

**DUPAGE P.A.D.S., INC. AND SUBSIDIARY**

**CONSOLIDATED  
FINANCIAL STATEMENTS  
AS OF JUNE 30, 2015 AND 2014**

**TOGETHER WITH AUDITOR'S REPORT**

# Dugan & Lopatka

Certified Public Accountants & Consultants  
A Professional Corporation  
104 East Roosevelt Road  
Wheaton, Illinois 60187  
(630) 665-4440  
Fax (630) 665-5030  
www.duganlopatka.com  
e-mail: info@duganlopatka.com

Michael J. Dugan  
Jerry L. Lopatka  
Mark F. Schultz  
Peter J. Zich  
Leo M. Misdom

Karen M. Olson  
Hugh E. Elliott  
Ron A. Marklund  

---

Gwen S. Henry

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
DuPage P.A.D.S., Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of DuPage P.A.D.S., Inc. and Subsidiary (the Organization) which comprise the consolidated statement of financial position as of June 30, 2015 and 2014, and the related consolidated statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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.

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.

To the Board of Directors of  
DuPage P.A.D.S., Inc. and Subsidiary  
Page 2

***Opinion***

In our opinion, the accompanying consolidated financial statements referred to above present fairly, in all material respects, the financial position of DuPage P.A.D.S., Inc. and Subsidiary as of June 30, 2015 and 2014, and the changes in their net assets and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

***Other Matter***

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information on Schedules 1 through 3 is presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

  
DUGAN & LOPATKA

Wheaton, Illinois  
October 28, 2015

DUPAGE P.A.D.S., INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2015 AND 2014

<u>A S S E T S</u>	<u>2015</u>	<u>2014</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents - Unrestricted	\$ 1,263,179	\$ 1,044,756
- Temporarily restricted	96,869	15,368
- Escrow accounts	42,289	36,612
Investments	136,925	136,331
Receivables	221,858	237,091
Prepaid expenses	31,117	23,078
Total current assets	1,792,237	1,493,236
<b>PROPERTY AND EQUIPMENT:</b>		
Capital assets, at cost, less accumulated depreciation	2,615,891	2,685,923
<b>NON-CURRENT ASSETS:</b>		
Security deposits	22,809	20,272
	<u>\$ 4,430,937</u>	<u>\$ 4,199,431</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
<b>CURRENT LIABILITIES:</b>		
Notes payable, current maturities	\$ 40,563	\$ 35,386
Accounts payable and accrued expenses	140,556	109,118
Deferred revenue	50,862	73,681
Total current liabilities	231,981	218,185
NOTES PAYABLE, net of current maturities	1,903,649	2,055,336
Total liabilities	2,135,630	2,273,521
<b>NET ASSETS:</b>		
Unrestricted	2,198,438	1,910,542
Temporarily restricted	96,869	15,368
Total net assets	2,295,307	1,925,910
	<u>\$ 4,430,937</u>	<u>\$ 4,199,431</u>

The accompanying notes are an integral part of this statement.

DUPAGE P.A.D.S., INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 1,077,081	\$ 116,788	\$ 1,193,869	\$ 847,984	\$ 20,000	\$ 867,984
Grants	1,555,338	-	1,555,338	1,481,872	-	1,481,872
United Way	112,666	-	112,666	127,748	-	127,748
Special events, net of direct expense of \$64,311 and \$96,598 in 2015 and 2014, respectively	494,230	-	494,230	417,198	-	417,198
Program service fees	141,821	-	141,821	138,141	-	138,141
In-kind revenue	825,703	-	825,703	782,183	-	782,183
Investment return	2,603	-	2,603	20,188	-	20,188
Loss on sale of property and equipment	(1,216)	-	(1,216)	-	-	-
Rental income	104,455	-	104,455	173,316	-	173,316
Release from restrictions	35,287	(35,287)	-	68,632	(68,632)	-
<b>Total support and revenue</b>	<b>\$ 4,347,968</b>	<b>\$ 81,501</b>	<b>\$ 4,429,469</b>	<b>\$ 4,057,262</b>	<b>\$ (48,632)</b>	<b>\$ 4,008,630</b>

The accompanying notes are an integral part of this statement.

DUPAGE P.A.D.S., INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF ACTIVITIES  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
FUNCTIONAL EXPENSES:						
Program -						
PADS Support Center	\$ 708,597	\$ -	\$ 708,597	\$ 675,242	\$ -	\$ 675,242
Overnight Shelter	993,518	-	993,518	936,432	-	936,432
Permanent Supportive Housing	1,517,202	-	1,517,202	1,510,234	-	1,510,234
Volunteer Training	-	-	-	23,170	-	23,170
DuPage Housing Solutions	128,253	-	128,253	130,021	-	130,021
Total program expense	3,347,570	-	3,347,570	3,275,099	-	3,275,099
Management and general	97,596	-	97,596	93,301	-	93,301
Fundraising	614,906	-	614,906	550,761	-	550,761
Total functional expenses	4,060,072	-	4,060,072	3,919,161	-	3,919,161
CHANGE IN NET ASSETS	287,896	81,501	369,397	138,101	(48,632)	89,469
NET ASSETS, Beginning of year	1,910,542	15,368	1,925,910	1,772,441	64,000	1,836,441
NET ASSETS, End of year	<u>\$ 2,198,438</u>	<u>\$ 96,869</u>	<u>\$ 2,295,307</u>	<u>\$ 1,910,542</u>	<u>\$ 15,368</u>	<u>\$ 1,925,910</u>

The accompanying notes are an integral part of this statement.

DUPAGE P.A.D.S., INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in total net assets	\$ 369,397	\$ 89,469
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Depreciation	96,150	88,578
Realized and unrealized (gain) loss on investments	2,349	(19,488)
Realized loss on sale of property and equipment	1,216	-
Changes in assets and liabilities:		
Decrease in receivables	15,233	42,034
(Increase) decrease in prepaid expenses	(8,039)	8,644
(Increase) in security deposits	(2,537)	(4,058)
Increase in accounts payable and accrued expenses	31,438	28,492
Decrease in deferred revenue	(22,819)	(6,814)
Total adjustments	<u>112,991</u>	<u>137,388</u>
Net cash provided by operating activities	<u>482,388</u>	<u>226,857</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Sale of investments	-	30,588
Purchases of investments	(2,942)	-
Purchases of property and equipment	(27,335)	(62,138)
Net cash (used in) investing activities	<u>(30,277)</u>	<u>(31,550)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on note payable	(146,510)	(35,981)
NET CHANGE IN CASH AND CASH EQUIVALENTS	305,601	159,326
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,096,736</u>	<u>937,410</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 1,402,337</u>	<u>\$ 1,096,736</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ 8,155</u>	<u>\$ 8,911</u>

The accompanying notes are an integral part of this statement.

DUPAGE P.A.D.S., INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015

	Program Services					Supporting Services			
	PADS Support Center	Overnight Shelter	Permanent Supportive Housing	Volunteer Training	DuPage Housing Solutions	Total Program Services	Management and General	Fundraising	Total
FUNCTIONAL EXPENSES:									
Salaries	\$ 315,792	\$ 222,512	\$ 383,913	\$ -	\$ -	\$ 922,217	\$ 41,475	\$ 262,870	\$ 1,226,562
Payroll taxes and benefits	40,236	31,795	49,985	-	-	122,016	10,380	48,500	180,896
Employee group medical	52,342	26,046	59,833	-	-	138,221	2,556	36,049	176,826
	408,370	280,353	493,731	-	-	1,182,454	54,411	347,419	1,584,284
Direct client services	15,799	11,056	184,879	-	-	211,734	-	-	211,734
Rental assistance	34,808	-	692,190	-	-	726,998	-	-	726,998
Utilities	23,743	3,229	3,491	-	20,713	51,176	198	1,482	52,856
Building and grounds maintenance	46,351	16,181	16,866	-	38,636	118,034	999	6,812	125,845
Postage and shipping	1,708	1,789	2,204	-	45	5,746	303	10,325	16,374
Telephone and cell phones	12,457	12,862	12,927	-	-	38,246	1,548	1,750	41,544
Office supplies and fees	15,603	53,512	16,272	-	10,264	95,651	11,697	5,899	113,247
Travel, mileage, conferences and meetings	2,525	3,698	13,803	-	-	20,026	13,338	3,909	37,273
Equipment lease and maintenance	9,359	6,890	9,152	-	-	25,401	3,009	5,591	34,001
Professional fees	9,947	9,159	12,478	-	-	31,584	2,776	5,275	39,635
Recruiting and advertising	-	-	-	-	-	-	-	-	-
Insurance	7,553	7,507	10,312	-	10,420	35,792	(2,018)	4,254	38,028
Grant writer and other expenses	-	3,500	17,000	-	-	20,500	-	346	20,846
Depreciation	29,303	5,536	6,814	-	48,175	89,828	2,812	3,508	96,148
Interest	-	-	-	-	-	-	8,155	-	8,155
Printing	244	254	312	-	-	810	368	86,223	87,401
In-kind contributions	90,827	577,992	24,771	-	-	693,590	-	132,113	825,703
Total functional expenses	\$ 708,597	\$ 993,518	\$ 1,517,202	\$ -	\$ 128,253	\$ 3,347,570	\$ 97,596	\$ 614,906	\$ 4,060,072

The accompanying notes are an integral part of this statement.



DUPAGE P.A.D.S., INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2014

	Program Services					Supporting Services			
	PADS Support Center	Overnight Shelter	Permanent Supportive Housing	Volunteer Training	DuPage Housing Solutions	Total Program Services	Management and General	Fundraising	Total
FUNCTIONAL EXPENSES:									
Salaries	\$ 284,379	\$ 235,952	\$ 384,632	\$ -	\$ -	\$ 904,963	\$ 48,176	\$ 242,311	\$ 1,195,450
Payroll taxes and benefits	35,615	32,059	48,529	-	-	116,203	5,376	47,015	168,594
Employee group medical	50,878	21,927	58,504	-	-	131,309	2,453	26,602	160,364
	370,872	289,938	491,665	-	-	1,152,475	56,005	315,928	1,524,408
Direct client services	24,577	11,384	180,288	-	-	216,249	-	-	216,249
Rental assistance	19,198	-	689,749	-	-	708,947	-	-	708,947
Utilities	20,822	2,930	3,265	-	24,447	51,464	105	1,713	53,282
Building and grounds maintenance	61,938	18,836	15,915	-	39,771	136,460	826	6,329	143,615
Postage and shipping	242	224	278	-	18	762	270	7,647	8,679
Telephone and cell phones	13,046	15,322	13,982	-	-	42,350	2,025	1,521	45,896
Office supplies and fees	19,309	10,703	18,700	774	1,084	50,570	10,825	9,024	70,419
Travel, mileage, conferences and meetings	2,289	2,153	12,967	414	-	17,823	7,593	3,052	28,468
Equipment lease and maintenance	11,831	7,877	9,970	-	-	29,678	2,528	5,074	37,280
Professional fees	10,413	10,967	15,377	21,982	3,200	61,939	1,824	8,108	71,871
Recruiting and advertising	-	-	-	-	255	255	-	-	255
Insurance	7,967	8,264	10,307	-	10,081	36,619	638	4,902	42,159
Grant writer and other expenses	2,501	-	15,999	-	10,562	29,062	-	17,798	46,860
Depreciation	24,197	10,305	8,307	-	40,603	83,412	1,751	3,415	88,578
Interest	-	-	-	-	-	-	8,911	-	8,911
Printing	-	-	-	-	-	-	-	41,101	41,101
In-kind contributions	86,040	547,529	23,465	-	-	657,034	-	125,149	782,183
Total functional expenses	\$ 675,242	\$ 936,432	\$ 1,510,234	\$ 23,170	\$ 130,021	\$ 3,275,099	\$ 93,301	\$ 550,761	\$ 3,919,161

The accompanying notes are an integral part of this statement.

DUPAGE P.A.D.S., INC. AND SUBSIDIARY  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

DuPage P.A.D.S., Inc. (Public Action to Deliver Shelter) and its subsidiary (hereinafter the Organization), an independent Illinois not-for-profit 501(c)(3) corporation, is a human services agency serving the homeless. The Organization exists to enhance the quality of life for homeless and at-risk individuals and families in DuPage County. The Organization is committed to providing safe and hospitable shelter, case management, and support services to people who are homeless or at risk of becoming homeless so that they can achieve a higher level of self-sufficiency. In addition, the Organization provides permanent supportive housing for individuals and families who have been chronically homeless as a result of a disability, such as mental health, substance abuse or disabling health conditions.

The financial statements were available to be issued on October 28, 2015, with subsequent events being evaluated through this date.

The following is a summary of the significant accounting policies applied by management in the preparation of the accompanying financial statements.

Basis of Consolidation -

DuPage Housing Solutions (subsidiary) is consolidated with DuPage P.A.D.S., Inc. for financial reporting purposes due to the fact it is wholly owned by DuPage P.A.D.S., Inc. All significant intercompany account balances and transactions have been eliminated.

Basis of Accounting -

The Organization records its financial transactions and maintains its books and records on the accrual basis of accounting which recognizes revenue as it is earned and expenses as they are incurred.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Concentrations of Credit Risk -

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash and deposits with high credit quality financial institutions, however, deposits exceed the federally insured limits in some accounts from time to time.

Receivables -

Receivables represent grants due to the Organization from governmental agencies or from tenants. The receivables for grants were reviewed at year end and amounts deemed uncollectible were written off. The receivables for tenants were reviewed at year end and an allowance was set up for amounts deemed uncollectible. The allowance was \$1,000 and \$2,750 as of June 30, 2015 and 2014.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Basis of Presentation -

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - 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.

Temporarily restricted net assets are as follow:

	<u>2015</u>	<u>2014</u>
Support Center	\$ 81,049	\$ -
Respite	<u>15,820</u>	<u>15,368</u>
Total	<u>\$ 96,869</u>	<u>\$ 15,368</u>

Permanently Restricted Net Assets - 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. There are no permanently restricted net assets as of June 30, 2015 and 2014.

Property and Equipment -

Property and equipment are carried at cost or their fair market value at the date of donation. Depreciation and amortization of property and equipment are provided on the straight-line method over estimated useful lives ranging from three to thirty-nine years. Any property and equipment that has a useful life in excess of a year and is over \$1,000 is capitalized, the subsidiary capitalizes any additions over \$5,000.

Maintenance, repairs and renewals, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains and losses on dispositions of property and equipment are included in income.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Restricted and Unrestricted Revenue and Support -

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

Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Federal grant awards are classified as refundable advances until expended for the purposes of the grants because they are conditional promises to give.

Functional Allocation of Expenses -

Expenses are charged to each program based on direct expenditures incurred. Any program expenditures not directly chargeable are allocated to a program based on units of service and support costs are allocated to a program based on total program costs.

In-Kind Revenue and Expenses -

The Organization has conformed with the Accounting Standards Codification for *Accounting for Contributions Received and Contributions Made* in regards to donated services. This provision prohibits the recording of donated services unless they create or enhance a nonfinancial asset or are specialized skills that would have been purchased if they were not donated.

Donated furnishings, food, specialized skills, facilities, and clothing are reflected in the financial statements based on the value supplied by the donor or at their estimated fair market values.

The value of other donated personal services (at \$17 per hour in 2015 and 2014) not included in the financial statements for the years ended June 30, 2015 and 2014 is as follows:

	<u>Program Services</u>				
	<u>Overnight Shelter</u>	<u>Support Center</u>	<u>Fundraising</u>	<u>Administration</u>	<u>Total</u>
2015	<u>\$ 1,017,854</u>	<u>\$ 66,292</u>	<u>\$ 43,690</u>	<u>\$ 6,979</u>	<u>\$ 1,134,815</u>
2014	<u>\$ 999,056</u>	<u>\$ 55,871</u>	<u>\$ 45,637</u>	<u>\$ 3,528</u>	<u>\$ 1,104,092</u>

(2) INVESTMENTS:

The Organization has invested funds in certificates of deposit and with a community foundation which have been reported at fair market value for financial statement purposes. The market value at June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Community Foundation Fund	\$ <u>136,925</u>	\$ <u>136,331</u>

(3) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure 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 as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has 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;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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 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.

(3) FAIR VALUE MEASUREMENTS: (Continued)

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015 and 2014.

*Community Foundation Fund:* Valued at the fair market value of the Organization's shares of net assets of the Community Foundation Fund as of June 30, 2015 and 2014.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes 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.

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of June 30, 2015 and 2014:

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Community Foundation Fund	\$ <u>-</u>	\$ <u>-</u>	\$ <u>136,925</u>	\$ <u>136,925</u>

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2014</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Community Foundation Fund	\$ <u>-</u>	\$ <u>-</u>	\$ <u>136,331</u>	\$ <u>136,331</u>

Level 3 Gains and Losses:

The following table sets forth a summary of changes in the fair value of the Organization's level 3 assets for the years ended June 30, 2015 and 2014:

	<u>Level 3 Assets</u> <u>Community Foundation Fund</u> <u>Year Ended June 30,</u>	
	<u>2015</u>	<u>2014</u>
Balance, beginning of year	\$ 136,331	\$ 118,544
Investment earnings	7,431	11,735
Unrealized gains (losses) relating to instruments still held at the reporting date	(5,083)	7,753
Purchases, sales, issuances and settlements (net)	<u>(1,754)</u>	<u>(1,701)</u>
Balance, end of year	\$ <u>136,925</u>	\$ <u>136,331</u>

(4) PROPERTY AND EQUIPMENT:

Capital assets owned by the Organization at June 30, 2015 and 2014 are as follows:

	<u>2015</u>	<u>2014</u>
Land	\$ 235,797	\$ 235,797
Furniture	104,717	81,240
Building	3,003,704	3,003,704
Building improvements	141,541	141,541
Leasehold improvements	16,129	16,129
Computer and software	13,509	13,509
Accumulated depreciation	<u>(899,506)</u>	<u>(805,997)</u>
	<u>\$ 2,615,891</u>	<u>\$ 2,685,923</u>

(5) LINE OF CREDIT:

The Organization has a \$350,000 line of credit from a bank, secured by substantially all assets not otherwise secured, bearing interest at prime plus 1% with a minimum rate of 5%, and due in December, 2015. There was no outstanding balance at June 30, 2015 and 2014.

(6) NOTES PAYABLE:

	<u>2015</u>	<u>2014</u>
Payable to DuPage Community Development Commission, no payments of principal or interest while in compliance with usage covenants. If they maintain the required compliance with the covenants, the entire note will be forgiven in July, 2046. The note is secured by a building.	\$ 366,048	\$ 366,048
Retention/Recapture agreement with bank under the affordable housing program. During the life of the note there are no principal or interest payments if all agreement requirements are upheld. If they maintain the required compliance with the covenants, the note will be forgiven in July, 2021. The note is secured by a building.	71,500	71,500
Payable to Illinois Housing Development Authority in monthly installments of \$1,667, principal, bearing no interest, secured by a building and maturing in July, 2046.	630,118	649,902

(6) NOTES PAYABLE: (Continued)

	<u>2015</u>	<u>2014</u>
Payable to DuPage County Development Commission in an annual payment of \$8,750, principal, bearing no interest, secured by a building and maturing in July, 2046.	\$ 280,000	\$ 297,500
Mortgage payable to a financial institution in monthly installments of \$1,337 principal and interest, bearing interest at 4.64%, secured by land and a building and maturing in May, 2034.	96,546	205,772
Payable to DuPage Community Development Commission, no payments of principal or interest while in compliance with usage covenants. If they maintain the required compliance with the covenants, the entire note will be forgiven in October, 2029. The note is secured by a building.	<u>500,000</u>	<u>500,000</u>
	1,944,212	2,090,722
Less - Current maturities	<u>(40,563)</u>	<u>(35,386)</u>
Long-term portion	<u>\$ 1,903,649</u>	<u>\$ 2,055,336</u>

Minimum payments due are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2016	40,563
2017	41,123
2018	41,710
2019	42,324
2020	42,968
Thereafter	<u>1,735,524</u>
	<u>\$ 1,944,212</u>

(7) COMMITMENTS AND CONTINGENCIES:

The Organization has a lease agreement for rental of a copier expiring in July, 2016. The monthly rent is \$875. Office equipment rental expense for the years ended June 30, 2015 and 2014 amounted to \$10,500.



(7) COMMITMENTS AND CONTINGENCIES: (Continued)

In addition, the Organization leases various properties on behalf of tenants. The leases expire at various dates through April, 2016. Rental assistance provided on these properties was \$726,998 and \$708,997 for the years ended June 30, 2015 and 2014, respectively.

Minimum rentals due are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2016	\$ 81,231
2017	875

(8) TAX STATUS:

The Organization is a nonprofit Illinois corporation organized for religious and charitable purposes, exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization is a public charity and, thus, contributions by the public are deductible for income tax purposes.

The Organization files income tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2011. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

(9) SIMPLE RETIREMENT PLAN:

The Organization maintains a simple retirement plan covering substantially all employees. The plan applies to all employees that have received at least \$5,000 in compensation in the previous year and anticipate earning \$5,000 in the current year. The Organization is required to match the elective contribution of the employee not to exceed 3.0% for 2015 and 2014 of the employee's compensation or \$6,000, whichever is less. Total contributions were \$17,602 and \$17,480 for the years ended June 30, 2015 and 2014, respectively.

(10) CONCENTRATION:

The Organization had approximately 23% and 25% of its total revenue and other support revenue from the U.S. Department of Housing and Urban Development for the years ended June 30, 2015 and 2014, respectively.

(11) SUBSEQUENT EVENT:

In August, 2015, the Board designated net assets for the following purposes:

Supportive Service	\$ 155,000
Capital Improvements	30,000
Operating reserve	<u>10,000</u>
Total	<u>\$ 195,000</u>

~

DUPAGE HOUSING SOLUTIONS, INC.  
SCHEDULE OF FINANCIAL POSITION  
JUNE 30, 2015

	2015
<u>ASSETS</u>	
CURRENT ASSETS:	
Cash and cash equivalents - Unrestricted	\$ 45,149
- Escrow accounts	42,289
Receivables	1,660
Prepaid expenses	871
Total current assets	89,969
PROPERTY AND EQUIPMENT:	
Capital assets, at cost, less accumulated depreciation	1,347,391
	\$ 1,437,360
<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES:	
Note payable, current maturities	\$ 28,750
Accounts payable and accrued expenses	8,803
Deferred revenue	953
Total current liabilities	38,506
NOTES PAYABLE, net of current maturities	1,318,916
Total liabilities	1,357,422
NET ASSETS:	
Unrestricted	79,938
	\$ 1,437,360

DUPAGE HOUSING SOLUTIONS, INC.  
SCHEDULE OF PUBLIC SUPPORT, REVENUE AND EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015

## PUBLIC SUPPORT AND REVENUE:

Rental income	\$ 104,422
Interest income	33
	<hr/>
Total public support and revenue	104,455

## EXPENSES:

Utilities	20,713
Building and grounds maintenance	38,636
Postage	45
Insurance	10,420
Office supplies and fees	10,264
Depreciation	48,175
	<hr/>
Total expenses	128,253

CHANGE IN NET ASSETS (23,798)

NET ASSETS, Beginning of year 

---

103,736

NET ASSETS, End of year 

---

---

\$ 79,938

DUPAGE HOUSING SOLUTIONS, INC.  
SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2015

## CASH FLOWS FROM OPERATING ACTIVITIES:

Cash received from public support and revenue	\$ 157,405
Cash paid for program services and supplies	(89,894)
Interest received	33
	<hr/>

Net cash provided by operating activities 67,544

## CASH FLOWS FROM INVESTING ACTIVITIES:

Purchases of property and equipment	(22,535)
-------------------------------------	----------

## CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on notes payable	<hr/> (37,283)
---------------------------	----------------

NET CHANGE IN CASH AND CASH EQUIVALENTS 7,726

CASH AND CASH EQUIVALENTS, Beginning of year 

---

79,712

CASH AND CASH EQUIVALENTS, End of year 

---

---

\$ 87,438

RECONCILIATION OF CHANGE IN TOTAL NET ASSETS  
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

Change in total net assets	<hr/> \$ (23,798)
----------------------------	-------------------

Adjustments to reconcile change in total net assets to  
net cash provided by operating activities:

Depreciation	48,175
Decrease in accounts receivable	52,950
(Increase) in prepaid expenses	(27)
(Decrease) in accounts payable and accrued expenses	<hr/> (9,756)

Net adjustments 

---

91,342

Net cash provided by operating activities 

---

---

\$ 67,544