

**HOUSING OPPORTUNITIES AND
MAINTENANCE FOR THE ELDERLY, INC.**
Chicago, Illinois

FINANCIAL STATEMENTS
September 30, 2014 and 2013



CliftonLarsonAllen

**HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
TABLE OF CONTENTS
SEPTEMBER 30, 2014 AND 2013**

	PAGE
INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7

INDEPENDENT AUDITORS' REPORT

Board of Directors
Housing Opportunities and Maintenance
for the Elderly, Inc.
Chicago, Illinois

We have audited the accompanying financial statements of Housing Opportunities and Maintenance for the Elderly, Inc. (the "Organization"), which comprise the statements of financial position as of September 30, 2014 and 2013, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Board of Directors
Housing Opportunities and Maintenance
for the Elderly, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2014 and 2013, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
January 28, 2015

HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
STATEMENTS OF FINANCIAL POSITION
September 30, 2014 and 2013

	2014	2013
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 199,069	\$ 121,221
Certificates of Deposit	113,395	265,052
Accounts Receivable	140,048	32,420
Prepaid Expenses	27,568	21,365
Total Current Assets	480,080	440,058
PROPERTY AND EQUIPMENT (NET)	3,137,273	3,248,493
OTHER ASSETS		
Escrow Accounts	51,581	40,032
Security Deposits	2,500	2,500
Loan Fees, Net	10,054	10,368
Total Other Assets	64,135	52,900
Total Assets	\$ 3,681,488	\$ 3,741,451
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 35,726	\$ 36,885
Current Portion of Long-Term Debt	8,250	8,250
Accrued Expenses	59,744	24,239
Deferred Revenue - Grants	3,200	3,200
Total Current Liabilities	106,920	72,574
LONG-TERM LIABILITES		
Deferred Revenue - Grants, Long-Term	12,800	16,000
Notes Payable, Net of Current Portion	2,775,291	2,783,541
Total Long-Term Liabilities	2,788,091	2,799,541
Total Liabilities	2,895,011	2,872,115
NET ASSETS		
Unrestricted		
Board-Designated Building Reserve	273,867	299,726
Board-Designated Special Projects Reserve	-	62,349
Unrestricted, Undesignated	466,853	499,061
Total Unrestricted	740,720	861,136
Temporarily Restricted	45,757	8,200
Total Net Assets	786,477	869,336
Total Liabilities and Net Assets	\$ 3,681,488	\$ 3,741,451

See Accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
STATEMENTS OF ACTIVITIES
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUES AND OTHER SUPPORT						
Contributions	\$ 331,471	\$ -	\$ 331,471	\$ 322,500	\$ -	\$ 322,500
Grants	370,010	42,557	412,567	217,800	5,000	222,800
Bequests	53,695	-	53,695	97,559	-	97,559
In-Kind Contributions	-	-	-	13,230	-	13,230
Rent from Housing Facilities and Rental Subsidies	477,834	-	477,834	470,299	-	470,299
Government Contracts	50,936	-	50,936	51,273	-	51,273
Investment Income, including loss from Joint Venture	(14,827)	-	(14,827)	(32,437)	-	(32,437)
Special Event, Net of Costs of \$16,824 and \$17,246 in 2014 and 2013, respectively	39,099	-	39,099	32,015	-	32,015
Other Income	105,168	-	105,168	95,035	-	95,035
Net Assets Released from Restrictions	5,000	(5,000)	-	14,986	(14,986)	-
Total Revenues and Other Support	1,418,386	37,557	1,455,943	1,282,260	(9,986)	1,272,274
EXPENSES						
Program Services	1,240,034	-	1,240,034	1,233,544	-	1,233,544
Management and General	127,326	-	127,326	121,493	-	121,493
Fundraising Expenses	171,442	-	171,442	203,430	-	203,430
Total Expenses	1,538,802	-	1,538,802	1,558,467	-	1,558,467
CHANGE IN NET ASSETS	(120,416)	37,557	(82,859)	(276,207)	(9,986)	(286,193)
Net Assets - Beginning of Year	861,136	8,200	869,336	1,137,343	18,186	1,155,529
NET ASSETS - END OF YEAR	\$ 740,720	\$ 45,757	\$ 786,477	\$ 861,136	\$ 8,200	\$ 869,336

See Accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014				2013			
	Program Services	Management and General	Fundraising Expenses	Total	Program Services	Management and General	Fundraising Expenses	Total
Employment Costs (Excluding Housing Facilities):								
Salaries	\$ 272,884	\$ 73,980	\$ 97,044	\$ 443,908	\$ 231,042	\$ 66,837	\$ 88,929	\$ 386,808
Payroll Taxes	20,153	5,694	6,661	32,508	18,837	4,776	5,562	29,175
Other Benefits	7,310	561	4,301	12,172	9,464	979	5,254	15,697
Other	2,112	417	3,258	5,787	3,537	936	1,261	5,734
Salaries, Maintenance and Programs at Housing Facilities	606,097	-	-	606,097	615,904	-	-	615,904
Replacement of Building Equipment	-	-	-	-	17,205	-	-	17,205
Program Supplies	75,285	-	-	75,285	74,597	-	-	74,597
Depreciation Expense	144,122	-	-	144,122	143,270	-	-	143,270
Telephone	8,463	1,783	1,465	11,711	6,627	1,492	1,769	9,888
Maintenance	4,779	1,284	1,308	7,371	4,722	1,300	1,370	7,392
General and Administrative	7,844	10,734	15,755	34,333	6,914	10,717	60,578	78,209
Outside Services	658	20,578	2,194	23,430	715	21,411	218	22,344
Fundraising and Promotion	-	-	25,657	25,657	-	-	23,726	23,726
Transportation	36,750	172	345	37,267	39,643	160	684	40,487
Rent	18,543	4,610	5,000	28,153	19,163	5,043	5,379	29,585
Insurance	29,655	6,863	7,749	44,267	31,141	7,575	8,417	47,133
Utilities	2,611	650	705	3,966	1,019	267	283	1,569
Bad Debt Expense	2,768	-	-	2,768	9,744	-	-	9,744
	<u>\$ 1,240,034</u>	<u>\$ 127,326</u>	<u>\$ 171,442</u>	<u>\$ 1,538,802</u>	<u>\$ 1,233,544</u>	<u>\$ 121,493</u>	<u>\$ 203,430</u>	<u>\$ 1,558,467</u>

See Accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (82,859)	\$ (286,193)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	144,122	143,270
Amortization of Loan Fees	314	314
Provision for Bad Debts	2,768	9,744
(Gain) Loss on Sale of Fixed Assets	(8,506)	-
(Increase) Decrease in:		
Accounts Receivable	(110,396)	(24,055)
Prepaid Expenses	(6,203)	(2,979)
Escrow Accounts	(11,549)	6,916
Security Deposits	-	232
Increase (Decrease) in:		
Accounts Payable	(1,159)	(21,716)
Accrued Expenses	35,505	14,736
Security Deposits	-	(3,970)
Deferred Revenue	(3,200)	(3,200)
Net Cash Used in Operating Activities	(41,163)	(166,901)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Certificates of Deposit	-	(265,052)
Redemption of Certificates of Deposit	151,657	314,673
Purchase of Property and Equipment	(32,902)	(14,873)
Net Cash Provided by Investing Activities	127,261	34,748
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Long-Term Debt	(8,250)	(8,250)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	77,848	(140,403)
Cash and Cash Equivalents - Beginning of Year	121,221	261,624
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 199,069	\$ 121,221
SUPPLEMENTARY INFORMATION		
Interest Paid	\$ 6	\$ 7

See Accompanying Notes to Financial Statements.

HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Housing Opportunities and Maintenance for the Elderly, Inc. (the "Organization") is a nonprofit organization that provides housing and housing support services for low-income elderly in the city of Chicago. The Organization owns and operates three intergenerational apartment buildings, operates an upkeep and repair program for low-income homeowners, and provides a handicapped accessible shopping bus that serves senior citizens citywide.

Presentation of Financial Statements

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

Unrestricted - Net assets that are not subject to donor-imposed stipulations. Unrestricted net assets include net assets subject to designations that may be imposed or removed at the discretion of the Organization's board of directors (board).

Temporarily restricted - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or by the passage of time.

Permanently restricted - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donor of these assets permits the use of all or part of the income earned on any related investments for general or specific purposes. At September 30, 2014 and 2013, the Organization had no permanently restricted net assets.

Cash and Cash Equivalents

For purposes of reporting cash flows, the Organization considers all short-term investments with an initial maturity of less than three months to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. At times, cash in the bank may exceed FDIC insurable limits.

Certificates of Deposit

Certificates of Deposit consist of certificates with an initial maturity of more than three months and are recorded at cost, which approximates fair value.

Accounts Receivable

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense based on its assessment of the current status of individual receivables from rents, contracts, and others. There was an allowance of \$1,055 as of September 30, 2014 and 2013.

HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions are recognized when the donor makes a gift to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Property, Equipment, and Depreciation

The Organization capitalizes all expenditures for property and equipment costing \$1,000 or more that have an estimated useful life of more than one year. All property and equipment are recorded at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the individual assets as follows:

Equipment and Vehicles	3 -7 years
Furniture and Fixtures	3-10 years
Buildings and Improvements	10-40 years

Impairment of Long-Lived Assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or the fair value less costs to sell.

Loan Fees

Loan fees are amortized over the term of the mortgage loan using the straight-line method. Accumulated amortization at September 30, 2014 and 2013 was \$1,884 and \$1,570, respectively.

Donated Services, Materials, and Supplies

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. However, many individuals volunteer their time and perform a variety of tasks that assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Donated materials and supplies are recorded at fair market value. No in-kind donations were received for the fiscal year ended September 30, 2014. For the fiscal year ended September 30, 2013, the Organization received \$13,230 of materials and installation of hot water heaters in their low-income housing.

HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expense Allocation

Functional expenses have been allocated between program services, management and general, and fundraising based on an analysis of personnel time and space utilized for the related activities.

Investment in PrimeLife Home Improvement Project

During 2013, the Organization invested in PrimeLife Home Improvement (PLHI), a 501(c)(3) exempt entity established by three members to provide improvements, maintenance, and repairs to residential homes for older adults and 501(c)(3) exempt institutional organizations. PLHI surplus revenue and losses are determined in accordance with accounting principles generally accepted in the United States of America for nonprofit organizations using the accrual method of accounting. The Organization invested \$30,000 to earn a one-third interest in the net assets of PLHI. However, the Organization has promised to invest up to \$50,000, as necessary. Since PLHI has negative net assets as of September 30, 2014, the Organization's investment is valued at \$0 and a related obligation of \$18,592 is recorded to cover the Organization's share of the current loss of PLHI. The Organization will potentially be liable for up to \$20,000.

Board-Designated Unrestricted Net Assets

The board has designated a portion of unrestricted net assets in 2014 and 2013 as a Special Projects Reserve designed to cover costs of special projects which could not be financed from normal sources of revenue and as a building reserve designated for improving and replacing capital equipment and other facilities improvements. These designations are at the board's discretion and all or any part of these designations may be re-designated for the general purpose of the Organization.

Income Tax Status

The Organization is a nonprofit organization exempt from paying corporate federal income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). It has been classified as an organization that is not a private foundation under the IRC and charitable contributions by donors are tax deductible.

The Organization has evaluated its tax positions and determined it has no uncertain tax positions at September 30, 2014.

The Organization's 2011, 2012, and 2013 tax years are open for examination by the Internal Revenue Service (IRS). Should the Organization's tax-exempt status be challenged in the future, all years since inception could be subject to review by the IRS.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reclassifications

Certain reclassifications have been made to the September 30, 2013 financial statements in order to present them in conformity with the September 30, 2014 financial statements. These reclassifications had no effect on net assets as previously reported.

NOTE 2 PROPERTY AND EQUIPMENT

Property and equipment as of September 30, 2014 and 2013 consisted of the following:

	2014	2013
Land	\$ 676,828	\$ 676,828
Buildings and Improvements	4,984,071	4,984,071
Furniture and Fixtures	373,805	373,805
Equipment and Automobiles	458,155	447,745
	<u>6,492,859</u>	<u>6,482,449</u>
Less: Accumulated Depreciation	<u>(3,355,586)</u>	<u>(3,233,956)</u>
Total Property and Equipment	<u>\$ 3,137,273</u>	<u>\$ 3,248,493</u>

NOTE 3 ESCROW ACCOUNTS

Escrow accounts at September 30, 2014 and 2013 consist of the following:

	2014	2013
Resources for Repair and Maintenance	\$ 14,691	\$ 2,290
Insurance Escrow	32,750	23,602
Real Estate Tax Escrow	4,140	14,140
	<u>\$ 51,581</u>	<u>\$ 40,032</u>

The Organization makes monthly deposits into the insurance and repairs and maintenance escrow accounts.

NOTE 4 DEFERRED REVENUE

During 2006, the Organization received a grant for \$48,000 for the construction and rehabilitation of Blackhawk Manor for the Affordable Housing Program (AHP). The Organization's liability is reduced annually over a period of 15 years based on a pro rata share of the grant provided that no defaults occur under the grant agreement. Should a default occur under the agreement, the Organization is liable for the remaining portion of the grant.

Deferred revenue consisted of \$16,000 and \$19,200 from AHP at September 30, 2014 and 2013, respectively.

HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 5 NOTES PAYABLE

Notes payable as of September 30, 2014 and 2013 consisted of the following:

	2014	2013
Interest-free note payable to the city of Chicago single payment, maturing on May 12, 2033, collateralized by a first mortgage on the related building and land.	\$ 2,518,854	\$ 2,518,854
Interest-free note payable to the Illinois Housing Development Authority, due in monthly payments of \$688, maturing in September of 2046, secured by the related land and buildings.	264,687	272,937
	2,783,541	2,791,791
Less: Current Portion	(8,250)	(8,250)
	\$ 2,775,291	\$ 2,783,541

Future scheduled maturities of long-term debt are as follows:

Years Ending September 30:	Amount
2015	\$ 8,250
2016	8,250
2017	8,250
2018	8,250
2019	8,250
Thereafter	2,742,291
	\$ 2,783,541

Interest expense was \$6 and \$7 at September 30, 2014 and 2013, respectively.

NOTE 6 UNRESTRICTED NET ASSETS

Unrestricted net assets consisted of the following at September 30, 2014:

	Beginning Balance	Increases/ (Decreases)	Uses of Board- Designated Funds	Transfers In (Out)	Ending Balance
Unrestricted, Undesignated	\$ 499,061	\$ (109,617)	\$ -	\$ 77,409	\$ 466,853
Board-Designated Building Reserve	299,726	-	(10,799)	(15,060)	273,867
Board-Designated Special Projects Reserve	62,349	-	-	(62,349)	-
Total Unrestricted Net Assets	\$ 861,136	\$ (109,617)	\$ (10,799)	\$ -	\$ 740,720

HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 6 UNRESTRICTED NET ASSETS (CONTINUED)

The board designated the use of \$10,799 from the board-designated building reserve. The Organization used \$77,409 from the board-designated special projects reserve and building reserve for operating expenses.

Unrestricted net assets consisted of the following at September 30, 2013:

	Beginning Balance	Increases/ (Decreases)	Uses of Board- Designated Funds	Transfers In (Out)	Ending Balance
Unrestricted, Undesignated	\$ 449,343	\$ (199,912)	\$ -	\$ 249,630	\$ 499,061
Operating Reserve	315,000	-	-	(315,000)	-
Board-Designated Building Reserve	280,000	-	(8,885)	28,611	299,726
Board-Designated Special Projects Reserve	93,000	-	(67,410)	36,759	62,349
Total Unrestricted Net Assets	\$ 1,137,343	\$ (199,912)	\$ (76,295)	\$ -	\$ 861,136

The replacement of building equipment expense of \$17,205 as of September 30, 2013 includes \$8,320 of an in-kind donation related to a water heater at the Pat Crowley House, and \$8,885 for the replacement of a water heater at the Nathalie Salmon House. The board designated only the use of \$8,885 from the board-designated building reserve. The Organization used \$67,410 from the board-designated special projects reserve for operating expenses as of September 30, 2013.

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consisted of the following at September 30, 2014 and 2013:

	2014	2013
Field Foundation grant for Moving Coordinator	\$ 10,002	\$ -
RRF grant for Moving Program	35,755	-
IFDA donation for NSH Floor Coverings	-	5,000
Other	-	3,200
	\$ 45,757	\$ 8,200

NOTE 8 GAIN/LOSS ON INVOLUNTARY CONVERSION

In July of 2012, a fire damaged a portion of the building located at Nathalie Salmon House. During the fiscal year ended September 30, 2012, the Organization settled its insurance claim related to the fire. The insurance settlement provided them with enough funds to restore the premises and repair fire damage. The Organization received \$17,820 in insurance proceeds as of September 30, 2013. After expenses incurred for repair and restoration were applied, the loss on involuntary conversion of \$10,478 as of September 30, 2013, was recorded as part of "Other income" on the Statements of Activities. There were no additional insurance proceeds received or expenses incurred in the current year ended September 30, 2014.

HOUSING OPPORTUNITIES AND MAINTENANCE FOR THE ELDERLY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2014 AND 2013

NOTE 9 OPERATING LEASE COMMITMENT

The Organization is committed under a lease agreement for office space through July 2015. The lease provides for a base monthly rental, plus a percentage of the property taxes based on the Organization's proportionate share of the lease space. Rent expense was \$31,248 and \$33,620, respectively, for the years ended September 30, 2014 and 2013.

Future minimum payments on the lease are as follows:

<u>Years Ending September 30:</u>	<u>Amount</u>
2015	<u>\$ 28,138</u>

NOTE 10 RETIREMENT PLAN

The Organization has a contributory, defined contribution retirement plan covering full-time employees who have met certain requirements as to length of service and age. Annual contributions to the plan are made at the discretion of the board. Total retirement plan expense for the years ended September 30, 2014 and 2013 was \$1,250 and \$1,450, respectively.

NOTE 11 RELATED PARTY TRANSACTIONS

At September 30, 2014 and 2013, the Organization received \$8,860 and \$10,492, respectively, in individual contributions from its board members.

NOTE 12 SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through January 28, 2015, the date the financial statements were available to be issued.