

ERIE NEIGHBORHOOD HOUSE

FINANCIAL STATEMENTS

JUNE 30, 2015

ERIE NEIGHBORHOOD HOUSE  
FINANCIAL STATEMENTS  
JUNE 30, 2015

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Board of Trustees  
Erie Neighborhood House  
Chicago, Illinois

## INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of **ERIE NEIGHBORHOOD HOUSE** (a nonprofit organization) which comprise the statement of financial position as of June 30, 2015, and the related statements of activities, 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our 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 whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **ERIE NEIGHBORHOOD HOUSE** as of June 30, 2015, and the changes in its net assets and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

## Report on Summarized Comparative Information

We have previously audited the **ERIE NEIGHBORHOOD HOUSE'S** 2014 financial statements, and our report dated November 24, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Sassetti LLC*

Oak Park, Illinois  
October 14, 2015

ERIE NEIGHBORHOOD HOUSE  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2015, WITH COMPARATIVE TOTALS FOR JUNE 30, 2014

	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 817,368	\$ 824,285
Investments	2,652,453	2,747,182
Accounts and pledges receivable, net	1,669,776	137,140
Due from governmental agencies, net	777,690	952,349
Prepaid expenses	33,936	19,116
Property and equipment, net	<u>1,117,423</u>	<u>1,176,303</u>
Total Assets	<u>\$ 7,068,646</u>	<u>\$ 5,856,375</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 151,532	\$ 205,487
Accrued expenses	189,149	193,476
Deferred revenue	276,275	48,164
Fiscal agent liabilities	5,095	128,090
Line of credit	<u>199,000</u>	<u>234,791</u>
Total Liabilities	<u>821,051</u>	<u>810,008</u>
<b>NET ASSETS</b>		
Unrestricted	4,061,634	4,143,914
Temporarily restricted	1,685,961	402,453
Permanently restricted	<u>500,000</u>	<u>500,000</u>
Total Net Assets	<u>6,247,595</u>	<u>5,046,367</u>
Total Liabilities and Net Assets	<u>\$ 7,068,646</u>	<u>\$ 5,856,375</u>

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

ERIE NEIGHBORHOOD HOUSE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2015, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

				Totals	
	Unrestricted	Temporarily Restricted	Permanently Restricted	2015	2014
<b>REVENUES AND OTHER SUPPORT</b>					
Contributions	\$ 790,997	\$ 1,770,322	\$ -	\$ 2,561,319	\$ 921,326
Donated goods and services	336,872	-	-	336,872	287,249
Special events	461,145	-	-	461,145	401,981
United Way of Chicago	100,000	-	-	100,000	100,000
Fees and grants from governmental agencies	5,143,801	-	-	5,143,801	5,189,567
Other income and program fees	460,090	-	-	460,090	425,845
Interest and dividends	95,602	-	-	95,602	80,891
Realized and unrealized (losses) gains on investments	(111,993)	-	-	(111,993)	343,424
Miscellaneous income	2,877	-	-	2,877	14,329
Net assets released from restrictions	486,814	(486,814)	-	-	-
Total Revenues and Other Support	7,766,205	1,283,508	-	9,049,713	7,764,612
<b>EXPENSES</b>					
Program services	6,125,367	-	-	6,125,367	5,934,478
Management and general	790,504	-	-	790,504	760,831
Fundraising	932,614	-	-	932,614	912,997
Total Expenses	7,848,485	-	-	7,848,485	7,608,306
CHANGE IN NET ASSETS	(82,280)	1,283,508	-	1,201,228	156,306
<b>NET ASSETS</b>					
Beginning of year	4,143,914	402,453	500,000	5,046,367	4,890,061
End of year	\$ 4,061,634	\$ 1,685,961	\$ 500,000	\$ 6,247,595	\$ 5,046,367

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

ERIE NEIGHBORHOOD HOUSE  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED JUNE 30, 2015, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

		Supporting Services		Totals	
	Program Services	Management and General	Fundraising	2015	2014
Salaries	\$ 3,095,233	\$ 1,092,618	\$ 291,258	\$ 4,479,109	\$ 4,342,715
Payroll taxes	227,736	80,341	21,313	329,390	319,212
Insurance benefits	413,065	166,495	38,839	618,399	564,180
Retirement benefits	39,866	10,844	3,747	54,457	52,852
Professional fees	38,718	144,822	269,328	452,868	384,016
Donated goods and services	271,431	65,440	-	336,871	287,249
Contractual services	37,713	2,143	-	39,856	71,297
Program and office supplies	141,169	15,211	565	156,945	167,133
Duplicating expense	39,915	24,606	4,530	69,051	83,540
Cultural events	34,332	16,094	-	50,426	62,632
Parent involvement	8,550	-	-	8,550	6,684
Food	209,335	-	-	209,335	200,657
Telephone	5,885	24,741	800	31,426	30,278
Postage and shipping	10,174	(3,633)	1,714	8,255	16,777
Insurance - general	-	44,894	-	44,894	46,810
Occupancy	22,058	328,179	-	350,237	338,264
Vehicle expense	-	3,201	-	3,201	6,006
Building and equipment expense	954	98,909	781	100,644	81,829
Printing and promotion	17,689	440	23,426	41,555	47,719
Meetings, conferences and travel	37,579	18,893	14,109	70,581	66,285
Software expense	3,495	-	-	3,495	4,129
Staff development	19,956	(504)	1,274	20,726	28,722
Dues and subscriptions	6,027	15,676	5,548	27,251	25,032
Bank, credit and investment fees	-	15,391	6,718	22,109	25,267
Internet services	-	21,480	-	21,480	71,615
Scholarships	29,975	-	-	29,975	18,745
Special events	1,347	98	115,835	117,280	108,398
Direct assistance	3,976	3,250	-	7,226	16,244
Interest	-	19,794	-	19,794	362
Depreciation	-	121,719	-	121,719	132,321
Miscellaneous	-	1,408	(28)	1,380	1,336
Subtotal	4,716,178	2,332,550	799,757	7,848,485	7,608,306
Allocation of supporting services	1,409,189	(1,542,046)	132,857	-	-
Total Expenses	\$ 6,125,367	\$ 790,504	\$ 932,614	\$ 7,848,485	\$ 7,608,306

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

ERIE NEIGHBORHOOD HOUSE  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 1,201,228	\$ 156,306
Adjustments to reconcile to net cash provided by (used in) operating activities -		
Depreciation and amortization	121,719	132,321
Unrealized and realized losses (gains) on investments	111,993	(343,424)
(Increases) decreases in assets:		
Due from governmental agencies	174,659	(214,002)
Other receivables	(1,532,636)	23,340
Due from affiliated organization	-	6,548
Prepaid expenses	(14,820)	5,843
Increases (decreases) in liabilities:		
Accounts payable	(53,955)	76,076
Accrued expenses	(4,327)	17,008
Fiscal agent liabilities	(122,995)	40,090
Deferred revenue	228,111	2,896
Net Cash Provided by (Used in) Operating Activities	<u>108,977</u>	<u>(96,998)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments, net	(17,264)	41,938
Additions to property and equipment	<u>(62,838)</u>	<u>(608,463)</u>
Net Cash Used in Investing Activities	<u>(80,102)</u>	<u>(566,525)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Draws on line of credit	3,714,791	1,221,791
Repayment of line of credit	<u>(3,750,583)</u>	<u>(987,000)</u>
Net Cash (Used in) Provided by Financing Activities	<u>(35,792)</u>	<u>234,791</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(6,917)</u>	<u>(428,732)</u>
<b>CASH AND CASH EQUIVALENTS -</b>		
Beginning of year	824,285	1,253,017
End of year	<u>\$ 817,368</u>	<u>\$ 824,285</u>

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



ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization - Established in 1870 in the settlement house tradition, ERIE NEIGHBORHOOD HOUSE was one of the first comprehensive social service agencies in Chicago, Illinois. The Organization's mission is to promote a just and inclusive society by strengthening low-income, primarily Latino families through skill-building, access to critical resources, advocacy and collaborative action. Operating in Chicago's West Town, Humboldt Park and Little Village neighborhoods, the Organization's comprehensive programs help over 6,500 participants annually create better lives for themselves and their families, while strengthening community action and civic engagement.

Basis of Presentation - The Organization follows generally accepted accounting principles for not-for-profits. These principles require the Organization 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.

Statement of Cash Flows - The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Cash paid for interest during the year ended June 30, 2015 was \$10,306. No cash was paid for income taxes.

Promises to Give - Contributions, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Management assesses the collectability of promises to give based on historical results and current market conditions. Receivables, other than pledges receivable, of over 30 days are considered past due.

Investments - Investments are reported at fair market value determined at the end of each reporting period.

Property and Equipment - All acquisitions of property and equipment in excess of \$5,000 and all expenditures for repairs, maintenance, renewals, and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of the donation. Depreciation is computed using primarily the straight - line method based upon estimated service lives. Depreciation and amortization expense for the year ended June 30, 2015 was \$121,719.

Donated Assets - Donated marketable securities, equipment and other assets are recorded as contributions at their estimated fair values at the date of donation. The Organization received donated securities totaling \$104,049 during the year ending June 30, 2015.

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Donated Services - Contributions of services are required to be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchases if not provided by donation. Total amount of donated services for the year ended June 30, 2015 was \$336,872.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes - The Organization is exempt from federal income taxes under the provision of Section 501 (c) (3) of the Internal Revenue Code. Management believes that it did not engage in any unrelated business activities; thus, no provision for income tax has been provided for in the financial statements. The Organization's Form 990, *Return of Organization Exempt from Income tax*, for the years ending June 30, 2012, 2013, and 2014 are subject to examination by the IRS, generally for three years after they were filed.

Comparative Financial Statement Disclosure - The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Reclassifications - Certain amounts in the June 30, 2014 financial statements have been reclassified to conform to the current presentation.

Subsequent Events - The Organization has evaluated subsequent events through October 14, 2015, the date which the financial statements were available to be issued.

2. CONCENTRATIONS

The Organization maintains its cash accounts at various financial institutions. The balances may, at times, exceed federally insured limits.

The Organization received approximately 57% of their revenues during the year ended June 30, 2015 and 32% of receivables at June 30, 2015 from the City of Chicago and various other state and local governments.

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

3. CONTRIBUTIONS

Contributions were received from the following sources during the year ended June 30, 2015:

Individuals	\$ 88,713
Capital Campaign	1,650,522
Foundations, corporations and trusts	782,104
Congregations	39,980
	<u>\$ 2,561,319</u>

4. ACCOUNTS AND PLEDGES RECEIVABLE

Accounts and pledges receivable reflect amounts receivable from non-governmental sources. Pledges are recorded as promises to give in the period in which the promise is received. During the year ended June 30, 2015, the Organization kicked off a capital campaign to raise funding for a proposed space in the Little Village neighborhood. Various multi-year pledges have been received and recorded as accounts and pledges receivable and discounted to net present value based on yield rates of treasury bills with similar terms. A discount of \$17,228 has been recorded associated with pledges expected to be received in more than 1 year. Management has assessed accounts and pledges receivable and determined that no allowance is necessary.

Accounts and pledges receivable consist of the following as of June 30, 2015:

Pledges receivable in one year or less	\$ 474,925
Pledges due in one-five years	<u>1,180,044</u>
Total pledges receivable	1,654,969
Discount on pledges receivable	<u>(17,228)</u>
Net pledges receivable	<u>1,637,741</u>
Miscellaneous receivables	<u>32,035</u>
Total accounts and pledges receivable, net	<u>\$ 1,669,776</u>

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

5. DUE FROM GOVERNMENTAL AGENCIES

The Organization has entered into contracts with the City of Chicago through the Department of Family and Support Services, as well as, other state and local government agencies. The contracts provide for reimbursement of subsidized childcare services based on a per diem rate limited to a specified maximum.

Management assesses the allowance for doubtful amounts due from governmental agencies based on historical results and specific information from the agencies. As of June 30, 2015, management believes that \$46,060 will not be collected from a specific agency and has included that amount as an allowance.

Vouchers submitted for covered expenses, services and advances and other government grants receivable are as follows at June 30, 2015:

Childcare Block Grant (DFSS)	\$ 159,104
Illinois Action for Children	82,624
Head Start	259,774
Illinois State Board of Education food program	22,812
Illinois Department of Human Services immigration grants	60,792
Illinois Department of Human Services Teen Reach grant	87,609
CHA Housing Outreach	24,674
Proyecto Cuidate	26,117
City of Chicago - CDBG	13,519
Cook County Works	28,387
Other miscellaneous grants	58,338
	<hr/> 823,750
Allowance for uncollectible agency receivables	(46,060)
	<hr/> <u>\$ 777,690</u>

6. INVESTMENTS

The Organization follows generally accepted accounting principles for fair value measurement. Generally accepted accounting principles define fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Organization considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

6. INVESTMENTS - CONTINUED

Generally accepted accounting principles related to fair value disclosure also establish a fair value hierarchy that requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest of input that is significant to the fair value measurement. The three levels of inputs that may be used to measure fair value are as follows:

- Level 1 - quoted prices in active markets for identical assets or liabilities;
- Level 2 - inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
- Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

	Level 1	Level 2	Level 3	Total
Mutual Funds				
Large cap funds	\$ 726,039	\$ -	\$ -	\$ 726,039
Mid cap funds	131,525	-	-	131,525
Small cap funds	75,272	-	-	75,272
International funds	709,577	-	-	709,577
Fixed income funds	691,710	-	-	691,710
Real estate investment fund	149,104	-	-	149,104
Commodities investment fund	126,182	-	-	126,182
Money market	43,044	-	-	43,044
	<u>\$ 2,652,453</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,652,453</u>

The Organization's money market funds are classified within Level 1 and valued based on quoted market prices and are deemed to be actively traded. Securities included in Level 1 are valued using closing prices for identical instruments that are traded on active exchanges.

Investments at June 30, 2015 are summarized as follows:

	Cost	Market Value	Accumulated Unrealized Gain
Mutual funds	\$ 2,146,119	\$ 2,609,409	\$ 463,290
Money market	43,044	43,044	-
	<u>\$ 2,189,163</u>	<u>\$ 2,652,453</u>	<u>\$ 463,290</u>

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

6. INVESTMENTS - CONTINUED

Investment income (loss) consisted of the following for the year ended June 30, 2015:

Interest and dividends	\$ 95,602
Realized and unrealized losses, net	<u>(111,993)</u>
	<u>\$ (16,391)</u>

Investment securities are exposed to various risks including interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Financial Position.

7. LINE OF CREDIT

During the year ended June 30, 2015, the Organization increased its line of credit to \$1,500,000 with a maturity date of April 15, 2016. The interest rate on the line is the greater of 3% or the Prime Rate. As of June 30, 2015, the interest rate charged was 3.25%. The outstanding balance as of June 30, 2015 was \$199,000.

8. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2015:

Land	\$ 90,860
Property held for development (note 9)	100,000
Building	615,090
Building and leasehold improvements	1,980,403
Furniture and equipment	778,575
Software	167,621
Vehicles	63,082
Construction in progress	<u>43,738</u>
	3,839,369
Less accumulated depreciation and amortization	<u>2,721,946</u>
	<u>\$ 1,117,423</u>

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

9. PROPERTY HELD FOR DEVELOPMENT

Under the terms of a joint-venture termination agreement with another non-profit entity, the Organization received two adjacent properties located in the Little Village neighborhood of Chicago. The Organization has recorded this transfer of property at the approximate fair value at the time of the transfer. It is the present intention of the Organization to develop the properties and the balance in the Construction in progress account reflects various demolition and architect fees. The properties, which are valued at approximately \$100,000, are recorded under property and equipment as assets held for development. The Organization has reviewed the values at June 30, 2015 and believe the estimated values are reasonable.

10. COMMITMENTS

The Organization leases certain property for its immigrant resource center in the Little Village neighborhood. The lease term is through December 31, 2016. Rent expense for the year ended June 30, 2015 was \$30,455. Future minimum payments are as follows:

Fiscal Year	2016	\$	31,369
Fiscal Year	2017		15,916

The Organization also conducts operations at a location owned by the Presbytery of Chicago. In lieu of rental payments, the Organization operates and maintains the property. Effective June 20, 2014, the Organization has signed a lease with the Church Extension Board of the Presbytery of Chicago for a term of fifteen years, expiring February 28, 2028. There are no lease payments called for in the lease. Additionally, the Organization was granted the right of first refusal to purchase the property if it is to be sold.

11. CONTINGENCY

The Organization has received significant revenues from federal, state and city agencies. The disbursement of funds received under these programs generally require compliance with terms and conditions specified in the grant agreements, and may be subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability.

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

12. RESTRICTIONS ON NET ASSETS

The permanently restricted net asset balance consists of funds that cannot be spent without specific permission from the donor. Investments in the amount of \$500,000 are permanently restricted as of June 30, 2015. The earnings on the assets of this fund may be used to fund operations.

Temporarily restricted net assets, which are restricted by the donor either for a specific time period and/or a specific purpose, consist of the following at June 30, 2015:

Program Grants:

Johnson and Johnson	\$ 62,700
AETNA - Health Grant	25,000
WGN Neediest Kids	20,000
McCormick Foundation	35,000
Other	35,467

Capital Campaign	<u>1,507,794</u>
	<u>\$ 1,685,961</u>

Program grants were received during the year ended June 30, 2015, to be expended in subsequent periods.

Net assets were released from restrictions for the following during the year ended June 30, 2015:

Program services	\$ 456,839
Education - scholarship	<u>29,975</u>
	<u>\$ 486,814</u>

13. TRANSACTIONS WITH AFFILIATES

During the year ended June 30, 2015, the Organization engaged in transactions with Erie Elementary Charter School (the "School"), a tax-exempt charter school located in Chicago, Illinois. The Organization and the School have certain common board members. For the year ended June 30, 2015, the School paid the Organization \$93,839 for certain resource and development services, which is included in other income and program fees within the Statement of Activities.



ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015

13. TRANSACTIONS WITH AFFILIATES - CONTINUED

The Organization has a fiscal agency agreement with a recently formed nonprofit organization that is in the process of obtaining its 501(c)3 designation from the Internal Revenue Service. A member of the board of the recently formed organization is a former employee of Erie Neighborhood House. The organization received fiscal agency fees of approximately \$15,000 for the year ended June 30, 2015.

14. RETIREMENT PLAN

The Organization has a 403(b) retirement plan which covers eligible employees. Employees are eligible to make elective deferrals up to Internal Revenue Service limits, immediately upon being hired. Employees that work more than 1000 hours per year become eligible for matching contributions up to 2.5%, one year after their hire date.

Retirement expense for the year ended June 30, 2015 was \$54,457.

15. WALLACE FOUNDATION

The Organization received funds from the Wallace Foundation during July 2011 that are to be held in perpetuity. These unrestricted funds are to be used to support the general mission of the Organization and those activities necessary to ensure the quality of programs or the stability of the Organization. These funds can be used as an internal line of credit, but must be repaid as of the close of the following fiscal year. Funds may require repayment to the Wallace Foundation if the Organization fails to comply with the terms of the agreement, significant organization leadership changes occur, or the upon the dissolution of the Organization. The balance in this account was \$125,000 at June 30, 2015.

## SUPPLEMENTARY INFORMATION



To the Board of Directors  
Erie Neighborhood House  
Chicago, Illinois

### INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

We have audited the financial statements of **Erie Neighborhood House** as of and for the year ended June 30, 2015, and have issued our report thereon dated October 14, 2015, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Summary Schedule of Program Expenses and Revenues is presented for the purposes of additional analysis and are 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.

*Sassetti LLC*

Oak Park, Illinois  
October 14, 2015

ERIE NEIGHBORHOOD HOUSE  
SUMMARY SCHEDULE OF PROGRAM EXPENSES AND REVENUES

YEAR ENDED JUNE 30, 2015, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2014

	Child Care	Adult Programs	Youth Program	School Age Program	Workforce Development	Leadership Advocacy	2015 Totals	2014 Totals
Salaries	\$ 1,544,168	\$ 580,381	\$ 216,935	\$ 362,703	\$ 301,852	\$ 89,194	\$ 3,095,233	\$ 3,016,579
Payroll taxes	112,279	43,286	16,043	27,124	22,257	6,747	227,736	221,930
Insurance benefits	205,573	77,919	29,026	48,260	40,445	11,842	413,065	417,172
Retirement benefits	19,855	7,506	2,801	4,675	3,890	1,139	39,866	34,788
Professional fees	2,500	28,440	-	1,188	-	6,590	38,718	49,955
Donated goods and services	243,715	-	11,430	16,286	-	-	271,431	214,711
Contractual services	6,650	9,500	11,438	265	8,910	950	37,713	45,562
Program and office supplies	77,071	13,235	11,701	24,228	6,067	8,867	141,169	144,103
Duplicating expense	20,478	9,471	2,242	2,006	3,653	2,065	39,915	49,011
Cultural events	-	1,678	4,915	27,739	-	-	34,332	36,891
Parent involvement	5,592	-	-	954	-	2,004	8,550	6,684
Food	130,155	2,188	9,286	56,549	1,370	9,787	209,335	200,657
Telephone	101	3,231	-	1,015	(36)	1,574	5,885	13,759
Postage and shipping	263	9,862	20	22	7	-	10,174	7,203
Occupancy	-	134	-	21,800	124	-	22,058	65,662
Building and equipment expense	-	954	-	-	-	-	954	-
Printing and promotion	-	12,839	1,300	1,704	396	1,450	17,689	38,489
Meetings, conferences and travel	3,050	11,907	2,092	14,817	2,652	3,061	37,579	38,733
Software expense	-	3,495	-	-	-	-	3,495	4,129
Staff development	11,439	3,289	549	3,567	1,112	-	19,956	24,949
Dues and subscriptions	2,376	2,941	73	287	350	-	6,027	4,015
Scholarships	-	-	29,975	-	-	-	29,975	18,745
Special events	-	1,288	59	-	-	-	1,347	811
Direct assistance to client	231	-	-	1,113	2,632	-	3,976	13,994
Depreciation	-	-	-	-	-	-	-	92,043
Other	-	-	-	-	-	-	-	-
Subtotal	2,385,496	823,544	349,885	616,302	395,681	145,270	4,716,178	4,760,575
Allocation of supporting services	701,559	265,862	98,974	164,741	137,596	40,457	1,409,189	1,173,903
Total Expenses	\$ 3,087,055	\$ 1,089,406	\$ 448,859	\$ 781,043	\$ 533,277	\$ 185,727	\$ 6,125,367	\$ 5,934,478
Contributions	\$ 105,110	\$ 81,124	\$ 177,822	\$ 5,000	\$ 268,376	\$ 117,590	\$ 755,022	\$ 867,027
Donated goods and services	243,715	-	11,430	16,286	-	-	271,431	228,897
Fees and governmental grants	3,017,230	834,770	207,594	939,202	188,225	-	5,187,021	4,674,829
Other income and program fees	150,543	69,164	-	95,174	28,524	-	343,405	289,993
Total Revenues	\$ 3,516,598	\$ 985,058	\$ 396,846	\$ 1,055,662	\$ 485,125	\$ 117,590	\$ 6,556,879	\$ 6,060,746

See Independent Auditors' Report on Supplementary Information