

ERIE NEIGHBORHOOD HOUSE

FINANCIAL STATEMENTS

JUNE 30, 2014

ERIE NEIGHBORHOOD HOUSE  
FINANCIAL STATEMENTS  
JUNE 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7-14
Supplementary Information	
Auditors' Report on Supplementary Information	15
Summary Schedule of Program Expenses and Direct Revenues	16



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, 2014, 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, 2014, 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** 2013 financial statements, and our report dated October 14, 2013, 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, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Sanetti LLC". The signature is written in a cursive, flowing style.

Oak Park, Illinois  
November 24, 2014

ERIE NEIGHBORHOOD HOUSE  
STATEMENT OF FINANCIAL POSITION  
JUNE 30, 2014, WITH COMPARATIVE TOTALS FOR JUNE 30, 2013

	2014	2013 (as restated)
<b>ASSETS</b>		
Cash and cash equivalents	\$ 824,285	\$ 1,253,017
Investments	2,747,182	2,445,696
Accounts and pledges receivable	137,140	160,480
Due from governmental agencies	952,349	738,347
Due from affiliated organization	-	6,548
Prepaid expenses	19,116	24,959
Property and equipment, net	1,176,303	700,161
<b>Total Assets</b>	<b>\$ 5,856,375</b>	<b>\$ 5,329,208</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 205,487	\$ 129,411
Accrued expenses	193,476	176,468
Deferred revenue	48,164	45,268
Fiscal agent liabilities	128,090	88,000
Line of credit	234,791	-
<b>Total Liabilities</b>	<b>810,008</b>	<b>439,147</b>
<b>NET ASSETS</b>		
Unrestricted	4,143,914	3,699,772
Temporarily restricted	402,453	690,289
Permanently restricted	500,000	500,000
<b>Total Net Assets</b>	<b>5,046,367</b>	<b>4,890,061</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 5,856,375</b>	<b>\$ 5,329,208</b>

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

ERIE NEIGHBORHOOD HOUSE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2014, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

				Totals	
	Unrestricted	Temporarily Restricted	Permanently Restricted	2014	2013 (as restated)
<b>REVENUES AND OTHER SUPPORT</b>					
Contributions	\$ 371,539	\$ 549,787	\$ -	\$ 921,326	\$ 1,126,062
Donated goods and services	287,249		-	287,249	269,075
Special events	401,981	-	-	401,981	379,895
United Way of Chicago	100,000	-	-	100,000	210,000
Fees and grants from governmental agencies	5,189,567	-	-	5,189,567	4,654,742
Other income and program fees	425,845	-	-	425,845	519,237
Interest and dividends	80,891	-	-	80,891	67,096
Realized and unrealized gains on investments	343,424	-	-	343,424	171,968
Miscellaneous income	14,329	-	-	14,329	3,741
Net assets released from restrictions	837,623	(837,623)	-	-	-
Total Revenues and Other Support	8,052,448	(287,836)	-	7,764,612	7,401,816
<b>EXPENSES</b>					
Program services	6,657,188	-	-	6,657,188	6,841,226
Management and general	167,156	-	-	167,156	408,616
Fundraising	783,962	-	-	783,962	572,538
Total Expenses	7,608,306	-	-	7,608,306	7,822,380
CHANGE IN NET ASSETS	444,142	(287,836)	-	156,306	(420,564)
<b>NET ASSETS</b>					
Beginning of year (as restated)	3,699,772	690,289	500,000	4,890,061	5,310,625
End of year	\$ 4,143,914	\$ 402,453	\$ 500,000	\$ 5,046,367	\$ 4,890,061

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

ERIE NEIGHBORHOOD HOUSE  
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2014, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

		Supporting Services		Totals	
	Program Services	Management and General	Fundraising	2014	2013
Salaries	\$ 3,016,579	\$ 1,085,009	\$ 241,127	\$ 4,342,715	\$ 4,420,245
Payroll taxes	221,930	79,516	17,766	319,212	324,902
Insurance benefits	417,172	119,955	27,053	564,180	547,827
Retirement benefits	34,788	17,805	259	52,852	54,033
Professional fees	49,955	146,863	187,198	384,016	333,279
Donated goods and services	214,711	72,538	-	287,249	269,075
Contractual services	45,562	3,616	22,119	71,297	350,594
Program and office supplies	144,103	22,415	615	167,133	144,850
Duplicating expense	49,011	31,931	2,598	83,540	60,912
Cultural events	36,891	25,741	-	62,632	56,771
Parent involvement	6,684	-	-	6,684	9,981
Food	200,657	-	-	200,657	190,885
Telephone	13,759	15,414	1,105	30,278	81,062
Postage and shipping	7,203	8,552	1,022	16,777	11,241
Insurance - general	-	46,810	-	46,810	38,513
Occupancy	65,662	272,602	-	338,264	306,986
Vehicle expense	-	6,006	-	6,006	2,473
Building and equipment expense	-	81,829	-	81,829	131,222
Printing and promotion	38,489	807	8,423	47,719	36,262
Meetings, conferences and travel	38,733	22,016	5,536	66,285	74,516
Software expense	4,129	-	-	4,129	3,099
Staff development	24,949	2,694	1,079	28,722	28,248
Dues and subscriptions	4,015	18,449	2,568	25,032	14,331
Bank, credit and investment fees	-	22,776	2,491	25,267	34,507
Internet services	-	71,615	-	71,615	57,097
Scholarships	18,745	-	-	18,745	35,858
Special events	811	-	107,587	108,398	51,470
Direct assistance	13,994	2,250	-	16,244	15,191
Interest	-	362	-	362	424
Miscellaneous	-	1,336	-	1,336	1,773
Subtotal	4,668,532	2,178,907	628,546	7,475,985	7,687,627
Allocation of supporting services	1,896,613	(2,044,547)	147,934	-	-
Depreciation	92,043	32,796	7,482	132,321	134,753
Total Expenses	\$ 6,657,188	\$ 167,156	\$ 783,962	\$ 7,608,306	\$ 7,822,380

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

ERIE NEIGHBORHOOD HOUSE  
STATEMENTS OF CASH FLOWS  
YEARS ENDED JUNE 30, 2014 AND 2013

	2014	2013 (as restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 156,306	\$ (420,564)
Adjustments to reconcile to net cash provided by (used in) operating activities -		
Depreciation and amortization	132,321	134,753
Unrealized and realized gains on investments	(343,424)	(171,968)
(Increases) decreases in assets:		
Due from governmental agencies	(214,002)	118,952
Other receivables	23,340	452,691
Due from affiliated organization	6,548	3,378
Prepaid expenses	5,843	14,005
Increases (decreases) in liabilities:		
Accounts payable	76,076	(61,006)
Accrued expenses	17,008	(1,088)
Fiscal agent liabilities	40,090	88,000
Deferred revenue	2,896	43,428
Net Cash Provided by (Used in) Operating Activities	<u>(96,998)</u>	<u>200,581</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of investments, net	41,938	(60,613)
Additions to property and equipment	<u>(608,463)</u>	<u>(26,140)</u>
Net Cash Used in Investing Activities	<u>(566,525)</u>	<u>(86,753)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Distributions of loan	1,221,791	-
Repayment of debt	<u>(987,000)</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>234,791</u>	<u>-</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(428,732)</u>	<u>113,828</u>
<b>CASH AND CASH EQUIVALENTS -</b>		
Beginning of year	1,253,017	1,139,189
End of year	<u><u>\$ 824,285</u></u>	<u><u>\$ 1,253,017</u></u>

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



ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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 5,000 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. Interest paid during the year ended June 30, 2014 was \$362. 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. Promises to give are generally receivable in less than one year. No discount for promises to give receivable in more than one year has been recorded. Management has assessed accounts and pledges receivable and determined that no allowance is necessary.

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, 2014 was \$132,321.

Donated Assets - Donated marketable securities, equipment and other assets are recorded as contributions at their estimated fair values at the date of donation. There were no donated assets for the year ending June 30, 2014.

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

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, 2014 was \$287,249.

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, 2011, 2012, and 2013 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, 2013, from which the summarized information was derived, except for restatement as identified in Note 14.

Subsequent Events - The Organization has evaluated subsequent events through November 24, 2014, 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 67% of their revenues during the year ended June 30, 2014 and 87% of receivables at June 30, 2014 from the City of Chicago and various other state and local governments.

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

3. 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.

The Organization believes that the amount due from governmental agencies is fully collectible and, therefore, no reserve has been recorded at June 30, 2014.

Vouchers submitted for covered expenses, services and advances and other government grants receivable are as follows at June 30, 2014:

Childcare Block Grant (DFSS)	\$ 352,162
Illinois Action for Children	80,034
Head Start	123,387
Illinois State Board of Education food program	22,557
Illinois Department of Human Services immigration grants	89,113
Illinois Department of Human Services Teen Reach grant	12,206
CHA Housing Outreach	172,345
Proyecto Cuidate	51,572
City of Chicago - CDBG	22,919
Cook County Works	15,356
Other miscellaneous grants	10,698
	<u>\$ 952,349</u>

4. CONTRIBUTIONS

Contributions were received from the following sources during the year ended June 30, 2014.

Individuals	\$ 105,949
Foundations, corporations and trusts	791,912
Congregations	23,465
	<u>\$ 921,326</u>

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

5. 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.

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	\$ 646,278	\$ -	\$ -	\$ 646,278
Mid cap funds	110,024	-	-	110,024
Small cap funds	66,627	-	-	66,627
International funds	1,051,600	-	-	1,051,600
Fixed income funds	530,932	-	-	530,932
Real estate investment fund	165,197	-	-	165,197
Commodities investment fund	139,241	-	-	139,241
Money market	37,283	-	-	37,283
	<u>\$ 2,747,182</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,747,182</u>

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

5. INVESTMENTS - CONTINUED

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, 2014 are summarized as follows:

	Cost	Market Value	Accumulated Unrealized Gain
Mutual funds	\$ 2,121,962	\$ 2,709,899	\$ 587,937
Money market	37,283	37,283	-
	<u>\$ 2,159,245</u>	<u>\$ 2,747,182</u>	<u>\$ 587,937</u>

Investment income consisted of the following for the year ended June 30, 2014:

Interest and dividends	\$ 80,891
Realized and unrealized gains, net	<u>343,424</u>
	<u>\$ 424,315</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.

6. LINE OF CREDIT

The Organization has a \$1,000,000 line of credit with a bank, due November 30, 2014, at the bank's prime rate. The credit agreement is secured by investments of the Organization. The outstanding balance as of June 30, 2014 was \$234,791.

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

7. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30, 2014:

Land	\$ 90,860
Property held for development (note 8)	100,000
Building	615,090
Building and leasehold improvements	1,976,884
Furniture and equipment	762,992
Software	167,621
Vehicles	63,083
	<u>3,776,530</u>
Less accumulated depreciation and amortization	<u>2,600,227</u>
	<u>\$ 1,176,303</u>

8. 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. 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, 2014 and believe the estimated values are reasonable.

9. COMMITMENTS

The Organization leases certain property for its immigrant resource center in the Little Village neighborhood. The lease is on a month-to-month basis and total rent expense for the year ended June 30, 2014 was \$57,809.

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.

ERIE NEIGHBORHOOD HOUSE  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

10. 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, 2014. 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, 2014:

Program Grants:

Johnson and Johnson	\$ 143,000
Chicago Community Trust	25,000
Chicago Tribune Charities	40,000
Bank of America	50,000
Polk Bros Foundation	40,000
McCormick Foundation	15,000
Other	<u>89,453</u>
	<u><u>\$ 402,453</u></u>

Program grants were received during the year ended June 30, 2014, to be expended in subsequent periods.

Net assets were released from restrictions for the following during the year ended June 30, 2014:

Program services	\$ 818,879
Education - scholarship	<u>18,744</u>
	<u><u>\$ 837,623</u></u>

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, 2014

12. TRANSACTIONS WITH AFFILIATES

During the year ended June 30, 2014, 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, 2014, the School paid the Organization \$122,861 for certain resource and development services, which is included in other income and program fees within the Statement of Activities.

13. 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, 2014 was \$52,852.

14. FISCAL AGENT LIABILITY AND PRIOR PERIOD ADJUSTMENT

During fiscal year 2014, management of the Organization determined that funds previously shown as restricted net assets at June 30, 2013, did not directly belong to them, but were escrow funds that they were holding for an unrelated organization. Management has made a prior period adjustment of \$248,000 to decrease temporarily restricted net assets and increase fiscal agent liabilities at June 30, 2013. In addition, during fiscal year 2014, management identified certain revenues billed to governmental agencies in error in the amount of \$15,765 related to fiscal years ended June 30, 2013 and June 30, 2012. Unrestricted net assets have been decreased by \$15,765 and deferred revenue has increased by \$15,765 at June 30, 2013 related to this adjustment.



## 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, 2014, and have issued our report thereon dated November 24, 2014, 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  
November 24, 2014

ERIE NEIGHBORHOOD HOUSE  
SUMMARY SCHEDULE OF PROGRAM EXPENSES AND REVENUES

YEAR ENDED JUNE 30, 2014, WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2013

	Child Care	Adult Programs	Youth Program	School Age Program	Workforce Development	Leadership Advocacy	2014 Totals	2013 Totals
Salaries	\$ 1,511,442	\$ 534,597	\$ 220,303	\$ 339,393	\$ 323,050	\$ 87,794	\$ 3,016,579	\$ 3,293,436
Payroll taxes	109,945	40,154	15,941	25,301	23,902	6,687	221,930	241,550
Insurance benefits	236,849	62,417	30,700	41,626	36,504	9,076	417,172	421,008
Retirement benefits	18,148	6,692	3,056	2,721	4,169	2	34,788	35,473
Professional fees	1,667	-	-	440	648	47,200	49,955	78,636
Donated goods and services	185,784	-	11,844	16,533	550	-	214,711	174,735
Contractual services	5,700	6,808	5,104	-	-	27,950	45,562	325,700
Program and office supplies	39,180	18,480	14,042	27,360	2,067	42,974	144,103	131,138
Duplicating expense	13,985	18,295	2,593	1,945	11,330	863	49,011	42,771
Cultural events	-	1,806	7,112	27,927	46	-	36,891	37,739
Parent involvement	5,417	-	-	1,267	-	-	6,684	9,981
Food	128,266	3,244	19,718	47,923	637	869	200,657	190,885
Telephone	405	5,629	-	1,245	4,900	1,580	13,759	12,730
Postage and shipping	308	6,722	37	19	117	-	7,203	6,517
Occupancy	3,263	25,437	-	21,800	15,162	-	65,662	85,273
Building and equipment expense	-	-	-	-	-	-	-	23,375
Printing and promotion	-	34,096	1,800	794	139	1,660	38,489	27,014
Meetings, conferences and travel	1,671	12,772	2,035	18,079	1,227	2,949	38,733	45,524
Software expense	-	1,200	2,929	-	-	-	4,129	3,000
Staff development	11,694	6,113	-	6,892	250	-	24,949	22,060
Dues and subscriptions	2,178	955	-	252	630	-	4,015	2,938
Scholarships	-	-	18,745	-	-	-	18,745	35,858
Special events	-	-	27	-	784	-	811	524
Direct assistance to client	1,791	4,830	-	345	7,028	-	13,994	13,249
Other	-	-	-	-	-	-	-	2,935
Subtotal	2,277,693	790,247	355,986	581,862	433,140	229,604	4,668,532	5,264,049
Allocation of supporting services	926,438	329,025	135,610	209,517	246,283	49,740	1,896,613	1,476,775
Depreciation	46,053	16,589	6,836	9,817	10,024	2,724	92,043	100,402
Total Expenses	\$ 3,250,184	\$ 1,135,861	\$ 498,432	\$ 801,196	\$ 689,447	\$ 282,068	\$ 6,657,188	\$ 6,841,226
Contributions	\$ 68,276	\$ 174,872	\$ 93,221	\$ 55,000	\$ 191,076	\$ 284,582	\$ 867,027	\$ 843,509
Donated goods and services	185,784	162	26,418	16,533	-	-	228,897	174,735
Fees and governmental grants	2,786,438	799,938	188,572	779,540	120,341	-	4,674,829	4,654,742
Other income and program fees	129,044	35,799	-	97,194	27,956	-	289,993	262,324
Total Revenues	\$ 3,169,542	\$ 1,010,771	\$ 308,211	\$ 948,267	\$ 339,373	\$ 284,582	\$ 6,060,746	\$ 5,935,310

See Independent Auditors' Report on Supplementary Information