

***FULTON-ATLANTA COMMUNITY  
ACTION AUTHORITY, INC.***  
***EIN # 58-1926185***

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**Financial Statements, Supplementary Information, and  
Reports Required Under Uniform Guidance**

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**For the Year Ended September 30, 2017**

(WITH INDEPENDENT AUDITOR'S REPORT THEREON)

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**  
**ANNUAL FINANCIAL STATEMENTS**  
**For the Year Ended September 30, 2017**

**TABLE OF CONTENTS**

	<b>Page</b>
Independent Auditor's Report .....	3

**SECTION I**

**FINANCIAL SECTION**

Statement of Financial Position.....	5
Statement of Activities.....	6
Statement of Changes in Net Assets.....	7
Statement of Functional Expenses.....	8
Statement of Cash Flows.....	10
Notes to Financial Statements.....	11

**SUPPLEMENTARY INFORMATION**

***Statements of Revenue and Expenses - Actual and Budget***

Community Services Block Grant.....	20
Low Income Home Energy Assistance Program.....	21
United Way - 211.....	22
General Fund.....	23
Fund Raising.....	24
Unrestricted Fund and Contribution.....	25
Administrative.....	26
 <i>Schedule of State Awards Expended.....</i>	 28
 <i>Schedule of Audited Administrative Costs Allocated - By Program.....</i>	 30

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**  
ANNUAL FINANCIAL STATEMENTS  
For the Year Ended September 30, 2017

**TABLE OF CONTENTS**

**Page**

**SECTION II**

**REPORTS REQUIRED BY GAO - GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	32
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**SECTION III**

**REPORT REQUIRED BY UNIFORM GUIDANCE**

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance.....	34
Schedule of Expenditures of Federal Awards and Other Financial Assistance.....	36
Notes to Schedule of Expenditures of Federal Awards and Other Financial Assistance.....	37

**SECTION IV**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

<i>Summary of Auditor's Results</i> .....	39
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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
**Fulton-Atlanta Community  
Action Authority, Inc.**

**Report on the financial statements**

We have audited the accompanying financial statements of **Fulton-Atlanta Community Action Authority, Inc.** (“the Authority”, a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities, changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***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 of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

***Opinion***

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the Authority as of September 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters******Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards and other financial assistance, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, as shown on page 36, is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information included on pages 20 through 30 is presented for purposes of additional analysis and is also not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.



The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of federal awards and other financial assistance and other supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2018, on our consideration of the Authority'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 the Authority'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 the Authority's internal control over financial reporting and compliance.

March 18, 2018

*Clausell & Associates, CBI, P.C.*

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

## STATEMENT OF FINANCIAL POSITION

September 30, 2017

	Unrestricted	Temporarily Restricted	Total
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents (Note C)	\$32,641	-	\$32,641
Due from grantors (Note D)	341,592	-	341,592
<b>Total Current Assets</b>	<b>374,233</b>	<b>-</b>	<b>374,233</b>
Property and equipment at cost			
less accumulated depreciation (Note G)	3,426	2,426	5,852
<b>Other Assets</b>			
Other receivables	2,846	-	2,846
Deposits	12,500	-	12,500
<b>Total Other Assets</b>	<b>15,346</b>	<b>-</b>	<b>15,346</b>
<b>TOTAL ASSETS</b>	<b>\$393,005</b>	<b>\$2,426</b>	<b>\$395,431</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts payable	\$33,016	-	\$33,016
Accrued expenses	68,316	-	68,316
Accrued vacation (Note H)	17,864	-	17,864
Due to grantor (Note I)	660	-	660
Deferred revenue (Note J)	21,406	-	21,406
Line of credit (Note K)	62,147	-	62,147
<b>Total Current Liabilities</b>	<b>203,409</b>	<b>-</b>	<b>203,409</b>
Net assets (Note L)	189,596	2,426	192,022
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$393,005</b>	<b>\$2,426</b>	<b>\$395,431</b>

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

STATEMENT OF ACTIVITIES

For the Year Ended September 30, 2017

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>REVENUE AND OTHER SUPPORT</b>			
Intergovernmental - Federal	\$6,227,106	-	\$6,227,106
Intergovernmental - State	83,514	-	83,514
Intergovernmental - Local	10,341	-	10,341
Other revenue	29,623	-	29,623
Interest income	14	-	14
In-kind (Note O)	123,408	-	123,408
Net assets released from restrictions	3,615	(3,615)	-
<b>Total Revenue and Other Support</b>	<b>6,477,621</b>	<b>(3,615)</b>	<b>6,474,006</b>
<b>PROGRAM SERVICES</b>			
Community Services Block Grant	1,822,784	-	1,822,784
Low Income Home Energy Assistance Program	4,481,227	-	4,481,227
United Way - 211	10,341	-	10,341
<b>Total Program Expenses</b>	<b>6,314,352</b>	<b>-</b>	<b>6,314,352</b>
<b>SUPPORTING SERVICES</b>			
General	16,590	-	16,590
Fund-raising	6,733	-	6,733
Unrestricted fund and Contribution	167,145	-	167,145
Administrative	-	-	-
Depreciation	3,615	-	3,615
<b>Total Supporting Services</b>	<b>194,083</b>	<b>-</b>	<b>194,083</b>
<b>Total Expenses</b>	<b>6,508,435</b>	<b>-</b>	<b>6,508,435</b>
<b>Changes in Net Assets</b>	<b>(\$30,814)</b>	<b>(\$3,615)</b>	<b>(\$34,429)</b>

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

STATEMENT OF CHANGES IN NET ASSETS

*For the Year Ended September 30, 2017*

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
<b>Net Assets, beginning of year</b>	\$225,307	\$6,041	\$231,348
Prior period adjustment (Note R)	(4,897)	-	(4,897)
Net Assets, beginning of year, as restated	220,410	6,041	226,451
Changes in Net Assets	(30,814)	(3,615)	(34,429)
<b>Net Assets, end of year</b>	<b>\$189,596</b>	<b>\$2,426</b>	<b>\$192,022</b>

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2017

	<b>PROGRAM SERVICES</b>			
	<b>CSBG</b>	<b>LIHEAP</b>	<b>United Way 211</b>	<b>Page Totals</b>
Salaries and wages	\$727,475	\$142,075	-	\$869,550
Fringe benefits	223,520	24,843	-	248,363
<b>Total Personnel Costs</b>	<b>950,995</b>	<b>166,918</b>	<b>-</b>	<b>1,117,913</b>
Employee travel	8,711	116	-	8,827
Materials and supplies	16,427	7,972	-	24,399
Repair and maintenance	20,327	2,699	-	23,026
Transportation	2,237	-	-	2,237
Equipment purchases	11,716	2,338	-	14,054
Meetings	5,793	-	-	5,793
Professional fees	42,691	20,348	-	63,039
Emergency assistance	75,741	4,184,080	10,341	4,270,162
Telephone/fax expense	31,061	1,000	-	32,061
Stipends and incentives	5,811	289	-	6,100
Staff development	4,248	-	-	4,248
Membership	11,438	-	-	11,438
Insurance	30,445	-	-	30,445
Postage and printing	1,605	6,029	-	7,634
Indirect costs	342,358	60,091	-	402,449
In-kind	-	-	-	-
Rent	250,539	28,576	-	279,115
Advertising	506	-	-	506
Interest expense	-	-	-	-
Other	10,135	771	-	10,906
<b>Total Other Costs</b>	<b>871,789</b>	<b>4,314,309</b>	<b>10,341</b>	<b>5,196,439</b>
<b>Total Program Expenditures before Capital Addition Transfers</b>	<b>1,822,784</b>	<b>4,481,227</b>	<b>10,341</b>	<b>6,314,352</b>
less: Capital additions	-	-	-	-
In-kind expenditures	-	-	-	-
<b>Total Program Expenditures</b>	<b>\$1,822,784</b>	<b>\$4,481,227</b>	<b>\$10,341</b>	<b>\$6,314,352</b>

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

## STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended September 30, 2017

<b>SUPPORTING SERVICES</b>					
	<b>General</b>	<b>Fund Raising</b>	<b>Unrestricted Fund and Contributions</b>	<b>Administrative</b>	<b>Page Totals</b>
Salaries and wages	-	-	-	\$269,111	\$269,111
Fringe benefits	-	-	-	76,865	76,865
<b>Total Personnel Costs</b>	-	-	-	345,976	345,976
Employee travel	-	-	50	4,269	4,319
Materials and supplies	-	-	29,780	5,011	34,791
Rent and maintenance	-	-	-	9,691	9,691
Transportation	-	-	-	7,934	7,934
Equipment purchases	-	-	-	3,210	3,210
Meetings	-	-	-	1,113	1,113
Professional fees	-	-	3,300	1,250	4,550
Emergency assistance	-	3,359	1,694	-	5,053
Telephone/fax expense	-	74	-	5,785	5,859
Stipends and incentives	-	-	150	2,150	2,300
Staff development	-	-	450	1,029	1,479
Membership	-	-	-	2,263	2,263
Insurance	-	-	-	-	-
Postage and printing	-	-	-	33	33
Indirect costs	-	-	-	-	-
In-kind	-	-	123,408	-	123,408
Rent	-	-	-	9,126	9,126
Advertising	-	-	-	-	-
Interest expense	-	-	7,153	-	7,153
Other	9,834	3,300	1,160	3,609	17,903
Depreciation	6,756	-	-	-	6,756
<b>Total Other Costs</b>	16,590	6,733	167,145	56,473	246,941
<b>Total Supporting Services before Capital Addition Transfers</b>	16,590	6,733	167,145	402,449	592,917
less: Capital additions	-	-	-	-	-
<b>Total Supporting Services</b>	16,590	6,733	167,145	402,449	592,917
less: Program Allocations	-	-	-	402,449	402,449
<b>Total Supporting Services after Program Allocations</b>	<b>\$16,590</b>	<b>\$6,733</b>	<b>\$167,145</b>	-	<b>\$190,468</b>

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

STATEMENT OF CASH FLOWS

For the Year Ended September 30, 2017

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**CASH FLOWS FROM OPERATING ACTIVITIES:**

Increase (decrease) in net assets	(\$34,429)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation	10,371
(Increase) decrease in:	
Due from grantor	(51,474)
Other receivable	2,985
Deposits	1,597
(Decrease) increase in:	
Accounts payable	5,802
Accrued expenses	16,037
Accrued vacation	9,834
Due to grantor	310
Deferred revenue	<u>(4,231)</u>
<b>Net Cash Provided (Used) By Operating Activities</b>	<b>(43,198)</b>

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Payments on line of credit	<u>(8,003)</u>
<b>Net Cash Provided (Used) By Financing Activities</b>	<b><u>(8,003)</u></b>

<b>Net Increase (Decrease) in Cash</b>	<b>(51,201)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b><u>83,842</u></b>
<b>Cash and cash equivalents at end of year</b>	<b><u><u>\$32,641</u></u></b>

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**Supplemental Information:**

Interest paid in cash \$7,053

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**1. Nature of Activities**

The *Fulton-Atlanta Community Action Authority, Inc. (Authority)* is a not-for-profit entity incorporated under the laws of the State of Georgia. The Authority is a county-based community action authority established to help alleviate poverty in Atlanta and Fulton County by providing sound intervention strategies and selected direct services. The Authority plans and administers services that are needed to improve the community it serves. The Authority is funded primarily by Federal, State and local grants. See Note F regarding affiliated organizations of the Authority.

**2. Description of Major Activities**

The Authority is organized and operated to provide direction and control over various human and social service programs.

Below is a summary of the principal programs administered by the Authority:

- a) The Low Income Home Energy Assistance Program provides energy assistance to low-income families.
- b) The Community Services Block Grant provides emergency assistance, counseling, and other support to alleviate the effects of poverty in the Authority's service area.
- c) The YouthBuild program provides job training, education, and other support services to at-risk youths in the Authority's service area.

**3. Basis of Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board as codified at FASB ASC 958-210-45-9. Under these standards, the Authority is required to report information regarding financial position and activities according to the following three classes of net assets:

- a) Unrestricted net assets - Net assets that are not subject to grantor or donor-imposed stipulations.
- b) Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Authority and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
- c) Permanently restricted net assets - Net assets subject to grantor or donor-imposed stipulations that they be maintained permanently by the Authority to use all or part of the assets for general or specific purposes. There were no permanently restricted net assets at September 30, 2017.

**4. Basis of Accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:**

**5. Functional Expenses**

The costs of the Authority's programs and supporting services have been reported on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Expenses are charged to each program based on direct expenses incurred. Any program expenses not directly chargeable to a program are allocated based on a prescribed cost allocation plan. See Note P.

**6. Income Tax Status**

The Authority qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. However, income from certain activities not directly related to the Authority's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Authority qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2). It is further the Authority's position that any development and/or management fees associated with the activities of its subsidiary corporations (See Note F) are not unrelated business activities with regard to the development of low-income housing. As of September 30, 2017, the Authority did not have any unrelated business income. The Authority believes more likely than not, that its tax-exempt positions will be sustained if examined by the authorities.

Accounting principles generally accepted in the United States of America require plan management to evaluate tax positions taken by the Authority and recognize a tax liability (or asset) if the Authority has taken an uncertain position that more likely than not would be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Authority, and has concluded that as of September 30, 2017, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Authority is subject to routine audits by taxing jurisdictions. Management believes that the Authority is no longer subject to tax examinations by taxing authorities for years prior to 2014.

**7. Property and Equipment**

It is the Authority's policy to capitalize property and equipment over \$5,000. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Authority reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method.

**8. Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Authority considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued:**

**9. Concentrations of Contributions**

The Authority received approximately 97% of its annual budget from various programs administered by the Georgia Department of Human Services for the year ended September 30, 2017.

**10. Support and Revenue**

Services provided by the Authority are supported by federal, state, and local agencies. Programs administered include the following: Community Services Block Grant, Low Income Home Energy Assistance Program, Youth Build, and United Way programs.

**11. Advertising Costs**

Advertising costs are expensed as incurred. During the year ended September 30, 2017, advertising costs incurred totaled \$506.

**12. Fair Value Measurements**

The Authority has recorded in its financial statements certain financial instruments, none of which are held for trading purposes. The Authority estimates that the fair value of all its financial instruments at September 30, 2017, does not differ materially from the aggregate carrying value of its financial instruments recorded in the accompanying balance sheet. The estimated fair value amounts have been determined by the Authority using available market information and appropriate valuation methodologies. Considerable judgement is necessarily required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Authority could realize in a current market exchange.

**13. Date of Management's Review**

Subsequent events have been evaluated through March 18, 2018, which is the date the financial statements were available to be issued.

**NOTE B - USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS:**

The preparation of financial statements in conformity with generally accepted accounting principles may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTE C - CASH ON DEPOSIT:**

At September 30, 2017, the amount of the Authority's deposits with the bank, in five (5) separate bank accounts, totaled \$430,740 with a book balance of \$32,641, including petty cash of \$200. The Authority maintained cash on deposit in the amount of \$250,000 which was insured by federal depository insurance.

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

**NOTE D - DUE FROM GRANTORS:**

Amounts due from grantors represent unreimbursed expenses at September 30, 2017. The following summarizes the amounts due and related grantor/programs:

<b>Program</b>	<b>Agency</b>	<b>Amount</b>
CSBG	Georgia Department of Human Services	\$341,592
<b>Total</b>		<b>\$341,592</b>

**NOTE E - DUE TOs/DUE FROMs:**

The Authority maintains essentially all of its cash in six bank accounts with one account serving as an operating fund. From time-to-time certain funds or programs may have amounts on hand held in the operating fund and at times may have an obligation paid or due. The Authority tracks this activity by utilizing accounts referred to as "Due To" and "Due From" accounts. The aggregate total of these accounts at September 30, 2017 was \$333,347.

**NOTE F - AFFILIATED ORGANIZATIONS AND OTHER RELATED ENTITIES:**

The Authority has interest and exercises control over two affiliated organizations as described below. These entities began operation during fiscal year 1997.

1. **FA-Cascade, Inc.** - A Georgia for-profit corporation 100% owned by the Authority. FA-Cascade, Inc. is the general partner and owns .01% in Cascade Apartments, LP which engages in the rental of low income housing projects. In connection with the development of the project, the partnership borrowed certain funds from a financial institution and received certain funds from local governments and other equity partners. As guarantor, the Authority may be required to make such contributions on behalf of the general partner when the general partner is unable to do so. In addition, FA-Cascade, Inc. and the Authority are co-guarantors of certain debt obligations first secured by real estate investments of the partnership. During the 2011 fiscal year, FA-Cascade was terminated as managing agent of the Cascade Oaks Apartments, the primary investment of the Cascade Apartment, L.P., due to a default on its outstanding loans. Management is not aware of any further obligation as a result of the termination as managing agent due to the reassignment of all legal obligations that is required to be disclosed. Furthermore, as part of the workout plan, it is management's intent to dissolve FA-Cascade, Inc.'s partnership arrangement in Cascade Apartments, L.P. As of September 30, 2017, FA-Cascade's general partner's capital account was \$0. As a result, there is no value in the capital account of FA-Cascade to be recognized for consolidation in the financial statements of the Authority.
2. **Fulton-Atlanta Community Housing Development Organization (FA-CHDO)** - A Georgia not-for-profit corporation with a fiscal year ended September 30, 2017. FA-CHDO qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes. The organization is wholly controlled by the Authority. FA-CHDO is primarily in the business of acquiring, developing or rehabilitating real estate properties with the purpose of providing affordable housing.

Some members of the Authority serve as members of the board of FA-CHDO. During the fiscal year ended September 30, 2017, FA-CHDO did not engage in any significant financial transactions which requires consolidation into the financial statements of the Authority.

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

**NOTE G - PROPERTY AND EQUIPMENT:**

At September 30, 2017, the costs and related accumulated depreciation (if applicable) of the Authority's property and equipment consisted of the following:

	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Net</b>
Computer Equipment	\$ 74,794	\$ 71,745	\$ 3,049
Furniture and Equipment	72,395	69,592	2,803
Leasehold Improvements	39,015	39,015	-
Telephone System	42,127	42,127	-
Vehicles	53,420	53,420	-
<b>Total</b>	<b>\$281,751</b>	<b>\$275,899</b>	<b>\$5,852</b>

Fixed assets in the amount of \$2,426 (net) presented as temporarily restricted represents assets vested with the Authority; however, purchased with state or federal funds. These assets are vested with the Authority as long as the Organization is granted the right to carry out the various programs for which such assets are acquired. Depreciation expense for the period was \$10,371, of which \$6,756 was unrestricted and \$3,615 was restricted.

**NOTE H - COMPENSATED ABSENCES:**

The Authority's policy for compensated absences is as follows:

- **Vacation** - All full-time employees earn vacation leave at a rate of ten days per year prorated by month. Executive level employees accrued based on employment agreements. Part-time employees may earn vacation on a pro-rated basis which is determined at a commensurate rate to that of full-time employees. Annual leave is paid to employees upon termination of employment and is accrued in the financial statements. Employees may accrue up to twenty days of vacation leave; however, at the time of employment termination from the organization, employees receive payment of no more than ten days (80 hours), executive level employees receive payment of no more than fifteen days (120 hours). The liability for accrued compensated absences as of September 30, 2017 totaled \$17,864. This obligation is accrued in the unrestricted fund and not charged to any program until such time as the expense is incurred.
- **Sick** - All full-time employees accrue sick/personal leave at a rate of ten days per year up to a maximum accrual of ninety days. Sick leave is noncompensatory.

**NOTE I - DUE TO GRANTOR:**

Amounts due to grantor are as a result of unused advances for operations which have not been returned to the grantor as of September 30, 2017. The following are the amounts due to various grantors by program:

<b>Program</b>	<b>Agency</b>	<b>Amount</b>
LIHEAP	Georgia Department of Human Services	\$660
<b>Totals</b>		<b>\$660</b>

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

**NOTE J - DEFERRED REVENUE:**

Unearned revenue results from current year receipts made to the Authority by various grantor agencies and other sources. Such funds are designated to be used during the fiscal year ended September 30, 2018. Unearned revenue at September 30, 2017 totaled \$21,406, as follows:

<b>Program</b>	<b>Amount</b>
United Way	\$6,544
Other	14,862
<b>Totals</b>	<b>\$21,406</b>

**NOTE K - LINE OF CREDIT:**

The Authority has a \$100,000 unsecured revolving line of credit with a bank, \$62,147 is outstanding at September 30, 2017. Advances on the credit line are payable on demand and carry an annual interest rate of 11%. Interest paid during the year totaled \$7,053.

**NOTE L - COMPONENTS OF NET ASSETS:**

Net assets reported in the September 30, 2017 financial statements consist of the following components:

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Total</b>
Operating	\$186,170	\$ -	\$186,170
Property and Equipment (Net)	3,426	2,426	5,852
<b>Totals</b>	<b>\$189,596</b>	<b>\$ 2,426</b>	<b>\$192,022</b>

**NOTE M - DEFINED CONTRIBUTION PLAN:**

The Authority sponsors a defined contribution profit-sharing plan (the Plan) qualified under section 401(k) of the Internal Revenue Code. The plan is administered by Mutual of America Life Insurance Company. Under the plan, all full-time employees with one year of completed service are eligible to participate in the plan. There are no age minimums or maximums. Employees can contribute any amount of their salary to the plan with the Authority matching employees contributions up to three (3) percent. Employees are vested at a rate of 20% on each anniversary date of the employee plan year and 100% vested after five years in all employer contributions and earnings. For the year ended September 30, 2017, the Authority contributed \$23,683 to the plan as matching contribution for all eligible employees.

**NOTE N - CONTINGENCY:**

Grants and contributions often require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to the grantors and contributors. Although the return of funds is a possibility, the Board of Directors deems the contingency unlikely, since upon accepting the funds the Authority has agreed to comply with the provisions thereof.

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

September 30, 2017

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**NOTE O - IN-KIND SUPPORT:**

The Authority from time to time receives donated goods, services, and/or space without payment or compensation. When the value of such items is ascertainable and meets the requirements of FASB ASC 958-605-25-16, it is reflected in the accompanying financial statements as revenue and expense. Other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

For the fiscal year, the Agency had volunteer hours and other donated goods and space that totaled in-kind of \$123,408. The total amount of donated support reported in accordance with FASB ASC 958-605-25-16 was \$123,408.

**NOTE P - COST ALLOCATION:**

The Authority administers several specific programs to which common costs or indirect costs (costs incurred on behalf of all programs) are charged. The Authority utilizes a fund to capture charges which benefit all programs and then allocates such costs each month using a provisional percentage rate based on its indirect cost rate agreement with the U.S. Department of Labor, as required, or its cost allocation plan submitted to the Georgia Department of Human Services.

**NOTE Q - OPERATING LEASES:**

The Authority maintains various offices and locations under the terms of various short term and long term operating lease agreements for which leased facilities and equipment are used. At year end, two locations were held under long-term lease agreements. Rent expense incurred for all leasing activity during the year totaled \$180,073.

Future minimum annual rental commitments in aggregate for all the long-term operating leases as of September 30, 2017, are as follows:

<b>Fiscal Year</b>	<b>Amount</b>
2018	\$180,117
2019	180,117
2020	175,028
2021	101,510
2022	10
Thereafter	197
<b>Total</b>	<b>\$636,979</b>

**NOTE R - PRIOR PERIOD ADJUSTMENT:**

Net assets at the beginning of the fiscal year have been adjusted for the change in other receivables not recognized in the prior years. The correction has no effect on the results of current year's activities; however, the cumulative effect decreased net assets by \$4,897.

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

NOTES TO FINANCIAL STATEMENTS

*September 30, 2017*

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**NOTE S - RECONCILIATION OF TOTAL FEDERAL AWARDS AND OTHER FINANCIAL ASSISTANCE TO THE BASIS FINANCIAL STATEMENTS:**

	<b>2017</b>
<b>Total Federal Awards and Other Financial Assistance</b>	<b>\$6,504,820</b>
<b>Additions</b>	
Depreciation (restricted)	3,615
<b>Total expenditures reported in the basic financial statements</b>	<b>\$6,508,435</b>

**SUPPLEMENTARY INFORMATION**

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

Community Services Block Grant

Grant # 42700-040-0000052101

Statement of Actual Revenues and Expenses Compared to Budget

For the Year Ended September 30, 2017

<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>01-Oct-2016 through 30-Sep-2017</b>	<b>01-Oct-2016 through 30-Sep-2017</b>	<b>UNDER (OVER)</b>

**REVENUES:**

Federal grants	\$2,060,214	\$1,822,784	\$237,430
State grants	-	-	-
Local grants	-	-	-
Program income	-	-	-
Other income	-	-	-
Interest income	-	-	-
In-kind	-	-	-
Transfers - In (Out)	-	-	-
<b>TOTAL SUPPORT</b>	<b>2,060,214</b>	<b>1,822,784</b>	<b>(237,430)</b>

**EXPENSES:**

Salaries and wages	810,773	727,475	83,298
Fringe benefits	251,217	223,520	27,697
Employee travel	13,000	8,711	4,289
Materials and supplies	16,500	16,427	73
Repair and maintenance	-	20,327	(20,327)
Transportation	4,500	2,237	2,263
Equipment purchases	30,000	11,716	18,284
Meetings	3,000	5,793	(2,793)
Professional fees	48,000	42,691	5,309
Emergency assistance	145,000	75,741	69,259
Telephone/fax expense	32,000	31,061	939
Stipends and incentives	-	5,811	(5,811)
Staff development	6,500	4,248	2,252
Memberships	12,500	11,438	1,062
Insurance	41,800	30,445	11,355
Postage and printing	10,500	1,605	8,895
Indirect costs	382,316	342,358	39,958
In-kind	-	-	-
Rent and utilities	234,977	250,539	(15,562)
Advertising	2,500	506	1,994
Interest expense	-	-	-
Other	15,131	10,135	4,996
<b>TOTAL EXPENSES</b>	<b>2,060,214</b>	<b>1,822,784</b>	<b>(237,430)</b>
<b>EXCESS OF SUPPORT OVER (UNDER) EXPENSES</b>	<b>-</b>	<b>-</b>	<b>-</b>

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.****Low Income Home Energy Assistance Program****Grant # 42700-040-0000051714****Statement of Actual Revenues and Expenses Compared to Budget****For the Year Ended September 30, 2017**

<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>01-Oct-2016 through 30-Sep-2017</b>	<b>01-Oct-2016 through 30-Sep-2017</b>	<b>UNDER (OVER)</b>

**REVENUES:**

Federal grants	\$4,782,033	\$4,404,322	\$377,711
State grants	83,684	83,514	170
Local grants	-	-	-
Program income	-	-	-
Other income	-	-	-
Interest income	-	-	-
In-kind	-	-	-
Transfers - In (Out)	-	(6,609)	(6,609)
<b>TOTAL SUPPORT</b>	<b>4,865,717</b>	<b>4,481,227</b>	<b>(384,490)</b>

**EXPENSES:**

Salaries and wages	-	142,075	(142,075)
Fringe benefits	-	24,843	(24,843)
Employee travel	-	116	(116)
Materials and supplies	-	7,972	(7,972)
Repair and maintenance	-	2,699	(2,699)
Transportation	-	-	-
Equipment purchases	-	2,338	(2,338)
Meetings	-	-	-
Professional fees	-	20,348	(20,348)
Emergency assistance	4,537,755	4,184,080	353,675
Telephone/fax expense	-	1,000	(1,000)
Stipends and incentives	-	289	(289)
Staff development	-	-	-
Memberships	-	-	-
Insurance	-	-	-
Postage and printing	-	6,029	(6,029)
Indirect costs	-	60,091	(60,091)
In-kind	-	-	-
Rent and utilities	-	28,576	(28,576)
Advertising	-	-	-
Interest expense	-	-	-
Other	327,962	771	327,191
<b>TOTAL EXPENSES</b>	<b>4,865,717</b>	<b>4,481,227</b>	<b>(384,490)</b>

EXCESS OF SUPPORT OVER (UNDER) EXPENSES

-	-	-
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**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

United Way - 211

Grant # N/A

**Statement of Actual Revenues and Expenses Compared to Budget**

For the Year Ended September 30, 2017

<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>01-Oct-2016 through 30-Sep-2017</b>	<b>01-Oct-2016 through 30-Sep-2017</b>	<b>UNDER (OVER)</b>

**REVENUES:**

Federal grants	-	-	-
State grants	-	-	-
Local grants	-	10,341	(10,341)
Program income	-	-	-
Other income	-	-	-
Interest income	-	-	-
In-kind	-	-	-
Transfers - In (Out)	-	-	-
<b>TOTAL SUPPORT</b>	-	10,341	<b>10,341</b>

**EXPENSES:**

Salaries and wages	-	-	-
Fringe benefits	-	-	-
Employee travel	-	-	-
Materials and supplies	-	-	-
Repair and maintenance	-	-	-
Transportation	-	-	-
Equipment purchases	-	-	-
Meetings	-	-	-
Professional fees	-	-	-
Emergency assistance	-	10,341	(10,341)
Telephone/fax expense	-	-	-
Stipends and incentives	-	-	-
Staff development	-	-	-
Memberships	-	-	-
Insurance	-	-	-
Postage and printing	-	-	-
Indirect costs	-	-	-
In-kind	-	-	-
Rent and utilities	-	-	-
Advertising	-	-	-
Interest expense	-	-	-
Other	-	-	-
<b>TOTAL EXPENSES</b>	-	10,341	<b>10,341</b>
<b>EXCESS OF SUPPORT OVER (UNDER) EXPENSES</b>	-	-	-

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

General Fund

Grant # N/A

**Statement of Actual Revenues and Expenses Compared to Budget**

For the Year Ended September 30, 2017

<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>01-Oct-2016 through 30-Sep-2017</b>	<b>01-Oct-2016 through 30-Sep-2017</b>	<b>UNDER (OVER)</b>

**REVENUES:**

Federal grants	-	-	-
State grants	-	-	-
Local grants	-	-	-
Program income	-	-	-
Other income	-	-	-
Interest income	-	-	-
In-kind	-	-	-
Transfers - In (Out)	-	-	-
<b>TOTAL SUPPORT</b>	-	-	-

**EXPENSES:**

Salaries and wages	-	-	-
Fringe benefits	-	-	-
Employee travel	-	-	-
Materials and supplies	-	-	-
Repair and maintenance	-	-	-
Transportation	-	-	-
Equipment purchases	-	-	-
Meetings	-	-	-
Professional fees	-	-	-
Emergency assistance	-	-	-
Telephone/fax expense	-	-	-
Stipends and incentives	-	-	-
Staff development	-	-	-
Memberships	-	-	-
Insurance	-	-	-
Postage and printing	-	-	-
Indirect costs	-	-	-
In-kind	-	-	-
Rent and utilities	-	-	-
Advertising	-	-	-
Interest expense	-	-	-
Other	-	9,834	(9,834)
Depreciation	-	6,756	(6,756)
<b>TOTAL EXPENSES</b>	-	16,590	(16,590)
<b>EXCESS OF SUPPORT OVER (UNDER) EXPENSES</b>	-	(\$16,590)	<b>\$16,590</b>

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

Fund Raising

Grant # N/A

**Statement of Actual Revenues and Expenses Compared to Budget**

For the Year Ended September 30, 2017

<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>01-Oct-2016 through 30-Sep-2017</b>	<b>01-Oct-2016 through 30-Sep-2017</b>	<b>UNDER (OVER)</b>

**REVENUES:**

Federal grants	-	-	-
State grants	-	-	-
Local grants	-	-	-
Program income	-	-	-
Other income	-	6,733	(6,733)
Interest income	-	-	-
In-kind	-	-	-
Transfers - In (Out)	-	-	-
<b>TOTAL SUPPORT</b>	-	6,733	<b>6,733</b>

**EXPENSES:**

Salaries and wages	-	-	-
Fringe benefits	-	-	-
Employee travel	-	-	-
Materials and supplies	-	-	-
Repair and maintenance	-	-	-
Transportation	-	-	-
Equipment purchases	-	-	-
Meetings	-	-	-
Professional fees	-	-	-
Emergency assistance	-	3,359	(3,359)
Telephone/fax expense	-	74	(74)
Stipends and incentives	-	-	-
Staff development	-	-	-
Memberships	-	-	-
Insurance	-	-	-
Postage and printing	-	-	-
Indirect costs	-	-	-
In-kind	-	-	-
Rent and utilities	-	-	-
Advertising	-	-	-
Interest expense	-	-	-
Other	-	3,300	(3,300)
<b>TOTAL EXPENSES</b>	-	6,733	<b>6,733</b>
<b>EXCESS OF SUPPORT OVER (UNDER) EXPENSES</b>	-	-	-

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**  
**Unrestricted Fund and Contributions**  
**Grant # N/A**  
**Statement of Actual Revenues and Expenses Compared to Budget**  
**For the Year Ended September 30, 2017**

<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>01-Oct-2016 through 30-Sep-2017</b>	<b>01-Oct-2016 through 30-Sep-2017</b>	<b>UNDER (OVER)</b>

**REVENUES:**

Federal grants	-	-	-
State grants	-	-	-
Local grants	-	-	-
Program income	-	-	-
Other income	-	22,890	(22,890)
Interest income	-	14	(14)
In-kind	-	123,408	(123,408)
Transfers - In	-	6,609	6,609
	-	152,921	152,921
<b>TOTAL SUPPORT</b>	-	152,921	152,921

**EXPENSES:**

Salaries and wages	-	-	-
Fringe benefits	-	-	-
Employee travel	-	50	(50)
Materials and supplies	-	29,780	(29,780)
Repair and maintenance	-	-	-
Transportation	-	-	-
Equipment purchases	-	-	-
Meetings	-	-	-
Professional fees	-	3,300	(3,300)
Emergency assistance	-	1,694	(1,694)
Telephone/fax expense	-	-	-
Stipends and incentives	-	150	(150)
Staff development	-	450	(450)
Memberships	-	-	-
Insurance	-	-	-
Postage and printing	-	-	-
Indirect costs	-	-	-
In-kind	-	123,408	(123,408)
Rent and utilities	-	-	-
Advertising	-	-	-
Interest expense	-	7,153	(7,153)
Other	-	1,160	(1,160)
	-	167,145	167,145
<b>TOTAL EXPENSES</b>	-	167,145	167,145
<b>EXCESS OF SUPPORT OVER (UNDER) EXPENSES</b>	-	(\$14,224)	(\$14,224)

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

Administrative

Grant # N/A

**Statement of Actual Revenues and Expenses Compared to Budget**

For the Year Ended September 30, 2017

<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>
<b>01-Oct-2016 through 30-Sep-2017</b>	<b>01-Oct-2016 through 30-Sep-2017</b>	<b>UNDER (OVER)</b>

**REVENUES:**

Federal grants	-	-	-
State grants	-	-	-
Local grants	-	-	-
Program income	341,221	402,449	(61,228)
Other income	-	-	-
Interest income	-	-	-
In-kind	-	-	-
Transfers - In (Out)	-	-	-
<b>TOTAL SUPPORT</b>	<b>341,221</b>	<b>402,449</b>	<b>61,228</b>

**EXPENSES:**

Salaries and wages	235,350	269,111	(33,761)
Fringe benefits	72,911	76,865	(3,954)
Employee travel	1,200	4,269	(3,069)
Materials and supplies	1,800	5,011	(3,211)
Repair and maintenance	1,500	9,691	(8,191)
Transportation	500	7,934	(7,434)
Equipment purchases	-	3,210	(3,210)
Meetings	1,500	1,113	387
Professional fees	1,500	1,250	250
Emergency assistance	-	-	-
Telephone/fax expense	2,000	5,785	(3,785)
Stipends and incentives	-	2,150	(2,150)
Staff development	1,400	1,029	371
Memberships	1,630	2,263	(633)
Insurance	2,200	-	2,200
Postage and printing	1,050	33	1,017
Indirect costs	-	-	-
In-kind	-	-	-
Rent and utilities	13,000	9,126	3,874
Advertising	1,200	-	1,200
Interest expense	-	-	-
Other	2,480	3,609	(1,129)
<b>TOTAL EXPENSES</b>	<b>341,221</b>	<b>402,449</b>	<b>61,228</b>
<b>EXCESS OF SUPPORT OVER (UNDER) EXPENSES</b>	<b>-</b>	<b>-</b>	<b>-</b>

***SCHEDULE OF  
STATE AWARDS EXPENDED***

FULTON - ATLANTA COMMUNITY ACTION AUTHORITY, INC.  
 SCHEDULE OF STATE AWARDS EXPENDED  
 For the Year Ended September 30, 2017

Grantor/Pass Through Organization/Program Title	Grant Number	Program Status	Award Amount	Amount Due (To)/From 09/30/16	Cash Received	Cash Returned	Non-Federal Support	Expenses	Vendor Refunds	Admin Transfer	Amount Due (To)/From 09/30/17
<b>STATE AWARDS EXPENDED</b>											
Georgia Department of Human Services											
Community Services Block Grant - Basic	42700-040-0000052101	Open	\$2,060,214	-	\$1,481,192	-	-	\$1,822,784	-	-	\$341,592
Community Services Block Grant - Basic	42700-040-0000041904	Closed	1,729,771	289,864	289,864	-	-	-	-	-	-
Low Income Home Energy Assistance Program (LIHEAP)	42700-040-0000051714	Closed	4,865,717	-	4,865,717	377,951	70	4,481,227	310	6,609	(310)
Low Income Home Energy Assistance Program (LIHEAP)	42700-040-0000041847	Closed	4,396,654	(350)	-	-	-	-	-	-	(350)
<b>Total Georgia Department of Human Services</b>			<b>\$13,052,336</b>	<b>\$289,514</b>	<b>\$6,636,773</b>	<b>\$377,951</b>	<b>\$70</b>	<b>\$6,304,011</b>	<b>\$310</b>	<b>\$6,609</b>	<b>\$340,932</b>

***SCHEDULE OF AUDITED ADMINISTRATIVE COSTS  
ALLOCATED - BY PROGRAM***

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**  
 SCHEDULE OF AUDITED ADMINISTRATIVE COSTS ALLOCATED - BY PROGRAM  
 For the Year Ended September 30, 2017

	<b>CSBG</b>	<b>LIHEAP</b>	<b>Total</b>
Salaries and wages	\$727,475	\$142,075	\$869,550
Fringe benefits	223,520	24,843	248,363
Total Base	950,995	166,918	1,117,913
Effective Rate	36.00%	36.00%	36.00%
Calculated Indirect Costs Per Audit	342,358	60,091	402,449
Indirect Costs Reported	342,358	60,091	402,449
(Over) Under Absorbed	\$0	(\$0)	-

**SECTION II**

***REPORTS REQUIRED BY GAO  
GOVERNMENT AUDITING STANDARDS***

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

To the Board of Directors of  
**Fulton-Atlanta Community  
Action Authority, Inc.**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **Fulton-Atlanta Community Action Authority, Inc.** ("the Authority", a nonprofit organization), which comprise the statement of financial position as of September 30, 2017, and the related statements of activities, changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 18, 2018.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Claussell & Associates, C.P.A.s, P.C.*

March 18, 2018



**SECTION III**

***REPORT REQUIRED BY THE UNIFORM GUIDANCE***

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

To the Board of Directors of  
**Fulton-Atlanta Community  
Action Authority, Inc.**

**Report on Compliance for Each Major Federal Program**

We have audited **Fulton-Atlanta Community Action Authority, Inc.**'s ("the Authority", a nonprofit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2017. The Authority'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***

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 the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the 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 the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Authority 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, 2017.

**Report on Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.



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

Our consideration of the 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.

*Clawell & Associates, CBI's, P.C.*

March 18, 2018

**FULTON - ATLANTA COMMUNITY ACTION AUTHORITY, INC.**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND OTHER FINANCIAL ASSISTANCE**  
**For the Year Ended September 30, 2017**

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>CFDA Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures</i>	<i>Non-Federal Expenditures</i>	<i>Total</i>
<b>Department of Health and Human Services</b>					
Georgia Department of Human Services:					
Low Income Home Energy Assistance Program	93.568	42700-040-0000051714	\$4,404,322	\$76,905	\$4,481,227
Community Services Block Grant	93.569	42700-040-0000052101	1,822,784	-	1,822,784
<b>Total Department of Health and Human Services</b>			6,227,106	76,905	6,304,011
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>6,227,106</b>	<b>76,905</b>	<b>6,304,011</b>
<b>Other Non-Federal Financial Assistance</b>			-	200,809	200,809
<b>TOTAL FEDERAL AWARDS AND OTHER FINANCIAL ASSISTANCE</b>			<b>\$6,227,106</b>	<b>\$277,714</b>	<b>\$6,504,820</b>

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND OTHER FINANCIAL ASSISTANCE

**September 30, 2017**

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**NOTE A - GENERAL:**

The accompanying Schedule of Expenditures of Federal Awards and Other Financial Assistance (the Schedule) presents the activity of all financial assistance programs of the Authority for the year ended September 30, 2017. All financial assistance received directly or indirectly from Federal, State, and local agencies is included in the Schedule.

**NOTE B - BASIS OF PRESENTATION:**

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

**NOTE C - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

Expenditures reported on the Schedule are reported on an other comprehensive basis of accounting. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**NOTE D - INDIRECT COST RATE:**

The Agency has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**NOTE E - IN-KIND SUPPORT:**

The Authority from time to time receives goods, services, and office space without payment or compensation. Noncash donations are recorded as contributions at their estimated fair values at the date of donation. When the value of services is ascertainable and meets the requirements of FASB ASC 958-605-25-16, it is included in the accompanying Schedule. See also Note O to the Authority's financial statements.

**SECTION IV**

***SCHEDULE OF FINDINGS AND QUESTIONED COSTS***

**FULTON-ATLANTA COMMUNITY ACTION AUTHORITY, INC.**

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

***For the Year Ended September 30, 2017***

<b>SECTION I - SUMMARY OF AUDITOR'S RESULTS</b>			
<b>#</b>	<b>INQUIRY</b>	<b>RESULTS</b>	<b>REFERENCE(S)</b>
<b><i>FINANCIAL STATEMENTS</i></b>			
1.	<b>Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:</b>	Unmodified Opinion	Report Pg(s). 3-4
2.	<b>Internal control over financial reporting:</b> • Material weakness(es) identified?  • Significant deficiency(ies) identified?	No  None Reported	Report Pg(s). 32  Report Pg(s). 32
3.	<b>Noncompliance material to financial statements noted?</b>	No	Report Pg(s). 32
<b><i>FEDERAL AWARDS</i></b>			
1.	<b>Internal control over major federal programs:</b> • Material weakness(es) identified?  • Significant deficiency(ies) identified?	No  None Reported	Report Pg(s). 34-35  Report Pg(s). 34-35
2.	<b>Type of auditor's report issued on compliance for major programs:</b>	Unmodified Opinion	Report Pg(s). 34-35
3.	<b>Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?</b>	No	Report Pg(s). 34-35
4.	<b>Identification of Major Programs:</b>	• CSBG CFDA # - 93.569	
5.	<b>Dollar threshold used to distinguish between type A and type B programs:</b>	• \$750,000	
6.	<b>Auditee qualified as low-risk auditee?</b>	Yes	
<b>SECTION II - FINANCIAL STATEMENT FINDINGS</b>			
1.	<b>Financial Statement Findings:</b>	None Reported	N/A
<b>SECTION III - FEDERAL AWARD FINDINGS</b>			
1.	<b>Federal Award Findings:</b>	None Reported	N/A