

TOGETHER WE COPE

JUNE 30, 2007

APPENDIX

Auditor's Opinion

Exhibit A Statement of Financial Position

Exhibit B Statement of Activity

Exhibit C Statement of Cash Flow

Exhibit D Statement of Functional Expenses

Exhibit E Notes to Financial Statements

Sullivan & Sullivan, Ltd.

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MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
ILLINOIS CPA SOCIETY

August 31, 2007

Board of Directors
Together We Cope
17010 South Oak Park Avenue
Tinley Park, Illinois 60477

Board of Directors:

We have audited the statement of financial position of Together We Cope as of June 30, 2007 and 2006, and the related statement of activities and changes in net assets and of functional expenditures for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Together We Cope at June 30, 2007 and 2006, and its changes in net assets and cash flows for the year then ended, in conformity with generally accepted accounting principles.

As explained in Note 1 to the financial statements, Together We Cope adopted the provisions of Statement of Financial Accounting Standards No. 116 and 117. The fiscal 2007 and 2006 financial statements reflect the application of the standards.

Respectfully submitted,

Sullivan & Sullivan, Ltd.

SULLIVAN & SULLIVAN, LTD.

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Board Members:

Our review and evaluation of the agency's system of internal control also included a review and specific tests where appropriate for compliance by the agency with certain rules of United Way of Suburban Chicago. The specific compliance matters reviewed and/or tested were as described in Section V of the United Way of Suburban Chicago Audit Guide for Affiliate Agencies.

Based upon the review procedures applied, it is our opinion that the agency complied in all material respects with the rules covering such matters as prescribed by United Way of Suburban Chicago.

Respectfully submitted,

Sullivan & Sullivan, Ltd.

SULLIVAN & SULLIVAN, LTD.

TOGETHER WE COPE
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2007

EXHIBIT A

ASSETS

	2007	2006
Cash & Cash Equivalents	\$ 175,293	\$ 118,949
Public Support Receivable	42,504	19,185
Inventory	53,178	31,747
Furniture and Equipment (Note 6)	509,559	536,371
Prepaid Expenses	11,600	-
Total Assets	\$ 792,134	\$ 706,252

LIABILITIES AND NET ASSETS

<u>Liabilities</u>		
Accounts Payable	\$ 38,400	\$ -
Accrued Payroll	6,357	5,113
Taxes Payable	2,689	3,272
Mortgage Payable	215,556	246,948
Total Liabilities	263,002	255,333
<u>Net Assets</u>		
Unrestricted	455,816	441,916
Temporarily Restricted	73,316	9,003
Permanently Restricted	0	0
Total Net Assets	529,132	450,919
TOTAL LIABILITIES & NET ASSETS	\$ 792,134	\$ 706,252

The accompanying notes are an integral part of this statement.

TOGETHER WE COPE
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2007

EXHIBIT B

	Unrestricted	Temporarily Restricted	Permanently Restricted	2007 Combined Total	2006 Combined Total
Revenues, Gains & Other Support					
Public Support:					
Contributions:					
Suburban United Ways					
Allocations	\$ 48,557	\$	\$	\$ 48,557	\$ 42,643
Individuals	52,234			52,234	43,917
In-Kind	315,602			315,602	394,930
Corporations/ Foundations	10,757	62,967		73,724	119,277
Businesses and Organizations	61,208	95,500		156,708	42,275
Fund Raising	96,144			96,144	97,111
Total Public Support	\$ 584,502	\$ 158,467	\$	\$ 742,969	\$ 740,153
Revenue:					
Simply Sensible Shoppe	\$ 199,689	\$	\$	\$ 199,689	\$ 176,227
Interest	3,012			3,012	2,324
Government Grants	20,704	55,044		75,748	63,452
Other	4,680			4,680	15,408
Total Revenue	\$ 812,587	\$ 213,511	\$	\$ 1,026,098	\$ 997,564
Net Assets Released From Restrictions					
Satisfaction of					
Program Restrictions	149,198	(149,198)			
Total Net Assets Released	149,198	(149,198)			
Total Earned Revenue And Contributed Support	\$ 961,785	\$ 64,313		\$ 1,026,098	\$ 997,564
Expenses					
Program Services	\$ 727,884			\$ 727,884	\$ 718,425
Functional Expenses					
Management & General	180,251			180,251	164,155
Fund Raising	25,921			25,921	23,438
Interest Expense	13,829			13,829	16,815
Total Expenses	\$ 947,885	0		\$ 947,885	\$ 922,833
Change in Net Assets	\$ 13,900	\$ 64,313		\$ 78,213	\$ 74,731
Net Assets-Beg. of Year	441,916	9,003		450,919	376,188
Net Assets-End of Year	\$ 455,816	\$ 73,316	0	\$ 529,132	\$ 450,919

The accompanying notes are an integral part of this statement.

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STATEMENT OF CASH FLOW
YEAR ENDED JUNE 30, 2007

EXHIBIT C

	<u>2007</u>	<u>2006</u>
Cash Flows from Operating Activities:		
Change in Net Assets: (from Statement of Activities)	\$ 78,213	\$ 74,731
Adjustments to reconcile change in net assets to net cash used by operating activities		
Depreciation	26,812	27,462
Change in Assets and Liabilities		
(Increase) decrease in Accounts Receivable	(23,319)	(1,385)
Increase (decrease) in Accounts Payable	39,061	3,268
(Increase) Decrease in Inventory	(21,431)	(11,137)
(Increase) Decrease in Prepaid Expenses	(11,600)	7,960
	<u>87,736</u>	<u>100,899</u>
Cash Flows From Investing Activities:		
(Increase) Decrease in Capital Assets - Cost	<u>-</u>	<u>(25,000)</u>
Net Cash Used in Investments	<u>-</u>	<u>(25,000)</u>
Cash Flows From Financial Activities:		
Mortgage Reduction	<u>(31,392)</u>	<u>(32,526)</u>
Net Cash Used In Financing Activities	<u>(31,392)</u>	<u>(32,526)</u>
Net Increase (Decrease) in Cash	56,344	43,373
Cash at beginning of year	<u>118,949</u>	<u>75,576</u>
Cash at end of year	<u>\$ 175,293</u>	<u>\$ 118,949</u>

The accompanying notes are an integral part of this statement.

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STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2007

EXHIBIT D

	Program Services		Supporting Services		2007 Total	2006 Total
	Client	Fund Raising	Management & General			
Functional Expenses						
Salaries	\$ 182,220		\$ 107,407		\$ 289,627	\$ 243,792
Payroll Taxes	18,993		4,920		\$ 23,913	17,551
Outside Services	-		8,450		\$ 8,450	5,900
Client Expenses	421,529		-		\$ 421,529	462,653
Office Expenses	2,748		17,052		\$ 19,800	17,618
Advertising & Insurance	4,786		2,041		\$ 6,827	1,951
Sales Tax	14,005				\$ 14,005	12,287
Telephone	1,491		4,616		\$ 6,107	6,272
Occupancy	22,874		5,718		\$ 28,592	30,785
Mortgage/Rent Subsidy	38,747				\$ 38,747	32,009
Fund Raising		25,921			\$ 25,921	23,438
Memberships and Misc.			11,637		\$ 11,637	11,238
Depreciation Expense	16,265		10,873		\$ 27,138	27,462
Volunteer Expenses			3,311		\$ 3,311	4,438
Vehicle Expenses	4,226		4,226		\$ 8,452	8,624
Total Functional Expenses	<u>\$ 727,884</u>	<u>\$ 25,921</u>	<u>\$ 180,251</u>		<u>\$ 934,056</u>	<u>\$ 906,018</u>

The accompanying notes are an integral part of this statement.

TOGETHER WE COPE
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

1. Summary of Significant Accounting Policies

Business Activity

Together We Cope is a largely volunteer, non-profit group working to provide charitable and educational services including food, clothing, emergency shelter, utility payment assistance, and a wide variety of resource referrals to needy families from the townships of Bremen, Orland, Palos, Thorton, and Worth.

Basis of Accounting

Together We Cope uses the accrual method of accounting for financial statement purposes.

Financial Statement Presentation

In accordance with Statement of Financial Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations," Together We Cope is required to report information regarding its financial position and activities according to three classes of net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net Assets that are not subject to donor imposed stipulations.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they may be maintained permanently by the organization. Generally, the donors of these assets permit the organization to use all or part of the income earned on any related investments for general or specific purposes.

Upon review of the assets and discussion with management, there was \$73,316 of temporarily restricted assets as of June 30, 2007.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

Estimates

The presentation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Inventory

Inventory includes items available for sale at the Simply Sensible Shoppe and is valued at the lower of fair of market value at the date of donation, in accordance with generally accepted accounting principles.

Contributions

In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the existence and/or nature of any donor restriction. Contributions are recognized when the donor makes a promise to give to Together We Cope that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

In-Kind Donations

The value of food, clothing, and household items received from donors and distributed directly to clients throughout the year has been reflected in the accompanying financial statements. During the year ended June 30, 2007, the following amount of food, clothing, and household items were distributed by Together We Cope to its clients: Food and Miscellaneous - \$168,725; Clothing - \$146,877. These amounts are determined by attributing a flat value to each bag of food or clothing donated

Contributed Services

A substantial number of uncompensated volunteers have made significant contributions of their time to develop the programs of Together We Cope, principally in management, organization, fundraising, and helping the needy. These services, however, are non-specialized and do not create or enhance a non-financial asset. Therefore, under SFAS No. 116, they are not to be recorded.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

2. Income Taxes

Together We Cope is a non-profit organization and qualified under Section 501 (c)(3) of the Internal Revenue code for tax exempt status. Therefore, no provision for income taxes has been made in the accompanying financial statements.

3. Grant Programs

The Cook County Emergency Shelter Grant is a matching funds reimbursement program. All monies received under this grant are to reimburse Together We Cope for monies previously expended.

4. Property Purchase

On June 15, 2000, the organization purchased a building to house the office and shop. The property cost \$480,000 and was financed with a \$400,000 mortgage. The balance of \$337,964 was refinanced on July 1, 2003 and is payable over 10 years at a rate of 6.25%. The principal maturities are as follows:

6-30-08	33,200
6-30-09	35,335
6-30-10	37,608
6-30-11	40,027
6-30-12	42,602
6-30-13	<u>26,784</u>
	<u>\$215,556</u>

5. Simply Sensible Shoppe

The Simply Sensible Shoppe is operated by Together We Cope and is open to Together We Cope clients as well as the general public. Together We Cope clients are allowed to receive \$50 (at thrift shop value) of clothing per individual per year free of charge through the use of a voucher system maintained by Together We Cope. Proceeds from the Simply Sensible Shoppe are used to fund client services and operating expenses of Together We Cope.

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NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2007

6. Fixed Assets

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Value</u>
Land & Building	\$587,051	\$105,873	\$481,178
Furniture & Fixtures	19,550	11,730	7,820
Office Equipment	11,099	8,681	2,418
Computer Equipment	12,074	11,430	644
Telephone System	5,710	5,710	-0-
Vehicles	<u>28,999</u>	<u>11,500</u>	<u>17,499</u>
	<u>\$664,483</u>	<u>\$154,924</u>	<u>\$509,559</u>