

**COMMUNITY PROGRESS
COUNCIL, INC.**

FINANCIAL STATEMENTS
With Supplementary Information

YEARS ENDED JUNE 30, 2016 AND 2015



BAKER TILLY

Candor. Insight. Results.

COMMUNITY PROGRESS COUNCIL, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Community Progress Council, Inc.
York, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of **Community Progress Council, Inc.** (the "Council"), a nonprofit organization, which comprise the Statements of Financial Position as of June 30, 2016 and 2015, and the related Statements of Activities, Functional Expenses - By Natural Classifications, and Cash Flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Auditors' Responsibility (Continued)

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Community Progress Council, Inc.** as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying Schedules of Expenditures of Federal Awards, as required by Title 2, U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the accompanying Schedules of Revenue, Expenses, and Comparison with Budget for the Case Management Program and the Homeless Assistance Program, as required by the York County Human Services Department are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic 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 December 28, 2016, on our consideration of the Council's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of the audits performed in accordance with *Government Auditing Standards* in considering the Council's internal control over financial reporting and compliance.

Baker Tilly Viechow Krause, LLP

Harrisburg, Pennsylvania
December 28, 2016

COMMUNITY PROGRESS COUNCIL, INC.

STATEMENTS OF FINANCIAL POSITION

	June 30,	
	<u>2016</u>	<u>2015</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 320	\$ 651
Accounts Receivable	1,425,329	983,818
Prepaid Expenses	86,957	13,833
TOTAL CURRENT ASSETS	<u>1,512,606</u>	<u>998,302</u>
PROPERTY AND EQUIPMENT - At Cost,		
Less Accumulated Depreciation	472,103	557,297
OTHER ASSETS		
Security Deposits	<u>2,761</u>	<u>2,761</u>
TOTAL ASSETS	<u>\$ 1,987,470</u>	<u>\$ 1,558,360</u>
LIABILITIES AND UNRESTRICTED NET ASSETS		
CURRENT LIABILITIES		
Lines of Credit	\$ 611,979	\$ 220,853
Accounts Payable	114,940	36,267
Refundable Advances	151,353	130,489
Accrued Payroll Taxes and Employee Withholdings	76,351	188,171
Security Deposit Payable	0	876
TOTAL CURRENT LIABILITIES	<u>954,623</u>	<u>576,656</u>
UNRESTRICTED NET ASSETS	<u>1,032,847</u>	<u>981,704</u>
TOTAL LIABILITIES AND UNRESTRICTED NET ASSETS	<u>\$ 1,987,470</u>	<u>\$ 1,558,360</u>

See notes to financial statements.

COMMUNITY PROGRESS COUNCIL, INC.

STATEMENTS OF ACTIVITIES

	Years Ended June 30,	
	2016	2015
SUPPORT AND REVENUE		
Grant and Contract Revenue	\$ 11,246,274	\$ 10,566,714
Contributions	22,073	16,301
Interest Income	0	27
Other Income	296,382	186,514
In-Kind Contributions	260,390	265,519
TOTAL SUPPORT AND REVENUE	<u>11,825,119</u>	<u>11,035,075</u>
FUNCTIONAL EXPENSES		
Program and Related Services	10,691,366	10,215,607
Supporting Services		
Management and General	<u>1,082,610</u>	<u>961,281</u>
TOTAL FUNCTIONAL EXPENSES	<u>11,773,976</u>	<u>11,176,888</u>
CHANGES IN UNRESTRICTED NET ASSETS	51,143	(141,813)
UNRESTRICTED NET ASSETS - BEGINNING	<u>981,704</u>	<u>1,123,517</u>
UNRESTRICTED NET ASSETS - ENDING	<u>\$ 1,032,847</u>	<u>\$ 981,704</u>

See notes to financial statements.

COMMUNITY PROGRESS COUNCIL, INC.

STATEMENTS OF FUNCTIONAL EXPENSES - BY NATURAL CLASSIFICATIONS YEAR ENDED JUNE 30, 2016 WITH COMPARATIVE TOTAL FOR THE YEAR ENDED JUNE 30, 2015

	2016			2015 Total
	Program and Related Services	Management and General	Total	
FUNCTIONAL EXPENSES				
Advertising	\$ 12,956	\$ 34,935	\$ 47,891	\$ 69,768
Bank Fees	15	4,129	4,144	6,881
Classroom Supplies	123,085		123,085	64,829
Computer Software	35,030	10,983	46,013	37,582
Contracted Services	33,533	145,272	178,805	121,595
Depreciation	124,175		124,175	138,889
Dues and Memberships	7,395	10,234	17,629	19,404
Enrollment Costs	153,609		153,609	153,597
Equipment Purchases	14,583		14,583	23,282
Field Trips	1,360		1,360	1,930
Food	177,757	3,364	181,120	215,451
In-Kind Contributions	260,389		260,389	265,519
Insurance	65,104	7,226	72,330	74,902
Interest Expense	12,302		12,302	10,142
Internet	6,343	630	6,973	6,667
Legal and Professional Services	0	33,406	33,406	65,042
Miscellaneous Expense	6,315	1,340	7,655	9,672
Parent Activity	42,003		42,003	10,138
Participant Development	1,200		1,200	0
Payroll Taxes and Fringe Benefits	1,789,086	132,017	1,921,103	1,819,626
Postage	12,113	1,056	13,169	13,816
Property Taxes	19,424	25	19,449	19,333
Rent Expense	303,504	32,788	336,292	329,034
Repairs and Maintenance	170,393	14,036	184,429	171,951
Reproduction Expense	12,327	3,254	15,581	13,634
Salaries and Wages	6,033,153	610,855	6,644,008	6,380,326
Specific Assistance	513,931		513,931	503,830
Staff Development	126,381	16,279	142,660	127,179
Subscriptions and Publications	0		0	1,462
Supplies	301,322	9,451	310,773	177,223
Telephone and Utilities	220,283	6,316	226,599	224,581
Travel and Transportation	112,295	5,015	117,310	99,603
TOTAL FUNCTIONAL EXPENSES	\$ 10,691,366	\$ 1,082,610	\$ 11,773,976	\$ 11,176,888

See notes to financial statements.

COMMUNITY PROGRESS COUNCIL, INC.

STATEMENT OF FUNCTIONAL EXPENSES - BY NATURAL CLASSIFICATIONS YEAR ENDED JUNE 30, 2015

	Program and Related Services	Management and General	Total
FUNCTIONAL EXPENSES			
Advertising	\$ 58,571	\$ 11,197	\$ 69,768
Bank Fees	0	6,881	6,881
Classroom Supplies	64,829	0	64,829
Computer Software	26,275	11,307	37,582
Contracted Services	66,798	54,797	121,595
Depreciation	138,889	0	138,889
Dues and Memberships	11,392	8,012	19,404
Enrollment Costs	153,597	0	153,597
Equipment Purchases	20,482	2,800	23,282
Field Trips	1,930	0	1,930
Food	212,266	3,185	215,451
In-Kind Contributions	265,519	0	265,519
Insurance	63,816	11,086	74,902
Interest Expense	10,142	0	10,142
Internet	6,098	569	6,667
Legal and Professional Services	10,180	54,862	65,042
Miscellaneous Expense	6,772	2,900	9,672
Parent Activity	10,138	0	10,138
Payroll Taxes and Fringe Benefits	1,675,189	144,437	1,819,626
Postage	10,833	2,983	13,816
Property Taxes	19,283	50	19,333
Rent Expense	301,464	27,570	329,034
Repairs and Maintenance	156,862	15,089	171,951
Reproduction Expense	10,870	2,764	13,634
Salaries and Wages	5,818,270	562,056	6,380,326
Specific Assistance	503,830	0	503,830
Staff Development	111,536	15,643	127,179
Subscriptions and Publications	939	523	1,462
Supplies	164,653	12,570	177,223
Telephone and Utilities	217,211	7,370	224,581
Travel and Transportation	96,973	2,630	99,603
TOTAL FUNCTIONAL EXPENSES	\$ 10,215,607	\$ 961,281	\$ 11,176,888

See notes to financial statements.

COMMUNITY PROGRESS COUNCIL, INC.

STATEMENTS OF CASH FLOWS

	Years Ended	
	June 30,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Unrestricted Net Assets	\$ 51,143	\$ (141,813)
Adjustments to Reconcile Changes in Unrestricted Net Assets to Net Cash Provided (Used) by Operating Activities		
Depreciation	124,175	138,889
(Increase) Decrease in		
Accounts Receivable	(441,511)	202,106
Prepaid Expenses	(73,124)	104,196
Security Deposits	0	635
Increase (Decrease) in		
Accounts Payable	78,673	(28,236)
Refundable Advances	20,864	95,952
Accrued Payroll Taxes and Employee Withholdings	(111,820)	46,579
Security Deposits Payable	(876)	0
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(352,476)	418,308
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(38,981)	0
Loss on Disposal of Fixed Assets	0	11,993
Maturity of Certificate of Deposit	0	8,545
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(38,981)	20,538
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES		
Changes in Lines of Credit	391,126	(439,045)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(331)	(199)
CASH AND CASH EQUIVALENTS - BEGINNING	651	850
CASH AND CASH EQUIVALENTS - ENDING	\$ 320	\$ 651
SUPPLEMENTAL DISCLOSURES		
Interest Paid	\$ 12,302	\$ 10,142
Noncash Transactions		
In-Kind Contributions	\$ 260,390	\$ 265,519
Farmer's Market Coupons	\$ 7,895	\$ 7,835

See notes to financial statements.

COMMUNITY PROGRESS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Community Progress Council, Inc. (the "Council"), a nonprofit organization, was established to provide assistance to low-to-moderate income individuals and families in York County, Pennsylvania. The Council operates a variety of programs, including but not limited to Federal Head Start, Early Head Start, Pre-K Counts, WIC (Women, Infants, and Children), Foster Grandparents, Work Ready, Rental Assistance, and Outreach and Referral Programs. The Council's programs are funded by various federal, state, and local grants, allocations, and private donations.

Basis of Accounting

The accompanying financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Under this basis, support and revenue are recognized when earned and expenses are recognized when incurred.

Basis of Presentation

The Council's financial statement presentation follows the recommendations of Accounting Standards Codification ("ASC") No. 958, *Not-for-Profit Entities*. Under ASC No. 958, the Council is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Council is required to present the Statements of Cash Flows. Under the provisions of ASC No. 958, net assets and changes therein are classified and reported, based on the existence or absence of donor-imposed stipulations.

- * ***Unrestricted Net Assets*** - Net assets that are not subject to donor-imposed stipulations. Included in unrestricted net assets for the Council are capital assets, which have some conditional stipulations due to the fact that they were originally funded by grantors.
- * ***Temporarily Restricted Net Assets*** - Net assets subject to donor-imposed stipulations that will be met either by action of the Council and/or the passage of time.
- * ***Permanently Restricted Net Assets*** - Net assets subject to permanent donor-imposed stipulations that they be maintained permanently.

At June 30, 2016 and 2015, the Council's net assets are unrestricted.

Cash and Cash Equivalents

The Council considers all highly liquid debt instruments with original maturities of three months or less to be cash equivalents.

COMMUNITY PROGRESS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable and Allowance for Doubtful Accounts

Accounts receivable are stated at outstanding balances. An allowance for doubtful accounts is established through provisions charged against revenue. Accounts deemed to be uncollectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. The allowance for doubtful accounts is maintained at a level considered adequate to provide for losses, which can be reasonably anticipated. Management's periodic evaluation of the adequacy of the allowance is based on past experience, aging of the receivables, adverse situations that may affect a customer's ability to pay, current economic conditions, and other relevant factors. This evaluation is inherently subjective, as it requires estimates that may be susceptible to significant change. Unpaid balances remaining after the stated payment terms are considered past due. At June 30, 2016 and 2015, management's assessment has determined that no allowance for uncollectible accounts is required.

Property and Equipment

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is provided using the straight-line method of accounting over the estimated useful lives of the assets. The Council's policy is to capitalize additions, improvements, and major renewals of \$5,000 or more. Maintenance, repairs, and minor renewals are charged against operations when incurred.

Refundable Advances

Most of the Council's grants operate on a reimbursement basis. However, a few grantors advance funds. Refundable advances consist of grant funds received in advance of incurring costs.

Contributions

The Council accounts for contributions in accordance with the recommendations of ASC No. 958-605, *"Not-for-Profit Entities Revenue Recognition."* All contributions are considered to be available for unrestricted use, unless explicit donor-imposed stipulations specify how the contributions must be used. Amounts designated for future periods or restricted by donor-imposed stipulations for specific purposes, are reported as temporarily restricted or permanently restricted support, which would increase those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Council reports the support as unrestricted. When a donor-imposed stipulation expires, that is, when a time restriction ends or purpose restriction is fulfilled, temporarily or permanently restricted net assets are reclassified as unrestricted net assets and reported on the Statements of Activities as net assets released from restrictions. Grant revenue, which is deemed to be an exchange transaction, is classified as unrestricted revenue or deferred revenue, as appropriate, when received or receivable.

COMMUNITY PROGRESS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Space, Services, Materials, and Supplies

Contributed space, services, materials, and supplies are valued and recorded as in-kind contributions and expenses at the time they are received. Contributed materials are valued at their estimated fair value, professional services are valued at market value, and contributed space is recorded at the fair rental value of the space provided. Contributed professional services are recognized, if the service received either (a) creates or enhances long-lived assets or (b) requires specialized skills provided by individuals possessing those skills and would typically be purchased, if not provided by donation.

A substantial number of volunteers have made significant contributions of their time to the Council's program and supporting services, which does not meet the recognition criteria.

Federal Income Taxes

The Council is exempt from federal income taxes as an organization described under the Internal Revenue Code ("IRC") Section 501(c)(3), except for net income derived from unrelated business activities, if any. The Council has been determined not to be a private foundation. The Council's open audit periods are 2013 through 2015. ASC No. 740-10, "Income Taxes," prescribes a comprehensive model for how an organization should measure, recognize, present, and disclose uncertain tax positions taken on its tax returns. The Council believes that it has appropriate support for tax positions taken and, as such, does not have any uncertain tax positions that are material to the financial statements.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements, and support and revenue and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Allocations of Functional Expenses

The cost of providing the various program and related services and other activities are summarized on a functional basis on the Statements of Activities and Statements of Functional Expenses - By Natural Classifications. Accordingly, certain costs have been allocated among the program and related services and supporting services benefited.

Advertising

Advertising is expensed as incurred. Advertising costs were \$47,891 and \$69,768 for the years ended June 30, 2016 and 2015, respectively.

COMMUNITY PROGRESS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Standards

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *"Revenue from Contracts with Customers."* This new accounting guidance was issued that outlines a single comprehensive model for entities to use in accounting for revenue from contracts with customers. For public business entities, including not-for-profit organizations that have issued, or are a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, ASU No. 2014-09 is effective for fiscal years beginning after December 15, 2017. For all other entities, the ASU No. 2014-09 is effective for fiscal years beginning after December 15, 2018. Early application is permitted for all entities for fiscal years beginning after December 15, 2016. The Council is assessing the impact this new standard will have on its financial statements.

In February 2016, FASB issued ASU No. 2016-02, *"Leases."* ASU No. 2016-02 was issued to increase transparency and comparability among entities. Lessees will need to recognize nearly all lease transactions (other than leases that meet the definition of a short-term lease) on the Statements of Financial Position as a lease liability and a right-of-use asset (as defined). Lessor accounting under the new guidance will be similar to the current model. For public business entities, including not-for-profit organizations that have issued, or are a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market, ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2018. For all other entities, the ASU No. 2016-02 is effective for fiscal years beginning after December 15, 2019. Early application is permitted for all entities. Upon adoption, lessees and lessors will be required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients that entities may elect to apply. The Council is assessing the impact this standard will have on its financial statements.

In August 2016, the FASB issued ASU No. 2016-14, *"Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities."* The new guidance is intended to improve and simplify the current net asset classification requirements and information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance, and cash flows. ASU No. 2016-14 is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. ASU No. 2016-14 is to be applied retroactively with transition provisions. The Council is assessing the impact this standard will have on its financial statements.

Reclassification

Certain amounts in the 2015 financial statements have been reclassified to conform to the 2016 presentation. These reclassifications did not affect the prior year changes in unrestricted net assets.

COMMUNITY PROGRESS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2016 AND 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

Management of the Council has evaluated subsequent events through December 28, 2016, which is the date the financial statements were available to be issued.

During August 2016, the Council was notified by First Energy that it was transferring the application process for utilities assistance to a central location. Due to the associated loss of funding, the Council closed its York City and Red Lion client locations.

Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

2. CONCENTRATION OF CREDIT RISK

The Council's cash balance(s) in financial institutions, at times, may exceed the Federal Deposit Insurance Corporation (FDIC) insured limits. Management regularly monitors the financial condition of the financial institutions, along with their cash balances, and tries to keep potential risks to a minimum. The Council has not experienced any such losses on these accounts.

3. PREPAID EXPENSES

Prepaid expenses consist of the following at June 30:

	<u>2016</u>	<u>2015</u>
Prepaid Insurance	\$ 85,526	\$ 13,833
Prepaid Postage	1,431	0
Total Prepaid Expenses	<u>\$ 86,957</u>	<u>\$ 13,833</u>

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at June 30:

	<u>Useful Lives</u>	<u>2016</u>	<u>2015</u>
Land	N/A	\$ 6,309	\$ 6,309
Buildings and Improvements	10 - 40 Years	328,554	328,554
Equipment	10 Years	1,308,154	1,269,173
Total Property and Equipment		1,643,017	1,604,036
Less: Accumulated Depreciation		<u>(1,170,914)</u>	<u>(1,046,739)</u>
Net Book Value		<u>\$ 472,103</u>	<u>\$ 557,297</u>

Depreciation for the years ended June 30, 2016 and 2015 was \$124,175 and \$138,889, respectively.

COMMUNITY PROGRESS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2016 AND 2015

5. LINES OF CREDIT

The Council has a line of credit with a local lending institution, up to the maximum amount of \$1,200,000. The interest rate was at 3.25 percent until December 2016, at which time the interest rate increased to 3.50 percent. At June 30, 2016 and 2015, the outstanding balances were \$611,979 and \$220,853, respectively.

The Council also has a contingent line of credit with a local lending institution, up to a maximum amount of \$2,000,000, which was opened during May 2016. The interest rate is at the bank's prime rate of 3.50 percent. At June 30, 2016, there was no outstanding balance on this line.

6. REFUNDABLE ADVANCES

Refundable advances consist of the following at June 30:

	2016	2015
Pennsylvania Department of Human Services - Work Ready	\$ 1,995	\$ 1,320
United Way	0	11,882
Community Service Block Grants, Community Centers	86,005	58,417
Energy Assistance Programs	0	29,265
Rental Assistance Programs	4,245	0
PA Dept. of Education - Head Start Suppl. Assistance Program	40,066	0
Other Deposits or Advances	19,042	29,605
Total	\$ 151,353	\$ 130,489

7. IN-KIND CONTRIBUTIONS

In-kind contributions consist of the following at June 30:

	2016	2015
Contributed Space	\$ 166,226	\$ 196,556
Contributed Professional Services	40,572	26,878
Contributed Materials	53,592	42,085
Total	\$ 260,390	\$ 265,519

	2016	2015
Foster Grandparent's Program	\$ 29,083	\$ 34,573
Head Start Program	231,307	230,946
Total	\$ 260,390	\$ 265,519

COMMUNITY PROGRESS COUNCIL, INC.

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2016 AND 2015

8. INDIRECT COST RATE

Indirect administrative costs are allocated to all programs utilizing either a provisional or predetermined rate. This rate is applied to all programs using a relevant basis of direct salaries and wages. This method of cost allocation addresses all elements of costs incurred and identifies common or shared costs, which require consistent and sound allocation in order to be equitably shared by all programs. This system does not increase common or shared costs, but provides for their identification and equitable distribution on an organizational-wide basis, rather than through the negotiation of costs as a part of individual grant and contract negotiations.

The Council has negotiated a predetermined indirect cost rate of 6.6 percent of salaries. The rate was in effect until July 1, 2008, when it became a provisional rate of 7.0 percent of salaries. The provisional rate increased to 8.0 percent of salaries and benefits beginning July 1, 2014.

	<u>2016</u>	<u>2015</u>
Total Management and General	\$ 1,082,611	\$ 961,281
Less: Grant Funding	<u>(274,726)</u>	<u>(400,240)</u>
Net Costs to be Recovered	<u>\$ 807,885</u>	<u>\$ 561,041</u>
Calculation of Salaries and Benefits Base		
Salaries and Benefits	\$ 8,565,111	\$ 8,197,183
Less: Administrative Salaries and Benefits	<u>(742,872)</u>	<u>(706,493)</u>
Total Salaries and Benefits Base	<u>\$ 7,822,239</u>	<u>\$ 7,490,690</u>
Calculation of Actual Indirect Cost Rate		
Net Costs to be Recovered	<u>\$ 807,885</u>	<u>\$ 561,041</u>
Salaries and Benefits Base	\$ 7,822,239	\$ 7,490,690
Indirect Cost Percentage	10.3%	7.5%

9. CONTINGENT LIABILITIES

The Council participates in federally assisted grant programs. These programs are subject to program compliance audits by the grantors or their respective oversight agencies. The Council is potentially liable for any expenses, which may be disallowed pursuant to the terms of these grant programs. Management is not aware of any material items of noncompliance, which would result in the disallowance of program expenses.

Under certain grant agreements, provisions exist that would require repayment to the grantor of the net book value of capital assets purchased with grant funds. These capital assets have been segregated in the Council's records. The net book value of assets purchased in this manner was \$292,858 and \$352,634 at June 30, 2016 and 2015, respectively. Repayment of these costs is not anticipated by the Council.

COMMUNITY PROGRESS COUNCIL, INC.

**NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2016 AND 2015**

10. PROFIT SHARING 401(K) DEFERRED CONTRIBUTION PLAN

The Council sponsors a profit sharing 401(k) deferred contribution plan. Employees that meet certain eligibility requirements are eligible to participate in the plan. Eligible employees can elect to contribute, up to the lesser of 90.0 percent of compensation or \$18,000 (\$24,000 for age fifty and older) for each of the years ended June 30, 2016 and 2015. The employer's matching contributions are 100.0 percent, up to a maximum of 3.0 percent and are fully vested after three years of service. The employer's contributions for the years ended June 30, 2016 and 2015 were \$115,028 and \$116,265, respectively.

11. OPERATING LEASES

The Council has entered into various property and equipment lease agreements. These leases are for facilities, which have ranging monthly rental payments and terms.

Future minimum lease payments are as follows for the years ending June 30:

2017	\$ 290,430
2018	128,361
2019	106,799
2020	75,393
2021	12,600
Thereafter	<u>39,000</u>
Total	<u>\$ 652,583</u>

SUPPLEMENTARY INFORMATION

COMMUNITY PROGRESS COUNCIL, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity ID Number	Federal CFDA Number	Grant Period Beginning/Ending Date	Federal Expenditures
<i>U.S. Department of Agriculture</i>				
Pass-Through from Pennsylvania Department of Health				
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	4100067465	10.557	10/01/2015-09/30/2016	\$ 945,552
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	4100067465	10.557	10/01/2014-09/30/2015	391,885
Total Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)				\$ 1,337,437
WIC Farmers' Market Nutrition Program				
		10.572	10/01/2014-9/30/2015	\$ 7,895
Pass-Through from Pennsylvania Department of Education				
Child and Adult Care Food Program		10.558	10/01/2015-09/30/2016	\$ 232,025
Child and Adult Care Food Program		10.558	10/01/2014-09/30/2015	40,177
Total Child and Adult Care Food Program				\$ 272,202
Total U.S. Department of Agriculture				
U.S. Department of Housing and Urban Development				
Pass-Through from City of York				
Community Development Block Grants/Entitlement Grant Cluster		14.218	01/01/2016-12/31/2016	\$ 22,103
Homebuyer Assistance		14.218	01/01/2015-12/31/2015	42,037

(Continued on Next Page)

See accompanying notes to schedules.

COMMUNITY PROGRESS COUNCIL, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity ID Number	Federal CFDA Number	Grant Period Beginning/Ending Date	Federal Expenditures
<i>U.S. Department of Housing and Urban Development (Continued)</i>				
Pass-Through from York County Planning Commission				
Community Development Block Grants/Entitlement Grant (Continued)				
Homebuyer Assistance		14.218	01/01/2016-12/31/2016	\$ 23,337
Homebuyer Assistance		14.218	01/01/2015-12/31/2015	18,214
Delta Outreach		14.218	01/01/2016-12/31/2016	6,017
Delta Outreach		14.218	01/01/2015-12/31/2015	7,581
Rental Assistance		14.218	01/01/2016-12/31/2016	9,001
Rental Assistance		14.218	01/01/2015-12/31/2015	38,346
Total Community Development Block Grants/Entitlement Grant Cluster				\$ 166,636
Pass-Through from York County Planning Commission				
Emergency Solutions Grant Program		14.231	01/01/2012-12/31/2012*	\$ 0
Emergency Solutions Grant Program		14.231	01/01/2013-12/31/2013*	4,713
Emergency Solutions Grant Program		14.231	01/01/2013-12/31/2013*	32,278
Emergency Solutions Grant Program		14.231	01/01/2014-12/31/2014	23,587
Emergency Solutions Grant Program		14.231	01/01/2012-12/31/2012*	42,311
Total Emergency Solutions Grant Program			* <i>Extended</i>	\$ 102,889
Total U.S. Department of Housing and Urban Development				
<i>U.S. Department of Health and Human Services</i>				
Head Start	03CH3399/02	93.600	06/01/2016-05/31/2017	\$ 172,221
Head Start	03CH3399/01	93.600	06/01/2015-05/31/2016	3,280,089
Head Start	03CH3399/01	93.600	06/01/2016-05/31/2017	29,435
Early Head Start	03CH3441/01	93.600	06/01/2014-05/31/2015	82,652

(Continued on Next Page)

See accompanying notes to schedules.

COMMUNITY PROGRESS COUNCIL, INC.

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity ID Number	Federal CFDA Number	Grant Period Beginning/Ending Date	Federal Expenditures
<i>U.S. Department of Health and Human Services (Continued)</i>				
Early Head Start	03CH2106/48	93.600	06/01/2015-05/31/2016	\$ 1,315,515
Early Head Start	03CH2106/48	93.600	06/01/2016-05/31/2017	7,735
Total Head Start/Early Head Start				\$ 4,887,647
Pass-Through Pennsylvania Department of Public Welfare				
Temporary Assistance for Needy Families - Work Ready/TANF Cluster		93.558	10/01/2015-09/30/2016	\$ 193,930
Temporary Assistance for Needy Families - Work Ready/TANF Cluster		93.558	10/01/2014-09/30/2015	53,005
Total Temporary Assistance for Needy Families/TANF Cluster				\$ 246,935
Pass-Through PA Department of Community and Economic Development				
Community Services Block Grant	C000051705	93.569	01/01/2016-12/31/2016	\$ 311,501
Community Services Block Grant			01/01/2015-12/31/2015	132,389
Community Services Block Grant			01/01/2015-12/31/2015	280,744
Total Community Service Block Grant				\$ 724,634
Corporation for National and Community Services				
Foster Grandparent Program/Senior Companion Cluster	10SFAPA002	94.011	04/01/2013-06/30/2016	\$ 233,405
Total U.S. Department of Health and Human Services				\$ 6,092,621
U.S. Department of Homeland Security				
Pass-Through from United Way of America	LRO#734200-007	97.024	07/01/2015-06/30/2016	\$ 8,000
Total Federal Awards Expended				\$ 7,987,680

See accompanying notes to schedules.

COMMUNITY PROGRESS COUNCIL, INC.

NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED JUNE 30, 2016

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Community Progress Council, Inc. (the "Council") under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Council; accordingly, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Council.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles contained in Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, or the cost principles contained in the Uniform Guidance, as applicable, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule (if any) represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

3. REQUIRED INFORMATION BY THE PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT (DCED)

The presentation of federal expenditures on the Schedules of Expenditures of Federal Awards presents the expenditures, as previously explained, on the accrual basis of accounting. Under this basis, expenses are recorded when the corresponding liability occurs. The DCED requires that grants passed-through their agency be presented on a cash basis of accounting. Under this basis, the revenue and expenditures would only be recorded when received or paid. Accordingly, below are the cash basis revenue and expenditures under CFDA Number 93.569, passed-through to the Council:

Actual Payments Received	\$ 576,640
Prior Year Receivable	(60,024)
Prior Year Deferred Revenue	68,959
Current Year Accounts Receivable/Deferred Revenue, Net	<u>139,059</u>
Total	<u>\$ 724,634</u>

4. INDIRECT COST RATE

The Council has elected not to use the 10.0 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

To the Board of Directors
Community Progress Council, Inc.
York, Pennsylvania

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 **Community Progress Council, Inc.** (the "Council"), a nonprofit organization, which comprise the Statements of Financial Position as of June 30, 2016, and the related Statements of Activities, Functional Expenses - By Natural Classifications, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 28, 2016.

Internal Control over Financial Reporting

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

Internal Control over Financial Reporting (Continued)

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Council'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 Council's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Baker Tilly Viechow Krause, LLP

Harrisburg, Pennsylvania
December 28, 2016

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

To the Board of Directors
Community Progress Council, Inc.
York, Pennsylvania

Report on Compliance for the Major Federal Program

We have audited **Community Progress Council, Inc.'s** (the "Council"), 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 the Council's major federal program for the year ended June 30, 2016. The Council's major federal program is identified in the summary of auditors' results section on 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Council's major federal program 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 Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Council complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the Council 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 Council's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 Council'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 or corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and 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.

Baker Tilly Viechow Krause, LLP

Harrisburg, Pennsylvania
December 28, 2016

COMMUNITY PROGRESS COUNCIL, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2016

SECTION I -- SUMMARY OF AUDITORS' RESULTS

1. The *Independent Auditors' Report* expresses an unmodified opinion on the financial statements of the Community Progress Council, Inc. (the "Council").
2. The *Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards* did not report any material weaknesses, nor were any significant deficiencies identified. There were no compliance findings reported; there was no noncompliance material to the financial statements noted.
3. The *Independent Auditors' Report on Compliance for the Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance* is unmodified. There were no material weaknesses in internal control over the major federal program reported, nor were any significant deficiencies in internal control over the major federal program identified.
4. There were no audit findings reported or disclosed, which would be required to be reported in accordance with 2 CFR 200.516(a).
6. The program tested as a Major Federal Program was:

U.S. Department of Health and Human Services
Head Start - Federal CFDA Number 93.600
7. The threshold for distinguishing Types A and B programs was \$750,000.
8. The Council did not qualify as a low risk auditee.

COMMUNITY PROGRESS COUNCIL, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

SECTION II – FINANCIAL STATEMENT FINDINGS

None.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None.

COMMUNITY PROGRESS COUNCIL, INC.

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS YEAR ENDED JUNE 30, 2016

Finding No. 2013-001

Criteria: The financial information system needs to be properly utilized to allow for a clean cut-off at month-end and year-end dates.

Condition: The system currently in use is complex and is accommodating to a variety of programs, which extend across fiscal periods, but the proper method of performing the year-end close has not been performed by the Council's staff in a timely manner. Generally, the software consultants have been involved in this process, but it takes place several months subsequent to year-end. Further, during the subsequent period, entries can and are posted into the prior period.

Cause: Largely the cause is due to employee turnover. This system requires a significant amount of understanding of all of the Council's programs and experience and knowledge with the GMS software system. Turnover has prevented this from occurring.

Effect: Accounts were not properly closed at year-end.

Recommendation: That the Council strives to hire and retain competent fiscal individuals, while providing the training and assistance needed to work within the financial framework in place.

Status at Year-End 2016: This issue appears to have been largely resolved. Council management made significant progress with regard to the year-end closing process during fiscal 2016. Accordingly, Finding No. 2013-001 will not be included in future years' Summary Schedule of Prior Year Audit Findings.

COMMUNITY PROGRESS COUNCIL, INC.

SCHEDULE OF REVENUE, EXPENSES, AND COMPARISON WITH BUDGET

YORK COUNTY HUMAN SERVICES DEPARTMENT - CASE MANAGEMENT PROGRAM

CONTRACT NUMBER 061500-5200-358-978

YEAR ENDED JUNE 30, 2016

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUE			
York County Human Services Department	<u>\$ 112,864</u>	<u>\$ 95,184</u>	<u>\$ (17,680)</u>
EXPENSES			
Personnel Expenses			
Salaries	66,213	57,421	(8,792)
Fringe Benefits	22,126	16,169	(5,957)
Employee Training	900	0	(900)
Total Personnel Expenses	<u>89,239</u>	<u>73,590</u>	<u>(15,649)</u>
Operating Expenses			
Occupancy	10,923	10,125	(798)
Communication	1,955	1,747	(208)
Supplies	1,350	2,617	1,267
Staff Travel	630	307	(323)
Miscellaneous Operating Expenses	1,700	861	(839)
Indirect Costs	7,067	5,887	(1,180)
Total Operating Expenses	<u>23,625</u>	<u>21,544</u>	<u>(2,081)</u>
TOTAL EXPENSES	<u>112,864</u>	<u>95,134</u>	<u>(17,730)</u>
EXCESS REVENUE OVER EXPENSES	<u>\$ 0</u>	<u>\$ 50</u>	<u>\$ 50</u>

COMMUNITY PROGRESS COUNCIL, INC.

SCHEDULE OF REVENUE, EXPENSES, AND COMPARISON WITH BUDGET

**YORK COUNTY HUMAN SERVICES DEPARTMENT -
HOMELESS ASSISTANCE PROGRAM
CONTRACT NUMBER 061500-5200-451-978
YEAR ENDED JUNE 30, 2016**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUE			
York County Human Services Department	<u>\$ 143,449</u>	<u>\$ 116,361</u>	<u>\$ (27,088)</u>
EXPENSES			
Personnel Expenses			
Salaries	84,769	71,392	(13,377)
Fringe Benefits	27,998	20,270	(7,728)
Employee Training	1,100	0	(1,100)
Total Personnel Expenses	<u>113,867</u>	<u>91,662</u>	<u>22,205</u>
Operating Expenses			
Occupancy	13,302	12,563	(739)
Communication	2,675	2,326	(349)
Supplies	1,650	1,522	(128)
Staff Travel	812	619	(193)
Miscellaneous Operating Expenses	2,122	275	(1,847)
Indirect Costs	9,021	7,333	(1,688)
Total Operating Expenses	<u>29,582</u>	<u>24,638</u>	<u>4,944</u>
TOTAL EXPENSES	<u>143,449</u>	<u>116,300</u>	<u>(27,149)</u>
EXCESS REVENUE OVER EXPENSES	<u>\$ 0</u>	<u>\$ 61</u>	<u>\$ 61</u>