable	\$ 2,633,944
Accrued payroll and related expenses	1,729,858
Grant funds received in advance	110,695
Total current liabilities	4,474,497
Net assets:	
Without donor restrictions:	
Designated	5,738,686
Undesignated	2,911,892
Investment in land, building and equipment	1,563,787
Total net assets without donor restrictions	10,214,365
With donor restrictions	372,405
Total net assets	10,586,770
TOTAL LIABILITIES AND NET ASSETS	\$ 15,061,267

Northeast Michigan Community Service Agency, Inc.

Statement of Activities Year Ended September 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Public support	\$ 51,504,177	\$ 108,934	\$ 51,613,111
Program income	189,159	0	189,159
Other	261,696	0	261,696
In-kind contributions	589,942	0	589,942
Total revenue	52,544,974	108,934	52,653,908
Expenses:			
Program Services:			
Early childhood programs	26,163,516	0	26,163,516
Community based care programs	12,769,106	0	12,769,106
Aging programs	3,712,764	0	3,712,764
Client service programs	4,364,126	0	4,364,126
Youth services programs	1,712,590	0	1,712,590
Volunteer programs	849,317	0	849,317
Community development programs	210,616	0	210,616
Total program services	49,782,035	0	49,782,035
Management and general	2,208,669	0	2,208,669
Total expenses	51,990,704	0	51,990,704
Change in net assets	554,270	108,934	663,204
Net assets - Beginning of the year	9,608,181	315,385	9,923,566
Reclassification of net assets - change in accounting policy	51,914	(51,914)	0
Net assets - Beginning of the year as restated	9,660,095	263,471	9,923,566
Net assets - End of the year	\$ 10,214,365	\$ 372,405	\$ 10,586,770

Northeast Michigan Community Service Agency, Inc.

Statement of Functional Expenses

Year Ended September 30, 2019

	Early Childhood	Community Based Care	Aging	Client Service	Youth Services	Volunteer	Community Development	Program Services	Management & General	Total Expenses
Expenses:										
Salaries	\$ 12,323,296	\$ 1,496,810	\$ 354,980	\$ 641,240	\$ 1,111,110	\$ 260,489	\$ 124,205	\$ 16,312,130	\$ 1,077,879	\$ 17,390,009
Payroll taxes and fringe benefits	5,362,519	641,182	132,412	272,582	548,415	112,076	56,329	7,125,515	465,763	7,591,278
Occupancy	1,497,719	46,493	8,707	64,993	0	7,895	3,045	1,628,852	90,905	1,719,757
Travel and transportation:										
Out of area travel	36,827	0	0	732	225	551	1,169	39,504	0	39,504
Travel and transportation	641,040	74,478	36,780	55,140	26,727	13,883	7,339	855,387	47,659	903,046
Supplies	2,590,282	37,443	3,754	87,217	9,594	9,996	7,718	2,746,004	38,330	2,784,334
Equipment:										
Repairs and maintenance	32,197	464	169	6,967	467	73	0	40,337	2,762	43,099
Purchases funding source (exempt)	0	0	0	10,300	0	0	0	10,300	3,887	14,187
Audit and legal services	280	0	0	0	0	0	0	280	109,500	109,780
Contractual:										
Subawards and flowthroughs (exempt)	1,669,823	0	842,886	700	0	0	0	2,513,409	0	2,513,409
Subawards and contracts	641,110	64,920	2,136,739	55,090	0	0	1,191	2,899,050	39,067	2,938,117
Trainings and meetings	274,293	488	7,056	3,863	9,936	749	7,797	304,182	23,904	328,086
Participant costs (exempt)	0	0	0	0	0	425,955	0	425,955	0	425,955
Client services	12,903	10,369,476	164,906	1,477,672	0	0	0	12,024,957	0	12,024,957
Client services (exempt)	0	0	0	0	0	0	0	0	0	0
Printing and publications	48,186	2,393	37	3,771	0	(1)	0	54,386	23,695	78,081
Communication	172,235	25,743	3,572	21,156	1,364	6,200	943	231,213	10,562	241,775
Insurance	63,912	3,199	930	6,955	1,881	524	167	77,568	21,415	98,983
Advertising	0	0	0	0	0	0	0	0	561	561
Dues and memberships	14,215	435	11,006	0	0	615	450	26,721	12,976	39,697
Other	177,588	5,582	7,476	92,887	2,871	10,312	263	296,979	13,823	310,802
Other (exempt)	15,149	0	1,354	0	0	0	0	16,503	0	16,503
Depreciation	0	0	0	0	0	0	0	0	225,981	225,981
Food commodities distributed (exempt)	0	0	0	1,562,861	0	0	0	1,562,861	0	1,562,861
Match expense:										
Match - Indirect exempt (GAAP)	28,008	0	0	0	0	0	0	28,008	0	28,008
Match (GAAP)	561,934	0	0	0	0	0	0	561,934	0	561,934
Total expenses	\$ 26,163,516	\$ 12,769,106	\$ 3,712,764	\$4,364,126	\$ 1,712,590	\$ 849,317	\$ 210,616	\$ 49,782,035	\$ 2,208,669	\$ 51,990,704

See accompanying notes to financial statements.

Northeast Michigan Community Service Agency, Inc.

Statement of Cash Flows

Year Ended September 30, 2019

Increase (decrease) in cash and cash equivalents:

Cash flows from operating activities:

Change in net assets	\$	663,204
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Adjustments to reconcile change in net assets to net cash provided by operating activities:

Depreciation		225,981
Loss on disposal of property and equipment		2,442
Unrealized and realized gain on investments	(8,446)
Changes in operating assets and liabilities:		
Grants receivable	(970,490)
Accounts receivable		381,872
Prepaid expenses		9,925
Inventory	(108,934)
Accounts payable		451,045
Accrued payroll and related expenses		294,148
Grant funds received in advance		35,138

Net cash provided by operating activities		975,885
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Cash flows from investing activities:

Purchase of property and equipment	(485,814)
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Net cash used in investing activities	(485,814)
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Change in cash and cash equivalents		490,071
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Cash and cash equivalents - Beginning of the year		8,279,157
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Cash and cash equivalents - End of the year	\$	8,769,228
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Northeast Michigan Community Service Agency, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Northeast Michigan Community Service Agency, Inc. (NEMCSA) was organized as a Michigan nonprofit corporation on August 15, 1968 as Northeast Michigan Community Action, Inc. NEMCSA was formed to plan, establish, coordinate and operate programs to promote the health, education and welfare of the residents of 11 counties of northeastern Michigan, which remains its primary service area. Several of NEMCSA's programs encompass additional counties. NEMCSA's principal programs include:

Early Childhood Programs – Provide education, social services, health/dental, nutrition, mental health, and disability services to participating families for children 3-5 years of age whose family incomes are at or below 100% of poverty; provide Early Head Start programs for expectant families and/or 0-3 year olds, which focus on a healthy childhood with proper nutrition, parental nurturing, and strengthening the parent-child bond to prepare infants and toddlers for healthy growth and development; provide Great Start Readiness Program preschool and supportive services for 4 year old's with family income up to 250% of poverty. Head Start and Great Start Readiness operates in twenty-one counties. Early Head Start operates in twelve counties. NEMCSA has delegated a portion of Head Start program services to one other nonprofit agency in Farwell, Michigan. Approximately 50% of NEMCSA's revenue and support is derived from Early Childhood Programs.

Community Based Care Programs - Provide long term care services and support to older adults and persons with disabilities aged 18 and older who are eligible for Medicaid-covered nursing facility level of care. Services are to assist them in remaining in the community setting of their choice. Services are designed to locate, mobilize and manage a variety of home care and other services needed as an alternative of nursing home placement. Approximately 24% of NEMCSA's revenue and support is derived from Community Based Care Programs.

Aging Programs – Provide in-home services, including homemaking, personal care, home delivered meals and respite care for recipients 60 years of age and older, and respite care for recipients or caregivers 18 and older who possess a need for assistance with certain activities of daily living; provide evidence-based disease prevention, health promotion, and caregiver educational programs; provide congregate meal sites in all twelve counties served by the Area Agency on Aging; provide information and education to families and individuals about long-term care facilities and services through an Ombudsman, who acts as a liaison between residents, care providers and state regulatory agencies. Approximately 7% of NEMCSA's revenue and support is derived from Aging Programs.

Client Service Programs – Provide the following services to individuals that have income at or below a certain percentage of Federal Poverty guidelines; assist Medicaid recipients in making educated decisions choosing a managed health plan; provide rental and utility assistance to persons faced with homelessness, or re-house those already homeless; provide utility and deliverable fuel assistance to households who are disconnected or in threat thereof; provide energy-efficiency upgrades to homes in an effort to reduce energy costs incurred by households; provide nutritious food items and nutrition education to individuals most vulnerable to malnutrition. Approximately 8% of NEMCSA's revenue and support is derived from Client Service Programs.

NEMCSA has its corporate office in Alpena, Michigan, and is supported primarily through federal and state governmental grants and contracts. In the current year, a significant amount of grants and contract revenues were provided by a few major funding sources. It is always considered reasonably possible that projects, grants or contributions could be lost in the near term. NEMCSA's mission is to provide quality planning, programs and services to individuals, families, and communities through the best use of human and financial resources.

Northeast Michigan Community Service Agency, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States.

Classification of Net Assets

Net assets and revenue are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of NEMCSA and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

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

Use of Estimates

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

Revenue Recognition

Contributions are recognized when the donor makes a promise to give to NEMCSA that is, in substance, unconditional. Contributions received are recorded as with or without restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net asset with donor restriction are reclassified as net assets without donor restrictions and reported in the statement of activities as released from restrictions. If the restriction is satisfied in the period of contribution, the contribution is recorded as revenue without donor restriction.

Program income represents amounts contributed by program beneficiaries. The contributions are to help defray the cost of the specific program in which the beneficiary received assistance. The revenue is recognized when earned.

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

Northeast Michigan Community Service Agency, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

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

A. Grant Awards That Are Contributions

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

B. Grant Awards That Are Exchange Transactions

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

Cash and Cash Equivalents

NEMCSA considers all unrestricted highly liquid investments and certificates of deposit with an initial maturity of three months or less to be cash equivalents.

Certificates of Deposit

Certificates of deposit have penalties for early withdrawal. They are stated at cost which approximates fair value.

Inventory/Food Commodities Distributed

Inventory consists of food commodities for distribution to low-income households and is stated at the values provided by the State of Michigan, Department of Education. Food commodities distributed represents the value of food received from the State of Michigan and distributed to low-income households. Commodity inventory is charged to expense when the commodities are distributed.

Accounts Receivable

Accounts receivable consist primarily of amounts billed under performance contracts. Amounts are reviewed for collectability by management and an allowance for doubtful accounts is recorded as needed based on collection history and customer attributes. NEMCSA considers these receivables to be collectible and; therefore, no allowance for doubtful accounts has been recorded.

Designation of Net Assets Without Donor Restrictions

It is the policy of the Board of Directors of NEMCSA to review its plans for future activities and to designate appropriate sums of net assets without donor restrictions to assure adequate financing of such activities and related contingencies. Designated net assets earmarked for ongoing grants and contract programs were \$5,738,686 as of September 30, 2019.

Northeast Michigan Community Service Agency, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property, equipment, and leasehold improvements are capitalized at cost or if donated, at the estimated fair value on the date of donation. Depreciation is provided for using the straight-line method over the estimated useful life of the asset. NEMCSA considers items with a cost greater than \$5,000 and a useful life greater than one year to be property and equipment. Leasehold improvements are amortized by the straight-line method over the initial term of the lease or useful life, whichever is shorter. Amortization expense is included with depreciation expense.

Property and equipment purchased with grant funds are owned by NEMCSA while used in the program for which they were purchased or in other future authorized programs. However, the various funding sources have a reversionary interest in the property and equipment purchased with grant funds. Its disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The property and equipment purchased with grant funds is normally restricted for use in specific programs operated by NEMCSA. The net book value of property and equipment acquired with grant funds at September 30, 2019, was \$659,518.

In-Kind Contributions

Generally accepted accounting principles requires that only contributions that create or enhance non-financial assets, or that require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, be recorded. In-kind contributions for professional services are recorded in the statement of activities as revenue and expenses in the period they are received. During the year ended September 30, 2019, NEMCSA received \$589,942 of such contributions, primarily for its Head Start and Early Head Start programs. In addition, NEMCSA received contributions of nonprofessional volunteer services of approximately \$6,300,000, primarily for its Early Childhood, Aging, and Volunteer programs. The nonprofessional volunteer services are not reported in the statement of activities as they do not meet the criteria to be recorded under accounting principles generally accepted in the United States.

Matching Funds

Various programs are funded at less than 100% of the project's total forecasted expenditures, with the difference being NEMCSA's responsibility. These additional funds, or matching funds, may be comprised of third-party contributions, valuation of donated services and goods or program income unique to that grant. Additionally, other NEMCSA non-federal grants and projects may be used to fulfill the matching requirement, as approved by the original funding source. These financial statements include only externally generated matching funds.

Income Taxes

NEMCSA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. NEMCSA qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). NEMCSA is also exempt from Michigan corporate income tax.

NEMCSA is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. NEMCSA has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Northeast Michigan Community Service Agency, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Functional Allocation of Costs

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Personnel costs are allocated based on time and effort reporting. Occupancy and related costs are allocated based on square footage.

Change in Accounting Policy

In 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958)*. This ASU provides certain improvements in financial reporting for not-for-profit organizations and requires changes to net asset classification, enhancements to liquidity presentation and disclosures, presentation of an analysis of expenses by function and by nature, netting of investment expenses with return, among other changes. The guidance was adopted effective October 1, 2018.

Prior to the adoption of the ASU, NEMCSA had a policy of implying a time restriction for property and equipment acquired with grant funds. Under the time restriction policy, the net asset value of property and equipment acquired with grant funds was reported as a temporary restricted net asset. The ASU requires a placed-in-service approach in which net assets for property and equipment acquired with grant funds are reported as without donor restrictions. Accordingly, net assets with donor restrictions of \$312,435 were transferred to net assets without donor restrictions on October 1, 2018 on the statement of activities. In addition, net assets without donor restrictions of \$260,521 were transferred to net assets with donor restrictions for commodity supplement food on October 1, 2018.

New Accounting Pronouncements

In 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard replaces the current revenue recognition requirements and most industry-specific guidance. When adopted, the amendments in this ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic entities for annual periods beginning after December 15, 2018. NEMCSA is currently evaluating the impact of the provisions of ASU Topic 606.

In 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which is intended to improve financial reporting on leasing transactions. ASU No. 2016-02 will require lessees to recognize right of use assets and lease obligations for operating and finance leases under terms greater than 12 months. ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2020, with early adoption permitted. ASU No. 2016-02 must be applied modified retrospectively. NEMCSA is currently evaluating the impact of the provisions of ASU Topic 842.

On June 21, 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this update will assist entities in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions and determining whether a transaction is conditional.

Northeast Michigan Community Service Agency, Inc.

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

The amendments in this update are effective for annual financial statements issued for fiscal years beginning after December 15, 2018, for transactions in which the entity serves as the resource recipient and for fiscal years beginning after December 15, 2019, for transactions in which the entity services as the resource provider. Early application of the amendments in this update is permitted. NEMCSA is evaluating the impact of the provisions of ASU Topic 958.

Subsequent Events

Subsequent events have been evaluated through March 6, 2020, which is the date the financial statements were available to be issued.

Note 2: Concentration of Credit Risk

NEMCSA maintains its cash balances at several financial institutions and credit unions in overnight deposits, demand deposits and certificates of deposits. Accounts are insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Association (NCUA) up to \$250,000. The certificates of deposit are held at a credit union and a bank. The respective balance in each of the certificates of deposit is less than the \$250,000 NCUA and FDIC amount. NEMCSA has not experienced any losses with these cash accounts. Management believes NEMCSA is not exposed to any significant credit risk on its cash.

Note 3: Liquidity and Availability

Financial assets available for general expenditure, that is without donor or designations limiting their use, within twelve months of September 30, 2019, are comprised of the following:

Cash	\$ 8,769,228
Grants receivable	3,938,073
Accounts receivable	79,465
Subtotal financial assets	12,786,766
Less: accounts payable	(2,633,944)
Less: accrued payroll and related expenses	(1,729,858)
Less: grant funds received in advance	(110,695)
Less: board designated net assets	(5,738,686)
Less: net assets with donor restrictions in cash	(2,950)
Total	\$ 2,570,633

NEMCSA does not have a formal liquidity policy but generally maintains financial assets in liquid form such as cash and cash equivalents for approximately one month of operating expenses. In addition, the board can approve using the board designated net assets if needed. NEMCSA can rely on a lower cash balance as it is primarily funded with cost reimbursement grants. Under cost reimbursement grants, once expenses are incurred, an organization can request reimbursement from the funding source. NEMCSA has grant commitments for future expenses of approximately \$13,643,000 at September 30, 2019.

Northeast Michigan Community Service Agency, Inc.

Notes to Financial Statements

Note 4: Grants Receivable

Grants receivable at September 30, 2019, consist of amounts due from U.S. Department of Health and Human Services, Michigan Department of Human Services, Michigan State Housing Development Authority and other various funding sources as follows by Agency program service areas:

Early Childhood Programs	\$ 2,295,223
Aging Services Programs	812,622
Client Services Programs	369,968
Community Based Care Programs	223,734
Youth Services Programs	78,174
Volunteer Programs	100,487
Community Development Programs	57,865
<hr/>	
Total	<u>\$ 3,938,073</u>

Note 5: Property and Equipment

A summary of property and equipment at September 30, 2019, is as follows:

Land and land improvements	\$ 144,136
Buildings	368,739
Leasehold improvements	1,525,062
Vehicles and equipment	2,017,994
<hr/>	
Total property and equipment	4,055,931
Accumulated depreciation	(2,492,144)
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Property and equipment, net	<u>\$ 1,563,787</u>

Note 6: Grant Awards

At September 30, 2019, NEMCSA had received commitments for future funding under various grant awards of approximately \$13.6 million. These commitments are not recognized in the accompanying financial statements as receivables and revenue as they are conditional awards.

Note 7: Net Assets With Donor Restrictions

Net assets with donor restrictions were available for the following purposes:

Youth and Family Services	\$ 2,950
Commodity Supplement Food Program (CSFP) – food inventory	369,455
<hr/>	
Total	<u>\$ 372,405</u>

The above net assets have a specific purpose. When the restrictions are met, net assets are released from restriction and reported as net assets without donor restrictions.

Northeast Michigan Community Service Agency, Inc.

Notes to Financial Statements

Note 8: Employee Retirement Plan

NEMCSA has a defined contribution pension plan (the Plan) covering employees working in eligible classes who have completed one year of service, worked at least 1,000 hours in the determination year and have attained twenty-one years of age. NEMCSA's contributions to the Plan are 10% of the total earned compensation for participants hired prior to January 1, 2005. Contributions to the Plan for participants hired on or after January 1, 2005 are 5% of the total earned compensation for eligible employee through their fifth year of employment, and increases to 10% of the total earned compensation beginning their sixth year. Each participant has a 100% vested interest in all amounts credited to their account upon entry into the Plan. NEMCSA's contribution to the Plan for the year ended September 30, 2019 was \$1,194,620.

Note 9: Operating Lease Agreements

NEMCSA leases a postage machine and virtually all of its office space under non-cancellable operating leases expiring at various dates through September 2022. The office space leases generally contain renewal options for periods ranging from one to ten years. Lease expense for the year ended September 30, 2019, was \$1,478,614.

Future minimum lease payments under operating leases as of September 30, 2019 are as follows:

2020	\$	1,412,305
2021		72,394
2022		1,306
<hr/>		
Total	\$	1,486,005

Supplementary Information

Northeast Michigan Community Service Agency, Inc.

Schedule of Expenditures of Federal Awards Year Ended September 30, 2019

CFDA Number	Grant Number	Program Name	Grantor Agency	Federal Expenditures
DEPARTMENT OF AGRICULTURE				
10.178	04-000-1021 (190990)	Trade Mitigation Food Purchase & Distribution Program	State of Michigan - Department of Education	\$ 1,420
<i>Food Distribution Cluster</i>				
10.565	04-000-1021 (190930)	Commodity Supplement Food Program	State of Michigan - Department of Education	303,936
	04-000-1021 (190930)	Commodity Supplemental Food Distribution	State of Michigan - Department of Education	1,002,526
Total Federal Expenditures CFDA # 10.565				1,306,462
10.568	04-000-1021 (190990)	Emergency Food Assistance Program	State of Michigan - Department of Education	201,862
10.569	04-000-1021 (190990)	Emergency Food Asst. Prgm - Food Commodities	State of Michigan - Department of Education	412,388
	04-000-1021 (190990)	Trade Mitigation Food Purchase & Distribution Program- Commodities	State of Michigan - Department of Education	147,947
Total Federal Expenditures CFDA # 10.569				560,335
Total Food Distribution Cluster (10.565, 10.568, and 10.569)				2,068,659
10.558	040000001	Child and Adult Care Food Program - Meal Reimbursement	State of Michigan - Department of Education	1,152,845
	040000001	Child Care Cash in lieu of Commodities	State of Michigan - Department of Education	48,701
Total Federal Expenditures CFDA # 10.558				1,201,546
Total Department of Agriculture				3,271,625
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
14.169	18-18 HUD	Housing Counseling Assistance Program	Michigan State Housing Development Authority	30,000
14.231	HML-2018-103-ESF	Emergency Solutions Grant Program	Michigan State Housing Development Authority	311,067
14.235	N/A	Supportive Housing Program	Michigan Coalition Against Homelessness	45
14.267	E20190088-00/E20191283-00	Supportive Housing Program	State of Michigan - Department of Health & Human Services	163,691
	E20190088-00/E20191282-00	Supportive Housing Program	State of Michigan - Department of Health & Human Services	146,448
Total Federal Expenditures CFDA # 14.267				310,139
14.896	18-34-HEP	Family Self-Sufficiency Program	Michigan State Housing Development Authority	347
Total Department of Housing and Urban Development				651,598
DEPARTMENT OF LABOR				
17.235	20180431;E20182850	Senior Community Service Employment Program	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	53,516
	E20193051;2954;3052;2994 ;2997	Senior Community Service Employment Program	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	15,885
Total Department of Labor; Federal Expenditures CFDA # 17.235				69,401
DEPARTMENT OF ENERGY				
81.042	WAP-16-04022 (DOE)	Weatherization Assistance for Low Income Persons	State of Michigan - Department of Health & Human Services	657,794
	WAP-16-04022 (DOE)	Weatherization Assistance for Low Income Persons	State of Michigan - Department of Health & Human Services	79,935
Total Department of Energy; Total Federal Expenditures CFDA #81.042				737,729

Northeast Michigan Community Service Agency, Inc.

Schedule of Expenditures of Federal Awards Year Ended September 30, 2019

CFDA Number	Grant Number	Program Name	Grantor Agency	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
93.600	05CH8420-04-03	Head Start	U.S. Department of Health and Human Services	8,375,608
	05CH8420-05-02	Head Start	U.S. Department of Health and Human Services	14,062,962
Total Federal Expenditures CFDA # 93.600 (Includes subcontractor expenses of \$ 1,694,823)				22,438,570
<i>Aging Cluster</i>				
93.044	E20193051;2954;3052;2994;2997	Title III, Part B-Grants for Supportive Services & Senior Centers	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	47,616
	E20193051;2954;3052;2994;2997	Title III, Part B-Grants for Supportive Services & Senior Centers	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	426,808
Total Federal Expenditures CFDA # 93.044 (Includes subcontractor expenses of \$ 385,171)				474,424
93.045	E20193051;2954;3052;2994;2997	Title III, Part C - Nutrition Services	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	93,589
	E20193051;2954;3052;2994;2997	Title III, Part C - Nutrition Services	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	835,745
Total Federal Expenditures CFDA # 93.045 (Includes subcontractor expenses of \$ 694,782)				929,334
93.053	E20193051;2954;3052;2994;2997	Nutrition Services Incentive Program	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	460,462
Total Aging Cluster (93.044, 93.045, and 93.053)				1,864,220
93.041	E20193051;2954;3052;2994;2997	Title VII, Ch. 3-Prgms for Prev. of Elder Abuse, Neglect & Exploitation	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	5,643
(Includes subcontractor expenses of \$ 4,069)				
93.042	E20193051;2954;3052;2994;2997	Title VII, Ch. 2 - Long Term Care for Ombudsman Svcs for Older Individuals	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	10,466
93.043	E20193051;2954;3052;2994;2997	Title III, Part D - Disease Prevention & Health Promotion Services	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	34,628
(Includes subcontractor expenses of \$ 18,674)				
93.048	90MPPG0039	Special Programs for Aging_ Title IV and Title II - Discretionary Projects	MMAP, Inc.	7,417
93.051	20180431;E20182850	Alzheimer's Disease Demonstration Grants to States	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	25,682
93.052	E20193051;2954;3052;2994;2997	National Family Caregiver Support , Title III, Part E	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	176,774
	E20193051;2954;3052;2994;2997	National Family Caregiver Support , Title III, Part E	State of Michigan - Dept. of Health & Human Services - Aging and Adult Services Agency	22,987
Total Federal Expenditures CFDA # 93.052 (Includes subcontractor expenses of \$ 79,151)				199,761
93.071	N/A	Medicare Enrollment Assistance Program	MMAP, Inc.	1,850
93.324	90SAPG0010-02-00	State Health Insurance Assistance Program	MMAP, Inc.	13,396
	90SAPG0010-03-00	State Health Insurance Assistance Program	MMAP, Inc.	9,395
Total Federal Expenditures CFDA # 93.324				22,791

Northeast Michigan Community Service Agency, Inc.

Schedule of Expenditures of Federal Awards Year Ended September 30, 2019

CFDA Number	Grant Number	Program Name	Grantor Agency	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
TANF Cluster				
93.558	CSBG-14-04022	Temporary Assistance for Needy Families	State of Michigan - Department of Health & Human Services	525,000
Total Federal Expenditures CFDA # 93.558; TANF Cluster				525,000
93.568	WAP 16-04022 (LIHEAP)	Low-Income Home Energy Assistance	State of Michigan - Department of Health & Human Services	427,022
	MCA MEAP 2018-2019	Low-Income Home Energy Assistance	Michigan Community Action	131,125
Total Federal Expenditures CFDA# 93.568				558,147
93.569	CSBG-14-04022 D	Community Services Block Grant	State of Michigan - Department of Health & Human Services	9,996
	CSBG-14-04022 D S.F.	Community Services Block Grant	State of Michigan - Department of Health & Human Services	8,995
	CSBG-14-04022	Community Services Block Grant	State of Michigan - Department of Health & Human Services	126,564
	CSBG-14-04022	Community Services Block Grant	State of Michigan - Department of Health & Human Services	403,920
Total Federal Expenditures CFDA # 93.569				549,475
Total Department of Health and Human Services				26,243,650
CORPORATION FOR NATIONAL & COMMUNITY SERVICE				
Foster Grandparent/Senior Companion Cluster				
94.011	16SFNMI005 # 2	Foster Grandparent Program	Corporation for National & Community Service	230,010
	19SFNMI003	Foster Grandparent Program	Corporation for National & Community Service	50,798
Total Federal Expenditures CFDA # 94.011				280,808
94.016	16SCNMI003 # 2	Senior Companion Program	Corporation for National & Community Service	173,711
	19SCNMI002	Senior Companion Program	Corporation for National & Community Service	39,543
Total Federal Expenditures CFDA # 94.016				213,254
Total Foster Grandparent/Senior Companion Cluster (94.011 and 94.016)				494,062
94.002	18SRNMI004 # 1	Retired and Senior Volunteer Program	Corporation for National & Community Service	29,118
	18SRNMI004 # 3	Retired and Senior Volunteer Program	Corporation for National & Community Service	50,733
	17SRNMI010 # 2	Retired and Senior Volunteer Program	Corporation for National & Community Service	79,886
Total Federal Expenditures CFDA # 94.002				159,737
Total Corporation for National & Community Service				653,799
TOTAL FEDERAL EXPENDITURES				\$ 31,627,802

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Northeast Michigan Community Service Agency, Inc. under programs of the federal government for the year ended September 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Northeast Michigan Community Service Agency, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of Northeast Michigan Community Service Agency, Inc.

Note 2 - Summary of Significant Accounting Policies

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

Note 3 - 10-percent de minimis

Northeast Michigan Community Service Agency, Inc. has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance as they have a negotiated indirect rate.

NORTHEAST MICHIGAN COMMUNITY SERVICE AGENCY, INC.

AASA SCHEDULE OF SERVICE CATEGORIES BY FUNDING SOURCE
FOR YEAR ENDING SEPTEMBER 30, 2019

SERVICE CATEGORY	Title III-B	Title III C-1	Title III C-2	Title III-D	Title III - E	NSIP	Title 7/A Title 7/EAP	Federal Admin	State Admin	State Access	State In-Home	St Cong	State HDM	St. Alt. Care	State MSO	State Care Mgmt	St. ANS St. NHO	St. Respite (Escheat)	State Merit Award	ST. CG Support	Merit Award Region 9 NE	Program Income	Cash Match	In-Kind Match	TOTAL	
1. Access																										
a. Care Management	2,000									29,050						431,825						10	51,432		514,317	
b. Case Coord/supp																										
c. Disaster Advocacy																										
d. Information & Assis																										
e. Outreach					39,060																	1,125	6,594		46,779	
f. Transportation																										
g. ARRA																										
2. In-Home																										
a. Chore																										
b. Home Care Assis																										
c. Home Injury Cntrl																										
d. Homemaker	266,737										448,927			114,419			21,450					145,255	94,620		1,091,408	
e. Home Health Aide																										
f. Medication Mgt																	18,538						2,060		20,598	
g. Personal Care	91,052										69,054						1,950					24,469	18,008		204,533	
h. Asst Device & Tech					15,642																		1,738		17,380	
i. Respite Care					64,371												3,363	84,655	54,740	6,754	36,644	27,226	6,019		283,772	
j. Friendly Reassure																										
3. Legal Assistance	27,382																					2,345	3,042		32,769	
4. Community Services																										
a. Adult Day Care																										
b. Dementia ADC																					66,757	8,237	44,687	68,256	916	188,853
c. Disease Prevent				34,628	7,217																			4,650	46,495	
d. Health Screening																										
e. Assist to Deaf																										
f. Home Repair																										
g. LTC Ombudsman	4,949						10,466								11,513		24,863						550	4,043	56,384	
h. Sr Ctr Operations																										
i. Sr Ctr Staffing																										
j. Vision Services																										
k. Elder Abuse Prevent							5,643																		5,643	
l. Options Counseling																										
m. Spec Respite Care																										
n. Caregiver Supplmt					18,815																		1,801	290	20,906	
o. Kinship Respite																										
p. ADSSP																										
q. ADRC/PCC																										
r. Caregiver E.S.T					26,163																	9	2,907		29,079	
s. Caregiver I & A																										
t. Creating Conf. Caregivers					5,506																			612	6,118	
5. Program Develop	34,688																								38,543	
6. Nutrition Services																										
a. Congregate		552,737					113,196					9,732													387,097	
b. Home Delivered			283,008				347,266						486,439												495,373	
7. Administration								164,192	27,932										12,016	1,482	8,043			165	26,799	
SUPPORT SERVICE TOTAL	426,808	552,737	283,008	34,628	176,774	460,462	16,109	164,192	27,932	29,050	517,981	9,732	486,439	114,419	11,513	431,825	70,164	84,655	133,513	16,473	89,374	1,151,165	346,962	31,132	5,667,047	



Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Board of Directors
Northeast Michigan Community Service Agency, Inc.
Alpena, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Northeast Michigan Community Service Agency, Inc., which comprise the statement of financial position as of September 30, 2019, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 6, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Northeast Michigan Community Service Agency, Inc.’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 Northeast Michigan Community Service Agency, Inc.’s internal control. Accordingly, we do not express an opinion on the effectiveness of Northeast Michigan Community Service Agency, Inc.’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 Northeast Michigan Community Service Agency, Inc.'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.



Wipfli LLP

March 6, 2020
Madison, Wisconsin



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

Board of Directors
Northeast Michigan Community Service Agency, Inc.
Alpena, Michigan

Report on Compliance for Each Major Federal Program

We have audited Northeast Michigan Community Service Agency, Inc.'s compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019. Northeast Michigan Community Service Agency, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

Management of Northeast Michigan Community Service Agency, Inc.'s is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Northeast Michigan Community Service Agency, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 Northeast Michigan Community Service Agency, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Northeast Michigan Community Service Agency, Inc.'s compliance.

Opinion

In our opinion, Northeast Michigan Community Service Agency, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of Northeast Michigan Community Service Agency, Inc. 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 Northeast Michigan Community Service Agency, Inc.'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 Northeast Michigan Community Service Agency, Inc.'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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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.

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.

Wipfli LLP

Wipfli LLP

March 6, 2020
Madison, Wisconsin

Northeast Michigan Community Service Agency, Inc.

Schedule of Findings and Questioned Costs
Year Ended September 30, 2019

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued?	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major federal programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	No

Type of auditor's report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]? No

Identification of major federal programs:

U.S. Department of Agriculture

CFDA No.

Food Distribution Cluster 10.565, 10.568 & 10.569

U.S. Department of Health and Human Services

CFDA No.

Aging Cluster 93.044, 93.045 & 93.053

Head Start 93.600

Dollar threshold used to distinguish between Type A and Type B programs:
Federal \$948,834

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings: None

Section III - Federal and State Award Findings and Questioned Costs: None

Section IV - Prior Year Findings: None