
**COMMUNITY ACTION PARTNERSHIP
OF CENTRAL ILLINOIS, INC.
*Lincoln, Illinois***

**ANNUAL FINANCIAL STATEMENTS
For the Year Ended December 31, 2015**

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.
Lincoln, Illinois

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Independent Auditor's Report

Board of Directors

Community Action Partnership of Central Illinois, Inc.
Lincoln, Illinois

We have audited the accompanying financial statements of Community Action Partnership of Central Illinois, Inc. (a nonprofit organization) which comprise the statement of financial position as of December 31, 2015 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Community Action Partnership of Central Illinois, Inc., as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Other information

Our audit was conducted for the purpose of forming an opinion on the financial statements of Community Action Partnership of Central Illinois, Inc. taken as a whole. The accompanying Schedule of Expenditures of Federal Awards, State, Local Awards and List of Programs, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, (for grants beginning before December 26, 2014), and/or by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards*, (for grant periods beginning after December 26, 2014), and the Schedules of Program Activities, on pages 15 through 21, are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, State, Local Awards and List of Programs and the Schedules of Program Activities are fairly stated in all material respects in relation to the financial statements taken as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 29, 2016, on our consideration of Community Action Partnership of Central Illinois, Inc.'s internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



Springfield, Illinois
June 29, 2016

Community Action Partnership of Central Illinois, Inc.
Lincoln, Illinois
(A Not-For-Profit Organization)

Statement of Financial Position
December 31, 2015

Assets			
	Unrestricted Funds	Temporarily Restricted Funds	Total
Current Assets			
Cash and cash equivalents	\$ 586,880	\$ 372,502	\$ 959,382
Accounts receivable	30,046	158,942	188,988
Prepaid expense	68,934	42,537	111,471
Notes receivable-current portion		18,473	18,473
Total Current Assets	<u>685,860</u>	<u>592,454</u>	<u>1,278,314</u>
Fixed Assets			
Property and equipment at cost, net of accumulated depreciation	460,982	-	460,982
Other Assets			
Notes receivable-long term portion		98,848	98,848
Total Assets	<u>\$ 1,146,842</u>	<u>\$ 691,302</u>	<u>\$ 1,838,144</u>
Liabilities and Net Assets			
Liabilities			
Accounts payable	\$ 10,747	\$ 54,234	\$ 64,981
Accrued expenses	12,259	117,076	129,335
Bank overdrafts	104,857	299,021	403,878
Due to (from) other funds and programs	(21,633)	21,633	-
Amounts held for others	69,449	-	69,449
Notes payable-current portion	25,616	-	25,616
Total Current Liabilities	<u>201,295</u>	<u>491,964</u>	<u>693,259</u>
Other Liabilities			
Notes payable-long term portion	57,682	-	57,682
Total Liabilities	<u>258,977</u>	<u>491,964</u>	<u>750,941</u>
Net Assets			
Temporarily restricted:			
Temporarily restricted funds	-	199,338	199,338
Unrestricted:			
Unrestricted funds	887,865	-	887,865
Total Net Assets	<u>887,865</u>	<u>199,338</u>	<u>1,087,203</u>
Total Liabilities and Net Assets	<u>\$ 1,146,842</u>	<u>\$ 691,302</u>	<u>\$ 1,838,144</u>

*These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to the financial statements.*

Community Action Partnership of Central Illinois, Inc.
Lincoln, Illinois
(A Not-For-Profit Organization)

Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2015

	Unrestricted Funds	Temporarily Restricted Funds	Total Funds
Public Support and Revenue			
<i>Public support:</i>			
Grants-Federal	\$ -	\$ 5,564,721	\$ 5,564,721
Grants-State	-	661,687	661,687
Grants-Other	6,513	26,757	33,270
Local funds	-	19,808	19,808
Program income	143,394	453,164	596,558
Contributions	75,735	773,674	849,409
Interest	5,216	-	5,216
Miscellaneous	164,272	15,836	180,108
Total Public Support and Revenue	<u>395,130</u>	<u>7,515,647</u>	<u>7,910,777</u>
Net Assets Released from Restrictions			
Satisfaction of program restrictions	7,797,096	(7,797,096)	-
Total Public Support, Revenue Available for current period	<u>8,192,226</u>	<u>(281,449)</u>	<u>7,910,777</u>
Expenses:			
<i>Program services:</i>			
Child care/education	3,942,903	-	3,942,903
Community services	601,990	-	601,990
Weatherization assistance	218,330	-	218,330
Residential energy assistance	1,452,711	-	1,452,711
Transportation services	285,290	-	285,290
Nutrition services	374,349	-	374,349
Total Program Services	<u>6,875,573</u>	<u>-</u>	<u>6,875,573</u>
<i>Supporting services:</i>			
Management and general	906,674	-	906,674
Total Supporting Services	<u>906,674</u>	<u>-</u>	<u>906,674</u>
Total Expenses	<u>7,782,247</u>	<u>-</u>	<u>7,782,247</u>
Change in Net Assets before transfers and other items	409,979	(281,449)	128,530
Transfers	(54,166)	54,166	-
Change in Net Assets	<u>355,813</u>	<u>(227,283)</u>	<u>128,530</u>
Net Assets - beginning of year	532,052	426,621	958,673
Net Assets - end of year	<u>\$ 887,865</u>	<u>\$ 199,338</u>	<u>\$ 1,087,203</u>

These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to the financial statements.

Community Action Partnership of Central Illinois, Inc.
Lincoln, Illinois
(A Not-For-Profit Organization)

Statement of Cash Flows
For the Year Ended December 31, 2015

Cash Flows from Operating Activities:

Change in net assets	\$ 128,530
<i>Adjustments to reconcile excess of support and revenue over expenses to cash provided by operating activities:</i>	

Depreciation	165,244
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Changes in operating assets and liabilities:

Increase in accounts receivable	169,807
Increase in prepaid expense	(52,851)
Decrease in notes receivable	29,411
Increase in accounts payable	342,998
Increase in accrued expenses	(49,301)
Increase in funds held for others	(19,330)
Decrease in unearned revenue	(48,877)

Net Cash Used in Operating Activities	<u>665,631</u>
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Net Flows from Investing Activities:

Purchase of fixed assets	(418,302)
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Net Cash Used in Investing Activities	<u>(418,302)</u>
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Net Flows from Financing Activities:

Decrease in short term debt	(20,639)
Increase in debt	42,429

Net Cash Used in Financing Activities	<u>21,790</u>
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Net change in cash and cash equivalents	269,119
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Cash and cash equivalent - beginning of year	<u>690,263</u>
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Cash and cash equivalent - end of year	<u><u>\$ 959,382</u></u>
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Other information:

Interest paid during the current year	\$ 3,971
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Community Action Partnership of Central Illinois, Inc.
Lincoln, Illinois
(A Not-For-Profit Organization)

Statement of Functional Expenses
For the Year Ended December 31, 2015

Expenses	Child Care/ Education	Transportation Services	Nutrition Services	Community Services	Weatherization Assistance
Personnel	\$ 2,129,046	\$ 184,999.00	\$ 155,325	\$ 206,921	\$ 16,097
Travel	21,672	361	9,644	1,549	275
Supplies	50,327	422	12,802	11,197	7,197
Contractual	131,219	4,761	810	6,145	34,998
Other	734,555	91,481	186,576	85,656	109
Benefits/Materials	-	-	-	277,120	156,300
Depreciation	120,154	1,736	1,990	4,390	3,354
Subtotal program expenses	3,186,973	283,760	367,147	592,978	218,330
Local match:					
CAP Board	1,127				
Classroom activities	640				
Supplies	15,863				
Other	52,735			9,012	
Volunteers	34,623		7,202		
Policy Council	9,202				
Professional Services	71,825				
Space	524,362	1,530			
Home visits	1,276				
Foster Grandparents in Classrooms	44,277				
Subtotal local match	755,930	1,530	7,202	9,012	-
Total expenses	\$ 3,942,903	\$ 285,290	\$ 374,349	\$ 601,990	\$ 218,330

Expenses	Residential Energy Assistance	Total Program Services	Management & General	Grand Total
Personnel	\$ 11,252	\$ 2,703,640	\$ 571,377	\$ 3,275,017
Travel	1,120	34,621	975	35,596
Supplies	1,541	83,486	27,919	111,405
Contractual	632	178,565	68,038	246,603
Other	133,128	1,231,505	208,112	1,439,617
Benefits/Materials	1,300,141	1,733,561	-	1,733,561
Depreciation	4,897	136,521	28,723	165,244
Subtotal program expenses	1,452,711	6,101,899	905,144	7,007,043
Local match:				
CAP Board		1,127		1,127
Classroom activities		640		640
Supplies		15,863		15,863
Other		61,747		61,747
Volunteers		41,825		41,825
Policy Council		9,202		9,202
Professional Services		71,825		71,825
Space		525,892	1,530	527,422
Home visits		1,276		1,276
Foster Grandparents in Classrooms		44,277		44,277
Subtotal local match	-	773,674	1,530	775,204
Total expenses	\$ 1,452,711	\$ 6,875,573	\$ 906,674	\$ 7,782,247

*These financial statements should be read only in connection with
the accompanying summary of significant accounting policies
and notes to the financial statements.*

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.
Lincoln, Illinois

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Note 1. REPORTING ENTITY, NATURE OF OPERATIONS, AND ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Community Action Partnership of Central Illinois, Inc. (Agency) (formerly Central Illinois Economic Development Corporation) operates as a nonprofit organization located in Lincoln, Illinois servicing disadvantaged families by providing comprehensive health, education, nutritional and social services to preschool aged children and their families through the Health and Human Services Head Start Program; weatherization of houses and assistance with energy bills through various energy programs, and referral services through the community services programs. The Agency is supported primarily through donations, and grants from the Illinois Department of Commerce and Economic Development, Illinois Department of Human Services, Illinois Department on Aging, U.S. Department of Health and Human Services, the United Way of America.

Basis of Presentation:

The financial statements have been prepared on an accrual basis of accounting and in conformity with the standards promulgated by the American Institute of Certified Public Accountants as those standards pertain to voluntary health and welfare organizations.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board related to its classification of net assets. Under the standards, Community Action Partnership of Central Illinois, Inc. is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporary restricted net assets, and permanently restricted net assets. Support revenues are reported as unrestricted unless explicit funding source stipulations specify how the revenues must be used. When a funding source restriction ends or purpose restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The accounts of the Agency are maintained in accordance with the principles of fund accounting. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. Separate accounts are maintained for each fund; however, in the accompanying financial statements, funds have been combined and presented for the Agency as a whole.

The Agency follows standards of accounting and financial reporting prescribed for voluntary health and welfare organizations. The financial statements are prepared using the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred.

Classification of Net Assets:

Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor-restrictions. Accordingly, net assets of Community Action Partnership of Central Illinois, Inc. and changes therein are classified as follows:

1. Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.
2. Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of Community Action Partnership of Central Illinois, Inc. and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.
3. Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by Community Action Partnership of Central Illinois, Inc. Generally, the donors of these assets permit Community Action Partnership of Central Illinois, Inc. to use all or part of the income earned on any related investments for general or specific purposes. Currently, Community Action Partnership of Central Illinois, Inc. does not have any permanently restricted net assets.

Revenue and Expense Recognition/Grant Funds Received in Advance

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Agency reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Agency reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Grants are either recorded as contributions or exchange transactions based on

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.
Lincoln, Illinois

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Note 1. *REPORTING ENTITY, NATURE OF OPERATIONS, AND ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued*

Revenue and Expense Recognition/Grant Funds Received in Advance - continued

A. Grant Awards That Are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are reflected as grant funds received in advance.

B. Grant Awards That Are Exchange Transactions

Exchange-transactions-reimburse-based-on-a-predetermined-rate-for-services-performed.
The revenue is recognized in the period the service is performed.

Estimates

The preparation of 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 financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Program Revenues

The statement of activities demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- Charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by the given function or segment.
- Grants and contributions that are restricted to meeting the operational requirements of a particular function or segment.
- Grants and contributions that are restricted to meeting the capital requirements of a particular function or segment.

Functional Expenses

The Agency allocates expenses on a functional basis among its various programs. Expenses that can be identified with specific programs are allocated directly according to their natural expenditure classification. Administrative expenses are allocated to grant programs according to the proportionate use of service provided by the cost, as provided by the Agency Cost Allocation Plan.

Vacation and Sick Leave

Employees accumulate vacation and sick leave, which vests as it is earned, based on years of service with the Agency. That portion of these accumulations, which is expected to be paid from current available resources are accounted for as a liability of the fund that incurred the expense. The accumulated amount of vacation and sick leave is accounted for in the statement of financial positions as "Amounts Held for Others" in the amount of \$69,449.

Equipment and Buildings

Property and equipment are recorded at cost and depreciated on a straight line basis over their useful lives. It is the Agency's policy to capitalize property and equipment with unit cost of \$1,000 or more and a useful life of more than one year. Leasehold improvements are depreciated over the shorter of their estimated useful life or lease term. Property and equipment purchased through the various Federal and State programs administered by the Agency are expensed when purchased for grant reporting purposes and are capitalized for financial reporting purposes. Such items acquired under grants from Federal and State sources are considered owned by the Agency while used in the programs for which they are purchased or in programs authorized in the future. However, the funding source has a reversionary interest in the property and equipment purchased with grant funds. Grantor approval is required to dispose of or transfer of this property.

Property and equipment used by the Agency in the administration of grant funds, and purchased with nonfederal monies, is allocated to the various programs through the use of depreciation on a straight line basis over the estimated useful life of the asset as follows:

Buildings	20 Years
Equipment	5 Years
Vehicles	3 Years

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.
Lincoln, Illinois

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Note 1. *REPORTING ENTITY, NATURE OF OPERATIONS, AND ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES - continued*

Cash and Cash Equivalents

For the purpose of cash flows, cash and cash equivalents are considered to be all unrestricted highly liquid investments with maturity of three months or less at the time of acquisition.

Tax Exempt Status:

The Agency is exempt from federal and state income taxes under Internal Revenue Code Section 501(c) 3, and similar provisions of the state income tax code. In addition, the Agency qualifies for charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(2).

Uncertain Tax Positions

Community Action Partnership of Central Illinois, Inc. is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. Community Action Partnership of Central Illinois, Inc. has determined there are no amounts to record as assets or liabilities related to uncertain tax positions. Federal returns for the tax years ended 2012 and thereafter remain subject to examination by the Internal Revenue Service.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivable and payables are classified as "due from other funds" and "due to other funds" on the statement of financial position. Short-term interfund loans are also included in these categories. These amounts are usually repaid in subsequent periods.

Investments

The Agency carries investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by the passage of time or by use) in the reporting period in which the income and gains are recognized. The Fair Value Measurement Topic of the Financial Standards Board (FASB) Accounting Standards Codification establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The Hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs). During the current year the Agency's only investment was a money market account which are included in cash and cash equivalents.

Allocated Costs

The Agency uses a cost allocation for financial reporting purposes to spread common costs to the various funds and programs. The cost allocation program is based on a formula established by the Agency and approved the Agency's cognizant agency, U.S. Department of Health and Human Services.

Note 2. *SUPPORT FROM GOVERNMENT UNITS*

The Agency receives a substantial amount of its support from federal, state, and local governments. If a material reduction in the level of this support were to occur, it would have a significant effect on the Agency's programs and activities.

Note 3. *TEMPORARILY RESTRICTED NET ASSETS*

Temporarily restrictions on grant revenue is provided by the following sources: Illinois Department of Commerce and Economic Opportunity, Illinois Department on Aging, Illinois State board of Education, United States Department of Agriculture, United States Department of Health and Human Services, United States Department of Homeland Security, United States Corporation for National and Community Services, United Way of America, and United States Department of Energy. Under terms of the grant agreements, costs which do not meet the terms and conditions of the grant programs may be disallowed and required to be returned to the grantor. As of December 31, 2015 the Agency is not aware of any such costs. net assets result from funds being provided through various grants and contracts that provide for specific requirements to be met prior to the expenditure of the related funds. Grants and contracts provide funds be spent for specific purposes, provide for matching from the recipient and allow certain limitations for administration costs

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.
Lincoln, Illinois

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Note 4. PENSION PLAN

The Agency adopted a Simple 403(b) retirement plan allowing all employees who have completed 1,000 hours of service during the eligibility period and have attained at least age 21, after one year of service. The plan provides for a 3% matching contributions by the Agency. Agency contributions for the current plan were \$18,722.

Note 5. OPERATING LEASE AGREEMENTS

The Agency maintains a number of lease agreements for the purpose of providing classrooms and operations for the Head Start and other programs. The leases generally provide for monthly payments and are renewed annually.

Included in these leases is an operating lease with Central Illinois Ventures for Community Action for the lease of a building located at 2018 North Kickapoo Street, Lincoln, Illinois. The lease began on June 29, 2007 and will terminate on June 29, 2032. Terms of the lease provide for monthly payments of \$1,200. The lease agreement provides for the purchase of the building at the end of the lease period with the amount of the by-out to be determined by the lessor.

The Agency maintains an operating lease with Central Illinois Ventures for Community Action for the lease of a building located at 1800 5th Street, Lincoln, Illinois. The lease began on June 29, 2007 and terminates on June 29, 2032. Terms of the lease provide for monthly payments of \$2,056. The lease agreement provides for the purchase of the building at the end of the lease period with the amount of the by-out to be determined by the lessor.

The Agency maintains an operating lease with Central Illinois Ventures for Community Action for the lease of a building located at 301 South Dale, Havana, Illinois. The lease begins on June 29, 2007 and will terminate on June 29, 2032. Terms of the lease provide for monthly payments of \$967. The lease agreement provides for the purchase of the building at the end of the lease period with the amount of the by-out to be determined by the lessor.

The Agency also maintains an operating lease for a building in Clinton, Illinois. The lease is for the period March 26, 2015 to April 30, 2020. Terms of the lease provide for monthly payments of \$6,750.

The Agency also maintains six other operating leases for a buildings used for the purpose of providing a facility to operate the Head Start and other programs. These leases provide for monthly payments totaling \$134,823 for the year ending December 31, 2016, \$49,376 for the year ending December 31, 2017 and \$5,656 for the year ending December 31, 2017.

The following is a schedule of minimum payments for the above agreements:

For the year ending December 31, 2016	\$ 277,104
For the year ending December 31, 2017	192,488
For the year ending December 31, 2018	137,331
For the year ending December 31, 2019	131,676
For the year ending December 31, 2020	77,676
For subsequent years	<u>582,773</u>
Total payments	<u>\$1,399,048</u>

During the current year an amount of \$281,701 was paid for rent.

Note 6. NOTES/LOANS RECEIVABLE

The Agency operates a revolving loan program whereby certain allocated monies funded through the Community Services Block Grant Program are loaned to qualified businesses. Principal repayments made on the loans is used to make new loans to eligible applicants. Final determination of whether a loan is deemed uncollectible is made by the Illinois Department of Commerce and Economic Development. Loans are considered delinquent or past due if payment is more than three to four months in arrears. The Illinois Department of Commerce and Economic Opportunity has the final determination whether the loan is considered uncollectible unless the business declares bankruptcy. The loans are stated at the value expected to be received, which would be the outstanding balance as of December 31, 2015. The following is a summary of the notes receivable transactions for the year.

<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance--</u>
\$146,732	\$ --	\$29,411	\$117,321

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.
Lincoln, Illinois

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Note 7. DONATED SERVICES AND MATERIALS – IN-KIND

The Agency receives donated goods and services as part of the Head Start, Nutrition, and Transportation Programs. In-kind contributions are shown both as support and expenditures in these programs, and are recorded at fair market value of the goods or services at the time of the donation. The amounts included in the financial statements are inly those allowable under generally accepted accounting principles. The Agency met or exceeded its in-kind matching requirements for the audit period.

Note 8. DISCLOSURE OF RISK

Significant losses are covered by commercial insurance for all major programs: property, liability, and workers compensation. During the year ended December 31, 2015, there were no significant reductions in coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in the past three years.

Note 9. FUND RAISING ACTIVITIES

The Agency hosts an annual fundraising event for the purpose of promoting its activities and raising funds. All contributions received and other revenues relating to the event have been reported in the statement of activities. The following is information relating to the event:

Total revenue	\$ 23,817
Expenses incurred	<u>3,674</u>
Net fund raising income	<u>\$ 20,143</u>

Note 10. NOTES PAYABLE

The Agency has the following notes outstanding at December 31, 2015:

Bus Loan

Town & Country Bank	
Balance at December 31, 2015	\$40,092
Interest rate	4.06%
Monthly payments	\$ 764
Collateral: The note is secured by Agency owned busses.	

Bus Loan

Town & Country Bank	
Balance at December 31, 2014	\$34,385
Interest rate	3.99%
Monthly payments	\$ 792
Collateral: The note is secured by a 2015 Collins buss.	

Bus Loan

Town & Country Bank	
Balance at December 31, 2014	\$ 8,821
Interest rate	4.00%
Monthly payments	\$ 899
Collateral: The note is secured by a 2012 Collins buss.	

The minimum payments under this agreement are as follows:

Year ended December 31, 2016	\$ 25,645
Year ended December 31, 2017	16,610
Year ended December 31, 2018	17,291
Year ended December 31, 2019	17,192
Year ended December 31, 2020	<u>6,560</u>
Total amount due on note	<u>\$ 83,298</u>

Change in Long-Term Debt:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance--</u>
\$ 61,508	\$ 42,429	\$ 20,639	\$ 83,298

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.
Lincoln, Illinois

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Note 11. EQUIPMENT AND BUILDING

Equipment and building consists of the following:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Equipment	\$1,273,677	\$ 96,337	(\$ 39,625)	\$1,330,389
Leasehold Improvements	--	321,965		321,965
Total Depreciable assets	1,273,677	418,302	(39,625)	1,625,354
Accumulated depreciation	(1,065,753)	(165,244)	39,625	(1,191,372)
Net Equipment	<u>\$ 207,924</u>	<u>\$ 253,058</u>	<u>\$ --</u>	<u>\$ 460,982</u>

For grant purposes all capital assets with a purchase cost of over \$10,000 are considered equipment and are included as costs expensed under the grant. For financial reporting purposes, the Agency has included capital assets (net of accumulated depreciation) on the Statement of Financial Position and recorded depreciation in the Statement of Activities and the Statement of Functional Expenses. During the current year grant funds were used to purchase equipment and leasehold improvements. Depreciation on the leasehold improvements was calculated using the life of the related operating lease.

Note 12. INTERFUND TRANSFERS

During the current year transfers were made to either reimburse a program for expenses incurred on behalf of another program or to fund a deficit in the account. The following is a summary of those transfers:

	<u>Transfer In</u>	<u>Transfer Out</u>
Corporate-Non Federal	\$ 54,166	\$ --
Foster Grandparent Program		16,324
Logan Mason Transportation Program	90,034	
Senior Nutrition Program		54,262
Senior Transportation Program		73,614
Total	<u>\$ 144,200</u>	<u>\$ 144,200</u>

Note 13. SHORT TERM INTERFUND RECEIVABLES AND PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" on the statement of financial position. Short-term interfund loans are also included in these categories. These amounts are usually repaid in a short period of time.

The following is a summary of interfund accounts at December 31, 2015:

	<u>Due From</u>	<u>Due To</u>
Leave Account	\$ 4,649	\$ 44,013
Kitchen Fund	20,694	
Payroll Fund	26,027	
Corporate	48,729	34,453
Community Services Block Grant	2,997	96
Foster Grandparents Program	10,469	29,434
Homemaker Program	6,912	
Homeless Prevention		18,566
Senior Nutrition		12,827
Senior Transportation		439
Head Start Program	15,444	18,651
Low Income Home Energy Assistance Program - State Energy Assistance	3,421	233
Low Income Home Energy Assistance Program		3,177
Illinois Home Weatherization Program-State	6,859	15
Illinois Home Weatherization Program-DOE	16,554	143
Illinois Home Weatherization Program- HHS	2,014	63
Logan Mason Transportation Program		2,659
Total	<u>\$ 164,769</u>	<u>\$ 164,769</u>

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.
Lincoln, Illinois

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended December 31, 2015

Note 14. CONCENTRATION OF CREDIT RISK

Custodial Credit Risk-Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Agency does not have a policy for custodial credit risk, however all deposits are currently covered by FDIC insurance and in addition, the Agency has an agreement with the financial institution providing for deposits to be covered by collateral held by the financial institution's Trust Department in the Agency's name.

As of December 31, 2015, the Agency's deposits with banks totaled \$711,735 with the book balances, exclusive of petty cash, totaling \$552,682.

Custodial Credit Risk-Investments

For investments, this is the risk that, in the event of failure by the counterparty, the Agency will not be able to recover the value of the investment or collateral security that are in the possession of an outside party. The Agency usually limits its investments to certificates of deposit at local institutions. These investments as well as cash deposits are covered by an agreement with the financial institution to collateralize all deposits and investments with securities held by the pledging bank's trust department in the Agency's name.

Credit Risk

The Agency has not adopted a formal policy related to Credit Risk.

Concentration of Credit Risk

The Agency places no limit on the amount it may invest in any one issuer.

Note 15. TEMPORILY RESTRICTED NET ASSETS

The temporarily restricted net assets at December 31, 2015 are as follows:

Revolving Loan Program	\$327,348
Community Services Block Grant	(32,289)
Foster Grandparent Program	7,846
Homemaker Program	(27,175)
Senior Nutrition Program	17,539
Senior Transportation Program	(2,433)
Head Start Program	(84,356)
Low Income Home Energy Assistance Program - State Energy Assistance	1,161
Low Income Home Energy Assistance Program	(26,420)
Federal Emergency Management Agency	6,180
Illinois Home Weatherization Program-State	1,724
Illinois Home Weatherization Program-DOE	4,402
Illinois Home Weatherization Program- HHS	4,733
Logan Mason Transportation Program	1,078
Total	<u>\$199,338</u>

Note 16. SUBSEQUENT EVENT DISCLOSURE

Subsequent events were reviewed up to and including June 29, 2016 which is the date this report was available to be issued. No transactions during that period of time would have had a material effect on the enclosed financial statements.

Note 17. Statement of Program Activity

Information included in the the supplemental information section of the report, (Statement of Program Activity), contains the revenues and expenditures of the individual programs as provided by grant guidelines. The schedule includes the purchase and expensing of equipment and the amount of depreciation on equipment purchased with non-grant funds.

Reconciliation of Statement of Program Activity to Statement of Activities and Changes in Net Assets:

Total revenue per Statement of Program Activity		\$7,910,777
Total expenses per Statement of Program Activity	8,014,819	
GAAP adjustment-remove fixed asset purchases	(369,093)	
GAAP adjustment-record depreciation	<u>136,521</u>	
Total adjusted expenditures		<u>7,782,247</u>
Change in net assets per Statement of Activities and Changes in Net Assets		<u>\$ 128,530</u>

SUPPLEMENTAL INFORMATION

Federal Financial Awards

1717 South Fifth Street
Springfield, Illinois 62703
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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

Board of Directors
Community Action Partnership of Central Illinois, Inc.
Lincoln, Illinois

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 financial statements of Community Action Partnership of Central Illinois, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, and cash flows for the year then ended, and related notes to the financial statements, and have issued our report thereon dated June 29, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Action Partnership of Central Illinois, Inc.'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 Community Action Partnership of Central Illinois, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Community Action Partnership of Central Illinois, Inc.'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 combination of deficiencies, in internal control that is less than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Community Action Partnership of Central Illinois, Inc.'s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which described in the accompanying schedule of findings and questioned costs as item 2005-001.

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Independent Auditor's Report on Compliance for Each Major Program and
on Internal Control over Compliance Required by OMB Circular A-133 and/or
the Uniform Guidance

Board of Directors
Community Action Partnership of Central Illinois, Inc.
Lincoln, Illinois

Report on Compliance for Each Major Federal Program

We have audited Community Action Partnership of Central Illinois, Inc.'s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* (for grants beginning prior to December 26, 2014) or *OMB Compliance Supplement* (for grants beginning after December 26, 2014) that could have a direct and material effect on each of Community Action Partnership of Central Illinois, Inc.'s major federal programs for the year ended December 31, 2015. Community Action Partnership of Central Illinois, Inc.'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 the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Community Action Partnership of Central Illinois, Inc.'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 OMB Circular A-133, *Audits of States, Local Governments, or Non-Profit Organizations* (for grants beginning prior to December 26, 2014) or the *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) (for grants beginning after December 26, 2014). Those standards and OMB Circular A-133 and/or 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 Community Action Partnership of Central Illinois, Inc.'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 Community Action Partnership of Central Illinois, Inc.'s compliance.

Basis for Qualified Opinion on the Head Start Program

As described in the accompanying schedule of findings and questioned costs Community Action Partnership of Central Illinois, Inc. did not comply with requirements regarding CFDA 93.6 Head Start as described in finding numbers 2015-001 for Matching. Compliance with such requirements is necessary in order to comply with the requirements applicable to the program.

Qualified Opinion on Head Start

In our opinion, except for the noncompliance described in the "Basis for Qualified Opinion" paragraph, Community Action Partnership of Central Illinois, Inc. complied, in all material respects, with the types compliance requirements referred to above that could have a direct and material effect on the Head Start Program for the year ended December 31, 2015.

Unmodified Opinion on Compliance for Each of the Other Modified Federal Programs

In our opinion Community Action Partnership of Central Illinois, Inc. complied, in all material respects, with the types compliance requirements referred to above that could have a direct and material effect on each of its major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2015.

Report on Internal Control over Compliance

The management of Community Action Partnership of Central Illinois, Inc. 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 Community Action Partnership of Central Illinois, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, or 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 Community Action Partnership of Central Illinois, Inc.'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 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. We did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 2015-001, 2015-002.

Community Action Partnership of Central Illinois, Inc.'s response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Community Action Partnership of Central Illinois, Inc.'s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 OMB Circular A-133 or Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Springfield, Illinois
June 29, 2016

Community Action Partnership of Central Illinois, Inc.
Lincoln, Illinois
(A Not-For-Profit Organization)
Schedule of Expenditures of Federal Awards, State,
Local Awards and List of Programs
For the year ended December 31, 2015

Source of Funds and Programs	Major Program	Grant Award Number	Federal CFDA Number	Program Year	Total Grant Award	Prior Year	Expenditure Current Year
Department of Health and Human Services							
Direct Program:							
Head Start	Yes	05CH4185/48	93.600	04/01/2014 to 3/31/2015	\$ 3,136,698	\$ 2,196,614	\$ 940,084
Head Start	Yes	05CH8463-01	93.600	04/01/2015 to 3/31/2016	3,136,698	2,196,614	2,626,691
Total Head Start (CFDA 93.600)							
Pass Through-Illinois Department of Commerce and Economic Opportunity:							
Community Services Block Grant	Yes	14231011	93.569	1/1/2014 to 3/31/2015	250,175	168,800	77,965
Community Services Block Grant	Yes	15231011	93.569	1/1/2015 to 3/31/2016	253,915		245,409
Total Community Services Block Grant (CFDA 93.569)							
Low Income Home Energy Assistance Program		14224011	93.568	11/1/2013 to 6/30/2015	1,613,096	1,570,340	17,898
Low Income Home Energy Assistance Program		15224011	93.568	11/1/2015 to 6/30/2016	1,063,362	338,438	717,967
Low Income Home Energy Assistance Program		16224011	93.568	10/1/2015 to 6/30/2017	900,484		236,814
Weatherization Assistance for Low-Income Persons		14221011	93.568	7/1/2014 to 6/30/2015	107,646	104,413	(4,279)
Weatherization Assistance for Low-Income Persons		15221011	93.568	7/1/2015 to 6/30/2016	178,714		7,245
Total Low Income Energy Assistance (CFDA 93.568)							
Pass Through-Illinois Department on Aging							
Title III-C Nutrition Services		N 17-16	93.045	10/01/2015 to 9/30/2016	164,129		43,324
Title III-C Nutrition Services		N 17-15	93.045	10/01/2014 to 9/30/2015	174,077	59,874	104,255
Total Title III-C Nutrition Services (CFDA 93.045)							
Pass Through-Illinois Department on Aging							
Title III-B Grants for Supportive Services and Senior Centers		T 17-16	93.044	10/01/2015 to 9/30/2016	174,077	-	150
Title III-B Grants for Supportive Services and Senior Centers		T 17-15	93.044	10/01/2014 to 9/30/2015	164,129	18,982	27,357
Total Title III-B Grants for Supportive Services and Senior Centers (CFDA 93.044)							
Total Department of Health and Human Services							
U.S. Department of Agriculture							
Pass Through-Illinois Department of Education							
Child and Adult Care Food Program (Head Start)	Yes	10.558	10.558		157,639		157,639
Child and Adult Care Food Program (Nutrition)	Yes				34,784	5,400	34,784
Total Child and Adult Care Food Program (CFDA 10.556)							
Total U.S. Department of Agriculture							

Community Action Partnership of Central Illinois, Inc.

Lincoln, Illinois

(A Not-For-Profit Organization)
Schedule of Expenditures of Federal Awards, State,
Local Awards and List of Programs
For the year ended December 31, 2015

Source of Funds and Programs	Major Program	Grant Award Number	Federal CFDA Number	Program Year	Total Grant Award	Prior Year	Expenditure Current Year
U.S. Corporation for National and Community Services							
Foster Grandparents Program				1/1/2015 to 12/31/2015	304,896		304,896
Total U.S. Corporation for National and Community Services		08SFN1001	94.011		304,896	-	304,896
Pass Through-United Way of America							
Emergency Food and Shelter-Dewitt County		30-2404-00	97.024	1/1/2015 to 12/31/2015	4,385		4,439
Emergency Food and Shelter-Platt County		30-2526-00	97.024	1/1/2015 to 12/31/2015	2,800		2,743
Total Emergency Food and Shelter (CFDA 97.024)					7,185	-	7,182
Total U.S. Department of Homeland Security					7,185	-	7,182
Department of Energy							
Pass Through-Illinois Department of Public Aid							
Weatherization Assistance for Low-Income Persons		13402011	81.042	7/1/2014 to 6/30/2015	216,250	32,407	167,526
Weatherization Assistance for Low-Income Persons		13403011	81.042	7/1/2015 to 6/30/2016	154,994		73,486
Total Weatherization Assistance for Low-Income Persons (CFDA 81.042)					371,244	32,407	241,012
Total Department of Energy					\$ 12,192,948	\$ 4,495,268	\$ 5,786,393
Total Federal Programs							
Other Expenditures							
State and Local Programs							
Leave Account							607
Kitchen Fund							143,988
Corporate							73,128
Foster Grandparents Program							41,313
Homeless Program							23,659
Senior Nutrition Program							92,340
Transportation Program							88,479
Head Start Program							2,865
Low Income Energy Assistance Program-State							642,753
Low Income Energy Assistance Program							591
Home Weatherization Assistance Program-State							8,216
Home Weatherization Assistance Program-DOE							(65)
Home Weatherization Assistance Program-HHS							3,600
Logan County Transportation Program							333,278
Total State and Local Expenditures							1,454,752
In-kind							
Total Expenditures before Adjustments							773,674
Generally Accepted Accounting Principles Adjustment							8,014,819
GAAP Adjustment-remove fixed asset purchases							(369,093)
GAAP Adjustment-record depreciation							136,521
Total Expenditures.							\$ 7,782,247

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.

Lincoln, Illinois

**Notes to Schedule of Expenditures of Federal Awards, State,
Local Awards and List of Programs
For the Year Ended December 31, 2015**

Basis of Accounting – Schedule of Federal Financial Awards

The accompanying Schedule of Expenditures of Federal Awards, State, Local Awards and list of Programs includes the federal grant activity of the Community Action Partnership of Central Illinois, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (for grants beginning prior to December 26, 2014) and/or *Uniform Guidance* (for grants beginning after December 26, 2014).

Donated Services and Materials – In-Kind

The Head Start Program, Foster Grandparents Program, Title III-C Nutrition Services (Nutrition services), Title III-B Grants for Supportive Services and Senior Centers (Transportation Program) require in-kind matching of local services and materials for federal funds expended. The services and materials reflected in the financial statements represent professional services and parent volunteer's time, supplies and space donated by individuals within the surrounding area. Donated services are valued at current market value for such services and other donations are valued at a reasonable value or current market value. During the current year the Agency received \$773,674 in in-kind contributions.

Insurance

The Agency maintained the following insurance limits as of December 31, 2015:

Auto:

Liability	\$1,000,000
Medical	5,000
Uninsured motorist	1,000,000
Underinsured motorist	1,000,000

Directors, Officers, Trustees and Organization Liability
Liability

\$1,000,000

General Liability

General aggregate	\$3,000,000
Products/Completed operations aggregate limit	3,000,000
Personal injury	1,000,000
Each occurrence	1,000,000
Rented to you limit	100,000
Fire damage	100,000
Medical	5,000
Sexual misconduct (each occurrence and aggregate)	1,000,000
Commercial property	1,350,000
Blanket business personal property	837,500
Blanket business income & expense	500,000
Employee dishonesty	500,000

Professional Liability

Aggregate limit	\$3,000,000
Each incident limit	1,000,000
Commercial Excess Liability	
Aggregate limit	\$1,000,000
Each incident limit	1,000,000

Pass-through Entities

There were no amounts of federal awards that were provided to sub recipients.

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.

Lincoln, Illinois

**Notes to Schedule of Expenditures of Federal Awards, State,
Local Awards and List of Programs
For the Year Ended December 31, 2015**

Loans and Guarantees

The Agency makes loans to local businesses and Illinois Ventures for Community Action that meet certain requirements as outlined in the Community Services Block Grant Program contract. The loans are reflected in the Revolving loan Program. Outstanding loans as of December 31, 2015 were \$117,321.

The Agency had no loan guarantees.

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.
Lincoln, Illinois
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015

A. Summary of Audit Results

1. The auditor's report expresses an unmodified report on the financial statements of Community Action Partnership of Central Illinois, Inc. which were prepared in conformity with accounting principles generally accepted in the United States of America.
2. No material deficiencies in internal control were disclosed by the audit of the financial statements but there were significant deficiencies in internal control that were disclosed by the audit of the financial statements.
3. The audit disclosed no instances of non-compliance that are material to the financial statements of Community Action Partnership of Central Illinois, Inc. There were, however, two significant deficiencies of noncompliance.
4. No material deficiencies in internal control over major programs were disclosed by the audit of major federal programs but there were two significant deficiencies that were disclosed by the audit of major federal programs.
5. The auditor's report expresses a qualified opinion on compliance for major programs of Community Action Partnership of Central Illinois, Inc.
6. The audit disclosed two findings which are required to be reported under Section 510(a) of OMB Circular A-133 or section 200.516 of the Uniform Guidance.
7. The programs identified and tested as major federal program are:

<i>U.S. Department of Health & Human Services:</i>	
Head Start	CFDA 93.600
Community Services Block	CFDA 93.569
 <i>U.S. Department of Agriculture:</i>	
Child and Adult Care Food Program	CFDA 10.558
8. The threshold used to distinguish between Type A and Type B programs was \$300,000 (for Grants beginning prior to December 26, 2014) and \$750,000 (for grants beginning after December 26, 2014).
9. Community Action Partnership of Central Illinois, Inc. was determined as a low risk auditee.

B. Findings relating to the Financial Statements which are to be reported in Accordance with GAGAS

There were two current findings and no findings in the prior year.

C. Findings and Questioned Costs for Federal Awards which include Audit Findings as Defined in Section 510(a)

There were two findings but no questioned costs for Federal Awards or Financial Statements for the year ending December 31, 2015 and there were no findings or questioned costs for the prior fiscal year.

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.
Lincoln, Illinois
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015

Finding: Cost sharing or matching (2015-001)

CFDA Number and Title: 93.600 Head Start

Federal Grantor Name: U.S. Department of Health and Human Services

Federal Award/Contract Number: 05CH8463-01

Pass Through Entity: NA

Grant Period: 4/1/2015 to 3/31/2016

Questioned Costs: None

Condition: The Agency did not have adequate internal controls to ensure compliance with federal matching requirements. Compliance for the Head Start Program provide that the Agency obtain a 25% of federal funds spent be locally matched.

We reviewed the Agency's controls over matching requirements to determine whether the Agency obtained the correct amount of non-federal matching funds from an allowable source for the Head Start Program. Total expenditures for the Head Start Program, program period April, 2015 to March 31, 2016, and as of December 31, 2015, were \$2,626,691 which required an in-kind matching of \$656,673. As of December 31, 2015 in-kind matching was \$424,024.

Criteria: Pursuant to the requirements in OMB Circular A-110 (2 CFR section 215.23) some grants require an amount of non-federal matching funds from an allowable source be obtained based on the amount of federal funds expended.

Effect: As a result of not recording non-federal match when obtained or on a timely basis, the Agency was not in compliance with the cost sharing or matching requirement for the Head Start program ending March 31, 2016.

Recommendation: We recommend Community Action Partnership of Central Illinois, Inc. review their internal controls to ensure that the amount of non-federal matching (in-Kind) be obtained and recorded as received in order to satisfy grant conditions.

Management Response: The Agency has implemented controls that provide for the timely recording of non-federal matching funds as the amounts are received and recorded in the *Child Plus* program. As of December 31, 2015 the Child Plus program, which provides an accounting of the non-federal, in-kind matching, shows an amount of \$647,146 for the matching of the Head Start Program. The Head Start Program does not end until March 31, 2016, and the matching requirement was in compliance at that date.

Current Year Status: Implementing procedures.

Finding: Davis Bacon (2015-002)

CFDA Number and Title: 93.600 Head Start; 93.569 Community Services Block Grant; 93.045

Federal Grantor Name and Pass through Entity:

U.S. Department of Health and Human Services;

Direct funding;

Head Start

Pass through Illinois Department of Commerce and Economic Opportunity;

Community Services Block Grant

Federal Award/Contract Number/Grant Period:

Head Start: Contract Number 05CH8463-01, Period 4/1/2015 to 3/31/2016.

Community Services Block Grant: Contract Number 15231011, Period 1/1/2015 to 3/31/2016.

Questioned Costs: None

COMMUNITY ACTION PARTNERSHIP OF CENTRAL ILLINOIS, INC.
Lincoln, Illinois
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2015

Finding: Davis Bacon (2015-002)-continued

Condition: Community Action Partnership of Central Illinois, Inc. is required to comply with the requirements of the Davis-Bacon Act that are applicable to the construction work financed with a federal grant. The Act requires that the Agency obtain and review certified payroll from construction contractors, for applicable projects, to ensure that the prevailing wage rates are being paid to individuals on the job site.

Criteria: OMB A-133 as well as the Uniform Guidance provide for a contractor or subcontractor being paid with federal funds to submit, for each week in which any contract work is performed, a copy of the payroll and statement of compliance (certified Payrolls) to the Agency. (29CFRSection 5.5 and 5.6).

Effect: The Agency was not in compliance with some of the compliance requirements of the Davis-Bacon Act.

Recommendation: We recommend Community Action Partnership of Central Illinois, Inc. obtain all required certified payrolls for each week that contractors had individuals providing services for the related construction projects. In addition, the Agency should adopt a policy outlining the type of projects that are subject to the requirements of the Davis-Bacon Act.

Management Response: The Agency is currently in the process of obtaining the necessary information required by the Davis-Bacon Act from the contractors that provided service on the related construction projects. The Agency has advised the contractors of the situation and they are aware that the weekly reports are required. In addition, the Agency is developing a guideline that will outline the requirements of the Davis-Bacon Act and will implement these guidelines into the accounting process.

Current Year Status: Implementing procedures.

SUPPLEMENTAL INFORMATION

Statement of Program Activity

Community Action Partnership of Central Illinois, Inc.
Lincoln, Illinois
(A Not-For-Profit Organization)

Statement of Program Activity
For the Year Ended December 31, 2015

	Leave Account	Kitchen Fund	Corporate Non Federal	Revolving Loan Program	Community Services Block Grant 14231011	Community Services Block Grant 15231011	Foster Grandparents Program	Homeless Prevention
Public support and revenue								
Grants-Federal	\$ -	\$ -	\$ -	\$ -	\$ 78,007	\$ 239,008	\$ 304,896	\$ 6,692
Grants-State							15,014	
Grants-Other			6,513					
Local funds		143,394						
Program income			75,735					
Contributions			23,517.00					
Rents			393	4,823			9,012	
Interest			140,687	15,836				
Miscellaneous	68							
Total Public Support and Revenue	<u>68</u>	<u>143,394</u>	<u>246,845</u>	<u>20,659</u>	<u>78,007</u>	<u>239,008</u>	<u>328,922</u>	<u>6,692</u>
Expenditures:								
Program Services								
Personal/contractual								
Travel		60,145	1,485		20,743	121,312	58,026	5,355
Supplies		100	100		417	536	496	
Contractual		2,980	294		2,965	2,460	5,478	
Other					3,358	2,243	544	
Equipment		80,763	22,062		27,923	40,125	20,590	
Materials/client payment								
In-Kind			6,234		19,024	14,720	218,838	18,304
Total Program Services	<u>-</u>	<u>143,988</u>	<u>30,175</u>	<u>-</u>	<u>74,430</u>	<u>181,396</u>	<u>312,984</u>	<u>23,659</u>
Supporting Services								
Personal/contractual								
Travel					1,071	22,920	21,079	
Supplies			(403)		1	41	37	
Contractual			3,203		63	1,284	3,217	
Other	607		11,430		166	3,791	6,253	
Depreciation			28,723		2,234	35,977	11,651	
Total Supporting Services	<u>607</u>	<u>-</u>	<u>42,953</u>	<u>-</u>	<u>3,535</u>	<u>64,013</u>	<u>42,237</u>	<u>-</u>
Total Expenditures	<u>607</u>	<u>143,988</u>	<u>73,128</u>	<u>-</u>	<u>77,965</u>	<u>245,409</u>	<u>355,221</u>	<u>23,659</u>
Revenue over Expenditures	<u>(539)</u>	<u>(594)</u>	<u>173,717</u>	<u>20,659</u>	<u>42</u>	<u>(6,401)</u>	<u>(26,299)</u>	<u>(16,967)</u>
Transfers			(54,166)					
Changes in Net Assets	<u>\$ (539)</u>	<u>\$ (594)</u>	<u>\$ (16,970)</u>	<u>\$ 20,659</u>	<u>\$ 42</u>	<u>\$ (6,401)</u>	<u>\$ (26,299)</u>	<u>\$ (16,967)</u>

Community Action Partnership of Central Illinois, Inc.
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Statement of Program Activity
For the Year Ended December 31, 2015

	Senior Nutrition Program N 17-14	Senior Nutrition Program N 17-15	Senior Transportation Program T 17-15	Senior Transportation Program T 17-16	2015 Head Start Program 05CH8463-01	2013 Head Start Program 05CH4185-48	Home Energy Assistance Program SSEA 16254011	Home Energy Assistance Program SSEA 15254011
Public support and revenue								
Grants-Federal	\$ 45,737	\$ 133,347	\$ 27,357	\$ -	\$ 2,641,072	\$ 989,174	\$ -	\$ -
Grants-State							7,163	631,416
Grants-Other								
Local funds	3,750	11,250	3,344					
Program income	7,913	27,156	11,614		723			
Contributions	1,110	6,092	1,530		424,024	331,906		
Rents								
Interest								
Miscellaneous								
Total Public Support and Revenue	58,510	177,845	43,845	0	3,065,819	1,321,080	7,163	631,416
Expenditures:								
Program Services								
Personal/contractual	21,443	73,737	44,039	231	1,695,470	433,576	4,050	(9,568)
Travel	401	9,143	78		17,089	4,583		3
Supplies	1,476	8,346	142		41,221	9,106	52	101
Contractual	655	155	495		61,384	69,885		96
Other	25,524	88,648	38,999	(78)	623,603	376,778	190	1,407
Equipment						55,150		
Materials/client payment								
In-Kind	1,110	6,092	1,530		424,024	331,906		618,814
Total Program Services	50,609	186,121	85,283	153	2,862,791	1,280,934	4,292	610,853
Supporting Services								
Personal/contractual	7,937	16,163	20,595	(3)	157,378	61,156	2,185	10,819
Travel	27	3	3		392	5		2
Supplies	552	858	1,991		10,891	1,421		819
Contractual	78	2,069	4,394		18,238	3,330		4,838
Other	2,586	14,902	5,100		98,343	(11,670)		8,945
Depreciation								
Total Supporting Services	11,180	33,995	32,083	(3)	285,242	54,242	2,185	25,423
Total Expenditures	61,789	220,116	117,366	150	3,148,033	1,335,176	6,477	636,276
Revenue over Expenditures	(3,279)	(42,271)	(73,521)	(150)	(82,214)	(14,096)	686	(4,860)
Transfers		54,262	73,614					
Changes in Net Assets	\$ (3,279)	\$ 11,991	\$ 93	\$ (150)	\$ (82,214)	\$ (14,096)	\$ 686	\$ (4,860)

Community Action Partnership of Central Illinois, Inc.
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Statement of Program Activity
For the Year Ended December 31, 2015

	Low Income Home Energy Assistance Program 16224011	Low Income Home Energy Assistance Program 15224011	Low Income Home Energy Assistance Program 14224011	Federal Emergency Management Food and Shelter Program	Home Weatherization Assistance Program State 15251011	Home Weatherization Assistance Program DOE -ARRA 14258011	Home Weatherization Assistance Program DOE 13402011
Public support and revenue							
Grants-Federal	\$ 232,876	\$ 598,973	\$ 17,892	\$ 7,185	\$ -	\$ -	\$ 72,472
Grants-State					2,338		
Grants-Other							
Local funds		(492)				6,500	
Program income							
Contributions							
Rents							
Interest							
Miscellaneous							
Total Public Support and Revenue	<u>232,876</u>	<u>598,481</u>	<u>17,892</u>	<u>7,185</u>	<u>2,338</u>	<u>6,500</u>	<u>72,472</u>
Expenditures:							
Program Services							
Personal/contractual	7,583	40,699	(31,512)		120		3,821
Travel	612	249	256		1		272
Supplies	264	1,159	(35)	7,182			
Contractual	56	319	161		1		12,328
Other	928	7,747	127,480		1,911	(65)	376
Equipment							
Materials/client payment	209,523	602,167	(130,363)	(49)			49,312
In-Kind							
Total Program Services	<u>218,966</u>	<u>652,340</u>	<u>(34,013)</u>	<u>7,182</u>	<u>1,302</u>	<u>(65)</u>	<u>66,109</u>
Supporting Services							
Personal/contractual	14,152	48,069	47,967		946	3,773	6,600
Travel	128	36			4		71
Supplies	1,283	2,467	374		(3)		22
Contractual	20	4,082	1,702		1,655		616
Other	2,265	11,564	1,868		1,170	(3,773)	68
Depreciation							
Total Supporting Services	<u>17,848</u>	<u>66,218</u>	<u>51,911</u>	<u>-</u>	<u>3,772</u>	<u>-</u>	<u>7,377</u>
Total Expenditures	<u>236,814</u>	<u>718,558</u>	<u>17,898</u>	<u>7,182</u>	<u>2,460</u>	<u>(65)</u>	<u>73,486</u>
Revenue over Expenditures	<u>(3,938)</u>	<u>(120,077)</u>	<u>(6)</u>	<u>3</u>	<u>(122)</u>	<u>6,565</u>	<u>(1,014)</u>
Transfers							
Changes in Net Assets	<u>\$ (3,938)</u>	<u>\$ (120,077)</u>	<u>\$ (6)</u>	<u>\$ 3</u>	<u>\$ (122)</u>	<u>\$ 6,565</u>	<u>\$ (1,014)</u>

Community Action Partnership of Central Illinois, Inc.
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Statement of Program Activity
For the Year Ended December 31, 2015

	Home Weatherization Assistance Program DOE 13402011	Home Weatherization Assistance Program HHS 14221011	Home Weatherization Assistance Program HHS 15221011	Logan Mason Transportation Program	Total	Restricted Funds	Unrestricted Funds	Total
Public support and revenue								
Grants-Federal					\$ 5,564,721	\$ 5,564,721	\$ -	\$ 5,564,721
Grants-State					661,687	661,687		661,687
Grants-Other				26,757	33,270		6,513	33,270
Local funds				1,956	19,808			19,808
Program income		3,600		395,658	596,558		143,394	596,558
Contributions					849,409		75,735	849,409
Rents					23,517		23,517	23,517
Interest					5,216		5,216	5,216
Miscellaneous					156,591	15,836	140,755	156,591
Total Public Support and Revenue	162,925	3,869	6,839	424,371	7,910,777	7,515,647	395,130	7,910,777
Expenditures:								
Program Services								
Personal/contractual	9,531	123	1,200	140,729	2,703,640	2,642,010	61,630	2,703,640
Travel	1	1		283	34,621	34,421	200	34,621
Supplies	15			280	83,486	80,212	3,274	83,486
Contractual	26,045	(3,376)		4,266	178,565	178,565		178,565
Other	2,249	(1,661)	101	59,848	1,545,448	1,442,623	102,825	1,545,448
Equipment					55,150	55,150,00		55,150
Materials/client payment	105,599	1,438			1,733,561	1,727,327	6,234	1,733,561
In-Kind					773,674	773,674		773,674
Total Program Services	143,440.00	(3,475)	1,301	205,406	7,108,145	6,933,982	174,163	7,108,145
Supporting Services								
Personal/contractual	16,099	982	5,862	104,469	571,377	571,377		571,377
Travel	4	4	46	171	975	975		975
Supplies	17	17	22	3,027	27,919	28,322	(403)	27,919
Contractual	4,419	3,860		5,324	68,038	64,835	3,203	68,038
Other	3,547	(2,067)	14	14,881	209,642	197,605	12,037	209,642
Depreciation					28,723		28,723	28,723
Total Supporting Services	24,086	2,796	5,944	127,872	906,674	863,114	43,560	906,674
Total Expenditures	167,526	(679)	7,245	333,278	8,014,819	7,797,096	217,723	8,014,819
Revenue over Expenditures	(4,601)		(406)	91,093	(104,042)	(281,449)	177,407	(104,042)
Transfers		4,548		(90,034)	16,324	54,166	(54,166)	-
Changes in Net Assets	(4,601)	\$ 4,548	\$ (406)	\$ 1,059	\$ (256,887)	\$ (227,283)	\$ 123,241	\$ (104,042)