

**JOURNEYS IN COMMUNITY LIVING, INC.  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
YEARS ENDED JUNE 30, 2016 AND 2015**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Journeys in Community Living, Inc.

### Report on the Financial Statements

I have audited the accompanying financial statements of Journeys in Community Living, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses 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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

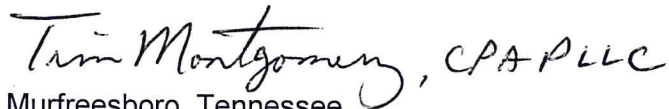
## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Journeys in Community Living, Inc. as of June 30, 2016 and 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 25, 2016 on my consideration of the Organization's internal control over financial reporting and on my 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 my 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 the Organization's internal control over financial reporting and compliance.

Tim Montgomery, CPA PLLC

Murfreesboro, Tennessee  
August 25, 2016



**JOURNEYS IN COMMUNITY LIVING, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2016 AND 2015**

**ASSETS**

	<u>2016</u>	<u>2015</u>
Current assets:		
Cash	\$ 624,774	\$ 531,982
Accounts receivable	518,293	542,593
Investments, at fair market value	15,306	15,329
Prepaid expenses	19,295	14,185
Total current assets	<u>1,177,668</u>	<u>1,104,089</u>
Restricted cash - representative payee accounts	58,589	90,591
Capital assets less accumulated depreciation	430,868	476,718
Other assets:		
Deposits on rental units	14,082	14,082
Unemployment reserve deposit	20,979	34,840
	<u>35,061</u>	<u>48,922</u>
Total assets	<u><u>\$ 1,702,186</u></u>	<u><u>\$ 1,720,320</u></u>

**LIABILITIES AND NET ASSETS**

Current liabilities:		
Accounts payable	\$ 25,828	\$ 40,130
Accrued leave payable	157,891	147,065
Other accrued expenses	129,246	125,511
Client trust accounts	58,589	90,591
Total current liabilities	<u>371,554</u>	<u>403,297</u>
Net Assets:		
Unrestricted net assets	1,259,239	1,190,084
Temporarily restricted net assets	71,393	126,939
Total net assets	<u>1,330,632</u>	<u>1,317,023</u>
Total liabilities and net assets	<u><u>\$ 1,702,186</u></u>	<u><u>\$ 1,720,320</u></u>

The accompanying notes are an integral part of these financial statements.

**JOURNEYS IN COMMUNITY LIVING, INC.**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Unrestricted support and revenues		
Tennessee Department of Intellectual and Developmental Disabilities	\$ 4,568,418	\$ 4,720,696
Private pay services	27,089	17,389
Tennessee Department of Human Services- Division of Rehabilitation Services	42,654	27,806
County and city government	46,000	43,600
United Way	88,740	106,178
Workshop contracts	116,199	177,329
Client rent	34,664	39,398
Contributions	121,843	43,573
Gain on disposal of fixed assets	13,036	-
Miscellaneous	6,809	11,308
Net assets released from restrictions	55,546	69,867
Total unrestricted support and revenues	<u>5,120,998</u>	<u>5,257,144</u>
Expenses		
Program services:		
Residential services	2,738,972	2,844,728
Day services	1,375,080	1,273,908
Total program services expense	<u>4,114,052</u>	<u>4,118,636</u>
Supporting services:		
Management and general	883,820	828,842
Development	53,971	52,009
Total supporting services expense	<u>937,791</u>	<u>880,851</u>
Total expenses	<u>5,051,843</u>	<u>4,999,487</u>
Increase in unrestricted net assets	<u>69,155</u>	<u>257,657</u>
Temporarily restricted net assets		
Contributions		
Tennessee Department of Transportation	-	59,900
Net assets released from restrictions		
Restrictions satisfied by passage of time	<u>(55,546)</u>	<u>(69,867)</u>
Decrease in temporarily restricted net assets	<u>(55,546)</u>	<u>(9,967)</u>
Change in net assets	13,609	247,690
Net assets, beginning of year	<u>1,317,023</u>	<u>1,069,333</u>
Net assets, end of year	<u><u>\$ 1,330,632</u></u>	<u><u>\$ 1,317,023</u></u>

The accompanying notes are an integral part of these financial statements.

**JOURNEYS IN COMMUNITY LIVING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEARS ENDED JUNE 30, 2016 AND 2015**

	Program Services			Supporting Services			Totals	
	Residential Services	Day Services	Total Program Services	Management and General	Development	Total Supporting Services	2016	2015
Salaries	\$ 1,926,716	\$ 827,928	\$ 2,754,644	\$ 468,331	\$ 35,000	\$ 503,331	\$ 3,257,975	\$ 3,206,631
Fringe benefits	340,432	146,287	486,719	85,605	6,184	91,789	578,508	566,773
Total salaries and fringe benefits	2,267,148	974,215	3,241,363	553,936	41,184	595,120	3,836,483	3,773,404
Contracted services	259,316	1,682	260,998	134,911	-	134,911	395,909	404,141
Depreciation	34,621	76,147	110,768	26,689	-	26,689	137,457	113,262
Insurance	62,297	28,247	90,544	19,417	1,194	20,611	111,155	81,856
Client wages & workshop expenses	-	87,815	87,815	-	-	-	87,815	112,232
Vehicle expenses	-	74,107	74,107	11,368	-	11,368	85,475	98,171
Utilities	38,219	18,792	57,011	18,792	-	18,792	75,803	64,037
Fuel	-	58,806	58,806	-	-	-	58,806	81,668
Professional fees	108	33,478	33,586	16,418	144	16,562	50,148	45,814
Office supplies	347	693	1,040	36,906	446	37,352	38,392	38,885
Food	19,734	9	19,743	13,094	3,577	16,671	36,414	38,376
Rent	17,332	7,216	24,548	5,991	-	5,991	30,539	23,145
Repairs & maintenance - building	17,193	31	17,224	3,604	-	3,604	20,828	20,609
Communications	12,297	3,513	15,810	2,660	-	2,660	18,470	36,586
Travel	8,019	478	8,497	5,472	-	5,472	13,969	12,048
Background expense	-	-	-	12,137	-	12,137	12,137	12,859
Miscellaneous	1,713	8,884	10,597	1,140	-	1,140	11,737	14,371
Dues & subscriptions	-	-	-	9,372	350	9,722	9,722	5,961
Advertising	-	470	470	4,472	2,870	7,342	7,812	6,547
Printing and postage	-	-	-	2,198	4,206	6,404	6,404	3,140
Taxes & licenses	-	31	31	2,153	-	2,153	2,184	3,344
Medical supplies	-	207	835	1,130	-	1,130	1,965	1,796
Seminars and training	628	259	259	1,475	-	1,475	1,734	3,047
Bank charges	-	-	-	485	-	485	485	2,259
Client transportation and supplements	-	-	-	-	-	-	-	1,929
Total expenses	\$ 2,738,972	\$ 1,375,080	\$ 4,114,052	\$ 883,820	\$ 53,971	\$ 937,791	\$ 5,051,843	\$ 4,999,487

The accompanying notes are an integral part of these financial statements.



**JOURNEYS IN COMMUNITY LIVING, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2015**

	Program Services		Supporting Services		Totals
	Residential Services	Day Services	Total Program Services	Management and General	Total Supporting Services
Salaries	\$ 2,016,217	\$ 744,064	\$ 2,760,281	\$ 411,350	\$ 446,350
Fringe benefits	338,808	140,786	479,594	80,283	87,179
Total salaries and fringe benefits	<u>2,355,025</u>	<u>884,850</u>	<u>3,239,875</u>	<u>491,633</u>	<u>533,529</u>
Contracted services	259,825	1,971	261,796	142,001	142,345
Depreciation	66,906	16,727	83,633	29,629	29,629
Insurance	50,789	18,529	69,318	11,543	12,538
Client wages & workshop expenses	-	112,232	112,232	-	-
Vehicle expenses	3,263	81,856	85,119	13,052	13,052
Utilities	20,840	15,237	36,077	27,960	27,960
Fuel	-	81,668	81,668	-	-
Professional fees	-	27,185	27,185	18,279	18,629
Office supplies	-	2,236	2,236	35,116	36,649
Food	26,390	375	26,765	8,177	11,611
Rent	13,306	7,216	20,522	2,623	2,623
Repairs & maintenance - building	15,414	1,700	17,114	3,495	3,495
Communications	24,292	6,720	31,012	5,346	5,574
Travel	5,818	3,127	8,945	2,991	3,103
Background expense	-	-	-	12,859	12,859
Miscellaneous	452	10,411	10,863	3,364	3,508
Dues & subscriptions	-	-	-	5,951	5,961
Advertising	-	-	-	5,104	6,547
Printing and postage	-	-	-	1,820	3,140
Taxes & licenses	479	121	600	2,744	2,744
Medical supplies	-	1,399	1,399	397	397
Seminars and training	-	348	348	2,499	2,699
Bank charges	-	-	-	2,259	2,259
Client transportation and supplements	1,929	-	1,929	-	-
Total expenses	<u>\$ 2,844,728</u>	<u>\$ 1,273,908</u>	<u>\$ 4,118,636</u>	<u>\$ 828,842</u>	<u>\$ 880,851</u>
					<u>\$ 4,999,487</u>

The accompanying notes are an integral part of these financial statements.



**JOURNEYS IN COMMUNITY LIVING, INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
Cash flows from operating activities		
Change in net assets	\$ 13,609	\$ 247,690
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	137,457	113,262
Gain on disposal of equipment	(13,036)	-
Loss on investments, net	23	-
In kind contributions and grants	-	(75,229)
Changes in current assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	24,300	(93,518)
Other assets	13,861	(36,190)
Prepaid expenses	(5,110)	12,077
Increase (decrease) in:		
Accounts payable	(14,302)	26,787
Accrued leave payable	10,826	(4,537)
Other accrued expenses	3,735	4,248
Net cash provided by operating activities	<u>171,363</u>	<u>194,590</u>
Cash flows from investing activities		
Proceeds from sale of fixed assets	13,036	-
Fixed assets purchased	(91,607)	(6,656)
Net cash used in investing activities	<u>(78,571)</u>	<u>(6,656)</u>
Net increase in cash	92,792	187,934
Cash at beginning of year	<u>531,982</u>	<u>344,048</u>
Cash at end of year	<u><u>\$ 624,774</u></u>	<u><u>\$ 531,982</u></u>
Supplemental disclosure of cash flow information:		
Equipment acquisitions through contributions and grants	<u><u>\$ -</u></u>	<u><u>\$ 75,229</u></u>

The accompanying notes are an integral part of these financial statements.

**JOURNEYS IN COMMUNITY LIVING, INC.  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Activities

Journeys in Community Living, Inc. (the "Organization") is a private, nonprofit agency established in 1974 to provide independent living and vocational training services to adults with developmental and intellectual disabilities who live in Rutherford County. Currently, approximately 100 adults are served by the program. The Organization operates one group home and sixteen companion homes, including a medical residence, in addition to its sheltered workshop.

A major portion of funding is provided by the Department of Intellectual and Developmental Disabilities under a three year contract expiring December 31, 2018. A major reduction in these funds, should this occur, could have a significant effect upon future operations.

Basis of Presentation

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.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting. The accrual basis of accounting recognizes revenues when earned. Expenses are recorded when incurred.

Revenues

Grants and other contributions of cash are reported as temporarily 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 a 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.

Allowance for Uncollectible Amounts

The allowance for uncollectible amounts is evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the accounts receivable in light of historical experience, adverse situations that may affect the donor's ability to repay, and prevailing economic conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

**JOURNEYS IN COMMUNITY LIVING, INC.  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 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 reporting period. Actual results could differ from those estimates.

Tax-Exempt Status

Journeys in Community Living, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for income taxes is included in the accompanying financial statements. It is chartered as a not-for-profit corporation by the State of Tennessee.

Events Occurring After Reporting Date

Journeys in Community Living, Inc. has evaluated events and transactions that occurred between June 30, 2016 and August 25, 2016, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

**NOTE 2 - CASH AND CASH EQUIVALENTS**

For the statement of cash flows, management considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**NOTE 3 - ACCOUNTS RECEIVABLE**

Accounts receivable consisted of the following at each June 30:

	2016	2015
State of Tennessee	\$ 458,559	\$ 485,773
Workshop activities and other	59,734	56,820
Total	<u>\$ 518,293</u>	<u>\$ 542,593</u>



**JOURNEYS IN COMMUNITY LIVING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 4 - INVESTMENTS**

The Organization has an investment account which consists of a money market mutual fund and a growth and income fund. These funds have readily determinable fair values and are presented at fair value in the financial statements based on quoted market prices. This account was contributed by a donor during 2015. The market value at the time of donation was \$14,429. The value at June 30, 2016 of \$15,306 is based on fair market value. Income and gains since the date of donation have been included in the Statement of Activities as miscellaneous income.

Fair Values

The Organization uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. In accordance with the *Fair Value Measurements and Disclosures* topic of FASB ASC, the fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In accordance with this guidance, the Organization groups its financial assets and liabilities generally measured at fair value in a three level valuation hierarchy for disclosure of fair value measurements defined as:

- Level 1 – inputs for quoted market prices for identical assets or liabilities in active markets
- Level 2 – inputs include quoted market prices for similar assets and liabilities in active markets and inputs that are observable either directly or indirectly
- Level 3 – inputs that are unobservable and significant to the fair value measurements.

The fair value of the mutual funds, defined as Level 1, was \$15,306 at June 30, 2016.



**JOURNEYS IN COMMUNITY LIVING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 5 - FIXED ASSETS AND DEPRECIATION**

Property and equipment acquisitions with a per-unit cost in excess of \$500 are capitalized at cost. Depreciation is taken on the straight-line method using estimated useful lives as follows:

	Life in years	2016	2015
Buildings	25	\$ 285,196	\$ 285,196
Building improvements	25	24,654	21,166
Leasehold improvements	15 - 25	542,570	542,570
Furniture and fixtures	5 - 7	174,595	174,595
Transportation equipment	5	651,374	566,915
		\$ 1,678,389	\$ 1,590,442
Less accumulated depreciation		1,267,316	1,133,519
		411,073	456,923
Land		19,795	19,795
		\$ 430,868	\$ 476,718

**NOTE 6 - LINE OF CREDIT**

The Organization has a \$200,000 line of credit with FirstBank. The line was not drawn upon during the year. Interest is payable monthly at prime. The line matures on December 31, 2016.

**NOTE 7 - OPERATING LEASES**

The Organization leases 5 vehicles used in its day services. All automobiles are leased under 36 month terms with maturity dates ranging from January 2017 through June 2017. Minimum lease payments under these leases are expected to be \$17,889 for the fiscal years ending June 30, 2017. For June 30, 2016 and 2015, lease expenses of \$28,633 and \$32,912 have been included in the statements of functional expenses as vehicle expenses.

The Organization leases its office under a month to month lease with Rutherford County. For both June 30, 2016 and 2015, lease expense of \$9,600 has been included in the statements of functional expenses as rent expense.

**NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the organization's various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**JOURNEYS IN COMMUNITY LIVING, INC.**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2016 AND 2015**

**NOTE 9 - CONCENTRATIONS OF CREDIT RISK**

The Organization maintains deposits at a local financial institution. The deposits in this institution, at times, exceed amounts covered by insurance provided by the U.S. Federal Deposit Insurance Corporation (FDIC). At June 30, 2016, deposits at one bank exceeded FDIC coverage amounts by \$402,667. The Organization believes that there is no significant risk with respect to these deposits.

**NOTE 10 - NET ASSETS**

Temporarily restricted net assets as of each June 30 were restricted for the following purposes:

	<u>2016</u>	<u>2015</u>
Tennessee Department of Transportation - Restricted grant	<u>\$ 71,393</u>	<u>\$126,939</u>
	<u>\$ 71,393</u>	<u>\$126,939</u>

During the fiscal year ended 2015, the Tennessee Department of Transportation awarded the Organization a grant for the purchase of 2 buses for the transportation of service recipients. The grant gives legal title of the vehicles to the Organization subject to the State's equitable interest, to the extent of its pro rata share, based on the State's contribution to the purchase price, which is 90% of the total cost. The Organization paid 10% of the cost of the vehicles. Buses and vans used under this grant are to be used for five years or 125,000 miles and 4 years or 100,000 miles, respectively.

**NOTE 11 - INCOME TAX FILINGS**

The Organization files Federal Form 990 in the United States. Federal Forms 990 filed before June 30, 2013 are no longer subject to examination.





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

To the Board of Directors  
Journeys in Community Living, Inc.

I 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 Journeys in Community Living, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 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 my report thereon dated August 25, 2016.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered Journeys in Community Living, 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 my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Journeys in Community Living, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of the Organization'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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My 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 my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**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 (CONTINUED)**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Journeys in Community Living, Inc.'s financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my 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 my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Journeys in Community Living, Inc.'s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Journeys in Community Living, Inc.'s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Tim Montgomery, CPA PLLC*

Murfreesboro, Tennessee  
August 25, 2016