

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Audited Financial Statements

June 30, 2017

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

INDEX

	<u>Page</u>
Independent Auditor's Report	1 - 2
Financial Statements:	
Statement of Financial Position	3
Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7 - 13
Supplementary Information:	
Schedule of Revenue from Government and Other Sources and Service Fees by Program	14
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Governmental Auditing Standards</i>	15 - 16

MEISTER, Hilton, Chitwood & Associates, Inc.

Certified Public Accountants

809 W. Detweiller Drive, Suite 804
Peoria, Illinois 61615

(309) 683-0441 Phone
(309) 683-0443 Fax

Independent Auditor's Report

To the Board of Directors of
Counseling and Family Services
D/B/A FamilyCore

Report on the Financial Statements

We have audited the accompanying financial statements of Counseling and Family Services D/B/A FamilyCore (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows and functional expenses 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 and the standard applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Organization'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 Organization'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 Counseling and Family Services D/B/A FamilyCore as of June 30, 2017, 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.

2016 Financial Statements

The financial statements of Counseling and Family Services D/B/A FamilyCore as of June 30, 2016 were audited by other auditors whose report dated March 23, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenue from Government and Other Sources and Service Fees by Program on page 14 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2017 on our consideration of Counseling and Family Services D/B/A FamilyCore's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Counseling and Family Services D/B/A FamilyCore's internal control over financial reporting and compliance.

Meister, Hilton, Chitwood & Associates, Inc.

Peoria, Illinois
December 20, 2017

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Statement of Financial Position

June 30, 2017

(With comparative totals as of June 30, 2016)

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 417,187	423,999
Certificates of deposit	18,479	18,304
Investments (Note 2)	370,114	347,949
Receivables:		
Trade accounts (Net of allowance for doubtful accounts of \$10,000 and \$44,746, respectively)	1,501	13,045
Grants	444,493	352,939
Total receivables (Net)	445,994	365,984
Prepaid expenses	18,694	9,279
Capital assets, at cost, less accumulated depreciation (Notes 3 and 6)	300,858	320,686
Total assets	\$ 1,571,326	1,486,201
<u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts payable	\$ 118,858	130,549
Accrued expenses	271,019	152,741
Due to State of Illinois	-	28,402
Total liabilities	389,877	311,692
Net assets:		
Unrestricted	869,160	869,270
Temporarily restricted	312,289	305,239
Total net assets	1,181,449	1,174,509
Total liabilities and net assets	\$ 1,571,326	1,486,201

The accompanying notes to the financial statements are an integral part of these statements.

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Statement of Activities

For the year ended June 30, 2017
(With comparative totals for the year ended June 30, 2016)

	Unrestricted	Temporarily Restricted	Total	
			2017	2016
Revenue and Other Support:				
Heart of Illinois United Way (Note 4)	\$ 348,231	-	348,231	374,655
Other United Way agencies	12,268	-	12,268	12,071
Government sources (Note 4)	-	3,826,609	3,826,609	3,602,548
Other sources	-	443,455	443,455	436,423
Program service fees	182,595	-	182,595	174,981
Contributions	15,208	-	15,208	7,929
Interest income	8,305	14	8,319	12,220
Gain on investments, realized and unrealized	4,912	10,215	15,127	14,448
Rent	-	-	-	420
Fundraising	42,465	-	42,465	53,467
Net assets released from restrictions:				
Satisfaction of program restrictions	4,273,243	(4,273,243)	-	-
Total revenue and other support	4,887,227	7,050	4,894,277	4,689,162
Expenses:				
Program services:				
Child Welfare:				
Traditional	2,748,946	-	2,748,946	2,631,836
Specialized	796,000	-	796,000	642,044
Counseling:				
Private	244,359	-	244,359	397,561
Adoption	119,559	-	119,559	136,098
Title XX - Single Parent	115,981	-	115,981	93,015
Outreach	767,573	-	767,573	543,314
Total program services	4,792,418	-	4,792,418	4,443,868
Supporting services:				
Management and general	55,780	-	55,780	242,139
Fundraising	39,139	-	39,139	23,613
Total supporting services expenses	94,919	-	94,919	265,752
Total expenses	4,887,337	-	4,887,337	4,709,620
Change in Net Assets	(110)	7,050	6,940	(20,458)
Net Assets - Beginning of Year	869,270	305,239	1,174,509	1,194,967
Net Assets - End of Year	\$ 869,160	312,289	1,181,449	1,174,509

The accompanying notes to the financial statements are an integral part of these statements.

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Statement of Cash Flows

For the year ended June 30, 2017
(With comparative totals for the year ended June 30, 2016)

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 6,940	(20,458)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	37,016	56,747
Bad debt expense (recovery)	(34,746)	7,500
Net gain on investment securities	(15,127)	(14,448)
Loss on disposition of capital assets	793	-
Changes in assets and liabilities		
Accounts receivable	(45,264)	(44,723)
Prepaid expenses	(9,415)	44,983
Accounts payable	(11,691)	(19,232)
Accrued expenses	118,278	(41,798)
Due to State of Illinois	(28,402)	(11,555)
Net cash provided by (used in) operating activities	18,382	(42,984)
Cash flows from investing activities:		
Capital expenditures	(17,981)	(43,083)
Interest capitalized on certificates of deposit and investments	(7,213)	(11,018)
Net cash used in investing activities	(25,194)	(54,101)
Net decrease in cash and cash equivalents	(6,812)	(97,085)
Cash and cash equivalents:		
Beginning of year	423,999	521,084
End of year	\$ 417,187	423,999

The accompanying notes to the financial statements are an integral part of these statements.

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Statement of Functional Expenses

For the year ended June 30, 2017
(With comparative totals for the year ended June 30, 2016)

	<u>Child Welfare</u>			<u>Program</u>
	<u>Traditional</u>	<u>Specialized</u>	<u>Private</u>	<u>Adoption</u>
Salaries	\$ 1,203,893	340,943	157,593	75,526
Employee benefits	347,575	98,433	46,901	21,805
Total salaries and employee benefits	1,551,468	439,376	204,494	97,331
Professional fees and contractual service payments	22,226	4,762	1,587	1,587
Program and office supplies	88,713	22,883	7,726	2,483
Telephone	14,861	3,580	652	652
Occupancy	31,914	9,038	14,592	7,834
Travel	73,240	20,741	700	2,220
Professional dues and subscriptions	6,671	1,429	626	476
Specific assistance	895,727	278,412	-	-
Repairs and maintenance	10,421	2,951	5,342	2,558
Miscellaneous	34,565	7,407	4,569	2,469
Total expenses before depreciation	2,729,806	790,579	240,288	117,610
Depreciation	19,140	5,421	4,071	1,949
Total Functional Expenses	<u>\$ 2,748,946</u>	<u>796,000</u>	<u>244,359</u>	<u>119,559</u>

Services			Supporting Services			Total Expenses	
Title XX -							
Single			Management				
<u>Parent</u>	<u>Outreach</u>	<u>Total</u>	<u>and General</u>	<u>Fundraising</u>	<u>Total</u>	<u>2017</u>	<u>2016</u>
73,956	558,668	2,410,579	24,099	16,516	40,615	2,451,194	2,322,332
19,949	161,292	695,955	6,958	4,768	11,726	707,681	679,125
93,905	719,960	3,106,534	31,057	21,284	52,341	3,158,875	3,001,457
-	1,587	31,749	1,671	-	1,671	33,420	23,000
2,784	19,067	143,656	4,698	17,262	21,960	165,616	142,914
-	2,995	22,740	686	-	686	23,426	21,308
9,426	11,501	84,305	9,101	-	9,101	93,406	90,407
5,461	4,281	106,643	229	593	822	107,465	87,638
-	476	9,678	502	-	502	10,180	19,065
-	-	1,174,139	-	-	-	1,174,139	1,181,668
2,500	2,972	26,744	2,972	-	2,972	29,716	19,268
-	2,469	51,479	2,599	-	2,599	54,078	66,148
114,076	765,308	4,757,667	53,515	39,139	92,654	4,850,321	4,652,873
1,905	2,265	34,751	2,265	-	2,265	37,016	56,747
<u>115,981</u>	<u>767,573</u>	<u>4,792,418</u>	<u>55,780</u>	<u>39,139</u>	<u>94,919</u>	<u>4,887,337</u>	<u>4,709,620</u>

The accompanying notes to the financial statements are an integral part of these statements.

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Notes to Financial Statements

June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) Nature of Organization

Counseling and Family Services D/B/A FamilyCore (Organization) is a not-for-profit corporation organized for the purpose of providing counseling, adoption, foster care, single parents and outreach services to individuals and families.

(B) Basis of Accounting

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, and accordingly reflects all significant receivables, prepaids, payables, and deferrals.

(C) Basis of Presentation

The Organization reports in accordance with the American Institute of Certified Public Accountants Audit and Accounting Guide, *Not-for-Profit Organizations*. Under the terms of that guide, the following accounting policies unique to not-for-profit organizations are followed:

- (1) The Organization presents its financial statements in accordance with FASB Accounting Standards Codification (FASC) 958-205. Under FASC 958-205, the Organization reports information regarding its financial position and activities according to three classes of net assets according to the legal restrictions placed on the assets by the donors as follows:
- Unrestricted net assets are those assets that are not restricted by donor-imposed stipulations and are presently available for use by the Organization at the discretion of the Board to accomplish the purposes for which the organization was founded.
 - Temporarily restricted net assets are those assets subject to donor-imposed stipulations that require the Organization to expend the resources for a particular purpose that may or will be met, either by actions of the Organization and/or the passage of time.
 - Permanently restricted net assets are those with a donor-imposed restriction that stipulates that resources be maintained permanently but permit the Organization to use up or expend part or all of the income derived from the donated assets.

The Organization does not have any permanently restricted net assets at June 30, 2017.

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Notes to Financial Statements

June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) Basis of Presentation (Continued)

- (2) All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received and unconditional promises to give are measured at their fair value and are reported as unrestricted net assets. Amounts received that are designated for future periods or restricted by the donor for a specific purpose are reported as temporarily restricted net assets until such time as the restriction passes. At such time, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. If a restriction is fulfilled in the same period in which the contribution is received, the Organization reports the support as unrestricted.
- (3) The Organization reports gifts of cash or other assets that must be used to acquire long-lived assets and gifts of capital assets as temporarily restricted support. The Organization reports expirations of restrictions when the donated or acquired long-lived assets are either sold or depreciated.
- (4) Revenue restricted under grant agreements is recognized in the period that expenses have been incurred for the purpose specified by the grantor. Deferred revenue is recorded and reflected in the statement of financial position and recognized as revenue when the related expenses are incurred.
- (5) Net assets temporarily restricted consist of contributions which are limited by donor imposed restrictions.
- (6) Donated materials, capital assets, and investments are recorded at fair value when received. Counseling and Family Services D/B/A FamilyCore receives a significant amount of donated services from unpaid volunteers, officers and directors who assist in fund-raising and special projects for which no value has been assigned and thus have not been recognized in the statement of activities.
- (7) Investments are carried at estimated fair value and the income derived from investments is credited to revenue in the period earned.

(D) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Notes to Financial Statements

June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(E) Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Organization considers all short-term investments with a maturity date at purchase of three months or less to be cash equivalents. Cash and cash equivalents at June 30, 2017 were comprised as follows:

Cash	\$ 575
Savings account	2,364
Money market accounts	130,491
Sweep account	<u>283,757</u>
	<u>\$ 417,187</u>

The Organization maintains its cash accounts in three financial institutions. At June 30, 2017, deposits held with these financial institutions were insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. Generally, these deposits, which may be redeemed upon demand, are maintained at financial institutions with reputable credit and therefore bear minimal credit risk.

(F) Receivables and Credit Risk

Trade accounts receivables are carried at original invoice amount less an estimate made for doubtful accounts based on a review of all outstanding amounts. Management reviews receivable balances and based on an assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Accounts receivable are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received.

(G) Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services performed.

(H) Income Taxes

Counseling and Family Services D/B/A FamilyCore is a nonprofit organization that is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code, except on income unrelated to the Organization's charitable purpose. No provision for income taxes was required as of June 30, 2017.

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Notes to Financial Statements

June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(H) Income Taxes (Continued)

The Financial Accounting Standards Board issued guidance on accounting for uncertainty in income taxes. Management has evaluated Counseling and Family Services D/B/A FamilyCore's tax positions taken and concluded that Counseling and Family Services D/B/A FamilyCore had taken no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. Counseling and Family Services D/B/A FamilyCore is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Counseling and Family Services D/B/A FamilyCore believes it is no longer subject to tax examinations for tax years ending prior to June 30, 2014.

(I) Capital Assets and Depreciation

Land, buildings, equipment and vehicles are carried at cost, or if received as a donation, at the estimated fair value when received. Capital assets are defined as assets with a purchase price of more than \$1,000 and a useful life of one year or greater. Lesser amounts are charged to operations. Depreciation is computed by the straight-line method over the estimated useful life of the respective asset, which range from 3 to 20 years. The cost of maintenance and repairs that do not add to the value of the property or materially extend the asset lives are charged to operations as incurred.

(J) Impairment of Long-Lived Assets

Long-lived assets, which consist primarily of property and equipment, are reviewed by management for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. In cases in which future net cash flows expected to be generated by the asset are less than the carrying value, an impairment loss is recorded equal to the amount by which the carrying value exceeds the fair value of the assets.

NOTE 2 – INVESTMENTS

In determining fair value, Counseling and Family Services D/B/A FamilyCore uses valuation approaches within the FASC 820, *Fair Value Measurements and Disclosures* fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or a liability.

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Notes to Financial Statements

June 30, 2017

NOTE 2 – INVESTMENTS (CONTINUED)

FASC 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and gives the lowest priority to unobservable inputs (level 3 measurements). FASC 820 describes the three levels within the fair value hierarchy as follows:

- Level 1: Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2: Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3: Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

As of June 30, 2017, the only assets or liabilities that are measured at fair value on a recurring basis in periods subsequent to initial recognition are investments. Securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year end. Such securities are classified within Level 1 of the valuation hierarchy.

A summary of investments at June 30, 2017 is as follows:

	Cost	Fair Value
Money Market account	\$ 126,461	\$ 126,461
Mutual funds	166,269	243,653
	\$ 292,730	\$ 370,114

A summary of investment income is as follows:

Bank interest	\$ 1,281
Investment interest and dividends	7,038
Realized and unrealized losses	15,127
	\$ 23,446

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Notes to Financial Statements

June 30, 2017

NOTE 3 - CAPITAL ASSETS

A summary of the capital assets as of June 30, 2017 is as follows:

Land	\$ 136,980
Building and improvements	1,192,855
Equipment	141,577
Vehicles	<u>219,594</u>
	1,691,006
Less accumulated depreciation	<u>(1,390,148)</u>
	<u>\$ 300,858</u>

NOTE 4 - SUPPORT FROM MAJOR FUNDING SOURCES

The Organization receives a substantial amount of its support from Heart of Illinois United Way and from the Illinois Department of Children and Family Services (DCFS). A significant reduction in the level of this support, if this were to occur, might have a significant effect on the Organization's programs and activities.

NOTE 5 - RETIREMENT PLAN

The Organization has a defined contribution retirement plan (the Plan) covering all employees age 21 and over with one year of eligible service. Effective in 2012, the plan was amended to require Organization contributions to the Plan each year equal to 3% of all participants' compensation. In addition, the Plan was amended to accelerate vesting. Starting in 2012, an employee becomes 100% vested with respect to Organization contributions immediately. Expense incurred under the Plan for the year ended June 30, 2017 was \$52,644.

NOTE 6 - LINE OF CREDIT

The Organization has a \$238,000 operating line of credit, which bears interest at the bank's base lending rate (4.00% at June 30, 2017) and expires on October 31, 2017. The line is secured by a mortgage on the Organization's land and building. As of June 30, 2017, no amounts have been drawn on this line of credit.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are restricted in the amount of \$312,289 for Youth at Risk programs.

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Notes to Financial Statements

June 30, 2017

NOTE 8 - CONTINGENCIES

The Organization is involved in certain legal proceedings and disputes considered by management to be ordinary and incidental or which have no foundation in fact. Management believes that valid defenses exist as to all such litigation and disputes and is of the opinion that these will not have a material effect on the Organization's financial statements.

NOTE 9 – RECLASSIFICATIONS

Certain amounts for the year ended June 30, 2016 have been reclassified to conform to the June 30, 2017 presentation.

NOTE 10 – SUMMARIZED FINANCIAL INFORMATION FOR 2016

The financial statements include certain prior year summarized comparative information in total but not by net assets class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the financial statements for the year ended June 30, 2016, from which the summarized information was derived.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events and transactions for potential recognition or additional disclosure items through December 20, 2017, which is the date the financial statements were available to be issued. No events or items requiring recognition or disclosure were identified.

**COUNSELING AND FAMILY SERVICES
D/B/A FAMILYCORE**

Schedule of Revenue from Government and
Other Sources and Service Fees by Program

For the year ended June 30, 2017
(With comparative totals for the year ended June 30, 2016)

	Child Welfare	Counseling	Title XX - Single Parent
Temporarily restricted:			
Government sources:			
State of Illinois contracts:			
State of Illinois Department of Children and Family Services	\$ 3,537,382	148,410	-
State of Illinois Department of Human Services	-	-	86,984
Local governments	-	-	-
Other organizations	-	-	-
Total temporarily restricted	<u>3,537,382</u>	<u>148,410</u>	<u>86,984</u>
Unrestricted:			
Service fees	-	179,090	-
	<u>\$ 3,537,382</u>	<u>327,500</u>	<u>86,984</u>

Outreach	Total all Programs	
	2017	2016
10,915	3,696,707	3,488,785
-	86,984	69,761
42,918	42,918	44,002
443,455	443,455	436,423
<u>497,288</u>	<u>4,270,064</u>	<u>4,038,971</u>
<u>3,505</u>	<u>182,595</u>	<u>174,981</u>
<u><u>500,793</u></u>	<u><u>4,452,659</u></u>	<u><u>4,213,952</u></u>

MEISTER, Hilton, Chitwood & Associates, Inc.

Certified Public Accountants

809 W. Detweiller Drive, Suite 804
Peoria, Illinois 61615

(309) 683-0441 Phone
(309) 683-0443 Fax

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors of
Counseling and Family Services
D/B/A FamilyCore

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Counseling and Family Services D/B/A FamilyCore (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 20, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Counseling and Family Services D/B/A FamilyCore's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Counseling and Family Services D/B/A FamilyCore's internal control. Accordingly, we do not express an opinion on the effectiveness of Counseling and Family Services D/B/A FamilyCore's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of Counseling and Family Services D/B/A FamilyCore's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Counseling and Family Services D/B/A FamilyCore's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Meister, Hilton, Chitwood & Associates, Inc.

Peoria, Illinois
December 20, 2017