

**CORNERSTONE COMMUNITY  
OUTREACH**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**For Year Ended December 31, 2015**

**CORNERSTONE COMMUNITY OUTREACH**

**Annual Financial Report**

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# Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

## **Independent Auditor's Report**

To the Board of Directors  
Cornerstone Community Outreach  
Chicago, IL

We have audited the accompanying financial statements of Cornerstone Community Outreach (a non-profit organization), which comprise the statement of financial position as of December 31, 2015, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements. The prior-year summarized information has been derived from the Organization's 2014 financial statements, and, in our report dated September 30, 2015, we expressed an unqualified opinion on those 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 audit. We conducted our audit 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.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cornerstone Community Outreach as of December 31, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Going Concern***

The accompanying financial statements have been prepared assuming the Organization will continue as a going concern. As indicated in the financial statements and as described in Note 1, the Organization incurred a net loss of \$270,141 for the year ended December 31, 2015. Additionally, as of December 31, 2015, the Company had an unrestricted net deficit position of \$673,305. These conditions raise substantial doubt about the Organization's ability to continue as a going concern at December 31, 2015. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to that matter.

***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of expenses by program on Page 14 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.

*Desmond & Akers, Ltd*

May 13, 2016  
Chicago, IL

**CORNERSTONE COMMUNITY OUTREACH**  
**STATEMENT OF FINANCIAL POSITION**  
**As of December 31, 2015 (with comparative totals for 2014)**

	<u>2015</u>	<u>2014</u>
<b><u>Assets</u></b>		
Current Assets		
Cash	\$ 72,198	\$ 19,894
Government contributions receivable	371,657	496,573
Contributions receivable	94,430	130,405
Other receivables	189	189
Deposits	1,974	2,893
Total current assets	<u>540,448</u>	<u>649,954</u>
Property and Equipment		
Land	355,947	355,947
Buildings and improvements	4,864,607	4,864,607
Construction in progress	532,698	532,698
Furniture and equipment	382,398	382,398
Vehicles	39,593	39,593
	<u>6,175,243</u>	<u>6,175,243</u>
Less accumulated depreciation	<u>(3,025,458)</u>	<u>(2,836,925)</u>
Net property and equipment	<u>3,149,785</u>	<u>3,338,318</u>
Other Assets		
Prepaid maintenance agreement	21,731	45,914
Debt issue costs	24,635	25,223
<b>Total Assets</b>	<b><u>\$ 3,736,599</u></b>	<b><u>\$ 4,059,409</u></b>
<b><u>Liabilities and Net Assets</u></b>		
Current Liabilities		
Current maturities of long-term debt	\$ 118,839	\$ 113,213
Accounts payable	226,451	226,906
Accrued payroll and related expenses and bank overdraft	225,417	351,776
Refundable advances	26,249	26,249
Line of credit	249,786	249,000
Total current liabilities	<u>846,742</u>	<u>967,144</u>
Long-Term Debt		
Long-term debt, net of current portion	3,441,161	3,445,155
Employees and individual supporters	80,000	8,234
Total liabilities	<u>4,367,903</u>	<u>4,420,533</u>
Net Deficit		
Unrestricted	(673,344)	(405,617)
Temporarily restricted	42,040	44,493
	<u>(631,304)</u>	<u>(361,124)</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 3,736,599</u></b>	<b><u>\$ 4,059,409</u></b>

See independent auditor's report and notes to financial statements.

**CORNERSTONE COMMUNITY OUTREACH**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended December 31, 2015 (with comparative totals for 2014)**

	Unrestricted	Temporarily Restricted	2015 Total	2014 Total
<b><u>Public Support and Revenue</u></b>				
Chicago Department of :				
Family and Support Services	\$ 1,483,950	\$ -	\$ 1,483,950	\$ 1,420,227
Community Development	93,174	-	93,174	93,168
U.S. Dept. of Housing and Urban Development	66,435	-	66,435	261,518
Illinois State Board of Education	81,032	-	81,032	69,409
Contributions	655,254	-	655,254	551,100
Debt forgiveness	103,619	-	103,619	-
Client fees	50,018	-	50,018	51,851
Donated food	571,040	-	571,040	708,606
Other	8,672	-	8,672	5,905
Net assets released from restrictions - satisfaction of program restrictions	2,453	(2,453)	-	-
Total public support and revenue	<u>3,115,647</u>	<u>(2,453)</u>	<u>3,113,194</u>	<u>3,161,784</u>
<b><u>Expenses</u></b>				
Program Services				
Leland Permanent Housing	187,309	-	187,309	346,374
Chronic Homeless Initiative	28,258	-	28,258	47,801
Hannah Interim Housing	511,616	-	511,616	527,365
Naomi Interim Housing	1,345,574	-	1,345,574	1,321,837
Sylvia Interim Housing	1,029,142	-	1,029,142	902,006
Computer and life skills	14,666	-	14,666	101,405
Other	59,822	-	59,822	47,364
Total program services	<u>3,176,387</u>	<u>-</u>	<u>3,176,387</u>	<u>3,294,152</u>
Management and general	189,636	-	189,636	299,633
Fundraising	17,351	-	17,351	12,032
Total expenses	<u>3,383,374</u>	<u>-</u>	<u>3,383,374</u>	<u>3,605,817</u>
<b>Change in net assets</b>	(267,727)	(2,453)	(270,180)	(444,033)
<b>Net assets, beginning of year</b>	<u>(405,617)</u>	<u>44,493</u>	<u>(361,124)</u>	<u>82,909</u>
<b>Net assets (deficit), end of year</b>	<u>\$ (673,344)</u>	<u>\$ 42,040</u>	<u>\$ (631,304)</u>	<u>\$ (361,124)</u>

See independent auditor's report and notes to financial statements.

**CORNERSTONE COMMUNITY OUTREACH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**For the Year Ended December 31, 2015 (with comparative totals for 2014)**

	Program Services	Management and General	Fundraising	2015 Total	2014 Total
<b><u>Functional Expenses</u></b>					
Salaries and wages	\$ 1,294,772	\$ 90,464	\$ -	\$ 1,385,236	\$ 1,365,779
Fringe benefits and related taxes	403,210	31,902	-	435,112	419,153
Professional fees	3,990	23,506	-	27,496	27,917
Donated food	571,040	-	-	571,040	708,606
Food	29,146	70	99	29,315	30,169
Client assistance	90,117	120	-	90,237	115,146
Supplies and small equipment purchases	52,631	1,508	7,761	61,900	73,058
Travel	27,860	2,526	-	30,386	26,135
Conferences and education	-	756	90	846	15
Postage and shipping	741	-	4,928	5,669	3,051
Printing and publications	-	-	3,745	3,745	2,059
Dues and subscriptions	785	465	719	1,969	1,461
Telephone	20,548	266	-	20,814	22,858
Occupancy	184,539	2,534	-	187,073	177,601
Repairs and maintenance	65,473	1,179	-	66,652	89,089
Insurance	92,649	564	-	93,213	92,116
Interest	148,998	5,153	-	154,151	139,923
Bank fees, fines and penalties	-	17,749	-	17,749	123,911
Miscellaneous	1,065	9,792	9	10,866	10,189
Depreciation and amortization	188,823	1,082	-	189,905	177,581
<b>Total Expenses</b>	<b><u>\$ 3,176,387</u></b>	<b><u>\$ 189,636</u></b>	<b><u>\$ 17,351</u></b>	<b><u>\$ 3,383,374</u></b>	<b><u>\$ 3,605,817</u></b>

See independent auditor's report and notes to financial statements.

**CORNERSTONE COMMUNITY OUTREACH**  
**STATEMENT OF CASH FLOWS**  
**For the Year Ended December 31, 2015 (with comparative totals for 2014)**

	<u>2015</u>	<u>2014</u>
<b><u>Cash Flows from Operating Activities</u></b>		
Cash received - funding agencies	\$ 2,540,736	\$ 2,275,684
Cash received - client fees	50,018	51,851
Cash received - other	8,672	5,905
Payments for interest	(154,151)	(139,923)
Payments for wages and other operating expenses	<u>(2,466,371)</u>	<u>(2,520,254)</u>
Net cash used by operating activities	<u>(21,096)</u>	<u>(326,737)</u>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of property and equipment	<u>-</u>	<u>(193,066)</u>
Net cash used by investing activities	<u>-</u>	<u>(193,066)</u>
<b><u>Cash Flows from Financing Activities</u></b>		
Net change in short-term borrowings	2,381	545,790
Increase in debt issuance costs	(786)	-
Increase (decrease) in related party debt	<u>71,766</u>	<u>(38,000)</u>
Net cash provided by financing activities	<u>73,361</u>	<u>507,790</u>
<b>Net increase (decrease) in cash</b>	52,265	(12,013)
<b>Cash, beginning of year</b>	<u>19,894</u>	<u>31,907</u>
<b>Cash, end of year</b>	<u><u>\$ 72,159</u></u>	<u><u>\$ 19,894</u></u>
<b><u>Reconciliation of Change in Net Assets to Net Cash</u></b>		
<b><u>Used by Operating Activities</u></b>		
Change in net assets	\$ (270,180)	\$ (444,033)
Depreciation	188,570	176,104
Amortization	1,335	1,477
Decrease (increase) in assets		
Government contributions receivable	124,916	(97,372)
Contributions and other receivables	35,975	(11,326)
Deposits	919	15,918
Long term asset	24,183	43,817
Increase (decrease) in liabilities		
Accounts payable	(455)	(43,228)
Refundable advances	-	(11,040)
Accrued payroll and related expenses	(126,359)	42,946
Accrued interest	<u>-</u>	<u>-</u>
<b>Net Cash Used by Operating Activities</b>	<u><u>\$ (21,096)</u></u>	<u><u>\$ (326,737)</u></u>

See independent auditor's report and notes to financial statements.



**CORNERSTONE COMMUNITY OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**Note 1 – Going Concern Uncertainty**

The Organization incurred a net loss of \$270,141 for the year ended December 31, 2015. Additionally, as of December 31, 2015, the Company had an unrestricted net deficit position of \$673,305.

Net losses are expected to continue in the near future due to the Organization owing a minimum of \$225,000 in accrued payroll and related expenses and the inability of the Organization to further cut expenses. In addition, the Organization struggles to find significant sources of revenue to increase its net asset position. These conditions raise substantial doubt about the Company's ability to continue as a going concern at December 31, 2015.

**Note 2 – Nature of Operations and Summary of Significant Accounting Policies**

**Organization**

Cornerstone Community Outreach is a not-for-profit Illinois corporation exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization is not considered to be a private foundation. The Organization was formed in 1990 to operate a charitable community development program that improves the quality of life for disadvantaged, displaced and under-privileged people in the Uptown neighborhood of Chicago.

The programs that address the individual needs and different stages towards permanent housing are:

***Permanent Housing***

*Leland Permanent Housing with Supportive Services* - located a few blocks from Cornerstone Community Outreach offices, this site offers permanent housing to 18 families comprised primarily of women with children. These families live in 2 or 3 bedroom apartments and receive support services. This program supports families whose needs continue beyond affordable housing, and provides these mothers with both affordable housing and tools to build a more stable future for themselves and their children.

*Chronic Homeless Initiative* - this program is permanent housing with supportive services for the chronically homeless. It provides rent subsidies, additional supportive services and direct client assistance dollars as needed on a case by case basis.

***Interim Housing for Families and Single Adults***

These shelters provide approximately 120 days of housing, nutritious meals, clothing, group and individual counseling, individualized case management, nursing, as needed mental health assessments, life-skills training, substance abuse counseling, money management, job assessment, job readiness, job referral, computer training classes, housing relocation assistance, and afterschool programs for kids. These programs operate year round and include:

**CORNERSTONE COMMUNITY OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**Note 2 – Nature of Operations and Summary of Significant Accounting Policies (cont.)**

*Hannah Interim Housing* – shelters 55 women with children, including a small number of couples with children. This program is handicap accessible. As the Organization’s longest running shelter program for over 20 years, it has enabled hundreds of families to move from homelessness to stable housing.

*Naomi Interim Housing* – serves 145 single women and men and provides 24 hour shelter and casework services including the other services mentioned above.

*Sylvia Interim Housing* – serves over 130 women with children, men with children and couples with children and has been welcoming homeless families since 2001. This program supports these family groups and gives them much needed shelter and services.

***Supportive Services***

In addition to the housing services, individual support services are offered including:

*Computer and Life Skills* offering life-skills training, substance abuse counseling, money management, job assessment and referral, computer classes, and housing relocation assistance.

***Other Programs***

*Dinner Guest Program* serves 175 - 250 nutritious free meals one day per week to anyone in need.

*Food Bag Program* hands out more than 200 food bags each week to those in need in the area.

*The Free Store* allows individuals walking through the doors to receive household items and clothing. The items in the *Free Store* are from many sources, but mostly from the kindness of individuals who want to donate what they have.

**Income Tax Status**

Cornerstone Community Outreach was granted an exemption from federal income taxes by the Internal Revenue Service pursuant to the provisions of Internal Revenue Code Section 501(c)(3). The Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The tax exempt purpose of the Organization and the nature in which it operates is described above.

The Organization continues to operate in compliance with its tax exempt purpose.

The Organization’s annual information and income tax returns filed with the federal and state governments are subject to examination for the statutory period. Tax returns are open for examination by the Internal Revenue Service for three years after filing. Thus, returns for the years 2012 through 2015 remain open.

**CORNERSTONE COMMUNITY OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**Note 2 – Nature of Operations and Summary of Significant Accounting Policies (cont.)**

Basis of Accounting

The accounts and financial statements are maintained on the accrual basis of accounting and accordingly, reflect all significant accounts receivable, payable, and other liabilities.

Basis of Presentation

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets, as required by Generally Accepted Accounting Principles (GAAP). There are no permanently restricted net assets at December 31, 2015.

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 the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash

Cash consists of bank deposits in federally insured accounts. At December 31, 2015, the Organization's cash accounts were within federally insured limits.

Property and Equipment

Expenditures for property and equipment and items, which substantially increase the useful lives of existing assets, are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, which are:

Building and improvements	7 - 30 years
Furniture and equipment	5 - 7 years
Vehicles	3 - 5 years

Support and Revenue

The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

**CORNERSTONE COMMUNITY OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**Note 2 – Nature of Operations and Summary of Significant Accounting Policies (cont.)**

The Organization reports gifts of land, buildings, and equipment 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 regarding how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Government Contributions

Support funded by government contracts, which qualify as conditional promises to give, are recognized when the condition of performing the contracted services is met. Revenue is therefore recognized as earned as the condition of eligible expenses are incurred. These expenditures are subject to audit and acceptance by the granting Organization and, as a result of such audit, adjustments could be required.

Concentration of Risk

During the year ended December 31, 2015, the Organization received approximately 50% of its funding from various government agencies. Additionally, donated food represented 22% of public support and revenue. Following is a breakdown by funding agency of the portion of the Organization’s revenue from government agencies for the year ending December 31, 2015 and the grants receivable at December 31, 2015:

	<u>% of Total Revenue</u>	<u>Government Contributions Receivable</u>
Chicago Department of Family and Supportive Services	48%	84%
U.S. Department of Housing and Urban Development	2%	11%
	<u>50%</u>	<u>95%</u>

Donated Services

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. The Organization did not receive any donated services required to be recognized during the year ended December 31, 2015.

There are, however, a substantial number of volunteers who donate their time toward the activities and success of the Organization, the value of which is not recognized under generally accepted accounting principles. During the year ending December 31, 2015, these volunteer hours exceeded 34,000.

**CORNERSTONE COMMUNITY OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**Note 2 – Nature of Operations and Summary of Significant Accounting Policies (cont.)**

In-Kind Contributions

In addition to receiving cash contributions, the Organization receives in-kind contributions from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly increase donation revenues by a like amount. For the year ended December 31, 2015, this amounted to \$571,040 in donated food received and distributed.

Compensated Absences

Employees of the Organization are entitled to paid vacation, sick and personal days off, depending on job classification, length of service and other factors. The Organization's policy is to recognize the costs of compensated absences when actually paid to employees. The estimated liability is not material at December 31, 2015, and therefore, no accrual has been recorded in the accompanying financial statements.

Functional Expenses - Allocation of Joint Costs

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on time analysis, space utilization, and unit consumption.

Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class, which does not provide sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such prior year information should be read in conjunction with the Organization's audited financial statements for the year ended December 31, 2014, from which the summarized information was derived.

**Note 3 – Long-Term Debt**

Long-term debt at December 31, 2015, consists of the following:

First mortgage note (on properties located at 4626-46 and 4615 N. Clifton, 4654 N. Malden and 1311-15 W. Leland buildings, with a combined book value of \$2,551,871 as of December 31, 2015) payable to the National Covenant Properties in monthly installments of \$22,522 through November 30, 2033, including variable interest at 4.5%, payable monthly.	\$ 3,560,000
Less current principal installments	<u>(118,839)</u>
Net long-term debt	<u><u>\$ 3,441,161</u></u>

**CORNERSTONE COMMUNITY OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**Note 3 – Long-Term Debt (cont.)**

The future maturities of long-term debt are anticipated as follows:

<u>Years ended December 31,</u>	<u>Amount</u>
2016	\$ 118,839
2017	124,295
2018	130,005
2019	135,978
2020	142,211
Thereafter	2,908,672
	<u>\$ 3,560,000</u>

**Note 4 – Related Party Debt**

Loans payable to parties related to the Organization at December 31, 2015 are comprised of the following:

New Friendly Towers, interest free	\$ 15,000
Lake Frotn Roofing, interest free	65,000
	<u>\$ 80,000</u>

These loans payable are not due on demand and therefore have not been shown as current on the Statement of Financial Position. Principal payments are to be made as funds are available.

**Note 5 – Debt Issued Costs**

Loan origination fees associated with the 2013 refinancing of long-term debt amounted to \$27,486 and are being amortized on the straight-line method over twenty years, the term of the associated debt. Amortization expense amounted to \$1,335 for the year ended December 31, 2015.

At December 31, 2015, debt issued costs were as follows:

Debt issued costs	\$ 27,486
Less accumulated amortization	(2,812)
Net debt issued costs	<u>\$ 24,674</u>

**CORNERSTONE COMMUNITY OUTREACH  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2015**

**Note 6 – Temporarily Restricted Net Assets**

Temporarily restricted net assets at December 31, 2015 are available for the following purposes:

Elevator project	\$ 21,572
Facility improvement	10,000
Glenn Palmberg projects	5,183
Dressers for Hannah Interim Housing	285
Purchase of tables and chairs	5,000
	<u>\$ 42,040</u>

**Note 7 – Related Party Transactions**

Jesus People USA Evangelical Covenant Church (JPUSA) founded Cornerstone Community Outreach (CCO). JPUSA continues to share a common board with CCO and CCO is operated predominately by full-time JPUSA members.

Furthermore, the Executive Director, Board President, Board Secretary, and Board Treasurer, have spouses that are paid employees of the Organization.

**Note 8 – Subsequent Events**

For the fiscal year ended December 31, 2015, the Organization's management has evaluated subsequent events through May 13, 2016, which is the date the financial statements were available to be issued. The following transaction was identified to be disclosed.

The Organization's line of credit provisions required repayment in full by June 30, 2015. As of May 13, 2016, the balance of \$249,786 on this line of credit has not yet been repaid. As such, the Organization is in violation of the terms of the agreement. In accordance with the agreement, Cornerstone is required to sell the Leland House property. As of the report date, a buyer has not yet been identified.

## **SUPPLEMENTARY INFORMATION**



**CORNERSTONE COMMUNITY OUTREACH**  
**SCHEDULE OF EXPENSES BY PROGRAM**  
**For the Year Ended December 31, 2015**

	Leland Permanent Housing	Chronic Homeless Initiative	Hannah Interim Housing	Naomi Interim Housing	Sylvia Interim Housing	Computer and Life Skills	Other Programs	Total Program
<b>Expenditures</b>								
Salaries and wages	\$ 36,320	\$ 2,259	\$ 198,010	\$ 594,201	\$ 439,415	\$ 12,147	\$ 12,420	\$ 1,294,772
Fringe benefits and related taxes	21,411	310	62,827	175,936	139,350	1,669	1,707	403,210
Professional fees	1,210	-	-	733	1,153	-	894	3,990
Donated food	-	-	94,507	249,145	223,334	-	4,054	571,040
Food	-	-	4,382	12,675	10,284	-	1,805	29,146
Client assistance	634	23,528	2,797	42,495	7,443	-	13,220	90,117
Supplies and small equipment purchases	6,628	2,051	4,638	12,045	12,148	-	15,121	52,631
Travel	508	-	2,352	13,404	6,150	-	5,446	27,860
Postage and shipping	12	-	82	217	218	-	212	741
Dues and subscriptions	480	-	51	133	119	-	2	785
Telephone	2,572	-	4,668	7,210	5,995	10	93	20,548
Occupancy	11,602	-	34,131	96,472	41,198	63	1,073	184,539
Repairs and maintenance	16,966	-	15,565	16,552	15,817	29	544	65,473
Insurance	17,385	-	19,022	27,335	28,431	31	445	92,649
Interest	30,044	110	19,165	51,745	46,480	621	833	148,998
Miscellaneous	-	-	-	-	-	-	1,065	1,065
Depreciation and amortization	41,537	-	49,419	45,276	51,607	96	888	188,823
<b>Total Expenses</b>	<b>\$ 187,309</b>	<b>\$ 28,258</b>	<b>\$ 511,616</b>	<b>\$ 1,345,574</b>	<b>\$ 1,029,142</b>	<b>\$ 14,666</b>	<b>\$ 59,822</b>	<b>\$ 3,176,387</b>

See independent auditor's report and notes to financial statements.