

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

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

JUNE 30, 2017 AND 2016

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION
Index
June 30, 2017 and 2016**

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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, 2017, 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, 2017, 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 2016 financial statement, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 24, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016 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 26, 2017, 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 26, 2017

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
Consolidated Statements of Financial Position
June 30, 2017 with Comparative Totals for June 30, 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 32,895	\$ 255,062
Receivables:		
Governmental agencies	118,153	207,207
Other	10,564	20,730
Prepaid expenses	<u>23,908</u>	<u>28,871</u>
Total Current Assets	<u>185,520</u>	<u>511,870</u>
 FURNITURE AND EQUIPMENT		
Cost	297,588	297,588
Less: Accumulated depreciation	<u>259,602</u>	<u>244,145</u>
Net Furniture and Equipment	<u>37,986</u>	<u>53,443</u>
 DEPOSITS	<u>6,385</u>	<u>6,385</u>
 TOTAL ASSETS	<u>\$ 229,891</u>	<u>\$ 571,698</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 184,893	\$ 185,241
Accrued payroll and related expenses	286,819	411,784
Related party loans		235,000
Current portion of capital lease obligation	<u>7,002</u>	<u>6,304</u>
Total Current Liabilities	<u>478,714</u>	<u>838,329</u>
 LONG-TERM LIABILITIES (net of current portion)		
Deferred rent	27,940	25,297
Capital lease obligation	<u>17,944</u>	<u>24,947</u>
Total Long-Term Liabilities	<u>45,884</u>	<u>50,244</u>
 TOTAL LIABILITIES	<u>524,598</u>	<u>888,573</u>
 NET ASSETS		
Unrestricted	(294,707)	(316,875)
Temporarily restricted		
Total Net Assets	<u>(294,707)</u>	<u>(316,875)</u>
 TOTAL LIABILITES AND NET ASSETS	<u>\$ 229,891</u>	<u>\$ 571,698</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, 2017 with Comparative Totals for the Year Ended June 30, 2016

	UNRESTRICTED	TEMPORARILY RESTRICTED	FOR THE YEAR ENDED JUNE 30,	
			2017	2016
REVENUES AND OTHER SUPPORT				
Illinois Department of Children and Family Services:				
Foster care - treatment	\$	\$ 4,207,539	\$ 4,207,539	\$ 4,719,632
Foster care - traditional		236,633	236,633	219,203
Adoption		1,030	1,030	10,069
Illinois Department of Human Services		11,047	11,047	74,173
Social security		21,291	21,291	20,544
Other		43,422	43,422	30,587
		<u>4,520,962</u>	<u>4,520,962</u>	<u>5,074,208</u>
Other contributions and donations	69,389		69,389	59,078
In-kind		51,000	51,000	51,000
Interest income		150	150	138
	<u>69,389</u>	<u>4,572,112</u>	<u>4,641,501</u>	<u>5,184,424</u>
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>4,572,112</u>	<u>(4,572,112)</u>		
 Total Revenues and Other Support	 <u>4,641,501</u>		 <u>4,641,501</u>	 <u>5,184,424</u>
EXPENSES				
Program services	4,055,013		4,055,013	4,602,889
General and administrative	485,459		485,459	499,533
Fundraising	78,861		78,861	77,929
Total Expenses	<u>4,619,333</u>		<u>4,619,333</u>	<u>5,180,351</u>
 CHANGE IN NET ASSETS	 22,168		 22,168	 4,073
NET ASSETS - BEGINNING OF YEAR	<u>(316,875)</u>		<u>(316,875)</u>	<u>(320,948)</u>
NET ASSETS - END OF YEAR	<u>\$ (294,707)</u>	<u>\$ 0</u>	<u>\$ (294,707)</u>	<u>\$ (316,875)</u>

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
Consolidated Statements of Functional Expenses
For the Year Ended June 30, 2017 with Comparative Totals for the Year Ended June 30, 2016

	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUNDRAISING	FOR THE YEAR ENDED JUNE 30,	
				2017	2016
Salaries and employee benefits	\$ 1,701,174	\$ 390,192	\$ 9,697	\$ 2,101,063	\$ 2,433,843
Consultants	329,864	30,680	115	360,659	408,577
Foster care providers	1,363,643			1,363,643	1,508,499
Conferences and training	9,175	1,035	156	10,366	5,567
Other client assistance	9,730		1,825	11,555	9,497
Occupancy	198,667	28,313	720	227,700	225,223
Equipment and supplies	34,709	4,050	866	39,625	42,594
Transportation	256,329	6,327	310	262,966	301,600
Insurance	70,341	9,721	94	80,156	93,104
Telecommunications	45,953	5,059	131	51,143	48,973
Depreciation	13,839	1,575	42	15,456	16,320
All other	21,589	8,507	64,905	95,001	86,554
Total Expenses - 2017	<u>\$ 4,055,013</u>	<u>\$ 485,459</u>	<u>\$ 78,861</u>	<u>\$ 4,619,333</u>	
Total Expenses - 2016	<u>\$ 4,602,889</u>	<u>\$ 499,533</u>	<u>\$ 77,929</u>		<u>\$ 5,180,351</u>

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
Consolidated Statements of Cash Flows
For the Year Ended June 30, 2017 with
Comparative Totals for the Year Ended June 30, 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 22,168	\$ 4,073
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	15,457	16,320
Changes in operating assets and liabilities:		
Receivables	99,220	(22,381)
Prepaid expenses and deposits	4,963	853
Accounts payable	(348)	(66,586)
Accrued payroll and related expenses	(124,965)	155,352
Deferred rent	2,643	8,686
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>19,138</u>	<u>96,317</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment		<u>(6,671)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of capital lease obligation	(6,305)	(4,795)
Net borrowings (repayments) of related party loans	<u>(235,000)</u>	<u>5,000</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(241,305)</u>	<u>205</u>
NET INCREASE (DECREASE) IN CASH	(222,167)	89,851
CASH - BEGINNING OF YEAR	<u>255,062</u>	<u>165,211</u>
CASH - END OF YEAR	<u>\$ 32,895</u>	<u>\$ 255,062</u>

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
Consolidated Statements of Cash Flows (Continued)
For the Year Ended June 30, 2017 with
Comparative Totals for the Year Ended June 30, 2016

	<u>2017</u>	<u>2016</u>
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Interest paid	\$ 2,996	\$ 2,954
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Capital lease incurred in purchase of equipment	\$ 0	\$ 36,047

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
Notes to Consolidated Financial statements
June 30, 2017 and 2016

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

The financial statements of the Organization have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the user.

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.

Basis of Presentation

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization are classified and reported as follows:

- *Unrestricted net assets* - Net assets that are not subject to donor-imposed restrictions. Such assets are available for any purpose consistent with the Organization's mission. Unrestricted net assets may be further classified into designated and undesignated with designated assets representing funds set aside at the discretion of the Board for certain purposes.
- *Temporarily restricted net assets* - Net assets that are subject to specific donor-imposed restrictions that will be met by actions of the Organization and/or passage of time. The Organization had no temporarily restricted net assets.
- *Permanently restricted net assets* - Net assets that are subject to donor-imposed restrictions to be maintained permanently by the Organization. The Organization has no permanently restricted net assets.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2017 and 2016 amounted to \$15,457 and \$16,320, respectively.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2017 and 2016.

All contributions are considered to be available for unrestricted use 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 temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Additionally, contributions received with donor-imposed restrictions which are met in the same period are recorded as unrestricted net assets.

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, 2016, from which the summarized information was derived.

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.

NOTE 3 - PROGRAM DESCRIPTIONS (Continued)

- **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 - 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.

Equipment Lease

During July 2015, OCH entered into a thirty seven month lease for certain office equipment. The lease requires an initial payment of \$2,894 followed by thirty six payments of \$888 through July 2018.

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

	Naperville <u>Office</u>	Rockford <u>Office</u>	<u>Equip.</u>	<u>Total</u>
2018	\$ 177,673	\$ 19,794	\$ 10,656	\$ 208,123
2019	182,219	21,790	888	204,897
2020	170,854	21,956		192,810
2021		1,830		1,830
	<u>\$ 530,746</u>	<u>\$ 65,370</u>	<u>\$ 11,544</u>	<u>\$ 607,660</u>

NOTE 4 – OPERATING LEASES (Continued)

Equipment Lease (Continued)

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, 2017 and 2016, amounted to \$27,940 and \$25,297, respectively.

Rental expense on all operating leases for the years ended June 30, 2017 and 2016, amounted to \$211,010 and \$213,622, respectively.

NOTE 5 - 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, 2017 and 2016 of \$22,229 and \$29,438, respectively. Depreciation expense on the equipment was \$7,209 and \$6,609 for the years ended June 30, 2017 and 2016, respectively. Total interest paid for the years ended June 30, 2017 and 2016 amounted to \$2,996 and \$2,954, respectively. Future minimum capital lease payments as of June 30, 2017 are as follows:

2018	\$	9,300
2019		9,300
2020		9,300
2021		1,550
		<u>29,450</u>
Less: Amount representing interest		4,504
		<u>\$ 24,946</u>

NOTE 6 - 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, 2017 and 2016 amounted to \$38,291 and \$33,558, respectively.

NOTE 7 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 26, 2017, the date the financial statements were available to be issued.

NOTE 8 - RELATED PARTY LOANS

On October 1, 2014, OCH established a non-interest bearing line of credit with a Director to be used for cash flow purposes. The Director has no obligation to loan OCH any amounts and any decision to loan money lies in the sole and complete discretion of the Director. Outstanding balances under the line amounted to \$-0- and \$35,000 at June 30, 2017 and 2016, respectively.

On June 30, 2016, OCH established a similar non-interest bearing line of credit with certain relatives of the same Director, also to be used for cash flow purposes. The outstanding balance under the line amounted to \$200,000 at June 30, 2016, and was paid in full on July 19, 2016.

NOTE 9 - DIVERSION OF ORGANIZATION'S ASSETS

On March 18, 2011, the Chief Executive Officer was removed from office after an internal investigation revealed excessive use of agency resources for personal needs. The matter was reported to government authorities. The Board of Directors and OCH have been cooperating in an investigation into the matter by the Illinois Attorney General's Office. On October 5, 2012, the Illinois Attorney General's Office filed an indictment against the former Chief Executive Officer. On September 30, 2014 the former Chief Executive Officer was convicted of multiple charges; he was subsequently sentenced to four and a half years in prison, and a \$100,000 judgment was entered against him in favor of Our Children's Homestead.

NOTE 10 - 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 11 - COMMITMENTS AND CONTINGENCIES

In late 2013, the Organization was served with a complaint in State Court in DuPage County, Illinois, alleging the Organization and three other foster care agencies had violated the Illinois False Claims Act. It is the opinion of the Organization's counsel and management that based on the facts known to date, the allegations of the complaint are without merit, and they intend to vigorously contest the case.

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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, 2017, and have issued our report thereon dated December 26, 2017, 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 15 - 16 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 26, 2017

**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, 2017

<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	\$ 1,315,427	\$ 73,632	\$ 1,203	\$ 18,412	\$	\$ 1,408,674
Payroll taxes	90,073	5,052	82	1,258		96,465
Fringe benefits	182,999	10,320	88	2,628		196,035
Consultants	286,719	41,335	9	1,801		329,864
Payments to foster parents	1,275,554	46,304	10,567	31,218		1,363,643
Conference and conventions	8,050	455		670		9,175
Client specific assistance	8,168	1,492	25	45		9,730
Occupancy	185,562	10,460	97	2,548		198,667
Equipment and supplies	32,465	1,815	12	417		34,709
Transportation	236,324	17,333	183	2,489		256,329
Insurance	65,763	3,695	22	861		70,341
Telecommunications	42,968	2,425	15	545		45,953
Depreciation	12,938	728	4	169		13,839
Miscellaneous	20,601	657		331		21,589
Total	\$ 3,763,611	\$ 215,703	\$ 12,307	\$ 63,392	\$ 0	\$ 4,055,013

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
Consolidated Schedule of Expenses
For the Year Ended June 30, 2017

	Our Children's Homestead Foundation		Fundraising Program	Administration	Total Contracts	Foster Care		Department of Human Services	Other
	Total	Homestead Foundation				Treatment	Traditional		
Salaries and wages	\$ 1,755,133	\$	\$ 8,542	\$ 337,917	\$ 1,408,674	\$ 1,315,427	\$ 73,632	\$ 1,203	\$ 18,412
Payroll taxes	118,844		345	22,034	96,465	90,073	5,052	82	1,258
Fringe benefits	227,086		810	30,241	196,035	182,999	10,320	88	2,628
Consultants	360,659		115	30,680	329,864	286,719	41,335	9	1,801
Payments to foster parents	1,363,643				1,363,643	1,275,554	46,304	10,567	31,218
Conference and conventions	10,366		156	1,035	9,175	8,050	455		670
Client specific assistance	11,555		1,825		9,730	8,168	1,492	25	45
Occupancy	227,700		720	28,313	198,667	185,562	10,460	97	2,548
Equipment and supplies	39,625		866	4,050	34,709	32,465	1,815	12	417
Transportation	262,966		310	6,327	256,329	236,324	17,333	183	2,489
Insurance	80,156		94	9,721	70,341	65,763	3,695	22	861
Telecommunications	51,143		131	5,059	45,953	42,968	2,425	15	545
Depreciation	15,456		42	1,575	13,839	12,938	728	4	169
Miscellaneous	95,001		64,905	8,507	21,589	20,601	657		331
	4,619,333		78,861	485,459	4,055,013	3,763,611	215,703	12,307	63,392
Overhead allocations			8,100	(485,459)	477,359	446,444	25,095	1,172	4,648
Total	\$ 4,619,333	\$ 0	\$ 86,961	\$ 0	\$ 4,532,372	\$ 4,210,055	\$ 240,798	\$ 13,479	\$ 68,040

See independent auditors' report and notes to financial statements.