

EAST END COMMUNITY
SERVICES CORPORATION

CONSOLIDATED FINANCIAL REPORT
UNIFORM GUIDANCE FOR FEDERAL AWARDS

DECEMBER 31, 2015 AND 2014

EAST END COMMUNITY SERVICES CORPORATION

TABLE OF CONTENTS

DECEMBER 31, 2015 AND 2014

INDEPENDENT AUDITOR'S REPORT	Page 1 - 2
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5 - 6
Consolidated Statements of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 13
SUPPLEMENTARY INFORMATION	
Consolidating Schedule of Financial Position as of December 31, 2015	14
Consolidating Schedule of Activities for the Year Ended December 31, 2015	15
Consolidating Schedule of Cash Flows for the Year Ended December 31, 2015	16
Consolidating Schedule of Financial Position as of December 31, 2014	17
Consolidating Schedule of Activities for the Year Ended December 31, 2014	18
Consolidating Schedule of Cash Flows for the Year Ended December 31, 2014	19

EAST END COMMUNITY SERVICES CORPORATION

TABLE OF CONTENTS (CONTINUED)

DECEMBER 31, 2015 AND 2014

ADDITIONAL INFORMATION REQUIRED UNDER THE
UNIFORM GUIDANCE FOR FEDERAL AWARDS

Schedule of Expenditures of Federal Awards	20 - 21
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>	22 - 23
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	24 - 25
Schedule of Findings and Questioned Costs	26 - 27



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
East End Community Services Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of East End Community Services Corporation, which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the 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 consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of East End Community Services Corporation as of December 31, 2015 and 2014, 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.

Supplementary and Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 23, 2016 on our consideration of East End Community Services Corporation'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 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 an audit performed in accordance with *Government Auditing Standards* in considering East End Community Services Corporation's internal control over financial reporting and compliance.



Certified Public Accountants

Dayton, Ohio

August 23, 2016

EAST END COMMUNITY SERVICES CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
	2015	2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$ 307,818	\$ 366,447
Cash and cash equivalents - temporarily restricted	207,500	222,500
Fees receivable	394,413	178,976
Unconditional promises to give - temporarily restricted	100,000	125,000
Prepaid expenses	12,857	8,579
TOTAL CURRENT ASSETS	1,022,588	901,502
PROPERTY AND EQUIPMENT, net	780,238	812,172
OTHER ASSETS		
Other receivables	27,723	27,774
Unconditional promises to give - temporarily restricted	0	100,000
Land, buildings and rehab costs	0	96,432
Deposits	1,193	1,977
TOTAL OTHER ASSETS	28,916	226,183
TOTAL ASSETS	\$ 1,831,742	\$ 1,939,857
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 20,563	\$ 37,993
Accrued payroll and related expenses	51,874	47,649
Security deposits	1,959	2,617
Deferred revenue	0	4,173
TOTAL CURRENT LIABILITIES	74,396	92,432
LONG-TERM LIABILITIES		
Long-term debt	27,540	27,540
Deferred revenue	65,000	65,000
TOTAL LONG-TERM LIABILITIES	92,540	92,540
NET ASSETS		
Unrestricted	1,357,306	1,307,385
Temporarily restricted	307,500	447,500
TOTAL NET ASSETS	1,664,806	1,754,885
TOTAL LIABILITIES AND NET ASSETS	\$ 1,831,742	\$ 1,939,857

The accompanying notes are an integral part of these statements.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATED STATEMENTS OF ACTIVITIES

	FOR THE YEARS ENDED DECEMBER 31,	
	2015	2014
REVENUES		
Contributions	\$ 74,394	\$ 46,494
Fees for service (contracts)	1,493,778	1,374,080
Grants	79,967	160,715
Developer fees	24,010	7,249
Rental income	30,675	27,607
Other income	5,305	26,328
	<u>1,708,129</u>	<u>1,642,473</u>
Net assets released from restrictions	217,500	61,521
TOTAL REVENUES	<u>1,925,629</u>	<u>1,703,994</u>
EXPENSES		
Program services	1,638,195	1,712,338
Management and general	202,741	188,102
Fundraising	42,997	40,043
TOTAL EXPENSES	<u>1,883,933</u>	<u>1,940,483</u>
OTHER INCOME		
Gain on disposal of property	8,108	0
Interest income	117	132
	<u>8,225</u>	<u>132</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>49,921</u>	<u>(236,357)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
Grants	77,500	447,500
Net assets released from restrictions	(217,500)	(61,521)
	<u>(140,000)</u>	<u>385,979</u>
TOTAL CHANGE IN NET ASSETS	(90,079)	149,622
NET ASSETS		
Beginning of year	<u>1,754,885</u>	<u>1,605,263</u>
End of year	<u>\$ 1,664,806</u>	<u>\$ 1,754,885</u>

The accompanying notes are an integral part of these statements.

EAST END COMMUNITY SERVICES CORPORATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and related expenses	\$ 1,198,235	\$ 116,346	\$ 22,734	\$ 1,337,315
Contract labor	131,934	5,883	17,313	155,130
Employee benefits	4,146	341	0	4,487
Professional fees	0	40,957	0	40,957
Housekeeping and janitorial	23,344	306	377	24,027
Office supplies	17,241	4,947	824	23,012
Telephone	8,898	1,095	142	10,135
Printing and postage	1,263	89	295	1,647
Insurance	23,232	11,406	350	34,988
Repairs and maintenance	11,144	1,305	126	12,575
Security	2,858	392	43	3,293
Utilities	21,946	2,557	362	24,865
Equipment rental	18,988	2,775	87	21,850
Dues and subscriptions	1,337	2,906	0	4,243
Travel	10,057	81	0	10,138
Meetings	0	59	0	59
Education and training	3,038	803	0	3,841
Program and client assistance	112,186	3,113	0	115,299
Miscellaneous	1,090	1,009	0	2,099
Event expense	0	0	0	0
Depreciation	47,258	6,371	344	53,973
	<u>\$ 1,638,195</u>	<u>\$ 202,741</u>	<u>\$ 42,997</u>	<u>\$ 1,883,933</u>
	<u>87.0%</u>	<u>10.7%</u>	<u>2.3%</u>	<u>100%</u>

The accompanying notes are an integral part of these statements.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and related expenses	\$ 1,287,337	\$ 124,980	\$ 24,371	\$ 1,436,688
Contract labor	82,701	540	10,891	94,132
Employee benefits	44,306	4,570	0	48,876
Professional fees	2,348	18,550	0	20,898
Housekeeping and janitorial	20,488	2,997	388	23,873
Office supplies	12,906	4,435	741	18,082
Telephone	8,722	1,074	135	9,931
Printing and postage	1,423	100	331	1,854
Insurance	17,214	7,242	227	24,683
Repairs and maintenance	18,834	2,387	230	21,451
Security	3,944	539	61	4,544
Utilities	23,481	2,708	383	26,572
Equipment rental	19,700	2,891	89	22,680
Dues and subscriptions	1,320	2,871	0	4,191
Travel	18,156	140	0	18,296
Meetings	0	0	0	0
Education and training	930	245	0	1,175
Program and client assistance	99,202	2,760	0	101,962
Miscellaneous	368	2,441	0	2,809
Event expense	0	0	1,850	1,850
Depreciation	48,958	6,632	346	55,936
	<u>\$ 1,712,338</u>	<u>\$ 188,102</u>	<u>\$ 40,043</u>	<u>\$ 1,940,483</u>
	<u>88.2%</u>	<u>9.7%</u>	<u>2.1%</u>	<u>100%</u>

The accompanying notes are an integral part of these statements.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31,	
	2015	2014
	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (90,079)	\$ 149,622
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	53,973	55,936
Gain on disposal of property	(8,108)	0
Donated property	(29,000)	0
Changes in assets and liabilities:		
Fees receivable	(215,437)	(50,716)
Fees receivable - related party	0	92,364
Other receivables	51	(147)
Unconditional promises to give	125,000	(213,500)
Prepaid expenses	(4,278)	(228)
Land, buildings and rehab costs	96,432	(94,912)
Deposits	(784)	0
Accounts payable	(17,430)	13,161
Security deposits	(658)	1,316
Accrued payroll and related taxes	4,225	(7,208)
Deferred revenue	(4,173)	(6,760)
TOTAL ADJUSTMENTS	<u>(187)</u>	<u>(210,694)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(90,266)</u>	<u>(61,072)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of property and equipment	20,830	0
Purchase of property and equipment	(4,193)	(10,081)
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>16,637</u>	<u>(10,081)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payment on long-term debt	<u>0</u>	<u>(7,887)</u>
CHANGE IN CASH	(73,629)	(79,040)
CASH AND CASH EQUIVALENTS - beginning of year	<u>588,947</u>	<u>667,987</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 515,318</u>	<u>\$ 588,947</u>

The accompanying notes are an integral part of these statements.

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

1. ORGANIZATION AND PURPOSE

East End Community Services Corporation (EECS) (the Corporation) is a not-for-profit organization located in Dayton, Ohio with a mission to listen to and work with the people of Twin Towers and the surrounding neighborhoods in building a prosperous, healthy, and caring community. The Corporation's priorities are to assist youth and young adults to achieve their life goals, improve neighborhood health, assist families in achieving self-sufficiency, facilitate a strong and diverse neighborhood leadership structure, and improve neighborhood housing.

EECS has a wholly-owned for-profit subsidiary, Twin Towers Foundation, LLC (TTF). TTF is an affordable housing development with four units in the Twin Towers community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed in preparation of the consolidated financial statements. These policies conform to accounting principles generally accepted in the United States of America for not-for-profit organizations.

Principles of Consolidation

The consolidated financial statements include the accounts of EECS and TTF and are prepared on the accrual basis of accounting and accordingly reflect significant receivables, payables, and other liabilities. All significant transactions between the two corporations have been eliminated.

Basis of Presentation

The Corporation 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. Unrestricted net assets are resources that are available to support the Corporation's operations. Temporarily restricted net assets are limited by donors for a specific time period or purpose. The Corporation has no permanently restricted net assets.

Cash and Cash Equivalents

For consolidated financial statement purposes, the Corporation considers all checking accounts, money market accounts, and certificates of deposit to be cash equivalents. The Corporation maintains this cash in commercial bank accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on cash.

Deferred Revenue

The Corporation enters into service contracts and grants to provide services. Unearned revenue is recognized on a pro-rata basis as services are provided over the term of the contract or grant.

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional Promises to Give, Grants and Fees Receivable

Unconditional promises to give and grants receivable are recognized as revenues in the period in which the pledge or grant is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Fees receivable are recognized when the services have been rendered. The Corporation believes all amounts to be collectible and therefore, an allowance for doubtful accounts is not considered necessary.

Property and Equipment

Property and equipment are recorded at cost when purchased or at fair values when received as a donation. Depreciation is computed using the straight-line method over the estimated useful lives ranging from three to forty years.

Land, Buildings and Rehab Costs

The Corporation is involved in a housing and community redevelopment strategy for the Twin Towers neighborhood. The Corporation had received funds from various organizations to purchase vacant properties for low income housing projects. This program was discontinued during 2015. At the completion of the program, the City donated the residual land to EECS with an estimated fair market value of \$29,000.

Impairment of Long-Lived Assets

The Corporation reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value. No impairment losses were recognized during the years ended December 31, 2015 and 2014.

Fair Value Measurements

The Corporation applies U.S. generally accepted accounting principles (GAAP) regarding the measurement of fair value. Fair value is defined as the price that would be received for an asset or paid to transfer a liability, in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. Assets or liabilities listed at fair value require expanded disclosure about the extent to which they are measured at fair value, the information used to measure fair value and the effect of fair value measurements on earnings. Fair value measurements apply whenever standards require (or permit) assets or liabilities to be measured at fair value. The Corporation has not expanded the use of fair value measurements in any additional circumstances. For the years ended December 31, 2015 and 2014, the application of these standards had no impact on the Corporation's financial position or results of operations.

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor, including pledges, is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Recognition of Developer Fee Income

Developer fees, related to low-income projects, are recognized when certain conditions are satisfied as stipulated in the development agreement.

Partnership Investment

The Corporation has a nominal interest in a low-income housing tax credit partnership in which the Corporation's ownership percentage is less than one percent. Based on facts and circumstances, the presumption of control by the general partner is overcome by substantive participating rights of the limited partner. The Corporation's equity balance is negative and not included in the consolidated financial statements based on the equity method of accounting.

Public Support and Revenue

All items of public support and revenue are stated on the accrual basis, including revenues, receivables as reimbursements for incurred costs from government agencies, and other third party payors.

Donated Services

Donated services are recognized as contributions only if the donated services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation to the Corporation. A number of unpaid volunteers have made contributions of their time to develop the Corporation's programs. The Corporation does not recognize this time as contributions in the consolidated financial statements since the criteria for recognition are not met.

Concentration of Revenue

For the year ended December 31, 2015, the Corporation received approximately 64%, or \$1,127,000, of its revenue from four sources. For the year ended December 31, 2014, the Corporation received approximately 53%, or \$1,117,000, of its revenue from three sources. Amounts due from these sources totaled approximately \$245,000 and \$284,000 at December 31, 2015 and 2014, respectively, and are included in fees receivable and unconditional promises to give in the consolidated statements of financial position.

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing various programs and related supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated to the appropriate programs and supporting services.

Advertising

Advertising costs are charged to operations when incurred. During 2015 and 2014, advertising costs were \$0.

Use of Estimates

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

Income Taxes

A favorable determination letter has been obtained from the Internal Revenue Service exempting the Corporation from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is included in these consolidated statements. However, any income from certain activities not directly related to the Corporation's tax exempt purpose may be subject to taxation as unrelated business income.

The Corporation determines the recognition of uncertain tax positions, if applicable, that may subject the organization to unrelated business income tax necessary by applying a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with tax authorities. The Organization has no tax positions which must be considered for disclosure. The Organization believes it is no longer subject to income tax examinations for the years prior to 2012.

Reclassifications

Certain amounts for the prior year have been reclassified to conform with the current year's presentation. These reclassifications did not result in any changes to net assets.

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2015</u>	<u>2014</u>	<u>Estimated Life in Years</u>
At Cost:			
Land	\$ 95,947	\$ 66,947	N/A
Land improvements	19,373	19,373	15
Buildings and improvements	967,390	982,390	7 - 40
Equipment, furniture and fixtures	139,357	135,164	5 - 7
Software	1,752	1,752	3
	<u>1,223,819</u>	<u>1,205,626</u>	
Less Accumulated depreciation	<u>(443,581)</u>	<u>(393,454)</u>	
NET BOOK VALUE	<u>\$ 780,238</u>	<u>\$ 812,172</u>	

4. LINE OF CREDIT

The Corporation has a \$120,000 revolving line of credit with the bank that is due October, 2016. The line of credit bears interest at a variable rate which was 4.75% at December 31, 2015 and 2014. The outstanding balance at December 31, 2015 and 2014 was \$0.

5. LONG-TERM DEBT

The Corporation has a note payable to County Corp totaling \$27,540 at December 31, 2015 and 2014. These funds were provided to make non-interest bearing rehabilitation loans available to owner-occupants who live in the Twin Towers neighborhood. The note incurs interest at 0% and is due upon property transfers as stipulated in the project agreement.

Issued rehabilitation loans receivable totaled \$27,627 at December 31, 2015 and 2014; these amounts are included in other receivables in the consolidated statements of financial position.

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2015</u>	<u>2014</u>
Periods after December 31	\$ 225,000	\$ 375,000
Specific programs	82,500	72,500
	<u>\$ 307,500</u>	<u>\$ 447,500</u>

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2015 AND 2014

7. COMMITMENTS AND CONTINGENCIES

The Corporation receives grants from various agencies which are subject to program compliance audits by the grantors or their representatives. The grantor agencies, at their option, may perform economy and efficiency audits, program results audits or conduct monitoring visits. Such audits and visits could lead to reimbursement to the grantor agencies. Management believes such reimbursements, if any, would be immaterial.

8. DEFINED CONTRIBUTION PLAN

The Corporation sponsors a defined contribution plan (the Plan) covering all employees. Employees are eligible to begin contributing on the first day of the month following their hire date. The Plan provisions allow for employer matching contributions. There were no matching contributions for the years ended December 31, 2015 and 2014.

9. SUBSEQUENT EVENTS

Management evaluated the activity of the Corporation through August 23, 2016 (the date the consolidated financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

DECEMBER 31, 2015

ASSETS	EECS	TTF	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents - unrestricted	\$ 231,383	\$ 76,435	\$ 0	\$ 307,818
Cash and cash equivalents - temporarily restricted	207,500	0	0	207,500
Fees receivable	394,413	0	0	394,413
Unconditional promises to give - temporarily restricted	100,000	0	0	100,000
Prepaid expenses	12,572	285	0	12,857
TOTAL CURRENT ASSETS	<u>945,868</u>	<u>76,720</u>	<u>0</u>	<u>1,022,588</u>
PROPERTY AND EQUIPMENT, net	<u>491,652</u>	<u>288,586</u>	<u>0</u>	<u>780,238</u>
OTHER ASSETS				
Other receivables	27,627	96	0	27,723
Unconditional promises to give - temporarily restricted	0	0	0	0
Investment	298,216	0	(298,216)	0
Land, buildings and rehab costs	0	0	0	0
Deposits	1,193	0	0	1,193
TOTAL OTHER ASSETS	<u>327,036</u>	<u>96</u>	<u>(298,216)</u>	<u>28,916</u>
TOTAL ASSETS	<u>\$ 1,764,556</u>	<u>\$ 365,402</u>	<u>\$ (298,216)</u>	<u>\$ 1,831,742</u>
	LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES				
Accounts payable	\$ 20,336	\$ 227	\$ 0	\$ 20,563
Accrued payroll and related expenses	51,874	0	0	51,874
Security deposits	0	1,959	0	1,959
Deferred revenue	0	0	0	0
TOTAL CURRENT LIABILITIES	<u>72,210</u>	<u>2,186</u>	<u>0</u>	<u>74,396</u>
LONG-TERM LIABILITIES				
Long-term debt	27,540	0	0	27,540
Deferred revenue	0	65,000	0	65,000
TOTAL LONG-TERM LIABILITIES	<u>27,540</u>	<u>65,000</u>	<u>0</u>	<u>92,540</u>
NET ASSETS				
Unrestricted	1,357,306	298,216	(298,216)	1,357,306
Temporarily restricted	307,500	0	0	307,500
TOTAL NET ASSETS	<u>1,664,806</u>	<u>298,216</u>	<u>(298,216)</u>	<u>1,664,806</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,764,556</u>	<u>\$ 365,402</u>	<u>\$ (298,216)</u>	<u>\$ 1,831,742</u>

See Independent Auditor's Report.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATING SCHEDULE OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>EECS</u>	<u>TTF</u>	<u>Eliminations</u>	<u>Consolidated</u>
REVENUES				
Contributions	\$ 74,394	\$ 0	\$ 0	\$ 74,394
Fees for service (contracts)	1,493,778	0	0	1,493,778
Grants	79,967	0	0	79,967
Developer fees	24,010	0	0	24,010
Rental income	0	30,675	0	30,675
Other income	(10,600)	700	15,205	5,305
	<u>1,661,549</u>	<u>31,375</u>	<u>15,205</u>	<u>1,708,129</u>
Net assets released from restrictions	217,500	0	0	217,500
TOTAL REVENUES	<u>1,879,049</u>	<u>31,375</u>	<u>15,205</u>	<u>1,925,629</u>
EXPENSES				
Program services	1,616,644	21,551	0	1,638,195
Management and general	177,712	30,029	(5,000)	202,741
Fundraising	42,997	0	0	42,997
TOTAL EXPENSES	<u>1,837,353</u>	<u>51,580</u>	<u>(5,000)</u>	<u>1,883,933</u>
OTHER INCOME				
Gain on disposal of property	8,108	0	0	8,108
Interest income	117	0	0	117
	<u>8,225</u>	<u>0</u>	<u>0</u>	<u>8,225</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>49,921</u>	<u>(20,205)</u>	<u>20,205</u>	<u>49,921</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS				
Grants	77,500	0	0	77,500
Net assets released from restrictions	(217,500)	0	0	(217,500)
	<u>(140,000)</u>	<u>0</u>	<u>0</u>	<u>(140,000)</u>
TOTAL CHANGE IN NET ASSETS	<u>(90,079)</u>	<u>(20,205)</u>	<u>20,205</u>	<u>(90,079)</u>
NET ASSETS				
Beginning of year	1,754,885	318,421	(318,421)	1,754,885
End of year	<u>\$ 1,664,806</u>	<u>\$ 298,216</u>	<u>\$ (298,216)</u>	<u>\$ 1,664,806</u>

See Independent Auditor's Report.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATING SCHEDULE OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>EECS</u>	<u>TTF</u>	<u>Eliminations</u>	<u>Consolidated</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ (90,079)	\$ (20,205)	\$ 20,205	\$ (90,079)
Adjustments to reconcile change in net assets to net cash used in operating activities:				
Depreciation	43,046	10,927	0	53,973
Gain on disposal of property	(8,108)	0	0	(8,108)
Donated property	(29,000)	0	0	(29,000)
Changes in assets and liabilities:				
Fees receivable	(215,437)	0	0	(215,437)
Other receivables	0	51	0	51
Unconditional promises to give	125,000	0	0	125,000
Prepaid expenses	(4,252)	(26)	0	(4,278)
Land, buildings and rehab costs	96,432	0	0	96,432
Investments	20,205	0	(20,205)	0
Deposits	(784)	0	0	(784)
Accounts payable	(17,394)	(36)	0	(17,430)
Security deposit	0	(658)	0	(658)
Accrued payroll and related expenses	4,225	0	0	4,225
Deferred revenue	(4,173)	0	0	(4,173)
TOTAL ADJUSTMENTS	<u>9,760</u>	<u>10,258</u>	<u>(20,205)</u>	<u>(187)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(80,319)</u>	<u>(9,947)</u>	<u>0</u>	<u>(90,266)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds for disposal of property and equipment	20,830	0	0	20,830
Purchase of property and equipment	(4,193)	0	0	(4,193)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>16,637</u>	<u>0</u>	<u>0</u>	<u>16,637</u>
CHANGE IN CASH	<u>(63,682)</u>	<u>(9,947)</u>	<u>0</u>	<u>(73,629)</u>
CASH AND CASH EQUIVALENTS - beginning of year	<u>502,565</u>	<u>86,382</u>	<u>0</u>	<u>588,947</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 438,883</u>	<u>\$ 76,435</u>	<u>\$ 0</u>	<u>\$ 515,318</u>

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

DECEMBER 31, 2014

ASSETS	EECS	TTF	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents - unrestricted	\$ 280,065	\$ 86,382	\$ 0	\$ 366,447
Cash and cash equivalents - temporarily restricted	222,500	0	0	222,500
Fees receivable	178,976	0	0	178,976
Unconditional promises to give - temporarily restricted	125,000	0	0	125,000
Prepaid expenses	8,320	259	0	8,579
TOTAL CURRENT ASSETS	814,861	86,641	0	901,502
PROPERTY AND EQUIPMENT, net	512,659	299,513	0	812,172
OTHER ASSETS				
Other receivables	27,627	147	0	27,774
Unconditional promises to give - temporarily restricted	100,000	0	0	100,000
Investment	318,421	0	(318,421)	0
Land, buildings and rehab costs	96,432	0	0	96,432
Deposits	1,977	0	0	1,977
TOTAL OTHER ASSETS	544,457	147	(318,421)	226,183
TOTAL ASSETS	\$ 1,871,977	\$ 386,301	\$ (318,421)	\$ 1,939,857
	LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES				
Accounts payable	\$ 37,730	\$ 263	\$ 0	\$ 37,993
Accrued payroll and related expenses	47,649	0	0	47,649
Security deposits	0	2,617	0	2,617
Deferred revenue	4,173	0	0	4,173
TOTAL CURRENT LIABILITIES	89,552	2,880	0	92,432
LONG-TERM LIABILITIES				
Long-term debt	27,540	0	0	27,540
Deferred revenue	0	65,000	0	65,000
TOTAL LONG-TERM LIABILITIES	27,540	65,000	0	92,540
NET ASSETS				
Unrestricted	1,307,385	318,421	(318,421)	1,307,385
Temporarily restricted	447,500	0	0	447,500
TOTAL NET ASSETS	1,754,885	318,421	(318,421)	1,754,885
TOTAL LIABILITIES AND NET ASSETS	\$ 1,871,977	\$ 386,301	\$ (318,421)	\$ 1,939,857

See Independent Auditor's Report.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATING SCHEDULE OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2014

	EECS	TTF	Eliminations	Consolidated
REVENUES				
Contributions	\$ 46,494	\$ 0	\$ 0	\$ 46,494
Fees for service (contracts)	1,374,080	0	0	1,374,080
Grants	160,715	0	0	160,715
Developer fees	7,249	0	0	7,249
Rental income	0	27,607	0	27,607
Other income	30,898	1,838	(6,408)	26,328
	<u>1,619,436</u>	<u>29,445</u>	<u>(6,408)</u>	<u>1,642,473</u>
Net assets released from restrictions	61,521	0	0	61,521
TOTAL REVENUES	<u>1,680,957</u>	<u>29,445</u>	<u>(6,408)</u>	<u>1,703,994</u>
EXPENSES				
Program services	1,690,689	21,649	0	1,712,338
Management and general	186,714	1,388	0	188,102
Fundraising	40,043	0	0	40,043
TOTAL EXPENSES	<u>1,917,446</u>	<u>23,037</u>	<u>0</u>	<u>1,940,483</u>
OTHER INCOME (EXPENSE)				
Gain on disposal of property	0	0	0	0
Interest income	132	0	0	132
	<u>132</u>	<u>0</u>	<u>0</u>	<u>132</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>(236,357)</u>	<u>6,408</u>	<u>(6,408)</u>	<u>(236,357)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS				
Grants	447,500	0	0	447,500
Net assets released from restrictions	(61,521)	0	0	(61,521)
	<u>385,979</u>	<u>0</u>	<u>0</u>	<u>385,979</u>
TOTAL CHANGE IN NET ASSETS	149,622	6,408	(6,408)	149,622
NET ASSETS				
Beginning of year	1,605,263	312,013	(312,013)	1,605,263
End of year	<u>\$ 1,754,885</u>	<u>\$ 318,421</u>	<u>\$ (318,421)</u>	<u>\$ 1,754,885</u>

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATING SCHEDULE OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>EECS</u>	<u>TTF</u>	<u>Eliminations</u>	<u>Consolidated</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ 149,622	\$ 6,408	\$ (6,408)	\$ 149,622
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	45,010	10,926	0	55,936
Changes in assets and liabilities:				
Fees receivable	(50,716)	0	0	(50,716)
Fees receivable - related party	92,364	0	0	92,364
Other receivables	0	(147)	0	(147)
Unconditional promises to give	(213,500)	0	0	(213,500)
Prepaid expenses	(110)	(118)	0	(228)
Land, buildings and rehab costs	(94,912)	0	0	0 (94,912)
Investments	(6,408)	0	6,408	0
Accounts payable	12,973	188	0	13,161
Security deposit	0	1,316	0	1,316
Accrued payroll and related expenses	(7,208)	0	0	(7,208)
Deferred revenue	(6,760)	0	0	(6,760)
TOTAL ADJUSTMENTS	<u>(229,267)</u>	<u>12,165</u>	<u>6,408</u>	<u>(210,694)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(79,645)</u>	<u>18,573</u>	<u>0</u>	<u>(61,072)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	(10,081)	0	0	(10,081)
CASH FLOWS FROM FINANCING ACTIVITIES:				
Payment on long-term debt	(7,887)	0	0	(7,887)
CHANGE IN CASH	<u>(97,613)</u>	<u>18,573</u>	<u>0</u>	<u>(79,040)</u>
CASH AND CASH EQUIVALENTS - beginning of year	<u>600,178</u>	<u>67,809</u>	<u>0</u>	<u>667,987</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 502,565</u>	<u>\$ 86,382</u>	<u>\$ 0</u>	<u>\$ 588,947</u>

EAST END COMMUNITY SERVICES CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2015

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AGENCY OR PASSTHROUGH NUMBER</u>	<u>FEDERAL DISBURSEMENTS/ EXPENDITURES</u>
<u>U.S. Department of Housing and Urban Development</u>			
Community Development Block Grant	14.254	N/A	\$ <u>59,967</u>
<u>U.S. Department of Education</u>			
Passed through from Ohio Department of Education:			
21st Century Community Learning Centers	84.287	N/A	<u>241,765</u>
<u>U.S. Department of Justice</u>			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	<u>203,836</u>
<u>U.S. Department of Health and Human Services</u>			
Passed through from Montgomery County Department of Job and Family Services:			
Temporary Assistance for Needy Families	93.558	N/A	55,440
Passed through from Goodwill Easter Seals Miami Valley			
Temporary Assistance for Needy Families	93.558	N/A	<u>245,926</u>
Total U.S. Department of Health and Human Services			<u>301,366</u>
Total All Programs			<u>\$ <u>806,934</u></u>

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2015

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of East End Community Services Corporation under programs of the federal government for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic consolidated financial statements. Because the schedule presents only a selected portion of the operations of East End Community Services Corporation, it is not intended to and does not present the financial position, changes in net assets, or cash flows of East End Community Services Corporation.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The organization has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance as their grant agreements specify an allowable indirect cost amount.



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
East End Community Services Corporation

We have audited, 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, the consolidated financial statements of East End Community Services Corporation (the Corporation), which comprise the consolidated statements of financial position as of December 31, 2015, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended and the related notes to the consolidated financial statements and have issued our report thereon dated August 23, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 Corporation'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 Corporation's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of 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 Corporation'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 Corporation's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Flagel Huber Flagel".

Certified Public Accountants

Dayton, Ohio

August 23, 2016



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

To the Board of Directors
East End Community Services Corporation

Report on Compliance for Each Major Federal Program

We have audited East End Community Services Corporation's (the Corporation) 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 Corporation's major federal programs for the year ended December 31, 2015. The Corporation'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 Corporation'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 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 each major federal program. However, our audit does not provide a legal determination of the Corporation's compliance.

Opinion on Each Major Federal Program

In our opinion, the Corporation 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 December 31, 2015.

Report on Internal Control over Compliance

Management of the Corporation 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 Corporation'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 Corporation'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.



Certified Public Accountants

Dayton, Ohio

August 23, 2016

EAST END COMMUNITY SERVICES CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weaknesses? yes none reported

Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiencies identified that are not considered to be material weakness(es)? yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes no

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
93.558	Temporary Assistance for Needy Families

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

Auditee qualified as low-risk auditee: yes no

EAST END COMMUNITY SERVICES CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED DECEMBER 31, 2015

Section II - Financial Statement Findings

Our audit disclosed no significant deficiencies, material weaknesses, or instances of noncompliance related to the consolidated financial statements that are required to be reported in accordance with paragraphs 5.18 through 5.20 of *Government Auditing Standards*.

Section III - Federal Award Findings and Questioned Costs

Our audit disclosed no audit findings required to be reported by 2 CFR section 200.516(a) (for example, significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs).