

**GLEN ELLYN CHILDREN'S
RESOURCE CENTER**

**FINANCIAL STATEMENTS
AS OF AUGUST 31, 2013 (Reviewed)
AND AUGUST 31, 2012 (Audited)**

**TOGETHER WITH
ACCOUNTANT'S REVIEW REPORT**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of
Glen Ellyn Children's Resource Center

We have reviewed the accompanying statement of financial position of Glen Ellyn Children's Resource Center (a nonprofit organization) as of August 31, 2013, and the related statements of activities, functional expenses, and cash flows 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, we 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.

Our 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 us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying 2013 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The financial statements for the year ended August 31, 2012, were audited by other auditors, and they expressed an unmodified opinion on them in their report dated January 3, 2013, but they have not performed any auditing procedures since that date.

Dugan & Lopatka

DUGAN & LOPATKA

Wheaton, Illinois
November 15, 2013

GLEN ELLYN CHILDREN'S RESOURCE CENTER
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2013 (REVIEWED) AND 2012 (AUDITED)
(see accountant's review report)

	<u>2013</u> <u>(Reviewed)</u>	<u>2012</u> <u>(Audited)</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents - Unrestricted	\$ 33,981	\$ 49,828
Total assets	<u>\$ 33,981</u>	<u>\$ 49,828</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Payroll tax liabilities	\$ 474	\$ -
Total liabilities	<u>474</u>	<u>-</u>
NET ASSETS:		
Unrestricted	33,507	44,328
Temporarily restricted	<u>-</u>	<u>5,500</u>
Total net assets	<u>33,507</u>	<u>49,828</u>
Total liabilities and net assets	<u>\$ 33,981</u>	<u>\$ 49,828</u>

The accompanying notes are an integral part of this statement.

GLEN ELLYN CHILDREN'S RESOURCE CENTER
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2013 (REVIEWED) AND 2012 (AUDITED)
 (see accountant's review report)

	2013 (Reviewed)		2012 (Audited)		
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted	Total
SUPPORT AND REVENUE:					
Contributions -					
Individual contributions	\$ 29,290	\$ -	\$ 29,290	\$ -	\$ 24,005
Foundation and corporate grants	54,079	-	54,079	5,500	57,067
Donated goods and services	39,550	-	39,550	-	40,000
Special events	25,237	-	25,237	-	29,901
Miscellaneous	2,342	-	2,342	-	-
Interest income	60	-	60	-	51
Net assets released upon satisfaction of purpose restrictions	5,500	(5,500)	-	(2,500)	-
Total support and revenue	156,058	(5,500)	150,558	3,000	151,024
EXPENSES:					
Program services	142,003	-	142,003	-	114,047
Management and general	18,862	-	18,862	-	8,244
Fundraising	6,014	-	6,014	-	8,446
Total expenses	166,879	-	166,879	-	130,737
CHANGE IN NET ASSETS	(10,821)	(5,500)	(16,321)	3,000	20,287
NET ASSETS, Beginning of year	44,328	5,500	49,828	2,500	29,541
NET ASSETS, End of year	\$ 33,507	\$ -	\$ 33,507	\$ 5,500	\$ 49,828

The accompanying notes are an integral part of this statement.

GLEN ELLYN CHILDREN'S RESOURCE CENTER
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED AUGUST 31, 2013 (REVIEWED) AND 2012 (AUDITED)
(see accountant's review report)

	<u>2013</u> <u>(Reviewed)</u>	<u>2012</u> <u>(Audited)</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (16,321)	\$ 20,287
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Changes in assets and liabilities -		
Increase in payroll tax liabilities	474	-
Net cash provided by (used in) operating activities	<u>(15,847)</u>	<u>20,287</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(15,847)	20,287
CASH AND CASH EQUIVALENTS - Beginning of year	<u>49,828</u>	<u>29,541</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 33,981</u>	<u>\$ 49,828</u>

The accompanying notes are an integral part of this statement.

GLEN ELLYN CHILDREN'S RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2013 (REVIEWED)
(see accountant's review report)

	(Reviewed)			
	Program Services	Management and General	Fund- raising	Total
Salaries and related expenses:				
Salaries and wages	\$ 73,757	\$ 8,478	\$ 2,543	\$ 84,778
Employee benefits	9,350	1,075	322	10,747
Payroll taxes	6,058	696	209	6,963
Total salaries and related expenses	<u>89,165</u>	<u>10,249</u>	<u>3,074</u>	<u>102,488</u>
Operating expenses:				
Fundraising	-	-	2,940	2,940
Insurance	3,995	-	-	3,995
Licenses and fees	-	829	-	829
Occupancy - in kind	35,000	-	-	35,000
Office expense	-	3,318	-	3,318
Outside services	5,950	-	-	5,950
Postage	315	-	-	315
Printing	532	-	-	532
Professional fees	-	4,466	-	4,466
Program supplies	3,727	-	-	3,727
Programs and field trips	1,141	-	-	1,141
Telephone	2,089	-	-	2,089
Transportation	89	-	-	89
Miscellaneous	-	-	-	-
Total operating expenses	<u>52,838</u>	<u>8,613</u>	<u>2,940</u>	<u>64,391</u>
Total functional expenses	<u>\$ 142,003</u>	<u>\$ 18,862</u>	<u>\$ 6,014</u>	<u>\$ 166,879</u>

The accompanying notes are an integral part of this statement.

GLEN ELLYN CHILDREN'S RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2012 (AUDITED)
(see accountant's review report)

	(Audited)			
	Program Services	Management and General	Fund- raising	Total
Salaries and related expenses:				
Salaries and wages	\$ 54,794	\$ -	\$ -	\$ 54,794
Employee benefits	4,132	-	-	4,132
Payroll taxes	7,964	-	-	7,964
	<u>66,890</u>	<u>-</u>	<u>-</u>	<u>66,890</u>
Total salaries and related expenses				
Operating expenses:				
Fundraising	-	-	8,446	8,446
Insurance	-	-	-	-
Licenses and fees	-	396	-	396
Occupancy - in kind	35,000	-	-	35,000
Office expense	-	728	-	728
Outside services	5,000	-	-	5,000
Postage	28	-	-	28
Printing	462	-	-	462
Professional fees	-	7,120	-	7,120
Program supplies	4,016	-	-	4,016
Programs and field trips	-	-	-	-
Telephone	1,185	-	-	1,185
Transportation	1,261	-	-	1,261
Miscellaneous	205	-	-	205
	<u>47,157</u>	<u>8,244</u>	<u>8,446</u>	<u>63,847</u>
Total operating expenses				
Total functional expenses	<u>\$ 114,047</u>	<u>\$ 8,244</u>	<u>\$ 8,446</u>	<u>\$ 130,737</u>

The accompanying notes are an integral part of this statement.

GLEN ELLYN CHILDREN'S RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2013 (REVIEWED) AND 2012 (AUDITED)
(see accountant's review report)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ACTIVITIES:

The Glen Ellyn Children's Resource Center (the Center) is a not-for-profit corporation whose purpose is to provide a range of services to low income elementary and middle school youth through the operation of an after-school center. The Center provides the youth a safe place for positive activities such as homework help, tutoring programs, crafts, sports, clubs, and supervised recreation. The Center also provides children and parents with additional educational and cultural activities.

The Center was incorporated on December 26, 2003 with the name Glen Ellyn Community Resource Center. The name was changed to its present name in November, 2008.

The financial statements were available to be issued on November 15, 2013, with subsequent events being evaluated through this date.

The following is a brief summary of the accounting policies adopted by the Center.

Basis of Accounting -

The financial statements of the Center have been prepared using the accrual basis of accounting, which recognizes revenues as they are earned and expenses as they are incurred.

Basis of Presentation -

The accompanying financial statements reflect the financial activities of the Center. The Center 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.

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that will be met, either by actions of the Center and/or the passage of time. As of August 31, 2013 and 2012, the balance in temporarily restricted net assets was \$-0- and \$5,500, respectively.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Center. Generally, the donors of these assets permit the Center to use all or part of the income earned on any related investments for general or specific purposes. There are no permanently restricted net assets as of August 31, 2013 and 2012.

Use of Estimates -

Management uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results may vary from those estimates.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND NATURE OF ACTIVITIES:
(Continued)

Functional Allocation of Expenses -

The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Center considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Property and Equipment -

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the related assets, generally 5 to 27.5 years. The Center capitalizes all property and equipment with a cost of \$500 or more. Additions are capitalized, while replacements, maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. The cost of property and equipment retired or disposed of is removed from the accounts along with the related accumulated depreciation or amortization and any gain or loss is reflected in the accompanying statement of activities.

Unrestricted and Restricted Support and Revenue -

All contributions, including unconditional promises to give, are considered to be available for unrestricted use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met. 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.

Gifts of property and equipment are reported as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services -

According to the Accounting Standards Codification for *Contributions Received and Contributions Made*, contributions of services are required to be recognized if the services received a) create or enhance non-financial assets or b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

(2) INCOME TAXES:

The Center has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(a) as described under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

The Center files income tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Center is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2009. The Center does not expect a material net change in unrecognized tax benefits in the next twelve months.

(3) DONATED GOODS AND SERVICES:

Contributions of goods that are essential to the Center's purpose and services that would need to be purchased if not provided by donations are recorded at their fair values in the period in which they are received. The following donated goods and services revenue and the corresponding expenses are included in the accompanying statement of activities:

	2013 <u>(Reviewed)</u>	2012 <u>(Audited)</u>
Occupancy	\$ 35,000	\$ 35,000
Outside services	<u>4,550</u>	<u>5,000</u>
Total donated goods and services	<u>\$ 39,550</u>	<u>\$ 40,000</u>

The use of the facilities where the Glen Ellyn Children's Resource Center operates were donated by the YMCA, School District #41, Community Bank, and St. Pet's Church which own the real property and most of the personal property at the site.

Amounts have been recognized as revenue and expenses in the accompanying financial statements for the fair market value of the donated facilities (approximately \$39,550 and \$40,000 for the years ended August 31, 2013 and 2012, respectively). All operating and maintenance expenses for the facilities are the responsibility of the YMCA, School District #41, Community Bank, and St. Petronille Church.

The donated facilities represent approximately 26% of total revenue for the years ended August 31, 2013 and 2012.

(4) PROGRAM SPONSOR AGREEMENT:

The Center had entered into an agreement with B.R. Ryall YMCA (Sponsor) whereas, the Sponsor would provide assistance through employment of the Center's Program Director and Aide, as well as providing office space, telephones, computer access, etc. This value is included in valuation of donated goods and services. The Center discontinued the terms of the agreement with B.R. Ryall YMCA on June 30, 2013.

(5) COMMITMENTS:

As of August 31, 2013, the Center had entered into an operating lease agreement for the rental of its office in Glen Ellyn, Illinois with the expiration of the lease in February, 2014. Lease expense for the years ended August 31, 2013 and 2012 were \$1,200 and \$-0-, respectively.

Future minimum rental commitments are as follows:

2014	\$	1,440
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(6) PENSION PLAN:

The Center sponsors a defined contribution retirement plan covering all qualified employees. The retirement benefits were offered by B.R. Ryall YMCA, and will be discontinued with the termination of their agreement in June, 2013. Retirement expense for the years ended August 31, 2013 and 2012 was \$1,356 and \$-0-, respectively.

(7) CONCENTRATIONS:

The Center received approximately 17% of revenue from one donor for the year ended August 31, 2013. There were no concentrations of revenue for the year ended August 31, 2012.