

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2021



INDEPENDENT AUDITORS' REPORT

To the Board of Directors

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Deborah's Place & Affiliated Organizations (the "Organizations"), which comprise the consolidated statement of financial position as of June 30, 2021, and the related consolidated statements of activities and changes in net assets, functional expenses and cash flows for the year 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 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 auditors' 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 Deborah's Place & Affiliated Organizations as of June 30, 2021, 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 of America.

Other Matter

Report on Summarized Comparative Information

We have previously audited Deborah's Place & Affiliated Organizations' 2020 consolidated financial statements, and we expressed an unmodified opinion on those financial statements in our report dated November 19, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Mayer Hoffman McCann P.C.

Chicago, Illinois
December 9, 2021

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2021 (with Comparative Totals for 2020)

	2021	2020
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,044,186	\$ 2,542,687
Accounts receivable	47,305	38,655
Grants receivable	187,762	141,945
Contributions receivable	109,395	24,960
Prepaid expenses, deposits and other	226,876	130,401
Operating, replacement and insurance reserves	422,299	498,284
Investments	4,661,195	3,809,110
Land, buildings and equipment, net	5,349,613	5,820,852
Intangible assets	12,635	12,635
TOTAL ASSETS	\$ 14,061,266	\$ 13,019,529
<u>LIABILITIES</u>		
Mortgage notes payable, net of debt issuance costs	\$ 7,195,526	\$ 7,209,866
Accounts payable and other accrued expenses	258,471	283,869
Deferred revenue	-	110,468
TOTAL LIABILITIES	7,453,997	7,604,203
<u>NET ASSETS</u>		
Without donor restrictions:		
Operations	1,016,699	1,008,222
Board designated for operating reserves	1,304,190	1,020,800
Board designated for Mission 600 Fund	1,484,670	1,142,688
With donor restrictions	2,801,710	2,243,616
TOTAL NET ASSETS	6,607,269	5,415,326
TOTAL LIABILITIES AND NET ASSETS	\$ 14,061,266	\$ 13,019,529

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2021 (with Comparative Totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	
REVENUE AND SUPPORT				
Support:				
Individuals	\$ 1,085,316	\$ -	\$ 1,085,316	\$ 990,719
Foundations, churches, corporations and organizations	983,054	272,500	1,255,554	739,041
Government grants and contracts	2,304,655	-	2,304,655	2,155,094
In-kind services	128,305	-	128,305	63,939
Fundraising events	106,344	-	106,344	160,844
TOTAL SUPPORT	4,607,674	272,500	4,880,174	4,109,637
Program revenue:				
Rent and rent subsidy	1,438,126	-	1,438,126	1,333,382
Program rents	42,074	-	42,074	38,058
Other program revenue	40	-	40	1,438
TOTAL PROGRAM REVENUE	1,480,240	-	1,480,240	1,372,878
Other sources:				
Interest and dividends	31,474	30,425	61,899	104,043
Realized and unrealized gain (loss) on investments	265,073	477,437	742,510	(47,029)
Other income	16,437	-	16,437	13,315
TOTAL OTHER SOURCES	312,984	507,862	820,846	70,329
Net assets released from restriction	222,268	(222,268)	-	-
TOTAL REVENUE AND SUPPORT	6,623,166	558,094	7,181,260	5,552,844

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS - Continued

Year Ended June 30, 2021 (with Comparative Totals for 2020)

	2021			2020
	Without Donor Restrictions	With Donor Restrictions	Total	
FUNCTIONAL EXPENSES				
Program services:				
Housing Programs & Services	\$ 1,285,882	\$ -	\$ 1,285,882	\$ 1,253,816
Community Housing & Services	616,651	-	616,651	552,461
Clinical & Health Services	1,064,706	-	1,064,706	999,578
Deborah's Place II	668,443	-	668,443	637,944
Deborah's Place III	1,252,700	-	1,252,700	1,248,011
TOTAL PROGRAM SERVICES	<u>4,888,382</u>	<u>-</u>	<u>4,888,382</u>	<u>4,691,810</u>
Supporting services:				
Management and general	773,058	-	773,058	733,325
Fundraising	327,877	-	327,877	316,218
TOTAL SUPPORTING SERVICES	<u>1,100,935</u>	<u>-</u>	<u>1,100,935</u>	<u>1,049,543</u>
TOTAL FUNCTIONAL EXPENSES	<u>5,989,317</u>	<u>-</u>	<u>5,989,317</u>	<u>5,741,353</u>
INCREASE (DECREASE) IN				
CONSOLIDATED NET ASSETS	633,849	558,094	1,191,943	(188,509)
NET ASSETS, BEGINNING OF YEAR	<u>3,171,710</u>	<u>2,243,616</u>	<u>5,415,326</u>	<u>5,603,835</u>
TOTAL NET ASSETS, END OF YEAR	<u><u>\$ 3,805,559</u></u>	<u><u>\$ 2,801,710</u></u>	<u><u>\$ 6,607,269</u></u>	<u><u>\$ 5,415,326</u></u>

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2021 (with Comparative Totals for 2020)

	2021					
	Program Services					
	Housing Programs & Services	Community Housing & Services	Clinical & Health Services	Deborah's Place II	Deborah's Place III	Total Program Services
Salaries and wages	\$ 870,863	\$ 95,750	\$ 789,202	\$ 264,925	\$ 363,666	\$ 2,384,406
Payroll taxes	65,577	7,139	60,175	18,632	27,884	179,407
Employee benefits	116,828	14,804	137,828	32,672	48,717	350,849
Repairs and maintenance	17,206	9,903	240	114,214	160,039	301,602
Dues and subscriptions	2,087	-	292	-	250	2,629
Professional fees and contract services	27,952	1,750	14,989	9,972	20,761	75,424
Specific assistance to individuals	99,387	15,262	21,686	-	711	137,046
Insurance	6,667	6,883	4,520	21,084	47,015	86,169
Stationery and printing	-	-	-	-	-	-
Postage	-	509	565	29	85	1,188
Utilities	14,727	319	-	67,125	104,044	186,215
Recruiting	-	-	-	-	-	-
Supplies	35,408	11,397	5,488	1,008	4,492	57,793
Bad debt (recovery) provision	-	-	-	(1,158)	(828)	(1,986)
Telephone	4,776	3,815	12,124	2,103	2,793	25,611
Transportation for staff	107	-	8,165	138	116	8,526
Rent	-	424,925	-	-	-	424,925
Property taxes	-	-	-	1,404	-	1,404
Interest	-	-	-	-	11,146	11,146
Building and equipment	9,301	1,481	5,758	2,632	-	19,172
Depreciation	13,294	11,634	2,504	133,090	461,335	621,857
Other taxes	-	-	-	-	-	-
Miscellaneous	1,702	11,080	1,170	573	474	14,999
TOTAL EXPENSES	\$ 1,285,882	\$ 616,651	\$ 1,064,706	\$ 668,443	\$ 1,252,700	\$ 4,888,382

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES - Continued

Year Ended June 30, 2021 (with Comparative Totals for 2020)

	2021				Total 2020
	Supporting Services			Total	
	Management and General	Fundraising	Total Supporting Services		
Salaries and wages	\$ 436,372	\$ 236,234	\$ 672,606	\$ 3,057,012	\$ 2,906,070
Payroll taxes	32,801	17,797	50,598	230,005	226,325
Employee benefits	72,664	28,257	100,921	451,770	428,024
Repairs and maintenance	6,296	-	6,296	307,898	303,606
Dues and subscriptions	11,446	1,037	12,483	15,112	11,503
Professional fees and contract services	135,379	12,053	147,432	222,856	235,498
Specific assistance to individuals	-	-	-	137,046	155,355
Insurance	27,740	937	28,677	114,846	102,844
Stationery and printing	1,520	8,519	10,039	10,039	11,512
Postage	1,077	2,465	3,542	4,730	5,916
Utilities	-	-	-	186,215	170,902
Recruiting	1,895	-	1,895	1,895	1,696
Supplies	6,785	2,920	9,705	67,498	42,863
Bad debt (recovery) provision	-	-	-	(1,986)	20,106
Telephone	4,964	-	4,964	30,575	28,791
Transportation for staff	336	7	343	8,869	19,664
Rent	-	-	-	424,925	375,380
Property taxes	-	-	-	1,404	1,374
Interest	-	-	-	11,146	2,510
Building and equipment	350	-	350	19,522	21,174
Depreciation	25,605	-	25,605	647,462	626,000
Other taxes	-	-	-	-	319
Miscellaneous	7,828	17,651	25,479	40,478	43,921
TOTAL EXPENSES	\$ 773,058	\$ 327,877	\$ 1,100,935	\$ 5,989,317	\$ 5,741,353

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended June 30, 2021 (with Comparative Totals for 2020)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (decrease) in consolidated net assets	\$ 1,191,943	\$ (188,509)
Adjustments to reconcile increase (decrease) in consolidated net assets to net cash flows from operating activities:		
Depreciation	647,462	626,000
Deferred financing costs recognized	2,774	2,509
Realized and unrealized (gain) loss on investments	(742,510)	47,029
Bad debt (recovery) provision	(1,986)	20,106
Decrease (increase) in operating assets:		
Accounts, grants and contributions receivable	(136,916)	225,108
Prepaid expenses, deposits and other	(96,475)	78,887
Increase (decrease) in operating liabilities:		
Accounts payable and other accrued expenses	(25,398)	80,401
Deferred revenue	(110,468)	110,468
NET CASH FLOWS FROM OPERATING ACTIVITIES	728,426	1,001,999
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of improvements and equipment	(176,410)	(1,551,785)
Proceeds from sale of investments	2,266,497	1,117,646
Purchase of investments	(2,375,885)	(1,152,106)
NET CASH FLOWS FROM INVESTING ACTIVITIES	(285,798)	(1,586,245)
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred financing costs issued	-	(47,762)
Proceeds from long-term debt	-	950,000
Repayment of long-term debt	(17,114)	(21,334)
NET CASH FLOWS FROM FINANCING ACTIVITIES	(17,114)	880,904
 NET INCREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	 425,514	 296,658
 CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF YEAR	 3,040,971	 2,744,313
 CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF YEAR	 \$ 3,466,485	 \$ 3,040,971
 CASH, CASH EQUIVALENTS AND RESTRICTED CASH		
Unrestricted cash and cash equivalents - operating	\$ 3,044,186	\$ 2,542,687
Restricted cash:		
Operating, replacement and insurance reserves	422,299	498,284
Total	\$ 3,466,485	\$ 3,040,971

See Notes to Consolidated Financial Statements

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of significant accounting policies

Nature of organization - The consolidated financial statements include the accounts of Deborah's Place, its wholly owned subsidiary, Deborah's Place III Corp. ("DP III Corp."), and its affiliated organization, Deborah's Place II (the "Organizations"). Each entity has a separate board of directors which share common members. Transactions between the entities have been eliminated on consolidation.

DP III Corp. was formed to serve as the general partner of Deborah's Place III Limited Partnership ("DP III") and held a 0.01% partnership interest as general partner. The limited partner interest is held by Deborah's Place, giving it an effective ownership interest of 100% in DP III.

Deborah's Place is a nonprofit social service organization which opens doors of opportunity for women who are homeless in Chicago. Supportive housing and services offer women their key to healing, achieving their goals and moving on from the experience of homelessness. Deborah's Place conducts the following programs:

Housing Programs & Services - Deborah's Place residential programs offer safe housing and supportive services for women who have experienced homelessness. Programs include Dolores' Safe Haven (a 15-bed supportive living environment which serves hard-to-reach women who are chronically homeless and who are living with severe mental illness) and Teresa's Interim Housing (a 24-hour interim housing program with 10 semiprivate dormitory bed spaces, where women can live for up to 120 consecutive days while receiving intensive programming around housing search, income acquisition, and preparation for life in the community). Residential services are also provided for the tenants of the Patty Crowley Apartments and the Rebecca Johnson Apartments. Community Centers at both sites provide access to computers, budgeting, tutoring, art therapy, employment guidance, and programs designed to strengthen daily living skills and engagement. Deborah's Place offers pre-tenancy services to people who are experiencing homelessness and are preparing the documentation needed to move into housing with Deborah's Place. Services may include assistance in obtaining identification, documentation of homelessness, and disability assessments, as well as referrals for additional assistance and other housing resources if they do not meet program eligibility.

Community Housing & Services - Community housing and services are provided to participants who, with the assistance of subsidized rent, live in apartments in the community. Intensive case management, provided through the Clinical and Health Services program, ensures that the participants who remain housed achieve their goals related to income, self-sufficiency, and wellness. An Alumnae Residential Services program provides housing location, landlord support, and engagement services to women who move directly from homelessness to a community-based housing program or who choose to move on from a Deborah's Place project-based housing program into housing in the community.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Community Housing & Services (continued) - The Marah's Permanent Housing Program provides 32 community-based apartments to women who have been homeless and are living with a disability; Deborah's Place holds the leases to these apartments, and the tenants pay 30% of their income as occupancy fees. In January, 2021, Deborah's Place began conducting a program, Rapid Rehousing ("RRH"), which moves women from the shelter environment quickly by connecting them to short-term rental subsidies and intensive services. The program was created from the Coronavirus Aid, Relief, and Economic Security ("CARES") Act and is administered by All Chicago, the subrecipient of the grant and through which Deborah's Place receives RRH funding to serve 75 women.

Clinical & Health Services - Clinical and Health Services include Case Management and physical Health Services. The Case Management Program assists women in meeting their goals before and after they move into housing. Women are assisted in securing income and in securing, accessing, and maintaining affordable housing. Clinical services include assessment, participant-centered service planning, referral, crisis intervention, transportation, and follow-up support. Health services are designed to coordinate healthcare based on individual needs; skilled staff work with participants to create individualized assessments, plans, referrals, and follow-up.

Deborah's Place provides permanent housing to end homelessness in the following two locations:

Deborah's Place II (Patty Crowley Apartments) - This facility, located at 1530 N. Sedgwick Avenue in Chicago, provides private- and shared-bath apartments for 39 women. Each unit has a subsidy under the U.S. Department of Housing and Urban Development Section 8 Housing Choice Voucher program. Tenant services and 24-hour case management are available on-site. This facility leases space to several Deborah's Place programs, including Dolores' Safe Haven, Teresa's Interim Housing, and Tenant Residential Services.

Deborah's Place III (Rebecca Johnson Apartments) - The facility, located at 2822 W. Jackson in Chicago, provides private-bath single-room apartments for 90 women, as well as on-site case management and supportive services. Each unit has a subsidy under the U.S. Department of Housing and Urban Development Section 8 Housing Choice Voucher program. The building is owned by DP III, a partnership which acquired and renovated the property for use as a low-income housing rental property. DP III leases administrative office space to Deborah's Place.

Net assets - The Organizations report information regarding their financial position and activities according to two classes of net assets as follows:

Without donor restrictions

Operations - Net assets that are not subject to donor-imposed restrictions and conditions including the carrying value of physical properties (land, building and equipment). Items that affect this net asset category include revenue, principally grants and contributions, and related expenses associated with the core activities of the Organizations. In addition to these transactions, changes in this category of net assets include contributions whose donor-imposed restrictions and conditions were met during the fiscal period.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Board Designated - In Fiscal Year 2018, the Board of Directors, in order to maintain fiscal operating strength and stability, instituted a policy of maintaining three months of operating reserves. These funds are to be used only with Board approval and include a pool of liquid assets sufficient to cover Deborah's Place's payroll costs for two months. The Board of Directors also designated assets previously designated by the Board of Directors as an Endowment Fund, as the Mission 600 Fund. These funds are to be used only with Board approval, to invest in opportunities that will substantially support the advancement of Deborah's Place's strategic goals.

With donor restrictions - Net assets subject to donor-imposed restrictions that will be met by the passage of time or by expenditures that meet the donors' imposed purpose. Also includes resources subject to restrictions of gift instruments requiring that principal be invested in perpetuity and investment income be utilized for support of activities. When the donors' restrictions are satisfied, the net assets are transferred to net assets without donor restrictions.

Cash and cash equivalents - Cash and cash equivalents consist of highly liquid interest-bearing depository accounts with a maturity of three months or less. Aggregate cash balances currently exceed federally insured limits. However, the Organizations have not experienced any losses in such accounts and management does not believe that they are exposed to any significant credit risk.

Accounts receivable - Accounts receivable are composed of rent due from tenants and rent subsidies due from a government agency. Uncollectible amounts are written off to bad debt expense at the time the individual receivable is determined to be uncollectible. An allowance for doubtful accounts, if required, is based on estimates made by management and the Organizations' historical collection experience. The allowance for doubtful accounts at June 30, 2021 and 2020, was \$816 and \$17,129, respectively.

Land, buildings and equipment - Land, buildings and equipment are stated at cost if purchased and at fair value at the date of contribution if donated to the Organizations. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. Individual purchases of furniture and equipment exceeding \$2,000 are capitalized. Depreciation expense for the years ended June 30, 2021 and 2020, was \$647,462 and \$626,000, respectively.

Contributions and grants - All public support is considered to be available for unrestricted use unless restricted specifically by the donor or funding agency. At its discretion, the Board of Directors may designate certain funds for specific purposes.

Contributions and grants restricted by the donor, grantor or other outside party are reported as with donor restriction revenue, as applicable, when granted or pledged to the Organizations.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Investments - The Organizations invest in marketable securities with readily determinable fair values. The securities are invested in mutual funds and exchange-traded funds that are traded at their fair values based on quoted prices in active markets. Investments in short-term certificates of deposit are stated at cost plus accrued interest, which approximates fair value. All investments are considered Level 1. Unrealized gains and losses are included in the changes in net assets in the accompanying consolidated statement of activities and changes in net assets.

Functional expenses - The costs of providing various program and supporting activities have been summarized on a functional basis in the consolidated statement of activities and changes in net assets. The consolidated statement of functional expenses presents expenses by function and natural classification. Expenses attributable solely to a specific functional area are reported as expenses of those functional areas. Expenses that are allocable across functional categories are allocated consistently, using estimates of the following factors:

- Time and effort
- Specific systems and technology used
- Square footage

Asset impairment assessments - The Organizations review long-lived assets for impairment whenever events or circumstances indicate that the carrying value of such assets may not be fully recoverable. An impairment is evaluated based on the sum of undiscounted estimated future cash flows expected to result from use of the asset compared to its carrying value. If an impairment is recognized, the carrying value of the impaired asset is reduced to its fair value. No impairment was recognized in 2021 or 2020.

In-kind donations - The Organizations record various types of in-kind support, including services, materials, and gifts of goods, equipment and other tangible assets. The Organizations recognize professional services as in-kind support if those services (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. In 2021 and 2020, volunteers provided approximately 379 hours and 3,859 hours, respectively, for serving on the Board of Directors, preparing meals, assisting in clerical tasks, providing tutoring, conducting workshops, and participating in fundraising campaigns during the year. These services received by the Organizations did not meet these criteria. The value of contributed services meeting the requirements for recognition in the consolidated financial statements amounted to \$20,089 and \$23,546 as of June 30, 2021 and 2020, respectively.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) Summary of significant accounting policies (continued)

Contributions of tangible assets are recognized at fair value when received. Gifts of goods and equipment are reported as unrestricted support unless explicit donor stipulations restrict how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as temporarily restricted support. The amounts reflected in the accompanying consolidated financial statements as in-kind support are offset by like amounts included in expenses or assets. Contributions of tangible assets, including noncash items and gift cards, amounted to \$108,216 and \$40,393 for the years ended June 30, 2021 and 2020, respectively.

Income taxes - Deborah's Place and Deborah's Place II are exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state law. No provision has been made for federal and state income taxes since income or loss of DP III is required to be reported by the partners on their respective income tax returns.

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Recently adopted accounting pronouncements - In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Topic 606, *Revenue from Contracts with Customers*. This ASU is a comprehensive new revenue recognition model that requires an organization to recognize revenue to depict the transfer of goods or services to a customer at an amount that reflects the consideration it expects to receive in exchange for those goods and services. This updated guidance impacts not-for-profit entities that have revenue transactions other than contributions. In June 2020, the FASB deferred the effective date of Topic 606 by issuing ASU No. 2020-05. This ASU allows entities to elect to adopt the guidance of Topic 606 for annual reporting periods beginning after December 15, 2019 if the entity has not issued its financial statements (or made financial statements available for issuance) reflecting the adoption of Topic 606. The Organizations adopted ASU No. 2014-09 effective July 1, 2020 using the modified retrospective approach, and such adoption did not have a material impact on the Organizations' consolidated financial statements. The adoption of the standard did not require any adjustments to the opening balance of net assets as of July 1, 2020.

Recent accounting pronouncements - In February 2016, the FASB amended the *Leases* topic of the Accounting Standards Codification to revise certain aspects of recognition, measurement, presentation, and disclosure of leasing transactions. The amendment will be effective for fiscal years beginning after December 15, 2021. The Organizations are currently evaluating the effect that the implementation of the new standard will have on their financial position, results of operations, and cash flows.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(2) Grants and contributions receivable

Grants and contributions receivable consist of unconditional amounts due from public and private organizations. All the grants and contributions receivable are expected to be collected in Fiscal Year 2022. Not included in grants receivable are certain unexpended and conditional grants totaling \$521,897 and \$1,665,415 at June 30, 2021 and 2020, respectively, which have been awarded by public agencies.

(3) Investments

Investments as of June 30, 2021 and 2020, consist of the following:

	<u>2021</u>	<u>2020</u>
Stated at fair value:		
Mutual funds and exchange-traded funds	\$ 3,919,570	\$ 3,097,574
Certificate of deposit	741,625	711,536
Total	<u>\$ 4,661,195</u>	<u>\$ 3,809,110</u>

(4) Land, buildings and equipment

Land, buildings and equipment as of June 30, 2021 and 2020, consist of the following:

	<u>2021</u>	<u>2020</u>
Cost:		
Land	\$ 258,000	\$ 258,000
Buildings and improvements	14,506,405	14,485,557
Furniture and equipment	848,104	718,508
Vehicles	21,112	20,752
Total cost	<u>15,633,621</u>	<u>15,482,817</u>
Accumulated depreciation	<u>(10,284,008)</u>	<u>(9,661,965)</u>
Net land, buildings and equipment	<u>\$ 5,349,613</u>	<u>\$ 5,820,852</u>

(5) Mortgage notes payable

Mortgage note payable to the City of Chicago, through the Department of Housing, which administers these U.S. Department of Housing and Urban Development Community Development Block Grant ("CDBG") funds. This note is payable in August 2035 and bears no interest during its term provided the housing remains available to very low income persons and the note does not become due because of default under the terms of the note or the regulatory agreement. This note is collateralized by real estate owned by Deborah's Place II. The mortgage note payable to the City of Chicago at June 30, 2021 and 2020, was \$2,275,694.

Junior mortgage note payable to the Illinois Housing Development Authority ("IHDA") in the original amount of \$500,000. This note bears no interest, is payable in annual principal installments of \$1,000, and matures in 2035. The note is secured by real estate owned by Deborah's Place II. The note payable to IHDA at June 30, 2021 and 2020, was \$473,000 and \$474,000, respectively.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(5) **Mortgage notes payable (continued)**

First mortgage note payable to IHDA in the original amount of \$3,300,000, obtained pursuant to the provisions of the HOME Program as authorized by Title II of the National Affordable Housing Act. This nonrecourse mortgage is payable in March 2030 and bears no interest during its term provided the housing remains available to very low income persons and the note does not become due because of default under the terms of the note or regulatory agreement. The note is payable in monthly principal installments of \$500 as well as the annual payment of residual receipts while the Section 8 contract is in existence; thereafter, monthly payments in the amount of \$100 will be payable. The loan is collateralized by the rental property owned by DP III and an assignment of rents and leases. The Organizations executed a Regulatory and Land Use Agreement with IHDA which prohibits the sale of the project without IHDA's approval. The note payable to IHDA at June 30, 2021 and 2020, was \$3,158,666 and \$3,164,666, respectively.

Second mortgage note payable to the City of Chicago, through the Department of Housing, in the original amount of \$400,000. This note bears no interest and is payable in March 2030. This nonrecourse mortgage is collateralized on a subordinate basis by rental property owned by DP III and an assignment of rents and leases. This loan payable to the City of Chicago at June 30, 2021 and 2020, was \$400,000.

On August 15, 2019, the Federal Home Loan Bank of Chicago ("FHLBC") provided a \$750,000 competitive Affordable Housing Program grant to DP III through First Eagle Bank ("FEB"), for a rehabilitation project also funded by a \$200,000 loan from FEB. The grant is being recorded by DP III as a third mortgage and has a 15-year retention period. It is payable only in the event of a default in its obligations under the Project Loan Agreement with the FHLBC. Deborah's Place is the sponsor for the program.

The \$200,000 loan from FEB bears interest at 5% and requires monthly interest-only payments commencing August 15, 2019 for one year. Payments of both principal and interest of \$1,099 commence on August 15, 2020. The loan matures on August 15, 2034. The loan is secured by a certificate of deposit held at FEB or any successor or replacement account of no less than the amount owed. The loan payable to FEB at June 30, 2021 and 2020 was \$189,886 and \$200,000, respectively.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(5) Mortgage notes payable (continued)

Scheduled principal reductions are as follows:

Years Ending June 30,

2022	\$	10,927
2023		11,753
2024		12,623
2025		13,537
2026		14,499
Thereafter		<u>7,183,907</u>
Total	\$	<u><u>7,247,246</u></u>

Mortgage notes payable at June 30, 2021 and 2020, were \$7,195,526 and \$7,209,866, respectively. The notes payable for 2021 and 2020 consist of:

	<u>2021</u>	<u>2020</u>
Mortgage notes payable	\$ 7,247,246	\$ 7,264,360
Less: unamortized debt issuance costs	(51,720)	(54,494)
Mortgage notes payable, net	<u>\$ 7,195,526</u>	<u>\$ 7,209,866</u>

Loan costs are being recognized as interest expense on a straight-line basis over the terms of the mortgage notes. Interest expense recognized for the years ended June 30, 2021 and 2020 was \$2,774 and \$2,510, respectively.

(6) Cash – Operating, replacement and insurance reserves

Replacement reserve - Pursuant to the DP III IHDA loan agreement, the Organizations are required to fund from available cash flows a replacement of \$1,500 per month. The replacement reserve, which is administered by IHDA, can be used to fund improvements and replacements.

General operating reserve - Also pursuant to the DP III IHDA loan agreement, the Organizations were required to fund the general operating reserve from the limited partner capital contributions in an initial amount of \$600,000. Additionally, the Organizations are required to deposit into the general operating reserve surplus cash flow, if any, in the maximum amount of \$45,000 per annum. Such funding is required until the long-term operating reserve has reached \$4,739,609. No amounts were funded in 2021 or 2020.

The general operating reserve, which is administered by IHDA, is to be used to fund operating deficits, as defined in the HOME Loan Agreement. Interest earned is retained in the reserve account.

IHDA approved the use of these reserves to fund the DP III Affordable Housing Program rehabilitation project reserve. Funds of \$86,420 and \$488,952 were withdrawn from the reserve during Fiscal Years 2021 and 2020, respectively, for this purpose.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(6) Cash – Operating, replacement and insurance reserves (continued)

Affordable Housing Program rehabilitation project reserve - In connection with the Project Loan Agreement with the FHLBC, a reserve was created for the affordable housing project. The reserve was funded through the general operating reserve, FEB note payable and the Affordable Housing Program grant. Funds were used for this rehabilitation project, which commenced in August 2019 and was completed in June 2020.

Insurance reserve - Pursuant to the DP III IHDA loan agreement, the Organizations have established an insurance escrow. Monthly deposits are determined by IHDA. The insurance escrow, which is administered by IHDA, is to be used to pay insurance.

The following details the reserves at June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Replacement reserve	\$ 157,048	\$ 139,022
General operating reserve	207,479	293,854
Insurance reserve	57,772	57,762
Affordable Housing Program reserve	-	7,646
Total	<u>\$ 422,299</u>	<u>\$ 498,284</u>

(7) Real estate taxes

Real property owned by DP III is exempt from local real estate taxes, pursuant to a determination by the Illinois Department of Revenue. The Organizations have obtained a non-homestead Property Tax Exemption Certificate on the property for the 2021 assessment year.

(8) Deferred revenue

On March 11, 2020, the World Health Organization classified the outbreak of a coronavirus (COVID-19) as a pandemic. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Organizations' financial condition, liquidity and future results of operations. Management is actively monitoring the global situation and its potential impact on the Organizations. Although the pandemic disrupted program and fundraising activities in 2020 and 2021, and it continues to affect in-person gatherings, management does not believe the pandemic will have a continuing, long-term detrimental effect on the Organizations.

The Organizations applied for and received a forgivable PPP loan of approximately \$200,000 as provided under the federal CARES Act, and the loan was funded on April 17, 2020 by FEB. Under the terms of the loan, the balance is forgivable to the extent that the proceeds are used for certain qualified costs for the eight-week period through June 12, 2020 and that certain employment levels are maintained. Subsequent guidance permitted an extension of the expenditure period to 24 weeks. The Organizations selected this option and notified the lender.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(8) Deferred revenue (continued)

The loan, which was in the form of a note dated April 17, 2020, matures on April 17, 2022. Loan payments are deferred until the Small Business Administration remits the loan forgiveness amount to the lender. The loan bears interest at a rate of 1% per annum. Through June 30, 2021, the Organizations have used \$200,000 of the proceeds on qualified costs, and such amount has been reported as grant revenue. The Organizations used all of the proceeds for eligible costs, and the entire loan was forgiven in May 2021. Forgiveness revenue is included in government grants and contracts in the accompanying consolidated statement of activities and changes in net assets and amounted to \$110,468 and \$89,532 for the years ended June 30, 2021 and 2020, respectively.

(9) Net assets with donor restrictions

At June 30, 2021 and 2020, the amounts included in net assets with donor restrictions are restricted for the following purposes:

	With Donor Restrictions as of June 30, 2020	Restricted Contributions	Grants Released from Restriction	With Donor Restrictions as of June 30, 2021
Capital improvements	\$ 49,727	\$ -	\$ (48,327)	\$ 1,400
Capital purchase	25,000	-	(25,000)	-
Program related	-	91,667	-	91,667
FY'21 general operations	84,239	-	(84,239)	-
FY'22 general operations	-	180,832	-	180,832
Endowment	2,000,000	-	-	2,000,000
Endowment earnings	84,650	507,863	(64,702)	527,811
Total	<u>\$ 2,243,616</u>	<u>\$ 780,362</u>	<u>\$ (222,268)</u>	<u>\$ 2,801,710</u>

The Organizations have one donor-restricted endowment in investments. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Illinois adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") effective June 30, 2009, which provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to UPMIFA. The Organizations have interpreted the Illinois UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organizations classify as net assets with donor restrictions the original value of the gift donated to the permanent endowment.

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(9) Net assets with donor restrictions (continued)

The earnings from the donor-restricted endowment fund are classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Organizations in a manner consistent with the standard of prudence prescribed by Illinois UPMIFA. Approval of appropriations for expenditure is made when a decision is made by the Board of Directors to release a portion of the endowment fund from donor restrictions for spending, in accordance with the terms of the gift instrument. Under the terms of the endowment, the distribution in any given year should not exceed 4% of the value of the endowment fund, as determined by the Organizations' policy.

In accordance with Illinois UPMIFA, the Organizations consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (a) The duration and preservation of the fund;
- (b) The purposes of the Organizations and the donor-restricted endowment fund;
- (c) General economic conditions;
- (d) The possible effect of inflation and deflation;
- (e) The expected total return from income and the appreciation of investments;
- (f) Other resources of the Organizations; and
- (g) The investment policies of the Organizations.

The endowment fund had investment earnings of \$30,425 and \$45,653 during Fiscal Year 2021 and 2020, respectively. Net appreciation of investments was \$477,437 during Fiscal Year 2021, and net depreciation of investments was \$30,265 during Fiscal Year 2020.

(10) Lease commitment

On September 12, 2019, the Organizations entered into a lease agreement with Revered Properties, LLC for an office suite located at 2501 West Washington Street, Chicago, Illinois. The lease commenced November 5, 2019 and expires on October 31, 2022. The Organizations have the option to extend the term of the lease for one additional two-year period. The lease is secured with an \$8,670 cash deposit.

On December 16, 2020, the Organizations entered into an additional lease agreement with Revered Properties, LLC as a cotenant with Renaissance Social Services for an office suite located at 2501 West Washington Street, Chicago, Illinois. The lease commenced January 1, 2021 and expires December 31, 2021. The lease is secured with a \$1,400 cash deposit.

Rent expense for the years ended June 30, 2021 and 2020, was \$424,925 and \$375,380, respectively.

Minimum future annual rentals for the lease are as follows:

2022	\$35,713
2023	9,193
	<u>\$44,906</u>

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(11) Deborah's Place 401(k) Plan

Effective July 1, 2001, the Organizations created the Deborah's Place 401(k) Plan (the "Plan"). The Plan covers all eligible employees (as defined) who are at least 21 years of age and provides for (a) elective contributions to be made by participants on a pretax basis and (b) discretionary employer contributions. Participants can begin participation at the beginning of each quarter during the year they become eligible. For all employees, vesting in the Organizations' contributions begins after the second year of service and in increments of 25% per year, until fully vested after five years of service.

Effective July 1, 2018, all newly eligible employees and current employees without an election will automatically have 3% of their compensation deducted and invested in the default fund of the Plan on their behalf.

Contributions to the Plan were \$31,130 and \$21,335 for the years ended June 30, 2021 and 2020, respectively. Deborah's Place absorbs all administrative costs of the Plan.

(12) Prior year comparative totals

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class or natural expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the consolidated financial statements for the fiscal year ended June 30, 2020, from which the summarized information was derived.

(13) Financial assets and liquidity resources

As of June 30, 2021, financial assets and liquidity resources available within one year for general expenditures, such as operating expenses, scheduled principal payments on debt and capital expenditures, were as follows:

Cash and cash equivalents	\$	3,044,186
Accounts receivable		47,305
Grants receivable		187,762
Contributions receivable		109,395
Investments		4,661,195
Less:		
Net assets designated by Board		(2,788,860)
Net assets with donor restrictions		(2,801,710)
Accounts payable and other accrued expenses		(258,471)
Current debt service		(10,927)
Add:		
Donor restrictions fulfilled in next 12 months		<u>190,832</u>
Available for use	\$	<u><u>2,380,707</u></u>

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(13) Financial assets and liquidity resources (continued)

The Organizations have \$2,380,707 in financial assets available within one year to meet cash needs for general expenditures. The availability of liquid assets is monitored regularly. Additionally, fluctuations in grant and event revenue are offset by the monthly receipt of reimbursements from government grants and contracts for operational expenditures throughout the year.

(14) Cash flow disclosures

	<u>2021</u>	<u>2020</u>
Noncash investing activities:		
Fixed assets included in accounts payable	<u>\$ -</u>	<u>\$ 58,060</u>
Interest capitalized to building and improvements	<u>\$ 1,694</u>	<u>\$ 8,444</u>

(15) Subsequent events

The Organizations have evaluated subsequent events through December 9, 2021, the date which the consolidated financial statements were available to be issued.

**ADDITIONAL INFORMATION
AND
SUPPORTING DATA**



Mayer Hoffman McCann P.C.

225 W. Wacker Drive, Suite 2500 ■ Chicago, IL 60606
Main: 312.602.6800 ■ Fax: 312.602.6950 ■ www.mhmcpa.com

INDEPENDENT AUDITORS' REPORT ON ADDITIONAL INFORMATION AND SUPPORTING DATA

To the Board of Directors

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

We have audited the consolidated financial statements of Deborah's Place & Affiliated Organizations as of and for the year ended June 30, 2021, and our report thereon dated December 9, 2021, which expressed an unmodified opinion on those financial statements, appears on page one. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The following consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Mayer Hoffman McCann P.C.

Chicago, Illinois
December 9, 2021

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

ADDITIONAL INFORMATION - CONSOLIDATING STATEMENT OF FINANCIAL POSITION

June 30, 2021

	<u>Deborah's Place</u>	<u>Deborah's Place II</u>	<u>Deborah's Place III</u>	<u>Eliminations</u>	<u>Total</u>
<u>ASSETS</u>					
Cash and cash equivalents	\$ 2,549,905	\$ 299,198	\$ 195,083	\$ -	\$ 3,044,186
Accounts receivable	440	21,952	24,913	-	47,305
Grants receivable	187,762	-	-	-	187,762
Contributions receivable	109,395	-	-	-	109,395
Due from affiliate	128,940	-	-	(128,940)	-
Prepaid expenses, deposits and other	595,840	-	7,663	(376,627)	226,876
Operating, replacement and insurance reserves	-	-	422,299	-	422,299
Investments	4,661,195	-	-	-	4,661,195
Land, buildings and equipment, net	219,484	688,157	4,441,972	-	5,349,613
Intangible assets	-	-	12,635	-	12,635
TOTAL ASSETS	<u>\$ 8,452,961</u>	<u>\$ 1,009,307</u>	<u>\$ 5,104,565</u>	<u>\$ (505,567)</u>	<u>\$ 14,061,266</u>
<u>LIABILITIES</u>					
Mortgage notes payable, net of debt issuance costs	\$ -	\$ 2,748,694	\$ 4,446,832	\$ -	\$ 7,195,526
Accounts payable and other accrued expenses	182,750	21,233	54,488	-	258,471
Deferred revenue	-	-	-	-	-
Due to affiliate	-	54,711	74,229	(128,940)	-
TOTAL LIABILITIES	<u>182,750</u>	<u>2,824,638</u>	<u>4,575,549</u>	<u>(128,940)</u>	<u>7,453,997</u>
<u>NET ASSETS</u>					
Without donor restrictions:					
Operations	2,679,641	(1,815,331)	529,016	(376,627)	1,016,699
Board designated for operating reserves	1,304,190	-	-	-	1,304,190
Board designated for Mission 600 Fund	1,484,670	-	-	-	1,484,670
With donor restrictions	2,801,710	-	-	-	2,801,710
TOTAL NET ASSETS	<u>8,270,211</u>	<u>(1,815,331)</u>	<u>529,016</u>	<u>(376,627)</u>	<u>6,607,269</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,452,961</u>	<u>\$ 1,009,307</u>	<u>\$ 5,104,565</u>	<u>\$ (505,567)</u>	<u>\$ 14,061,266</u>

DEBORAH'S PLACE & AFFILIATED ORGANIZATIONS

ADDITIONAL INFORMATION - CONSOLIDATING STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

Year Ended June 30, 2021

	Deborah's Place	Deborah's Place II	Deborah's Place III	Eliminations	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS					
REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS					
Support:					
Individuals	\$ 1,085,316	\$ -	\$ -	\$ -	\$ 1,085,316
Foundations, churches, corporations and organizations	983,054	-	-	-	983,054
Government grants and contracts	2,304,655	-	-	-	2,304,655
In-kind services	128,305	-	-	-	128,305
Fundraising events	106,344	-	-	-	106,344
TOTAL SUPPORT	4,607,674	-	-	-	4,607,674
Program revenue:					
Rent and rent subsidy	-	573,576	960,244	(95,694)	1,438,126
Program rents	42,074	-	-	-	42,074
Other program revenue	40	-	-	-	40
TOTAL PROGRAM REVENUE	42,114	573,576	960,244	(95,694)	1,480,240
Other sources:					
Management fees	82,632	-	-	(82,632)	-
Interest and dividends	30,066	1,171	237	-	31,474
Realized and unrealized gain on investments	265,073	-	-	-	265,073
Other income	16,201	55	181	-	16,437
TOTAL OTHER SOURCES	393,972	1,226	418	(82,632)	312,984
Net assets released from restriction	222,268	-	-	-	222,268
TOTAL REVENUE AND SUPPORT WITHOUT DONOR RESTRICTIONS	5,266,028	574,802	960,662	(178,326)	6,623,166
FUNCTIONAL EXPENSES					
Program services:					
Housing Programs & Services	1,362,270	-	-	(76,388)	1,285,882
Community Housing & Services	616,651	-	-	-	616,651
Clinical & Health Services	1,070,763	-	-	(6,057)	1,064,706
Deborah's Place II	-	700,411	-	(31,968)	668,443
Deborah's Place III	-	-	1,303,364	(50,664)	1,252,700
TOTAL PROGRAM SERVICES	3,049,684	700,411	1,303,364	(165,077)	4,888,382
Supporting services:					
Management and general	786,307	-	-	(13,249)	773,058
Fundraising	327,877	-	-	-	327,877
TOTAL SUPPORTING SERVICES	1,114,184	-	-	(13,249)	1,100,935
TOTAL FUNCTIONAL EXPENSES	4,163,868	700,411	1,303,364	(178,326)	5,989,317
INCREASE (DECREASE) IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,102,160	(125,609)	(342,702)	-	633,849
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS					
Support	272,500	-	-	-	272,500
Interest and dividends	30,425	-	-	-	30,425
Realized and unrealized gain on investments	477,437	-	-	-	477,437
Net assets released from restriction	(222,268)	-	-	-	(222,268)
INCREASE IN NET ASSETS WITH DONOR RESTRICTIONS	558,094	-	-	-	558,094
INCREASE (DECREASE) IN CONSOLIDATED NET ASSETS	1,660,254	(125,609)	(342,702)	-	1,191,943
EQUITY CONTRIBUTIONS	-	-	5,500	(5,500)	-
NET ASSETS (DEFICIT), BEGINNING OF YEAR	6,609,957	(1,689,722)	866,218	(371,127)	5,415,326
TOTAL NET ASSETS (DEFICIT), END OF YEAR	\$ 8,270,211	\$ (1,815,331)	\$ 529,016	\$ (376,627)	\$ 6,607,269