

Dickinson-Iron Community Services Agency and Affiliate

Iron Mountain, Michigan

Consolidated Financial Statements and Supplementary Information

Year Ended September 30, 2018





Independent Auditor's Report

Board of Directors
Dickinson-Iron Community Services Agency and Affiliate
Iron Mountain, Michigan

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Dickinson-Iron Community Services Agency and Affiliate (nonprofit organizations), which comprise the consolidated statement of financial position as of September 30, 2018, and the related consolidated statements of activities and cash flows for the year 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; 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.

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 consolidated financial statements are free from material misstatement. The financial statements of U.P. Community Services, Inc., the affiliate of Dickinson-Iron Community Services Agency, were not audited in accordance with *Government Auditing Standards*.

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 auditor's 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 Dickinson-Iron Community Services Agency and Affiliate as of September 30, 2018, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of program activity, consolidating statement of financial position, consolidating statement of activities, and 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*, are presented for purposes of additional analysis, and are 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. Such 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. In our opinion, the information is fairly stated in all material respects in relation to the consolidated 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 April 18, 2019, on our consideration of Dickinson-Iron Community Service Agency'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 Dickinson-Iron Community Service Agency'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 Dickinson-Iron Community Service Agency's internal control over financial reporting and compliance.



Wipfli LLP

April 18, 2019
Green Bay, Wisconsin

Dickinson-Iron Community Services Agency and Affiliate

Consolidated Statement of Financial Position

September 30, 2018

<i>Assets</i>	
Current assets:	
Cash	\$ 58,451
Grants receivable	135,667
Accounts receivable	51,689
Inventory	199,248
Prepaid expenses	14,043
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Total current assets	459,098
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Property and equipment, net	200,388
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TOTAL ASSETS	\$ 659,486

<i>Liabilities and Net Assets</i>	
Current liabilities:	
Current portion of mortgage payable	\$ 4,225
Accounts payable	30,306
Accrued payroll and related expenses	34,781
Grant funds received in advance	250,730
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Total current liabilities	320,042
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Long-term liabilities:	
Mortgage payable	124,340
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Total liabilities	444,382
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Net assets:	
Unrestricted	121,408
Temporarily restricted	93,696
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Total net assets	215,104
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TOTAL LIABILITIES AND NET ASSETS	\$ 659,486

Dickinson-Iron Community Services Agency and Affiliate

Consolidated Statement of Activities

Year Ended September 30, 2018

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Grant revenue	\$ 2,211,605	\$ 10,954	\$ 2,222,559
Program contributions	260,643	0	260,643
Millage	280,053	1,226	281,279
Performance/other income	286,516	0	286,516
In-kind contributions	39,873	0	39,873
Net assets released from restriction through satisfaction of program restrictions	43,758	(43,758)	0
Total revenue	3,122,448	(31,578)	3,090,870
Expenses:			
Program services:			
Senior citizens	1,275,176	0	1,275,176
Food and nutrition	619,207	0	619,207
Weatherization and energy assistance	517,162	0	517,162
Community services	234,987	0	234,987
Transportation	74,794	0	74,794
Discretionary senior citizens	173,818	0	173,818
Total program services	2,895,144	0	2,895,144
Management and general	203,008	0	203,008
Fund-raising	8,143	0	8,143
Total expenses	3,106,295	0	3,106,295
Change in net assets	16,153	(31,578)	(15,425)
Net assets - Beginning of year	105,255	125,274	230,529
Net assets - End of year	\$ 121,408	\$ 93,696	\$ 215,104

Dickinson-Iron Community Services Agency and Affiliate

Consolidated Statement of Cash Flows

Year Ended September 30, 2018

Increase (decrease) in cash:		
Cash flows from operating activities:		
Change in net assets	(\$	15,425)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		30,608
Contribution of property to nonprofit		46,062
Changes in operating assets and liabilities:		
Grants receivable	(	80,660)
Accounts receivable	(	9,544)
Inventory	(	1,159)
Prepaid expenses	(	997)
Accounts payable		8,536
Accrued payroll and related expenses	(	5,738)
Grant funds received in advance		29,578
Net cash provided by operating activities		1,261
Net cash used in investing activities	(	29,883)
Cash from financing activities:		
Principal payments on mortgage payable	(	3,950)
Payments on line of credit	(	6,000)
Net cash used in financing activities	(	9,950)
Change in cash	(	38,572)
Cash - Beginning of year		97,023
Cash - End of year	\$	58,451
Supplemental schedule of noncash operating activity:		
Decrease in commodity food inventory/grant funds received in advance	\$	43,099
Cash paid for interest		8,609
Contributions of fixed assets		46,062

Dickinson-Iron Community Services Agency and Affiliate

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Dickinson-Iron Community Services Agency (DICSA) was organized as a nonprofit corporation in 1989. DICSA was formed to develop and provide resources for the purpose of assisting low-income individuals, elderly and handicapped persons, and disadvantaged youth through a variety of programs in the Michigan counties of Dickinson, Iron, and Baraga. DICSA is primarily supported through federal and state government grants. Approximately 21% of total revenue is received under a commodity supplemental food program and approximately 21% of total revenue is received under a senior services program.

U.P. Community Services, Inc. (UPCSI) was organized as a nonprofit corporation in 1990. This entity holds title to the majority of the transportation vehicles utilized by DICSA. In addition, DICSA and UPCSI have a common advisory board of directors. UPCSI operates transportation activities in the Michigan counties of Dickinson and Iron.

Basis of Presentation

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

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of DICSA and UPCSI (the "Organizations"). These Organizations are under common control, and accordingly, the financial statements are consolidated. Intercompany transactions have been eliminated in consolidation.

Classification of Net Assets

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

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organizations and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Dickinson-Iron Community Services Agency and Affiliate

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Classification of Net Assets (Continued)

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organizations. Generally, the donors of these assets permit the Organizations to use all or part of the income earned on any related investments for general or specific purposes. Currently, the Organizations do not have any permanently restricted net assets.

Use of Estimates

The preparation of consolidated 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 the Organizations that is, in substance, unconditional. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of activities as released from restriction. If a restriction is met in the same period that the contribution is received, the contribution is recorded as unrestricted. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Program contributions represent amounts contributed by program beneficiaries. The contributions are to help defray the cost of the specific program in which the beneficiary received assistance. The contributions are recorded as temporarily restricted revenue due to the implied stipulation that the contributions be used in the program the beneficiary received assistance. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as released from restriction. If the restriction is met on a program contribution in the year the program contribution is received, the program contribution is reported as unrestricted revenue.

Millage represents funds received from Dickinson, Iron, and Baraga counties. These funds are to be used to support senior program activities and are recorded similar to program contributions.

Dickinson-Iron Community Services Agency and Affiliate

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Grants are recorded as either 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 typically reimburse based on a predetermined rate for services performed. The revenue is recognized in the period the service is performed.

Self-Funded Insurance

The self-funded insurance activity is reimbursed by other program activities for services performed and costs incurred on behalf of those program activities. The reimbursements from the grant program activities are included in other income in the self-funded insurance program activity and in the expenses of the benefiting program activities. The interprogram income and expense of \$26,732 to the self-funded program has been eliminated in the accompanying consolidated financial statements.

Accounts Receivable

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

Inventory and Food Commodities Distributed

Inventory, which consists of food commodities, are received for the food program and are recorded in an asset account and are expensed to the commodity food program upon distribution to eligible families. Food commodities distributed represent the value of food received through the state of Michigan and distributed to low-income households. The value of commodity inventories is provided by the state of Michigan.

Dickinson-Iron Community Services Agency and Affiliate

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment are capitalized at cost. Depreciation is provided for using the straight-line method over the estimated useful life of the asset. The Organizations consider items with a cost greater than \$5,000 and a useful life greater than one year to be equipment and vehicles.

Property and equipment purchased with grant funds are owned by the Organizations 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. Their disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The property and equipment purchased with grant funds are normally restricted for use in specific programs operated by the Organizations. The net book value of grant-funded equipment included on the consolidated statement of financial position is \$70,888 at September 30, 2018.

The Organizations have adopted a policy of implying a time restriction on assets purchased with grant funds. Grant-funded property and equipment are recorded as temporarily restricted net assets. As the property and equipment are depreciated, the temporarily restricted net assets are released from restriction and reported in the consolidated statement of activities as net assets released from restriction.

In-Kind Contributions

The Organizations follow a financial accounting standard that requires that only contributions of service received which create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of this standard are different than the in-kind requirements of several of the Organizations' grant awards. The Organizations received contributions of nonprofessional volunteers during the year with a value of \$20,851 primarily for its senior programs, which are not recorded in the consolidated statement of activities.

Income Taxes

The Organizations are nonprofit corporations as described in Section 501(c)(3) of the Internal Revenue Code (the "Code") and are exempt from federal income taxes on related income pursuant to Section 501(a) of the Code. The Organizations are also exempt from state income taxes on related income.

The Organizations are 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 consolidated financial statements. The Organizations have determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Dickinson-Iron Community Services Agency and Affiliate

Notes to Consolidated Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, Presentation of Financial Statements of Not-for-Profit Entities (Topic 958). This ASU updates financial statement presentation and disclosure requirements for not-for-profit entities in an effort to make the information more meaningful to users of the financial statements. Revisions include but are not limited to the net asset classifications, qualitative and quantitative information on liquidity management, and disclosure of functional and natural expense classifications. This ASU is effective for the Organizations' year ending September 30, 2019. Early implementation is permitted.

In May 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 supersedes current revenue recognition requirements in FASB Accounting Standards Codification Topic 605, Revenue Recognition, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for the Organizations' year ending September 30, 2020.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). This ASU requires organizations to recognize all leases with terms greater than one year as assets on the statement of financial position with a corresponding liability resulting in a gross up of the statement of financial position. This ASU is effective for the Organizations' year ending September 30, 2021,

Cost Allocation

Joint costs are allocated to benefiting programs using various allocation methods depending on the type of joint cost being allocated. Joint costs are those costs incurred for the common benefit of all organization programs that cannot be readily identified with a final cost objective.

Note 2: Concentration of Credit Risk

The Organizations maintain cash balances at several financial institutions, which are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At times during the year, balances in these accounts may exceed the insurance limits. Management believes the financial institutions have strong credit ratings and credit risk related to these deposits is minimal.

Dickinson-Iron Community Services Agency and Affiliate

Notes to Consolidated Financial Statements

Note 3: Grants Receivable

Grants receivable consist of amounts due from funding sources as follows:

State of Michigan	\$	37,567
Other		98,100
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Total	\$	135,667

Note 4: Property and Equipment

A summary of equipment and vehicles at September 30, 2018, is as follows:

	DISCA	UPCSI	Total
Building	\$ 140,000	\$ 0	\$ 140,000
Equipment	46,391	18,264	64,655
Vehicles	149,922	185,833	335,755
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Subtotal	336,313	204,097	540,410
Accumulated depreciation	(169,735)	(170,287)	(340,022)
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Property and equipment - Net	\$ 166,578	\$ 33,810	\$ 200,388

Note 5: Line of Credit

The Organizations maintain a \$100,000 line of credit with the First National Bank and Trust Company of Iron Mountain that expires June 1, 2019, with a variable interest rate based on the Wall Street Journal U.S. Prime Rate, but will not be greater than 9% or less than 5%. The line of credit is unsecured. There was no outstanding balance on the line of credit as of September 30, 2018.

Note 6: Temporarily Restricted Net Assets

Temporarily restricted net assets represent balances that are available for use in the following activities:

Housing programs	\$	7,307
Homeless programs		2,471
Self-insurance		11,656
Grant-funded equipment		70,888
Other programs		1,374
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Total temporarily restricted net assets	\$	93,696

Dickinson-Iron Community Services Agency and Affiliate

Notes to Consolidated Financial Statements

Note 7: Deferred Compensation Plan

The Organizations have a defined contribution pension plan, which is available to all full-time employees. The pension plan was created in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their current earnings and allows the employer to contribute an amount on behalf of eligible employees. Effective January 1, 2016, new employees will be vested after 7 years with the Organization. If an employee leaves before 7 years, the amount contributed by the Organization will return to the Organization. Total contribution to the plan in the year ended September 30, 2018, was \$19,810.

Note 8: Grant Awards

At September 30, 2018, the Organizations had received commitments for future funding under various grant awards of approximately \$166,000. These commitments are not recognized in the accompanying consolidated financial statements as receivables and revenue because they are conditional awards.

Note 9: Mortgage Payable

DICSA has a mortgage payable secured by a building. The balance at September 30, 2018 was \$128,565. Monthly principal and interest payments are \$1,065 at 6.75% interest, with final maturity due August 1, 2035. Future maturities are \$4,225 in 2019, \$4,519 in 2020, \$4,834 in 2021, \$5,171 in 2022, \$5,531 in 2023, and \$104,285 thereafter.

Note 10: Subsequent Events

Subsequent events have been evaluated through April 18, 2019, which is the date the consolidated financial statements were available to be issued.

Effective March 7, 2019, DICSA entered into a commercial promissory note for \$310,000 for the purpose of acquiring and renovating a space to be used as a warehouse. The note bears interest at 5.85% and interest only payments begin April 7, 2019 and continue through October 7, 2019. Beginning at that point, monthly principal and interest payments of \$2,350 will begin with a final balloon payment at maturity. The note is secured by the building that was acquired. Approximately \$150,000 of this loan was disbursed on March 7, 2019, to purchase a commercial space and approximately \$160,000 was left to draw down.

Supplementary Information

Dickinson-Iron Community Services Agency and Affiliate

Schedule of Program Activities

September 30, 2018

	FEDERAL PROGRAMS							HUD 14,228
	Department of Agriculture						10.565 10.568, & 10.569 Cluster	
	10.565		10.568	10.569		10.565 10.568, & 10.569 Cluster		
	Commodity Supplemental Food Program 220001006C (1)	Commodity Supplemental Food Program 220001006C (2)	TEFAP Food Distribution 220001006C (3)	TEFAP Commodity Food 220001006C (4)	10.565 Dickinson County CDBG #MSC- 2009-0736-HOA (5)			
Total	220001006C	220001006C	10.565 Subtotal	220001006C	220001006C	10.565 10.568, & 10.569 Cluster	10.565 10.568, & 10.569 Cluster	10.565 10.568, & 10.569 Cluster
REVENUE								
Grant revenue	\$ 2,222,559	\$ 405,389	\$ 158,156	\$ 563,545	\$ 61,618	\$ 30,185	\$ 655,348	\$ 0
Program contributions	260,643	0	0	0	0	0	0	0
Millage	281,279	0	0	0	0	0	0	0
Performance/other income	286,516	0	543	543	0	0	543	0
In-kind contributions	39,873	0	0	0	0	0	0	0
Total Revenue	3,090,870	405,389	158,699	564,088	61,618	30,185	655,891	0
EXPENSE								
Wages and salaries	1,174,254	0	51,079	51,079	0	10,455	61,534	0
Fringe benefits	293,655	0	21,954	21,954	0	5,472	27,426	0
Consultants/contract labor	204,451	0	1,682	1,682	0	186	1,868	0
Travel/transportation	121,899	0	14,234	14,234	0	328	14,562	0
Space/utilities	127,201	0	48,584	48,584	0	2,114	50,698	0
Training	1,471	0	3	3	0	0	3	0
Consumable supplies/materials/food purchases	118,415	0	6,313	6,313	0	9,058	15,371	0
Minor equipment purchases	7,868	0	0	0	0	0	0	0
Other costs	167,498	0	14,850	14,850	0	2,572	17,422	0
Direct services	157,756	0	0	0	0	0	0	0
Food/Commodity food distributed	691,954	405,389	0	405,389	61,618	0	467,007	0
Program support	0	0	0	0	0	0	0	0
In-kind expenses	39,873	0	0	0	0	0	0	0
Total Expenses	3,106,295	405,389	158,699	564,088	61,618	30,185	655,891	0
Change in Net Assets	(15,425)	0	0	0	0	0	0	0
Net assets - Beginning of year	230,529	0	0	0	0	0	0	2,356
NET ASSETS - END OF YEAR	\$ 215,104	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,356

Dickinson-Iron Community Services Agency and Affiliate

Schedule of Program Activities (Continued)

September 30, 2018

	FEDERAL PROGRAMS							Dept. of HHS 93.044
	HUD		Dept. of VA	Department of Energy				
	14.228	14.231	64.033	81.042				
Iron				Weatherization	Weatherization			
County		Emergency	Supportive	Assistance	Assistance		IN HOME	
CDBG #MSC-	14.228	Solutions	Services for	Program	Program	81.042	SERVICES	
2007-0740-HOA	Subtotal	Grant	Veterans/Family	WAP-16-22008-2	WAP-16-22008-3	Subtotal	UP18D1	
	(6)	(7)	(8)	(9)	(10)		(11)	
REVENUE								
Grant revenue	\$ 0	\$ 54,467	\$ 66,378	\$ 168,409	\$ 24,168	\$ 192,577	\$ 119,696	
Program contributions	0	0	(657)	0	0	0	6,594	
Millage	0	0	0	0	0	0	0	
Performance/other income	0	0	0	250	350	600	3,000	
In-kind contributions	0	0	0	0	0	0	0	
Total Revenue	0	54,467	65,721	168,659	24,518	193,177	129,290	
EXPENSE								
Wages and salaries	0	35,565	42,071	38,123	9,888	48,011	113,527	
Fringe benefits	0	8,576	12,626	14,015	2,861	16,876	23,569	
Consultants/contract labor	0	1,019	1,431	98,592	9,204	107,796	1,179	
Travel/transportation	0	2,645	4,953	13,589	534	14,123	2,839	
Space/utilities	0	2,887	2,343	1,078	316	1,394	1,305	
Training	0	18	84	0	6	6	3	
Consumable supplies/materials/food purchases	0	772	851	208	46	254	6,893	
Minor equipment purchases	0	0	0	0	0	0	0	
Other costs	0	2,949	2,019	3,525	1,663	5,188	1,815	
Direct services	0	36	243	0	0	0	0	
Food/Commodity food distributed	0	0	0	0	0	0	0	
Program support	0	0	0	0	0	0	(21,840)	
In-kind expenses	0	0	0	0	0	0	0	
Total Expenses	0	54,467	66,621	169,130	24,518	193,648	129,290	
Change in Net Assets	0	0	(900)	(471)	0	(471)	0	
Net assets - Beginning of year	4,951	7,307	900	471	148	619	0	
NET ASSETS - END OF YEAR	\$ 4,951	\$ 7,307	\$ 0	\$ 0	\$ 148	\$ 148	\$ 0	

Dickinson-Iron Community Services Agency and Affiliate

Schedule of Program Activities (Continued)

September 30, 2018

	FEDERAL PROGRAMS					
	Department of Health and Human Services					
	93.045		93.045 Subtotal	93.053		93.052
	Senior Congregate Meals	Home Delivered Meals		Senior Nutrition Food	93.044, 93.045, 93.053 Cluster Subtotal	National Family Caregivers Support Program UP18D1
Title III C-1 UP18D1 (12)	Title III C-2 UP18D1 (13)	Program UP18D1 (14)	Program UP18D1 (15)			
REVENUE						
Grant revenue	\$ 133,914	\$ 187,820	\$ 321,734	\$ 91,010	\$ 532,440	\$ 19,715
Program contributions	90,906	104,673	195,579	0	202,173	0
Millage	0	0	0	0	0	0
Performance/other income	0	5,900	5,900	0	8,900	0
In-kind contributions	15,501	27,246	42,747	0	42,747	1,638
Total Revenue	240,321	325,639	565,960	91,010	786,260	21,353
EXPENSE						
Wages and salaries	126,821	262,946	389,767	0	503,294	15,951
Fringe benefits	24,467	59,521	83,988	0	107,557	3,395
Consultants/contract labor	25,579	3,591	29,170	0	30,349	266
Travel/transportation	325	26,784	27,109	0	29,948	238
Space/utilities	4,576	12,144	16,720	0	18,025	569
Training	6	11	17	0	20	21
Consumable supplies/materials/food purchases	9,196	55,593	64,789	0	71,682	666
Minor equipment purchases	6,388	1,480	7,868	0	7,868	0
Other costs	9,480	23,583	33,063	0	34,878	610
Direct services	0	0	0	0	0	0
Food/Commodity food distributed	40,121	79,670	119,791	91,010	210,801	0
Program support	(22,139)	(226,930)	(249,069)	0	(270,909)	(2,001)
In-kind expenses	15,501	27,246	42,747	0	42,747	1,638
Total Expenses	240,321	325,639	565,960	91,010	786,260	21,353
Change in Net Assets	0	0	0	0	0	0
Net assets - Beginning of year	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

Dickinson-Iron Community Services Agency and Affiliate

Schedule of Program Activities (Continued)

September 30, 2018

	FEDERAL PROGRAMS					Total Federal Programs
	Department of Health and Human Services					
	93.568	93.569			93.569 Subtotal	
	Low-Income Home Energy Assistance WAP16-22008 (16)	Community Services Block Grant CSBG-14-22008 4 (17)	Community Services Block Grant CSBG-14-22008 5 (18)	CSBG- Discretionary CSBG-D-14-22008 (19)		
REVENUE						
Grant revenue	\$ 66,581	\$ 5,638	\$ 82,540	\$ 146,664	\$ 234,842	\$ 1,822,348
Program contributions	0	0	0	8,000	8,000	209,516
Millage	0	0	0	0	0	0
Performance/other income	0	0	0	142	142	10,185
In-kind contributions	0	0	0	0	0	44,385
Total Revenue	66,581	5,638	82,540	154,806	242,984	2,086,434
EXPENSE						
Wages and salaries	16,727	3,979	49,212	89,619	142,810	865,963
Fringe benefits	5,225	1,659	16,186	29,161	47,006	228,687
Consultants/contract labor	42,121	0	5,516	2,003	7,519	192,369
Travel/transportation	1,301	0	1,244	8,925	10,169	77,939
Space/utilities	501	0	3,381	7,303	10,684	87,101
Training	9	0	468	29	497	658
Consumable supplies/materials/food purchases	103	0	938	4,579	5,517	95,216
Minor equipment purchases	0	0	0	0	0	7,868
Other costs	594	0	5,595	13,187	18,782	82,442
Direct services	0	0	0	0	0	279
Food/Commodity food distributed	0	0	0	0	0	677,808
Program support	0	0	0	0	0	(272,910)
In-kind expenses	0	0	0	0	0	44,385
Total Expenses	66,581	5,638	82,540	154,806	242,984	2,087,805
Change in Net Assets	0	0	0	0	0	(1,371)
Net assets - Beginning of year	0	0	0	0	0	8,826
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,455

Dickinson-Iron Community Services Agency and Affiliate

Schedule of Program Activities (Continued)

September 30, 2018

	STATE AND LOCAL PROGRAMS								
	MPSC MCAAA Energy Assistance (20)	LCA-MEAP Assistance Del Fuel (21)	MCA-MEAP Energy Assistance (22)	EMERGENCY Shelter Program (23)	Volunteer Investment Grant 801P3000418 (24)	Family Ties - Adult Day Care (25)	Retired Senior Volunteer Program #2018 (26)	Baraga County Millage - Senior Citizen (27)	Dickinson County Millage - Senior Citizen (28)
REVENUE									
Grant revenue	\$ 14,700	\$ 124,971	\$ 25,191	\$ 48,238	\$ 5,925	\$ 32,935	\$ 60,988	\$ 0	\$ 0
Program contributions	0	0	0	0	0	22,412	0	0	0
Millage	0	0	0	0	0	0	7,500	248,900	
Performance/other income	0	0	0	0	0	99,243	0	0	0
In-kind contributions	0	0	0	0	0	1,638	26,804	0	0
Total Revenue	14,700	124,971	25,191	48,238	5,925	156,228	87,792	7,500	248,900
EXPENSE									
Wages and salaries	1,741	6,973	1,437	4,258	0	111,022	22,422	0	0
Fringe benefits	538	2,387	303	1,344	0	25,034	7,566	0	0
Consultants/contract labor	0	26	0	0	0	2,773	819	0	0
Travel/transportation	1	1	0	200	3,359	404	19,240	0	0
Space/utilities	0	343	0	0	0	7,387	1,217	0	0
Training	0	0	0	0	0	344	6	0	0
Consumable supplies/materials/food purchases	0	45	0	0	2,347	2,327	5,520	0	0
Minor equipment purchases	0	0	0	0	0	0	0	0	0
Other costs	0	305	0	42,436	219	7,423	4,198	0	0
Direct services	12,420	114,891	23,451	0	0	0	0	0	0
Food/Commodity food distributed	0	0	0	0	0	0	0	0	0
Program support	0	0	0	0	0	(2,124)	0	6,274	248,900
In-kind expenses	0	0	0	0	0	1,638	26,804	0	0
Total Expenses	14,700	124,971	25,191	48,238	5,925	156,228	87,792	6,274	248,900
Change in Net Assets	0	0	0	0	0	0	0	1,226	0
Net assets - Beginning of year	0	0	0	0	0	0	0	0	0
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,226	\$ 0

Dickinson-Iron Community Services Agency and Affiliate

Schedule of Program Activities (Continued)

September 30, 2018

	STATE AND LOCAL PROGRAMS				OTHER			
	Iron County Millage - Senior Citizen (29)	UPCSI Michigan Dept. of Transportation #2016-0135 (30)	UPCSI ASPIRUS- DIALYSIS DONATION (31)	Total State and Local Programs	Self- Insurance Fund (32)	Grant- Funded Equipment (33)	UPCSI MCAH HOMELESS Housing (34)	TOTAL PROGRAM ACTIVITY
REVENUE								
Grant revenue	\$ 0	\$ 79,184	\$ 0	\$ 392,132	\$ 0	\$ 0	\$ 0	\$ 2,214,480
Program contributions	0	18,655	10,000	51,067	0	0	0	260,583
Millage	24,879	0	0	281,279	0	0	0	281,279
Performance/other income	0	5,891	0	105,134	26,732	0	0	142,051
In-kind contributions	0	0	0	28,442	0	0	0	72,827
Total Revenue	24,879	103,730	10,000	858,054	26,732	0	0	2,971,220
EXPENSE								
Wages and salaries	0	60,912	6,145	214,910	0	0	0	1,080,873
Fringe benefits	0	17,018	1,372	55,562	15,778	0	0	300,027
Consultants/contract labor	0	2,842	0	6,460	0	0	0	198,829
Travel/transportation	0	14,129	1,992	39,326	0	0	0	117,265
Space/utilities	0	1,259	18	10,224	0	27,108	0	124,433
Training	0	8	0	358	0	0	0	1,016
Consumable supplies/materials/food purchases	0	886	7	11,132	0	0	0	106,348
Minor equipment purchases	0	0	0	0	0	0	0	7,868
Other costs	0	12,676	466	67,723	0	16,179	0	166,344
Direct services	0	0	0	150,762	0	0	0	151,041
Food/Commodity food distributed	0	0	0	0	0	0	0	677,808
Program support	24,879	(6,000)	0	271,929	0	0	0	(981)
In-kind expenses	0	0	0	28,442	0	0	0	72,827
Total Expenses	24,879	103,730	10,000	856,828	15,778	43,287	0	3,003,698
Change in Net Assets	0	0	0	1,226	10,954	(43,287)	0	(32,478)
Net assets - Beginning of year	0	0	0	0	702	114,175	2,471	126,174
NET ASSETS - END OF YEAR	\$ 0	\$ 0	\$ 0	\$ 1,226	\$ 11,656	\$ 70,888	\$ 2,471	\$ 93,696

Dickinson-Iron Community Services Agency and Affiliate

Schedule of Program Activities (Continued)

September 30, 2018

	CORPORATE ACTIVITIES UNRESTRICTED						
	Noodles for Neighbors and Frosty 5k Walk-for- Warmth (35)	Waiver Training and Waiver Homemaker Aide (36)	Waiver Home- Delivered Meals (37)	ARVON School District Meals (38)	Maximus MI Enrolls Plan (39)	Volunteer Oversight (40)	Building and Property Maintenance (41)
REVENUE							
Grant revenue	\$ 0	\$ 0	\$ 0	\$ 7,351	\$ 728	\$ 0	\$ 0
Program contributions	60	0	0	0	0	0	0
Millage	0	0	0	0	0	0	0
Performance/other income	9,489	41,846	49,010	0	0	451	5,000
In-kind contributions	0	0	0	0	0	0	0
Total Revenue	9,549	41,846	49,010	7,351	728	451	5,000
EXPENSE							
Wages and salaries	488	36,405	24,386	3,733	1,620	9	0
Fringe benefits	151	7,050	5,028	864	668	15	0
Consultants/contract labor	0	667	372	0	0	0	0
Travel/transportation	0	327	2,954	0	0	0	0
Space/utilities	0	566	706	415	0	0	0
Training	0	3	0	0	0	0	0
Consumable supplies/materials/food purchases	4,626	560	3,701	0	0	427	0
Minor equipment purchases	0	0	0	0	0	0	0
Other costs	25	559	56	0	48	0	0
Direct services	6,513	0	0	0	0	0	0
Food/Commodity food distributed	0	0	11,807	2,339	0	0	0
Program support	0	(4,291)	0	0	0	0	0
In-kind expenses	0	0	0	0	0	0	0
Total Expenses	11,803	41,846	49,010	7,351	2,336	451	0
Change in Net Assets	(2,254)	0	0	0	(1,608)	0	5,000
Net assets - Beginning of year	19,659	0	0	53	1,608	365	5,000
NET ASSETS - END OF YEAR	\$ 17,405	\$ 0	\$ 0	\$ 53	\$ 0	\$ 365	\$ 10,000

Dickinson-Iron Community Services Agency and Affiliate

Schedule of Program Activities (Continued)

September 30, 2018

	CORPORATE ACTIVITIES						
	UNRESTRICTED						
	VAMC IN HOME SERVICES	DTE-EAA Energy Optimization	DICSA General Fund	DICSA Corporate Fund	Eliminations	UPCSI Corporate Fund	TOTAL UNRESTRICTED ACTIVITY
	(42)	(43)	(44)	(45)		(46)	
REVENUE							
Grant revenue	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,079
Program contributions	0	0	0	0	0	0	60
Millage	0	0	0	0	0	0	0
Performance/other income	30,582	11,131	8,197	15,491	(26,732)	0	144,465
In-kind contributions	0	0	0	(12,103)	(20,851)	0	(32,954)
Total Revenue	30,582	11,131	8,197	3,388	(47,583)	0	\$ 119,650
EXPENSE							
Wages and salaries	22,480	4,260	0	0	0	0	93,381
Fringe benefits	4,706	1,878	0	0	(26,732)	0	(6,372)
Consultants/contract labor	681	3,808	0	94	0	0	5,622
Travel/transportation	114	753	473	13	0	0	4,634
Space/utilities	963	118	0	0	0	0	2,768
Training	6	446	0	0	0	0	455
Consumable supplies/materials/food purchases	450	1,712	0	591	0	0	12,067
Minor equipment purchases	0	0	0	0	0	0	0
Other costs	1,182	1,556	50	(2,322)	0	0	1,154
Direct services	0	200	0	2	0	0	6,715
Food/Commodity food distributed	0	0	0	0	0	0	14,146
Program support	0	5,273	0	(1)	0	0	981
In-kind expenses	0	0	0	(12,103)	(20,851)	0	(32,954)
Total Expenses	30,582	20,004	523	(13,726)	(47,583)	0	102,597
Change in Net Assets	0	(8,873)	7,674	17,114	0	0	17,053
Net assets - Beginning of year	197	16,662	2,507	50,099	0	8,205	104,355
NET ASSETS - END OF YEAR	\$ 197	\$ 7,789	\$ 10,181	\$ 67,213	\$ 0	\$ 8,205	\$ 121,408

Dickinson-Iron Community Services Agency and Affiliate

Schedule of Program Activities

September 30, 2018

Federal Grantor/Program Title/ Pass-Through Number	CFDA Number	Funding Source/ Pass-Through Entity	Program Period	Federal Expenditures
DEPARTMENT OF AGRICULTURE				
Food Distribution Cluster				
Commodity Supplemental Food Program #220001006C - Noncash Assistance	10.565	Michigan Department of Education	10/01/17 - 09/30/18	\$ 405,389
Commodity Supplemental Food Program #220001006C	10.565	Michigan Department of Education	10/01/17 - 09/30/18	158,156
Total Federal Expenditures CFDA #10.565				563,545
Temporary Emergency Food Assistance Program Distribution #220001006C	10.568	Michigan Department of Education	10/01/17 - 09/30/18	30,185
Temporary Emergency Food Assistance Program Distribution #220001006C - Noncash Assistance	10.569	Michigan Department of Education	10/01/17 - 09/30/18	61,617
Total Federal Expenditures Food Distribution Cluster CFDA #10.565, #10.568 and #10.569				655,347
Total Department of Agriculture				655,347
DEPARTMENT OF Housing and Urban Development				
Emergency Solutions Grant	14.231	Community Action Alger-Marquette	10/01/17 - 09/30/18	54,467
DEPARTMENT OF VETERANS AFFAIRS				
Supportive Services for Veterans	64.003	Veterans Affairs	10/01/17 - 09/30/18	66,378
DEPARTMENT OF ENERGY				
Weatherization Assistance Program - #WAP-16-22008-2	81.042	Michigan Department of Human Services	07/01/17 - 06/30/18	168,409
Weatherization Assistance Program - #WAP-16-22008-3		Michigan Department of Human Services	07/01/18 - 06/30/19	24,168
Total Federal Expenditures CFDA #81.042				192,577
Total Department of Energy				192,577
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Aging Cluster				
Alternate Care #UP18D1	93.044	UPCAP Services, Inc.	10/01/17 - 09/30/18	37,534
Senior Congregate Meals - Title III C-1 #UP18D1	93.045	UPCAP Services, Inc.	10/01/17 - 09/30/18	131,437
Home Delivered Meals - Title III C-2 #UP18D1		UPCAP Services, Inc.	10/01/17 - 09/30/18	59,951
Total Federal Expenditures CFDA #93.045				191,388
Senior Nutrition Food Program #UP18D1	93.053	UPCAP Services, Inc.	10/01/17 - 09/30/18	91,010
Total Federal Expenditures Aging Cluster CFDA #93.044, #93.045, #93.053,				319,932

Dickinson-Iron Community Services Agency and Affiliate

Schedule of Program Activities

September 30, 2018

Federal Grantor/Program Title/ Pass-Through Number	CFDA Number	Funding Source/ Pass-Through Entity	Program Period	Federal Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
National Family Caregivers Support Program #UP18D1	93.052	UPCAP Services, Inc.	10/01/17 - 09/30/18	<u>19,716</u>
Low-Income Home Energy Assistance Program #WAP16- 22008 (LIHEAP)	93.568	Michigan Department of Human Services	10/01/17 - 09/30/18	<u>66,580</u>
Community Services Block Grant #CSBG-14- 22008 4	93.569	Michigan Department of Human Services	10/1/2016 -9/30/17	5,638
Community Services Block Grant #CSBG-14- 22008 5	93.569	Michigan Department of Human Services	10/01/17 - 09/30/19	82,540
Community Services Block Grant #CSBG-D-14- 22008 (Discretionary)		Michigan Department of Human Services	10/01/17 - 09/30/18	<u>146,664</u>
		Total Federal Expenditures CFDA #93.569		<u>234,842</u>
		Total Department of Health and Human Services		<u>641,070</u>
		TOTAL FEDERAL EXPENDITURES		<u>\$ 1,609,839</u>

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Dickinson-Iron Community Service Agency under programs of the federal government for the year ended September 30, 2018. 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 Dickinson-Iron Community Service Agency, it is not intended to and does not present the financial position, changes in net assets or cash flows of Dickinson-Iron Community Service Agency.

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 cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 - Indirect Cost Rate

Dickinson-Iron Community Service Agency has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 4 - Subrecipients

Dickinson-Iron Community Service Agency does not have any subrecipients and therefore do not have subrecipient expenditures.

Note 5 - Noncash Assistance

Total noncash assistance under the Food Distribution Cluster is \$405,389 from CFDA 10.565 and \$61,617 from CFDA 10.568, totaling \$467,006.



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

Board of Directors
Dickinson-Iron Community Services Agency and Affiliate
Iron Mountain, 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 consolidated financial statements of Dickinson-Iron Community Services Agency and Affiliate, which comprise the consolidated statement of financial position as of September 30, 2018, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated April 18, 2019. The financial statements of U.P. Community Services, Inc. (the Affiliate) were not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with this entity.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Dickinson-Iron Community Services Agency’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Dickinson-Iron Community Services Agency’s internal control. Accordingly, we do not express an opinion on the effectiveness of Dickinson-Iron Community Services Agency’s internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Dickinson-Iron Community Services Agency's consolidated 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 consolidated 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

Wipfli LLP

April 18, 2019
Green Bay, Wisconsin



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

Board of Directors
Dickinson-Iron Community Services Agency and Affiliate
Iron Mountain, Michigan

Report on Compliance for Each Major Federal Program

We have audited Dickinson-Iron Community Services Agency’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, 2018. Dickinson-Iron Community Services Agency’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 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 Dickinson-Iron Community Services Agency’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; 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 Dickinson-Iron Community Services Agency’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Dickinson-Iron Community Services Agency’s compliance.

Opinion

In our opinion, Dickinson-Iron Community Services Agency 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, 2018.

Report on Internal Control Over Compliance

Management of Dickinson-Iron Community Services Agency is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Dickinson-Iron Community Services Agency's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 Dickinson-Iron Community Services Agency's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state 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

April 18, 2019
Green Bay, Wisconsin

Dickinson-Iron Community Services Agency and Affiliate

Schedule of Findings and Questioned Costs

Year Ended September 30, 2018

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued? Unmodified

Internal control over financial reporting:

Material weakness(es) identified? No

Significant deficiency(ies) identified? No

Noncompliance material to financial statements noted? No

Federal and State Awards

Internal control over major federal and state programs:

Material weakness(es) identified? No

Significant deficiency(ies) 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:

Name of Federal Major Program or Cluster

Food Distribution Cluster: Commodity Supplemental Food Program and Temporary Emergency Food Assistance Program Distribution

CFDA No.

10.565, 10.568, 10.569

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

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

Section IV - Summary Schedule of Prior-Year Findings

None

Dickinson-Iron Community Services Agency and Affiliate

Consolidating Statement of Financial Position

September 30, 2018

	Dickinson Iron Comm. Services Agency	U.P. Community Services, Inc.	Eliminations	DICSA and U.P. Consolidated
Current assets:				
Cash	\$ 47,001	\$ 11,450	\$ 0	\$ 58,451
Grants receivable	114,444	21,223	0	135,667
Accounts receivable	46,090	5,599	0	51,689
Accounts receivable - Intercompany	13,900	0	(13,900)	0
Inventory	199,248	0	0	199,248
Prepaid expenses	14,043	0	0	14,043
Total current assets	434,726	38,272	(13,900)	459,098
Property and equipment, net	166,577	33,811	0	200,388
TOTAL ASSETS	\$ 601,303	\$ 72,083	\$ (13,900)	\$ 659,486
<i>Liabilities and Net Assets</i>				
Current liabilities:				
Current portion of mortgage payable	\$ 4,225	\$ 0	\$ 0	\$ 4,225
Accounts payable	29,962	344	0	30,306
Accounts payable - Intercompany	0	13,900	(13,900)	0
Accrued payroll and related expenses	34,781	0	0	34,781
Grant funds received in advance	237,376	13,354	0	250,730
Total current liabilities	306,344	27,598	(13,900)	320,042
Long-term liabilities:				
Mortgage payable	124,340	0	0	124,340
Total liabilities	430,684	27,598	(13,900)	444,382
Net assets:				
Unrestricted	113,204	8,204	0	121,408
Temporarily restricted	57,415	36,281	0	93,696
Total net assets	170,619	44,485	0	215,104
TOTAL LIABILITIES AND NET ASSETS	\$ 601,303	\$ 72,083	\$ (13,900)	\$ 659,486

Dickinson-Iron Community Services Agency and Affiliate

Consolidating Statement of Activities

Year Ended September 30, 2018

	Dickinson- Iron Comm. Services Agency	U.P. Community Services, Inc.	DICSA and U.P. Consolidated
Revenue:			
Grant revenue	\$ 2,143,375	\$ 79,184	\$ 2,222,559
Program contributions	231,988	28,655	260,643
Millage	281,279	0	281,279
Performance/other income	280,625	5,891	286,516
In-kind contributions	39,873	0	39,873
Total revenue	2,977,140	113,730	3,090,870
Expenses:			
Wages and salaries	1,107,197	67,057	1,174,254
Fringe benefits	275,265	18,390	293,655
Consultants/contract labor	201,609	2,842	204,451
Travel/transportation	105,778	16,121	121,899
Space/utilities	104,296	22,905	127,201
Training	1,463	8	1,471
Consumable supplies/materials/food purchases	117,522	893	118,415
Minor equipment purchases	7,868	0	7,868
Other costs	108,294	59,204	167,498
Direct services	157,756	0	157,756
Food/commodity food distributed	691,954	0	691,954
Program support	6,000	(6,000)	0
In-kind expenses	39,873	0	39,873
Total expenses	2,924,875	181,420	3,106,295
Change in net assets	52,265	(67,690)	(15,425)
Net assets - Beginning of year	118,354	112,175	230,529
Net assets - End of year	\$ 170,619	\$ 44,485	\$ 215,104