

**OUR CHILDREN'S HOMESTEAD
AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**

**CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT**

JUNE 30, 2019 AND 2018

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
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June 30, 2019 and 2018

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INDEPENDENT AUDITORS' REPORT

Board of Directors
OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION
Naperville, Illinois

Report on Financial Statements

We have audited the accompanying consolidated financial statements of Our Children's Homestead (a nonprofit organization) and affiliate which comprise the consolidated statement of financial position as of June 30, 2019 and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Our Children's Homestead and affiliate as of June 30, 2019, 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 previously audited Our Children's Homestead and affiliate 2018 financial statement, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 5, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019, on our consideration of Our Children's Homestead and affiliate's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Our Children's Homestead and affiliate's internal control over financial reporting and compliance.



Weiss, Sugar, Dvorak & Dusek, Ltd.

Chicago, Illinois
December 16, 2019

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION
Consolidated Statements of Financial Position
June 30, 2019 with Comparative Totals for June 30, 2018**

	ASSETS	<u>2019</u>	<u>2018</u>
CURRENT ASSETS			
Cash		\$ 107,266	\$ 84,991
Receivables:			
Governmental agencies		157,701	198,086
Other		1,010	13
Prepaid expenses		<u>23,732</u>	<u>38,979</u>
Total Current Assets		<u>289,709</u>	<u>322,069</u>
FURNITURE AND EQUIPMENT			
Cost		291,216	298,638
Less: Accumulated depreciation		<u>275,753</u>	<u>273,898</u>
Net Furniture and Equipment		<u>15,463</u>	<u>24,740</u>
DEPOSITS			
		<u>6,385</u>	<u>6,385</u>
TOTAL ASSETS		<u>\$ 311,557</u>	<u>\$ 353,194</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable		\$ 208,174	\$ 201,086
Accrued payroll and related expenses		308,303	352,662
Current portion of capital lease obligation		<u>8,638</u>	<u>7,777</u>
Total Current Liabilities		<u>525,115</u>	<u>561,525</u>
LONG-TERM LIABILITIES (net of current portion)			
Deferred rent		13,932	24,207
Capital lease obligation		<u>1,530</u>	<u>10,167</u>
Total Long-Term Liabilities		<u>15,462</u>	<u>34,374</u>
TOTAL LIABILITIES		<u>540,577</u>	<u>595,899</u>
NET ASSETS			
Without donor restrictions		(239,810)	(242,705)
With donor restrictions		<u>10,790</u>	<u> </u>
Total Net Assets		<u>(229,020)</u>	<u>(242,705)</u>
TOTAL LIABILITES AND NET ASSETS		<u>\$ 311,557</u>	<u>\$ 353,194</u>

See independent auditors' report and notes to financial statements.

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION
Consolidated Statements of Activities
For the Year Ended June 30, 2019 with Comparative Totals for the Year Ended June 30, 2018**

	WITHOUT DONOR		FOR THE YEAR ENDED	
	<u>RESTRICTIONS</u>	<u>RESTRICTIONS</u>	<u>JUNE 30,</u> <u>2019</u>	<u>2018</u>
REVENUES AND OTHER SUPPORT				
Illinois Department of Children and Family Services:				
Foster care - treatment	\$	\$ 4,291,568	\$ 4,291,568	\$ 4,437,145
Foster care - traditional		352,809	352,809	248,723
Adoption		4,108	4,108	3,585
Illinois Department of Human Services		13,227	13,227	12,281
Social security		8,376	8,376	8,925
Other		8,293	8,293	41,164
		<u>4,678,381</u>	<u>4,678,381</u>	<u>4,751,823</u>
Other contributions and donations	39,711	30,724	70,435	80,336
In-kind				47,040
Interest income				4,019
	<u>39,711</u>	<u>4,709,105</u>	<u>4,748,816</u>	<u>4,883,218</u>
Net assets released from restrictions:				
Satisfaction of program restrictions	4,698,315	(4,698,315)		
	<u>4,738,026</u>	<u>10,790</u>	<u>4,748,816</u>	<u>4,883,218</u>
EXPENSES				
Program services	4,163,016		4,163,016	4,267,763
General and administrative	530,895		530,895	488,564
Fundraising	41,220		41,220	74,889
Total Expenses	<u>4,735,131</u>		<u>4,735,131</u>	<u>4,831,216</u>
CHANGE IN NET ASSETS	2,895	10,790	13,685	52,002
NET ASSETS - BEGINNING OF YEAR	<u>(242,705)</u>		<u>(242,705)</u>	<u>(294,707)</u>
NET ASSETS - END OF YEAR	<u>\$ (239,810)</u>	<u>\$ 10,790</u>	<u>\$ (229,020)</u>	<u>\$ (242,705)</u>

See independent auditors' report and notes to financial statements.

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION
Consolidated Statements of Functional Expenses
For the Year Ended June 30, 2019 with Comparative Totals for the Year Ended June 30, 2018**

	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUNDRAISING	FOR THE YEAR ENDED JUNE 30,	
				2019	2018
Salaries and employee benefits	\$ 1,831,092	\$ 435,856	\$ 8,235	\$ 2,275,183	\$ 2,234,042
Consultants	320,679	27,188	123	347,990	364,717
Foster care providers	1,349,921			1,349,921	1,444,372
Conferences and training	12,752	888	17,421	31,061	12,914
Other client assistance	19,355		3,657	23,012	16,267
Occupancy	194,759	31,384	641	226,784	230,407
Equipment and supplies	29,068	4,716	4,804	38,588	42,505
Transportation	253,966	4,361	164	258,491	258,256
Insurance	61,843	9,391		71,234	77,104
Telecommunications	43,512	6,786	136	50,434	51,624
Depreciation	12,043	1,490	37	13,570	14,295
All other	34,026	8,835	6,002	48,863	84,713
Total Expenses - 2019	<u>\$ 4,163,016</u>	<u>\$ 530,895</u>	<u>\$ 41,220</u>	<u>\$ 4,735,131</u>	
Total Expenses - 2018	<u>\$ 4,267,763</u>	<u>\$ 488,564</u>	<u>\$ 74,889</u>		<u>\$ 4,831,216</u>

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION
Consolidated Statements of Cash Flows
For the Year Ended June 30, 2019 with
Comparative Totals for the Year Ended June 30, 2018**

	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 13,685	\$ 52,002
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	13,570	14,295
Changes in operating assets and liabilities:		
Receivables	39,389	(69,382)
Prepaid expenses	15,247	(15,071)
Accounts payable	7,088	16,194
Accrued payroll and related expenses	(44,359)	65,843
Deferred rent	<u>(10,275)</u>	<u>(3,733)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>34,345</u>	<u>60,148</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	<u>(4,293)</u>	<u>(1,050)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of capital lease obligation	<u>(7,777)</u>	<u>(7,002)</u>
NET INCREASE IN CASH	22,275	52,096
CASH - BEGINNING OF YEAR	<u>84,991</u>	<u>32,895</u>
CASH - END OF YEAR	<u>\$ 107,266</u>	<u>\$ 84,991</u>
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Interest paid	\$ 1,523	\$ 2,298

See independent auditors' report and notes to financial statements.

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION
Notes to Consolidated Financial statements
June 30, 2019 and 2018**

NOTE 1 - NATURE OF ORGANIZATION

The mission of Our Children's Homestead ("OCH") is to ensure safe and secure homes for abused, neglected and troubled children. OCH is committed to a continuum of professional care that provides parental training, support and services to maximize the growth of development of each child in a caring family environment in the Chicago and Rockford areas.

On August 4, 1998, Our Children's Homestead Foundation ("OCHF") was formed to support the operations of OCH. On April 9, 1999, OCHF acquired land, building and improvements to provide facilities for the OCH programs. On March 10, 2014, OCHF sold eight residential buildings they rented to OCH for its programs.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Both companies (collectively the "Organization") are under common management and operating control. All material inter-organizational transactions and balances have been eliminated in the consolidation.

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities. Thus, revenue is recognized when earned and expenses are recognized when incurred.

Basis of Presentation

Under generally accepted accounting principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. The net assets of the Organization are reported in two self-balancing groups as follows:

- Net Assets without Donor Restrictions: Net assets without donor restrictions are for use at the discretion of management for general operating purposes.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

- **Net Assets with Donor Restrictions:** Net assets with donor restrictions consist of assets whose use is limited by donor imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statement of activities as net assets released from restrictions. Some net assets with donor restrictions may include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor imposed stipulations or a Board approved spending policy. The Organization has no net assets required to be maintained permanently.

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

Concentrations

OCH routinely maintains balances in financial institutions in excess of federally insured amounts.

Receivables

Receivables from governmental agencies and others are valued at management's estimate of the amount that will ultimately be collected. An allowance for uncollectible amounts, if any, is based upon the Organization's collection experience.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Promises to give are reported as contributions receivable in the accompanying financial statements.

Furniture and Equipment

Furniture and equipment are stated at cost. OCH and OCHF follow the practice of capitalizing expenditures for office furniture, fixtures, and equipment in excess of \$1,000. Depreciation is provided on the straight-line method over the estimated useful lives of 3 - 5 years. Depreciation for the years ended June 30, 2019 and 2018 amounted to \$13,570 and \$14,295, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue

OCH programs are supported by contracts with the Illinois Department of Children and Family Services, Illinois Department of Human Services, and Illinois State Board of Education as well as by donations from corporations and individuals.

Revenue is recorded at the time reimbursable expenses are incurred or as performance units are earned on government grants. Deferred revenues on grants are recorded as liabilities until such time as they are earned by incurring proper costs, attaining performance units, repaid, or liquidated by the government funding agency against grant receivables.

Contributed Materials and Services

The Organization records the value of donated goods or services when there is an objective basis available to measure their value. Donated materials and equipment, if any, are reflected as contributions at their fair value in the accompanying financial statements. The Organization generally pays for services requiring specific expertise. Nevertheless, a substantial number of volunteers donated significant amounts of their time to the Organization's operations.

Contributions

Contributions, including unconditional promises to give, are recognized as revenue 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. There were no unconditional promises to give at June 30, 2019 and 2018.

All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Income Tax Status

OCH is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. OCHF is exempt from income taxes under Section 501(c)(2). They both remain liable for tax on unrelated income.

Comparative Information

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, 2018, from which the summarized information was derived.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle

On August 18, 2016, the Financial Accounting Standards Board issued Accounting Standards Update (“ASU”) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Organization has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied to all periods presented which resulted in no change to net assets.

Reclassification

Certain reclassifications have been made to the 2018 financial statements to conform to the 2019 presentation.

NOTE 3 - PROGRAM DESCRIPTIONS

Programs for children include the following:

- **Treatment Foster Care:** To provide a specialized foster care home for children with mental health issues and behavioral concerns. Children are provided with intensive services that include therapy, mentoring, respite, medication monitoring, cash management, and educational support.
- **Traditional Foster Care:** To provide children experiencing minimal needs with a foster home. Each child is evaluated and services may include therapy, mentoring, educational support, and case management.
- **Adoption:** To place children who are legally free in adoptive homes. The agency supports the family by coordinating a subsidy that provides the family with on-going financial support and services.
- **Department of Human Services Respite:** To provide respite, or a break, to families caring for individuals with disabilities. The individual must be diagnosed with autism, cerebral palsy, epilepsy, or mental retardation to qualify for 180 hours of respite a year.
- **Department of Human Services Specialized Home Placement:** To provide adults with disabilities with a foster home that can meet their developmental, emotional and physical needs. The agency provides case management and support to these clients.

NOTE 4 - NET ASSETS WITH DONOR RESTRICTIONS

This category includes contributions received with donor imposed stipulations that can be fulfilled by the Organization pursuant to those stipulations or that expire by the passage of time. Net assets with donor restrictions at June 30, 2019 relate to the Exchange Club grant (\$8,580) and other (\$2,210).

NOTE 5 - OPERATING LEASES

Naperville Office Lease

During June 2014, OCH entered into the third amendment of its existing Naperville office lease for a six year period commencing June 2014. The lease requires base monthly rental payments ranging from \$13,638 to \$15,532 over the lease term, and expires on May 31, 2020. In addition to the monthly lease payments, OCH is also liable for their proportionate share of operating expenses as defined in the lease.

Rockford Office Lease

During March 2015, OCH entered into a sixty four month lease for its Rockford office space commencing April 2015. After a four month rent abatement, the lease requires monthly rental payments ranging from \$1,497 to \$1,830 over the lease term, and expires on July 31, 2020. In addition to the monthly lease payments, OCH is also liable for their proportionate share of operating expenses as defined in the lease.

The future minimum base rental payments for the years ended June 30, are as follows:

	Naperville Office	Rockford Office	Total
2020	\$ 170,854	\$ 21,956	\$ 192,810
2021		1,830	1,830
	<u>\$ 170,854</u>	<u>\$ 23,786</u>	<u>\$ 194,640</u>

The Rockford office lease allows for a four month rent abatement and both office leases contain scheduled rent increases, all of which are required to be recognized ratably in accordance with generally accepted accounting principles. Accordingly, the amount of rent expenses does not coincide with cash payments. This gives rise to a deferred lease benefit liability which is being amortized over the term of the leases. The deferred lease benefit liability at June 30, 2019 and 2018, amounted to \$13,932 and \$24,207, respectively.

Rental expense on all operating leases for the years ended June 30, 2019 and 2018, amounted to \$204,809 and \$213,104, respectively.

During December 2019, the Organization entered into a lease agreement for a new Naperville office location to be effective June 1, 2020. The new Naperville office lease expires in March 2031 and requires minimum monthly lease payments ranging from \$19,423 to \$23,676 over the lease term, with abatement of the first 10 monthly payments. In addition to minimum monthly lease payments, the Organization is required to pay their proportionate share of increases in real estate taxes and operating expenses over the Base Year, defined as 2020 in the agreement.

NOTE 5 - OPERATING LEASES (Continued)

The future minimum base rental payments for the years ended June 30, are as follows:

2020	\$	
2021		58,659
2022		238,142
2023		242,930
2024		247,728
After		<u>1,807,243</u>
		<u>\$ 2,594,702</u>

NOTE 6 - CAPITAL LEASE OBLIGATION

OCH is obligated under a capital lease for three office copiers commencing in August 2015. The equipment, costing \$36,047, had a net book value at June 30, 2019 and 2018 of \$7,810 and \$15,020, respectively. Depreciation expense on the equipment was \$7,209 for the years ended June 30, 2019 and 2018. Total interest paid for the years ended June 30, 2019 and 2018 amounted to \$1,523 and \$2,298, respectively. Future minimum capital lease payments as of June 30, 2019 are as follows:

2020	\$	9,300
2021		<u>1,550</u>
		10,850
Less: Amount representing interest		<u>682</u>
	\$	<u>10,168</u>

NOTE 7 - RETIREMENT PLAN

The Organization has instituted a SIMPLE Retirement Plan (Savings Incentive Match Plan for Employees) effective January 1, 2004. The Organization's matching contribution for the years ended June 30, 2019 and 2018 amounted to \$31,262 and \$34,410, respectively.

NOTE 8 - LINE OF CREDIT

The Organization entered into a line of credit agreement with Hinsdale Bank & Trust dated June 14, 2019 and expiring June 14, 2020. The credit line is secured by all assets and bears interest at ½% over the prime rate as published in the Wall Street Journal. There were no amounts borrowed against the credit line at June 30, 2019.

NOTE 9 - RISKS AND UNCERTAINTIES

The Organization has received significant financial assistance from state agencies. The disbursement of funds received under these programs generally requires 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 of the Organization. Requests for funding must be made on an annual basis.

NOTE 10 - LIQUIDITY AND AVAILABILITY OF RESOURCES

The Organization's financial assets available within one year of the statements of financial position for general expenditures are as follows:

	<u>2019</u>	<u>2018</u>
Cash	\$ 107,266	\$ 84,991
Receivables	<u>158,711</u>	<u>198,099</u>
Total Financial Assets Available Within One Year	265,977	283,090
Less:		
Amounts unavailable for general expenditures within one year due to:		
Time or purpose restricted	<u>10,790</u>	<u> </u>
Total Financial Assets Available to Management for General Expenditure Within One Year	<u>\$ 255,187</u>	<u>\$ 283,090</u>

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and obligations become due.

In addition to these financial assets, the Organization monitors liquidity through access to the line of credit disclosed in Note 8.

NOTE 11 - NEW ACCOUNTING STANDARDS UPDATE

In June 2018, the FASB issued ASU 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. The new guidance provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. It also provides additional guidance on how to determine if a contribution is conditional. The new standard will be effective for transactions that occur during the Organization's fiscal year ended June 30, 2020.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which will supersede the current lease recording requirements in Topic 842. The ASU looks to increase transparency and comparability by conforming US GAAP with International Accounting Standards as it relates to leases. The new standard will require that all leases, including operating leases, be included on the balance sheet as a "right of use" asset with an offsetting liability for the payments remaining on the lease. The new guidance will be effective for the Organization's year ending June 30, 2022, with early application permitted.

Management is evaluating the effects of these pronouncements on its financial statements.

NOTE 12 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 16, 2019, the date the financial statements were available to be issued.

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**INDEPENDENT AUDITORS' REPORT ON
SUPPLEMENTARY INFORMATION**

Board of Directors
OUR CHILDREN'S HOMESTEAD and
OUR CHILDREN'S HOMESTEAD FOUNDATION
Naperville, Illinois

We have audited the financial statements of Our Children's Homestead and affiliate as of and for the year then ended June 30, 2019, and have issued our report thereon dated December 16, 2019, which expressed an unmodified opinion on those financial statements, appears on pages 1 through 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The following supplementary information contained on pages 16-17 is presented for purposes of additional analysis and 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 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.


Weiss, Sugar/Dvorak & Dusek, Ltd.

Chicago, Illinois
December 16, 2019

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
Consolidated Schedule of Program Expenses
ILLINOIS DEPARTMENT OF CHILDREN AND FAMILY SERVICES
ILLINOIS DEPARTMENT OF HUMAN SERVICES
For the Year Ended June 30, 2019

<u>Program Name</u>	<u>Foster Care</u>		<u>Department of Human Services</u>	<u>Other</u>	<u>Our Children's Homestead Foundation</u>	<u>Total</u>
	<u>Treatment</u>	<u>Traditional</u>				
Salaries and wages	\$ 1,364,456	\$ 119,202	\$ 1,450	\$ 6,394	\$	\$ 1,491,502
Payroll taxes	96,284	7,921	101	472		104,778
Fringe benefits	215,809	17,805	113	1,085		234,812
Consultants	253,132	61,858	9	5,680		320,679
Payments to foster parents	1,281,427	49,549	10,569	8,376		1,349,921
Conference and conventions	11,792	957		3		12,752
Client specific assistance	15,927	3,428				19,355
Occupancy	179,205	14,725	115	714		194,759
Equipment and supplies	26,424	2,423	8	213		29,068
Transportation	228,925	24,600		441		253,966
Insurance	56,898	4,668	19	258		61,843
Telecommunications	40,032	3,284	14	182		43,512
Depreciation	11,076	912	4	51		12,043
Miscellaneous	31,474	2,552				34,026
Total	\$ 3,812,861	\$ 313,884	\$ 12,402	\$ 23,869	\$ 0	\$ 4,163,016

See independent auditors' report and notes to financial statements.

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
Consolidated Schedule of Expenses
For the Year Ended June 30, 2019

	Our Children's Homestead Foundation	Fundraising Program	Administration	Total Contracts	Foster Care		Department of Human Services	Other
					Treatment	Traditional		
Salaries and wages	\$ 1,871,264	\$ 6,613	\$ 373,149	\$ 1,491,502	\$ 1,364,456	\$ 119,202	\$ 1,450	\$ 6,394
Payroll taxes	131,303	462	26,063	104,778	96,284	7,921	101	472
Fringe benefits	272,616	1,160	36,644	234,812	215,809	17,805	113	1,085
Consultants	347,990	123	27,188	320,679	253,132	61,858	9	5,680
Payments to foster parents	1,349,921			1,349,921	1,281,427	49,549	10,569	8,376
Conference and conventions	31,061	17,421	888	12,752	11,792	957		3
Client specific assistance	23,012	3,657		19,355	15,927	3,428		
Occupancy	226,784	641	31,384	194,759	179,205	14,725	115	714
Equipment and supplies	38,588	4,804	4,716	29,068	26,424	2,423	8	213
Transportation	258,491	164	4,361	253,966	228,925	24,600		441
Insurance	71,234		9,391	61,843	56,898	4,668	19	258
Telecommunications	50,434	136	6,786	43,512	40,032	3,284	14	182
Depreciation	13,570	37	1,490	12,043	11,076	912	4	51
Miscellaneous	48,863	6,002	8,835	34,026	31,474	2,552		
Overhead allocations	4,735,131	41,220	530,895	4,163,016	3,812,861	313,884	12,402	23,869
		8,161	(530,895)	522,734	480,241	39,574	1,482	1,437
Total	\$ 4,735,131	\$ 49,381	\$ 0	\$ 4,685,750	\$ 4,293,102	\$ 353,458	\$ 13,884	\$ 25,306

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