

COMMON GROUND
FINANCIAL STATEMENTS
SEPTEMBER 30, 2016 AND 2015

BOISVENU & COMPANY, P.C.
Certified Public Accountants
Bingham Farms, Michigan

COMMON GROUND

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Common Ground

Report on the Financial Statements

We have audited the accompanying financial statements of Common Ground (a nonprofit organization), which comprise the statements of financial position as of September 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization'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 organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2017, on our consideration of Common Ground'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 Common Ground's internal control over financial reporting and compliance.

Beisvenu & Company, P.C.

January 3, 2017

COMMON GROUND

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2016 AND 2015

	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,548,881	\$ 1,539,670
Contracts receivable	542,023	136,162
Pledge receivable	75,000	92,250
Prepaid expenses	12,604	206,483
Total Current Assets	<u>2,178,508</u>	<u>1,974,565</u>
Non-current Assets		
Certificate of deposit	50,564	50,437
Property, equipment and leasehold improvements - net	204,979	214,659
Beneficial interest in perpetual endowment	24,169	23,250
Investment in collaborative arrangement	42,207	42,207
Total Non-current Assets	<u>321,919</u>	<u>330,553</u>
TOTAL ASSETS	<u><u>\$ 2,500,427</u></u>	<u><u>\$ 2,305,118</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	\$ 342,003	\$ 398,012
Accrued salaries and payroll taxes	435,650	472,955
Deferred revenue	58,663	-
Total Liabilities	<u>836,316</u>	<u>870,967</u>
Net Assets		
Unrestricted		
Undesignated	1,256,711	1,115,080
Board designated	132,163	102,123
Total Unrestricted Net Assets	<u>1,388,874</u>	<u>1,217,203</u>
Temporarily restricted	250,237	191,948
Permanently restricted	25,000	25,000
Total Net Assets	<u>1,664,111</u>	<u>1,434,151</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 2,500,427</u></u>	<u><u>\$ 2,305,118</u></u>

See accompanying notes to financial statements.

COMMON GROUND
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	Unrestricted	Temporarily Restricted	Permanently Restricted	2015 Total
REVENUE AND SUPPORT								
Governmental agency contracts	\$ 11,585,003	\$ -	\$ -	\$ 11,585,003	\$ 12,003,655	\$ -	\$ -	\$ 12,003,655
Gifts and contributions	430,832	222,742	-	653,574	424,858	299,302	-	724,160
Volunteer and in-kind support	443,360	-	-	443,360	431,420	-	-	431,420
Program income	219,721	-	-	219,721	204,436	-	-	204,436
Investment income	6,500	-	-	6,500	2,357	-	-	2,357
	12,685,416	222,742	-	12,908,158	13,066,726	299,302	-	13,366,028
Net assets released from restrictions	164,453	(164,453)	-	-	186,344	(186,344)	-	-
TOTAL REVENUE AND SUPPORT	12,849,869	58,289	-	12,908,158	13,253,070	112,958	-	13,366,028
EXPENSES								
Program Services								
Responding to Crisis	7,953,469	-	-	7,953,469	8,223,256	-	-	8,223,256
Providing Safety and Advocacy	3,374,837	-	-	3,374,837	3,597,401	-	-	3,597,401
Community Education/Outreach	81,033	-	-	81,033	69,198	-	-	69,198
Total Program Services	11,409,339	-	-	11,409,339	11,889,855	-	-	11,889,855
Supporting Services								
Management and general	1,079,532	-	-	1,079,532	1,120,552	-	-	1,120,552
Fund raising	189,327	-	-	189,327	183,325	-	-	183,325
Total Supporting Services	1,268,859	-	-	1,268,859	1,303,877	-	-	1,303,877
TOTAL EXPENSES	12,678,198	-	-	12,678,198	13,193,732	-	-	13,193,732
CHANGE IN NET ASSETS FROM OPERATIONS	171,671	58,289	-	229,960	59,338	112,958	-	172,296
OTHER CHANGES								
Write-down of property held for sale	-	-	-	-	(76,319)	-	-	(76,319)
Gain on sale of property	-	-	-	-	56,140	-	-	56,140
CHANGE IN NET ASSETS	171,671	58,289	-	229,960	39,159	112,958	-	152,117
NET ASSETS, beginning of year	1,217,203	191,948	25,000	1,434,151	1,178,044	78,990	25,000	1,282,034
NET ASSETS, end of year	\$ 1,388,874	\$ 250,237	\$ 25,000	\$ 1,664,111	\$ 1,217,203	\$ 191,948	\$ 25,000	\$ 1,434,151

See accompanying notes to financial statements.

COMMON GROUND
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED SEPTEMBER 30, 2016

	Program Services			Supporting Services		Total
	Responding to Crisis	Providing Safety and Advocacy	Community Education/ Outreach	Management and General	Fund Raising	
Salaries and wages	\$ 4,867,933	\$ 1,906,019	\$ 40,161	\$ 660,666	\$ 93,708	\$ 7,568,487
Fringes and personnel costs	1,004,600	397,551	9,217	167,002	21,505	1,599,875
Contract services	220,619	46,118	3,104	76,330	7,244	353,415
Occupancy	938,430	380,603	3,259	45,774	7,504	1,375,570
Telephone	70,949	23,844	518	8,014	1,208	104,533
Other communications	16,405	9,584	1,827	3,708	4,262	35,786
Information and education	76,085	41,976	11,872	22,502	27,702	180,137
Supplies and materials	209,690	137,634	6,655	59,082	16,091	429,152
Specific assistance	4,918	129,828	98	-	-	134,844
Transportation and travel	88,256	57,964	364	17,578	867	165,029
Equipment, rental, and maintenance	45,468	13,278	575	5,760	1,342	66,423
Insurance	133,818	56,131	489	4,079	1,141	195,658
In-kind costs	262,973	163,242	2,816	7,757	6,572	443,360
Total Functional Expenses						
Before Depreciation	7,940,144	3,363,772	80,955	1,078,252	189,146	12,652,269
Depreciation	13,325	11,065	78	1,280	181	25,929
Total Functional Expenses	<u>\$ 7,953,469</u>	<u>\$ 3,374,837</u>	<u>\$ 81,033</u>	<u>\$ 1,079,532</u>	<u>\$ 189,327</u>	<u>\$ 12,678,198</u>

See accompanying notes to financial statements.

COMMON GROUND

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2015

	Program Services			Supporting Services		Total
	Responding to Crisis	Providing Safety and Advocacy	Community Education/ Outreach	Management and General	Fund Raising	
Salaries and wages	\$ 5,278,907	\$ 1,954,941	\$ 36,684	\$ 732,889	\$ 85,595	\$ 8,089,016
Fringes and personnel costs	1,106,764	402,655	8,513	181,685	19,864	1,719,481
Contract services	236,055	72,569	445	10,548	1,337	320,954
Occupancy	678,931	463,312	1,982	66,410	22,162	1,232,797
Telephone	77,017	21,895	378	7,407	881	107,578
Other communications	41,242	16,088	3,115	3,528	8,841	72,814
Information and education	66,821	24,755	8,610	38,704	20,307	159,197
Supplies and materials	238,991	142,241	2,342	47,070	7,794	438,438
Specific assistance	7,722	126,838	173	-	-	134,733
Transportation and travel	86,190	62,499	2,359	14,077	5,817	170,942
Equipment, rental, and maintenance	64,672	11,060	227	3,143	532	79,634
Insurance	143,180	55,990	472	3,990	1,100	204,732
In-kind costs	191,244	217,407	3,822	10,029	8,918	431,420
Total Functional Expenses						
Before Depreciation	8,217,736	3,572,250	69,122	1,119,480	183,148	13,161,736
Depreciation	5,520	25,151	76	1,072	177	31,996
Total Functional Expenses	<u>\$ 8,223,256</u>	<u>\$ 3,597,401</u>	<u>\$ 69,198</u>	<u>\$ 1,120,552</u>	<u>\$ 183,325</u>	<u>\$ 13,193,732</u>

See accompanying notes to financial statements.

COMMON GROUND

STATEMENTS OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 229,960	\$ 152,117
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities		
Depreciation	25,929	31,996
Write-down of property held for sale	-	76,319
Gain on sale of property	-	(56,140)
Net gain on investments	(127)	(126)
Net (gain) loss on endowment fund	(2,104)	1,419
(Increase) decrease in operating assets		
Contracts receivable	(405,861)	64,874
Pledge receivable	17,250	(45,000)
Prepaid expenses	193,879	(145,693)
Increase (decrease) in operating liabilities		
Accounts payable	(56,009)	(308,477)
Accrued salaries and payroll taxes	(37,305)	(106,976)
Deferred revenue	58,663	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>24,275</u>	<u>(335,687)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of equipment	(16,249)	(6,923)
Proceeds from sale of property	-	133,799
Proceeds from endowment fund	1,185	1,196
Investment in collaborative arrangement	-	(6,251)
NET CASH (USED) PROVIDED BY INVESTING ACTIVITIES	<u>(15,064)</u>	<u>121,821</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,211	(213,866)
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,539,670</u>	<u>1,753,536</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,548,881</u>	<u>\$ 1,539,670</u>

See accompanying notes to financial statements.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Common Ground (the Organization) is a Michigan nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization that is not a private foundation.

The Organization's program and supporting services are as follows:

Program Services

Common Ground's core purpose is helping people move from crisis to hope. The Organization provides a comprehensive array of services to Oakland County residents in crisis through a network of innovative education, prevention, intervention and information services. Common Ground also provides crisis services in Genesee County. Services by Common Ground include:

Responding to Crisis

- *Oakland Assessment & Crisis Intervention Service* – crisis intervention and assessment for acute care of adults and children.
- *24 Hour Resource and Crisis Helpline* – telephone, chat and text access to confidential crisis intervention, debriefing, information and referrals.
- *Crisis Intervention & Recovery Team (GCIRT)* – *Genesee County* – serves residents of Genesee County in need of immediate assistance in defusing mental health crises, co-occurring serious mental illness and substance use disorder crises, preventing hospitalization, and accessing medically necessary substance abuse and/or mental health services and support.
- *Crisis Intervention & Recovery Team (OCIRT)* – *Oakland County* – serves residents of Oakland County in need of immediate assistance in defusing mental health crises, co-occurring serious mental illness and substance use disorder crises, preventing hospitalization, and accessing medically necessary substance abuse and/or mental health services and support.
- *Community Liaison Team (Oakland County)* – provides access, consultation, clinical assessments, emergency assessment, and crisis intervention to adults served by the 6th Circuit-Adult Treatment Court and Kevin's Law/Alternative Treatment Reports.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Responding to Crisis (continued)

- *Legal Clinic* – volunteer attorneys provide free legal advice and referrals, but no representation in court.
- *Survivors of Suicide* – bi-monthly open support groups for people who have lost a loved one to suicide. An eight week, closed support group is also offered three times per year.

Providing Safety and Advocacy

- *Victim Assistance Program* – 24-hour access to counselors and advocates for victims of crime, domestic and sexual abuse, and workplace violence.
- *Crisis Residential Unit (CRU)* – recovery oriented, short-term, voluntary psychiatric domiciliary care for adults that includes medication management and monitoring, nursing, group therapy, art therapy, and discharge planning for recovery.
- *The Sanctuary* – three-week voluntary residential counseling program for youths ages 10-17, with a goal of family reunification.
- *A Step Forward (ASF)* – transitional housing for homeless youths ages 16-17, for up to 18 months.
- *Graduated Apartment Program (GAP)* – subsidized apartment living for up to two years – for homeless youths ages 18-24. Residents must maintain employment and an education plan.
- *Counseling Program* – out-patient and in-home counseling for individuals and families with 10-17 year olds for up to three months, with the goal of helping families draw on their own resources and abilities to get through a crisis.
- *SaYes Theatre Troupe* – a prevention based theater program comprised of trained Peer Mentors ages 15-25. The SaYes Theatre Troupe carries out performances on issues facing children, teens, young adults and families. Topics include, but are not limited to: peer pressure, bullying, teasing, substance abuse, dating violence, positive relationships, teen pregnancy, conflict resolution, stress, and rumors.
- *Love & Logic Support Group* – six-week program for parents of teens and pre-teens that combines discussion, video, support and guest speakers.
- *Mental Health First Aid* – training to provide the initial levels of help to a person experiencing a mental health crisis and create an action plan to help that person until professional support is available.
- *Survivors of Homicide Support Group* – bi-monthly 12-week support groups for people who have lost a loved one to homicide or drunk driving.

Community Education/Outreach

This includes efforts related to the education of the community on mental health issues.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management and General

This includes the functions necessary to maintain an adequate working environment, provide proper administrative support of the Organization's programs, and manage the financial and budgeting responsibilities of the Organization.

Fund Raising

This provides the structure necessary to encourage and secure financial and volunteer support from individuals, foundations and government agencies.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Presentation of Financial Statements*. Under ASC 958-205, the Organization 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 – net assets that are not subject to “donor-imposed” time or purpose restrictions.

Board Designated Net Assets – net assets designated for operating reserves. These designations are based on actions by the Board of Trustees, which can be altered or revoked at a future time by a majority vote of the Board.

Temporarily Restricted Net Assets – net assets subject to “donor-imposed” restrictions that may or will be met by actions of the Organization and/or the passage of time. Restrictions that expire with the passage of time or can be removed by accomplishing certain requirements are classified as temporarily restricted net assets.

Permanently Restricted Net Assets – net assets subject to “donor-imposed” restrictions that they be maintained in perpetuity. Restrictions that require an asset be invested and only allow the income to be used are classified as permanently restricted net assets.

Earnings, gains and losses on restricted net assets are classified as unrestricted unless specifically restricted by the donor or by applicable state law.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statements of cash flows, highly liquid investments with maturities of three months or less when purchased are considered cash equivalents and recorded at cost, which approximates fair value.

Certificate of Deposit

The certificate of deposit is recorded at fair value and has an interest rate of 0.25 % which matured on December 6, 2016 and was redeemed.

Property, Equipment and Leasehold Improvements

Property, equipment and leasehold improvements are carried at cost or, if donated, at fair market value at the time of the donation. Depreciation is provided on a straight-line basis over the estimated useful lives of two to twenty-seven and a half years. It is the Organization's policy to capitalize acquisitions of \$5,000 or more. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Investment in Collaborative Arrangement

The Organization has a 25 percent interest in a non-profit entity that is accounted for at cost. The Organization evaluates the recoverability of the investment on an annual basis and if the investment in collaborative is determined to be impaired, it will be charged to operations when that determination is made. As of September 30, 2016, there was no impairment recognized. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in the estimate of the recoverability of this asset.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue and Support

Revenue from government grant awards under expense reimbursement programs is recognized in the period during which the related expenses are incurred. In cases where expenses are incurred in advance of receiving the grant, revenue and grants receivable are recorded in the period during which the expenses are incurred. In cases where grants are received in advance of incurring the expenses, deferred revenue is recorded in the period during which the advance is received and recognized as income when the related expenses are incurred.

Retroactive determination of allowable costs by resource providers may result in final settlements different from interim payments for reimbursable services submitted by the Organization. Revenue is reported at the estimated net realizable amounts from resource providers, for services rendered including estimated retroactive adjustments under reimbursement agreements. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined.

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 statement of activities as net assets released from restrictions.

The Organization reports gifts of property and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Organization receives donated services and supplies from various organizations and individuals in order to accomplish its program objectives. Contributions of donated services that create or enhance non-financial assets or require specialized skills that are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation are recorded at their fair values and are reflected in the financial statements as support.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contracts Receivable

The Organization considers contracts receivable to be fully collectible at September 30, 2016; accordingly, no allowance is required. If amounts become uncollectible, they will be charged to operations when that determination is made.

Pledge Receivable/Promises to Give

The pledge receivable is from United Way and expected to be collected within one year and is recognized at its net realizable value. There are other donor pledges; however, they are considered intentions to give which do not meet the accounting requirements for financial statement recognition. Approximately \$268,400 is expected to be received over the next five years and will be recorded when received.

Functional Classification of Expenses

Direct expenses, which can be clearly defined as incurred for a specific program, are charged to that program. The Organization allocates common expenses to program and supporting services based on time and use analysis by management.

Tax Positions

The Organization is subject to routine audits by taxing jurisdictions; however, there are no audits currently in progress for any tax periods. The Organization believes it is no longer subject to income tax examinations for fiscal years ending prior to September 30, 2009.

Fair Value Disclosure

Generally accepted accounting principles require disclosure of an estimate of fair value of certain financial instruments. The Organization's significant financial instruments are cash and cash equivalents, contracts receivable, and other short-term assets and liabilities. For these financial instruments, carrying values approximate fair value.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

2. FAIR VALUE MEASUREMENTS

Various inputs may be used in determining the fair value of the Organization's assets and liabilities measured on a recurring basis. These inputs are market-based measurements based on and determined by the assumptions that market participants would use in pricing an asset or a liability and are summarized into three levels:

Level (1): Inputs to the valuation methodology are quoted prices for identical assets in active markets.

Level (2): Inputs to the valuation methodology include quoted prices for similar assets in active markets, and inputs that are observable for the asset, either directly or indirectly.

Level (3): Inputs to the valuation methodology are unobservable and significant to the fair value measurement (including the Organization's own assumptions in determining the fair value of an asset or a liability).

Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about projections market participants would use in developing a price that would be received to sell an asset or paid to transfer a liability based on the best information available in the circumstances. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Organization's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The following table summarizes the Organization's inputs used to determine their values on September 30, 2016:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Certificate of deposit	\$ -	\$ 50,564	\$ -
Beneficial interest in perpetual endowment	-	24,169	-
Property held for sale	<u>-</u>	<u>-</u>	<u>100,000</u>
Total	<u><u>\$ -</u></u>	<u><u>\$ 74,733</u></u>	<u><u>\$ 100,000</u></u>

COMMON GROUND
NOTES TO FINANCIAL STATEMENTS

2. FAIR VALUE MEASUREMENTS (continued)

The following table summarizes the Organization's inputs used to determine their values on September 30, 2015:

	Level 1	Level 2	Level 3
Certificate of deposit	\$ -	\$ 50,437	\$ -
Beneficial interest in perpetual endowment	-	23,250	-
Property held for sale	-	-	100,000
Total	<u>\$ -</u>	<u>\$ 73,687</u>	<u>\$ 100,000</u>

Changes in assets measured on a recurring basis using significant unobservable inputs (Level 3 inputs):

	<u>Real Estate</u>
Beginning balance at September 30, 2015	\$ 100,000
Gain (loss) recognized	-
Acquisitions (dispositions)	-
Transfer in (out)	-
Ending balance at September 30, 2016	<u>\$ 100,000</u>

3. ENDOWMENT FUND

The Organization entered into an agreement with the Community Foundation for Southeast Michigan (CFSEM) to establish an endowment fund. The fund was created with the proceeds from an unrestricted contribution of \$25,000 that the Organization had received. In accordance with FASB ASC 958-605-25-24, *Transfer of Assets to a Non-Profit or Charitable Trust That Raises or Holds Contributions for Others*, this portion of the fund, known as the reciprocal portion, has been recorded as an investment on the books of the Organization, even though CFSEM may have variance power (i.e. ability to control who the beneficiary will be upon the occurrence of events which include, but are not limited to, the dissolution of Common Ground) over the asset. In addition to the reciprocal transfer made by the Organization, third party donors have also made contributions to the fund for the benefit of the Organization. CFSEM maintains explicit variance power over any third party gifts and the earnings thereon. As a result, in accordance with FASB ASC Topic 958, this portion is not recorded as an asset of the Organization. Fund investments are determined by the trustee of CFSEM and earnings are

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

3. ENDOWMENT FUND (continued)

available for distribution to the Organization for operations at the discretion of CFSEM. The market value of the contributed portion of the fund (contributions from third party donors plus net earnings) has been calculated by CFSEM and is shown below as "Amount allocable to the contributed amount of the fund".

Fund with Deficiency

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the value of accumulated gifts. At September 30, 2016, the aggregate deficiency of this nature totaling \$831 was reported within unrestricted net assets. This deficiency resulted from unfavorable market fluctuations that occurred after the investment of endowment contributions and appropriations granted for operations that were deemed prudent by the Trustees of the Community Foundation for Southeast Michigan.

The changes in endowment balances for September 30, 2016 are as follows:

	Amount allocable to the reciprocal transfer amount	Amount allocable to the contributed amount of the fund	Total
Market value at September 30, 2015	\$ 23,250	\$ 614,142	\$ 637,392
Contributions	-	-	-
Change in investment	2,355	62,182	64,537
Grant funds distributed	(1,185)	(31,283)	(32,468)
Fees	(251)	(6,630)	(6,881)
Market value at September 30, 2016	<u>\$ 24,169</u>	<u>\$ 638,411</u>	<u>\$ 662,580</u>

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

3. ENDOWMENT FUND (continued)

The changes in endowment balances for September 30, 2015 are as follows:

	Amount allocable to the reciprocal transfer amount	Amount allocable to the contributed amount of the fund	Total
Market value at September 30, 2014	\$ 25,865	\$ 683,068	\$ 708,933
Contributions	-	-	-
Change in investment	(1,218)	(32,156)	(33,374)
Grant funds distributed	(1,196)	(31,472)	(32,668)
Fees	(201)	(5,298)	(5,499)
Market value at September 30, 2015	<u>\$ 23,250</u>	<u>\$ 614,142</u>	<u>\$ 637,392</u>

4. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

At September 30, 2016, property, equipment and leasehold improvements consist of the following:

	Beginning Balance	Additions	Dispositions/ Write-downs	Ending Balance
Land	\$ 175,000	\$ -	\$ -	\$ 175,000
Building	244,856	-	-	244,856
Building and leasehold improvements	626,754	-	-	626,754
Furniture and equipment	527,294	16,249	313,626	229,917
Vehicle	21,222	-	-	21,222
	1,595,126	<u>\$ 16,249</u>	<u>\$ 313,626</u>	1,297,749
Less accumulated depreciation	<u>1,380,467</u>	<u>\$ 25,929</u>	<u>\$ 313,626</u>	<u>1,092,770</u>
	<u>\$ 214,659</u>			<u>\$ 204,979</u>

Land includes property held for sale with a carrying value of approximately \$100,000. The building includes property held for sale with an original cost of \$62,199 and related accumulated depreciation of \$62,199.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

5. LINE OF CREDIT

The Organization has a revolving line of credit up to \$300,000. The interest rate is equal to the greater of 4% or the index known as the Wall Street Journal U.S. prime rate (3.50% at September 30, 2016). Borrowings are due on demand. Borrowings under this agreement are collateralized by substantially all assets of the Organization. The Organization has the full amount of credit available at September 30, 2016 and 2015.

6. LEASE COMMITMENTS

Operating Leases

The Organization is obligated under leases for office, clinic and shelter facilities, vehicles and office equipment expiring on various dates.

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

	Facilities	Vehicles	Office Equipment	Total
2017	\$ 827,650	\$ 27,391	\$ 10,137	\$ 865,178
2018	610,321	15,293	3,379	628,993
2019	596,338	-	-	596,338
2020	<u>596,338</u>	<u>-</u>	<u>-</u>	<u>596,338</u>
	<u>\$ 2,630,647</u>	<u>\$ 42,684</u>	<u>\$ 13,516</u>	<u>\$ 2,686,847</u>

The Organization incurred approximately \$884,700 and \$883,200 of facility, vehicle, and office equipment rental expense for the years ended September 30, 2016 and 2015, respectively.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

7. TEMPORARILY RESTRICTED NET ASSETS

At September 30, temporarily restricted net assets consist of a pledge receivable and cash and cash equivalents and are available for the following:

	<u>2016</u>	<u>2015</u>
Time and purpose restrictions		
United Way for Southeastern Michigan	\$ 75,000	\$ 92,250
Purpose restriction		
Expressive Arts/Art Therapy	63,346	15,546
Rosemary Holland Institute	56,804	42,175
Parent Support Partners	49,847	37,308
Outreach Grant Writer	2,500	2,500
Crisis Help/Text Line	1,508	-
Give-a-Christmas	<u>1,232</u>	<u>2,169</u>
	<u>\$ 250,237</u>	<u>\$ 191,948</u>

8. INVESTMENTS

The following schedule details the investment income in the statement of activities as of September 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Dividends and interest	\$ 4,551	\$ 5,031
Net realized/unrealized gain (loss)	<u>1,949</u>	<u>(2,674)</u>
	<u>\$ 6,500</u>	<u>\$ 2,357</u>

9. CONCENTRATIONS

The Organization maintains cash and cash equivalent balances in various financial institutions in Michigan. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each institution. At September 30, 2016, the uninsured cash balances totaled approximately \$142,200.

The Organization's largest funder accounts for 71 percent of total revenue and support.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

10. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors during the year are as follows:

	<u>2016</u>	<u>2015</u>
Time and purpose restrictions met		
United Way for Southeastern Michigan	\$ 123,000	\$ 78,000
Purpose restrictions accomplished		
Sanctuary	14,674	39,915
Expressive Arts/Art Therapy	11,009	31,798
Mental Health First Aid	-	12,564
Outreach	-	10,000
Victims assistance	8,200	4,550
Rosemary Holland Institute	3,471	-
Parent Support Partners	2,462	4,275
Outreach Grant Writer	-	2,500
Give-a-Christmas expenses	937	2,432
Groups	-	250
Wellness	-	60
Time Bank	600	-
Legal clinic	100	-
	<u>\$ 164,453</u>	<u>\$ 186,344</u>

11. RELATED PARTY TRANSACTION

The Organization is collaborating with three other leading Southeast Michigan human services agencies and has formed an entity to improve the delivery of health care through integrating behavioral health as part of the solution to an individual's physical ailments. The Organization has advanced approximately \$42,000 of member equity to the collaboration. This advance is recorded as an investment in collaborative arrangement. The advance has been used by the collaboration to finance its start-up costs. The Organization believes that the collaboration, if successful, will return the advance and therefore represents its fair value. However, it is possible that the Organization will never receive any return on its investment.

COMMON GROUND

NOTES TO FINANCIAL STATEMENTS

12. VOLUNTEER AND IN-KIND SUPPORT

The Organization receives a variety of donated items and services. Donated goods include various household items used by individuals in the shelter. Donated services include crisis counseling services for the 24-hour hotline, legal counsel provided to individuals in the programs, masters-level services at our OACIS and Sanctuary programs, expressive arts activities for our crisis residential unit and bookkeeping services. During the fiscal year ended September 30, 2016, the Organization was supported by 162 volunteers who contributed approximately 19,500 hours of service. In addition, many other individuals also volunteer their time to perform a variety of tasks that assist the Organization; however, their time does not meet the criteria for recognition.

During the fiscal year ended September 30, 2015, the Organization was supported by 167 volunteers who contributed approximately 19,100 hours of service.

13. RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

14. SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 3, 2017, the date the financial statements were available to be issued.

COMMON GROUND

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 30, 2016

FEDERAL/PASS-THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Basic Center Grant	93.623		\$ 200,000
Passed through Michigan Department of Human Services			
Social Services Block Grant	93.667	HYR 13-63001	164,497
Passed through Michigan Department of Human Services			
Temporary Assistance for Needy Families	93.558	HYR 13-63001	290,366
Passed through Salvation Army			
Temporary Assistance for Needy Families	93.558	Admin 12-99003	17,808
			<u>308,174</u>
Passed through Oakland County Health Division			
Block Grants for Prevention and Treatment of Substance Abuse	93.959	2015-0008	33,088
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Continuum of Care Program	14.267		242,731
Passed through Oakland County			
Emergency Solutions Grant Program	14.231	ESG	9,876
Passed through Alliance for Housing			
Emergency Solutions Grant Program	14.231		34,460
			<u>44,336</u>
U.S. DEPARTMENT OF JUSTICE			
Passed through Michigan Department of Community Health			
Crime Victim Assistance	16.575	CVS-2016	215,000
TOTAL FEDERAL AWARDS			<u>\$ 1,207,826</u>

See accompanying note to schedule of expenditures of federal awards.

COMMON GROUND

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal award activity of Common Ground under programs of the federal government for the year ended September 30, 2016. 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* (the Uniform Guidance). Because the schedule presents only a selected portion of the operations of Common Ground, it is not intended to and does not present the financial position, changes in net assets, or cash flows of Common Ground.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE

Common Ground has not elected to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.



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 Trustees of
Common Ground

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Common Ground (a nonprofit organization), which comprise the statement of financial position as of September 30, 2016, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 3, 2017.

Internal Control over Financial Reporting

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

Purpose of this Report

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

Beisvenu & Company, P.C.

January 3, 2017



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 Trustees of
Common Ground

Report on Compliance for Each Major Federal Program

We have audited Common Ground's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Common Ground's major federal programs for the year ended September 30, 2016. Common Ground'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 Common Ground'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 Common Ground'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 Common Ground's compliance.

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of Common Ground 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 Common Ground'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 Common Ground'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.

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.

Boisvenu & Company, P.C.

January 3, 2017

COMMON GROUND

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 30, 2016

SUMMARY OF AUDITOR'S RESULTS

1. The auditor's report expresses an unmodified opinion on whether the financial statements of Common Ground were prepared in accordance with GAAP.
2. No significant deficiencies relating to the audit of the financial statements are reported in the auditor's report.
3. No instances of noncompliance material to the financial statements of Common Ground, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies relating to the audit of the major federal award programs are reported in the auditor's report on compliance for each major program and on internal control over compliance required by the Uniform Guidance.
5. The auditor's report on compliance for the major federal award programs for Common Ground expresses an unmodified opinion on all major federal program(s).
6. No audit findings related to the major programs, which would be required to be reported in accordance with 2 CFR Section 200.516(a), were reported.
7. The program tested as a major program was: Temporary Assistance for Needy Families, CFDA number 93.558.
8. The threshold used for distinguishing between Type A and B programs was \$750,000.
9. Common Ground was determined to be a low-risk auditee.

FINDINGS - FINANCIAL STATEMENT AUDIT

None

FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None



BOISVENU & COMPANY, P.C.
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MEMBER
MICHIGAN ASSOCIATION OF
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT ON ADDITIONAL INFORMATION

To the Board of Trustees of
Common Ground

Our report on our audit of the basic financial statements of Common Ground for September 30, 2016, appears on page 1. That audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Substance Abuse Prevention & Treatment schedules of budgeted, reported and audited amounts and expenditures and funding sources by program are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Boisvenu & Company, P.C.

January 3, 2017

COMMON GROUND
SUBSTANCE ABUSE PREVENTION & TREATMENT
Schedule of Budgeted, Reported, and Audited Amounts
For the Year Ended September 30, 2016

Fund Source	Budgeted (FINAL)	Reported (FINAL RER)	Audited Expenditures	Variance (Audited-Reported)	Local Match Funds
A State Agreement					
1 Community Grant	\$ 42,421	\$ 42,421	\$ 42,421	\$ -	
2 SDA	-	-	-	-	
3 SIG	-	-	-	-	
4 Methamphetamine	-	-	-	-	
A Subtotal	42,421	42,421	42,421	-	
B					
1 Current Year PEPM (Federal & State)	-	-	-	-	
2 Reinvestment Savings	-	-	-	-	
B Subtotal	-	-	-	-	
C Adult Benefit Waiver (ABW)					
1 Current Year PEPM (federal share only)	-	-	-	-	
C Subtotal	-	-	-	-	
D MI CHILD					
1 Current Year PEPM	-	-	-	-	
D Subtotal	-	-	-	-	
E Local					
1 Current Year PA2	-	-	-	-	
2 PA2 Fund Balance	-	-	-	-	
3 Other Local (R325.4152 excluding subsection (1)(b))	11,660	11,660	11,660	-	11,660
E Subtotal	11,660	11,660	11,660	-	
F Fees & Collections- Subtotal (R325.4151 (1)(d))	-	-	-	-	
G Other Contracts & Sources (Subtotal)	-	-	-	-	
Grand Total of Subtotals A-G	\$ 54,081	\$ 54,081	\$ 54,081	\$ -	
Amount Billable to MDCH (Section A audited subtotal)			42,421		
Total MDCH Payments			42,421		
(Overpayment)/Underpayment			\$0		
Local Match Funds Total					\$11,660
Local Match Requirement [(Grand Total of Audited Expenditures Minus Subtotals B, C, D & G) * 10%]					5,408
Local Match (Shortfall)/Excess					\$6,252

Variance Footnotes

None

COMMON GROUND
SUBSTANCE ABUSE PREVENTION & TREATMENT
Schedule of Expenditures and Funding Sources by Program
Year Ended September 30, 2016

Program	Budgeted (FINAL)	Reported (FINAL RER)	Audited Expenditures				Audited Funding Sources								Variance (Audited-Reported)	Questioned Cost (Expenditures-Funding)
			Gross Amount	Less Medicaid	Less Fees	Net Amount	State Agreement	SDA	PA2	Other Local	Other Sources	ABW	MI CHILD	Total Funding		
Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$0	\$0	\$0
Prevention	54,081	54,081	54,081	-	-	54,081	42,421	-	-	11,660	-	-	-	54,081	-	-
Treatment	-	-	-	-	-	0	-	-	-	-	-	-	-	0	0	0
Women's Services	-	-	-	-	-	0	-	-	-	-	-	-	-	0	0	0
HIV/EIP Training	-	-	-	-	-	0	-	-	-	-	-	-	-	0	0	0
SIG	-	-	-	-	-	0	-	-	-	-	-	-	-	0	0	0
Methamphetamine	-	-	-	-	-	0	-	-	-	-	-	-	-	0	0	0
Other	-	-	-	-	-	0	-	-	-	-	-	-	-	0	0	0
Totals	\$54,081	\$54,081	\$54,081	\$0	\$0	\$54,081	\$42,421	\$0	\$0	\$11,660	\$0	\$0	\$0	\$54,081	\$0	\$0
\$42,421																

Reconciliation of PA2 Funds:

Beginning Balance	\$0
Current Year PA2	0
Expenditures	0
Ending Balance	0

Reconciliation of Medicaid Managed Care (PEPM) Funds:

PEPM Payments Received	\$0
Medicaid Savings Carried Over	0
Expenditures	0
Medicaid Savings Carryforward	0
Returned to PIHP	0