

**HOPE'S FRONT DOOR**

**FINANCIAL STATEMENTS  
AS OF JUNE 30, 2019**

**TOGETHER WITH AUDITOR'S REPORT**



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
Hope's Front Door:

We have audited the accompanying financial statements of Hope's Front Door, which comprise the statement of cash receipts and disbursements, and the related statement of functional expenses as of June 30, 2019, and the related notes to the financial statements.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1; this includes determining that the cash receipts and disbursement basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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.

To the Board of Directors of  
Hope's Front Door  
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***Opinion***

In our opinion, the financial statements referred to above presents fairly, in all material respects, the cash receipts and disbursements and functional expenses of Hope's Front Door as of June 30, 2019, in accordance with the basis of accounting as described in Note 1.

***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash receipts and disbursements basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.



DUGAN & LOPATKA

Warrenville, Illinois  
November 11, 2019

HOPE'S FRONT DOOR  
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2019

CASH RECEIPTS:	
Contributions	\$ 148,572
Grants	28,705
Special events	24,554
Other income	140
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Total cash receipts	201,971
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CASH DISBURSEMENTS:	
Program -	
Immediate Assistance and Special Needs	81,962
BAP	22,565
Health Fund	34,101
Pathways to Employment	20,616
Management and general	45,152
Fundraising	10,283
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Total cash disbursements	214,679
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DECREASE IN CASH	(12,708)
BEGINNING CASH	139,677
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ENDING CASH	\$ 126,969
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The accompanying notes are an integral part of this statement.

HOPE'S FRONT DOOR  
STATEMENT OF FUNCTIONAL EXPENSES - CASH RECEIPTS AND DISBURSEMENTS BASIS  
FOR THE YEAR ENDED JUNE 30, 2019

	Program expenses							Total
	Immediate Assistance and Health & Wellness	BAP	Health Fund	Pathways to Employment	Total Program	Management and General	Fundraising	
Payroll expense	\$ 6,601	\$ 17,415	\$ 11,810	\$ 17,415	\$ 53,241	\$ 27,718	\$ 1,215	\$ 82,174
Rent expense	8,555	3,201	4,248	3,201	19,205	2,095	-	21,300
Legal and professional fees	-	-	-	-	-	5,500	-	5,500
Insurance	-	-	-	-	-	1,568	-	1,568
Printing	280	-	208	-	488	1,279	2,251	4,018
Postage	-	-	-	-	-	664	209	873
Office equipment, supplies, copying	-	-	-	-	-	2,326	36	2,362
Computer expenses	-	-	-	-	-	928	-	928
Telephone and internet	3,370	-	-	-	3,370	-	-	3,370
Dues and memberships	-	-	-	-	-	630	-	630
Miscellaneous program expense	348	-	-	-	348	1,541	123	2,012
Other expenses	-	-	-	-	-	773	-	773
Grant award match	15	1,949	-	-	1,964	-	-	1,964
Special needs:								
Clothing	211	-	1,009	-	1,220	-	-	1,220
Vision	-	-	8,980	-	8,980	-	-	8,980
Dental	-	-	250	-	250	-	-	250
Pharmacy	-	-	7,587	-	7,587	-	-	7,587
Medical	-	-	9	-	9	-	-	9
Immediate assistance:								
Gasoline vouchers	37,145	-	-	-	37,145	-	-	37,145
Grocery and meal vouchers	20,007	-	-	-	20,007	-	-	20,007
Bus/Train vouchers	5,430	-	-	-	5,430	-	-	5,430
Fundraising expenses	-	-	-	-	-	130	6,449	6,579
	<u>\$ 81,962</u>	<u>\$ 22,565</u>	<u>\$ 34,101</u>	<u>\$ 20,616</u>	<u>\$ 159,244</u>	<u>\$ 45,152</u>	<u>\$ 10,283</u>	<u>\$ 214,679</u>

The accompanying notes are an integral part of this statement.

HOPE'S FRONT DOOR  
NOTES TO FINANCIAL STATEMENTS - CASH BASIS  
JUNE 30, 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Hope's Front Door (formerly Walk-In Ministry of Hope) is an Illinois not-for-profit corporation located in Downers Grove, Illinois. Hope's Front Door provides immediate assistance to working poor families, unemployed, underemployed, homeless, disabled and senior citizens. Immediate assistance is in the form of food, medicine and gasoline vouchers, bus and train tickets, eyeglasses and eye exam financial assistance, and dental help. Hope's Front Door also provides financial literacy education and budget counseling through their Budgeting Assistance Program and assists with job search strategies/employment through the Pathways to Employment Program. Hope's Front Door also directs people to the network of various agencies in DuPage County that offer food pantries, shelter services.

The financial statements were available to be issued on November 11, 2019, with subsequent events being evaluated through this date.

Accounting Method -

The accompanying financial statements have been prepared on the cash receipts and disbursements basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles. Under that basis, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and noncash transactions are not recognized. The cash basis differs from generally accepted accounting principles primarily because the effects of outstanding payables and receivables at the date of the financial statements are not included in the financial statements.

Revenue Recognition -

Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions in the period received. Donor restricted support is reported as an increase in cash receipts with donor restrictions. Purpose restricted contributions are released from restrictions when the purpose of restriction is accomplished as cash disbursements from cash receipts with donor restrictions.

The balance of cash receipts with donor restrictions as of June 30, 2019 was as follows:

	<u>BAP</u>
Cash receipts with donor restrictions, beginning of year	\$ 3,696
Cash receipts	6,015
Cash disbursements	<u>(1,979)</u>
 Cash receipts with donor restrictions, end of year	 \$ <u>7,732</u>

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

Expense Allocation -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include payroll expenses, rent, and printing, which are allocated on the basis of time and effort.

Estimates -

The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Contributed Services -

A substantial number of unpaid volunteers have made significant contributions of their time to Hope's Front Door. These volunteers have a significant impact on making Hope's Front Door effective. Initial training is provided to volunteers in addition to periodic refresher and update classes. Trained volunteers listen to clients, determine their immediate needs, discuss referrals to other agencies and arrange for voucher support to address immediate concerns. Contributed services are noncash transactions which are not recognized under the cash basis of accounting.

Income Taxes -

Hope's Front Door is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and state laws. Accordingly, no provision for income taxes has been established.

Hope's Front Door files income tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, Hope's Front Door is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2016. Hope's Front Door does not expect a material net change in unrecognized tax benefits in the next twelve months.

(2) LEASE COMMITMENTS:

Hope's Front Door leases its office space from an unrelated party. The lease expires in December 2021. Total rent expense for the year ended June 30, 2019 was \$21,300.

Minimum lease payments due for the years ending June 30 are as follows:

2020	\$	22,523
2021		22,974
2022		11,601

(3) CONCENTRATION:

During the year ended June 30, 2019, contributions from one donor comprised approximately 15% of total contribution and grant support.

(4) LIQUIDITY AND AVAILABILITY:

Hope's Front Door's financial assets consist of cash, which had a balance of \$126,969 at June 30, 2019. Hope's Front Door receives contributions regularly, which are enough to meet monthly expenses.