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STATE OF INDIANA

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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

April 4, 2018

Board of Directors
Community Action of Northeast Indiana, Inc. d/b/a Brightpoint, Inc.
227 E. Washington Blvd.
PO Box 10570
Fort Wayne, IN 46815

We have reviewed the report prepared by Community Action of Northeast Indiana, Inc. d/b/a Brightpoint, Inc. and opined upon by Wipfli LLP, Independent Public Accountants, for the period November 1, 2015 to October 31, 2016. Per the *Independent Auditor's Report* the financial statements included in the report present fairly the financial condition of Community Action of Northeast Indiana, Inc. d/b/a Brightpoint, Inc. as of October 31, 2016 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Wipfli LLP prepared all required independent auditor's reports in accordance with generally accepted auditing standards and guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

Brightpoint and Subsidiaries

Fort Wayne, Indiana

Consolidated Financial Statements and
Supplementary Information
Year Ended October 31, 2016

Brightpoint and Subsidiaries

Consolidated Financial Statements and Supplementary Information
Year Ended October 31, 2016

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WIPFLi LLP

Independent Auditor's Report

Board of Directors
Brightpoint and Subsidiaries
Fort Wayne, Indiana

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Brightpoint (a nonprofit organization) and Subsidiaries which comprise the consolidated statement of financial position as of October 31, 2016, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States 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 consolidated financial statements are free from material misstatement. The financial statements of Hopewell Pointe GP, Inc., Energy Savers Consultants, LLC, and Brightpoint Development Fund, the subsidiaries of Brightpoint, were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Brightpoint and Subsidiaries as of October 31, 2016, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule program activity and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such 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. In our opinion, the supplementary information is fairly stated in all material respects in relation to the consolidated 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 May 3, 2017, on our consideration of Brightpoint'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brightpoint's internal control over financial reporting and compliance.

Wipfli LLP

Wipfli LLP

May 3, 2017
Madison, Wisconsin

Brightpoint and Subsidiaries

Consolidated Statement of Financial Position
October 31, 2016

Assets		
Current assets:		
Cash and cash equivalents	$	1,194,973
IDA fund cash		17,987
Grants receivable		1,390,538
Accounts receivable		39,143
Prepaid expenses		187,661
Loans receivable - Current, net		104,769
Total current assets		2,935,071
Other assets:		
Interest in investment held by a community foundation		59,007
Investments		775,217
Loans receivable - Long-term, net		11,892
Housing loan receivable		400,000
Total other assets		1,246,116
Property and equipment, net		1,870,367
TOTAL ASSETS	$	6,051,554
Liabilities and Net Assets		
Current liabilities:		
Current portion of notes payable	$	27,778
Accounts payable		344,890
Accrued payroll and related expenses		163,544
Accrued vacation		316,808
Grant funds received in advance		436,394
Other liabilities		19,735
IDA fund liability		17,987
Total current liabilities		1,327,136
Long-term liabilities:		
Notes payable		185,946
Housing loan payable		400,000
Total long-term liabilities		585,946
Total liabilities		1,913,082
Unrestricted net assets:		
Unrestricted		3,690,331
Unrestricted - Board designated		59,007
Total unrestricted net assets		3,749,338
Temporarily restricted net assets		389,134
Total net assets		4,138,472
TOTAL LIABILITIES AND NET ASSETS	$	6,051,554

See accompanying notes to consolidated financial statements.

Brightpoint and Subsidiaries

Consolidated Statement of Activities
Year Ended October 31, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue:			
Grant revenue	$ 16,793,909	$ 1,182,210	$ 17,976,119
Donations	123,434	3,131	126,565
Investment gain	13,217	0	13,217
Developer fee	13,260	0	13,260
Fee for service	83,079	108,196	191,275
Other income	104,269	56,411	160,680
In-kind contributions	1,082,234	0	1,082,234
Net assets released from restriction through satisfaction of program restrictions	1,322,501	(1,322,501)	0
Total revenue	19,535,903	27,447	19,563,350
Expenses:			
Program Activities			
Child care development	1,198,368	0	1,198,368
Child education	6,816,005	0	6,816,005
Housing	992,474	0	992,474
Linkages with other programs	581,470	0	581,470
Self-sufficiency	2,785,894	0	2,785,894
Nutrition	373,241	0	373,241
Weatherization and energy	5,358,288	0	5,358,288
Agency operations	104,328	0	104,328
Total program activities	18,210,068	0	18,210,068
Management and general	1,158,375	0	1,158,375
Fund-raising	42,836	0	42,836
Total expenses	19,411,279	0	19,411,279
Change in net assets	124,624	27,447	152,071
Net assets - Beginning of year	3,624,714	361,687	3,986,401
Net assets - End of year	$ 3,749,338	$ 389,134	$ 4,138,472

Brightpoint and Subsidiaries

Consolidated Statement of Cash Flows
Year Ended October 31, 2016

Increase (decrease) in:		
Cash flows from operating activities:		
Change in net assets	$	152,071
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Net realized/unrealized gain on investments	(	1,864)
Depreciation		112,906
Bad debt expense		89,287
Change in interest in investment held by a community foundation	(	883)
Changes in operating assets and liabilities:		
IDA fund cash		8,029
Grants receivable		215,135
Accounts receivable	(	20,385)
Prepaid expenses		123,404
Accounts payable		56,949
Accrued payroll and related expenses		28,254
Accrued vacation		11,413
Grant funds received in advance	(	85,997)
Other liabilities	(	901)
IDA fund liability	(	8,029)
Net cash provided by operating activities		679,389
Cash flows from investing activities:		
Issuance of loans receivable	(	211,376)
Proceeds from repayments of loans receivable		97,442
Capital expenditures	(	45,944)
Purchase of investments	(	196,010)
Proceeds from sale of investments		185,904
Net cash used in investing activities	(	169,984)
Cash flows from financing activities:		
Proceeds from notes payable		57,500
Principal payments on notes payable	(	99,008)
Net cash used in financing activities	(	41,508)
Change in cash and cash equivalents		467,897
Cash and cash equivalents - Beginning of year		727,076
Cash and cash equivalents - End of year	$	1,194,973

See accompanying notes to consolidated financial statements.

Note 1 Summary of Significant Accounting Policies

Nature of Activities

Community Action of Northeast Indiana, Inc. dba Brightpoint (Brightpoint) was organized as a nonprofit corporation in 1965. Brightpoint was formed to develop and provide resources for the purpose of assisting low-income individuals in six counties of northeast Indiana through a variety of programs. Brightpoint is primarily supported through federal and state government grants. Approximately 34% of Brightpoint's grant revenue was provided under a Head Start grant and 26% provided under a LIHEAP grant, both funded by the Department of Health and Human Services.

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States.

Principles of Consolidation

The consolidated financial statements include the accounts of Hopewell Pointe GP, Inc., Energy Savers Consultants, LLC, and Brightpoint Development Fund, which are wholly owned subsidiaries of Brightpoint. Collectively, the entities are referred to as the "Organizations." Hopewell Pointe, GP, Inc. was established for the purpose of assisting low- to moderate-income families obtain housing. Energy Savers Consultants, LLC was formed with the intention of performing energy and weatherization audits as a fee-for-service activity. Brightpoint Development Fund was formed for the purposes of operating Brightpoint's revolving loan programs, including small business and consumer loans. All material intercompany transactions and accounts are eliminated in consolidation.

Classification of Net Assets

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

Unrestricted Net Assets – Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or may not be met, either by actions of the Organizations and/or the passage of time. When a restriction expires, temporarily restricted net assets are transferred to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organizations. Generally, the donors of these assets permit the Organizations to use all or part of the income earned on any related investments for general or specific purposes. Currently, the Organizations do not have permanently restricted net assets.

Note 1 Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that directly affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Revenue Recognition

Contributions are recognized when the donor makes an unconditional promise to give. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized, except for specific fee for service voucher and loan programs. When a restriction expires, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as released from restriction.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards That Are Contributions

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

B. Grant Awards That Are Exchange Transactions

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

Fee for service revenue is recognized when earned and is restricted for specific use in the child care program.

Note 1 Summary of Significant Accounting Policies (Continued)

Accounts Receivable

Accounts receivable represent amounts due from various entities for performance contracts. Amounts are reviewed for collectability by management, and an allowance for doubtful accounts is recorded as needed based on collection history and customer attributes. Management considers these receivables to be collectible, and therefore, no allowance for uncollectible amounts has been recorded. If an amount becomes delinquent after all collection efforts have failed, the account is written off.

Loans Receivable

Brightpoint Development Fund operates a loan program that provides capital to employees and small businesses. The employee loans are to be repaid over a time period of up to 18 months, and have a flat fee associated with them based on the loan amount. At October 31, 2016, the loan loss reserve for Brightpoint Development Fund was $24,000. Brightpoint operates a business loan program funded by several sources. The U.S. Small Business Administration (SBA) and Indiana Housing Community and Economic Development Authority (IHCDA) both provide capital for financing purchases of equipment, supplies, inventory, professional services, and operating capital. Business loans are to be repaid over a time period of up to 60 months, have fees not to exceed 2% of the amount borrowed, and have interest rates ranging between 6.75% and 9.25%. Brightpoint established a loan loss reserve for these loans that remains at least 15% of principal outstanding at all times. Loans are reviewed monthly to determine their risk, and loans that have become riskier over time through delinquency or external factors have their loan loss reserve elevated above the 15% minimum. If an amount becomes delinquent after all collection efforts have failed, the account will be written off against this loan loss reserve. A loan portfolio management policy is included within Brightpoint's current Small Business Loan Fund Policy and Procedure Manual. At October 31, 2016, the loan loss reserve for Brightpoint was $101,006.

Developer Fee Receivable

Developer fee receivable represents amounts earned by Brightpoint in accordance with the development agreement with the Hopewell Pointe housing project. The developer fees are earned throughout the construction and rent-up of the housing facility. As of October 31, 2016, Brightpoint has earned $452,287 of which $392,944 has been received and $59,343 has been recorded as a receivable. Brightpoint has assessed the likelihood of collection of the entire developer fee and has recorded an allowance in the amount of $59,343 against the receivable.

Cash and Cash Equivalents

The Organizations consider all highly liquid debt instruments with an original maturity of three months or less to be cash equivalents, excluding amounts whose use is limited or restricted. Cash and cash equivalents are stated at cost.

Note 1 Summary of Significant Accounting Policies (Continued)

Investments

Investments in marketable securities with readily determinable market values and all investments in debt securities are reported at their fair values on the consolidated statement of financial position. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in unrestricted revenue unless the income or loss is restricted by donor or law. Investment in limited liability partnership in which Brightpoint owns less than 1% is recorded on the equity method as it is a general partner or managing member in the partner or LLC. See related party note 16.

Fair Value Measurements

The Organizations measure the fair value of investments using a three-tier hierarchy, which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organizations have the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Note 1 Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment acquisitions are recorded at cost or, if donated, at fair value at the date of donation. Property and equipment are items with a cost of $5,000 or more and a useful life of more than one year. Donations of property and equipment are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. If there are no donor restrictions regarding how long a donated asset must be maintained, the Organizations report expirations of donor restrictions when the donated assets are placed in service. Estimated useful lives range from three to seven years for vehicles and major movable equipment and from 30 to 40 years for land improvements, buildings, and fixed equipment. Depreciation is provided over the estimated useful life of each class of depreciable asset and is computed using the straight-line method.

Property and equipment acquired with grant funds are owned by the Organizations while used in the programs for which they were purchased or in other future authorized programs. However, the funding sources have a reversionary interest in assets purchased with grant funds. Their disposition, as well as the ownership of any proceeds therefrom, is subject to funding source regulations. The net book value of grant-funded property and equipment was $554,039 at October 31, 2016.

Income Taxes

Brightpoint is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Brightpoint is also exempt from Indiana income taxes.

Hopewell Pointe GP, Inc. is a for-profit, wholly owned subsidiary, which is subject to federal and state income taxes. There is no tax provision for Hopewell Pointe GP, Inc. for the year ended October 31, 2016.

Energy Savers Consultants, LLC is a wholly owned limited liability company and, therefore, treated as a disregarded entity for tax purposes. Brightpoint is the sole member and the activity of the LLC is included in Brightpoint's annual federal return filed with the Internal Revenue Service (IRS).

Brightpoint Development Fund is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Brightpoint Development Fund is also exempt from Indiana income taxes.

The Organizations are required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the consolidated financial statements. The Organizations have determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Note 1 Summary of Significant Accounting Policies (Continued)

In-Kind Contributions

Brightpoint has recorded in-kind contributions for space, materials and professional services in the consolidated statement of activities in accordance with a financial accounting standard. This standard requires that only contributions of services received that create or enhance a nonfinancial asset or require specialized skill by the individual possessing those skills and would typically need to be purchased if not provided by donation be recorded. The requirements of this standard are different than the in-kind requirements of several of Brightpoint's grant awards. Brightpoint received contributions of nonprofessional volunteers during the year with a value of $618,646, for its Head Start program, which are not recorded in the consolidated statement of activities.

Cost Allocation

The Organizations utilize various cost allocation formulas to distribute certain direct and shared cost to its programs. Costs, which are common to more than one program, have been identified and classified into cost pools. These cost pools have been allocated to the programs based on formulas developed by the Organizations for each pool which approximate the benefits each program derives from the costs.

Due to Other Organizations

Brightpoint acts as a fiscal agent for multiple non-profit organizations. Other liabilities consist of funds held by the Brightpoint for the other nonprofit organizations.

Subsequent Events

Subsequent events have been evaluated through May 3, 2017, which is the date the financial statements were available to be issued.

Note 2 Concentration of Credit Risk

The Organizations maintain cash balances at three banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Brightpoint has a daily sweep agreement with one of the banks to sweep the funds into an interest bearing money market account at the same bank. The swept funds are treated by the bank as deposits and are covered by FDIC insurance to the maximum amount provided by law. At times during the year, the balance in the other accounts may exceed federally insured limits. Management believes the financial institutions have a strong credit rating and credit risk related to these deposits is minimal.

Note 3 Investments

Investments recorded at fair value at October 31, 2016, are as follows:

International equity mutual funds	$ 186,857
U.S. equity mutual funds	384,845
Bond mutual funds	203,415
Investment in limited partnership	100
Total investments	$ 775,217

Investment gain consisted of the following at October 31, 2016:

Interest and dividends	$ 11,353
Net realized/unrealized gain	1,864
Total investment gain	$ 13,217

Investments, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of certain investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated financial statements.

Note 4 Interest in Investment Held by a Community Foundation

In a prior year, Brightpoint transferred $10,000 to the Community Foundation of Greater Fort Wayne, Inc. (the "Foundation"). Brightpoint's agreement with the Foundation states that the Foundation will hold and invest the funds for the sole benefit of Brightpoint and may distribute a portion of the fund earnings annually.

Brightpoint has granted variance power to the Foundation. As such, the Board of Directors of the Foundation has the power to modify any restriction or condition on the distribution of the funds if, in their judgment, such restrictions become inconsistent with the charitable needs of Brightpoint or inconsistent with the charitable needs served by the Foundation. The interest in investment held by a community foundation is shown on the consolidated statement of financial position as unrestricted board designated net assets as it was transferred to the Foundation by Brightpoint who specified themselves as the beneficiary. Any changes in the fund are included in other income, as a change in unrestricted net assets on the consolidated statement of activities.

Note 5 Endowment

Brightpoint's endowment consists of a fund established by the Board of Directors to benefit Brightpoint for a variety of purposes. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed stipulations. Unrestricted - board designated net assets represent the fair value of the original gift as of the gift date, adjusted each year by the change in the value of the fund, plus any additional contributions made by Brightpoint. The goal of the endowment fund is to attract legacy-type gifts from outside donors, which can be restricted based on the donor stipulations, at which time those donor-restricted gifts will be recorded as permanently restricted net assets in accordance with the stipulations of the fund.

Note 5 Endowment (Continued)

The Board of Directors of Brightpoint has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA), as adopted by the Indiana state legislature, as requiring Brightpoint to preserve the fair value of the donor's original gift, as of the date of the gift, absent explicit donor stipulations to the contrary. As a result of this interpretation, Brightpoint classifies as permanently restricted net assets (a) the original value of the donor's gifts to the permanent endowment, (b) the original value of a donor's subsequent gifts to the permanent restricted endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by Brightpoint in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, Brightpoint considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of Brightpoint, and (7) Brightpoint's investment policies.

Brightpoint can receive up to 4% of the investment earnings each year to be appropriated by the Board of Directors or the amount can remain in the endowment fund and reinvested. In addition, the Foundation at which the funds are held may match a certain percentage of the third-party contributions made during each year up to $10,000, and that decision is made on an annual basis. There were no material third-party contributions or matching contributions during the year ended October 31, 2016.

The Foundation has variance power over Brightpoint's endowment fund. Brightpoint's endowment fund is subject to the Foundation's investment strategies. The Foundation's asset allocation policy is to diversify investments to provide a balance that will enhance total return, while avoiding undue risk concentrations in any single asset class or investment category. The investment policies of the Foundation are to provide sufficient total return to support community activities of the Foundation, preserve principal in terms of its real purchasing power so the Foundation may serve the community over the long-term and to provide a long-term total return exceeding the rate of inflation plus 3.6% to 5% for grant making, plus the cost of investment management services and Foundation administrative services.

Interest, dividends, and net appreciation in fair value of endowment funds are classified as unrestricted net assets. Interest and dividends on donor-restricted endowment funds would be recorded as temporarily restricted net assets in accordance with UPMIFA and appropriated for distribution at the discretion of the Board of Directors.

See Note 6 for current year activity of the investment held by a community foundation.

Note 6 Fair Value Measurements

The following describes a fair value hierarchy that includes three levels of inputs to be used to measure fair value. In general, the Organizations determine fair values for international equity mutual funds, U.S. equity mutual funds, and bond mutual funds utilizing quoted market prices in active markets.

Interest in investment held by a community foundation is valued based on the market value of the underlying assets, consisting mainly of equity securities and fixed income securities which are valued based on quoted market prices, based on recent trading activity and other observable market data.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future values. Furthermore, while the Organizations believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Information regarding the fair value of assets measured at fair value on a recurring basis as of October 31, 2016, is as follows:

		Recurring Fair Value Measurements Using		
	Total Assets Measured at Fair Value	**Level 1**	**Level 2**	**Level 3**
International equity mutual funds	$ 186,857	$ 186,857	$ 0	$ 0
US equity mutual funds	384,846	384,845	0	0
Bond mutual funds	203,415	203,415	0	0
Interest in investment held by a community foundation	59,007	0	0	59,007
Totals	$ 834,124	$ 775,117	$ 0	$ 59,007

Information regarding the changes in the fair value of the Organizations' Level 3 investments for the years ended October 31 follows:

Level 3 investments at beginning	$ 58,124
Purchases	360
Realized gain - Interest and dividends	250
Unrealized gain	636
Fees	(363)
Total	$ 59,007

The Organizations do not have any liabilities measured at fair value on a recurring basis nor any assets or liabilities measured at fair value on a nonrecurring basis.

Note 7 Grants Receivable

Grants receivable consisted of the following at October 31, 2016:

Direct federal programs	$ 460,906
Pass through federal and state programs	892,892
Other programs	36,740
Total	$ 1,390,538

Note 8 Property and Equipment

Property and equipment consisted of the following at October 31, 2016:

Land	$ 264,713
Building and improvements	2,445,207
Equipment	202,634
Vehicles	475,554
Total property and equipment	3,388,108
Less - Accumulated depreciation	1,517,741
Property and equipment - Net	$ 1,870,367

Note 9 Individual Development Accounts

Brightpoint administers an Individual Development Account (IDA) program. Low-income, eligible participants accumulate savings in a joint account in their name and Brightpoint's name. Upon approval by Brightpoint, these amounts are matched 3:1 by the Assets for Independence Program, which has a federal designation and flows through the Indiana Department of Commerce. The funding stream matches up to $300 of the participant's savings. Participants can use the funds for the following purposes:

- Purchase of a home
- Repairs to the owned home
- Starting a business
- Post-secondary education
- Purchase of a vehicle to be used for business or education purposes

Match funds are deposited in the joint account directly by the funding source and are not recorded as revenue or expense on Brightpoint's general ledger as they are treated as a fiscal agent. To access the funds, the participant needs authorization from Brightpoint. The balance of match funds in these accounts as of October 31, 2016, was $17,987. This is recorded as IDA fund cash and IDA fund liability on the consolidated statement of financial position.

Note 10 Line of Credit

Brightpoint has an unsecured line of credit for $100,000 with PNC Bank. This line of credit has a variable interest rate of 1% over the bank's index rate (which is equal to the prime rate, and was 3.5% as of October 31, 2016) and matures October 22, 2017. There was no outstanding balance at October 31, 2016.

Effective December 7, 2016, Brightpoint obtained a secured line of credit for $500,000 at PNC Bank. The line of credit is secured by all assets of the organization. This line of credit has an interest rate of 3% and matures December 7, 2019.

Note 11 Notes Payable

Brightpoint has a secured note payable for $250,000 with the SBA. This note has a variable interest rate up to 1.625% per annum and matures October 2023. Payments are currently $2,315 per month. The outstanding balance at October 31, 2016 was $213,724.

The maturity of the notes payable at October 31, 2016 is as follows:

2017	$ 27,778
2018	27,778
2019	27,778
2020	27,778
2021	27,778
Thereafter	74,834
Total	$ 213,724

Note 12 Retirement Plan

Brightpoint has a defined contribution plan under Section 403(b) of the Internal Revenue Code. Employees are eligible to participate in deferral to the plan upon hire. Employees are eligible for employer match after they have been employed by Brightpoint for one year and are at least 21 years of age. Employees are fully vested after five years of service. Contributions to the plan are at the discretion of Brightpoint. Brightpoint's contribution for the year ended October 31, 2016, was $125,707.

Note 13 Grant Awards

At October 31, 2016, Brightpoint had commitments under various grants of approximately $8,700,000. These commitments are not recognized in the accompanying consolidated financial statements as they are conditional awards.

Note 14 Operating Leases

The Organizations lease various facilities and equipment for the operation of their programs. The operating lease payments for the year ended October 31, 2016, were $548,270.

Minimum future rental payments under these lease agreements consisted of the following at October 31, 2016:

2017	$ 520,420
2018	453,400
2019	390,048
2020	329,468
2021	329,468
Thereafter	549,113
Total	$ 2,571,917

Note 15 Temporarily Restricted Net Assets

Brightpoint has a temporarily restricted net asset balance at October 31, 2016 consisting of:

Child Care Development Fund	$ 240,192
Furnace for Low Income Individuals	40,591
Covering Kids and Families of Indiana	87,419
State Jobs for America's Graduates	10,345
North Anthony Corridor Group	10,587
Total	$ 389,134

Note 16 Related Party and Housing Loan Receivable/Payable

Brightpoint has formed a wholly owned subsidiary, Hopewell Pointe GP, Inc., for the purpose of assisting low- to moderate-income families obtain housing. Hopewell Pointe GP, Inc. is developing a 35 single-family home project, which qualifies for low-income housing tax credits under Section 42 of the Internal Revenue Code. Hopewell Pointe GP, Inc. has invested in Hopewell Pointe Limited Partnership (HPLP) to accomplish this objective. Hopewell Pointe GP, Inc.'s investment in HPLP was $100 as of October 31, 2016, and represents a .009% ownership in HPLP as the general partner.

Brightpoint was awarded a $400,000 deferred forgivable loan from Tower Bank & Trust Company from Federal Home Loan Bank (FHLB) Affordable Housing Program (AHP) funds. Brightpoint in turn signed a promissory note and loaned $400,000 to HPLP at 3% interest annually, with principal and interest due at maturity in March 2041. In accordance with the award to Brightpoint, HPLP agrees to retain ownership of the property throughout the affordability period of 15 years. In the event that HPLP defaults on any of the contractual arrangements or sells the property, the loan will be immediately due and payable.

Supplementary Information

Brightpoint and Subsidiaries

Schedule A-1
Schedule of Program Activity
Year Ended October 31, 2016

		FEDERAL PROGRAMS						
		Dept. of Agriculture	Department of Housing and Urban Development				Dept. of Labor	Dept of Treasury
		10.558	14.169	14.231	14.267	14.871	17.259	21.020
	Total	Child and Adult Care Food Program	Housing Counseling	Emergency Solutions Grant - Allen Co.	Permanent Supportive Housing	Section 8 Housing Choice Vouchers	Jobs for America's Graduates	CDFI
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
REVENUE								
Grant revenue	$ 17,976,119	$ 397,861	$ 11,423	$ 216,928	$ 201,146	$ 619,864	$ 605,274	$ 17,672
Donations	126,565	0	0	0	0	0	0	0
Investment gain	13,217	0	0	0	0	0	0	0
Developer fee	13,260	0	0	0	0	0	0	0
Fee for service	191,275	0	0	0	0	0	0	0
Other income	160,680	0	0	0	0	0	0	0
In-kind contributions	1,082,234	0	0	0	0	0	0	0
Total Revenue	**19,563,350**	**397,861**	**11,423**	**216,928**	**201,146**	**619,864**	**605,274**	**17,672**
EXPENSES								
Personnel	7,774,904	0	8,115	55,047	8,982	99,601	396,003	24,616
Consultants and contract labor	720,375	0	0	927	709	2,223	60,479	805
Travel	314,464	0	3,232	2,745	964	2,462	36,836	3,103
Occupancy	737,298	0	0	2,884	1,477	5,937	5,497	0
Depreciation	112,906	0	0	0	0	0	0	0
Minor equipment	53,558	0	0	0	0	0	0	0
Client assistance	5,899,895	397,846	0	145,325	187,373	555,419	14,420	0
Materials and supplies	563,310	15	0	265	173	939	1,252	116
Telephone and postage	172,611	0	0	1,182	713	3,024	6,075	136
Other	285,391	0	0	1,220	202	819	19,793	9,964
Shared costs	1,694,333	0	76	16,693	7,500	25,605	64,919	3,787
Transfers	0	0	0	(9,360)	(6,947)	(76,165)	0	(24,855)
In-kind expenses	1,082,234	0	0	0	0	0	0	0
Total Expenses	**19,411,279**	**397,861**	**11,423**	**216,928**	**201,146**	**619,864**	**605,274**	**17,672**
Change in Net Assets	**152,071**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Net assets - Beginning of year	3,986,401	0	0	0	0	0	0	0
NET ASSETS - End of year	**$ 4,138,472**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**

See Independent Auditor's Report.

Brightpoint and Subsidiaries

Schedule A-2

Schedule of Program Activity

Year Ended October 31, 2016

	FEDERAL PROGRAMS								
	Small Business Administration	Dept. of Veterans Affairs	Department of Energy	Department of Health and Human Services					
	59.046	64.033	81.042	93.568			93.569		
	SBA Microloan Program	Supportive Services for Veteran Families	Weatherization Assistance Program	Low-Income Home Energy Assistance	Low-Income Home Energy Assistance	93.568 Subtotal	Community Services Block Grant	Community Services Block Grant - BEED	93.569 Subtotal
	(8)	(9)	(10)	(11)	(12)		(13)	(14)	
REVENUE									
Grant revenue	$ 95,215	$ 437,726	$ 386,095	$ 491,433	$ 4,265,474	$ 4,756,907	$ 615,794	$ 0	$ 615,794
Donations	0	0	0	0	0	0	0	0	0
Investment gain	0	0	0	0	0	0	0	0	0
Developer fee	0	0	0	0	0	0	0	0	0
Fee for service	0	0	0	0	0	0	0	0	0
Other income	9,435	0	0	0	0	0	0	3,029	3,029
In-kind contributions	0	0	0	0	0	0	0	0	0
Total Revenue	**104,650**	**437,726**	**386,095**	**491,433**	**4,265,474**	**4,756,907**	**615,794**	**3,029**	**618,823**
EXPENSES									
Personnel	22,472	185,171	126,972	143,736	385,270	529,006	0	3,657	3,657
Consultants and contract labor	7,664	82,708	61,158	97,425	12,889	110,314	8,935	0	8,935
Travel	1,212	14,702	5,554	8,582	5,811	14,393	0	0	0
Occupancy	1,655	9,242	15,267	17,573	59,939	77,512	(182)	0	(182)
Depreciation	0	0	0	0	0	0	0	0	0
Minor equipment	1,025	0	0	45,944	0	45,944	0	0	0
Client assistance	0	84,682	39,706	23	3,719,112	3,719,135	12,170	0	12,170
Materials and supplies	491	14,949	60,359	126,721	24,555	151,276	0	0	0
Telephone and postage	559	1,664	5,617	7,824	21,366	29,190	3	0	3
Other	69,363	2,544	2,995	12,022	6,358	18,380	257	575	832
Shared costs	2,603	49,353	76,211	87,521	192,387	279,908	94,978	525	95,503
Transfers	(2,394)	(7,289)	(7,744)	(55,938)	(162,213)	(218,151)	499,633	(725)	498,908
In-kind expenses	0	0	0	0	0	0	0	0	0
Total Expenses	**104,650**	**437,726**	**386,095**	**491,433**	**4,265,474**	**4,756,907**	**615,794**	**4,032**	**619,826**
Change in Net Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(1,003)**	**(1,003)**
Net assets - Beginning of year	0	0	0	0	0	0	0	184,417	184,417
NET ASSETS - End of year	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 183,414**	**$ 183,414**

See Independent Auditor's Report.

Brightpoint and Subsidiaries

Schedule A-3

Schedule of Program Activity

Year Ended October 31, 2016

	FEDERAL PROGRAMS				STATE AND LOCAL PROGRAMS				
	Department of Health and Human Services								
	93.596	93.600	93.602						
	Child Care Development Fund	Head Start Program	Assets for Independence Program	Total Federal Funds	Jobs for America's Graduates	Family Development	Family Support UW	Family Development UW	Furnace for Low-Income Individuals
	(15)	(16)	(17)		(18)	(19)	(20)	(21)	(22)
REVENUE									
Grant revenue	$ 1,117,630	$ 6,103,116	$ 2,808	$ 15,585,459	$ 679,015	$ 0	$ 17,911	$ 68,862	$ 0
Donations	0	5,000	0	5,000	3,131	2,007	0	0	0
Investment gain	0	0	0	0	0	0	0	0	0
Developer fee	0	0	0	0	0	0	0	0	0
Fee for service	0	0	0	0	0	0	0	0	0
Other income	14	0	0	12,478	4,489	1,430	0	0	0
In-kind contributions	0	1,700,880	0	1,700,880	0	0	0	0	0
Total Revenue	**1,117,644**	**7,808,996**	**2,808**	**17,303,817**	**686,635**	**3,437**	**17,911**	**68,862**	**0**
EXPENSES									
Personnel	654,348	4,334,917	4,090	6,452,997	505,128	11,266	18,383	42,334	0
Consultants and contract labor	2,349	129,357	0	467,628	40,319	0	76	205	0
Travel	26,242	122,864	0	234,309	27,697	517	0	959	0
Occupancy	98,980	445,285	0	663,554	4,925	4,844	0	6,340	0
Depreciation	0	0	0	0	0	0	0	0	0
Minor equipment	0	6,589	0	53,558	0	0	0	0	0
Client assistance	47	160,985	0	5,317,108	16,422	0	0	0	0
Materials and supplies	48,853	175,464	0	454,152	3,611	1,076	0	1,172	0
Telephone and postage	41,913	53,011	5	143,092	6,613	4,923	0	559	0
Other	6,575	112,581	196	245,464	23,348	172	20	916	0
Shared costs	238,337	587,235	741	1,448,471	58,572	13,616	(568)	16,377	0
Transfers	0	(20,172)	(2,224)	123,607	0	(32,977)	0	0	0
In-kind expenses	0	1,700,880	0	1,700,880	0	0	0	0	0
Total Expenses	**1,117,644**	**7,808,996**	**2,808**	**17,304,820**	**686,635**	**3,437**	**17,911**	**68,862**	**0**
Change in Net Assets	**0**	**0**	**0**	**(1,003)**	**0**	**0**	**0**	**0**	**0**
Net assets - Beginning of year	0	0	0	184,417	10,345	0	0	0	40,591
NET ASSETS - End of year	**$ 0**	**$ 0**	**$ 0**	**$ 183,414**	**$ 10,345**	**$ 0**	**$ 0**	**$ 0**	**$ 40,591**

See Independent Auditor's Report.

Brightpoint and Subsidiaries

Schedule A-4

Schedule of Program Activity

Year Ended October 31, 2016

	STATE AND LOCAL PROGRAMS							
	Community Action Program	CDBG Weatherization	Head Start Other	Hanna Creighton Building Fund	Covering Kids and Families of Indiana	CHIPRA III	Saint Joseph Community Health	CCDF UW
	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
REVENUE								
Grant revenue	$ 105,516	$ 231,136	$ 750	$ 0	$ 503,195	$ 14,180	$ 501	$ 86,906
Donations	0	0	0	0	0	0	0	0
Investment gain	0	0	0	0	0	0	0	0
Developer fee	0	0	0	0	0	0	0	0
Fee for service	0	0	0	0	0	0	0	0
Other income	0	0	9,292	0	38,192	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	**105,516**	**231,136**	**10,042**	**0**	**541,387**	**14,180**	**501**	**86,906**
EXPENSES								
Personnel	19,011	45,122	0	0	359,253	8,965	0	10,132
Consultants and contract labor	1,325	1,971	196	0	7,262	829	200	0
Travel	2	736	0	0	31,078	0	0	0
Occupancy	0	996	0	0	33,969	0	0	0
Depreciation	0	0	0	76,321	0	0	0	0
Minor equipment	0	0	0	0	0	0	0	0
Client assistance	83,511	197,781	47	0	378	4,386	155	75,133
Materials and supplies	1,667	1,046	5,805	0	14,492	0	146	0
Telephone and postage	0	451	0	0	8,656	0	0	2
Other	0	375	382	0	5,104	0	0	0
Shared costs	0	7,637	0	0	53,043	0	0	1,639
Transfers	0	(24,979)	0	0	0	0	0	0
In-kind expenses	0	0	0	0	0	0	0	0
Total Expenses	**105,516**	**231,136**	**6,430**	**76,321**	**513,235**	**14,180**	**501**	**86,906**
Change in Net Assets	**0**	**0**	**3,612**	**(76,321)**	**28,152**	**0**	**0**	**0**
Net assets - Beginning of year	0	0	4,917	1,683,388	59,267	0	0	0
NET ASSETS - End of year	**$ 0**	**$ 0**	**$ 8,529**	**$ 1,607,067**	**$ 87,419**	**$ 0**	**$ 0**	**$ 0**

See Independent Auditor's Report.

Brightpoint and Subsidiaries

Schedule A-5
Schedule of Program Activity
Year Ended October 31, 2016

	STATE AND LOCAL PROGRAMS							
	Family Development Lincoln Foundation	Bounce Back	Lead Screening	IDA Youth United Way	Career Academy Fort Wayne	CCDF	On My Way Pre K	State EAP
	(31)	(32)	(33)	(34)	(35)	(36)	(37)	(38)
REVENUE								
Grant revenue	$ 24,750	$ 37,371	$ 0	$ 3,699	$ 27,125	$ 0	$ 0	$ 171,075
Donations	0	0	0	0	0	0	0	0
Investment gain	0	0	0	0	0	0	0	0
Developer fee	0	0	0	0	0	0	0	0
Fee for service	0	0	0	0	0	108,196	83,079	0
Other income	0	0	0	0	0	0	0	0
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	**24,750**	**37,371**	**0**	**3,699**	**27,125**	**108,196**	**83,079**	**171,075**
EXPENSES								
Personnel	22,137	3,050	0	0	0	95,258	15,178	6,136
Consultants and contract labor	9	0	0	0	27,456	0	29,501	478
Travel	254	99	0	0	0	0	5,419	20
Occupancy	772	0	0	0	0	0	0	1,132
Depreciation	0	0	0	0	0	3,853	0	0
Minor equipment	0	0	0	0	0	0	0	0
Client assistance	0	37,362	0	2,738	0	0	0	162,638
Materials and supplies	261	0	0	0	0	7,700	0	94
Telephone and postage	193	0	0	0	0	0	0	63
Other	205	0	0	961	62	0	0	77
Shared costs	919	1,907	0	0	(393)	1,385	1,479	4,196
Transfers	0	(5,047)	0	0	0	0	0	(3,759)
In-kind expenses	0	0	0	0	0	0	0	0
Total Expenses	**24,750**	**37,371**	**0**	**3,699**	**27,125**	**108,196**	**51,577**	**171,075**
Change in Net Assets	**0**	**0**	**0**	**0**	**0**	**0**	**31,502**	**0**
Net assets - Beginning of year	0	0	3,950	0	0	240,192	42,613	0
NET ASSETS - End of year	**$ 0**	**$ 0**	**$ 3,950**	**$ 0**	**$ 0**	**$ 240,192**	**$ 74,115**	**$ 0**

See Independent Auditor's Report.

Brightpoint and Subsidiaries

Schedule A-6

Schedule of Program Activity

Year Ended October 31, 2016

STATE AND LOCAL PROGRAMS

	State LIHEAP (39)	Inspire (40)	Case Coordination System UW (41)	North Anthony Corridor Group (42)	Foellinger Foundation (43)	Neighborhood Impact Program (44)	Knight Foundation (45)	Total State and Local Activity
REVENUE								
Grant revenue	$ 110,977	$ 1,047	$ 2,768	$ 0	$ 168,491	$ 0	$ 55,052	$ 2,310,327
Donations	0	0	0	0	0	0	0	5,138
Investment gain	0	0	0	0	0	0	0	0
Developer fee	0	0	0	0	0	0	0	0
Fee for service	0	0	0	0	0	0	0	191,275
Other income	0	0	5,000	13,730	0	8,581	0	80,714
In-kind contributions	0	0	0	0	0	0	0	0
Total Revenue	**110,977**	**1,047**	**7,768**	**13,730**	**168,491**	**8,581**	**55,052**	**2,587,454**
EXPENSES								
Personnel	45,968	0	0	0	22,938	1,229	42,225	1,273,713
Consultants and contract labor	26,685	0	0	3,433	46,978	7,200	10,277	204,400
Travel	1,373	1,047	1,658	150	3,774	0	1,474	76,257
Occupancy	3,283	0	0	42	16,787	0	854	73,944
Depreciation	0	0	0	0	0	0	0	80,174
Minor equipment	0	0	0	0	0	0	0	0
Client assistance	5	0	0	(1,620)	2,017	0	0	580,953
Materials and supplies	22,353	0	175	1,253	16,078	0	28	76,957
Telephone and postage	1,335	0	0	92	122	0	0	23,009
Other	1,414	0	0	11,085	785	141	0	45,047
Shared costs	8,561	0	935	0	15,615	11	194	185,125
Transfers	0	0	0	0	43,397	0	0	(23,365)
In-kind expenses	0	0	0	0	0	0	0	0
Total Expenses	**110,977**	**1,047**	**2,768**	**14,435**	**168,491**	**8,581**	**55,052**	**2,596,214**
Change in Net Assets	**0**	**0**	**5,000**	**(705)**	**0**	**0**	**0**	**(8,760)**
Net assets - Beginning of year	0	0	0	11,292	0	0	0	2,096,555
NET ASSETS - End of year	**$ 0**	**$ 0**	**$ 5,000**	**$ 10,587**	**$ 0**	**$ 0**	**$ 0**	**$ 2,087,795**

See Independent Auditor's Report.

Brightpoint and Subsidiaries

Schedule A-7
Schedule of Program Activity
Year Ended October 31, 2016

	OTHER		DISCRETIONARY					
	GAAP Adjustments (46)	Total Program Activity	Hopewell Pointe (47)	IT Services (48)	Agency Operations (49)	Energy Savers Consultants, LLC (50)	Brightpoint Development Fund (51)	Total Discretionary
REVENUE								
Grant revenue	$ 0	$ 17,895,786	$ 0	$ 0	$ 0	$ 0	$ 80,333	$ 80,333
Donations	0	10,138	0	0	36,427	0	80,000	116,427
Investment gain	0	0	0	0	13,217	0	0	13,217
Developer fee	0	0	13,260	0	0	0	0	13,260
Fee for service	0	191,275	0	0	0	0	0	0
Other income	0	93,192	0	13,061	44,715	0	9,712	67,488
In-kind contributions	(618,646)	1,082,234	0	0	0	0	0	0
Total Revenue	**(618,646)**	**19,272,625**	**13,260**	**13,061**	**94,359**	**0**	**170,045**	**290,725**
EXPENSES								
Personnel	0	7,726,710	0	40	1,709	(456)	46,901	48,194
Consultants and contract labor	0	672,028	0	0	30,788	0	17,559	48,347
Travel	0	310,566	0	63	442	30	3,363	3,898
Occupancy	(7,119)	730,379	0	0	0	325	6,594	6,919
Depreciation	31,399	111,573	0	0	1,333	0	0	1,333
Minor equipment	0	53,558	0	0	0	0	0	0
Client assistance	0	5,898,061	0	0	289	0	1,545	1,834
Materials and supplies	0	531,109	0	3,233	24,801	187	3,980	32,201
Telephone and postage	0	166,101	0	8	4,009	71	2,422	6,510
Other	(45,944)	244,567	0	192	12,505	22	28,105	40,824
Shared costs	0	1,633,596	0	7,949	22,372	251	30,165	60,737
Transfers	0	100,242	0	0	0	0	(100,242)	(100,242)
In-kind expenses	(618,646)	1,082,234	0	0	0	0	0	0
Total Expenses	**(640,310)**	**19,260,724**	**0**	**11,485**	**98,248**	**430**	**40,392**	**150,555**
Change in Net Assets	**21,664**	**11,901**	**13,260**	**1,576**	**(3,889)**	**(430)**	**129,653**	**140,170**
Net assets - Beginning of year	573,310	2,854,282	284,972	10,409	645,808	865	190,065	1,132,119
NET ASSETS - End of year	**$ 594,974**	**$ 2,866,183**	**$ 298,232**	**$ 11,985**	**$ 641,919**	**$ 435**	**$ 319,718**	**$ 1,272,289**

See Independent Auditor's Report.

Brightpoint and Subsidiaries

Schedule B-1
Schedule of Expenditures of Federal Awards
Year Ended October 31, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE				
Passed-Through Indiana Department of Education				
(1) Child and Adult Care Food Program	10.558	1020006	$ 0	$ 397,861
Total U.S. DEPARTMENT OF AGRICULTURE			**0**	**397,861**
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through Housing Action Illinois				
(2) Housing Counseling	14.169	HUD FY 2016	**0**	**11,423**
Passed-Through Indiana Housing and Community Development Authority				
(3) Emergency Solutions Grant Program - Allen County	14.231	ESRRHP-015-03	0	214,329
		ESRRHP-016-005	0	2,599
		Subtotal CFDA #14.231	**0**	**216,928**
Passed-Through Indiana Housing and Community Development Authority				
(4) Permanent Supportive Housing	14.267	SC-016-0019	0	16,191
		SC-015-0019	0	184,956
		Subtotal CFDA #14.267	**0**	**201,146**
Housing Voucher Cluster				
Passed-Through Indiana Housing and Community Development Authority				
(5) Section 8 Housing Choice Vouchers	14.871	HCV-016-05	0	527,486
		SH015	0	92,378
Subtotal Housing Voucher Cluster CFDA #14.871			**0**	**619,864**
Total U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			**0**	**1,049,362**
U.S. DEPARTMENT OF LABOR				
WIOA Cluster				
Passed-Through Northeast Indiana Regional Workforce Investment Board				
(6) Jobs for America's Graduates	17.259	Youth 2016-Brightpoint-01	0	191,208
Passed-Through Northeast Indiana Works				
(6) Jobs for America's Graduates		Youth 2015-Brightpoint-01	0	414,065
Subtotal WIOA Cluster CFDA #17.259			**0**	**605,274**
Total U.S. DEPARTMENT OF LABOR			**0**	**605,274**
Department of the Treasury				
CDFI Cluster				
Direct Grant				
(7) CDFI	21.020	141TA012760	**0**	**17,672**
Subtotal CDFI Cluster CFDA #21.020			**0**	**17,672**
Total CORPORATION FOR NATIONAL AND COMMUNITY SERVICE			**0**	**17,672**
SMALL BUSINESS ADMINISTRATION				
Direct Grant				
(8) SBA Microloan Program	59.046	SBAHQ-16-Y-0078	0	64,332
		SBAHQ-15-Y-0035	0	30,883
Total SMALL BUSINESS ADMINISTRATION			**0**	**95,215**

Brightpoint and Subsidiaries

Schedule B-2
Schedule of Expenditures of Federal Awards
Year Ended October 31, 2016

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant Number	Passed Through to Subrecipients	Federal Expenditures
U.S. DEPARTMENT OF VETERANS AFFAIRS				
Direct Grant				
(9) Supportive Services for Veteran Families	64.033	13-IN-106	0	20,664
		13-IN-106	79,503	417,062
		Subtotal CFDA #64.033	**79,503**	**437,726**
Total U.S. DEPARTMENT OF VETERAN AFFAIRS			**79,503**	**437,726**
U.S. DEPARTMENT OF ENERGY				
Passed-Through Indiana Housing and Community Development Authority				
(10) Weatherization Assistance for Low-Income Persons	81.042	WX-016-007	0	139,008
		WX-015-007	0	247,086
		Subtotal CFDA #81.042	**0**	**386,095**
Total U.S. DEPARTMENT OF ENERGY			**0**	**386,095**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed-Through Indiana Housing and Community Development Authority				
(11) Low-Income Home Energy Assistance Weatherization	93.568	WL-017-007	0	33,103
		WL-016-007	0	458,330
(12) Low-Income Home Energy Assistance		LI-017-007	0	43,489
		LI-016-007	0	4,221,985
		Subtotal CFDA #93.568	**0**	**4,756,907**
Passed-Through Indiana Housing and Community Development Authority				
(13) Community Services Block Grant	93.569	CS-016-007	0	615,794
(14) Community Services Block Grant - BEED		CS-10-024CSBG	0	0
		Subtotal CFDA #93.569	**0**	**615,794**
CCDF Cluster				
Passed-Through Indiana Family and Social Services Administration				
(15) Child Care Mandatory and Matching Funds of the Child Care and Development Fund	93.596	F1-6-02-16-34-1671	0	1,117,630
Subtotal CCDF Cluster CFDA #93.596			**0**	**1,117,630**
Direct Grant				
(16) Head Start	93.600	05CH8433-01-03	**0**	**6,103,116**
Passed-Through Indiana Housing and Community Development Authority				
(17) Assets for Independence Demonstration Program	93.602	IDA013-005	**0**	**2,808**
Total U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			**0**	**12,596,255**
TOTAL FEDERAL EXPENDITURES			$ 79,503	$ 15,585,459

Brightpoint and Subsidiaries

Schedule B-3
Schedule of Expenditures of Federal Awards
Year Ended October 31, 2016

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation
The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Brightpoint under programs of the federal government for the year ended October 31, 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 Brightpoint, it is not intended to and does not present the financial position, changes in net assets or cash flows of Brightpoint.

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.

Note 3 - Indirect Cost Rate
Brightpoint has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

WIPFLi LLP

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

Board of Directors
Brightpoint and Subsidiaries
Fort Wayne, Indiana

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the consolidated financial statements of Brightpoint and Subsidiaries, which comprise the consolidated statement of financial position as of October 31, 2016, and the related consolidated statements of activities and cash flows for the year ended October 31, 2016, and the related notes to the consolidated financial statements, and have issued our report thereon dated May 3, 2017. The financial statements of Hopewell Pointe GP, Inc., Energy Savers Consultants, LLC and Brightpoint Development Fund were not audited in accordance with *Government Auditing Standards,* and, accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with Hopewell Pointe GP, Inc., Energy Savers Consultants, LLC and Brightpoint Development Fund.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Brightpoint'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 Brightpoint's internal control. Accordingly, we do not express an opinion on the effectiveness of Brightpoint's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or 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 Brightpoint'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 Brightpoint's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Brightpoint's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Wipfli LLP

May 3, 2017
Madison, Wisconsin

WIPFLi LLP

Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance

Board of Directors
Brightpoint
Fort Wayne, Indiana

Report on Compliance for the Major Federal Program

We have audited Brightpoint's compliance with the types of compliance requirements described in the *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended October 31, 2016. Brightpoint's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility for Compliance

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 Brightpoint's major federal program 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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Brightpoint'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 the major federal program. However, our audit does not provide a legal determination on Brightpoint's compliance.

Opinion

In our opinion, Brightpoint complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended October 31, 2016.

Report on Internal Control Over Compliance

Management of Brightpoint 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 Brightpoint's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing 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 Brightpoint'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 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.

Wipfli LLP

Wipfli LLP

May 3, 2017
Madison, Wisconsin

Brightpoint and Subsidiaries

Schedule of Findings and Questioned Costs

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified?	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance [2 CFR 200.516(a)]?	No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
93.568	Low-Income Home Energy Assistance Program

Dollar threshold used to distinguish between Type A and Type B Programs	$750,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Prior Year Findings and Questioned Costs

None