

EAST END COMMUNITY
SERVICES CORPORATION
CONSOLIDATED FINANCIAL REPORT
DECEMBER 31, 2016 AND 2015



FLAGEL HUBER FLAGEL
Certified Public Accountants | Business Advisors

EAST END COMMUNITY SERVICES CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
East End Community Services Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of East End Community Services Corporation, which comprise the consolidated statements of financial position as of December 31, 2016 and 2015, and the related consolidated statements of activities, functional expenses and cash flows for the years 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 consolidated 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 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 audits 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 East End Community Services Corporation as of December 31, 2016 and 2015, 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.

Supplementary and Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating schedules are presented for purposes of additional analysis and are 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

A handwritten signature in cursive script that reads "Flagel Huber Flagel".

Certified Public Accountants

Dayton, Ohio

June 12, 2017

EAST END COMMUNITY SERVICES CORPORATION
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	DECEMBER 31,	
	2016	2015
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents - unrestricted	\$ 407,893	\$ 307,818
Cash and cash equivalents - temporarily restricted	165,000	207,500
Fees receivable	239,074	394,413
Unconditional promises to give - temporarily restricted	0	100,000
Prepaid expenses	14,031	12,857
TOTAL CURRENT ASSETS	825,998	1,022,588
PROPERTY AND EQUIPMENT, net	728,871	780,238
OTHER ASSETS		
Other receivables	28,893	27,723
Deposits	1,193	1,193
TOTAL OTHER ASSETS	30,086	28,916
TOTAL ASSETS	\$ 1,584,955	\$ 1,831,742
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 16,210	\$ 20,563
Accrued payroll and related expenses	39,676	51,874
Security deposits	2,632	1,959
TOTAL CURRENT LIABILITIES	58,518	74,396
LONG-TERM LIABILITIES		
Long-term debt	27,540	27,540
Deferred revenue	65,000	65,000
TOTAL LONG-TERM LIABILITIES	92,540	92,540
NET ASSETS		
Unrestricted	1,268,897	1,357,306
Temporarily restricted	165,000	307,500
TOTAL NET ASSETS	1,433,897	1,664,806
TOTAL LIABILITIES AND NET ASSETS	\$ 1,584,955	\$ 1,831,742

The accompanying notes are an integral part of these consolidated statements.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATED STATEMENTS OF ACTIVITIES

	FOR THE YEARS ENDED DECEMBER 31,	
	2016	2015
REVENUES		
Contributions	\$ 38,974	\$ 74,394
Fees for service (contracts)	1,257,754	1,489,605
Grants	118,619	79,967
Developer fees	12,207	24,010
Rental income	58,669	30,675
Other income	3,560	9,478
	<u>1,489,783</u>	<u>1,708,129</u>
Net assets released from restrictions	207,500	217,500
TOTAL REVENUES	<u>1,697,283</u>	<u>1,925,629</u>
EXPENSES		
Program services	1,489,821	1,638,195
Management and general	239,886	202,741
Fundraising	56,068	42,997
TOTAL EXPENSES	<u>1,785,775</u>	<u>1,883,933</u>
OTHER INCOME		
Gain on disposal of property	0	8,108
Interest income	83	117
	<u>83</u>	<u>8,225</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>(88,409)</u>	<u>49,921</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
Grants	65,000	77,500
Net assets released from restrictions	(207,500)	(217,500)
	<u>(142,500)</u>	<u>(140,000)</u>
TOTAL CHANGE IN NET ASSETS	(230,909)	(90,079)
Beginning of year	<u>1,664,806</u>	<u>1,754,885</u>
End of year	<u>\$ 1,433,897</u>	<u>\$ 1,664,806</u>

The accompanying notes are an integral part of these consolidated statements.

EAST END COMMUNITY SERVICES CORPORATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and related expenses	\$ 1,058,379	\$ 176,233	\$ 18,853	\$ 1,253,465
Contract labor	40,368	521	31,700	72,589
Employee benefits	112	1,444	0	1,556
Professional fees	21,379	24,008	0	45,387
Housekeeping and janitorial	18,468	3,094	389	21,951
Office supplies	13,770	4,466	414	18,650
Telephone	7,232	1,160	151	8,543
Printing and postage	1,042	126	2,432	3,600
Insurance	24,341	9,526	203	34,070
Repairs and maintenance	41,239	4,938	172	46,349
Security	2,481	373	48	2,902
Utilities	16,644	2,183	344	19,171
Equipment rental	14,535	3,196	306	18,037
Dues and subscriptions	2,055	1,989	0	4,044
Travel	7,787	50	0	7,837
Meetings	0	30	0	30
Education and training	72	613	0	685
Program and client assistance	168,406	0	199	168,605
Advertising	500	0	0	500
Miscellaneous	5,922	255	0	6,177
Event expense	0	0	260	260
Depreciation	45,089	5,681	597	51,367
	<u>\$ 1,489,821</u>	<u>\$ 239,886</u>	<u>\$ 56,068</u>	<u>\$ 1,785,775</u>
	<u>83.4%</u>	<u>13.4%</u>	<u>3.2%</u>	<u>100%</u>

The accompanying notes are an integral part of these consolidated statements.

EAST END COMMUNITY SERVICES CORPORATION
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>PROGRAM SERVICES</u>	<u>MANAGEMENT AND GENERAL</u>	<u>FUNDRAISING</u>	<u>TOTAL</u>
Salaries and related expenses	\$ 1,198,235	\$ 116,346	\$ 22,734	\$ 1,337,315
Contract labor	131,934	5,883	17,313	155,130
Employee benefits	4,146	341	0	4,487
Professional fees	0	40,957	0	40,957
Housekeeping and janitorial	23,344	306	377	24,027
Office supplies	17,241	4,947	824	23,012
Telephone	8,898	1,095	142	10,135
Printing and postage	1,263	89	295	1,647
Insurance	23,232	11,406	350	34,988
Repairs and maintenance	11,144	1,305	126	12,575
Security	2,858	392	43	3,293
Utilities	21,946	2,557	362	24,865
Equipment rental	18,988	2,775	87	21,850
Dues and subscriptions	1,337	2,906	0	4,243
Travel	10,057	81	0	10,138
Meetings	0	59	0	59
Education and training	3,038	803	0	3,841
Program and client assistance	112,186	3,113	0	115,299
Miscellaneous	1,090	1,009	0	2,099
Event expense	0	0	0	0
Depreciation	47,258	6,371	344	53,973
	<u>\$ 1,638,195</u>	<u>\$ 202,741</u>	<u>\$ 42,997</u>	<u>\$ 1,883,933</u>
	<u>87.0%</u>	<u>10.7%</u>	<u>2.3%</u>	<u>100%</u>

The accompanying notes are an integral part of these consolidated statements.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

	FOR THE YEARS ENDED DECEMBER 31,	
	2016	2015
	<u> </u>	<u> </u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (230,909)	\$ (90,079)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	51,367	53,973
Gain on disposal of property	0	(8,108)
Donated property	0	(29,000)
Changes in assets and liabilities:		
Fees receivable	155,339	(215,437)
Unconditional promises to give	100,000	125,000
Prepaid expenses	(1,174)	(4,278)
Other receivables	(1,170)	51
Land, buildings and rehab costs	0	96,432
Deposits	0	(784)
Accounts payable	(4,353)	(17,430)
Accrued payroll and related taxes	(12,198)	4,225
Security deposits	673	(658)
Deferred revenue	0	(4,173)
TOTAL ADJUSTMENTS	<u>288,484</u>	<u>(187)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>57,575</u>	<u>(90,266)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of property and equipment	0	20,830
Purchase of property and equipment	0	(4,193)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>0</u>	<u>16,637</u>
CHANGE IN CASH	57,575	(73,629)
CASH AND CASH EQUIVALENTS - beginning of year	<u>515,318</u>	<u>588,947</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 572,893</u>	<u>\$ 515,318</u>

The accompanying notes are an integral part of these consolidated statements.

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

1. ORGANIZATION AND PURPOSE

East End Community Services Corporation (EECS) (the Corporation) is a not-for-profit organization located in Dayton, Ohio with a mission to listen to and work with the people of Twin Towers and the surrounding neighborhoods in building a prosperous, healthy, and caring community. The Corporation's priorities are to assist youth and young adults to achieve their life goals, improve neighborhood health, assist families in achieving self-sufficiency, facilitate a strong and diverse neighborhood leadership structure, and improve neighborhood housing.

EECS has a wholly-owned for-profit subsidiary, Twin Towers Foundation, LLC (TTF). TTF is an affordable housing development with four units in the Twin Towers community.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies followed in preparation of the consolidated financial statements. These policies conform to accounting principles generally accepted in the United States of America for not-for-profit organizations.

Principles of Consolidation

The consolidated financial statements include the accounts of EECS and TTF and are prepared on the accrual basis of accounting and accordingly reflect significant receivables, payables, and other liabilities. All significant transactions between the two corporations have been eliminated.

Basis of Presentation

The Corporation 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 are resources that are available to support the Corporation's operations. Temporarily restricted net assets are limited by donors for a specific time period or purpose. The Corporation has no permanently restricted net assets.

Cash and Cash Equivalents

For consolidated financial statement purposes, the Corporation considers all checking accounts, money market accounts, and certificates of deposit to be cash equivalents. The Corporation maintains this cash in commercial bank accounts which, at times, may exceed federally insured limits. The Corporation has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk on cash.

Deferred Revenue

The Corporation enters into service contracts and grants to provide services. Unearned revenue is recognized on a pro-rata basis as services are provided over the term of the contract or grant.

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unconditional Promises to Give, Grants and Fees Receivable

Unconditional promises to give and grants receivable are recognized as revenues in the period in which the pledge or grant is received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Fees receivable are recognized when the services have been rendered. The Corporation believes all amounts to be collectible and therefore, an allowance for doubtful accounts is not considered necessary.

Property and Equipment

Property and equipment are recorded at cost when purchased or at fair values when received as a donation. Depreciation is computed using the straight-line method over the estimated useful lives ranging from three to forty years.

Land, Buildings and Rehab Costs

The Corporation was involved in a housing and community redevelopment strategy for the Twin Towers neighborhood. The Corporation had received funds from various organizations to purchase vacant properties for low income housing projects. This program was discontinued during 2015. At the completion of the program, the City donated the residual land to EECS with an estimated fair market value of \$29,000.

Impairment of Long-Lived Assets

The Corporation reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value. No impairment losses were recognized during the years ended December 31, 2016 and 2015.

Fair Value Measurements

The Corporation applies U.S. generally accepted accounting principles (GAAP) regarding the measurement of fair value. Fair value is defined as the price that would be received for an asset or paid to transfer a liability, in the principal or most advantageous market for the asset or liability, in an orderly transaction between market participants at the measurement date. Assets or liabilities listed at fair value require expanded disclosure about the extent to which they are measured at fair value, the information used to measure fair value and the effect of fair value measurements on earnings. Fair value measurements apply whenever standards require (or permit) assets or liabilities to be measured at fair value. The Corporation has not expanded the use of fair value measurements in any additional circumstances. For the years ended December 31, 2016 and 2015, the application of these standards had no impact on the Corporation's financial position or results of operations.

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor, including pledges, is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a donor restriction expires, (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions.

Recognition of Developer Fee Income

Developer fees, related to low-income projects, are recognized when certain conditions are satisfied as stipulated in the development agreement.

Partnership Investment

The Corporation has a nominal interest in a low-income housing tax credit partnership in which the Corporation's ownership percentage is less than one percent. Based on facts and circumstances, the presumption of control by the general partner is overcome by substantive participating rights of the limited partner. The Corporation's equity balance is negative and not included in the consolidated financial statements based on the equity method of accounting.

Public Support and Revenue

All items of public support and revenue are stated on the accrual basis, including revenues, receivables as reimbursements for incurred costs from government agencies, and other third party payors.

Donated Services

Donated services are recognized as contributions only if the donated services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation to the Corporation. A number of unpaid volunteers have made contributions of their time to develop the Corporation's programs. The Corporation does not recognize this time as contributions in the consolidated financial statements since the criteria for recognition are not met.

Concentration of Revenue

For the year ended December 31, 2016, the Corporation received approximately 60%, or \$911,000, of its revenue from four sources. For the year ended December 31, 2015, the Corporation received approximately 64%, or \$1,127,000, of its revenue from four sources. Amounts due from these sources totaled approximately \$149,000 and \$245,000 at December 31, 2016 and 2015, respectively, and are included in fees receivable and unconditional promises to give in the consolidated statements of financial position.

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses

The costs of providing various programs and related supporting services have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated to the appropriate programs and supporting services.

Advertising

Advertising costs are charged to operations when incurred. During 2016 and 2015, advertising costs were \$500 and \$0, respectively.

Use of Estimates

The preparation of consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

A favorable determination letter has been obtained from the Internal Revenue Service exempting the Corporation from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for federal income tax is included in these consolidated statements. However, any income from certain activities not directly related to the Corporation's tax exempt purpose may be subject to taxation as unrelated business income.

The Corporation determines the recognition of uncertain tax positions, if applicable, that may subject the organization to unrelated business income tax necessary by applying a more-likely-than-not recognition threshold and determines the measurement of uncertain tax positions considering the amounts and probabilities of the outcomes that could be realized upon ultimate settlement with tax authorities. The Organization has no tax positions which must be considered for disclosure. The Organization believes it is no longer subject to income tax examinations for the years prior to 2013.

Reclassifications

Certain amounts for the prior year have been reclassified to conform with the current year's presentation. These reclassifications did not result in any changes to net assets.

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

3. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2016</u>	<u>2015</u>	<u>Estimated Life in Years</u>
At Cost:			
Land	\$ 95,947	\$ 95,947	N/A
Land improvements	19,373	19,373	15
Buildings and improvements	967,390	967,390	7 - 40
Equipment, furniture and fixtures	139,357	139,357	5 - 7
Software	1,752	1,752	3
	<u>1,223,819</u>	<u>1,223,819</u>	
Less Accumulated depreciation	<u>(494,948)</u>	<u>(443,581)</u>	
NET BOOK VALUE	<u>\$ 728,871</u>	<u>\$ 780,238</u>	

4. LINE OF CREDIT

The Corporation has a \$120,000 revolving line of credit with the bank that is due October, 2017. The line of credit bears interest at a variable rate which was 5.0% and 4.75% at December 31, 2016 and 2015, respectively. The outstanding balance at December 31, 2016 and 2015 was \$0.

5. LONG-TERM DEBT

The Corporation has a note payable to County Corp totaling \$27,540 at December 31, 2016 and 2015. These funds were provided to make non-interest bearing rehabilitation loans available to owner-occupants who live in the Twin Towers neighborhood. The note incurs interest at 0% and is due upon property transfers as stipulated in the project agreement.

Issued rehabilitation loans receivable totaled \$27,627 at December 31, 2016 and 2015; these amounts are included in other receivables in the consolidated statements of financial position.

6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods:

	<u>2016</u>	<u>2015</u>
Periods after December 31	\$ 100,000	\$ 225,000
Specific programs	65,000	82,500
	<u>\$ 165,000</u>	<u>\$ 307,500</u>

EAST END COMMUNITY SERVICES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

7. COMMITMENTS AND CONTINGENCIES

The Corporation receives grants from various agencies which are subject to program compliance audits by the grantors or their representatives. The grantor agencies, at their option, may perform economy and efficiency audits, program results audits or conduct monitoring visits. Such audits and visits could lead to reimbursement to the grantor agencies. Management believes such reimbursements, if any, would be immaterial.

8. DEFINED CONTRIBUTION PLAN

The Corporation sponsors a defined contribution plan (the Plan) covering all employees. Employees are eligible to begin contributing on the first day of the month following their hire date. The Plan provisions allow for employer matching contributions. There were no matching contributions for the years ended December 31, 2016 and 2015.

9. SUBSEQUENT EVENTS

Management evaluated the activity of the Corporation through June 12, 2017 (the date the consolidated financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the consolidated financial statements or disclosure in the notes to the consolidated financial statements except for the two events below.

In March 2017, property held by Twin Towers Foundation was transferred to East End Neighborhood Development Corporation, a related party not for profit entity.

The Board of Directors has adopted a resolution to become a subsidiary of WestCare Foundation, to be effective July 1, 2017.

EAST END COMMUNITY SERVICES CORPORATION
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

DECEMBER 31, 2016

ASSETS	EECS	TTF	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents - unrestricted	\$ 321,319	\$ 86,574	\$ 0	\$ 407,893
Cash and cash equivalents - temporarily restricted	165,000	0	0	165,000
Fees receivable	239,074	0	0	239,074
Prepaid expenses	11,101	2,930	0	14,031
TOTAL CURRENT ASSETS	<u>736,494</u>	<u>89,504</u>	<u>0</u>	<u>825,998</u>
PROPERTY AND EQUIPMENT, net	<u>451,211</u>	<u>277,660</u>	<u>0</u>	<u>728,871</u>
OTHER ASSETS				
Other receivables	27,627	1,266	0	28,893
Investment	300,381	0	(300,381)	0
Deposits	1,193	0	0	1,193
TOTAL OTHER ASSETS	<u>329,201</u>	<u>1,266</u>	<u>(300,381)</u>	<u>30,086</u>
TOTAL ASSETS	<u>\$ 1,516,906</u>	<u>\$ 368,430</u>	<u>\$ (300,381)</u>	<u>\$ 1,584,955</u>
	LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES				
Accounts payable	\$ 15,793	\$ 417	\$ 0	\$ 16,210
Accrued payroll and related expenses	39,676	0	0	39,676
Security deposits	0	2,632	0	2,632
TOTAL CURRENT LIABILITIES	<u>55,469</u>	<u>3,049</u>	<u>0</u>	<u>58,518</u>
LONG-TERM LIABILITIES				
Long-term debt	27,540	0	0	27,540
Deferred revenue	0	65,000	0	65,000
TOTAL LONG-TERM LIABILITIES	<u>27,540</u>	<u>65,000</u>	<u>0</u>	<u>92,540</u>
NET ASSETS				
Unrestricted	1,268,897	300,381	(300,381)	1,268,897
Temporarily restricted	165,000	0	0	165,000
TOTAL NET ASSETS	<u>1,433,897</u>	<u>300,381</u>	<u>(300,381)</u>	<u>1,433,897</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,516,906</u>	<u>\$ 368,430</u>	<u>\$ (300,381)</u>	<u>\$ 1,584,955</u>

The accompanying notes are an integral part of these consolidated statements.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATING SCHEDULE OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>EECS</u>	<u>TTF</u>	<u>Eliminations</u>	<u>Consolidated</u>
REVENUES				
Contributions	\$ 38,974	\$ 0	\$ 0	\$ 38,974
Fees for service (contracts)	1,257,754	0	0	1,257,754
Grants	118,619	0	0	118,619
Developer fees	12,207	0	0	12,207
Rental income	27,600	31,069	0	58,669
Other income	3,417	2,308	(2,165)	3,560
	<u>1,458,571</u>	<u>33,377</u>	<u>(2,165)</u>	<u>1,489,783</u>
Net assets released from restrictions	207,500	0	0	207,500
TOTAL REVENUES	<u>1,666,071</u>	<u>33,377</u>	<u>(2,165)</u>	<u>1,697,283</u>
EXPENSES				
Program services	1,462,737	27,084	0	1,489,821
Management and general	235,757	4,129	0	239,886
Fundraising	56,068	0	0	56,068
TOTAL EXPENSES	<u>1,754,562</u>	<u>31,213</u>	<u>0</u>	<u>1,785,775</u>
OTHER INCOME				
Interest income	82	1	0	83
CHANGE IN UNRESTRICTED NET ASSETS	<u>(88,409)</u>	<u>2,165</u>	<u>(2,165)</u>	<u>(88,409)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS				
Grants	65,000	0	0	65,000
Net assets released from restrictions	(207,500)	0	0	(207,500)
	<u>(142,500)</u>	<u>0</u>	<u>0</u>	<u>(142,500)</u>
TOTAL CHANGE IN NET ASSETS	(230,909)	2,165	(2,165)	(230,909)
NET ASSETS				
Beginning of year	1,664,806	298,216	(298,216)	1,664,806
End of year	<u>\$ 1,433,897</u>	<u>\$ 300,381</u>	<u>\$ (300,381)</u>	<u>\$ 1,433,897</u>

The accompanying notes are an integral part of these consolidated statements.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATING SCHEDULE OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>EECS</u>	<u>TTF</u>	<u>Eliminations</u>	<u>Consolidated</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ (230,909)	\$ 2,165	\$ (2,165)	\$ (230,909)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	40,441	10,926	0	51,367
Changes in assets and liabilities:				
Fees receivable	155,339	0	0	155,339
Unconditional promises to give	100,000	0	0	100,000
Prepaid expenses	1,471	(2,645)	0	(1,174)
Other receivables	0	(1,170)	0	(1,170)
Investments	(2,165)	0	2,165	0
Accounts payable	(4,543)	190	0	(4,353)
Security deposit	0	673	0	673
Accrued payroll and related expenses	(12,198)	0	0	(12,198)
Security deposit	0	673	0	673
TOTAL ADJUSTMENTS	<u>278,345</u>	<u>7,974</u>	<u>2,165</u>	<u>288,484</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>47,436</u>	<u>10,139</u>	<u>0</u>	<u>57,575</u>
CASH AND CASH EQUIVALENTS - beginning of year	<u>438,883</u>	<u>76,435</u>	<u>0</u>	<u>515,318</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 486,319</u>	<u>\$ 86,574</u>	<u>\$ 0</u>	<u>\$ 572,893</u>

The accompanying notes are an integral part of these consolidated statements.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

DECEMBER 31, 2015

ASSETS	EECS	TTF	Eliminations	Consolidated
CURRENT ASSETS				
Cash and cash equivalents - unrestricted	\$ 231,383	\$ 76,435	\$ 0	\$ 307,818
Cash and cash equivalents - temporarily restricted	207,500	0	0	207,500
Fees receivable	394,413	0	0	394,413
Unconditional promises to give - temporarily restricted	100,000	0	0	100,000
Prepaid expenses	12,572	285	0	12,857
TOTAL CURRENT ASSETS	945,868	76,720	0	1,022,588
PROPERTY AND EQUIPMENT, net	491,652	288,586	0	780,238
OTHER ASSETS				
Other receivables	27,627	96	0	27,723
Investment	298,216	0	(298,216)	0
Deposits	1,193	0	0	1,193
TOTAL OTHER ASSETS	327,036	96	(298,216)	28,916
TOTAL ASSETS	\$ 1,764,556	\$ 365,402	\$ (298,216)	\$ 1,831,742
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts payable	\$ 20,336	\$ 227	\$ 0	\$ 20,563
Accrued payroll and related expenses	51,874	0	0	51,874
Security deposits	0	1,959	0	1,959
TOTAL CURRENT LIABILITIES	72,210	2,186	0	74,396
LONG-TERM LIABILITIES				
Long-term debt	27,540	0	0	27,540
Deferred revenue	0	65,000	0	65,000
TOTAL LONG-TERM LIABILITIES	27,540	65,000	0	92,540
NET ASSETS				
Unrestricted	1,357,306	298,216	(298,216)	1,357,306
Temporarily restricted	307,500	0	0	307,500
TOTAL NET ASSETS	1,664,806	298,216	(298,216)	1,664,806
TOTAL LIABILITIES AND NET ASSETS	\$ 1,764,556	\$ 365,402	\$ (298,216)	\$ 1,831,742

The accompanying notes are an integral part of these consolidated statements.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATING SCHEDULE OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>EECS</u>	<u>TTF</u>	<u>Eliminations</u>	<u>Consolidated</u>
REVENUES				
Contributions	\$ 74,394	\$ 0	\$ 0	\$ 74,394
Fees for service (contracts)	1,489,605	0	0	1,489,605
Grants	79,967	0	0	79,967
Developer fees	24,010	0	0	24,010
Rental income	0	30,675	0	30,675
Other income	(6,427)	700	15,205	9,478
	<u>1,661,549</u>	<u>31,375</u>	<u>15,205</u>	<u>1,708,129</u>
Net assets released from restrictions	217,500	0	0	217,500
TOTAL REVENUES	<u>1,879,049</u>	<u>31,375</u>	<u>15,205</u>	<u>1,925,629</u>
EXPENSES				
Program services	1,616,644	21,551	0	1,638,195
Management and general	177,712	30,029	(5,000)	202,741
Fundraising	42,997	0	0	42,997
TOTAL EXPENSES	<u>1,837,353</u>	<u>51,580</u>	<u>(5,000)</u>	<u>1,883,933</u>
OTHER INCOME (EXPENSE)				
Gain on disposal of property	8,108	0	0	8,108
Interest income	117	0	0	117
	<u>8,225</u>	<u>0</u>	<u>0</u>	<u>8,225</u>
CHANGE IN UNRESTRICTED NET ASSETS	<u>49,921</u>	<u>(20,205)</u>	<u>20,205</u>	<u>49,921</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS				
Grants	77,500	0	0	77,500
Net assets released from restrictions	(217,500)	0	0	(217,500)
	<u>(140,000)</u>	<u>0</u>	<u>0</u>	<u>(140,000)</u>
TOTAL CHANGE IN NET ASSETS	(90,079)	(20,205)	20,205	(90,079)
NET ASSETS				
Beginning of year	<u>1,754,885</u>	<u>318,421</u>	<u>(318,421)</u>	<u>1,754,885</u>
End of year	<u>\$ 1,664,806</u>	<u>\$ 298,216</u>	<u>\$ (298,216)</u>	<u>\$ 1,664,806</u>

The accompanying notes are an integral part of these consolidated statements.

EAST END COMMUNITY SERVICES CORPORATION

CONSOLIDATING SCHEDULE OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>EECS</u>	<u>TTF</u>	<u>Eliminations</u>	<u>Consolidated</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	\$ (90,079)	\$ (20,205)	\$ 20,205	\$ (90,079)
Adjustments to reconcile change in net assets to net cash used in operating activities:				
Depreciation	43,046	10,927	0	53,973
Gain on disposal of property	(8,108)	0	0	(8,108)
Donated property	(29,000)	0	0	(29,000)
Changes in assets and liabilities:				
Fees receivable	(215,437)	0	0	(215,437)
Unconditional promises to give	125,000	0	0	125,000
Prepaid expenses	(4,252)	(26)	0	(4,278)
Other receivables	0	51	0	51
Land, buildings and rehab costs	96,432	0	0	96,432
Investments	20,205	0	(20,205)	0
Deposits	(784)	0	0	(784)
Accounts payable	(17,394)	(36)	0	(17,430)
Accrued payroll and related expenses	4,225	0	0	4,225
Security deposit	0	(658)	0	(658)
Deferred revenue	(4,173)	0	0	(4,173)
TOTAL ADJUSTMENTS	<u>9,760</u>	<u>10,258</u>	<u>(20,205)</u>	<u>(187)</u>
NET CASH USED IN OPERATING ACTIVITIES	<u>(80,319)</u>	<u>(9,947)</u>	<u>0</u>	<u>(90,266)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from disposal of property and equipment	20,830	0	0	20,830
Purchase of property and equipment	(4,193)	0	0	(4,193)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>16,637</u>	<u>0</u>	<u>0</u>	<u>16,637</u>
CHANGE IN CASH	(63,682)	(9,947)	0	(73,629)
CASH AND CASH EQUIVALENTS - beginning of year	<u>502,565</u>	<u>86,382</u>	<u>0</u>	<u>588,947</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 438,883</u>	<u>\$ 76,435</u>	<u>\$ 0</u>	<u>\$ 515,318</u>

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