

**EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.**

**COMBINED FINANCIAL STATEMENTS
AS OF JUNE 30, 2015 AND 2014**

TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Evangelical Child and Family Agency:

We have audited the accompanying financial statements of Evangelical Child and Family Agency and ECFA Foundation, Inc. which comprise the combined statement of financial position as of June 30, 2015 and 2014, and the related combined statements of activities, cash flows and functional expenses for the years then ended and the related notes to the combined 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.

Auditor's 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 of 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 auditor's 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.

To the Board of Directors of
Evangelical Child and Family Agency

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Evangelical Child and Family Agency and ECFA Foundation, Inc. as of June 30, 2015 and 2014, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information included in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the 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.


DUGAN & LOPATKA

Wheaton, Illinois
September 29, 2015

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
COMBINED STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

	2015	2014
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 323,728	\$ 191,601
Investments	1,257,452	1,337,926
Receivables - Program fees	169,621	330,500
- Contributions	-	2,335
Other current assets	24,476	20,071
Total current assets	1,775,277	1,882,433
PROPERTY AND EQUIPMENT:		
Land	83,000	83,000
Building and improvements	695,271	689,771
Furniture and equipment	68,034	68,737
Automobiles	86,988	78,988
	933,293	920,496
Less - Accumulated depreciation	629,554	633,084
Net property and equipment	303,739	287,412
OTHER ASSETS:		
Rent security deposits	4,701	7,417
Certificate of deposit	7,915	7,915
Total other assets	12,616	15,332
	\$ 2,091,632	\$ 2,185,177
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 24,553	\$ 73,236
Other liabilities and accrued expenses	46,043	71,233
Total current liabilities	70,596	144,469
COMMITMENTS		
NET ASSETS:		
Unrestricted	1,974,740	2,028,373
Temporarily restricted	46,296	12,335
Permanently restricted	-	-
Total net assets	2,021,036	2,040,708
	\$ 2,091,632	\$ 2,185,177

The accompanying notes are an integral part of this statement.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Contributions	\$ 614,718	\$ 46,296	\$ 661,014	\$ 756,336	\$ 12,335	\$ 768,671
Program service fees	213,320	-	213,320	241,900	-	241,900
Government payment for services	799,473	-	799,473	848,359	-	848,359
Resale shop sales (net of direct expenses of \$127,755 in 2015 and \$126,132 in 2014)	57,303	-	57,303	56,614	-	56,614
Special projects and events (net of direct expenses of \$106,244 in 2015 and \$79,336 in 2014)	249,737	-	249,737	163,506	-	163,506
Income on investments	61,762	-	61,762	55,233	-	55,233
Net unrealized and realized gains (loss) on investments	(64,391)	-	(64,391)	139,293	-	139,293
Gain on disposal of property and equipment	3,000	-	3,000	-	-	-
Total support and revenue	1,934,922	46,296	1,981,218	2,261,241	12,335	2,273,576
RECLASSIFICATIONS:						
Net assets released upon satisfaction of purpose restrictions	12,335	(12,335)	-	12,000	(12,000)	-

The accompanying notes are an integral part of this statement.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
COMBINED STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
FUNCTIONAL EXPENSES:						
Program -						
Adoption Services	\$ 283,363	\$ -	\$ 283,363	\$ 271,676	\$ -	\$ 271,676
Safe Families Foster Care	96,876	-	96,876	94,320	-	94,320
Pregnancy Support Services	366,875	-	366,875	391,928	-	391,928
Family and Individual Counseling	115,703	-	115,703	109,428	-	109,428
Intact Family Services	738,168	-	738,168	725,909	-	725,909
Total program expense	1,600,985	-	1,600,985	1,593,261	-	1,593,261
Management and General	224,585	-	224,585	226,416	-	226,416
Fundraising	175,320	-	175,320	164,678	-	164,678
Total functional expenses	2,000,890	-	2,000,890	1,984,355	-	1,984,355
CHANGE IN NET ASSETS	(53,633)	33,961	(19,672)	288,886	335	289,221
NET ASSETS, Beginning of year	2,028,373	12,335	2,040,708	1,739,487	12,000	1,751,487
NET ASSETS, End of year	\$ 1,974,740	\$ 46,296	\$ 2,021,036	\$ 2,028,373	\$ 12,335	\$ 2,040,708

The accompanying notes are an integral part of this statement.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (19,672)	\$ 289,221
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	25,887	25,860
Gain on sale of property and equipment	(3,000)	-
Unrealized and realized (gains) loss on investments	64,391	(139,293)
Donated investments	(8,630)	-
(Increase) decrease in receivables	163,214	(250,653)
(Increase) in other current assets	(4,405)	(117)
(Increase) decrease in rent security deposits	2,716	(4,260)
Increase (decrease) in accounts payable	(48,683)	41,395
Increase (decrease) in other liabilities and accrued expenses	(25,190)	22,835
	<u>146,628</u>	<u>(15,012)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(55,709)	(56,135)
Sale of investments	80,422	-
Purchase of property and equipment	(42,214)	(39,567)
Proceeds from sale of property and equipment	3,000	-
	<u>(14,501)</u>	<u>(95,702)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	132,127	(110,714)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>191,601</u>	<u>302,315</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 323,728</u>	<u>\$ 191,601</u>

The accompanying notes are an integral part of this statement.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	Adoption Services	Safe Families Foster Care	Pregnancy Support Services	Family and Individual Counseling	Intact Family Services	Total Program Expense	Management and General	Fund-raising	Total
Salaries	\$ 200,984	\$ 65,476	\$ 212,046	\$ 75,590	\$ 445,038	\$ 999,134	\$ 151,933	\$ 108,539	\$ 1,259,606
Employee benefits	35,811	12,329	65,123	11,821	71,687	196,771	21,472	12,853	231,096
Payroll taxes	15,006	4,843	13,759	5,644	31,705	70,957	10,887	8,036	89,880
Professional fees	4,980	632	3,218	1,279	10,831	20,940	3,650	675	25,265
Supplies	1,853	926	3,547	1,185	6,936	14,447	1,450	3,490	19,387
Telephone	3,386	1,600	4,002	238	7,502	16,728	999	1,491	19,218
Postage	1,380	479	1,913	464	3,080	7,316	1,111	6,140	14,567
Occupancy	5,783	2,124	6,515	5,576	7,350	27,348	3,204	1,535	32,087
Printing	355	-	26,490	4,525	-	31,370	20	24,260	55,650
Subscriptions	-	-	-	-	-	-	-	-	-
Local transportation	3,769	1,978	7,630	155	13,239	26,771	435	2,438	29,644
Conferences	573	42	330	2,670	11,275	14,890	3,467	218	18,575
Specific assistance	9	903	9,200	-	109,902	120,014	-	-	120,014
Membership dues	704	58	125	76	4,527	5,490	825	2,450	8,765
Insurance	3,668	1,097	4,570	2,275	2,998	14,608	7,947	765	23,320
Equipment rental and maintenance	1,140	2,604	1,635	2,039	3,889	11,307	7,665	992	19,964
Miscellaneous	-	-	290	-	285	575	7,390	-	7,965
Depreciation	3,962	1,785	6,482	2,166	7,924	22,319	2,130	1,438	25,887
Total functional expenses	\$ 283,363	\$ 96,876	\$ 366,875	\$ 115,703	\$ 738,168	\$ 1,600,985	\$ 224,585	\$ 175,320	\$ 2,000,890

The accompanying notes are an integral part of this statement.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
COMBINED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014

	Adoption Services	Safe Families Foster Care	Pregnancy Support Services	Family and Individual Counseling	Intact Family Services	Total Program Expense	Management and General	Fund-raising	Total
Salaries	\$ 175,573	\$ 57,557	\$ 219,289	\$ 72,722	\$ 424,949	\$ 950,090	\$ 143,047	\$ 100,496	\$ 1,193,633
Employee benefits	35,867	12,619	67,096	11,631	83,756	210,969	21,752	13,425	246,146
Payroll taxes	10,714	3,395	13,975	4,394	36,980	69,458	8,752	6,633	84,843
Professional fees	14,419	650	2,971	1,214	5,907	25,161	11,255	928	37,344
Supplies	1,535	855	2,014	615	4,939	9,958	2,986	1,628	14,572
Telephone	3,356	1,497	3,950	195	7,170	16,168	831	1,239	18,238
Postage	1,258	402	1,856	358	1,902	5,776	1,050	5,421	12,247
Occupancy	8,486	3,027	9,704	7,727	10,185	39,129	4,733	2,165	46,027
Printing	777	6,450	33,647	500	-	41,374	-	23,269	64,643
Subscriptions	40	-	6	-	-	46	207	-	253
Local transportation	4,819	2,015	10,520	155	11,892	29,401	638	3,288	33,327
Conferences	1,158	(129)	538	1,288	14,292	17,147	2,739	272	20,158
Specific assistance	841	847	9,072	-	89,963	100,723	-	-	100,723
Membership dues	149	61	165	78	5,054	5,507	925	2,214	8,646
Insurance	7,582	2,499	9,012	5,876	7,746	32,715	10,062	1,755	44,532
Equipment rental and maintenance	1,532	607	1,524	456	10,963	15,082	7,231	309	22,622
Miscellaneous	289	133	428	168	927	1,945	8,583	13	10,541
Depreciation	3,281	1,835	6,161	2,051	9,284	22,612	1,625	1,623	25,860
Total functional expenses	\$ 271,676	\$ 94,320	\$ 391,928	\$ 109,428	\$ 725,909	\$ 1,593,261	\$ 226,416	\$ 164,678	\$ 1,984,355

The accompanying notes are an integral part of this statement.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
NOTES TO COMBINED FINANCIAL STATEMENTS
JUNE 30, 2015 AND 2014

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Evangelical Child and Family Agency (the Agency) was incorporated on June 24, 1959, under the Illinois General Not-For-Profit Act. The Agency was formed to provide programs of adoption, foster family care, pregnancy support services, and family counseling under the evangelical protestant Christian auspices.

The ECFA Foundation, Inc. (the Foundation) was formed in 1996 for the purpose of promoting and financially supporting the purposes of the Evangelical Child and Family Agency.

The financial statements were available to be issued on September 29, 2015, with subsequent events being evaluated through this date.

The following is a brief summary of the accounting policies adopted by the Agency and the Foundation:

Accounting Method -

The accounting records of the Agency and Foundation are maintained on the accrual basis which recognizes revenue as it is earned and expenses as they are incurred.

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC) for *Financial Statements of Not-for-Profit Organizations*. Under the ASC, the Agency and Foundation are required to report information regarding their financial position and activities according to three classes of net assets, which are unrestricted, temporarily restricted and permanently restricted net assets.

The Foundation is combined with the Agency for financial reporting. All significant intercompany account balances and transactions have been eliminated in the combined financial statements.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Agency and Foundation consider all highly liquid instruments with an original maturity of less than three months to be cash equivalents.

Credit Risk -

Financial instruments which potentially subject the Agency and Foundation to concentrations of credit risk consist principally of cash. The Agency and Foundation place their cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits during the year.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Receivables -

Receivables consist mostly of amounts due from governmental agencies and are considered fully collectible. Therefore, no allowance for doubtful accounts was required.

Investments -

Investments are recorded at fair market value.

Property and Equipment -

Property and equipment are stated at cost, except for donations of equipment, which are stated at fair market value as of the date of donation. The Agency follows the practice of capitalizing all expenditures for fixed assets in excess of \$1,000. Depreciation is computed using the straight-line method to amortize the cost of fixed assets over their estimated useful lives, ranging from 3 to 40 years. Equipment replacements or improvements are capitalized. Expenditures for repairs or maintenance are expensed when incurred. When assets are disposed of or considered no longer useful, the cost and related depreciation are removed from the books.

Depreciation for the fiscal years ended June 30, 2015 and 2014 amounted to \$25,887 and \$25,860, respectively.

Donated Materials -

Donated property, marketable securities, and other non-cash donations are recorded as contributions at their estimated market value at the date of donation.

Donated Services -

Donated services are recognized as contributions in accordance with the Accounting Standards Codification for *Contributions Received and Contributions Made*, 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 Agency.

Restricted and Unrestricted Revenue -

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions received are reported as increases in temporarily restricted or permanently restricted support, depending on the existence and/or nature of any donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Functional Expenses -

The costs of providing the various programs and other activities are summarized on a functional basis. The costs have been allocated among the various programs and supporting service classifications on the basis of time records, square feet of building usage, and other estimates made by the Agency's management.

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 and disclosures. Actual results could differ from those estimates.

Income Taxes -

The Agency and Foundation have 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 Agency and Foundation file income tax returns in the U.S. federal jurisdiction. With few exceptions, the Agency and Foundation are no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2011. The Agency and Foundation do not expect a material net change in unrecognized tax benefits in the next twelve months.

(2) INVESTMENTS:

Investments are carried at fair market value. Investments consist of the following:

<u>Summary of Investments</u>	<u>2015</u>		<u>2014</u>	
	<u>Fair Market Value</u>	<u>Cost</u>	<u>Fair Market Value</u>	<u>Cost</u>
Evangelical Child and Family Agency - Mutual funds	\$ 7,373	\$ 6,967	\$ 54,501	\$ 32,873
Stocks	<u>78,042</u>	<u>70,388</u>	<u>92,579</u>	<u>76,385</u>
	85,415	77,355	147,080	109,258
ECFA Foundation - Mutual funds	<u>1,172,037</u>	<u>837,425</u>	<u>1,190,846</u>	<u>782,627</u>
Total investments	<u>\$1,257,452</u>	<u>\$ 914,780</u>	<u>\$1,337,926</u>	<u>\$ 891,885</u>

(3) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurement established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2015 and 2014.

Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the net asset value (NAV) of shares held by the Agency or Foundation at year end.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Agency and the Foundation believe its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

(3) FAIR VALUE MEASUREMENTS: (Continued)

Fair values of assets measured on a recurring basis at June 30, 2015 and 2014 are as follow:

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments -				
Stocks -				
Services	\$ 44,354	\$ -	\$ -	\$ 44,354
Technology	4,526	-	-	4,526
Industrial	1,646	-	-	1,646
Consumer goods	16,226	-	-	16,226
Financial	<u>11,290</u>	<u>-</u>	<u>-</u>	<u>11,290</u>
Total stocks	<u>78,042</u>	<u>-</u>	<u>-</u>	<u>78,042</u>
Mutual funds -				
International stock -				
World allocations	1,172,037	-	-	1,172,037
World stock	5,973	-	-	5,973
U.S. stock mid-cap	<u>1,400</u>	<u>-</u>	<u>-</u>	<u>1,400</u>
Total mutual funds	<u>1,179,410</u>	<u>-</u>	<u>-</u>	<u>1,179,410</u>
Total investments	<u>\$ 1,257,452</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,257,452</u>

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2014</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments -				
Stocks -				
Services	\$ 63,429	\$ -	\$ -	\$ 63,429
Technology	4,225	-	-	4,225
Industrial	1,569	-	-	1,569
Consumer goods	16,697	-	-	16,697
Financial	<u>6,659</u>	<u>-</u>	<u>-</u>	<u>6,659</u>
Total stocks	<u>92,579</u>	<u>-</u>	<u>-</u>	<u>92,579</u>
Mutual funds -				
International stock -				
World allocations	1,190,846	-	-	1,190,846
World stock	4,326	-	-	4,326
U.S. stock mid-cap	<u>50,175</u>	<u>-</u>	<u>-</u>	<u>50,175</u>
Total mutual funds	<u>1,245,347</u>	<u>-</u>	<u>-</u>	<u>1,245,347</u>
Total investments	<u>\$ 1,337,926</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,337,926</u>

(4) LINE OF CREDIT:

The Agency and Foundation have a loan agreement with an investment broker in which they can borrow up to 50% of qualified investments held with this broker. The interest rate is a variable rate based on an amount greater than prime. As of June 30, 2015 and 2014, there was no outstanding balance on these loans.

(5) RELATED PARTY TRANSACTIONS:

The Agency has a line-of-credit arrangement that provides for a maximum borrowing of \$100,000 with the Foundation. The line of credit from the Foundation is secured by a mortgage and security agreement with respect to real estate located in Wheaton, Illinois and New Berlin, Wisconsin. The interest rate on the line of credit from the Foundation to Illinois is set on the first day of each month and is equal to the prime rate of interest in effect prior to the first day of each month. As of June 30, 2015 and 2014, the line of credit had a \$-0- balance. The line-of-credit note comes due on May 31, 2016.

The loans outstanding between the Foundation and the Agency are offset when the Foundation and the Agency in Illinois and Wisconsin are combined into one entity for financial reporting purposes. The interest income to the Foundation for the years ended June 30, 2015 and 2014 was \$-0-, and that is offset on the combined financial statements by the expense to Illinois and Wisconsin.

The Foundation contributed \$103,380 and \$70,340 to the Agency for the years ended June 30, 2015 and 2014, respectively. The Agency contributed \$80,000 and \$15,800 to the Foundation for the years ended June 30, 2015 and 2014, respectively. These amounts are offset on the combined financial statements.

As of June 30, 2015, the Foundation owed the Agency \$25,000 for a promise to give. This amount is offset on the combined financial statements.

(6) LEASE AGREEMENTS:

As of June 30, 2015, the Agency has a three-year lease which expires in June, 2016 and a month-to-month lease for its resale shops. The total rent paid for the resale shops was \$87,627 and \$86,885 for the years ended June 30, 2015 and 2014, respectively.

The estimated future minimum rental commitments as of June 30, 2015 are as follows:

2016	\$	26,376
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(7) RETIREMENT PLAN:

A 401(k) Plan was started on January 1, 2005 and is available to all employees. The Agency contributes a percentage of the employee's annual salary to the plan based on years of service up to a maximum of 5% for the years ended June 30, 2015 and 2014. There were employer contributions of \$46,988 and \$51,824 for the years ended June 30, 2015 and 2014, respectively.

(8) MAJOR SUPPORT AND REVENUE:

The Agency has a contract which must be renewed every year with the Illinois Department of Children and Family Services (DCFS) for Intact Family Services. The funding received under these agreements is 40% and 37% of the total unrestricted revenue and support received by the Agency for the years ended June 30, 2015 and 2014, respectively. The Agency also is required to be licensed as a Child Welfare Agency by DCFS.

(9) FEDERAL AND STATE GRANTS:

The Agency receives significant financial assistance from a state agency in the form of a grant. Program revenue in excess of program expenses is typically subject to recapture under various provisions. Additionally, the disbursement of funds received under this program generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability to the Agency.

(10) LETTER OF CREDIT:

The Agency has a letter of credit with a bank for Wisconsin unemployment in the amount of \$7,915 expiring on December 31, 2016. The letter of credit is collateralized by a certificate of deposit.

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
SCHEDULE OF FINANCIAL POSITION BY AREA
JUNE 30, 2015

<u>ASSETS</u>	<u>Illinois</u>	<u>Wisconsin</u>	<u>Foundation</u>	<u>Total</u>
CURRENT ASSETS:				
Cash and cash equivalents	\$ 81,011	\$ 212,919	\$ 29,798	\$ 323,728
Investments	68,127	17,288	1,172,037	1,257,452
Receivables - Program fees	194,121	500	-	194,621
Other current assets	16,238	8,238	-	24,476
Total current assets	<u>359,497</u>	<u>238,945</u>	<u>1,201,835</u>	<u>1,800,277</u>
PROPERTY AND EQUIPMENT:				
Land	60,000	23,000	-	83,000
Building and improvements	510,608	184,663	-	695,271
Furniture and equipment	46,615	21,419	-	68,034
Automobiles	70,063	16,925	-	86,988
	<u>687,286</u>	<u>246,007</u>	<u>-</u>	<u>933,293</u>
Less - Accumulated depreciation	<u>532,466</u>	<u>97,088</u>	<u>-</u>	<u>629,554</u>
Net property and equipment	<u>154,820</u>	<u>148,919</u>	<u>-</u>	<u>303,739</u>
OTHER ASSETS:				
Certificate of deposit	-	7,915	-	7,915
Rent security deposits	3,701	1,000	-	4,701
Total other assets	<u>3,701</u>	<u>8,915</u>	<u>-</u>	<u>12,616</u>
	<u>\$ 518,018</u>	<u>\$ 396,779</u>	<u>\$ 1,201,835</u>	<u>\$ 2,116,632</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 22,014	\$ 2,539	\$ 25,000	\$ 49,553
Other liabilities and accrued expenses	42,495	3,548	-	46,043
Total current liabilities	<u>64,509</u>	<u>6,087</u>	<u>25,000</u>	<u>95,596</u>
COMMITMENTS				
NET ASSETS				
Unrestricted	407,213	390,692	1,176,835	1,974,740
Temporarily restricted	46,296	-	-	46,296
Permanently restricted	-	-	-	-
Total net assets	<u>453,509</u>	<u>390,692</u>	<u>1,176,835</u>	<u>2,021,036</u>
	<u>\$ 518,018</u>	<u>\$ 396,779</u>	<u>\$ 1,201,835</u>	<u>\$ 2,116,632</u>

EVANGELICAL CHILD AND FAMILY AGENCY
AND ECFA FOUNDATION, INC.
SCHEDULE OF ACTIVITIES BY AREA
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Illinois</u>	<u>Wisconsin</u>	<u>Foundation</u>	<u>Total</u>
SUPPORT AND REVENUE:				
Contributions	\$ 407,511	\$ 238,303	\$ 15,200	\$ 661,014
Program service fees	133,313	80,007	-	213,320
Government payment for services	799,473	-	-	799,473
Resale shops (net of direct expenses of \$127,755)	-	57,303	-	57,303
Special projects and events (net of direct expenses of \$106,244)	183,059	66,678	-	249,737
Income on investments	1,596	554	59,612	61,762
Net unrealized and realized gain (loss) on investments	(492)	9,802	(73,701)	(64,391)
Gain on disposal of property and equipment	3,000	-	-	3,000
Total support and revenue	<u>1,527,460</u>	<u>452,647</u>	<u>1,111</u>	<u>1,981,218</u>
FUNCTIONAL EXPENSES:				
Adoption Services	179,900	103,463	-	283,363
Safe Families Foster Care	86,172	10,704	-	96,876
Pregnancy Support Services	187,415	179,460	-	366,875
Family and Individual Counseling	115,703	-	-	115,703
Intact Family Services	738,168	-	-	738,168
Management and General	184,458	34,252	5,875	224,585
Fundraising	100,116	75,204	-	175,320
Total functional expenses	<u>1,591,932</u>	<u>403,083</u>	<u>5,875</u>	<u>2,000,890</u>
CHANGE IN NET ASSETS	(64,472)	49,564	(4,764)	(19,672)
NET ASSETS, Beginning of year	448,801	386,928	1,204,979	2,040,708
TRANSFERS BETWEEN FUNDS	<u>69,180</u>	<u>(45,800)</u>	<u>(23,380)</u>	<u>-</u>
NET ASSETS, End of year	<u>\$ 453,509</u>	<u>\$ 390,692</u>	<u>\$ 1,176,835</u>	<u>\$ 2,021,036</u>