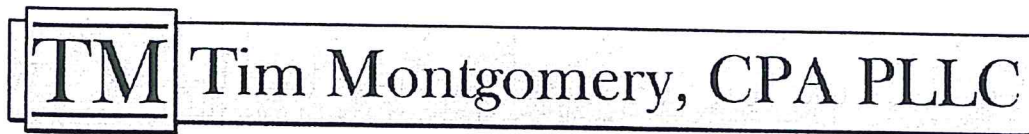


JOURNEYS IN COMMUNITY LIVING, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
YEARS ENDED JUNE 30, 2017 AND 2016

**JOURNEYS IN COMMUNITY LIVING, INC.
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
YEARS ENDED JUNE 30, 2017 AND 2016**



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, 2017 and 2016, 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.

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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, 2017 and 2016, 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 September 6, 2017 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
September 6, 2017

JOURNEYS IN COMMUNITY LIVING, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2017 AND 2016

ASSETS

	2017	2016
Current assets:		
Cash	\$ 547,579	\$ 624,774
Accounts receivable	507,279	518,293
Investments, at fair market value	18,631	15,306
Prepaid expenses	26,127	19,295
Total current assets	<u>1,099,616</u>	<u>1,177,668</u>
Restricted cash - representative payee accounts	46,607	58,589
Capital assets less accumulated depreciation	301,969	430,868
Other assets:		
Deposits on rental units	15,082	14,082
Unemployment reserve deposit	<u>25,070</u>	<u>20,979</u>
	<u>40,152</u>	<u>35,061</u>
Total assets	<u><u>\$1,488,344</u></u>	<u><u>\$1,702,186</u></u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable	\$ 23,643	\$ 25,828
Accrued leave payable	151,861	157,891
Other accrued expenses	67,266	129,246
Client trust accounts	<u>46,607</u>	<u>58,589</u>
Total current liabilities	<u>289,377</u>	<u>371,554</u>
Net Assets:		
Unrestricted net assets	1,170,756	1,259,239
Temporarily restricted net assets	<u>28,211</u>	<u>71,393</u>
Total net assets	<u>1,198,967</u>	<u>1,330,632</u>
Total liabilities and net assets	<u><u>\$1,488,344</u></u>	<u><u>\$1,702,186</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Unrestricted support and revenues		
Tennessee Department of Intellectual and Developmental Disabilities	\$ 4,697,523	\$ 4,568,418
Private pay services	48,003	27,089
Tennessee Department of Human Services- Division of Rehabilitation Services	738	42,654
County and city government	46,000	46,000
United Way	93,358	88,740
Workshop contracts	145,566	116,199
Client rent	59,978	34,664
Contributions	22,289	121,843
Gain on disposal of fixed assets	5,231	13,036
Miscellaneous	10,249	6,809
Net assets released from restrictions	43,182	55,546
Total unrestricted support and revenues	<u>5,172,117</u>	<u>5,120,998</u>
Expenses		
Program services:		
Residential services	819 2,773,270	2,738,972
Day services	1,431,617	1,375,080
Total program services expense	<u>4,204,887</u>	<u>4,114,052</u>
Supporting services:		
Management and general	1,012,045	883,820
Development	43,668	53,971
Total supporting services expense	<u>1,055,713</u>	<u>937,791</u>
Total expenses	<u>5,260,600</u>	<u>5,051,843</u>
Change in unrestricted net assets	<u>(88,483)</u>	<u>69,155</u>
Temporarily restricted net assets		
Net assets released from restrictions		
Restrictions satisfied by passage of time	<u>(43,182)</u>	<u>(55,546)</u>
Decrease in temporarily restricted net assets	<u>(43,182)</u>	<u>(55,546)</u>
Change in net assets	loss (131,665)	13,609
Net assets, beginning of year	<u>1,330,632</u>	<u>1,317,023</u>
Net assets, end of year	<u>\$ 1,198,967</u>	<u>\$ 1,330,632</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, 2017 AND 2016

	Program Services			Supporting Services			Totals	
	Residential Services	Day Services	Total Program Services	Management and General	Development	Total Supporting Services	2017	2016
Salaries	\$ 2,002,871	\$ 886,399	\$ 2,889,270	\$ 542,752	\$ 35,000	\$ 577,752	\$ 3,467,022	\$ 3,257,975
Fringe benefits	343,898	152,197	496,095	93,192	6,009	99,201	595,296	578,508
Total salaries and fringe benefits	2,346,769	1,038,596	3,385,365	635,944	41,009	676,953	4,062,318	3,836,483
Contracted services	258,440	-	258,440	153,313	-	153,313	411,753	395,909
Depreciation	26,551	71,620	98,171	13,007	-	13,007	111,178	137,457
Vehicle expenses	-	101,275	101,275	-	-	-	101,275	85,475
Insurance	65,174	14,838	80,012	15,030	969	15,999	96,011	111,155
Client wages & workshop expenses	-	78,664	78,664	-	-	-	78,664	87,815
Utilities	-	-	-	78,236	-	78,236	78,236	75,803
Fuel	-	69,048	69,048	-	-	-	69,048	58,806
Professional fees	-	32,827	32,827	8,450	-	8,450	41,277	50,148
Office supplies	-	-	-	37,462	-	37,462	37,462	38,392
Rent	21,399	7,872	29,271	6,773	-	6,773	36,044	30,539
Food	20,035	-	20,035	8,810	-	8,810	28,845	36,414
Repairs & maintenance - building	14,867	-	14,867	13,260	-	13,260	28,127	20,828
Communications	9,560	4,231	13,791	2,758	-	2,758	16,549	18,470
Client transportation and supplements	2,789	12,434	15,223	-	-	-	15,223	-
Background expense	-	-	-	14,178	-	14,178	14,178	12,137
Travel	7,576	212	7,788	2,403	-	2,403	10,191	13,969
Dues & subscriptions	-	-	-	7,690	350	8,040	8,040	9,722
Advertising	-	-	-	5,472	-	5,472	5,472	7,812
Seminars and training	-	-	-	4,689	-	4,689	4,689	1,734
Miscellaneous	-	-	-	2,734	-	2,734	2,734	11,737
Printing and postage	-	-	-	297	1,340	1,637	1,637	6,404
Taxes & licenses	-	-	-	1,303	-	1,303	1,303	2,184
Bank charges	-	-	-	236	-	236	236	485
Medical supplies	110	-	110	-	-	-	110	1,965
Total expenses	<u>\$ 2,773,270</u>	<u>\$ 1,431,617</u>	<u>\$ 4,204,887</u>	<u>\$ 1,012,045</u>	<u>\$ 43,668</u>	<u>\$ 1,055,713</u>	<u>\$ 5,260,600</u>	<u>\$ 5,051,843</u>

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

JOURNEYS IN COMMUNITY LIVING, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2016

	Program Services			Supporting Services		Total Supporting Services	Totals
	Residential Services	Day Services	Total Program Services	Management and General	Development		2016
Salaries	\$ 1,926,716	\$ 827,928	\$ 2,754,644	\$ 468,331	\$ 35,000	\$ 503,331	\$ 3,257,975
Fringe benefits	340,432	146,287	486,719	85,605	6,184	91,789	578,508
Total salaries and fringe benefits	2,267,148	974,215	3,241,363	553,936	41,184	595,120	3,836,483
Contracted services	259,316	1,682	260,998	134,911	-	134,911	395,909
Depreciation	34,621	76,147	110,768	26,689	-	26,689	137,457
Insurance	62,297	28,247	90,544	19,417	1,194	20,611	111,155
Client wages & workshop expenses	-	87,815	87,815	-	-	-	87,815
Vehicle expenses	-	74,107	74,107	11,368	-	11,368	85,475
Utilities	38,219	18,792	57,011	18,792	-	18,792	75,803
Fuel	-	58,806	58,806	-	-	-	58,806
Professional fees	108	33,478	33,586	16,418	144	16,562	50,148
Office supplies	347	693	1,040	36,906	446	37,352	38,392
Food	19,734	9	19,743	13,094	3,577	16,671	36,414
Rent	17,332	7,216	24,548	5,991	-	5,991	30,539
Repairs & maintenance - building	17,193	31	17,224	3,604	-	3,604	20,828
Communications	12,297	3,513	15,810	2,660	-	2,660	18,470
Travel	8,019	478	8,497	5,472	-	5,472	13,969
Background expense	-	-	-	12,137	-	12,137	12,137
Miscellaneous	1,713	8,884	10,597	1,140	-	1,140	11,737
Dues & subscriptions	-	-	-	9,372	350	9,722	9,722
Advertising	-	470	470	4,472	2,870	7,342	7,812
Printing and postage	-	-	-	2,198	4,206	6,404	6,404
Taxes & licenses	-	31	31	2,153	-	2,153	2,184
Medical supplies	628	207	835	1,130	-	1,130	1,965
Seminars and training	-	259	259	1,475	-	1,475	1,734
Bank charges	-	-	-	485	-	485	485
Client transportation and supplements	-	-	-	-	-	-	-
Total expenses	<u>\$ 2,738,972</u>	<u>\$ 1,375,080</u>	<u>\$ 4,114,052</u>	<u>\$ 883,820</u>	<u>\$ 53,971</u>	<u>\$ 937,791</u>	<u>\$ 5,051,843</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, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$(131,665)	\$ 13,609
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	111,178	137,457
Gain on disposal of equipment	(5,231)	(13,036)
(Gains) losses on investments, net	(3,325)	23
Changes in current assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	11,014	24,300
Other assets	(5,091)	13,861
Prepaid expenses	(6,832)	(5,110)
Increase (decrease) in:		
Accounts payable	(2,185)	(14,302)
Accrued leave payable	(6,030)	10,826
Other accrued expenses	<u>(61,980)</u>	<u>3,735</u>
Net cash (used in) provided by operating activities	<u>(100,147)</u>	<u>171,363</u>
Cash flows from investing activities		
Proceeds from sale of fixed assets	25,197	13,036
Fixed assets purchased	<u>(2,245)</u>	<u>(91,607)</u>
Net cash provided by (used in) investing activities	<u>22,952</u>	<u>(78,571)</u>
Net (decrease) increase in cash	(77,195)	92,792
Cash at beginning of year	<u>624,774</u>	<u>531,982</u>
Cash at end of year	<u><u>\$ 547,579</u></u>	<u><u>\$ 624,774</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, 2017 AND 2016

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, 2017 AND 2016**

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, 2017 and September 6, 2017, 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:

	2017	2016
State of Tennessee	\$ 440,547	\$ 458,559
Workshop activities and other	66,732	59,734
Total	<u>\$ 507,279</u>	<u>\$ 518,293</u>

JOURNEYS IN COMMUNITY LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2017 AND 2016

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, 2017 of \$18,631 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 \$18,631 at June 30, 2017.

JOURNEYS IN COMMUNITY LIVING, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEARS ENDED JUNE 30, 2017 AND 2016

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:

	<u>Life in years</u>	<u>2017</u>	<u>2016</u>
Buildings	25	\$ 285,196	\$ 285,196
Building improvements	25	26,899	24,654
Leasehold improvements	15 - 25	542,570	542,570
Furniture and fixtures	5 - 7	174,595	174,595
Transportation equipment	5	618,096	651,374
		<u>\$ 1,647,356</u>	<u>\$ 1,678,389</u>
Less accumulated depreciation		1,365,182	1,267,316
		<u>282,174</u>	<u>411,073</u>
Land		19,795	19,795
		<u>\$ 301,969</u>	<u>\$ 430,868</u>

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, 2017.

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 \$12,798 and \$2,147 for the fiscal years ending June 30, 2018 and 2019, respectively. For June 30, 2017 and 2016, lease expenses of \$25,553 and \$28,633 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, 2017 and 2016, 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, 2017 AND 2016

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, 2017, deposits at one bank exceeded FDIC coverage amounts by approximately \$342,000. The Organization believes that there is no significant risk with respect to these deposits.

NOTE 10 - NET ASSETS

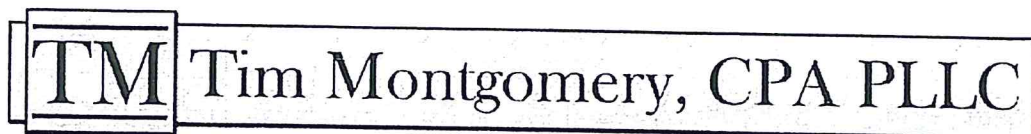
Temporarily restricted net assets as of each June 30 were restricted for the following purposes:

	<u>2017</u>	<u>2016</u>
Tennessee Department of Transportation - Restricted grant	<u>\$ 28,211</u>	<u>\$ 71,393</u>
	<u>\$ 28,211</u>	<u>\$ 71,393</u>

During previous fiscal years, the Tennessee Department of Transportation awarded the Organization grants for the purchase of buses for the transportation of service recipients. The grants give 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 prices, 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, 2014 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, 2017, 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 September 6, 2017.

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
September 6, 2017