



Early Learning Program



2016-2017 Annual Report

723

Number of Children Served

656

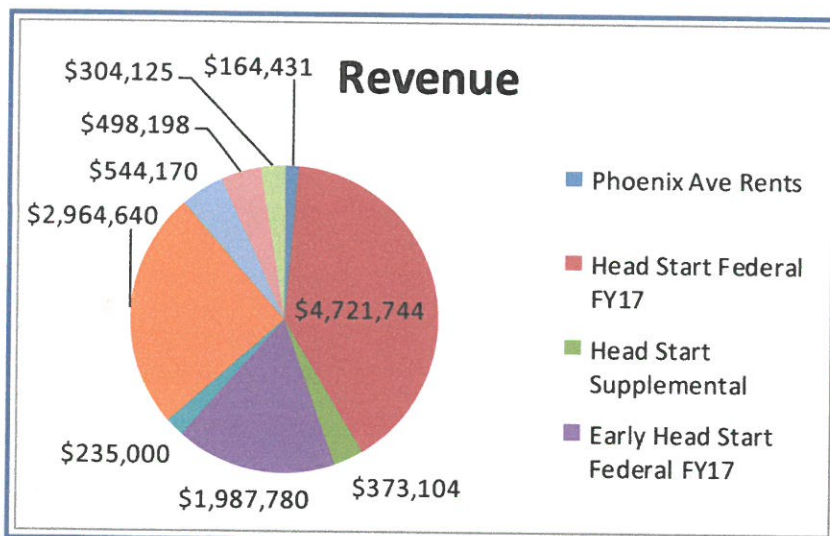
Number of Families Served

23%

Percentage of Eligible Children Served

Average Monthly Enrollment: 88%

Public & Private Funding Received FY 2017



Explanation of Budgetary Expenditures:

- ♦ The Federally Approved 11.5% Indirect Rate was maintained
- ♦ Spending patterns for program supplies, educational materials and office supplies remained consistent with the proposed budget
- ♦ The Early Learning Program Reduced the EHS Home Based enrollment in response to the low enrollment in the first 4 months of the program year. In doing so, the program reallocated funds to better support the needs of the community and to offer more Infant and Toddler center based care.

Program Information Report Snapshot (PIR):

Early Head Start

- 91% of children received medical exams
- 83% of children received dental exams

Head Start

- 94% of children received medical exams
- 88% of children received dental exams

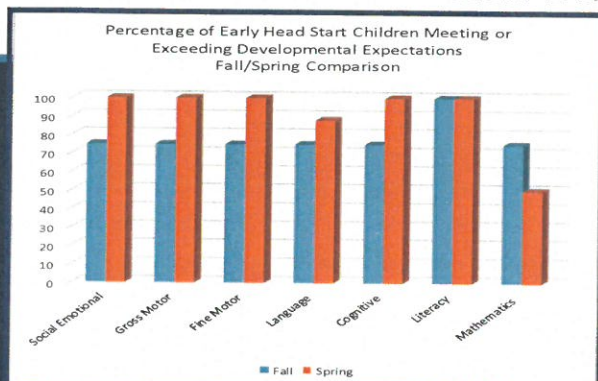
*** See attached for the Community Needs Assessment Update, Financial Audit, and the School Readiness Executive Summary. The School Readiness Summary demonstrates parent involvement activities and preparations for children transitioning to Kindergarten.*



Early Learning Program School Readiness Executive Summary Spring 2017



Child Development Outcomes



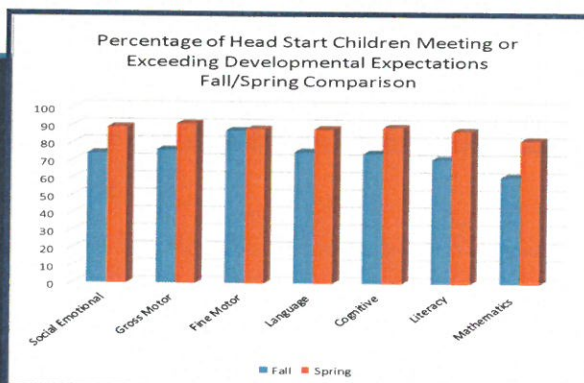
in Social Emotional, Gross Motor and Fine Motor from 75% in the Fall to 100% meeting or exceeding expectations in the Spring.

Early Head Start Key Findings:

In Early Head Start, we saw an increase of children meeting or exceeding developmental expectation from Fall to Spring in all areas with the exception of Mathematics, which dropped from 75 % to 50% . The drop is most likely attributed to the 44 children who have transitioned to pre-school and have been replaced by children entering the Toddler age group for the first time. We saw the biggest increase

Head Start Key Findings:

In the 6 Head Start classrooms that are receiving Education Coaching, the number of children below developmental expectations has decreased significantly in all areas. The area that stood out with most growth was Cognitive, which went from 20% in the Fall to just 8% in the Spring. This can be attributed to the coaching action goals of high quality environments and interactions. High Quality environments encourage open ended thinking and exploration. Both are critical to closing the cognitive skills gap. High quality interactions such as open ended questions and conversation extension allow children to expand their thinking and knowledge.



In comparison of Fall 2016 Checkpoint Data with the Spring 2017 data, we identified that the number of Head Start children who were below expectations in the area of Physical Gross Motor drastically declined from 24% to 8% in the Spring. Both Early Head Start and Head Start classrooms at the James Houlares Center participated in Yoga sessions with Paula Jordan and the Children's Village site had monthly visits from Imagimotion, a creative movement program.



Dual Language Learners

This school year, we have recognized that there are some systematic and programmatic questions we still have regarding the best way to identifying dual language learners in our program. Teaching Strategies Gold does not allow us to pull the data on English Language Acquisition for our program, however, we were able to identify that children assessed in Spanish are falling below expectations. We have also acknowledged a data entry system error regarding how teachers determine whether or not a child is a dual language learner. We plan to revisit and revise Standard Operating Procedures around child and family demographics and present to staff at our September in-service training days.

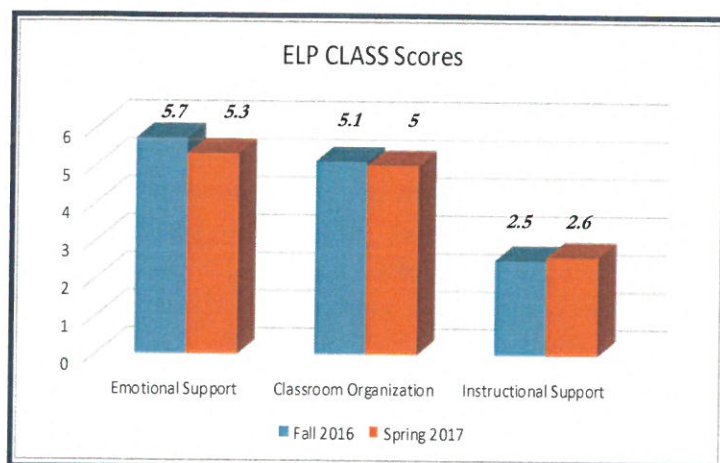
During our Self Assessment in March, we put together a team specifically geared toward looking at our practices around Dual Language Learners. Through this, we have found a need to create a Dual Language Learner Tiger Team which will concentrate solely on ways to improve and enhance our practices.

In a better effort to support the Dual Language Learners in the program, we plan to send 4 members of the Leadership Team to the WIDA conference in October of 2017. This conference specifically addresses dual language learners and their family culture, as well as language assessment.

"It takes a Village".....

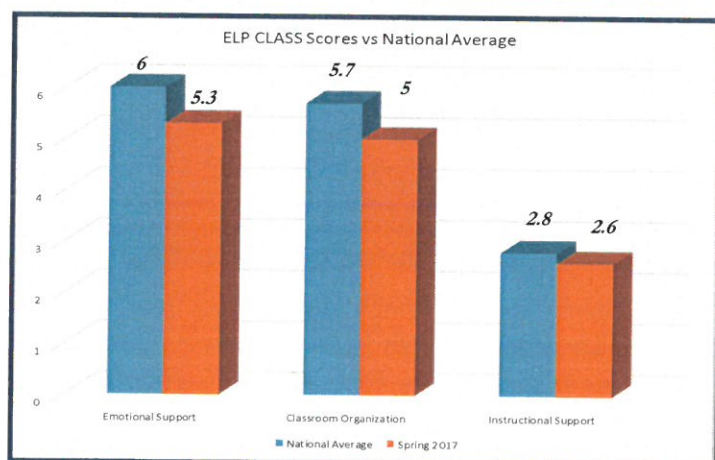
Cameron is a 4 year old boy whose family speaks Karin. Cameron started in the EHS Home Visiting program and successfully transitioned to center based Head Start when he turned 3. He was evaluated at 3 and qualified for speech/language services through Lowell Public Schools. Cameron's mother, home visitor and the translator who supported the home visitor's work with the family had concerns about his behavior in addition to his delayed language. Through joint efforts, Cameron had an evaluation with a developmental pediatrician and was diagnosed with autism. This information was shared with LPS and more testing was requested to determine if Cameron could benefit from additional services. Meanwhile, Cameron learned the classroom routine, began to follow directions and sat with peers for mealtimes. He was not using spontaneous language to get his needs met. Because Cameron was exposed to Karin at home and his family only speaks that language, LPS was required to have a Karin speaker translate for the additional evaluations. There is a lengthy wait list for the Karin translator; time was passing and the Head Start team felt strongly that Cameron was missing out on additional services. With approval from the Head Start Director, the team was able to access translation services for these evaluations from Sandra Chen who had worked with the family and the home visitor. This enabled the special education and evaluation process to move forward. Cameron qualified for a full day program and related services at Lowell Public Schools; he will receive supplementary summer services. Sandra also assisted the family in signing the IEP and ensured they understood the registration process. LPS early childhood staff arranged for Cameron and his family to visit the prospective classroom. Throughout this process, staff from multiple programs and many staff within programs advocated for Cameron and collaborated to ensure that he was able to receive the services he needs.

Teaching Practices



The CLASS scores from Fall 2016 to Spring 2017 do not show much change or progress. Emotional Support dropped from 5.7 to 5.3, Classroom Organization dropped from 5.1 to 5, and Instructional Support increased slightly from 2.5 to 2.6.

- ◆ We are cognizant of the fact that in 3 of our 5 sites in which the CLASS observation was completed, there was a different rater from the Fall to the Spring. Having a different rater may potentially have an impact on the overall scoring difference.



- ◆ Over the past school year, we have sent 3 staff to become CLASS certified raters and have 3 more staff scheduled to attend in June. Our recommendation for next year would be to focus on the alignment of our raters through set “practice and debrief” sessions.
- ◆ We offered a CLASS training for all Center Directors, Education Coaches, Lead Teachers, and Assistant Teachers, across the programs in the area of Instructional Support. 55 total staff attended, 13 of them being hired within

the last school year. While an overview was previously offered to staff, this is the first in depth training we have offered on the tool. This training will focus on concept development, quality of feedback, and language modeling. Center Directors and Education Coaches will also participate in a training on how to best support their staff in these dimensions.

- ◆ After digging deeper on data day, we have found that there was not one particular classroom, set of teachers, or center that significantly dropped our scores.

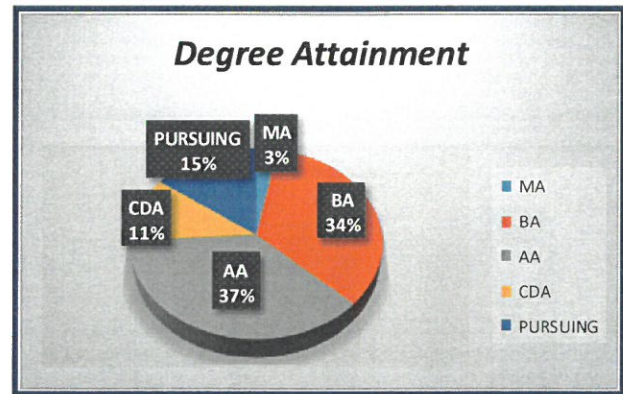
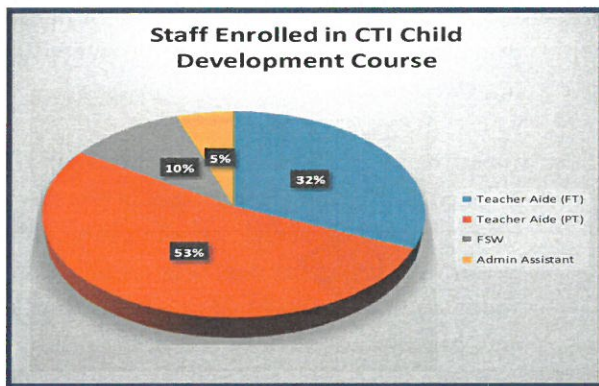
Fun Facts About CLASS:

- One of the Pyramid Model pilot classrooms showed increased CLASS scores in all areas from Fall to Spring. In the Fall, this classroom scored a 5.6 and raised it to a 5.9 in the Spring in Emotional Support. In Classroom Organization they moved from a 5 to 5.2 and the biggest jump was in Instructional Support moving from a 2 in the Fall to a 2.7 in the Spring.
- All classrooms receiving Education Coaching scored in the mid range (3-5) for Emotional Support & Classroom Organization.

The Education Coaches are working on creating a pilot TLC (Teachers Learning & Collaborating) for the Fall 2017. The main focus of the TLC will also be on Instructional Support. Teachers will have the opportunity to learn from each other; best practices and ways to improve their scores in this domain of the CLASS assessment.

Staff Development

This past school year, the Education Coaches rolled out the Head Start Early Learning Outcomes Frameworks to all staff. This is a tool that outlines and describes the skills, behaviors, and concepts that programs must foster in all children, including those who are dual language learners and children with disabilities. It assists programs in their efforts to create and implement foundational learning experiences for all young children and prepare them to be school ready. It also guides early learning programs to align curricula, assessments, and professional development to school readiness goals and assure continuity of early learning experiences. In a effort to create alignment, the Education Coaches developed a crosswalk of the Early Learning Frameworks, Massachusetts Guidelines, Teaching Strategies Gold and Creative Curriculum that all educators received in conjunction with the ELFO binders.



Currently Community Teamwork is offering a Child Development Course through Middlesex Community College. We have 6 Full Time Teacher Aides, 10 Part Time Teacher Aides, 2 Family Service Workers, and 1 Administrative Assistant enrolled in this course, which will allow them to apply for the EEC Teacher Certification.

During the 2017 school year, we had 26 staff members approved Tuition Reimbursement for a total of 35 courses. Of the 26 approvals, 2 are working on an MA, 7 on a BA, 4 on an AA, 8 are working on their CDA and 5 took a course designed for a specific age group or a courses needed for state level certification.

We are also happy to celebrate that two educators graduated this year. Jennifer Fino graduated with an Associate's Degree in Early Education and Kim Lennon graduated with a Bachelor's degree in Education.

Over the course of the year:

- ◆ 20 Early Learning Program staff completed the Pyramid Foundations training
- ◆ 19 completed the Implementation training,
- ◆ 17 completed the third tier training, TOPS.

Our Spring outcome data shows a direct correlation to the success of these trainings in that 40% of our Head Start children and 31% of Early Start children are exceeding in the area of Social Emotional development.

Education Coaching

Education Coaches attended at 2 day Practice Based Coaching Training and are scheduled to attend a TLC training in early June. Education Coaches have met with our Head Start T&TA Specialist for support with developing our pilot TLC's for the Fall.

# Teachers Referred since Fall	7
# Teachers Receiving Coaching	11
# Sessions Attended	47
# Sessions Missed	24



- * Our CLASS data indicates that all classrooms receiving Education Coaching this past school year scored in the Mid Range for Emotional Support & Classroom Organization (CLASS)
- * Classrooms who are receiving Education Coaching also show at least half of the children in their classroom meeting social emotional, language, and cognitive developmental expectations.

Education Coaching Success Story

As a new teacher the demands can seem overwhelming when you are first starting here. Jamie had the drive and motivation to work closely with me (Education Coach) to gain the knowledge she needed to be a successful Lead Teacher here at CTI. While working

with Jamie, she was able to get her classroom to a space where the classroom was led by the children. By the end of the year, the children clearly knew the routines and they knew exactly what the expectations were. There was tremendous growth from the start of the year to the end of the year and it was very evident when you stepped into that classroom. The classroom environment was nurturing and there was true learning going on by the end of the year. We worked together in using the Intentional Teaching cards to guide her instructional teaching. The children appeared to be excited to be there and had built great relationships with their peers and the teachers. What was most successful in working with Jamie was that she was willing to share all of the work she was doing throughout the coaching sessions with her Assistant teacher, which allowed for her assistant to grow throughout the year as well! Jamie was the ideal candidate for coaching because she was so willing to fully embrace the process without reservation.

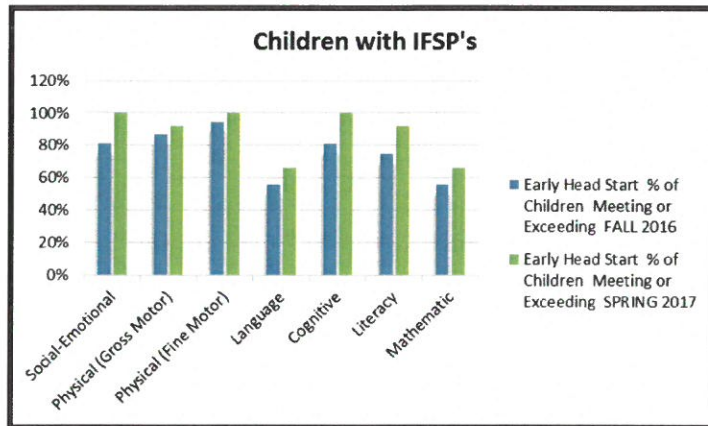
"My overall experience with coaching has been positive. Coaching offers an outside perspective and new ideas. One of the best things about coaching is the observations. There are a lot of things that you do not notice when you are in the moment. Kendra can pick up on things you may have missed, record them and discuss them at a later time. She also tries to schedule a coaching session soon after your observation so everything is still fresh in your mind. Plus with the observation, she can see how both you and your co-teacher interact in the classroom. She can have general suggestions for both of you to help the classroom run better and how to interact with each other more efficiently. Coaching is teacher led. You start with the area you feel you need the most work on and focus on it until you feel satisfied with it. You can then move on to your next goal. Kendra is easy to talk to and everything is confidential. She makes coaching a positive experience because her only goal is to help you succeed in the classroom." -Jamie

Teacher Retention

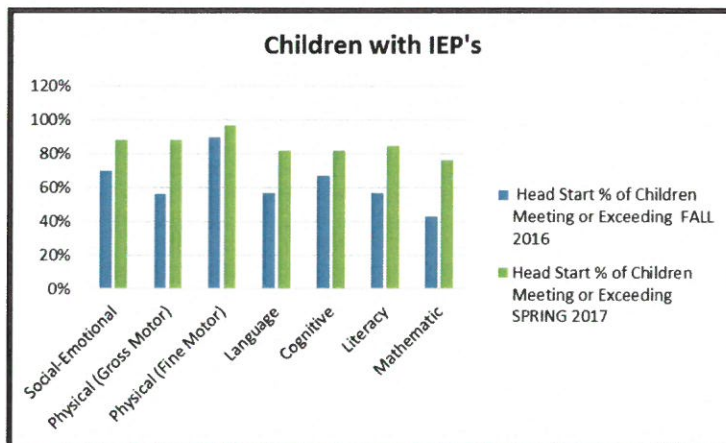
During the 2016-2017 our turnover rate reduced to 3%. We are attributing this to three things; the increase in our salary scale, which lessens the gap between Community Teamwork and the public school salaries, coaching, which adds an extra layer of direct support for our teaching staff and consistency in both classroom planning time and regular supervisions between teaching staff and their immediate supervisor.

Individualization & Disability Services

Early Head Start



Head Start



Steps to Further Promote

Dual Language Learning for Children

We've identified the need to ascertain a tool which can screen DLL more effectively. During the 11 case reviews held regarding screening results, there was trend of these children also being dual language learners. This also aligns with our recent Self-Assessment outcomes which supports the recommendation for staff training in the areas of *Language Acquisition & Development* as well as *Recognizing the needs of Dual Language Learners*. Enhanced knowledge in these areas would enable staff to more accurately assess all children.

Individualization stimulates learning across all domains of development and is designed to support the goals outlined by families and/or IEP/IFSP's.

This year, one of our sites benefitted from increased onsite inclusionary services. (See Spotlight next page)

In some case, we learned that children with disabilities made (in some areas) more progress than their typically developing peers. This is worth tracking more intentionally in the upcoming year.

We further realized that teaching staff in the on-site inclusionary room felt that the benefits of these inclusionary services extended beyond the children with IEPs and there was positive opportunity for typically-developing or children on the cusp of being developmentally at-risk.

203 children were screened in Head Start this program year. Of these, 26 scored in the Refer range on the ESI.

Of the 26 who did not pass the screening, case reviews were held for 11 to determine necessary follow up.

We recognized that our internal system for follow up on screenings needs to be clarified and strengthened through ongoing case management in the coming year so that more children may receive follow up. The number of children referred for follow up assessment is low compared to the screening data and the population served by Head Start.

To better understand which children are being referred, our Mental Health and Disabilities Manager now speaks with all referring staff to discuss the screenings and desired outcome/intent of services prior to a referral being submitted. This has resulted in 77% referral-to- LEA service conversion which is an improvement over years past.

TSG Outcomes for Children with Disabilities

	% Children Below Developmental Expectations FALL 2016	% of Children Below Developmental Expectations SPRING 2017
■ Language	43%	18%
■ Literacy	43%	15%

Head Start

- *Gross Motor Development:* 40% of HS children with disabilities in the Fall were below expectations in this area. The spring 2017 data indicates that children with disabilities have made solid progress in Gross Motors skills with 18% now reporting as below expectations. Further, The Spring TSG Gross Motor checkpoint data for children with disabilities who meet or exceed expectations is closely matched to their typically developing peers.
- *Language:* 73% of HS children with disabilities are now meeting developmental expectations in this area. The number of children identified in Fall as being below expectations (40%) has reduced by more than half as we close out the year (18%).
- *Literacy*— We also saw a marked decrease of HS children with disabilities now reporting as below expectations.

Early Head Start

- *Language:* Fall to Spring data indicates that 7% of the children identified as below expectations showed growth to meeting expectations. We continue to see teachers recommend children for referral to local EI programs to support language development.
- *Literacy:* Similarly to the HS data for children with disabilities, we also saw a marked decrease in EHS children with disabilities now reporting as below expectations in this area.

Collaboration Success Story ~ Inclusionary Services

Beginning in September, 2016, at the Houlares center, children with IEPs that included academic support began receiving their services in the Head Start classroom. Sandy Shaw, Carol Player (HS) and Julie Goslin (LPS) worked together to serve 3 children in Room 5 with IEPs. However, the benefits of these inclusionary services extended beyond the children with IEPs. Sandy Shaw: "Our kids got their services consistently and we were able to see how things were implemented. It was much more helpful than just being told what we should do. The modelling really helped. At the beginning it was awkward having a new person in our classroom but we built a relationship and made some small adjustments to the daily routine to accommodate the services. In addition Julie and I identified some children that we considered to be at risk for falling behind and they were included in small groups with the kids having IEPs so they were getting extra support. Julie got to see her children with IEPs interact in a natural environment."

Julie: "Some of my highlights from my work at Head Start this year include the collaboration with the classroom teachers. I have learned strategies in many classrooms that I can use and apply with other students. I've had the pleasure of seeing the progress the students have made since the beginning of the year. I don't think I would have seen this in the pull out model of service delivery. Children who have difficulty with transitions struggle when they have to leave their classroom to receive services. In the inclusionary model, the students are more fully engaged with the curriculum and what is being taught in the classroom."



Behavioral Health

Highlights from 2016-2017

- Throughout the year the Child Development Behavior Coaches were introduced to staff and SOPs that outline their work were developed by the Behavioral Health Tiger Team and MH/Disabilities Manager.
- The Behavioral Health position paper was also rolled out to Center Directors, Teaching staff, Home Visitors and Family Service Workers.
- A 12 week pilot program to embed the Pyramid Model approach in 2 classrooms was developed and implemented by the coaches and respective teachers.
- The revised Head Start performance standards were also reviewed by the Behavioral Health Tiger Team and recommendations for strengthening procedures were made.

Coaching

We've begun to recognize positive effects of the coaching roles as we close out the first year in which we welcomed the positions. Notable achievements include:

- ♦ One of our Head Start sites' fall DECA data indicated 9 children with behavioral concerns. This same site reports this number has decreased to 4.
- ♦ Four of the five children who moved from concern to typical in the area of behavior concern are students in classrooms which received coaching efforts.
- ♦ We further saw the impact of coaching through improved overall DECA scores, particularly in the area of resilience. One third fewer preschool children scored as "Need" and 95% of children scored in the "typical to strength" range.

Demographics of Coaching Work

# Children Referred	27
# Teachers / Teams Receiving Coaching	4
#Consultations	160
#Behavior Plans Developed	5

Head Start Behavior Concerns (DECA)			
Scale	Goal	Fall 2016	Spring 2017
Need	≤20%	10%	8%
Typical	≥80%	90%	92%

Head Start Resilience (DECA)			
Scale	Goal	Fall 2016	Spring 2017
Need	≤16%	15%	5%
Typical	≥68%	76%	79%
Strength	≥16%	8%	16%

Pyramid Pilot

Post TPOT assessments were completed as of June 20th and the data will be reviewed and analyzed throughout the summer months. Thus far we have identified that 12 weeks isn't quite long enough for coaches and teachers to develop their working relationship and establish a routine and rhythm to the work. **However, we** are better equipped to anticipate operational challenges in scheduling and coverage proactively to support cohesive teams and goal progress.

Pyramid Summit: The Mental Health/Disabilities Manager participated as a panelist at the annual state Pyramid Summit Conference.

Massachusetts Pyramid Project: The program awaits notification of selection for the Pyramid Demonstration Project. If selected, the program would benefit from professional development opportunities that include coaching & training for teachers and the behavior coaches, as well as state-wide recognition as a Pyramid Model site.

Staff Wellness

The program dedicated the 2016-17 school year to “health & wellness for all”. Along with agency initiatives, efforts included professional development activities devoted to exercise, nutrition and self care. MVTs provided a 12 week “Healing Circle” to one of the JHC centers. The Healing Circle educates participants about the physical and emotional impact of chronic toxic stress and ways to alleviate them. Many participants praised the Healing Circle and found that they were able to apply their learned knowledge and practices into not only their work setting, but also their personal lives as well. Two teaching staff recently shared that they’re still doing 5-10 minutes of yoga daily with the children in their classrooms, a practice they’d not done previously. We are very pleased to share that there are currently 2 more Healing Circles in progress at Parker and Children’s Village.

Healing Circle Feedback:

A few sample statements from staff when asked what content they have incorporated into their work or personal life:

“I have learned to look at what I contribute to a relationship.”

“Taking time before I react...”

“Not feeling guilty...”

“I wish we met more often”

“Yoga in the room”

“Being more positive”

“Breathing practices....and teaching them to the children to help release tension.”

Community Partnerships

“Enhance community partnerships to benefit staff and families”

The task team dug deeper into identified staff & family needs to best determine future partnerships. Thereafter the team started an audit of existing MOU’s to update, propose edits to enhance services whenever possible. This summer these MOU’s will be presented for review to the leadership team. Next steps will include securing new partnerships through the MOU process to support staff and families needs.

Our program benefitted from a dental and health partnership this year as Lowell Dentistry for Children and Middlesex Community College nursing students visited the program throughout the year.



Suzie from Lowell Dentistry for Children joined us throughout the program year to offer Dental Education to parents and children. Students LOVED when it was their day to have a visit!

Family Development

Parent, Family, and Community Engagement (PFCE)

Goal 1: Children will attend school on a regular basis

Spring 2017 Average Daily Attendance Rate: 88%

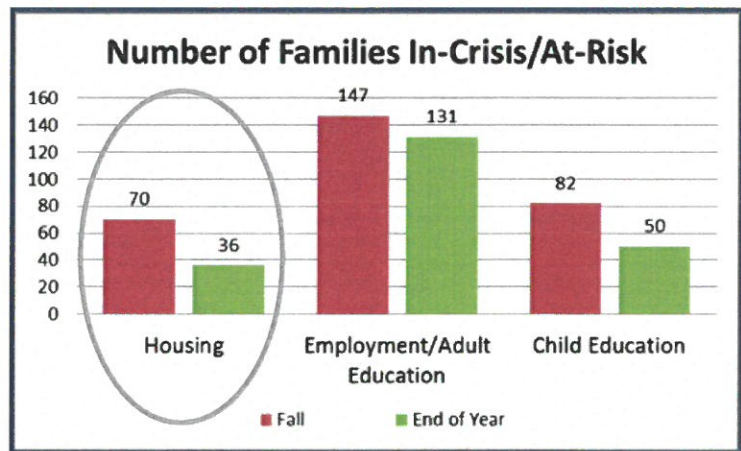
While this is still above the Head Start Performance Standard goal of 85%, the program did see a very slight decrease in attendance % compared to Fall 2016 (91%) This is a familiar trend due to winter weather resulting in cancelled transportation or fewer attendees due to inclement weather. We believe that our ability to maintain attendance % higher than the Head Start Standards is a result of the FSW's contacting families/ following up daily regarding tardy and absent children. Additionally, resources are reviewed with families and parents have come to anticipate these conversations with their family partners, during which the importance and benefits to children attending school regularly are discussed.

Goal 2: Families will move towards self-sufficiency.

This year we surveyed families to better determine workshops, resources or other education opportunities to best support their path to self-sufficiency. As a result the program has offered a variety of engagement sessions in the areas of Financial Literacy, DTA access and eligibility, Housing and utilization of the CTI Resource Center.

The most notable self-sufficiency gain this year was for those families experiencing homelessness or insecure housing. Approximately 50 % fewer families were identified as *in crisis* or *at risk* in this area. Those that progressed moved from risk of eviction or shelters to more permanent housing options such as subsidized housing rentals. This significant gain is wonderful but we realize that our work with families is not complete as there are now opportunities to support these families with the safety and quality of their housing.

We understand there is a direct correlation between parents/guardians accessing education opportunities to sustain or obtain employment. From Fall to Spring, the program more than doubled the service referrals in the area of adult education. Enrolled families reported that their employment rates increased, resulting in more families becoming eligible for full time care as noted in the Scale of Child Education; this is consistent with years past. Increased training and resources on coordinated case management will be invaluable to staff in the upcoming year to continue to support self-sufficiency attainment by families.



Teen Parent and Parent Committee Meetings occurred monthly across program.

Many topics were offered to support family wellness as well as progress toward self-sufficiency.

◆ Nutrition- Healthy eating

◆ Literacy

◆ Financial Literacy

◆ CPR & First Aid

◆ Yoga/ movement

◆ Dental Hygiene

◆ Math and science at home

◆ Kindergarten Transition, preparing your family for public school

◆ Father-Figure Engagement

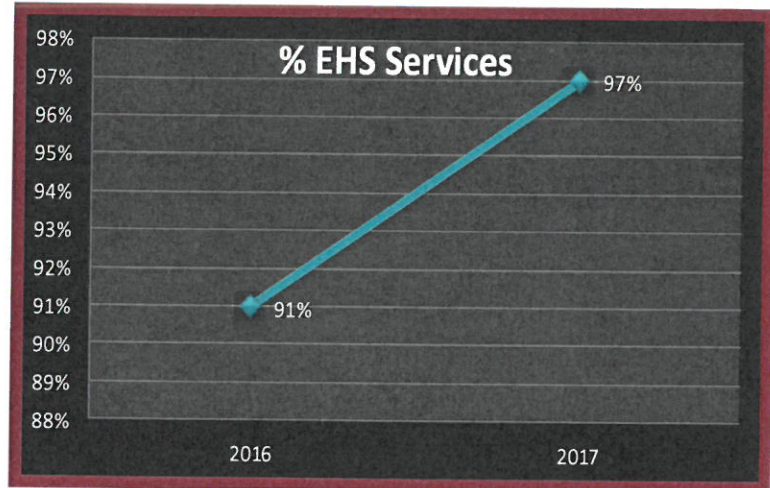
◆ Accessing housing and employment

Opportunities for all families to engage included:

Family Development continued....

Goal 3: Families will be ready to support their child's learning and engage in the long-term, life-long success of their child.

The EHS FSW role that was added this program year has allowed for increased case management and improved communication between staff and locations. We also found that introducing the EHS FSW concept this year prompted increased parent participation in events and coordination of enrollment and services, allowing families to receive care and support in a timely manner. In particular, our teen parent engagement this year improved a great deal. The EHS FSW consistently had 2-4 parents join in on events verses years' past when we'd rarely have attendees. The EHS FSW utilizes technology as a means to keep our teen parents engaged with regular text messages to maintain communication and reminders about events and upcoming news.



We entered May with higher % of EHS Services than we saw than year prior.

Families continue to be more engaged in transitions for their children. An increased number of transition meetings were offered to parents throughout this program year. Family Service Workers, Home Visitors and Teaching Staff actively welcome and engage families in goal setting and the parent-teacher conference process. Additionally, families participated in Kindergarten Open Houses this year. Parents were able to apply the knowledge they gained from the open house follow through on the process to enroll their children in local Kindergarten programs.



This year our Policy Council Orientation was revised to support parents in more fully recognizing their capacity as leaders and advocates for their children, not only within Head Start but within their community.

This spring parents joined us at the Massachusetts Statehouse Advocacy day!

Family Engagement

“Enhance and expand opportunities for family engagement in the program, at home, and in the community.”

This year the program committed to develop in-house activities that address the primary barriers to access; pilot activities at specific locations. Families were surveyed early in the year to determine interests, needs, availability, and identify the challenges in attending and engaging in events. We learned there was a trend in STEM topics as well as healthy lifestyles. We further learned that evenings –adjacent to popular pick-up times mid-week were the preferred option.

Two sites were chosen as the pilot sites and we're pleased to report that not only did we see increased family engagement attendance at these events, we've learned some valuable lessons to guide our future planning around family engagement. Overwhelmingly, it was realized that engagement events in which the parent or guardian had a role were the ones most attended. Examples included: families preparing and sharing a dish and story for potluck, families who are invited to volunteer for task, craft, table or special role at the event. This format invited parents to share their strength, hobby or family history and valued their contribution. We also learned that parents responded very positively to securing outside vendors, guest speakers or “experts” for the engagement events. Specifically, the Yoga instructor and the nutritionist from a local supermarket were valued by the attendees. While our family service and teaching staff have and do share helpful resources to support movement or health eating/shopping there seemed to be an increased draw to meeting with the vendors we invited to share this information. We received some great anecdotal responses to the pilot activities (See below) and intend to utilize pre and post surveying next year to be able to share more data with our families. We will certainly apply this new knowledge to planning our engagement opportunities in the upcoming year!

Family Engagement Pilot Spotlight

- ◆ 6 planning and communication meetings to review surveys, coordinate and prepare for events
- ◆ 4 uniquely tailored pilot events offered at 2 locations
- ◆ 60 families attended these events, a marked increase vs. prior program year engagement at these locations



Family Success Story :

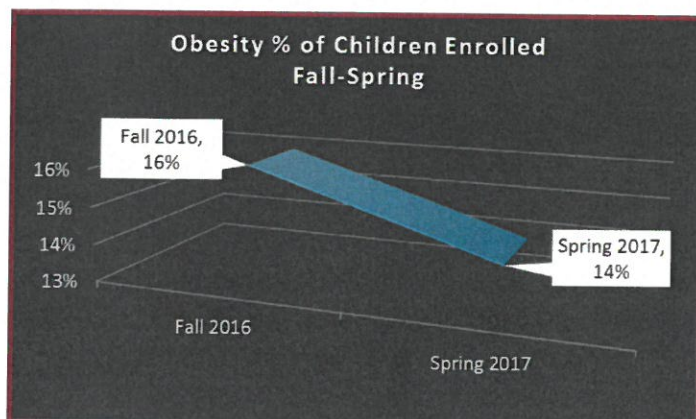
The program has been hosting Family Engagement Pilot activities in the areas of Science, Technology, Engineering, Mathematics (STEM). One of our families enrolled at Children's Village engaged in the Yoga/cooking demo as well as the science fair. Mom shared the following feedback:

“The times that both of these activities worked very well for my family to attend (late afternoon/evening). I appreciate that flexibility and would like to see them offered more. We especially enjoyed the yoga and cooking demo. My daughter now asks to be more involved in the kitchen, asking to cook with me. She even asks “Mom, is this a healthy food?” after we attended the event at school. I find that I am now more aware of what I'm cooking, how it is prepared and learned of substitutions that can be used to make a meal healthier. I've started to try new foods in our household such as almond butter!”

Health & Nutrition

Body Mass Index (BMI)

Our School Readiness goal to support healthy weights is to have less than 15% of enrolled children defined as obese, consistent with the national average. Obesity is defined as having a body mass index that is at or above the 95th percentile for the child's age and sex.

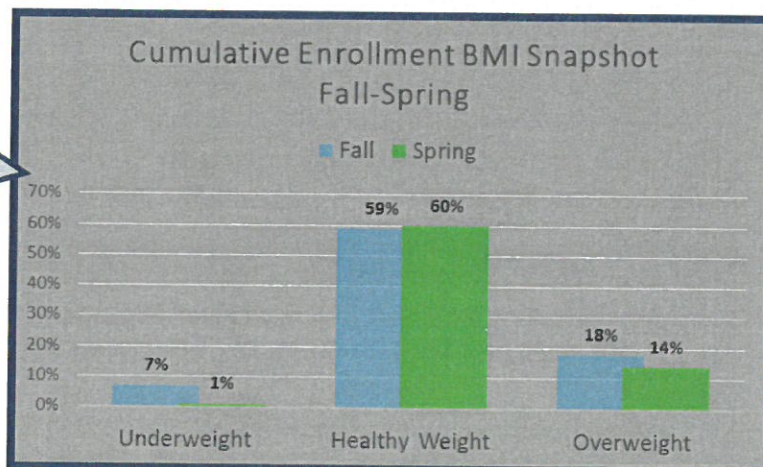


We found that obesity rates decreased by 2 % for those children who were enrolled in our program for the entirety of the school year. At the start of the program year 16% of the enrolled children were classified in the obese category. This number decreased to 14% as we closed out the year. We are pleased that this reduction not only met our programmatic goal but it resulted in children making progress towards healthier weights and lifestyles.

This decrease may be attributed to individualized curriculum (see success story below), educational cooking demos with Chef Nick, free produce available to families through a Farmer's Market and family engagement nights focused on healthy eating/recipes. The Education Coaches also provided teachers with targeted gross motor curriculum activities to utilize. Additionally, the program offered enhanced movement/motor activities to improve Physical Gross Motor checkpoint data this spring. Children at two sites benefitted from onsite Yoga and Imagimotion classes. We found correlation to Low BMI% and strong physical development scores in our TSG Spring data. For example, our preschool classroom with the lowest BMI% is also the classroom with 100% of children meeting or exceeding widely held expectations in the area of physical development.

Approximately half of the children identified as obese are WIC participants. We will continue to refer families to WIC and intend to utilize our newly enhanced partnership with WIC to support families in the coming year.

This chart identifies the composition of weight categories for cumulative total enrolment this year. We can see that, overall, the total enrollment weight %'s trended toward improved weights throughout the year though we realize that departures and additional enrollments are reflected in these numbers.



Healthy Weights Success Story

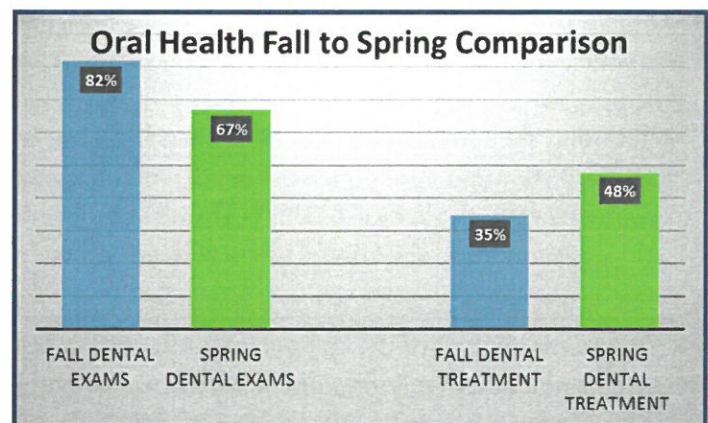
Room 14 teachers set an individual goal for one of their toddlers around healthier eating and physical activity. Not only did they assist him in meeting his goal but he exceeded it by losing 11lbs in 6 months!! This is roughly the equivalent of one gallon of paint. They did this by monitoring his portions, offering him water throughout the day, encouraging him to eat more fruits and vegetables, and keeping him very busy by incorporating extra gross motor activities each day. One of their daily routines included a walk every day rain or shine. When extreme weather stopped them from being outside they took a field trip to the 3rd floor. Most importantly they engaged the family in being a part of this huge accomplishment! The parent who was initially not concerned about her child's weight is now excited to keep working on this goal both at home and at school!

Oral Health

Program efforts to help support the importance of oral health have included oral health education by a dental hygienist in all classrooms, oral health presentations in all classrooms by Middlesex Dental students, parent engagement activities focused around oral health. The program also launched an initiative at the mid-year point that included documenting and tracking tooth brushing as part of a homework assignment.

The percentage of children with up to date dental exams actually decreased in the spring, which is consistent with the trend we saw in the 2015-2016 program year. When we dove further into our data this year we learned that the children enrolled in the part day program remained up to date on routine dental care more often than those enrolled in the full day program. A potential reason for this could be that full day families include more working parents who may have less time to devote to medical appointments.

We speculate that if we could secure a part time satellite dental office onsite at our largest site, families would take advantage of this convenience. We are pursuing a unique partnership with our local community health center as they prepare to open a dental clinic in early 2018. Currently we're discussing creative ways the new dental center could support our full day families in accessing convenient dental care more regularly.



Although the number of children receiving follow-up treatment did not meet our goal we did see an increase from Fall to Spring. We were able to assist families with transportation to and from Boston for their treatment.

Our recent Health Services Advisory Committee (HSAC) meeting focused on Nutritional Health and Wellness to support Healthy Weights in young children. We were pleased to see participation expand a bit this year to include new members from the Greater Lowell Health Advisory: Circle Health, Merrimack Valley Trauma Services, and Middlesex Community College Nursing program. We're looking forward to engaging the HSAC more actively throughout the summer by sharing our school readiness report, alerting them to events within program and soliciting ideas for health and wellness tips/resources for families.

COMMUNITY ASSESSMENT UPDATES: 2016-2017

Community Teamwork conducts a comprehensive Community Needs Assessment every three years. In early August 2016, the agency began developing the 2018-2020 Community Assessment Report. Attached is a summary of Key Findings that have implications for the Early Learning Program and provides an update to the 2014-2015 Head Start Community Needs Assessment conducted at the time of our initial grant application. The Early Learning Program 2014-2015 Community Needs Assessment contained Head Start specific data points that were not covered in the agency report. The full assessment has been reviewed in efforts to identify changes within the characteristics of the community. Below is a summary of additional significant changes found during this review.

SECTION 1: DEMOGRAPHIC MAKE-UP OF HEAD START ELIGIBLE CHILDREN AND FAMILIES, INCLUDING THEIR ESTIMATED NUMBER, GEOGRAPHIC LOCATION, AND RACIAL AND ETHNIC COMPOSITION

Strategies for Children works to ensure that Massachusetts invests the resources needed for all children, from birth to age five, to access high-quality early education programs that prepare them for success in school and life. In their efforts, they aggregate facts and data on the children and families in every community in the State. Economically disadvantaged is calculated based on a student's participation in one or more of the following state-administered programs: the Supplemental Nutrition Assistance Program (SNAP); the Transitional Assistance for Families with Dependent Children (TAFDC); the Department of Children and Families' (DCF) foster care program; and Mass Health (Medicaid). Sources used to gather this data include: Massachusetts Department of Early Education and Care, Massachusetts Department of Elementary and Secondary Education, US Census 2010, ACS 11-15.

Number and Location of Eligible Children, 2016:

Child Population: Birth-5										
	Lowell	Billerica	Chelmsford	Dracut	Tewksbury	Westford	Dunstable	Pepperell	Tyngsborough	Wilmington
# of children	9,243	2,664	2,197	2,034	1,812	1,468	175	739	727	1,608
% of children living below the poverty line	29.20%	8.00%	0.80%	1.60%	1.90%	1.30%	0.00%	3.40%	14.30%	3.00%

Source: *Strategies for Children*

- According to these estimates, approximately 3,192 children under five years live in poverty in the CTI service area, of which 85 percent reside in Lowell.
- Since the 2014-2015 Community Needs Assessment, the number of eligible children is:
 - 25% higher in Lowell
 - 4 x higher in Tyngsborough
 - 50% higher in Westford

Children and families experiencing homelessness:

According to the Continuum of Care 2016 Point-in-Time count (PIT), Lowell had a total of 594 homeless people, including 575 sheltered in emergency or transitional housing and 19 unsheltered individuals living on the streets. This is a slight increase over the prior year. The 2016 PIT indicates that there are 493 emergency and transitional shelter beds in Lowell. The Mass. Department of Housing & Community Development reports that year-to-date, 527 families from our region were placed in Emergency Assistance shelters or a hotel with an additional 321 who were diverted from shelter with a short-term housing subsidy.

During the 2016-2017 program year, 12 enrolled Early Head Start and 21 Head Start families (33 children in total) experienced homelessness. Of these 33 families, 7 (21 percent) located housing during their enrollment

in the program. While the number of homeless families served has decreased since our initial Community Assessment was conducted, the percentage of families acquiring housing has decreased by 14% in the past 2 years.

Racial and ethnic composition of eligible families

A review of our internal Program Information Report (PIR) data found that during the 2016-2017 program year, 59 percent (426) of children served were White, 12 percent (86) were Black, 17 percent (125) were Bi-racial/Multi-racial, and 10 percent (69) were Asian. The number of children served are split nearly equally between those of Hispanic or Latino origin (46 percent) and those who are not Hispanic or Latino (54 percent). These numbers reflect a slight increase in the diversity of program participants in recent years. In the 2014-2015 program year, 61 percent of children served were White and only 13 percent were Bi-racial/Multi-racial.

CTI Head Start and Early Head Start Child Enrollment By Race and Ethnicity, 2014-2017

CTI Head Start and Early Head Start Child Enrollment By Race and Ethnicity, 2014-2017

Race	2014-2015 HS	2014-2015 EHS	2015-2016 HS	2015-2016 EHS	2016-2017 HS	2016-2017 EHS
American Indian or Alaskan Native	0	0	1	0	1	0
Asian	77	21	74	19	57	12
Black or African American	72	27	69	32	67	19
Native Hawaiian or Other Pacific Islander	0	0	1	0	0	0
White	409	111	323	129	329	97
Bi-racial/Multi-racial	63	46	85	45	97	28
Other	10	13	18	13	12	6
Unspecified	0	0	0	0	0	0
Cumulative Enrollment	631	218	571	238	563	162

Ethnicity	2014-2015 HS	2014-2015 EHS	2015-2016 HS	2015-2016 EHS	2016-2017 HS	2016-2017 EHS
Hispanic or Latino Origin	296	107	255	99	258	72
Non-Hispanic/Non-Latino Origin	335	111	316	139	305	90
Cumulative Enrollment	631	218	571	238	563	162

Source: 2014-2015, 2015-2016 and 2016-2017 Program Information Reports

Given that the majority of families that are served by CTI Head Start and Early Head Start are White, it is not surprising that the primary language of families in the program is English. During the 2016 -2017 program year, nearly 75 percent (545) of families spoke English, 12 percent (83) spoke Spanish and 10 percent (74) spoke Middle Eastern or South Asian languages. This is a change from the 2014-2015 data where nearly 70 percent of families spoke English, 18 percent spoke Spanish and 8 percent spoke Middle Eastern or South Asian languages.

SECTION 2: OTHER CHILD DEVELOPMENT AND CHILD CARE PROGRAMS

Early Education and Care										
	Lowell	Billerica	Chelmsford	Dracut	Tewksbury	Westford	Dunstable	Pepperell	Tyngsborough	Wilmington
% of children under age 6 with all parents in the labor force	73.40%	69.50%	64.40%	85.5%	66.70%	63.40%	51.80%	85.90%	78.60%	72.50%
# of preschool-aged (3-5 yrs) children	4,466	1361	1207	1063	954	896	110	406	413	841
% of 3- and 4-year-old children enrolled in an early education program (estimate only)	42.50%	49%	69.10%	65.60%	70.30%	59.10%	80.00%	60.40%	58.10%	75.30%
# of public school preschool programs	14	1	1	1	1	1	1	1	1	2
# of licensed center-based programs	15	13	13	11	12	10	1	3	3	7
# of licensed family child care providers	262	38	25	43	27	12	1	6	8	14

Source: Strategies for Children

- There has been an increase in home visiting services and programs within our community in recent years. Anne Sullivan Center (ASC) South Bay Early Intervention (SBEI), Healthy Families are the most similar in service delivery to our program. We all overlap in the same geographical territory, same ages of participants (EHS), provide referrals and resource support, self-sufficiency goal setting in addition to parent/child education. Of these, Anne Sullivan and Healthy Families both also offer a prenatal home visiting component.
- Lowell, Billerica and Tyngsborough have the highest percentage of children living below the poverty line and the lowest percentage of 3 and 4 year olds enrolled in an early education program.

ANSTISS

CERTIFIED
PUBLIC
ACCOUNTANTS

Community Teamwork, Inc.

Financial Statements

June 30, 2016 and 2015

AUDIT, TAX & ADVISORY SERVICES
SINCE 1964

Community Teamwork, Inc.
Financial Statements
June 30, 2016 and 2015

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Independent Auditor's Report

To the Board of Directors of
Community Teamwork, Inc.

We have audited the accompanying financial statements of Community Teamwork, Inc. (a non-profit 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. We have also audited the general purpose consolidated financial statements of Community Teamwork, Inc. and its affiliates as of and for the years ended June 30, 2016 and 2015. Our report on those financial statements dated November 7, 2016 was unqualified.

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 audit 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements 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*, the Housing Programs – DHCD, Supplemental Schedule of Assets, Liabilities and Net Assets, and the Housing Programs – DHCD, Supplemental Schedule of Program Revenues, Expenses and Changes in Net Assets are presented for purposes of additional analysis and are not required parts 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 November 7, 2016, on our consideration of Community Teamwork, Inc.'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 Community Teamwork, Inc.'s internal control over financial reporting and compliance.



Anstiss & Co., P.C.
Lowell, MA
November 7, 2016

Community Teamwork, Inc.
Statements of Financial Position
June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 3,839,304	\$ 4,210,800
Short-term investment	10,257	10,216
Accounts receivable	4,630,051	3,495,349
Due from affiliates - net	645,395	481,051
Prepaid expenses and other current assets	481,331	360,687
Total current assets	<u>9,606,338</u>	<u>8,558,103</u>
Fixed assets		
Land, building and equipment - net	<u>8,449,648</u>	<u>5,619,865</u>
Other assets		
Notes receivable - net	4,273,780	4,241,600
Beneficial interest in assets held by GLCF	152,498	162,842
Total other assets	<u>4,426,278</u>	<u>4,404,442</u>
Total assets	<u><u>\$ 22,482,264</u></u>	<u><u>\$ 18,582,410</u></u>
Liabilities and Net Assets		
Current liabilities		
Accounts payable	\$ 1,325,836	\$ 1,159,232
Accrued vacation	728,265	749,342
Notes payable	252,953	124,090
Advances on contracts	4,146,911	2,897,220
Other current liabilities	1,487,334	1,243,255
Total current liabilities	<u>7,941,299</u>	<u>6,173,139</u>
Long-term liabilities		
Notes payable	4,577,545	3,223,631
Other long-term liabilities	307,550	265,254
Total long-term liabilities	<u>4,885,095</u>	<u>3,488,885</u>
Total liabilities	<u>12,826,394</u>	<u>9,662,024</u>
Net assets		
Unrestricted	2,034,362	1,721,869
Temporarily restricted	7,621,508	7,198,517
Total net assets	<u>9,655,870</u>	<u>8,920,386</u>
Total liabilities and net assets	<u><u>\$ 22,482,264</u></u>	<u><u>\$ 18,582,410</u></u>

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

Community Teamwork, Inc.
Statements of Activities
For the Years Ended June 30, 2016 and 2015

	Unrestricted	Temporarily Restricted	2016 Total	Unrestricted	Temporarily Restricted	2015 Total
Revenue and Support						
Contract revenue	\$ 73,791,603	\$ -	\$ 73,791,603	\$ 70,288,892	\$ -	\$ 70,288,892
Service fees, grants and contributions	6,161,322	-	6,161,322	6,651,366	-	6,651,366
Rental income	149,506	-	149,506	148,333	-	148,333
Local revenue	47,406	-	47,406	34,637	-	34,637
Other income	155,093	-	155,093	369,563	-	369,563
Net assets released from restriction	254,740	(254,740)	-	406,053	(406,053)	-
Total revenue and support	80,559,670	(254,740)	80,304,930	77,898,844	(406,053)	77,492,791
Expenses						
Program services						
Housing and homeless services	44,060,436	-	44,060,436	40,707,834	-	40,707,834
Child and family services	20,482,418	-	20,482,418	20,354,374	-	20,354,374
Energy and community resources	10,454,146	-	10,454,146	11,952,591	-	11,952,591
Local initiative	731,877	-	731,877	1,004,156	-	1,004,156
Total program services	75,728,877	-	75,728,877	74,018,955	-	74,018,955
Supportive services						
Management and general	3,630,780	-	3,630,780	3,306,269	-	3,306,269
Fundraising	209,789	-	209,789	201,413	-	201,413
Total expenses	79,569,446	-	79,569,446	77,526,637	-	77,526,637
Change in Net Assets from Operations						
Before Transfer of Program Assets	990,224	(254,740)	735,484	372,207	(406,053)	(33,846)
Transfer of Program Assets	-	-	-	(323,881)	-	(323,881)
Change in Net Assets from Operations	990,224	(254,740)	735,484	48,326	(406,053)	(357,727)
Other Net Asset Transfers	(677,731)	677,731	-	(582,683)	582,683	-
Change in Net Assets	312,493	422,991	735,484	(534,357)	176,630	(357,727)
Net Assets - Beginning of Year	1,721,869	7,198,517	8,920,386	2,256,226	7,021,887	9,278,113
Net Assets - End of Year	<u>\$ 2,034,362</u>	<u>\$ 7,621,508</u>	<u>\$ 9,655,870</u>	<u>\$ 1,721,869</u>	<u>\$ 7,198,517</u>	<u>\$ 8,920,386</u>

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

Community Teamwork, Inc.
Statements of Functional Expenses
For the Years Ended June 30, 2016 and 2015

	Housing and Homeless Services	Child, Family and Adolescent Services	Energy and Community Resources	Local Initiative	Total Program Services	Management and General	Fundraising	2016 Total
Client payments	\$ 37,232,418	\$ 4,856,513	\$ 7,982,113	\$ 3,433	\$ 50,074,477	\$ -	\$ -	\$ 50,074,477
Salaries	3,184,228	8,676,118	1,301,338	430,116	13,591,800	1,910,030	102,782	15,604,612
Taxes and benefits	1,032,302	3,137,505	432,130	117,702	4,719,639	474,221	23,334	5,217,194
Contract services	1,317,705	467,797	283,509	4,932	2,073,943	437,022	1,902	2,512,867
Occupancy	551,516	1,244,367	82,389	55,363	1,933,635	199,645	3,820	2,137,100
Other expenses	278,531	1,361,888	128,794	34,214	1,803,427	145,460	46,297	1,995,184
Other administrative expenses	318,050	303,290	161,203	82,403	864,946	389,796	28,784	1,283,526
Depreciation	89,705	315,627	35,159	3,714	444,205	45,404	410	490,019
Interest expense	55,981	108,703	23,566	-	188,250	13,482	-	201,732
Consultants	-	10,610	23,945	-	34,555	15,720	2,460	52,735
Total expenses	\$ 44,060,436	\$ 20,482,418	\$ 10,454,146	\$ 731,877	\$ 75,728,877	\$ 3,630,780	\$ 209,789	\$ 79,569,446

	Housing and Homeless Services	Child, Family and Adolescent Services	Energy and Community Resources	Local Initiative	Total Program Services	Management and General	Fundraising	2015 Total
Client payments	\$ 34,316,764	\$ 5,027,412	\$ 8,903,971	\$ 358,220	\$ 48,606,367	\$ -	\$ 195	\$ 48,606,562
Salaries	3,247,216	8,511,236	1,639,689	378,593	13,776,734	1,728,532	64,268	15,569,534
Taxes and benefits	1,092,723	3,148,803	579,341	106,225	4,927,092	434,535	13,626	5,375,253
Contract services	980,911	578,257	219,232	9,247	1,787,647	352,109	338	2,140,094
Occupancy	466,613	950,186	129,150	66,878	1,612,827	217,519	310	1,830,656
Other expenses	188,381	1,379,384	225,961	29,925	1,823,651	94,354	75,276	1,993,281
Other administrative expenses	308,955	400,195	167,723	48,518	925,391	411,253	47,147	1,383,791
Depreciation	79,209	329,679	36,659	4,750	450,297	48,024	-	498,321
Interest expense	25,952	28,712	22,335	-	76,999	12,690	149	89,838
Consultants	1,110	510	28,530	1,800	31,950	7,253	104	39,307
Total expenses	\$ 40,707,834	\$ 20,354,374	\$ 11,952,591	\$ 1,004,156	\$ 74,018,955	\$ 3,306,269	\$ 201,413	\$ 77,526,637

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

Community Teamwork, Inc.
Statements of Cash Flows
For the Years Ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 735,484	\$ (357,727)
Adjustments to reconcile change in net assets to net cash provided by (utilized in) operating activities:		
Non-cash interest expense - 0% Financing	13,473	12,690
Depreciation	490,019	498,321
Bad debt expense	26,051	118,219
<i>Changes in Assets and Liabilities</i>		
(Increase) decrease in accounts receivable	(1,160,753)	546,364
Increase in due from affiliates	(164,344)	(68,928)
(Increase) decrease in prepaid expenses	(120,644)	25,900
Increase in notes receivable	(32,180)	(379,910)
Decrease (increase) in beneficial interest in assets held by GLCF	10,344	(73)
Increase (decrease) in accounts payable	166,604	(45,834)
Decrease in accrued vacation	(21,077)	(861)
Increase (decrease) in advances on contracts	1,249,691	(739,276)
Increase in other liabilities	286,375	319,794
Net Cash Provided by (Utilized in) Operating Activities	<u>1,479,043</u>	<u>(71,321)</u>
Cash Flows from Investing Activities		
Purchase of short-term investment	(41)	(41)
Purchase of fixed assets and development property	<u>(3,319,802)</u>	<u>(1,564,800)</u>
Net Cash Utilized in Investing Activities	<u>(3,319,843)</u>	<u>(1,564,841)</u>
Cash Flows from Financing Activities		
Proceeds from notes payable	1,640,000	1,132,037
Payments on notes payable	<u>(170,696)</u>	<u>(62,335)</u>
Net Cash Provided by Financing Activities	<u>1,469,304</u>	<u>1,069,702</u>
Net Decrease in Cash and Cash Equivalents	<u>(371,496)</u>	<u>(566,460)</u>
Cash and Cash Equivalents - Beginning	4,210,800	4,777,260
Cash and Cash Equivalents - Ending	<u><u>\$ 3,839,304</u></u>	<u><u>\$ 4,210,800</u></u>
Supplemental Data:		
Interest paid	<u>\$ 188,259</u>	<u>\$ 77,148</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

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

Community Teamwork, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

Note 1 - Organization

Community Teamwork, Inc. (the "Organization") was organized in the Commonwealth of Massachusetts as a not-for-profit organization. The Organization provides economic assistance, through Community Action Programs funded by various federal, state and local agencies, to eligible clients within its service area. The service area of the Organization includes the City of Lowell, Massachusetts and its surrounding communities.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Under the accrual method, income and expenses are recognized when earned or accrued. The costs of providing the various programs and supporting services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board Accounting Standard 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. In addition, the Organization is required to present a statement of cash flows.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Concentration of Credit Risk

Financial instruments, which potentially subject the Organization to concentrations of credit risk, consist principally of cash, cash equivalents and contract receivables. The Organization maintains its cash and cash equivalents in bank deposit accounts, which at times may exceed federally insured limits. The Organization has not experienced any losses in such accounts. Management considers credit risk to be minimal. Credit risk with receivables is concentrated among Federal and State agencies which comprise substantially all of the receivable balances as of June 30, 2016 and 2015.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash in the Organization's bank accounts and certificates of deposit with maturities of three months or less.

Community Teamwork, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Accounts Receivable

Revenue is accounted for at established rates on the accrual basis, less an allowance for contractual, charitable, and other arrangements for services provided at less than established rates. The Organization's policy is to not accrue interest on trade receivables. The Organization records its accounts receivable at the outstanding principal amount less an allowance for doubtful accounts. On a periodic basis, the Organization evaluates its accounts receivable and establishes an allowance for doubtful accounts based on the history of past write-offs, collections, and current credit conditions. As of June 30, 2016 and 2015, there was an allowance for doubtful accounts of approximately \$165,000 and \$243,000, respectively.

Fixed Assets

The Organization capitalizes major purchases of fixed assets (with a cost of \$5,000 or more), which are not in the nature of replacements or repairs. Minor equipment purchases, replacements, maintenance, and repairs are charged to expense as incurred.

Capitalized assets are recorded at cost if purchased or constructed, or at fair market value at the date of the gift, if donated. Depreciation is provided using the straight-line method over the estimated useful lives of the assets capitalized.

The Organization reviews and evaluates its long-lived assets for impairment when events or changes in circumstances indicate that the related carrying amounts may not be recoverable. Impairment is considered to exist if the total estimated future cash flows on an undiscounted basis are less than the carrying amount of the asset. There was no impairment loss recorded during the years ended June 30, 2016 and 2015.

Classification of Net Assets

Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted Net Assets

Unrestricted net assets consist of net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets

Temporarily restricted net assets consist of net assets subject to donor imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. It is the Organization's policy to record temporarily restricted contributions whose restrictions were met in the same reporting period as unrestricted support in accordance with ASC 958-605 "Revenue Recognition."

Community Teamwork, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Permanently Restricted Net Assets

Permanently restricted net assets consist of net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. As of June 30, 2016 and 2015, the Organization had no permanently restricted net assets.

Revenue and Expenses

Certain grants and contracts received from government agencies are cost reimbursement agreements. Accordingly, grant and contract income equals expenses incurred; therefore, the excess (deficit) is carried as a liability (advance on contracts) or as an asset (accounts receivable), respectively. Revenue is recognized from fixed price or unit based contracts when services have been rendered. The majority of the Organization's revenue is from government contracts that provide for possible review and audit by the contracting agencies. Management has determined that the results of any potential audit would not result in adjustments that would be material to the financial statements.

Donated Services

No amounts have been reflected in the financial statements for donated services. The Organization pays for most services requiring specific expertise.

Income Taxes and Uncertain Tax Positions

The Organization has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3) and is, therefore, generally exempt from federal and state income taxes. Accordingly, no provision for income taxes has been provided for in the accompanying financial statements.

ASC 740-10, "Income Taxes" requires the Organization to evaluate and disclose tax positions that could have an effect on the Organization's financial statements. The Organization reports its activities to the Internal Revenue Service and the Commonwealth of Massachusetts on an annual basis. These informational returns are generally subject to audit and review by the governmental agencies for a period of three years after filing.

Substantially all of the Organization's income, expenditures and activities relate to its exempt purpose, therefore, management has determined that the Organization is not subject to unrelated business income taxes and will continue to qualify as a tax-exempt not-for-profit entity.

Expense Allocation

Expenses are allocated among program and supporting services directly based or based on time records and utilization estimates made by management. Management and General expense includes those expenses that are not directly identifiable with any other specific function, but provide for overall support and direction of the Organization. These expenses are allocated based on an approved indirect cost rate using a modified direct cost base.

Reclassifications

During 2016, certain amounts from the prior year financial statements were reclassified to conform to the current year's presentation.

Community Teamwork, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, "Leases". ASU 2016-02 includes a lessee accounting model that recognizes two types of leases: finance leases and operating leases. The standard requires that a lessee recognize on the statement of financial position assets and liabilities for leases with lease terms of more than 12 months (leases with terms of less than 12 months are exempt from the new standard). ASU 2016-02 requires qualitative and quantitative disclosures, providing information about the amounts recorded in the financial statements. This standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2019. The Organization is currently evaluating the effect that ASU 2016-02 will have on the financial statements.

In August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, "Presentation of Financial Statements for Not-for-Profit Entities". ASU 2016-14 will change the way not-for-profit entities classify net assets and prepare financial statements. Under the new standard, the three existing classes of net assets (unrestricted, temporarily restricted, and permanently restricted) will now become two classes: Net assets without donor restrictions, and Net Assets with donor restrictions. ASU 2016-14 requires enhanced reporting of liquidity information, performance measures, investment expenses, functional expenses, and cash flow information. This standard is effective for annual financial statements issued for fiscal years beginning after December 15, 2017. The Organization is currently evaluating the effect that ASU 2016-14 will have on the financial statements.

There were no other accounting standards recently issued that had or are expected to have a material impact on the Organization's financial statements and associated disclosures.

Note 3 – Fixed Assets

Fixed assets consisted of the following as of June 30, 2016 and 2015:

	2016	2015
Land	\$ 1,106,323	\$ 902,907
Buildings and improvements	10,756,485	8,013,194
Equipment	2,369,202	1,996,107
Total Fixed assets	14,232,010	10,912,208
Less: Accumulated depreciation	(5,782,362)	(5,292,343)
Fixed assets – net	<u>\$ 8,449,648</u>	<u>\$ 5,619,865</u>

Depreciation expense was \$490,019 and \$498,321 for the years ended June 30, 2016 and 2015, respectively.

The majority of the Organization's land, buildings and improvements are subject to deed restrictions based on agreements with various government agencies which limit their use to specific programs.

Community Teamwork, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

Note 4 – Capital Lease Obligations

The Organization leases buses under multiple capital lease agreements. The buses have been recorded at an estimated fair value of \$566,142 and \$400,166 as of June 30, 2016 and 2015, respectively, and are being depreciated over their estimated useful lives of 5 years. As of June 30, 2016 and 2015, accumulated depreciation on the buses was \$174,817 and \$59,123, respectively.

As of June 30, 2016 and 2015, the current and long-term portions of the capital lease liabilities were as follows:

	<u>2016</u>	<u>2015</u>
Current portion of capital lease liabilities	\$ 109,853	\$ 75,737
Long-term portion of capital lease liabilities	307,550	265,254
Total capital lease liabilities	<u>\$ 417,403</u>	<u>\$ 340,991</u>

As of June 30, 2016, the Organization had future minimum capital lease commitments as follows with imputed interest rates ranging from 4.14% to 4.67%:

	<u>Total Payment</u>	<u>Imputed Interest</u>	<u>Lease Liability</u>
2017	\$ 126,189	\$ 16,336	\$ 109,853
2018	\$ 126,019	\$ 11,410	\$ 114,609
2019	\$ 120,431	\$ 6,274	\$ 114,157
2020	\$ 60,145	\$ 2,214	\$ 57,931
2021	\$ 21,270	\$ 417	\$ 20,853

Note 5 – Notes Receivable

The Organization has an agreement with the Community Economic Development Assistance Corporation (“CEDAC”) to offer loans of \$30,000 or less to eligible property owners under the Home Modification Loan Program (“HMLP”). The loan pool has been treated as a fund of the Organization and as such is included in temporarily restricted net assets. These loans have been recorded at face value, are secured by mortgages on the related property, and provide for annual interest rates ranging from zero to three percent. The majority of these loans have been issued on an interest free basis with repayment required upon the sale of the property.

The outstanding balance of the HMLP loan pool at June 30, 2016 and 2015 was \$4,279,170 and \$4,222,294, respectively, less an allowance for uncollectible loans of \$170,000. On a periodic basis, the Organization evaluates its notes receivable and establishes an allowance for doubtful accounts based on the history of past write-offs, collections and current credit conditions. This loan pool is subject to various operating restrictions under the CEDAC agreement.

Community Teamwork, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

Note 6 – Beneficial Interest in Assets Held by GLCF

In 2000, the Organization's Board of Directors established an irrevocable agency endowment fund for its benefit at Greater Lowell Community Foundation ("GLCF"). The fund agreement grants a variance power to the GLCF that allows for the modification of the agreement by GLCF in certain limited circumstances. The purpose of the fund is to provide the Organization with an annual distribution of unrestricted support in accordance with a spending policy adopted by the Community Foundation's board. The current spending policy allows for an annual distribution of 5% of the average value of the fund. Through June 30, 2016, the Organization has transferred \$115,680 to the GLCF and has received distributions of \$24,380. There were no contributions to the fund during the years ended June 30, 2016 and 2015. Funds in the amount of \$7,269 were distributed from the fund during the year ended June 30, 2016. There were no distributions from the fund during the year ended June 30, 2015. In accordance with ASC 958-605, *"Transfers of Assets to a Not-for Profit Organization or Charitable Trust That Raises or Holds Contributions for Others,"* the fund has been reported as an asset of the Organization. As of June 30, 2016 and 2015, the Organization's beneficial interest in the funds held by GLCF was \$152,498 and \$162,842, respectively. Net gains (losses) attributed to the fund (including realized and unrealized gains and losses, interest and dividend income and administration fees) amounting to \$(3,075) and \$73 for the years ending June 30, 2016 and 2015, respectively, have been included in the statements of activities.

Note 7 – Line of Credit

The Organization maintained a line of credit at Enterprise Bank and Trust Company in the amount of \$2,000,000 for each of the years ended June 30, 2016 and 2015. The interest rate applied to the outstanding principal balance is 1% above the prime rate (4.50% at June 30, 2016 and 4.25% at June 30, 2015). The line is collateralized by substantially all of the Organization's assets, except real property. There was no outstanding balance on the line as of June 30, 2016 and 2015.

Community Teamwork, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

Note 8 – Notes Payable

	<u>2016</u>	<u>2015</u>
Notes payable to Enterprise Bank & Trust Company in the original principal amounts of \$210,000, \$1,810,750, up to \$880,000, \$25,500, \$1,700,000, and \$940,000. The first note is payable in 120 monthly installments at an interest rate of 5.52%. The second note is payable in 300 monthly installments at an interest rate of 2.70%. The third note is payable in 306 monthly installments at an interest rate of 4.59%. The fourth note is payable in 48 monthly installments at an interest rate of 4.95%. The fifth note is payable in 120 monthly installments at an interest rate of 4.25%. The sixth note is payable in 120 monthly installments at an interest rate of 4.34%. All six notes are secured by the related properties.	\$ 4,381,483	\$ 2,890,054
Notes payable to Community Economic Development Assistance Corporation in the original principal amount of \$249,222 (Note A) and \$700,000 (Note B). The notes are interest-free and mature on June 2, 2035 and January 23, 2042, respectively. Note A has been reduced by \$168,890 and Note B has been reduced by \$548,419 to reflect the present value of the notes utilizing a 6% interest rate. The notes are secured by the related properties.		
Total at face value	949,222	949,222
Less: deferred interest expense	<u>(717,309)</u>	<u>(730,782)</u>
Total - net of deferred interest expense	231,913	218,440
Note payable to the Small Business Administration to fund a microloan program in the original principal amount of up to \$200,000. The note provides for an interest rate of up to .75% depending on the average size of the microloans made through the program, subject to an annual recalculation. No payments were due during the first year, with the balance of the note payable in 108 monthly installments.	171,832	192,037

Community Teamwork, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

Note 8 – Notes Payable (continued)

	<u>2016</u>	<u>2015</u>
Notes payable to Lowell Development and Financial Corporation in the original principal amount of \$50,000 in a demand note. The note requires monthly principal and interest payments over a twenty-eight (note B) year period. The note provides for interest at 5% and is secured by the related property.	45,270	47,190
Total Notes Payable	4,830,498	3,347,721
Less: Current Portion of Notes Payable	<u>(252,953)</u>	<u>(124,090)</u>
Long-Term Portion of Notes Payable	<u>\$ 4,577,545</u>	<u>\$ 3,223,631</u>

The future minimum payments on notes payable at June 30th are as follows:

2017	\$ 252,953
2018	258,568
2019	268,177
2020	278,189
2021	288,620
Thereafter	<u>4,201,300</u>
Total	5,547,807
Less: Deferred Interest Expense	<u>(717,309)</u>
Total – Net of Deferred Interest Expense	<u>\$ 4,830,498</u>

Note 9 – Temporarily Restricted Net Assets

Temporarily restricted net assets consist of the following as of June 30th:

	<u>2016</u>	<u>2015</u>
Contract and grant funds – <i>Funding restricted as to purpose for use in specific program activities.</i>	\$ 5,665,058	\$ 5,535,969
Phoenix Avenue Building – <i>Property located in Lowell, MA to be used for “Head Start” program activities.</i>	1,239,141	931,766
Interest-free debt	<u>717,309</u>	<u>730,782</u>
Balance at June 30, 2016	<u>\$ 7,621,508</u>	<u>\$ 7,198,517</u>

Additional loans made through the Home Modification Loan Program and Microloan Program and capitalized improvements to the Phoenix Avenue property are reported as Other Net Asset Transfers on the Statement of Activities.

Note 10 – Contract Revenue and Client Payments

The Department of Public Health administers the Special Supplemental Food Program for Women, Infants, and Children (“WIC”). For the years ended June 30, 2016 and 2015, the value of food vouchers provided to WIC recipients was recorded as contract revenue and client payments at amounts of \$2,247,711 and \$2,179,237.

Community Teamwork, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

Note 11 – Rental Income

The Organization leases space to persons of low income and non-profit organizations under operating leases. Rental income for the years ended June 30, 2016 and 2015 was \$149,506 and \$148,333, respectively.

As of June 30, 2016, minimum future rentals on non-cancelable operating leases are as follows:

2017	\$ 131,209
2018	\$ 127,231
2019	\$ 127,231
2020	\$ 130,412
2021	\$ 133,672
Thereafter	\$ -

Note 12 – Leases

The Organization leases equipment and various facilities throughout the greater Lowell area under both short-term and long-term operating leases. Rent expense under all leases amounted to \$1,371,717 and \$1,109,781 for the years ended June 30, 2016 and 2015, respectively.

As of June 30, 2016, the Organization had minimum operating lease commitments as follows:

2017	\$ 1,304,391
2018	\$ 1,169,165
2019	\$ 1,056,138
2020	\$ 867,355
2021	\$ 441,701
Thereafter	\$ 8,558

Note 13 – Retirement Plan

The Organization provides retirement benefits for its employees who earn at least 1,000 hours during an eligibility computation period through the Community Teamwork, Inc. Retirement Plan. As of June 30, 2016 and 2015 the plan provides for employer contributions 5% of annual compensation. Employees become eligible to participate in the plan after six months of service with a vesting schedule graduated from one to three years of service. Retirement expense was \$684,013 and \$693,781 for the years ended June 30, 2016 and 2015, respectively.

Note 14 – Transfer of Program Assets

During the year ended June 30, 2015, the Organization ended its fiscal sponsorship of the New Entry Sustainable Farming Project and transferred the remaining net assets of the program to a new fiscal sponsor.

Community Teamwork, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

Note 15 – Interest Expense

The Organization follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. Total interest incurred and charged to operations was \$201,732 and \$89,838 during the years ended June 30, 2016 and 2015, respectively. \$540 of interest was capitalized during the year ended June 30, 2016. No interest was capitalized during the year ended June 30, 2015.

Note 16 – Contingencies

From time to time, the Organization may become involved in litigation relating to claims arising out of operations in the normal course of business, which are considered routine and incidental to the business. The Organization is currently not a party to any legal proceedings which, in management's opinion, would have a material adverse effect on its financial condition.

The Organization is a guarantor on a line of credit and various notes payable held by Common Ground Development Corporation ("CGDC"), and its affiliated organizations. The balance due on these debt obligations was \$9,654,624 and \$4,547,218 for the years ended June 30, 2016 and 2015, respectively.

The Organization is also the guarantor on various agreements of the Towne School Limited Partnership ("TSLP") and SB2 Housing Limited Partnership ("SB2") (affiliates of CGDC) housing projects sponsored by the Organization and CGDC, such as cost overrun obligations, adjuster distributions, recapture distributions, recapture payments, operating deficit capital contributions, and unauthorized withdrawal liability payments. The Organization does not expect to perform under the guarantees as CGDC, TSLP and SB2 have met all related obligations as of June 30, 2016.

The Organization receives funding from various governmental agencies that is subject to review and audit by the funding agency. The Organization does not expect that the results of any such audit, if it were to incur, would result in any material adjustment to revenue received.

Note 17 – Related Party Transactions

The Organization engages in transactions with affiliated organizations whose boards of directors are comprised mainly of the Organization's officers, directors, and employees.

The Organization leases a building located at 167 Dutton St. in Lowell, MA from Mechanics Hall Corporation ("MHC"). Rent expense under this lease was \$72,562 and \$68,216 for the years ended June 30, 2016 and 2015, respectively. MHC incurred management fees totaling \$2,221 and \$1,888 during the years ended June 30, 2016 and 2015, respectively, for the payroll and related expenses of the Organization's employees who performed services on behalf of MHC. As of June 30, 2016 and 2015, MHC's liability to the Organization was \$151,320 and \$138,767, respectively.

Community Teamwork, Inc.
Notes to Financial Statements
June 30, 2016 and 2015

Note 17 – Related Party Transactions (continued)

The Organization provides management services to Merrimack Valley Housing Services, Inc. ("MVHS"). MVHS incurred reimbursable expenses totaling \$9,624 and \$7,425 during the years ended June 30, 2016 and 2015, for the payroll and related expenses of CTI's employees who performed services on behalf of MVHS. As of June 30, 2016 and 2015, the MVHS's liability to CTI was \$807 and \$558 respectively.

The Organization advances funds to Community Housing, Inc. ("CHI") to pay for operating expenses and administrative support. The Organization incurred reimbursable expenses totaling \$17,315 and \$6,770 during the years ended June 30, 2016 and 2015, respectively, for the payroll and related expenses of the Organization's employees who performed services on behalf of CHI. CHI transferred excess funds of \$12,903 and \$19,956 to CTI during the years ended June 30, 2016 and 2015, respectively. As of June 30, 2016 and 2015, the Organization's accounts receivable included amounts due from CHI of \$2,571 and \$6,454, respectively.

The Organization advances funds to Common Ground Development Corporation ("CGDC") to pay for predevelopment costs, operating expenses, and administrative support. The Organization incurred reimbursable expenses totaling \$213,896 and \$211,657 during the years ended June 30, 2016 and 2015, respectively, for the payroll and related expenses of the Organization's employees who performed services on behalf of CGDC. As of June 30, 2016 and 2015, the Organization's accounts receivable included amounts due from CGDC of \$490,671 and \$335,247, respectively. As of June 30, 2015, the Organization's accounts payable included amounts due to CGDC of \$4,500. Also, the years ended June 30, 2016 and 2015, the Organization paid \$27,000 and \$54,000, respectively, to CGDC for the rental of properties which were used for the Organization's programs.

Note 18 – Subsequent Events

ASC 855-10, "Subsequent Events" defines further disclosure requirements for events that occur after the statement of financial position date but before financial statements are issued. In accordance with ASC 855-10, the Organization's management has evaluated events subsequent from June 30, 2016 through November 7, 2016, which is the date the financial statements were available to be issued. There has been no material event noted during this period that would either impact the results reflected in this report or the Organization's results going forward.

Community Teamwork, Inc.
Housing Programs - DHCD
Supplemental Schedule of Assets, Liabilities and Net Assets
June 30, 2016

	Federal Voucher	MRVP	Moderate Rehab	MEOP	AHVP	FSS	Total
Assets							
Cash and cash equivalents	\$ 3,471,115	\$ 749,258	\$ 139,769	\$ 34,021	\$ 33,710	\$ 2,358	\$ 4,430,231
Accounts receivable	263,647	-	10,465	19,217	-	16,747	310,076
Prepaid expense	10,558	970	304	-	-	-	11,832
Total assets	<u>\$ 3,745,320</u>	<u>\$ 750,228</u>	<u>\$ 150,538</u>	<u>\$ 53,238</u>	<u>\$ 33,710</u>	<u>\$ 19,105</u>	<u>\$ 4,752,139</u>
Liabilities and Net Assets							
Accounts payable and other liabilities	\$ 354,580	\$ 57,675	\$ 3,120	\$ 32,350	\$ 1,664	\$ 16,747	\$ 466,136
Advances on contracts	2,257,544	557,136	11,510	-	3,406	-	2,829,596
Total liabilities	2,612,124	614,811	14,630	32,350	5,070	16,747	3,295,732
Net assets	1,133,196	135,417	135,908	20,888	28,640	2,358	1,456,407
Total liabilities and net assets	<u>\$ 3,745,320</u>	<u>\$ 750,228</u>	<u>\$ 150,538</u>	<u>\$ 53,238</u>	<u>\$ 33,710</u>	<u>\$ 19,105</u>	<u>\$ 4,752,139</u>

Community Teamwork, Inc.
Housing Programs - DHCD
Supplemental Schedule of Program Revenues, Expenses and Changes in Net Assets
June 30, 2016

	Federal Voucher	MRVP	Moderate Rehab	MEOP	AHVP	FSS	Total
Revenues							
Federal HAP	\$24,401,785	\$ -	\$ 111,633	\$ -	\$ -	\$ 97,285	\$24,610,703
DHCD HAP	-	4,780,475	-	-	37,401	-	4,817,876
Federal Admin	1,929,553	-	32,645	-	-	-	1,962,198
DHCD administration	-	217,640	-	-	2,240	-	219,880
Subcontract revenue	-	78,332	-	-	-	-	78,332
DHCD other	5,000	-	-	-	-	-	5,000
Total revenues	<u>26,336,338</u>	<u>5,076,447</u>	<u>144,278</u>	<u>-</u>	<u>39,641</u>	<u>97,285</u>	<u>31,693,989</u>
Expenses							
Housing payments	24,444,307	4,780,958	111,633	-	37,401	-	29,374,299
Salaries	832,647	93,104	476	-	-	76,777	1,003,004
Taxes and fringe	279,154	23,143	116	-	-	10,474	312,887
Administrative support	168,266	36,527	2,501	-	1,000	-	208,294
Indirect	164,439	18,780	1,400	-	115	10,034	194,768
Occupancy	192,533	13,650	18,075	-	-	-	224,258
Program support	52,696	76,381	-	-	-	-	129,077
Total expenses	<u>26,134,042</u>	<u>5,042,543</u>	<u>134,201</u>	<u>-</u>	<u>38,516</u>	<u>97,285</u>	<u>31,446,587</u>
Change in Net Assets	<u>202,296</u>	<u>33,904</u>	<u>10,077</u>	<u>-</u>	<u>1,125</u>	<u>-</u>	<u>247,402</u>
Beginning Net Assets	<u>930,900</u>	<u>101,513</u>	<u>125,831</u>	<u>20,888</u>	<u>27,515</u>	<u>2,358</u>	<u>1,209,005</u>
Ending Net Assets	<u>\$ 1,133,196</u>	<u>\$ 135,417</u>	<u>\$ 135,908</u>	<u>\$ 20,888</u>	<u>\$ 28,640</u>	<u>\$ 2,358</u>	<u>\$ 1,456,407</u>

**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 of
Community Teamwork, Inc.

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 Community Teamwork, Inc. (a non-profit organization), which comprise the statement 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 our report thereon dated November 7, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Community Teamwork, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Community Teamwork, Inc.'s internal control. Accordingly, we 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.

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 Community Teamwork, Inc.'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.



Anstiss & Co., P.C.
Lowell, MA
November 7, 2016

**Independent Auditor's Report on Compliance for Each Major Program
and on Internal Control Over Compliance Required by The Uniform Guidance**

To the Board of Directors of
Community Teamwork, Inc.

Report on Compliance for Each Major Federal Program

We have audited Community Teamwork, Inc.'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 Community Teamwork, Inc.'s major federal programs for the year ended June 30, 2016. Community Teamwork, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with 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 Community Teamwork, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of 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 Community Teamwork, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Community Teamwork, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Community Teamwork, Inc. 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 June 30, 2016.

Report on Internal Control Over Compliance

Management of Community Teamwork, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Community Teamwork, Inc.'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 Community Teamwork, Inc.'s internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

Anst + Co. P.C.

Anstiss & Co., P.C.
Lowell, MA
November 7, 2016

Community Teamwork, Inc.
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2016

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported
- Noncompliance material to financial statements noted? ☐ yes ☒ none reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified? ☐ yes ☒ none reported

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

Any audit findings disclosed that are required to be reported
in accordance with 2 CFR 200.516(a)? ☐ yes ☒ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
93.600	Head Start
93.558, 53.575, 93.596	CCDF Cluster

Dollar threshold used to distinguish between type A and type
B programs: \$1,637,657

Auditee qualified as low-risk auditee? ☒ yes ☐ no

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.

Community Teamwork, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development				
Housing Voucher Cluster				
Mainstream Vouchers	14.879	MA882DV0019		\$ 449,545
<u>Pass-through -- City of Haverhill</u>				
Community Development Block Grant/Entitlement Grants	14.218	148150-00		9,000
<u>Pass-through -- City of Lawrence</u>				
Community Development Block Grant/Entitlement Grants	14.218	147938-00		8,250
<u>Pass-through -- City of Lowell</u>				
Community Development Block Grant/Entitlement Grants	14.218	32770273-00		20,000
		32760148-00		4,000
		32770264-00		8,000
		32770269-00		525
		32770265-00		8,000
Total Community Development Block Grant/Entitlement Grants				<u>57,775</u>
<u>Pass-through -- Commonwealth of Massachusetts</u>				
Supportive Housing for Persons with Disabilities (Section 811)	14.181	SCOCD264216469017MS5		114,015
Emergency Shelter Grants Program	14.231	OCD8000HF1416ESG23R1		103,869
Supportive Housing Program	14.235	OCD810014F0716STAP10		156,665
Continuum of Care Program	14.267	OCD810014HFNSTGRANT101		143,228
		CTOCDHFGBSGRANT100		71,373
		OCD810014FJULFRANT10		83,584
Total - Continuum of Care Program				<u>298,185</u>
Lower Income Housing Assistance Program - Section 8				
Moderate Rehabilitation	14.856	SCOCD264016469019MRB		137,583

Community Teamwork, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development (continued)				
<u>Pass-through -- Commonwealth of Massachusetts (continued)</u>				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	14.871	SCOCD264016469014HCV		1,138,945
Family Unification Program	14.880	SCOCD264116469016FUP		262,988
Total Housing Voucher Cluster				1,401,933
Moving to Work Demonstration Program	14.881	SCOCD264516469015MTW		24,884,864
Financial Self Sufficiency Program	14.896	SCOCD264016469021FSS		70,524
<u>Pass-through -- Justice Resource Institute</u>				
Housing Opportunities for Persons with AIDS	14.241	MA-H130019 MAH15F003		160,794 90,120
Total - Housing Opportunities for Persons with AIDS				250,914
Total U.S. Department of Housing and Urban Development				27,925,872
U.S. Department of Health and Human Services				
* Head Start	93.600	01CH10243-01 01CH1066/49		4,571,400 1,958,924
Total Head Start				6,530,324
Assets for Independence Demonstration Program	93.602	90E10813-01-01		223
<u>Pass-through -- Commonwealth of Massachusetts</u>				
Low-Income Home Energy Assistance	93.568	POOCD44001658LIHP160 SCOCD44001468HW08000		6,589,537 488,233
Total Low-Income Home Energy Assistance				7,077,770

Community Teamwork, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Health and Human Services (continued)				
<u>Pass-through -- Commonwealth of Massachusetts (continued)</u>				
Community Services Block Grant	93.569	SCOCD42001660BG11000 SCOCD42001560BG11000		349,060 160,079
Total Community Services Block Grant				<u>509,139</u>
* CCDF Cluster				
Temporary Assistance for Needy Families	93.558	2016FLEXPOOLINCOMEEL 2016PRIORPORSUPPMA01 2016TEENCONFLEXPOOL 300010COMMUNITY08IE 3100COMMUNITYTEAPPSP 3200COMMUNITYTEAPPTN 3300COMMUNITYTEAPPHL 400010COMMUNITYT11IE 4100COMMUNITYTEAPPSP		142,491 640,348 3,193 1,255,995 894,583 140,749 139,890 259,185 70,257
Total Temporary Assistance for Needy Families				<u>3,546,691</u>
Child Care Development Block Grant	93.575	2016FLEXPOOLINCOMEEL 2016PRIORPORSUPPMA01 2016TEENCONFLEXPOOL 300010COMMUNITY08IE 3100COMMUNITYTEAPPSP 3200COMMUNITYTEAPPTN 3300COMMUNITYTEAPPHL 400010COMMUNITYT11IE 4100COMMUNITYTEAPPSP		52,297 330,850 1,172 460,973 462,206 51,657 51,342 95,125 36,300
Total Child Care Development Block Grant				<u>1,541,922</u>

Community Teamwork, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services (continued)				
<u>Pass-through -- Commonwealth of Massachusetts (continued)</u>				
CCDF Cluster (continued)				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	2016FLEXPOOLINCOMEEL 2016PRIORPORSUPPMA01 2016TEENCONTFLEXPOOL 300010COMMUNITY08IE 3100COMMUNITYTEAPPSP 3200COMMUNITYTEAPPTN 3300COMMUNITYTEAPPHL 400010COMMUNITYT11IE 4100COMMUNITYTEAPPSP		37,380 279,666 838 329,486 390,701 36,923 36,698 67,993 30,684
Total Child Care Mandatory and Matching Funds of the Child Care and Development Fund				<u>1,210,369</u>
Total CCDF Cluster				<u>6,298,982</u>
Total U.S. Department of Health and Human Services				<u>20,416,438</u>
U.S. Department of Agriculture				
Community Foods Project	10.225	30143380022325	128,566	133,392
<u>Pass-through -- Commonwealth of Massachusetts</u>				
Special Supplemental Nutrition Program for Women, Infants, and Children (Note 3)	10.557	INTF3500J10601011047 INTF3502M03700915087		2,247,711 732,238
Total Women, Infants, and Children				<u>2,979,949</u>
WIC Grants to States (WGS)	10.578	INTF3502M03700915087		<u>11,875</u>

Community Teamwork, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

	CFDA Number	Contract Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture (continued)				
<u>Pass-through -- Commonwealth of Massachusetts (continued)</u>				
Child and Adult Care Food Program	10.558	SCDOE16758N70532117A		508,495
		SCDOE16758Q70532117A		294
		SCDOE16758S70532117A		951
		SCDOE16758T70532117A		128,416
		SCDOE16758X70532117A		2,255
Total Child and Adult Care Food Program				<u>640,411</u>
Total Department of Agriculture			<u>128,566</u>	<u>3,765,627</u>
Department of Education				
Fund for the Improvement of Education	84.215	U215J150023		<u>51,633</u>
Preschool Development Grants	84.419			<u>1,028,657</u>
Total Department of Education				<u>1,080,290</u>
Corporation for National and Community Service				
Retired and Senior Volunteer Program	94.002	14SRAMA004		<u>62,223</u>
Foster Grandparent / Senior Companion Cluster				
Foster Grandparent Program	94.011	13GXAMA001		<u>213,779</u>
Senior Companion Program	94.016	13SXAMA001		<u>318,500</u>
Total Foster Grandparent/Senior Companion Cluster				<u>532,279</u>
<u>Pass-through -- Youthbuild U.S.A.</u>				
Americorps	94.006	13NDHMA0010038		<u>98,363</u>
Total Corporation for National and Community Service				<u>692,865</u>

Community Teamwork, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
Department of Labor				
Youthbuild	17.274	YB-26186-14-60-A-25		457,629
Total Department of Labor				457,629
Department of the Interior				
Conservation Activities by Youth Service Organizations	15.931	P15AC00766		38,823
		P14AC00340		95,525
Total Conservation Activities by Youth Service Organizations				134,348
Total Department of the Interior				134,348
Department of Energy				
<u>Pass-through -- Greater Lawrence Community Action Council, Inc.</u>				
Weatherization Assistance for Low-Income Persons	81.042	MOU		52,095
Total Department of Energy				52,095
Department of Homeland Security				
Emergency Food and Shelter National Board Program	97.024	451000-032		31,890
Disaster Grants Public Assistance	97.036	FEMA-4214-DR-MA		15,563
Total Department of Homeland Security				47,453
Department of Justice				
<u>Pass-through -- Youthbuild U.S.A.</u>				
Juvenile Mentoring Program	16.726	2013-JU-FX-0021		9,593
		2014-JU-FX-0022		2,970
Total Department of Justice				12,563

Community Teamwork, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

	<u>CFDA Number</u>	<u>Contract Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
Department of the Treasury				
<u>Pass-through -- Massachusetts Association for Community Action</u>				
Volunteer Income Tax Assistance (VITA)				
Matching Grant Program	21.009			<u>3,371</u>
Total Department of the Treasury				<u>3,371</u>
<u>Total Expenditures of Federal Awards</u>			<u>\$ 128,566</u>	<u>\$ 54,588,551</u>

Community Teamwork, Inc.
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of Community Teamwork, Inc., under programs of the federal government for the year ended June 30, 2016. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of Community Teamwork, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Community Teamwork, Inc.

Note 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.

Community Teamwork, Inc. has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - Food Vouchers

Nonmonetary assistance is reported in the Schedule at the fair market value of the commodities received and disbursed. The Massachusetts Department of Public Health administers the Special Supplemental Food Program for Women, Infants, and Children ("WIC"). For the year ended June 30, 2016, the value of food vouchers provided to WIC recipients was \$2,247,711.

* Major Program