

**United Cerebral Palsy Seguin of Greater Chicago
Audit Report
For the Year Ended June 30, 2016**

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Selden Fox, LTD.

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
619 Enterprise Drive
Oak Brook, Illinois 60523-8835

630-954-1400
630-954-1327 FAX

email@seldenfox.com
www.seldenfox.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
United Cerebral Palsy Seguin of Greater Chicago
Cicero, Illinois

We have audited the accompanying financial statements of **United Cerebral Palsy Seguin of Greater Chicago** (UCP Seguin), an Illinois corporation and not-for-profit, which comprise the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the year 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 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 consolidated financial statements are free of 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 consolidated financial position of United Cerebral Palsy Seguin of Greater Chicago as of June 30, 2016, and the changes in net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited UCP Seguin's 2015 financial statements, and we expressed an unmodified audit opinion in those audited financial statements in our report dated November 20, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent in all material respects, with the audited financial statements from which it was derived.

Seelden Fox, Ltd.

November 9, 2016

United Cerebral Palsy Seguin of Greater Chicago
Consolidated Statement of Financial Position
June 30, 2016
(With Comparative Totals for 2015)

	2016	2015
Assets		
Cash	\$ 2,278,711	\$ 1,492,342
Investments	2,519,375	6,839,602
Receivables:		
State of Illinois	1,336,558	1,943,388
Work contracts	7,130	11,152
Due from NHRMA	200,821	200,821
Other	1,376,302	1,231,711
Less allowance for doubtful accounts	(51,458)	(51,531)
Receivables, net	2,869,353	3,335,541
Inventory	876,573	996,357
Prepaid expenses	174,084	80,124
Security deposits	38,162	36,275
Deferred charges	71,367	82,760
Property and equipment, net	24,445,008	25,207,511
	\$ 33,272,633	\$ 38,070,512
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 985,860	\$ 848,659
Accrued salaries	2,984,304	3,337,927
Accrued expenses	550,846	1,181,102
Deferred revenue	229,506	304,404
Short-term borrowings	300,000	-
Long-term debt	7,738,807	8,092,316
Total liabilities	12,789,323	13,764,408
Net assets:		
Permanently restricted	148,000	148,000
Temporarily restricted	12,783,288	14,297,318
Unrestricted	7,552,022	9,860,786
Total net assets	20,483,310	24,306,104
	\$ 33,272,633	\$ 38,070,512

See accompanying notes.

United Cerebral Palsy Seguin of Greater Chicago
Consolidated Statement of Activities
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)

	2016			2015
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenue:				
Public support:				
State of Illinois, purchase of service:				
Department of Human Services	\$ 20,415,947	\$ -	\$ -	\$ 20,415,947
Department of Children and Family Services	10,313,729	-	-	10,313,729
DFI - Day Program	70,083	-	-	70,083
Department of Education	1,090,367	-	-	1,090,367
Community Development Block Grants	399,316	299,000	-	698,316
Community Mental Health Act (708)	279,579	-	-	279,579
Contributions	3,377,925	481,212	-	3,859,137
Total public support	35,946,946	780,212	-	36,727,158
Revenue:				
Work contracts/training	152,440	-	-	152,440
Client fees	3,777,390	-	-	3,777,390
Rental Income	315,608	-	-	315,608
Investment income (loss)	(105,689)	-	-	(105,689)
Gain (loss) on sale of assets	(14,728)	-	-	(14,728)
Other	658,869	-	-	658,869
Net assets released from restrictions	2,294,242	(2,294,242)	-	-
Total revenue	7,078,132	(2,294,242)	-	4,783,890
Total public support and revenue	43,025,078	(1,514,030)	-	41,511,048
Expenses:				
Program services	41,928,694	-	-	41,928,694
Supporting services	3,405,148	-	-	3,405,148
Total expenses	45,333,842	-	-	45,333,842
Change in net assets	(2,308,764)	(1,514,030)	-	(3,822,794)
Net assets:				
Beginning of the period	9,860,786	14,297,318	148,000	24,306,104
End of the period	\$ 7,552,022	\$ 12,783,288	\$ 148,000	\$20,483,310

See accompanying notes.

United Cerebral Palsy Seguin of Greater Chicago
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)

	Program Services							
	Develop- mental Training	Foster Care	Supported Employment	Community Integrated Living Arrangement	Community Supported Living Arrangement	HBS	Respite	SeniorCares
Salaries and related expenses	\$ 4,974,686	\$ 8,570,695	\$ 537,048	\$ 10,496,789	\$ 383,465	\$ 249,161	\$ 78,904	\$ 1,264,624
Consumable supplies	255,110	263,266	36,721	261,203	1,126	100	19,295	37,012
Occupancy	233,220	118,534	4,208	659,379	863	435	12,167	66,620
Local transportation	324,593	270,832	61,747	320,716	13,829	9,995	5,646	25,076
Equipment purchase	38,219	11,050	4,268	67,234	6	-	985	5,665
Leasing and rental	29,037	563	13,100	136,091	5	-	-	21
Interest	64,136	321	-	250,931	-	-	1,742	25,781
Miscellaneous	141,176	66,336	15,961	131,043	951	1,767	1,984	11,234
Total expenses before depreciation	6,060,177	9,301,597	673,053	12,323,386	400,245	261,458	120,723	1,436,033
Depreciation	187,404	82,927	13,103	686,028	2,256	-	9,224	56,069
Total expenses	\$ 6,247,581	\$ 9,384,524	\$ 686,156	\$ 13,009,414	\$ 402,501	\$ 261,458	\$ 129,947	\$ 1,492,102

	Supporting Services							Total	
	UCP Seguin Enterprises	Infinitec	Ramp Up	External Support	Total by Program	Fund-raising and Development	Admin- istrative	2016	2015
	\$ 708,669	\$ 1,858,153	\$ 379,614	\$ -	\$ 29,501,808	\$ 481,122	\$ 2,020,322	\$ 32,003,252	\$ 29,920,054
	256,265	1,959,318	344	-	3,089,760	3,470	69,846	3,163,076	3,478,877
	80,070	91,278	893	-	1,267,667	119	127,629	1,395,415	1,441,206
	24,947	43,420	6,043	-	1,106,844	1,513	16,508	1,124,865	880,364
	9,226	4,554	-	-	141,207	175	21,072	162,454	174,239
	408	19,127	12,036	-	210,388	64	211,521	421,973	415,737
	350	-	-	-	343,261	-	12,725	355,986	399,690
	85,474	282,523	8,317	4,222,838	4,969,604	74,415	164,660	5,208,679	1,043,406
Total expenses before depreciation	1,165,409	4,258,373	407,247	4,222,838	40,630,539	560,878	2,644,283	43,835,700	37,753,573
Depreciation	69,631	191,513	-	-	1,298,155	7,463	192,524	1,498,142	1,542,772
Total expenses	\$ 1,235,040	\$ 4,449,886	\$ 407,247	\$ 4,222,838	\$ 41,928,694	\$ 568,341	\$ 2,836,807	\$ 45,333,842	\$ 39,296,345

See accompanying notes.

United Cerebral Palsy Seguin of Greater Chicago
Consolidated Statement of Cash Flows
For the Year Ended June 30, 2016
(With Comparative Totals for 2015)

	2016	2015
Cash flows from operating activities:		
Change in net assets	\$ (3,822,794)	\$ 177,874
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	1,498,142	1,542,772
Amortization	11,393	19,571
Investments donation	4,222,838	-
Property and equipment contributions	(498,863)	(214,000)
Loss on investments	164,144	214,542
(Gain) on sale of property and equipment	14,728	(647)
Changes in other working capital items:		
Receivables	(213,570)	(239,670)
Inventory	119,784	(53,863)
Prepaid expenses	(93,960)	24,606
Security deposits	(1,887)	(8,350)
Accounts payable	137,201	22,312
Accrued expenses	(983,879)	(224,642)
Deferred revenue	(74,898)	(192,718)
Net cash from operating activities	478,379	1,067,787
Cash flows from investing activities:		
Proceeds on sale of equipment	2,064,117	24,829
Purchase of property and equipment	(2,315,621)	(1,264,898)
Purchase of investments	(1,716,433)	(5,763,254)
Proceeds from sale of investments	1,649,678	5,541,623
Net cash from investing activities	(318,259)	(1,461,700)
Cash flows from financing activities:		
Proceeds from issuance of short-term debt	300,000	-
Proceeds from issuance of long-term debt	-	1,179,012
Contributions restricted for purchasing property and equipment	679,758	131,031
Payment of debt issuance costs	-	(11,368)
Repayment of long-term debt	(353,509)	(1,239,820)
Net cash from financing activities	626,249	58,855
Net change in cash	786,369	(335,058)
Cash, beginning of the period	1,492,342	1,827,400
Cash, end of the period	\$ 2,278,711	\$ 1,492,342

See accompanying notes.

United Cerebral Palsy Seguin of Greater Chicago Notes to the Consolidated Financial Statements

1. Organizational Purpose

United Cerebral Palsy Seguin of Greater Chicago (UCP Seguin) is a not-for-profit community-based agency incorporated in the state of Illinois. UCP Seguin serves children and adults with disabilities, providing innovative family support, employment, life skills, residential, and children's foster care programs, and technology leveraged training and education programs.

UCP Seguin is guided by the following mission: UCP Seguin of Greater Chicago believes that all people, regardless of ability, deserve to achieve their potential, advance their independence and act as full members of the community. So we stop at nothing to provide life skills training, assistive technology, meaningful employment, and a place to call home for people with disabilities, as well as specialized foster care for children. Our Goal: life without limits for people with disabilities.

The principles which form the foundation of this mission are as follows:

- A. Persons served will continue to receive high quality services. Supports will be expanded to address the unmet needs of: adults with developmental disabilities who are aging, have mental health needs, have traumatic brain injury, are in transition, and who seek community employment; children who have specialized medical needs, have social-emotional treatment needs, have accessibility needs, and who have needs for assistive technology and augmented communication.
- B. Persons served will live, work, and recreate in healthy and safe environments through promotion of a progressive health program, and provisions of a comprehensive agency safety program where safety is the responsibility of every employee.
- C. Persons served will have social inclusion by: establishing relationships with peers with and without disabilities within their communities; participating in the life of their communities through employment, including social enterprises and other activities; connecting to networks of natural supports; establishing intimate friendships; living in integrated environments; achieving permanency with biological or adoptive families; and, through engaging in inclusive educational environments.
- D. Persons served and their families will be able to provide input to the organization for improvement in the quality of services.
- E. UCP Seguin's management practices will be enhanced to improve organizational oversight and to accomplish the agency's mission through: improved communication with persons served, their families, UCP Seguin staff, and other stakeholders; periodic assessment and analysis of organizational strengths and opportunities for improvement; staff and Board member composition, which is representative of the community and program participants served by UCP Seguin; effective legislative advocacy; and, efficient use of technology.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

1. Organizational Purpose (cont'd)

- F. UCP Seguin is dedicated to the expansion and diversification of financial and human resources to ensure organizational stability and well-managed growth by: substantially increasing resources of UCP Seguin through the establishment and implementation of a comprehensive resource development plan; and developing social enterprises with the goals of increasing earned income and providing for expanded employment opportunities for program participants.
- G. UCP Seguin will be supported by qualified, well-trained, tenured staff members who are supported by their supervisors and UCP Seguin's management staff, and recognized regularly for their efforts and accomplishments.
- H. UCP Seguin will provide leadership and direction in the formation of networks of strategic partners in order to strengthen the services to and supports of persons served.

UCP Seguin's board members and president/CEO comprise the separate board of directors of an affiliated non-profit organization: Ramp Up, LLC (Ramp Up). Ramp Up was incorporated in 2009 as a single member limited liability company. The primary purpose of Ramp Up is to fund the construction and installation of modular home ramps for individuals with disabilities in the Chicagoland area.

2. Summary of Significant Accounting Policies

A. General

UCP Seguin's consolidated financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. These financial statements consolidate the activities of Ramp Up, its affiliate and have been prepared to focus on UCP Seguin as a whole. UCP Seguin meets the criteria for consolidating Ramp Up due to its level of control over, and economic interest in the organization. All significant inter-organizational balances and transactions have been eliminated in consolidation. Net assets and revenue, expenses, and gains and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Permanently Restricted Net Assets – Net assets subject to donor imposed stipulations that they be maintained permanently by UCP Seguin.

Temporarily Restricted Net Assets – Net assets subject to donor imposed stipulations that may be met by the actions of UCP Seguin or by the passage of time.

Unrestricted Net Assets – Net assets not subject to donor imposed stipulations.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

2. Summary of Significant Accounting Policies (cont'd)

A. General (cont'd)

Revenues are reported as increases in unrestricted net assets, unless use of the related assets is limited by donor imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets, unless their use is restricted by explicit donor stipulation or by law. Expiration of temporary restrictions on net assets (i.e., the donor imposed stipulated purpose has been fulfilled or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Temporarily Restricted Net Assets – UCP Seguin has adopted the following accounting policies with respect to temporarily restricted net assets:

Contributions With Restrictions Met in the Same Year – Contributions received with donor imposed restrictions that are fulfilled in the same time period in which the contribution is received are reported as unrestricted support.

Release of Restrictions on Net Assets for Acquisition of Property and Equipment – Contributions of exhaustible long-lived assets, or of cash or other assets used to acquire them, without donor stipulations concerning how long the donated assets must be used, are reported as revenues of the temporarily restricted net asset class. The restrictions are considered to be released over the estimated useful lives of the long-lived assets using UCP Seguin's depreciation policies, or upon sale of such assets. See Note 10 for additional disclosures.

B. Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods, or restricted by the donor for specific purposes, are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

2. Summary of Significant Accounting Policies (cont'd)

C. Significant Concentrations

Revenue approximating 74%, or \$30.8 million (71% or \$28.2 million in 2015), is provided by departments of the State of Illinois. Future levels of program activities are dependent on these governmental agencies. Revenues have been allocated to programs as follows:

	<u>2016</u>		<u>2015</u>
Community living	42.09 %		44.26 %
Foster care	24.88		20.89
Developmental training	17.44		16.09
Infinitec	11.17		12.43
Ramp Up	.96		1.38
Supported employment	1.21		1.39
UCP Seguin Enterprises	2.25		3.56
	<u>100.00 %</u>		<u>100.00 %</u>

D. Fair Value and Investments

All of UCP Seguin's investments are carried at fair value, with changes in fair value recognized in net assets each period. UCP Seguin makes estimates regarding valuation of assets at fair value in preparing the financial statements.

UCP Seguin defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A valuation hierarchy has been established for fair value measurements. This hierarchy is broken down into three levels based on the reliability of observable and unobservable inputs as follows:

Level 1 – Valuations are based on quoted prices in active markets for identical assets or liabilities that UCP Seguin has the ability to access at the measurement date.

Level 2 – Valuations are based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose significant inputs are observable.

Level 3 – Valuations are based on unobservable inputs for the asset or liability that reflect the reporting entity's own data and assumptions that market participants would use in pricing the asset or liability.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

2. Summary of Significant Accounting Policies (cont'd)

D. Fair Value and Investments (cont'd)

The valuations for investments in common stock, mutual funds, exchange traded funds and real estate investment trust are based on quoted prices in active markets for identical assets. Accordingly, these investments are categorized in Level 1 of the fair value hierarchy. Corporate bonds and government backed securities (federal agencies) are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. As such, corporate bonds and government backed securities are categorized in Level 2 of the fair value hierarchy. The master fund investment valuation utilizes information provided by investment managers and other financial reports of the underlying investment entities which may include securities for which prices are not readily available. Due to the significance of the unobservable inputs, the investment in the master fund is categorized in Level 3 of the fair value hierarchy.

E. Inventory

Inventory is reported at the lower of cost or market (or fair value at the date of donation). Inventory on the consolidated statement of financial position includes; used vehicles, gardens and gifts items, assistive technology equipment and computer and durable medical equipment held for donation to clients.

F. Property and Equipment

Land, buildings, and equipment are valued at cost. Additions and improvements to property and equipment that have a cost of more than \$500 are capitalized at cost, while maintenance and repair expenditures are charged to expense as incurred. Donated property and equipment are valued at estimated fair market value at the date of donation. Depreciation is provided on the straight-line method. Estimated useful lives are as follows:

Buildings	28 - 40 years
Building improvements	5 - 40 years
Equipment	3 - 10 years
Land improvements	10 - 28 years
Leasehold improvements	3 - 28 years

G. Income Taxes

UCP Seguin is a not-for-profit entity, as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from income taxes, except to the extent of any unrelated business income. UCP Seguin had no unrelated business income in 2015 and 2016, and did not pay any income taxes in 2015 or 2016. Ramp Up is a disregarded entity for taxation purposes, as any tax attributable to its operations would be the tax responsibility of UCP Seguin.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

2. Summary of Significant Accounting Policies (cont'd)

G. Income Taxes (cont'd)

Tax returns for the individual organizations (United Cerebral Palsy of Greater Chicago and Seguin Services) prior to merger are open years for purposes of examination by the IRS or Illinois Department of Revenue for the year ended June 30, 2013. For UCP Seguin the tax returns filed for the years ended June 30, 2014 and 2015 are open for examination.

H. Pervasiveness of Estimates

The preparation of consolidated financial statements in accordance 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 reported amounts of revenue and expenses during the reporting period.

Significant estimates used in the preparation of these consolidated financial statements include the fair value of investments, allowance for doubtful accounts, health and workers' compensation insurance accruals for claims incurred during the reporting period but not reported until after the balance sheet date, allocations of general and administrative expenses to individual program activities and fair value for non-cash items such as computer and durable medical equipment. Actual results could differ from those estimates. It is reasonably possible that the recorded amounts or related disclosures could significantly change in the near future as new information is available.

I. Subsequent Events

Subsequent events have been evaluated through November 9, 2016, which is the date the consolidated financial statements were available to be issued.

3. Cash

UCP Seguin's cash deposits are present at four financial institutions and may from time to time exceed available insurance coverage limits. At June 30, 2016, the bank balances at such institutions were \$2,484,433, of which \$2,008,101 was not covered by federal depository insurance.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

4. Investments

Investments at June 30 are as follows:

	<u>2016</u>	<u>2015</u>
Common stock	\$ 1,178,159	\$ 2,548,017
Mutual funds	209,792	1,066,904
Exchange traded funds	489,746	1,214,340
Corporate bonds	283,226	1,153,603
Federal agencies	-	267,752
Real Estate Investment trust	34,240	-
Master fund	229,777	246,586
	<u>2,424,940</u>	<u>6,497,202</u>
Investments, at fair value		
Cash	94,435	342,400
	<u>94,435</u>	<u>342,400</u>
Total Investments	<u>\$ 2,519,375</u>	<u>\$ 6,839,602</u>

Fair values of assets measured on a recurring basis consistent with the hierarchy described in Note 2 are as follows as of June 30:

	<u>2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 1,178,159	\$ -	\$ -	\$ 1,178,159
Mutual funds, short-term bonds	209,792	-	-	209,792
Exchange traded funds	489,746	-	-	489,746
Corporate bonds	-	283,226	-	283,226
Real Estate Investment trust	34,240	-	-	34,240
Master fund	-	-	229,777	229,777
	<u>\$ 1,911,937</u>	<u>\$ 283,226</u>	<u>\$ 229,777</u>	<u>\$ 2,424,940</u>
	<u>2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Common stocks	\$ 2,548,017	\$ -	\$ -	\$ 2,548,017
Mutual funds, short-term bonds	1,066,904	-	-	1,066,904
Exchange traded funds	1,214,340	-	-	1,214,340
Corporate bonds	-	1,153,603	-	1,153,603
Federal agencies	-	267,752	-	267,752
Master fund	-	-	246,586	246,586
	<u>\$ 4,829,261</u>	<u>\$ 1,421,355</u>	<u>\$ 246,586</u>	<u>\$ 6,497,202</u>

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

4. Investments (cont'd)

The following table summarizes the activity for the Level 3 investment as of June 30:

	<u>2016</u>	<u>2015</u>
Balance, beginning of the year	\$ 246,586	\$ -
Amounts invested in fund	-	250,000
Net unrealized (depreciation) in investment	<u>(16,809)</u>	<u>(3,414)</u>
Balance, end of the year	<u>\$ 229,777</u>	<u>\$ 246,586</u>

Investment return during the year ended June 30, 2016 is as follows:

	<u>Net Interest and Dividend Income</u>	<u>Net Realized and Unrealized Gains (Losses)</u>	<u>Total Investment Income (loss)</u>
Other interest income	\$ 3,402	\$ -	\$ 3,402
Quasi-endowment investments, at fair value	54,430	(164,151)	(109,721)
Funds in foundation transfer	<u>622</u>	<u>8</u>	<u>630</u>
	<u>\$ 58,454</u>	<u>\$ (164,143)</u>	<u>\$ (105,689)</u>

Net interest and dividend income includes investment expenses of \$20,393.

Investment return during the year ended June 30, 2015 is as follows:

	<u>Net Interest and Dividend Income</u>	<u>Net Realized and Unrealized Gains (Losses)</u>	<u>Total Investment Income (loss)</u>
Other interest income	\$ 327	\$ -	\$ 327
Quasi-endowment investments, at fair value	125,865	(119,910)	5,955
Funds for foundation transfer	<u>81,012</u>	<u>(94,632)</u>	<u>(13,620)</u>
	<u>\$ 207,204</u>	<u>\$ (214,542)</u>	<u>\$ (7,338)</u>

Net interest and dividend income includes investment expenses of \$31,406.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

5. Accounts Receivable

Accounts receivable are stated at the amount billed to the public or governmental agencies and clients, contributions and other amounts due from third parties, reduced by an allowance for doubtful accounts. UCP Seguin does not charge interest or late fees on amounts past due. Accounts are written off to the allowance when management believes collectibility is unlikely. Management's periodic evaluation of the adequacy of the allowance is based on UCP Seguin's past experience, known and inherent risks in the accounts, adverse situations that may affect the agencies' or clients' ability to pay, and current economic conditions. Past due accounts over 90 days amounted to approximately \$216,000 at June 30, 2016 (\$312,000 at June 30, 2015).

6. Property and Equipment

Property and equipment accounts are summarized by major classification at June 30 as follows:

	<u>2016</u>	<u>2015</u>
Land	\$ 3,620,022	\$ 3,769,960
Buildings	15,886,966	18,095,667
Building improvements	19,537,818	18,785,377
Equipment	11,145,749	10,889,365
Leasehold improvements	428,593	419,493
Land improvements	180,603	176,153
Not in service	497,053	-
Construction in progress	577,820	120,214
	<u>51,874,624</u>	<u>52,256,229</u>
Less accumulated depreciation and amortization	<u>(27,429,616)</u>	<u>(27,048,718)</u>
	<u>\$ 24,445,008</u>	<u>\$ 25,207,511</u>

Depreciation expense on property and equipment for the year ended June 30, 2016, totaled \$1,498,142 (\$1,542,772 at June 30, 2015). No interest costs were capitalized in connection with construction projects for the years ended June 30, 2015 and 2016.

7. Short-term Borrowings

A promissory note and agreement provides for maximum short-term borrowings of \$4,000,000. The note was last renewed March 15, 2016. Interest is payable monthly at 2.25% above the lender's index rate with a minimum rate of 2.00% (index rate of 2.8784% at June 30, 2016 and 2.5253% at June 30, 2015), with all outstanding principal and interest due on March 15, 2017. At June 30, 2016, there was \$300,000 due under this agreement (no balance was due at June 30, 2015).

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

7. Short-term Borrowings (cont'd)

The note is secured by eligible receivables of UCP Seguin. The agreement requires UCP Seguin, among other covenants, to furnish certain financial information to the lender within specified time frames.

Subsequent to year end UCP Seguin obtained an additional revolving line of credit that provides for borrowings up to \$2,572,500. Interest is payable monthly commencing November 13, 2016, at a variable interest rate based on the Wall Street Journal Prime Rate (Index). The Index currently is 3.500% per annum. All outstanding principal plus accrued and unpaid interest is due on October 13, 2018. The note is secured by an assignment of rents and certain real property of UCP Seguin.

8. Long-term Debt – Installment Contracts

	June 30,	
	2016	2015
Promissory note dated August 19, 2010, in the original amount of \$1,500,000, from a not-for-profit corporation, secured by a mortgage on certain real property. The note bears interest as recalculated, at a rate of 5.50% and requires monthly principal and interest payments of \$12,344 commencing September 1, 2015 through August 31, 2020 (prior to the recalculation the interest rate was 5.875% with a monthly payment of \$12,577). On the tenth anniversary of the first principal and interest date, the rate of interest will be recalculated based on the greater of the yield to maturity of certain United States Treasury obligations plus 1.75% and 5.00%. Final payment is due September 1, 2025.	\$ 1,072,084	\$ 1,158,213
Barrie Park Investment Program promissory note dated November 21, 2005, in the original amount of \$15,000, was used in connection with a grant of an equal amount for the purpose of rehabilitating a residence owned by UCP Seguin. The note is payable in full upon conveyance or transfer of any interest in the property. The note bears no interest unless the principal is not paid when due, then the interest rate is at the highest rate permitted by law or nine percent whichever is greater. The note is secured by a mortgage on the property.	15,000	15,000

(cont'd)

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

8. Long-term Debt – Installment Contracts (cont'd)

	<u>June 30,</u>	
	<u>2016</u>	<u>2015</u>
Illinois Housing Development Authority mortgage note dated November 28, 1997, in the original amount of \$500,000, was issued in connection with the acquisition and improvement of certain residential living facilities. The note is payable monthly at \$1,389, commencing April 1, 1999. The note is at 0% interest, as it imposes certain regulatory and land use restrictions on the facilities acquired. Such as, the facilities will be used to provide housing for the developmentally disabled. The final payment is due March 1, 2029. The note is secured by second mortgages on each of the facilities acquired.	\$ 190,315	\$ 206,982
Two installment loans dated 2010 through 2012, in the aggregate amount of \$5,670,000, were issued in connection with the refinancing of certain residential living facilities. The notes are due in monthly installments ranging from \$1,842 to \$29,311, which includes interest ranging from 4.19% to 5.50% per annum. The final payments are due from August 2022 to July 2038. The notes are secured by certain real properties.	5,096,357	5,247,217
Three installment loans dated 1996 through 1999, in the aggregate amount of \$192,234, were issued in connection with the renovation of certain residential living facilities. The loans were initially provided by the Cook County, Illinois HOME Program, which was established to assist in the financing and provision of decent, safe, sanitary, and affordable housing through public/private partnerships. The notes are due in monthly installments ranging from \$171 to \$388, which included interest at 1% per annum. Final payment was made on one loan in October 2015, with the other two loans being forgiven by Cook County in September 2016. The notes are secured by a junior mortgage on certain real properties.	49,144	53,383

(cont'd)

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

8. Long-term Debt – Installment Contracts (cont'd)

	<u>June 30,</u>	
	<u>2016</u>	<u>2015</u>
Promissory note dated June 30, 2009, in the original amount of \$224,000, was used in connection with the acquisition of certain real property, which secures the note. The note as revised July 1, 2016 is due in monthly installments of \$1,377, which includes interest at 5.25% per annum (prior to revision monthly payments were \$1,455 with interest at 6.00%). The final payment is due in June 2021.	\$ 191,143	\$ 196,325
Promissory note dated April 23, 2013, in the original amount of \$30,694, was used in connection with the acquisition of a certain vehicle, which secures the note. The note is due in monthly installments of \$639, which includes interest at 5.40% per annum. The final payment is due on September 10, 2017.	9,408	16,358
Variable rate promissory note dated December 15, 2010, in the original amount of \$384,182. The note is a replacement of a short-term note that matured on December 15, 2010, and is secured by substantially all unencumbered assets of UCP Seguin, including certain real property, accounts receivable and furniture and equipment. The note is due in monthly installments of \$6,403, plus interest at 1.00% above the lender's index rate with a minimum rate of 5.50% (index rate of 3.25% at June 30, 2015). The note was paid off on December 15, 2015.	-	38,419
Promissory note dated February 1, 2015, in the original amount of \$304,000, was used in connection with the acquisition of certain real property, which secures the note. The note is due in monthly installments of \$2,388, which includes interest at 4.90% per annum. The final payment is due in February 2030.	283,853	298,219

(cont'd)

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

8. Long-term Debt – Installment Contracts (cont'd)

	<u>June 30,</u>	
	<u>2016</u>	<u>2015</u>
Two promissory notes dated March 17, 2015, in the aggregate amount of \$870,000, were issued in connection with the refinancing of certain residential living facilities. The notes are due in monthly installments ranging from \$1,163 to \$3,896, which includes interest at 3.48% per annum. Final balloon payments are due in March 2020 in the aggregate amount of \$711,205. The notes are secured by certain real properties.	<u>\$ 831,503</u>	<u>\$ 862,200</u>
	<u>\$ 7,738,807</u>	<u>\$ 8,092,316</u>

Maturities of long-term debt are as follows:

<u>For the Year Ending June 30,</u>	<u>Total Maturities</u>
2017**	\$ 48,723
2017	352,837
2018	363,041
2019	378,006
2020	1,003,459
2021	506,041
2022 and subsequent	5,086,700
	<u>\$ 7,738,807</u>

** - reflects debt forgiven subsequent to year end by the lender.

Total interest paid for 2016 excluding loan fee amortization was \$344,477 (\$380,118 in 2015). The carrying value at June 30, 2016 of property and equipment collateralizing the above long-term debt is approximately \$24.4 million (\$25.2 million at June 30, 2015).

9. Retirement Plan

UCP Seguin has a 403(b) defined contribution plan (the Plan) which covers substantially all employees who meet eligibility requirements of the Plan. The Plan provides for participant salary deferrals. No employer contributions are required to be made to the Plan.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

10. Net Assets

Unrestricted Net Assets – Unrestricted net assets were designated for specific purposes as follows:

	<u>2016</u>	<u>2015</u>
Quasi-endowment funds	\$ 2,519,375	\$ 2,622,134
Funds for Foundation transfer	-	4,222,208
Undesignated	<u>5,032,647</u>	<u>3,016,444</u>
	<u>\$ 7,552,022</u>	<u>\$ 9,860,786</u>

Quasi-endowment Funds – UCP Seguin's quasi-endowment funds consist of funds designated by the Board of Directors to function as endowments. Since the funds resulted from an internal designation and are not donor-restricted, they are classified and reported as unrestricted net assets. UCP Seguin has adopted a policy for quasi-endowment assets to provide for the administration, disbursement and funding of the funds. Under the policy approved by the Board of Directors, the assets are invested by external fund managers using a balance among equities, bonds, insured investments and so on, to seek the best possible market return with the prudent person principle as a guide. The external manager investment strategy is to be reviewed annually by the Finance Committee.

Changes in unrestricted quasi-endowment net assets for the years ended June 30 are as follows:

	<u>2016</u>	<u>2015</u>
Quasi-endowment net assets, beginning of the period	\$ 2,622,134	\$ 2,608,331
Investment return:		
Investment income	54,430	125,865
Net appreciation (depreciation) - realized and unrealized	<u>(164,151)</u>	<u>(119,910)</u>
Total investment return (loss)	<u>(109,721)</u>	5,955
Other changes – transfers to include Board-designated funds in quasi-endowment	<u>6,962</u>	<u>7,848</u>
Quasi-endowment net assets, end of the period	<u>\$ 2,519,375</u>	<u>\$ 2,622,134</u>

Funds for Foundation Transfer – In connection with the merger of the entities in 2013, UCP Seguin was required, subject to certain conditions, to transfer \$4 million of the cash and investment balances associated with UCP, together with any income earned thereon, but less any such funds spent as provided for in the agreement, to the UCP Seguin of Greater Chicago Foundation (Foundation). Such conditions were satisfied in July of 2015 and the amount of \$4,222,838 was transferred to the Foundation as a donation. The Foundation is not consolidated with UCP Seguin because UCP Seguin does not have a majority voting interest in the board of the Foundation and does not have an economic interest in the Foundation.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

10. Net Assets (cont'd)

Temporarily Restricted Net Assets – Temporarily restricted net asset balances consist of the following at June 30:

	2016	2015
Capital Campaign	\$ 2,344,814	\$ 2,493,878
CILA Lapsed Funding	13,666	14,854
Fire Detection/Monitoring Systems	3,099	9,976
IDOT Vehicles	324,613	283,239
Residential Living Facilities:		
Federal Home Loan Program	166,704	182,764
Berwyn CDBG Program	644,605	683,739
Cook County CDBG Program	558,469	513,311
Oak Park CDBG Program	365,641	369,617
Barrie Park	9,420	9,955
Home Renovations	406,674	412,587
Other In-kind Donations	253,928	271,758
Lombard House	9,969	10,926
UCP Seguin Enterprises Program	67,168	71,394
Solar Program	1,054	14,656
Alzheimer Program	116,026	122,453
Garden Center	4,037	4,837
Senior Services Program	1,357,148	1,401,600
Computer Software	-	2,180
Day Program Facility	601,472	200,000
Day Program, In-kind Donations	9,267	12,524
Program Facilities:		
Julius and Betty Levinson	182,736	192,516
Arthur and Mary Rubloff	4,499,989	6,368,506
Highland Park, Land	650,000	650,000
Choice program	192,789	-
Applied Behavior Analysis Practicum	-	48
	\$ 12,783,288	\$ 14,297,318

The land being utilized for the Highland Park facility of UCP Seguin had an appraised value of \$650,000 when received by UCP in 2003. If UCP Seguin discontinues its use of the parcel as a child care center and assistive technology center at any time before November 2022, the title of the land reverts to the Northern Suburban Special Education District.

UCP Seguin considers the provision to be a temporary restriction, and therefore an amount representing the value of the land is included in temporarily restricted net assets.

At June 30, 2016, unexpended temporarily restricted net assets amounted to \$448,282 (\$591,814 at June 30, 2015), with the balance of temporarily restricted net assets representing undepreciated long-lived assets to be released from restrictions in the future.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

10. Net Assets (cont'd)

Temporarily Restricted Net Assets (cont'd)

The source of net assets released from temporary donor restrictions by incurring expense satisfying the restriction, or by the occurrence of events specified by the donor, was as follows at June 30:

	<u>2016</u>	<u>2015</u>
Capital Campaign	\$ 149,064	\$ 149,432
CILA Lapsed Funding	1,188	1,187
Fire Detection/Monitoring Systems	6,877	18,258
IDOT Vehicles	34,978	37,172
Residential Living Facilities:		
Federal Home Loan Program	16,061	16,061
Berwyn CDBG Program	39,134	39,212
Cook County CDBG Program	34,842	28,348
Oak Park CDBG Program	22,976	23,455
Barrie Park	535	536
Home Renovations	5,913	5,913
Other In-kind Donations	19,640	12,129
Lombard House	957	957
UCP Seguin Enterprises Program	4,226	4,226
Solar Program	13,602	19,861
Alzheimer Program	6,427	6,427
Garden Center	800	800
Senior Services Program	44,452	46,572
Computer Software	2,180	26,167
Day Program Facility	3,528	-
Day Program, In-kind Donations	3,257	4,376
Program Facilities:		
Julius and Betty Levinson	9,780	9,779
Arthur and Mary Rubloff	1,868,516	233,716
Choice program	5,261	-
Applied Behavior Analysis Practicum	48	146
	<u>\$ 2,294,242</u>	<u>\$ 684,730</u>

The unreleased balance of previously donated property in Villa Park that was sold during 2016 was reclassified to unrestricted net assets from temporarily restricted and amounted to \$1,692,772. Property and equipment was also reclassified to unrestricted net assets from temporarily restricted for long-lived assets released from restrictions, in accordance with UCP Seguin's depreciation policy during 2016, in the amount of \$601,470 (\$684,730 in 2015).

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

10. Net Assets (cont'd)

Permanently Restricted Net Assets – Donated land in Tinley Park was received by UCP Seguin in 2001 with an appraised value of \$148,000. A building was constructed on the land for the purposes of providing services and support to disabled persons. The provisions of the donation specify that if UCP Seguin discontinues its use of the parcel for the restricted charitable purpose or attempts to convey all or part of the land to another party, then the title reverts to the State of Illinois. UCP Seguin considers this to be a permanent donor restriction and has included the value of the land in permanently restricted net assets.

11. Contributed Services and In-kind Revenue

UCP Seguin recognizes contribution revenue for certain professional services and in-kind property received at fair value at date of receipt. For the period ended June 30, 2016, those services and property included software, real property, furniture and equipment, and professional services of \$532,088 (\$461,768 in 2015). The aforementioned amounts also include related party legal services provided by a firm that two UCP Seguin board members are associated with. In addition, a substantial number of volunteers have donated significant amounts of their time to various program services for which no value has been assigned.

Also, amounts have been included in the consolidated financial statements for contributions of in-kind computer and durable medical equipment received from various contributors to be used in the Assistive Technology Exchange Network Program. UCP Seguin estimates the value of computer and durable medical equipment received in 2016 totaled \$1,793,471 (\$2,294,914 in 2015). Equipment given to qualified recipients and charged to program expense, including scrap, during the year ended June 30, 2016 totaled \$1,777,970 (\$2,077,593 in 2015). At June 30, 2016, \$709,224 of equipment held for donation to clients was still on hand and included in inventory (\$693,724 as of June 30, 2015).

12. Operating Leases

UCP Seguin has operating leases on copy equipment and office and residential space, which expire in 2018 through 2023. Certain of the office space leases provide for additional rents related to operating costs and property taxes. UCP Seguin is committed to making the following minimum annual payments at June 30, 2016:

2017	\$ 348,464
2018	257,253
2019	223,592
2020	73,628
2021	56,570
2022 and subsequent	85,077
	<u>\$ 1,044,584</u>

Total rent expense inclusive of operating costs and property taxes was \$421,973 in 2016 and \$415,737 in 2015.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

12. Operating Leases (cont'd)

UCP Seguin leases a portion of its Highland Park facility to an unrelated organization under a lease agreement which provides for monthly base rental payments. The lease is effective through July, 2017. Approximate future rental payments on lease to be received are as follows at June 30, 2016:

2017	\$ 183,600
------	------------

Rental income on leased properties for the year ended June 30, 2016 was \$207,693 (\$295,453 in 2015).

13. Commitments

Construction – UCP Seguin has open contracts in process totaling approximately \$379,000 for construction and renovations to residential homes. Of the contract amounts, the remaining commitment is for approximately \$98,000 as of June 30, 2016.

Employment Commitments – In connection with the merger that initially formed UCP Seguin, management believed that it was in the best interest of the organization to continue employment of certain key employees. Accordingly, employment agreements exist and are expected to be extended to continue through June 30, 2019 for three individuals. Payments under the agreements are made as services are provided.

14. Contingencies

Litigation – UCP Seguin is subject to certain claims that arise in the ordinary course of business. Management is of the opinion that, after application of all available insurance coverage, the effect of the outcomes of these proceedings on UCP Seguin's financial position will not be material.

Fees and Grants Received – UCP Seguin has received significant financial assistance from numerous federal, state, and local government agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements, and may be subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of UCP Seguin. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a material effect on the financial position of UCP Seguin at June 30, 2016.

Forgivable Payment Notes – UCP Seguin has been awarded certain community development block grants from the County of DuPage (County) through the DuPage Community Development Commission to fund 50% of the cost for an employment and life skills center up to a maximum of \$400,000 and 60% of the cost for a group home project, up to a maximum of \$300,000. The projects consist of the acquisition and renovation and/or construction of the center and the construction of a new house to become an Americans with Disabilities Act-compliant Community Integrated Living Arrangement group home for low-income adults with severe intellectual and developmental disabilities.

United Cerebral Palsy Seguin of Greater Chicago
Notes to the Consolidated Financial Statements (cont'd)

14. Contingencies (cont'd)

Forgivable Payment Notes (cont'd)

Of the amounts awarded, \$200,000 has been recognized as temporarily restricted revenue during the year ended June 30, 2016 (\$500,000 during June 30, 2015). As a condition of the grants, UCP Seguin has executed forgivable payment notes in the amounts of \$400,000 and \$300,000, respectively for the projects, payable to the County. UCP Seguin is not required to make regular monthly payments of principal or interest on the loans. If the property securing each note, or any interest in the property, is sold or transferred before the 20 year anniversary date of the project completion, the full amount of the principal applicable to such property is payable. If the specific property is no longer used for the purposes stated in the agreement, the principal is due within 30 days of such change in use. The notes will be forgiven in a lump sum on the 20 year anniversary date of the specific project's project completion. It is UCP Seguin's expectation that such properties will be used for the purposes stated in the agreements throughout the period required and as such has not reflected any mortgage liability on the statement of financial position for these notes.

Dental, Workers' Compensation and Health Insurance – UCP Seguin is self-insured for dental and workers' compensation coverage at June 30, 2016. Such self-insured dental coverage commenced on November 1, 2015. Through October 31, 2015, UCP Seguin was also partially self-insured for health coverage. Amounts accrued in the consolidated financial statements for claims incurred during the fiscal 2016 reporting period are included in accrued expenses on the statement of financial position, and do not include claims that were unfiled as of September 30, 2016, as they are not determinable.

Unemployment Taxes – UCP Seguin has elected the reimbursement method for payment of Illinois unemployment taxes. Payment is based on actual reimbursements of claims filed, as determined by the state of Illinois. No accrual for unfiled claims has been included in the consolidated financial statements, as it is not determinable.

Selden Fox, LTD.

A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS
619 Enterprise Drive
Oak Brook, Illinois 60523-8835

630-954-1400
630-954-1327 FAX

email@seldenfox.com
www.seldenfox.com

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
United Cerebral Palsy Seguin of Greater Chicago
Cicero, Illinois

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements of **United Cerebral Palsy Seguin of Greater Chicago** as a whole. The supplemental schedules as of and for the year ended June 30, 2016, on pages 27 through 30 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 audit 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, this information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Selden Fox, Ltd.

November 9, 2016

United Cerebral Palsy Seguin of Greater Chicago
Consolidated Schedule of Functional Expenses
For the Year Ended June 30, 2016

	Total Agency	Programs				
		Total Programs	Develop- mental Training	Foster Care	Supported Employment	Community Integrated Living Arrangement
Salaries and related expenses:						
Salaries	\$ 21,275,446	\$ 19,520,432	\$ 3,368,100	\$ 4,357,960	\$ 397,058	\$ 8,120,361
Foster care stipends	4,313,915	4,313,915	-	3,299,715	-	1,014,200
FICA tax	1,570,891	1,459,822	262,076	306,571	33,562	605,742
Unemployment tax	30,551	30,551	6,618	8,210	-	14,970
Workers' compensation	546,857	490,699	80,459	101,752	12,813	208,323
Employee health insurance	1,511,855	1,349,907	281,008	371,644	31,556	443,178
Other benefits	104,982	56,981	6,623	23,079	449	14,243
Program consultants	1,790,333	1,562,025	866,222	76,027	2,525	17,965
Other consultants	458,626	330,342	28,655	-	-	2,808
Client wages	259,443	259,443	52,532	-	56,218	-
Life & AD&D/LT disability insurance	140,353	127,691	22,393	25,737	2,867	54,999
Total salaries and related expenses	32,003,252	29,501,808	4,974,686	8,570,695	537,048	10,496,789
Consumable supplies:						
Office	96,949	47,339	13,245	11,674	343	6,999
Medicine and drugs	43,711	43,711	776	163	778	34,603
Educational	54,652	54,652	2,464	50	-	-
Food	164,372	157,855	45,781	6,568	-	84,363
Kitchen	135,573	135,371	16,667	332	-	102,286
Janitorial	34,243	30,953	16,436	8,995	166	247
Client activities	250,823	250,799	143,001	18,653	27,498	19,508
OSHA	23,311	23,311	7,673	21	7,696	7,909
Clothing	145,031	145,031	1,499	142,218	130	704
Program supplies	40,465	40,465	391	-	-	-
Other	2,173,946	2,160,273	7,177	74,592	110	4,584
Total consumable supplies	3,163,076	3,089,760	255,110	263,266	36,721	261,203
Occupancy:						
Property and building insurance	48,378	43,201	4,094	1,840	-	24,349
Real estate taxes	7,325	7,325	-	-	-	5,105
Utilities	435,277	414,577	91,229	52,770	3,688	179,251
Janitorial and maintenance contracts	517,889	482,633	96,563	45,899	520	242,610
Building and grounds maintenance supplies	254,802	223,934	16,954	2,076	-	179,420
Equipment and repairs	131,744	95,997	24,380	15,949	-	28,644
Total occupancy	1,395,415	1,267,667	233,220	118,534	4,208	659,379

Community Supported Living Arrangement	HBS	Respite	SeniorCares	UCP Seguin Enterprises	Infinitec	Ramp Up	External Support	Fund-raising and Development	Admin- istrative
\$ 316,227	\$ 214,859	\$ 64,369	\$ 1,084,869	\$ 452,649	\$ 1,107,437	\$ 36,543	\$ -	\$ 245,927	\$ 1,509,087
-	-	-	-	-	-	-	-	-	-
23,511	16,256	4,807	80,039	45,079	79,552	2,627	-	16,133	94,936
-	-	-	324	-	429	-	-	-	-
8,941	5,026	1,967	28,070	13,357	28,898	1,093	-	8,522	47,636
32,009	10,532	7,280	56,353	41,587	70,391	4,369	-	21,351	140,597
576	1,091	42	8,101	2,175	580	22	-	134	47,867
-	-	-	-	-	562,436	36,850	-	187,283	41,025
-	-	-	-	-	1,020	297,859	-	-	128,284
-	-	-	-	150,693	-	-	-	-	-
2,201	1,397	439	6,868	3,129	7,410	251	-	1,772	10,890
383,465	249,161	78,904	1,264,624	708,669	1,858,153	379,614	-	481,122	2,020,322
160	100	146	488	1,489	12,601	94	-	2,159	47,451
-	-	5	7,386	-	-	-	-	-	-
-	-	-	-	-	52,138	-	-	-	-
840	-	4,947	9,632	1,339	4,385	-	-	1,179	5,338
11	-	58	16,002	15	-	-	-	-	202
17	-	-	-	3,821	1,271	-	-	-	3,290
98	-	14,139	3,500	624	23,778	-	-	24	-
-	-	-	2	10	-	-	-	-	-
-	-	-	2	478	-	-	-	-	-
-	-	-	-	32,105	7,969	-	-	-	-
-	-	-	-	216,384	1,857,176	250	-	108	13,565
1,126	100	19,295	37,012	256,265	1,959,318	344	-	3,470	69,846
-	-	248	1,004	8,794	2,872	-	-	-	5,177
-	-	-	-	-	2,220	-	-	-	-
354	-	6,360	24,976	25,499	30,161	289	-	-	20,700
433	-	3,526	24,840	35,500	32,223	519	-	119	35,137
60	-	1,735	14,310	5,836	3,543	-	-	-	30,868
16	435	298	1,490	4,441	20,259	85	-	-	35,747
863	435	12,167	66,620	80,070	91,278	893	-	119	127,629

(cont'd)

United Cerebral Palsy Seguin of Greater Chicago
Consolidated Schedule of Functional Expenses (cont'd)
For the Year Ended June 30, 2016

	Programs					
	Total Agency	Total Programs	Develop-mental Training	Foster Care	Supported Employment	Community Integrated Living Arrangement
Local transportation:						
Client	\$ 422,285	\$ 421,904	\$ 214,269	\$ 78,540	\$ 43,813	\$ 73,167
Staff	413,359	402,023	58,239	191,474	17,924	92,392
Vehicle insurance	75,896	74,655	18,974	-	-	36,884
Repairs and maintenance	95,825	93,366	14,658	-	10	47,910
Gas and oil	117,500	114,896	18,453	818	-	70,363
Total local transportation	1,124,865	1,106,844	324,593	270,832	61,747	320,716
Equipment purchase:						
Educational	16,950	16,950	6,431	311	4,070	702
Office	145,504	124,257	31,788	10,739	198	66,532
Total equipment purchase	162,454	141,207	38,219	11,050	4,268	67,234
Leasing and rental - other	421,973	210,388	29,037	563	13,100	136,091
Interest:						
Facilities	343,113	331,301	62,920	-	-	241,550
Line of credit	921	723	402	321	-	-
Other	11,952	11,237	814	-	-	9,381
Total interest	355,986	343,261	64,136	321	-	250,931
Miscellaneous:						
Telephone	137,846	129,117	23,596	14,875	8,572	61,461
Liability insurance	122,198	115,326	47,295	27,488	1,558	-
Outside printing and artwork	52,202	16,300	2,505	2,480	60	1,592
Moving and recruiting	49,326	46,690	12,112	7,895	175	22,210
Marketing	60,844	35,783	-	-	-	-
Membership dues	80,698	7,375	2,223	588	800	490
Postage and shipping	49,409	26,379	1,058	6,216	52	1,666
Conference and convention	201,148	186,645	45,574	2,182	4,744	813
Subscription and reference	56,484	47,350	1,058	243	-	-
Foundation contribution	4,222,838	4,222,838	-	-	-	-
Other	175,686	135,801	5,755	4,369	-	42,811
Total miscellaneous	5,208,679	4,969,604	141,176	66,336	15,961	131,043

Community Supported Living Arrangement	HBS	Respite	SeniorCares	UCP Seguin Enterprises	Infinitec	Ramp Up	External Support	Fund-raising and Development	Admin-istrative
\$ 9,015	\$ 128	\$ 279	\$ 2,621	\$ 38	\$ 34	\$ -	\$ -	\$ 381	\$ -
4,814	9,867	1,643	6,096	1,353	12,178	6,043	-	1,132	10,204
-	-	1,241	5,147	8,686	3,723	-	-	-	1,241
-	-	2,091	1,793	11,283	15,621	-	-	-	2,459
-	-	392	9,419	3,587	11,864	-	-	-	2,604
13,829	9,995	5,646	25,076	24,947	43,420	6,043	-	1,513	16,508
-	-	-	587	353	4,496	-	-	-	-
6	-	985	5,078	8,873	58	-	-	175	21,072
6	-	985	5,665	9,226	4,554	-	-	175	21,072
5	-	-	21	408	19,127	12,036	-	64	211,521
-	-	1,651	24,830	350	-	-	-	-	11,812
-	-	-	-	-	-	-	-	-	198
-	-	91	951	-	-	-	-	-	715
-	-	1,742	25,781	350	-	-	-	-	12,725
83	-	681	6,414	4,317	9,118	-	-	-	8,729
-	739	-	-	83	30,084	8,079	-	-	6,872
5	728	-	-	2,112	6,581	237	-	31,659	4,243
350	135	-	2,291	1,315	207	-	-	16	2,620
-	-	-	-	35,783	-	-	-	20,061	5,000
-	-	-	-	399	2,875	-	-	2,500	70,823
343	-	-	-	8,480	8,563	1	-	5,196	17,834
-	165	-	-	1,456	131,711	-	-	1,023	13,480
-	-	-	-	1,433	44,616	-	-	6,275	2,859
-	-	-	-	-	-	-	4,222,838	-	-
170	-	1,303	2,529	30,096	48,768	-	-	7,685	32,200
951	1,767	1,984	11,234	85,474	282,523	8,317	4,222,838	74,415	164,660

(cont'd)

United Cerebral Palsy Seguin of Greater Chicago
Consolidated Schedule of Functional Expenses (cont'd)
For the Year Ended June 30, 2016

		Programs				
	Total Agency	Total Programs	Develop- mental Training	Foster Care	Supported Employment	Community Integrated Living Arrangement
Depreciation	\$ 1,498,142	\$ 1,298,155	\$ 187,404	\$ 82,927	\$ 13,103	\$ 686,028
Total functional expenses before allocation of administrative expenses	45,333,842	41,928,694	6,247,581	9,384,524	686,156	13,009,414
Allocation of administrative expenses	-	3,399,121	480,340	1,092,095	56,626	1,302,721
Total functional expenses	\$ 45,333,842	\$ 45,327,815	\$ 6,727,921	\$ 10,476,619	\$ 742,782	\$ 14,312,135

Community Supported Living Arrangement	HBS	Respite	SeniorCares	UCP Seguin Enterprises	Infinitec	Ramp Up	External Support	Fund-raising and Development	Admin- istrative
\$ 2,256	\$ -	\$ 9,224	\$ 56,069	\$ 69,631	\$ 191,513	\$ -	\$ -	\$ 7,463	\$ 192,524
402,501	261,458	129,947	1,492,102	1,235,040	4,449,886	407,247	4,222,838	568,341	2,836,807
45,098	30,642	9,180	154,718	64,554	157,936	5,211	-	(562,314)	(2,836,807)
\$ 447,599	\$ 292,100	\$ 139,127	\$ 1,646,820	\$ 1,299,594	\$ 4,607,822	\$ 412,458	\$ 4,222,838	\$ 6,027	\$ -

See independent auditor's report on supplementary information.

United Cerebral Palsy Seguin of Greater Chicago
Consolidated Schedule of Public Support and Revenues
For the Year Ended June 30, 2016

	Total Agency	Programs				
		Total Programs	Develop- mental Training	Foster Care	Supported Employment	Community Integrated Living Arrangement
Purchase of service	\$ 20,270,119	\$ 20,270,119	\$5,634,264	\$ -	\$ 144,971	\$12,638,093
Rehabilitation services	145,828	145,828	-	-	145,828	-
Department of Children and Family Services	10,313,729	10,313,729	-	10,313,729	-	-
DFI Day Program	70,083	70,083	70,083	-	-	-
Department of Education	1,090,367	1,090,367	-	-	-	-
Community Block Grants	698,316	698,316	200,000	-	-	99,000
Community Mental Health Act (708):						
Oak Park	73,049	73,049	22,724	-	35,459	2,260
Berwyn	58,000	58,000	38,000	-	-	-
Cicero	30,000	30,000	15,000	-	15,000	-
River Forest	10,530	10,530	8,010	-	-	-
Riverside	13,000	13,000	3,250	-	9,750	-
Proviso	95,000	95,000	-	-	-	-
Contributions:						
United Way	50,500	50,500	-	-	-	-
Other	3,808,637	3,795,962	1,074,265	39,187	99,000	174,189
Work contracts/training	152,440	152,440	1,222	-	50,036	-
Client fees:						
SSA and SSI	2,510,023	2,510,023	-	-	-	2,231,356
Rental income	315,608	315,608	-	-	-	19,047
Membership Program	1,037,541	1,037,541	-	-	-	-
	229,826	229,826	170,088	-	-	59,906
Interest income	58,454	3,087	3,087	-	-	-
Gain (loss) on sale of assets	(14,728)	(13,103)	1,500	-	-	-
Vending machines	5,830	5,830	-	-	5,210	-
Other	488,896	653,040	17,138	-	-	1,580
	\$ 41,511,048	\$ 41,608,775	\$7,258,631	\$10,352,916	\$ 505,254	\$ 15,225,431

Community Supported Living Arrangement	HBS	Respite	SeniorCares	UCP Seguin Enterprises	Infinitec	Ramp Up	Fund-raising and Endowment	Admin- istrative
\$ 450,044	\$277,738	\$ -	\$ 1,121,536	\$ 3,473	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	1,090,367	-	-	-
-	-	-	-	-	-	399,316	-	-
-	-	12,606	-	-	-	-	-	-
1,500	-	-	-	18,500	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	2,520	-	-	-	-	-	-
-	-	95,000	-	-	-	-	-	-
-	-	-	-	50,500	-	-	-	-
-	-	30,000	-	354,660	2,024,661	-	12,675	-
-	-	-	-	-	101,182	-	-	-
-	-	-	278,667	-	-	-	-	-
-	-	-	-	-	296,561	-	-	-
-	-	-	-	-	1,037,541	-	-	-
-	-	-	(168)	-	-	-	-	-
-	-	-	-	-	-	-	55,367	-
-	-	-	-	-	(14,603)	-	-	(1,625)
-	-	-	-	-	620	-	-	-
-	-	-	15,750	508,324	110,248	-	(164,144)	-
\$ 451,544	\$277,738	\$140,126	\$ 1,415,785	\$ 935,457	\$4,646,577	\$399,316	\$ (96,102)	\$ (1,625)

See independent auditor's report on supplementary information.