

OAK PARK REGIONAL HOUSING CENTER
Financial Statements
and Independent Auditor's Report
For the Year Ended December 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Oak Park Regional Housing Center

We have audited the financial statements of Oak Park Regional Housing Center (the **Center**) a nonprofit organization, which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year then ended, 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 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 from 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.

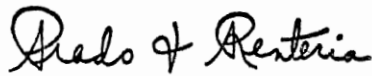
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Oak Park Regional Housing Center as of December 31, 2020, 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.

Report on Summarized Comparative Information

We have previously audited the Center's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 26, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in black ink, reading "Shado J. Renteria". The signature is written in a cursive style with a large, stylized 'S' and 'R'.

Chicago, Illinois
April 29, 2022

OAK PARK REGIONAL HOUSING CENTER
STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020
(With summarized comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 101,650	\$ 228,880
Cash and Cash Equivalents Restricted	13,360	11,768
Deposits	33,000	-
Grants and Other Receivables	499,972	162,800
Total Current Assets	<u>647,982</u>	<u>403,448</u>
Property and Equipment		
Property & Equipment	10,982	90,078
Leasehold Improvements	42,742	42,742
Less: Accumulated Depreciation	<u>(43,159)</u>	<u>(120,210)</u>
	10,565	12,610
Other Assets		
Security Deposit	2,825	2,825
Total Assets	<u><u>\$ 661,372</u></u>	<u><u>\$ 418,883</u></u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ 34,323	\$ 792
Credit Cards Payable	3,208	2,475
Payroll Liabilities	29,327	24,370
Due to OPRHC Foundation	800	800
Total Current Liabilities	<u>67,658</u>	<u>28,437</u>
Long Term Liabilities		
Paycheck Protection Program Loan	<u>126,037</u>	<u>-</u>
Total Liabilities	<u><u>\$ 193,695</u></u>	<u><u>\$ 28,437</u></u>
 Net Assets		
Without Donor Restrictions	<u>467,677</u>	<u>390,446</u>
Total Net Assets	<u>467,677</u>	<u>390,446</u>
Total Liabilities and Net Assets	<u><u>\$ 661,372</u></u>	<u><u>\$ 418,883</u></u>

The accompanying notes are an integral part of these Financial Statements.

OAK PARK REGIONAL HOUSING CENTER
STATEMENTS OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020
(With summarized comparative totals for 2019)

	Without Donor Restrictions	With Donor Restrictions	2020	2019
Support and Revenue				
Government Grants	\$ 500,625	\$ -	\$ 500,625	\$ 689,315
Corporate & Foundation Grants	581,686	-	581,686	220,564
Individual Contributions	27,893	-	27,893	51,705
Program Service Fees	138	-	138	8,310
Special Events	1,600			
Less: Cost of Direct Benefit to Donors	<u>(688)</u>			
Net Revenue for Special Events	912	-	912	36,880
Investment Income	807	-	807	231
Realized Gains(Losses)	351	-	351	459
Unrealized Gains(Losses)	716	-	716	(952)
Other Income	499	-	499	2,014
In-Kind Donation	<u>1,155</u>	<u>-</u>	<u>1,155</u>	<u>4,800</u>
Total Support and Revenue	1,114,782	-	1,114,782	1,013,326
Expenses				
Program Services				
Live in Oak Park Program	610,482	-	610,482	737,042
Regional Home Ownership	<u>331,900</u>	<u>-</u>	<u>331,900</u>	<u>263,940</u>
Total Program Services	942,382	-	942,382	1,000,982
Supporting Services				
Management and General	74,966	-	74,966	36,141
Fundraising	<u>20,203</u>	<u>-</u>	<u>20,203</u>	<u>2,468</u>
Total Supporting Services	95,169	-	95,169	38,609
Total Expenses	<u>1,037,551</u>	<u>-</u>	<u>1,037,551</u>	<u>1,039,591</u>
Increase (Decrease) in Net Assets	77,231	-	77,231	(26,265)
NET ASSETS, beginning of year	<u>390,446</u>	<u>-</u>	<u>390,446</u>	<u>416,711</u>
NET ASSETS, end of year	<u><u>\$ 467,677</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 467,677</u></u>	<u><u>\$ 390,446</u></u>

The accompanying notes are an integral part of these Financial Statements.

**OAK PARK REGIONAL HOUSING CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**
(With summarized comparative totals for 2019)

	Live in Oak Park Program	Regional Home Ownership	Total Program Services	Management and General	Fundraising	Total Supporting Services	2020	2019
Government Grants								
Salaries and Wages	\$ 300,817	\$ 270,406	\$ 571,223	\$ 2,771	\$ -	\$ 2,771	\$ 573,994	\$ 606,940
Payroll Taxes	28,709	18,347	47,056	779	-	779	47,835	49,455
Employee Benefits	32,410	7,833	40,243	3,393	-	3,393	43,636	34,205
Advertising	19,588	880	20,468	2,496	11,620	14,116	34,584	57,627
Office Expense	43,712	5,428	49,140	11,484	1,833	13,317	62,457	23,256
Occupancy	67,283	12,093	79,376	2,328	-	2,328	81,704	85,650
Professional Fees	87,074	5,026	92,100	34,506	55	34,561	126,661	66,819
Professional Development	-	-	-	-	500	500	500	5,911
Insurance	2,483	2,197	4,680	388	-	388	5,068	7,760
Travel	324	1,419	1,743	79	-	79	1,822	7,697
Bad Debt	-	-	-	14,426	-	14,426	14,426	31,250
Other Operating	254	579	833	271	6,195	6,466	7,299	(6,587)
Depreciation	-	-	-	2,045	-	2,045	2,045	2,528
Credit Fees And Certifications	10	5,858	5,868	-	-	-	5,868	10,050
Meetings, Supplies and Food	8,082	1,834	9,916	-	-	-	9,916	14,741
Grants Awarded	19,736	-	19,736	-	-	-	19,736	42,289
Total	\$ 610,482	\$ 331,900	\$ 942,382	\$ 74,966	\$ 20,203	\$ 95,169	\$1,037,551	\$1,039,591

The accompanying notes are an integral part of these Financial Statements.

OAK PARK REGIONAL HOUSING CENTER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020
(With summarized comparative totals for 2019)

	<u>2020</u>	<u>2019</u>
Government Grants	\$ 77,231	\$ (26,265)
Adjustments to reconcile change in net assets to net cash provided by (used) in operating activities:		
Depreciation Expense	2,045	2,528
Changes in Assets:		
Grants and Other Receivables	(337,172)	93,418
Prepaid Expenses and Other Current Assets	-	3,010
Deposit	(33,000)	-
Changes in Liabilities:		
Accounts Payable	33,531	(20,018)
Credit Cards Payable	733	(4,501)
Payroll Liabilities	4,957	21,953
Due to OPRHC Foundation	-	800
Net cash (used in) provided by operating activities	<u>(251,675)</u>	<u>70,925</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Equipment Purchase	-	(10,982)
Net cash (used) in investing activities	<u>-</u>	<u>(10,982)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Paycheck Protection Program Loan	126,037	-
Net cash provided by financing activities	<u>126,037</u>	<u>-</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	<u>(125,638)</u>	<u>59,943</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>240,648</u>	<u>180,705</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 115,010</u></u>	<u><u>\$ 240,648</u></u>

The accompanying notes are an integral part of these Financial Statements.

OAK PARK REGIONAL HOUSING CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE A - Nature of Business

Oak Park Regional Housing Center (the “Center”) is a not-for-profit corporation founded in 1971, whose mission is to achieve meaningful and lasting racial diversity throughout Oak Park and surrounding communities. The Center’s programs include housing outreach, counseling, previewing housing units and escorting clients to available housing units, outreach to encourage affirmative moves, cooperation with real estate firms and education and communication regarding racial diversity. The Center also networks with other housing agencies with similar goals.

NOTE B – Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Net Assets

These financial statements have been prepared to focus on the Center as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net assets without donor restrictions: Net assets not subject to donor-imposed restrictions. This class can also include net assets designated by the Board of Directors to be reserved for future use

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met by actions of the Center and/or passage of time. This class can also include net assets with restrictions that are perpetual in nature.

Contributions

Unconditional contributions are recognized when pledged and recorded as net assets without donor restrictions or net assets with donor restriction, depending on the existence and/or nature of any donor-imposed restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Donor-Restricted contributions whose restrictions are met in the same reporting period are reported as net assets without donor restriction support. Contributions of assets other than cash are recorded at their estimated fair value. The Center believes all contributions are collectable, thus, no allowance for doubtful accounts is necessary.

Revenue Recognition

The Center has adopted Accounting Standard Update (ASU) No. 2014-09-Revenue from Contracts with Customers (Topic 606), as amended. Revenue is recognized as performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided by the Center and are recognized either over time or at a point in time. Revenue for performance obligations satisfied over time is recognized based on actual charges incurred through a point in time in relation to total actual charges incurred. The Center has adopted ASU No. 2014-09 with no impact to its revenue recognition.

OAK PARK REGIONAL HOUSING CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE B - Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Center considers cash on deposit at banks and highly liquid investments with maturities of three months or less at the date of purchase to be cash and cash equivalents.

Liquidity and Availability

As of December 31, 2020 and 2019, the following represents the Center's financial assets available to meet cash needs for general expenditures within one year of the statement of financial position date:

	<u>2020</u>	<u>2019</u>
Financial Assets at year end:		
Cash and cash equivalents	\$ 101,650	\$ 228,880
Grants receivable	<u>499,972</u>	<u>162,800</u>
Total financial assets available within one year	601,622	391,680
Net assets with donor restrictions	<u>-</u>	<u>-</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 601,622</u>	<u>\$ 391,680</u>

The Center has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses. The Center has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Center invests cash in excess of daily requirements in various short-term investments. The Center is also seeking committed lines of credit in the amount of \$250,000 in fiscal year 2021, which it could draw upon in the event of an unanticipated liquidity need.

Functional Allocation of Expenses

Certain expenses are attributable to more than one program or supporting function. The Center allocates these expenses by applying percentages for each function and for each program.

Reclassification

Certain amounts from the prior year have been reclassified in order to conform to the current year's presentation

OAK PARK REGIONAL HOUSING CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE B - Summary of Significant Accounting Policies (Continued)

Fixed Assets

Acquisitions of property and equipment in excess of \$1,000 are capitalized. Property and equipment are recorded at cost when acquired, or if donated, at the fair market value at the date of donation. Depreciation is calculated using the straight-line method, over 5 to 10 years, based on the estimated useful lives of the assets.

Depreciation expense for the years ended December 31, 2020 and 2019 was \$2,045 and \$2,528 respectively.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2020 and 2019 was \$34,584 and \$57,627, respectively.

Income Taxes

The Center is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income. The Center had no unrelated business income during fiscal year 2020 and 2019 and, therefore, no provision for federal or state income taxes has been made in the accompanying financial statements. The Center files its 990 forms in the U.S. federal jurisdiction and the office of the state's attorney general for the State of Illinois.

Accounting Standard Adopted in 2019

The Organization adopted prospectively the ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance provides a more robust framework for determining whether a transaction should be accounted for as a contribution or as an exchange transaction. The guidance also helps determine whether a contribution is conditional and better distinguishes a donor-imposed condition from a donor-imposed restriction. The adoption of this standard had no material effect on the Center's financial position.

NOTE C - Grants and Other Receivables

As of December 31, 2020 and 2019, all of the Center's grants receivable were due within one year with balances of \$499,972, and \$162,800, respectively. No allowance has been established as the Center collected the entire amount.

NOTE D - Lease Commitments

The Center has separate lease agreements for Oak Park Regional Housing Center's office and the West Cook Homeownership Center's office. The Oak Park Regional Housing Center's office lease expired on June 30, 2020. The West Cook Homeownership Center's office lease expired on February 29, 2020. The leases were renewed and the new lease terms are on a month-to-month basis.

The combined rent expenses for the years ended December 31, 2020 and 2019 totaled \$42,739 and \$58,053, respectively.

OAK PARK REGIONAL HOUSING CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE E – Government Grants

Government grants consisted of the following during the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Village of Oak Park CDBG	\$ 90,360	\$ 96,650
Village of Oak Park MFHIP	300,000	391,382
City of Chicago CDBG	38,669	28,113
IHDA Foreclosure Prevention Program	55,000	-
Department of Housing and Urban Development	-	103,424
Cook County-Politics and Civic Affairs	4,328	69,746
COVID-19 Contact Tracing Community Supports Program	12,268	-
	<u>\$ 500,625</u>	<u>\$ 689,315</u>

NOTE F - Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the specified purposes and released from donor restrictions by incurring expenses satisfying the restricted purposes. There are no net assets with donor restrictions at December 31, 2020 and 2019.

NOTE G – Related Party Transactions

During the year ended December 31, 2020, the Center received a grant from Wells Fargo and US Bank in the amount of \$100,000 and \$150,000 respectively. One of the Center's Board members is employed by Wells Fargo and another Board member is employed by US Bank.

During the year ended December 31, 2020, the Center contracted a vendor to provide building maintenance services. The vendor is related to one of the Center's employees. The Center paid \$3,819 for these services during the year ended December 31, 2020.

NOTE H – In-Kind Donation

The Center received in-kind donation as a reduction of the rent expense totaling \$1,511 and \$4,800 for the years ended December 31, 2020 and 2019, respectively. The Center currently pays rent below the fair market. The in-kind is being reported as revenue and expense

NOTE I – Paycheck Protection Program Loans

On April 28, 2021, the Center applied for and received its first PPP loan of \$126,037 (PPP 1). PPP 1 was a two-year loan with a maturity date of April 28, 2023. The loan bears an annual interest rate of 1.00%. The entity accounted for the PPP 1 loan under the debt model. On May 5, 2021, the Center applied for and received forgiveness of the entire PPP 1 loan balance.

OAK PARK REGIONAL HOUSING CENTER
NOTES TO FINANCIAL STATEMENTS
December 31, 2020

NOTE I – Paycheck Protection Program Loans (Continued)

On May 7, 2021, the Center applied for and received a second PPP loan in the amount of \$127,037, (PPP 2). PPP 2 has a maturity date of May 7, 2026 and bears interest at a rate of 1.00% per year. The entity accounted for the PPP 2 loan under the debt model. The Center applied for forgiveness of the entire PPP 2 loan balance and its awaiting approval.

NOTE J - Subsequent Events

On September 8, 2021, the Center acquired the building where its main office is located. The acquisition cost was \$787,000. The Center financed the purchase through a loan in the amount of \$1,208,000, of which \$421,000 is held by the lender as reserves. The loan matures on August 31, 2023 at an interest rate of 6%. The Center has an option to renew the loan for a 12-month period at a variable interest rate. The Center deposited \$8,000 into an escrow account as of December 31, 2020.

Management has evaluated subsequent events through April 29, 2022, which is the date the financial statements were available for issue. There were no subsequent events which require disclosure.