

Michigan Community Action and Affiliate
Consolidated Financial Statements
September 30, 2020 and 2019



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Independent Auditors' Report

Management and the Board of Directors
Michigan Community Action and Affiliate
Okemos, Michigan

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Michigan Community Action (a nonprofit organization) and Affiliate, which comprise the consolidated statement of financial position as of September 30, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Michigan Community Action and Affiliate as of September 30, 2020 and 2019, 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.

Adoption of New Accounting Standards

As described in Note 1 to the consolidated financial statements, Michigan Community Action and Affiliate changed its method for accounting for revenue recognition in 2020 as required by the provisions of FASB Accounting Standards Update 2014-09 *Revenue from Contracts with Customers*, and changed its method of accounting for contributions in 2020 as required by the provisions of FASB Accounting Standards Update 2018-08 *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to these matters.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The schedule of grants and award activity, consolidating statement of financial position, and consolidating statement of activities are presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Yeo & Yeo, P.C.

Lansing, Michigan
February 5, 2021

Michigan Community Action and Affiliate
Consolidated Statement of Financial Position
September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 2,830,190	\$ 3,415,185
Investments	1,246,521	1,179,285
Receivables		
Accounts receivable	186,817	192,006
Grants receivable	78,807	93,216
Deposits and prepaid expenses	9,165	6,303
Total current assets	<u>4,351,500</u>	<u>4,885,995</u>
Noncurrent assets		
Fixed assets not being depreciated	82,800	84,675
Fixed assets, net of accumulated depreciation	384,198	362,071
Total noncurrent assets	<u>466,998</u>	<u>446,746</u>
Total assets	<u>\$ 4,818,498</u>	<u>\$ 5,332,741</u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 871,037	\$ 1,154,246
Accrued liabilities	55,837	33,025
Security deposit payable	2,000	-
Refundable advance	8,475	-
Deferred revenue	1,974,917	2,342,429
Total current liabilities	<u>2,912,266</u>	<u>3,529,700</u>
Net assets		
Without donor restrictions		
Undesignated	1,706,232	1,603,041
Designated by the Board for operating reserve	200,000	200,000
Total net assets	<u>1,906,232</u>	<u>1,803,041</u>
Total liabilities and net assets	<u>\$ 4,818,498</u>	<u>\$ 5,332,741</u>

See Accompanying Notes to the Consolidated Financial Statements

Michigan Community Action and Affiliate
Consolidated Statement of Activities
For the Years Ended September 30, 2020 and 2019

	Without Donor Restrictions	
	2020	2019
Revenues		
Federal, state, and private grant programs		
U.S. Department of Health and Human Services	\$ 60,000	\$ 6,050,918
Michigan Public Service Commission	8,631,991	8,485,774
Community Action Agency	148,209	150,000
Michigan Nonprofit Association	200,032	-
Total federal, state, and private grant programs	<u>9,040,232</u>	<u>14,686,692</u>
Other revenue		
Rental income	18,000	-
Realized and unrealized gain on investments	48,214	11,432
Investment income	26,582	28,535
Contributions	361,826	-
Registration and membership fees	140,092	166,369
Energy program administrative fee	659,651	1,181,560
Miscellaneous income	22,610	66,247
Total other revenue	<u>1,276,975</u>	<u>1,454,143</u>
Total revenues	<u>10,317,207</u>	<u>16,140,835</u>
Expenses		
Program services	9,681,417	15,553,340
Management and general	532,599	591,790
Total expenses	<u>10,214,016</u>	<u>16,145,130</u>
Change in net assets	103,191	(4,295)
Net assets, beginning of year	<u>1,803,041</u>	<u>1,807,336</u>
Net assets, end of year	<u><u>\$ 1,906,232</u></u>	<u><u>\$ 1,803,041</u></u>

See Accompanying Notes to the Consolidated Financial Statements

Michigan Community Action and Affiliate
Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2020

	Program Services	Management and General	Total
Salaries and related costs			
Salaries and wages	\$ 314,878	\$ 170,535	\$ 485,413
Fringe benefits	90,860	49,167	140,027
Total salaries and related costs	405,738	219,702	625,440
Insurance	17,859	11,694	29,553
Office expenses	5,410	24,324	29,734
Telephone	4,225	7,876	12,101
Travel	3,328	10,248	13,576
Professional and contract services	9,166,327	133,537	9,299,864
Office equipment and maintenance	2,448	15,474	17,922
Occupancy	8,748	20,476	29,224
Workshops	52,750	21,473	74,223
Membership dues and subscriptions	9,353	39,089	48,442
Miscellaneous	5,231	8,023	13,254
Depreciation	-	20,683	20,683
Total expenses	<u>\$ 9,681,417</u>	<u>\$ 532,599</u>	<u>\$ 10,214,016</u>

Michigan Community Action and Affiliate
Consolidated Statement of Functional Expenses
For the Year Ended September 30, 2019

	Program Services	Management and General	Total
Salaries and related costs			
Salaries and wages	\$ 498,278	\$ 135,135	\$ 633,413
Fringe benefits	135,730	49,869	185,599
Total salaries and related costs	634,008	185,004	819,012
Insurance	22,619	9,677	32,296
Office expenses	4,075	21,119	25,194
Telephone	6,304	4,602	10,906
Travel	14,665	28,302	42,967
Professional and contract services	14,782,626	104,509	14,887,135
Office equipment and maintenance	4,135	297	4,432
Occupancy	11,359	21,647	33,006
Workshops	64,927	138,180	203,107
Membership dues and subscriptions	995	51,596	52,591
Miscellaneous	7,627	-	7,627
Depreciation	-	26,857	26,857
Total expenses	<u>\$ 15,553,340</u>	<u>\$ 591,790</u>	<u>\$ 16,145,130</u>

Michigan Community Action and Affiliate
Consolidated Statement of Cash Flows
For the Years Ended September 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ 103,191	\$ (4,295)
Items not requiring cash		
Net realized and unrealized gain on investments	(48,214)	(11,432)
Depreciation	20,683	26,857
Changes in operating assets and liabilities		
Accounts receivable	5,189	17,562
Grants receivable	14,409	13,708
Deposits and prepaid expenses	(2,862)	5,151
Accounts payable	(283,209)	385,591
Accrued liabilities	22,812	(25,680)
Security deposit payable	2,000	-
Refundable advance	8,475	-
Deferred revenue	(367,512)	107,964
	<u>(525,038)</u>	<u>515,426</u>
Cash flows from investing activities		
Purchase of fixed assets	(40,935)	(1,875)
Proceeds from sale of investments	23,366	228,751
Purchase of investments	(42,388)	(220,179)
	<u>(59,957)</u>	<u>6,697</u>
Net cash provided (used) by investing activities		
	<u>(59,957)</u>	<u>6,697</u>
Net change in cash and cash equivalents	(584,995)	522,123
Cash and cash equivalents, beginning of year	<u>3,415,185</u>	<u>2,893,062</u>
Cash and cash equivalents, end of year	<u><u>\$ 2,830,190</u></u>	<u><u>\$ 3,415,185</u></u>

See Accompanying Notes to the Consolidated Financial Statements

Michigan Community Action and Affiliate Notes to the Consolidated Financial Statements September 30, 2020 and 2019

Note 1 - Organization and Summary of Significant Accounting Policies

Organization and Purpose and Principles of Consolidation

Michigan Community Action (the Organization) (MCA) is a Michigan-based, private, nonprofit corporation organized to act as an advocate for persons in poverty. The Organization's membership consists of approximately twenty-eight (28) Community Action Agencies and one (1) associated agency.

Michigan Community Action operates under an appointed Board of Directors and an Executive Director. Its principal source of revenue is various federal and state programs, including the Michigan Department of Health and Human Services and Michigan Public Service Commission.

The accompanying consolidated financial statements reflect the activities of Michigan Community Action and its affiliate, 2173 Holding Company. 2173 Holding Company is a 501(c)(2) title-holding company created by MCA for the purpose of owning and maintaining the premises located at 2173 Commons Parkway in Okemos, Michigan. The two organizations have separate Boards of Directors; however the members are shared between both entities and therefore they are considered to be related. All intercompany transactions have been eliminated in the consolidation.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the consolidated financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

The consolidated financial statements of the Organization are accounted for using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America for nonprofit organizations.

Basis of Presentation

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

Net assets without donor restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve.

Net assets with donor restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Comparative Financial Information

Comparative data for the prior year have been presented in the accompanying consolidated financial statements in order to provide an understanding of the changes in the Organization's financial position and operations.

Michigan Community Action and Affiliate
Notes to the Consolidated Financial Statements
September 30, 2020 and 2019

Cash and cash equivalents

Cash and cash equivalents consist of checking and savings accounts and a money market account.

Investments

Investments consist of mutual funds. All investments have readily determinable fair values and are stated at fair value at September 30, 2020 and 2019. Fair values of all these short-term investments are determined based on quoted market prices and other relevant information generated by market transactions (level 1 inputs). Realized and unrealized gains or losses on investments are recorded in the consolidated statement of activities in the period that such gains or losses or fluctuations occur. Dividend and interest income is recorded when earned on an accrual basis. There were no changes in valuation techniques and related inputs during the period.

The Organization is required by accounting principles generally accepted in the United States of America to disclose significant concentrations of credit risk regardless of the degree of such risk. Financial instruments which potentially subject the Organization to concentrations of credit risk are described in subsequent notes.

The Organization places its cash equivalents and investments with high credit-quality financial institutions. Although such investments and cash equivalents are not federally insured, they are, in the opinion of management, subject to minimal risk.

Accounts Receivable

Accounts receivable consists of amounts due from various members. The Organization has not recorded a provision for doubtful accounts because in the opinion of management, those receivables are collectible in full.

Grants Receivable

The Organization enters into contracts with certain governmental and private agencies, and a receivable is reported for any such funding that has been spent but not yet received. The Organization has not provided allowances for potential adjustments because such amounts, if any, are not expected to be significant.

Fixed Assets

Fixed assets consist of land, equipment, a building, and improvements, and are recorded at cost. Depreciation was computed using the straight-line method over the estimated useful lives of the assets. Improvements over \$5,000 are capitalized while expenditures for maintenance and repairs are charged to expense when incurred.

Gifts of land, buildings, equipment, and other long-lived assets are also reported as revenue without donor restrictions and net assets, unless subject to time restrictions. Absent explicit donor stipulations for the time long-lived assets must be held, expirations of restrictions resulting in reclassification of net assets with donor restrictions as net assets without donor restrictions are reported when the long-lived assets are placed in service.

Deferred Revenue

Deferred revenue relates to grant funding that the Organization has received but not yet expended.

Revenue and Revenue Recognition

Revenue is recognized when earned. Program service fees are deferred to the applicable period in which the performance obligations are met. Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Membership Fees

Membership fees are for the period from October 1 through September 30. Fees paid in advance are recorded as deferred revenue.

Michigan Community Action and Affiliate Notes to the Consolidated Financial Statements September 30, 2020 and 2019

The Organization collects dues on behalf of other organizations and remits them directly to those organizations. No income or expense related to these dues has been recognized in the accompanying consolidated financial statements.

Contracted Services

The Organization subcontracts with member agencies to assist in meeting the requirements of their federal and state grants. Amounts paid for subcontractors are recorded as expenses in the period the service is performed.

Functional Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function.

Income Tax Status

Michigan Community Action and Affiliate is a nonprofit organization and has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization is not classified as a private foundation. The Organization files information returns in the U.S. Federal jurisdiction.

Concentration of Credit Risk

The Organization has deposits held with financial institutions that are not federally insured due to either the type of financial instruments that were purchased having greater than FDIC limits on deposit at a particular financial institution or the particular type of investment not being covered by FDIC insurance due to the nature of the investment. The amount not covered by FDIC insurance for the year ended September 30, 2020 is \$2,563,833.

Use of Estimates

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

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through February 5, 2021, the date the financial statements were available to be issued.

Change in Accounting Principles

The Organization adopted ASU 2018-08 Not-for-Profit Entities (Topic 958) *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made* as of the beginning of the year ended September 30, 2020. This has been adopted using a modified prospective approach. Net assets did not change as a result of this change.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, to clarify the principles of recognizing revenue, create common revenue recognition guidance, and improve disclosures. Accordingly, the Organization has elected to implement this standard using a full retrospective adjustment of the prior year financial statements. Net assets reported for 2019 remain unchanged.

**Michigan Community Action and Affiliate
Notes to the Consolidated Financial Statements
September 30, 2020 and 2019**

Note 2 - Liquidity and Availability

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

	2020	2019
Cash and cash equivalents	\$ 2,830,190	\$ 3,415,185
Investments	1,246,521	1,179,285
Accounts receivable	186,817	192,006
Grants receivable	78,807	93,216
	4,342,335	4,879,692
Less: financial assets unavailable for general expenditures within one year, due to:		
Board-designated reserve	(200,000)	(200,000)
	\$ 4,142,335	\$ 4,679,692

As part of our liquidity management plan, the Organization's goal is generally to maintain financial assets to meet 3 months of operating expenses. Excess cash is invested and is available for withdrawal should cash needs arise.

Note 3 - Conditional Promises to Give

The Organization has received conditional promises to give related to federal grants and the Paycheck Protection Program (PPP loan). Payment of the grants are contingent upon spending the funds for the designated allowable purpose and various compliance requirements in accordance with 2 CFR 200. Payment of the PPP loan is received in advance, with contribution revenue being recognized in accordance with the guidelines for loan forgiveness qualification. The remaining amount not yet recognized at year end is reported as a refundable advance. The conditional contributions consisted of the following as of September 30:

Condition / Grant Purpose	Total Contract / Grant Amount	Spent as of June 30, 2020	Conditional Contribution
Paycheck Protection Program Loan	\$ 112,600	\$ 104,125	\$ 8,475
Training grant - provide training and technical assistance to member community action agencies	150,000	148,209	1,791
	\$ 262,600	\$ 252,334	\$ 10,266

Michigan Community Action and Affiliate
Notes to the Consolidated Financial Statements
September 30, 2020 and 2019

Note 4 - Investments

The Organization's investments are reported in the consolidated financial statements at a carrying value equal to the fair value of the investments. The investments are held in trust by a financial institution and consist of the following:

	Quoted Prices in Active Markets for Identical Assets	
	2020	2019
Mutual Funds	\$ 1,239,734	\$ 1,171,876
Money Market Funds	6,787	7,409
Total:	\$ 1,246,521	\$ 1,179,285

These investments are not federally insured due to the nature of the financial instruments not being covered by FDIC insurance. The fair value of all the investments presented above is based on measurements at the reporting date using quoted market prices in active markets for identical assets (Level 1 observable inputs).

Note 5 - Fixed Assets

Fixed assets consist of the following amounts:

	Useful lives	2020	2019
Building and improvements	15-39 years	\$ 517,749	\$ 474,939
Software	3 years	32,312	32,312
		550,061	507,251
Less: Accumulated depreciation		(165,863)	(145,180)
Total fixed assets being depreciated		384,198	362,071
Land		82,800	82,800
Construction in progress		-	1,875
Total fixed assets not being depreciated		82,800	84,675
Total fixed assets		\$ 466,998	\$ 446,746

Depreciation expense for the years ended September 30, 2020 and 2019 was \$20,683 and \$26,857, respectively.

Note 6 - Board Designated Net Assets

The Board of Directors has earmarked \$200,000 of the amount shown as net assets without donor restrictions to provide a reserve to ensure the continuation of the Organization if funding is reduced or eliminated.

**Michigan Community Action and Affiliate
Notes to the Consolidated Financial Statements
September 30, 2020 and 2019**

Note 7 - Retirement Plan

The Organization has established a simplified employee pension plan. This plan is a defined contribution retirement plan under IRS Code 403(b) covers substantially all employees without minimum age or service requirements. The obligation to contribute to and maintain the plan for employees is established by the Board of Directors. Participants are entitled to receive an allocation of employer matching contributions for each plan year equal to the lesser of 100% of a participant's salary reduction contributions deferred during that plan year or 6% of participant's compensation received during that plan year. Annual retirement expense for the years ended September 30, 2020 and 2019 was \$26,602 and \$34,223, respectively.

Note 8 - Revenue from Contracts with Customers

The following summarizes revenue from contracts with customers for the years ended September 30, 2020 and 2019:

	2020	2019
Federal, state, and private grant programs		
Michigan Public Service Commission	\$ 8,631,991	\$ 8,485,774
Michigan Nonprofit Association	200,032	-
Other revenue		
Registration and membership fees	140,092	166,369
Energy program administrative fee	659,651	1,181,560
Miscellaneous income	10,000	37,600
	\$ 9,641,766	\$ 9,871,303

The revenue from contracts with customers for the years ended September 30, 2020 and 2019 consists of:

	2020	2019
Revenue earned at a point in time	\$ 9,537,084	\$ 9,781,784
Revenue earned over time	104,682	89,519
	\$ 9,641,766	\$ 9,871,303

Revenue earned over time consists of membership dues. The Organization provides ongoing training, consulting, and complete access to questions or assistance throughout the year. The membership period is a membership year and therefore the performance obligation is typically satisfied over the time of the membership, and thus revenue is recognized over the membership period. The payment is due at the beginning of the membership year. The transaction price varies depending on the size of the member agency.

Revenue earned at a point in time consists of various services, including administrative fees, energy program revenues, conference/event fees, and the 2020 census project revenue. The payment terms vary depending on the service provided based on predetermined fees and individual contract terms. For administrative fee, energy program, and 2020 census project revenues, performance obligations are determined to be satisfied when certain deliverables and milestones have been met under the service agreement, or when allowable costs have been incurred. The receivable is due upon completion of these milestones or when the costs are incurred. The transaction price varies depending on the service agreement terms. For conference/event fees, performance obligations are determined to be met when the event takes place. The receivable is due prior to attending the conference or event. The transaction price varies depending on the size and nature of the event.

**Michigan Community Action and Affiliate
Notes to the Consolidated Financial Statements
September 30, 2020 and 2019**

The following summarizes contract assets and contract liabilities as of:

	<u>October 1, 2018</u>	<u>September 30, 2019</u>	<u>September 30, 2020</u>
Receivables			
Accounts receivable	<u>\$ 209,568</u>	<u>\$ 192,006</u>	<u>\$ 186,817</u>
Deferred revenue	<u>\$ 1,934,826</u>	<u>\$ 2,342,429</u>	<u>\$ 1,974,917</u>

Note 9 - Contingent Liabilities

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of costs which may be disallowed by the grantor cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

Note 10 - Current Vulnerability Due to Concentrations

For 2020, the Organization received approximately 84% of its support from the Michigan Public Service Commission. It is always possible that a grant program could cease, which could cause a significant impact on the Organization's operations. The Organization does not expect that the support for the grants will be lost in the near term.

**Michigan Community Action and Affiliate
Schedule of Grants and Award Activity
For the Years Ended September 30, 2020 and 2019**

Grants Title	For the Year Ended September 30, 2020			For the Year Ended September 30, 2019		
	Revenue	Expense	Grants Receivable	Revenue	Expense	Grants Receivable
U.S. Department of Health and Human Services Low-Income Home Energy Assistance	\$ 60,000	\$ 60,000	\$ 17,557	\$ 6,050,918	\$ 6,050,918	\$ 19,712
Michigan Public Service Commission (MPSC)						
Efficiency United	353,479	353,479	-	335,433	335,433	-
MPSC - EO/EU (Efficiency United)	8,278,512	8,278,512	-	8,150,341	8,150,341	57,261
Total Michigan Public Service Commission	8,631,991	8,631,991	-	8,485,774	8,485,774	57,261
Community Action Agency						
MCA training	148,209	148,209	61,250	150,000	150,000	16,243
Michigan Nonprofit Association						
Michigan Nonprofits Count Campaign	200,032	200,032	-	-	-	-
Total grants and award activity	\$ 9,040,232	\$ 9,040,232	\$ 78,807	\$ 14,686,692	\$ 14,686,692	\$ 93,216

See Accompanying Notes to the Consolidated Financial Statements

Michigan Community Action and Affiliate
Consolidating Statement of Financial Position
September 30, 2020

	Michigan Community Action	2173 Holding Company	Eliminating Entries	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 2,809,015	\$ 21,175	\$ -	\$ 2,830,190
Investments	1,246,521	-	-	1,246,521
Receivables				
Note (current portion)	21,410	-	(21,410)	-
Accounts	247,395	-	(60,578)	186,817
Grants	78,807	-	-	78,807
Deposits and prepaid expenses	9,165	-	-	9,165
Total current assets	4,412,313	21,175	(81,988)	4,351,500
Noncurrent assets				
Fixed assets not being depreciated	-	82,800	-	82,800
Fixed assets, net of accumulated depreciation	-	384,198	-	384,198
Noncurrent portion of note receivable	271,312	-	(271,312)	-
Total noncurrent assets	271,312	466,998	(271,312)	466,998
Total assets	\$ 4,683,625	\$ 488,173	\$ (353,300)	\$ 4,818,498
Liabilities and net assets				
Current liabilities				
Accounts payable	\$ 866,010	\$ 5,027	\$ -	\$ 871,037
Accrued liabilities	55,837	-	-	55,837
Security deposit payable	-	2,000	-	2,000
Refundable advance	8,475	-	-	8,475
Deferred revenue	1,974,917	-	-	1,974,917
Long term debt	-	353,300	(353,300)	-
Total current liabilities	2,905,239	360,327	(353,300)	2,912,266
Net assets				
Without donor restrictions	1,778,386	127,846	-	1,906,232
Total liabilities and net assets	\$ 4,683,625	\$ 488,173	\$ (353,300)	\$ 4,818,498

See Accompanying Notes to the Consolidated Financial Statements

Michigan Community Action and Affiliate
Consolidating Statement of Financial Position
September 30, 2019

	Michigan Community Action	2173 Holding Company	Eliminating Entries	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 3,413,307	\$ 1,878	\$ -	\$ 3,415,185
Investments	1,179,285	-	-	1,179,285
Receivables				
Note (current portion)	19,021	-	(19,021)	-
Accounts	214,414	-	(22,408)	192,006
Grants	93,216	-	-	93,216
Deposits and prepaid expenses	6,303	-	-	6,303
Total current assets	4,925,546	1,878	(41,429)	4,885,995
Noncurrent assets				
Fixed assets not being depreciated	-	84,675	-	84,675
Fixed assets, net of accumulated depreciation	2,693	359,378	-	362,071
Noncurrent portion of note receivable	291,107	-	(291,107)	-
Total noncurrent assets	293,800	444,053	(291,107)	446,746
Total assets	\$ 5,219,346	\$ 445,931	\$ (332,536)	\$ 5,332,741
Liabilities and Net Assets				
Current liabilities				
Accounts payable	\$ 1,154,191	\$ 55	\$ -	\$ 1,154,246
Accrued liabilities	33,025	-	-	33,025
Security deposit payable	-	-	-	-
Refundable advance	-	-	-	-
Deferred revenue	2,342,429	-	-	2,342,429
Long term debt	-	332,536	(332,536)	-
Total current liabilities	3,529,645	332,591	(332,536)	3,529,700
Net assets				
Without donor restrictions	1,689,701	113,340	-	1,803,041
Total liabilities and net assets	\$ 5,219,346	\$ 445,931	\$ (332,536)	\$ 5,332,741

See Accompanying Notes to the Consolidated Financial Statements

Michigan Community Action and Affiliate
Consolidating Statement of Activities
For the Year Ended September 30, 2020

	Michigan Community Action	2173 Holding Company	Eliminating Entries	Total
Revenues				
Federal, state, and private grant programs				
U.S. Department of Health and Human Services	\$ 60,000	\$ -	\$ -	\$ 60,000
Michigan Public Service Commission	8,631,991	-	-	8,631,991
Community Action Agency	148,209	-	-	148,209
Michigan Nonprofit Association	200,032	-	-	200,032
Total federal, state, and private grant programs revenues	<u>9,040,232</u>	<u>-</u>	<u>-</u>	<u>9,040,232</u>
Other revenue				
Rental income	-	84,000	(66,000)	18,000
Realized and unrealized gain on investments	48,214	-	-	48,214
Investment income	37,665	-	(11,083)	26,582
Contributions	361,826	-	-	361,826
Registration and membership fees	140,092	-	-	140,092
Energy program administrative fee	659,651	-	-	659,651
Miscellaneous income	22,610	-	-	22,610
Total other revenue	<u>1,270,058</u>	<u>84,000</u>	<u>(77,083)</u>	<u>1,276,975</u>
Total revenues	<u>10,310,290</u>	<u>84,000</u>	<u>(77,083)</u>	<u>10,317,207</u>
Expenses				
Program services	9,722,567	-	(41,150)	9,681,417
Management and general	499,038	69,494	(35,933)	532,599
Total expenses	<u>10,221,605</u>	<u>69,494</u>	<u>(77,083)</u>	<u>10,214,016</u>
Change in net assets	88,685	14,506	-	103,191
Net assets, beginning of year	<u>1,689,701</u>	<u>113,340</u>	<u>-</u>	<u>1,803,041</u>
Net assets, end of year	<u>\$ 1,778,386</u>	<u>\$ 127,846</u>	<u>\$ -</u>	<u>\$ 1,906,232</u>

See Accompanying Notes to the Consolidated Financial Statements

Michigan Community Action and Affiliate
Consolidating Statement of Activities
For the Year Ended September 30, 2019

	Michigan Community Action	2173 Holding Company	Eliminating Entries	Total
Revenues				
Federal, state, and private grant programs				
U.S. Department of Health and Human Services	\$ 6,050,918	\$ -	\$ -	\$ 6,050,918
Michigan Public Service Commission	8,485,774	-	-	8,485,774
Community Action Agency	150,000	-	-	150,000
Michigan Nonprofit Association	-	-	-	-
Total federal, state, and private grant programs revenues	<u>14,686,692</u>	<u>-</u>	<u>-</u>	<u>14,686,692</u>
Other revenue				
Rental income	-	66,000	(66,000)	-
Realized and unrealized gain on investments	11,432	-	-	11,432
Investment income	41,339	-	(12,804)	28,535
Contributions	-	-	-	-
Registration and membership fees	166,369	-	-	166,369
Energy program administrative fee	1,181,560	-	-	1,181,560
Miscellaneous income	66,247	-	-	66,247
Total other revenue	<u>1,466,947</u>	<u>66,000</u>	<u>(78,804)</u>	<u>1,454,143</u>
Total revenues	<u>16,153,639</u>	<u>66,000</u>	<u>(78,804)</u>	<u>16,140,835</u>
Expenses				
Program services	15,606,951	-	(53,611)	15,553,340
Management and general	562,940	54,043	(25,193)	591,790
Total expenses	<u>16,169,891</u>	<u>54,043</u>	<u>(78,804)</u>	<u>16,145,130</u>
Change in net assets	<u>(16,252)</u>	<u>11,957</u>	<u>-</u>	<u>(4,295)</u>
Net assets, beginning of year	<u>1,705,953</u>	<u>101,383</u>	<u>-</u>	<u>1,807,336</u>
Net assets, end of year	<u>\$ 1,689,701</u>	<u>\$ 113,340</u>	<u>\$ -</u>	<u>\$ 1,803,041</u>

See Accompanying Notes to the Consolidated Financial Statements