

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

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

JUNE 30, 2018 AND 2017

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
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June 30, 2018 and 2017

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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, 2018 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

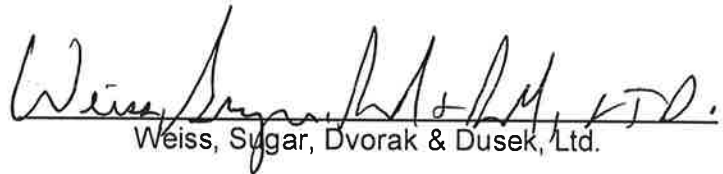
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Our Children's Homestead and affiliate as of June 30, 2018, and the changes in its net assets, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We previously audited Our Children's Homestead and affiliate 2017 financial statement, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 26, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017 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 5, 2018, 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 5, 2018

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
Consolidated Statements of Financial Position
June 30, 2018 with Comparative Totals for June 30, 2017

ASSETS		
	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash	\$ 84,991	\$ 32,895
Receivables:		
Governmental agencies	198,086	118,153
Other	13	10,564
Prepaid expenses	<u>38,979</u>	<u>23,908</u>
Total Current Assets	<u>322,069</u>	<u>185,520</u>
FURNITURE AND EQUIPMENT		
Cost	298,638	297,588
Less: Accumulated depreciation	<u>273,898</u>	<u>259,602</u>
Net Furniture and Equipment	<u>24,740</u>	<u>37,986</u>
DEPOSITS		
	<u>6,385</u>	<u>6,385</u>
TOTAL ASSETS	<u>\$ 353,194</u>	<u>\$ 229,891</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 201,086	\$ 184,893
Accrued payroll and related expenses	352,662	286,819
Current portion of capital lease obligation	<u>7,777</u>	<u>7,002</u>
Total Current Liabilities	<u>561,525</u>	<u>478,714</u>
LONG-TERM LIABILITIES (net of current portion)		
Deferred rent	24,207	27,940
Capital lease obligation	<u>10,167</u>	<u>17,944</u>
Total Long-Term Liabilities	<u>34,374</u>	<u>45,884</u>
TOTAL LIABILITIES	<u>595,899</u>	<u>524,598</u>
NET ASSETS		
Unrestricted	(242,705)	(294,707)
Temporarily restricted		
Total Net Assets	<u>(242,705)</u>	<u>(294,707)</u>
TOTAL LIABILITES AND NET ASSETS	<u>\$ 353,194</u>	<u>\$ 229,891</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, 2018 with Comparative Totals for the Year Ended June 30, 2017**

	<u>UNRESTRICTED</u>	TEMPORARILY <u>RESTRICTED</u>	<u>FOR THE YEAR ENDED JUNE 30,</u>	
			<u>2018</u>	<u>2017</u>
REVENUES AND OTHER SUPPORT				
Illinois Department of Children and Family Services:				
Foster care - treatment	\$	\$ 4,437,145	\$ 4,437,145	\$ 4,207,539
Foster care - traditional		248,723	248,723	236,633
Adoption		3,585	3,585	1,030
Illinois Department of Human Services		12,281	12,281	11,047
Social security		8,925	8,925	21,291
Other		41,164	41,164	43,422
		<u>4,751,823</u>	<u>4,751,823</u>	<u>4,520,962</u>
Other contributions and donations	80,336		80,336	69,389
In-kind		47,040	47,040	51,000
Interest income		4,019	4,019	150
	<u>80,336</u>	<u>4,802,882</u>	<u>4,883,218</u>	<u>4,641,501</u>
Net assets released from restrictions:				
Satisfaction of program restrictions	4,802,882	(4,802,882)		
	<u>4,883,218</u>		<u>4,883,218</u>	<u>4,641,501</u>
Total Revenues and Other Support			<u>4,883,218</u>	<u>4,641,501</u>
EXPENSES				
Program services	4,267,763		4,267,763	4,055,013
General and administrative	488,564		488,564	485,459
Fundraising	74,889		74,889	78,861
	<u>4,831,216</u>		<u>4,831,216</u>	<u>4,619,333</u>
CHANGE IN NET ASSETS	52,002		52,002	22,168
NET ASSETS - BEGINNING OF YEAR	<u>(294,707)</u>		<u>(294,707)</u>	<u>(316,875)</u>
NET ASSETS - END OF YEAR	<u>\$ (242,705)</u>	<u>\$ 0</u>	<u>\$ (242,705)</u>	<u>\$ (294,707)</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, 2018 with Comparative Totals for the Year Ended June 30, 2017**

	PROGRAM SERVICES	GENERAL AND ADMINISTRATIVE	FUNDRAISING	FOR THE YEAR ENDED JUNE 30,	
				2018	2017
Salaries and employee benefits	\$ 1,836,620	\$ 389,916	\$ 7,506	\$ 2,234,042	\$ 2,101,063
Consultants	336,535	27,985	197	364,717	360,659
Foster care providers	1,440,727		3,645	1,444,372	1,363,643
Conferences and training	10,889	664	1,361	12,914	10,366
Other client assistance	11,746		4,521	16,267	11,555
Occupancy	198,739	30,939	729	230,407	227,700
Equipment and supplies	35,278	5,450	1,777	42,505	39,625
Transportation	249,424	8,603	229	258,256	262,966
Insurance	68,052	8,986	66	77,104	80,156
Telecommunications	46,187	5,289	148	51,624	51,143
Depreciation	12,880	1,369	46	14,295	15,456
All other	20,686	9,363	54,664	84,713	95,001
Total Expenses - 2018	<u>\$ 4,267,763</u>	<u>\$ 488,564</u>	<u>\$ 74,889</u>	<u>\$ 4,831,216</u>	
Total Expenses - 2017	<u>\$ 4,055,013</u>	<u>\$ 485,459</u>	<u>\$ 78,861</u>		<u>\$ 4,619,333</u>

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION
Consolidated Statements of Cash Flows
For the Year Ended June 30, 2018 with
Comparative Totals for the Year Ended June 30, 2017**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 52,002	\$ 22,168
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	14,295	15,457
Changes in operating assets and liabilities:		
Receivables	(69,382)	99,220
Prepaid expenses and deposits	(15,071)	4,963
Accounts payable	16,194	(348)
Accrued payroll and related expenses	65,843	(124,965)
Deferred rent	(3,733)	2,643
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>60,148</u>	<u>19,138</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of furniture and equipment	<u>(1,050)</u>	
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments of capital lease obligation	(7,002)	(6,305)
Net borrowings (repayments) of related party loans		<u>(235,000)</u>
NET CASH (USED) BY FINANCING ACTIVITIES	<u>(7,002)</u>	<u>(241,305)</u>
NET INCREASE (DECREASE) IN CASH	52,096	(222,167)
CASH - BEGINNING OF YEAR	<u>32,895</u>	<u>255,062</u>
CASH - END OF YEAR	<u>\$ 84,991</u>	<u>\$ 32,895</u>
SUPPLEMENTAL CASH FLOW DISCLOSURE		
Interest paid	\$ 2,298	\$ 2,996

**OUR CHILDREN'S HOMESTEAD AND
OUR CHILDREN'S HOMESTEAD FOUNDATION**
Notes to Consolidated Financial statements
June 30, 2018 and 2017

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, 2018 and 2017 amounted to \$14,295 and \$15,457, 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, 2018 and 2017.

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, 2017, from which the summarized information was derived.

New Accounting Pronouncements

During 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14 *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-for-Profit Entities*. The ASU is effective for the Organization's year ending June 30, 2019. This ASU replaces the three classes of net assets used in financial statements of nonprofit entities (unrestricted, temporarily restricted, and permanently restricted) with two classes of net assets (net assets with donor restrictions and net assets without donor restrictions). The new ASU also will require expanded disclosures about liquidity and availability of resources, presentation of expenses by both functional and natural classifications, changes in the cash flow statement when prepared using the direct method, and changes in reporting of investment returns.

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which when effective will require organizations to recognize assets and liabilities on the statement of financial position for the rights and obligations created by the leases. A lessee will be required to recognize assets and liabilities for leases with terms that exceed twelve months. The standard will also require disclosures to help financial statement users better understand the amount, timing and uncertainty of cash flows arising from leases. The disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. The ASU is effective for the Organization's year ended June 30, 2021. Management is currently evaluating the impact of this standard on the financial statements.

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 - 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.

NOTE 4 - OPERATING LEASES (Continued)

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>
2019	\$ 182,219	\$ 21,790	\$ 888	\$ 204,897
2020	170,854	21,956		192,810
2021		1,830		1,830
	<u>\$ 353,073</u>	<u>\$ 45,576</u>	<u>\$ 888</u>	<u>\$ 399,537</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, 2018 and 2017, amounted to \$24,207 and \$27,940, respectively.

Rental expense on all operating leases for the years ended June 30, 2018 and 2017, amounted to \$213,104 and \$211,010, 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, 2018 and 2017 of \$15,020 and \$22,229, respectively. Depreciation expense on the equipment was \$7,209 for the years ended June 30, 2018 and 2017. Total interest paid for the years ended June 30, 2018 and 2017 amounted to \$2,298 and \$2,996, respectively. Future minimum capital lease payments as of June 30, 2018 are as follows:

2019	\$ 9,300
2020	9,300
2021	<u>1,550</u>
	20,150
Less: Amount representing interest	<u>2,206</u>
	<u>\$ 17,944</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, 2018 and 2017 amounted to \$34,410 and \$38,291, respectively.

NOTE 7 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 5, 2018, the date the financial statements were available to be issued.

NOTE 8 - LINE OF CREDIT

The Organization entered into a line of credit agreement with Hinsdale Bank & Trust dated June 14, 2018 and expiring June 14, 2019. The credit line is secured by all assets and bears interest at $\frac{1}{2}\%$ over the prime rate as published in the Wall Street Journal. There were no amounts borrowed against the credit line at June 30, 2018.

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 - 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.

On April 17, 2018, the litigation was dismissed without payment by the Organization and the three other foster care agencies.

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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, 2018, and have issued our report thereon dated December 5, 2018, 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 14 – 15 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 5, 2018

**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, 2018

<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	\$ 1,426,396	\$ 81,419	\$ 1,559	\$ 9,221	\$	\$ 1,518,595
Payroll taxes	100,704	5,752	109	645		107,210
Fringe benefits	197,563	11,460	101	1,691		210,815
Consultants	283,770	48,174	9	4,582		336,535
Payments to foster parents	1,374,605	37,162	10,610	18,350		1,440,727
Conference and conventions	10,204	604		81		10,889
Client specific assistance	10,076	1,628	42			11,746
Occupancy	186,809	10,751	131	1,048		198,739
Equipment and supplies	33,002	1,813	10	453		35,278
Transportation	229,040	19,168		1,216		249,424
Insurance	63,920	3,692	22	418		68,052
Telecommunications	43,437	2,515	14	221		46,187
Depreciation	12,097	700	4	79		12,880
Miscellaneous	19,770	916				20,686
Total	\$ 3,991,393	\$ 225,754	\$ 12,611	\$ 38,005	\$ 0	\$ 4,267,763

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, 2018

	Our Children's Homestead Foundation	Fundraising		Administration	Total Contracts	Foster Care		Department of Human Services	
		Program	Administration			Treatment	Traditional	Other	
Salaries and wages	\$ 1,861,710	\$ 6,238	\$ 336,877	\$ 1,518,595	\$ 1,426,396	\$ 81,419	\$ 1,559	\$ 9,221	
Payroll taxes	131,291	437	23,644	107,210	100,704	5,752	109	645	
Fringe benefits	241,041	831	29,395	210,815	197,563	11,460	101	1,691	
Consultants	364,717	197	27,985	336,535	283,770	48,174	9	4,582	
Payments to foster parents	1,444,372	3,645		1,440,727	1,374,605	37,162	10,610	18,350	
Conference and conventions	12,914	1,361	664	10,889	10,204	604		81	
Client specific assistance	16,267	4,521		11,746	10,076	1,628	42		
Occupancy	230,407	729	30,939	198,739	186,809	10,751	131	1,048	
Equipment and supplies	42,505	1,777	5,450	35,278	33,002	1,813	10	453	
Transportation	258,256	229	8,603	249,424	229,040	19,168		1,216	
Insurance	77,104	66	8,986	68,052	63,920	3,692	22	418	
Telecommunications	51,624	148	5,289	46,187	43,437	2,515	14	221	
Depreciation	14,295	46	1,369	12,880	12,097	700	4	79	
Miscellaneous	84,713	54,664	9,363	20,686	19,770	916			
Overhead allocations	4,831,216	74,889	488,564	4,267,763	3,991,393	225,754	12,611	38,005	
		7,959	(488,564)	480,605	449,503	25,328	1,244	4,530	
Total	\$ 4,831,216	\$ 82,848	\$ 0	\$ 4,748,368	\$ 4,440,896	\$ 251,082	\$ 13,855	\$ 42,535	

See independent auditors' report and notes to financial statements.