

**Faith Community Homes
Financial Statements
Years ended June 30, 2016 and June 30, 2015**

**Faith Community Homes
Review Report
Years Ended June 30, 2016 and June 30, 2015**

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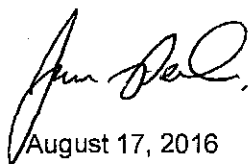
To the Board of Directors of
Faith Community Homes

I have reviewed the accompanying Statements of Financial Position of Faith Community Homes (a nonprofit organization) as of June 30, 2016 and June 30, 2015, and the related Statements of Activities and Changes in Net Assets, Statements of Cash Flows and the Notes to the Financial Statements for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require me to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. I believe that the results of my procedures provide a reasonable basis for my report.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

 CPA P.C.
August 17, 2016

Faith Community Homes
Statement of Financial Position
June 30, 2016 and June 30, 2015

	<u>2016</u>	<u>2015</u>
Assets		
Current Assets		
Unrestricted funds, cash	\$101,803	\$84,136
Prepaid expenses	-	2,564
Grant receivable	7,883	7,660
Rent deposits	4,484	3,649
	<hr/>	<hr/>
Total Current Assets	114,170	98,009
Restricted funds		
Cash	35,075	34,676
Loans receivables from families	1,973	1,197
Total restricted funds	<hr/>	<hr/>
	37,048	35,873
Fixed assets, net of accumulated depreciation	<hr/>	<hr/>
	5,388	308
Total Assets	<hr/> <hr/>	<hr/> <hr/>
	\$156,606	\$134,190
Liabilities and Net Assets		
Accrued Liabilities	2,490	1,623
Net Assets		
Restricted assets	\$37,048	\$35,873
Unrestricted net assets	117,068	96,694
Total Net Assets	<hr/>	<hr/>
	154,116	132,567
Total Liabilities and Net Assets	<hr/> <hr/>	<hr/> <hr/>
	\$156,606	\$134,190

See accompanying notes and independent accountant's review report.

**Faith Community Homes
Statements of Activities**

For the years ended June 30, 2016 and June 30, 2015

	2016			2015		
	Unrestricted Funds	Temporarily Restricted Funds	Total	Unrestricted Funds	Temporarily Restricted Funds	Total
Revenue						
Participating churches	\$64,654	-	\$64,654	\$39,047	-	\$39,047
Grant income	24,183	-	24,183	23,827	-	23,827
Donations received	107,366	\$3,205	110,571	103,770	\$1,500	105,270
Rent from families	-	-	-	1,340	-	1,340
In kind revenue	64,845	-	64,845	61,690	-	61,690
Interest income	117	6	123	114	7	121
Gain on sale of asset	-	-	-	-	-	-
Total Revenue	261,165	3,211	264,376	229,789	1,507	231,296
Program services						
Rental & family assistance	57,570	2,036	59,606	89,968	3,168	93,135
In kind expenses	48,845	-	48,845	46,690	-	46,690
Salaries & payroll taxes	73,925	-	73,925	55,387	-	55,387
Total program services	180,339	2,036	182,375	192,045	3,168	195,212
Fundraising expenses	7,528	-	7,528	9,102	-	9,102
Management and general activity						
Salaries & payroll taxes	21,599	-	21,599	20,891	-	20,891
Insurance	1,700	-	1,700	1,106	-	1,106
Office expenses	5,154	-	5,154	5,219	-	5,219
Newsletter Printing & Postage	3,617	-	3,617	1,866	-	1,866
In kind expenses	16,000	-	16,000	15,000	-	15,000
Depreciation	777	-	777	407	-	407
Other	4,076	-	4,076	3,796	-	3,796
Total management and general activity	52,923	-	52,923	48,286	-	48,286
Total supporting services	240,791	2,036	242,827	249,433	3,168	252,600
Change in net assets	20,374	1,175	21,549	(19,644)	(1,661)	(21,305)
Net assets - beginning	96,694	35,873	132,567	116,338	37,534	153,872
Net assets - ending	\$117,068	\$37,048	\$154,117	\$96,694	\$35,873	\$132,567

See accompanying notes and independent accountant's review report.

Faith Community Homes
Statements of Cash Flow
For the years ended June 30, 2016 and June 30, 2015

	<u>2016</u>	<u>2015</u>
Cash flow from operating activities		
Net income for the period	\$20,374	(\$19,644)
Depreciation	777	407
Changes in working capital balances		
Prepaid expenses	2,564	(2,564)
Grant receivable	(223)	(327)
Rent deposits	(835)	(349)
Accrued liabilities	867	157
Website development	<u>(5,858)</u>	<u>-</u>
Total cash flow from operating activities	17,667	(22,320)
Net cash - beginning of period	84,136	106,456
Net cash - end of period	<u><u>\$101,803</u></u>	<u><u>\$84,136</u></u>

See accompanying notes and independent accountant's review report.

Faith Community Homes Notes to Financial Statements

1. Summary of significant accounting policies

a. Description of business

Faith Community Homes (FCH) is a non for profit organization. FCH was incorporated on July 22, 2003 in the state of Illinois. FCH provides rental support and financial counseling to low income families in Arlington Heights, Illinois and Palatine, Illinois. FCH is primarily supported by local churches and governmental agencies.

b. Basis of presentation

The financial statements are being presented on an accrual basis. FCH has adopted Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made" and Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations". Under these pronouncements, FCH is required 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. (See additional description below.) In addition, FCH is required to present a statement of cash flows.

c. Loan receivables from families

All loan receivables are valued at the lower of cost or realizable value.

d. Grant receivable

Grant receivable is for amounts owed from local government agencies for the periods ending June 30, 2016 and June 30, 2015.

e. Rent deposits

Rent deposits are paid to the landlords of the supported families. All rent deposits are expected to be refunded at the end of the respective leases.

f. Property and equipment

Property and equipment are stated at cost and are being depreciated over their estimated useful lives.

g. Income taxes

FCH has been approved as a tax exempt organization under the Internal Revenue Code section 501(c)(3). Accordingly no provision for income taxes is made in the financial statements.

Faith Community Homes Notes to Financial Statements

h. Temporarily restricted net assets

Some of the donations received by FCH are classified as temporarily restricted. The funds can become unrestricted by the action of FCH to spend the funds in the manner that is stipulated by the donor. Examples of temporarily restricted funds are funds donated for the specific use of the car ministry, textbooks for the families' children or support for a particular family in the program.

The balance in these categories is noted on the statement of financial position as "Restricted fund, cash" in the Assets section. The activity for the years is separately reported on the statement of activity.

2. In Kind Service Income and Expenses

FCH is required to include "In Kind Service Income" and "In Kind Service Expense" in the financial statements. This income/expense includes the following with an estimate made by management on the values of the services or property.

	<u>2016</u>	<u>2015</u>
Volunteer time from mentors (Hours @ \$25/hour)	\$26,500	\$25,500
Board volunteers (Hours @ \$25/hour)	16,000	15,000
Gift cards/certificates for families	4,935	2,630
Food donations for families	4,050	4,550
Service time from many volunteers (Hours @ \$15/hour)	3,000	2,200
Christmas gift donations	2,550	2,430
Furniture donations for families	2,470	4,085
School Supplies/Dictionaries for children	1,600	1,500
Household Supplies/Clothes for families	1,465	1,820
Clothing	1,175	775
Cosentino's Auto Repair (parts only – no labor charge)	500	-0-
Services donated by local businesses	500	-0-
Donated Office supplies	100	-0-
Donated automobiles (1 in 2014)	<u>-0-</u>	<u>1,200</u>
 Total In Kind Income & Expenses	 <u>\$64,845</u>	 <u>\$61,690</u>

3. Related Party Transactions

A member of the Board of Directors provides printing services to FCH through the member's company. The total amount of printing services purchased by FCH from the member during the year ended 2016 was \$5,902 and during the year 2015 was \$5,261. There were no amounts owed this member at June 30, 2016 or June 30, 2015.