

PEOPLE'S RESOURCE CENTER

**FINANCIAL STATEMENTS
AS OF JUNE 30, 2016 AND 2015**

TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

Board of Directors of
People's Resource Center:

We have audited the accompanying financial statements of People's Resource Center (a not-for-profit corporation) which comprise the statement of financial position as of June 30, 2016 and 2015, and the related statements of activities, cash flows and functional expenses for the years 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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.

MEMBER

IN PACT
INTERNATIONAL ALLIANCE OF
PROFESSIONAL ACCOUNTANTS

Independent Auditor's Report
Page two

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 People's Resource Center as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Dugan + Lopatka

DUGAN & LOPATKA

Wheaton, Illinois
November 22, 2016

PEOPLE'S RESOURCE CENTER
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2016 AND 2015

<u>A S S E T S</u>	<u>2016</u>	<u>2015</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 750,229	\$ 862,848
Investments	1,347,448	1,349,845
Grants receivable	5,956	16,259
Accounts receivable - Trade	680	397
Pledges receivable, current maturities	122,403	65,235
Prepaid expenses	57,506	66,152
Total current assets	<u>2,284,222</u>	<u>2,360,736</u>
PROPERTY AND EQUIPMENT:		
Land	478,866	478,866
Building	4,388,938	4,385,858
Equipment, furniture and fixtures	180,494	180,494
Leasehold improvements	167,782	167,782
Vehicles	126,571	124,821
Computer software/hardware	49,449	49,449
	<u>5,392,100</u>	<u>5,387,270</u>
Less - Accumulated depreciation	(942,544)	(784,043)
Net property and equipment	<u>4,449,556</u>	<u>4,603,227</u>
OTHER ASSETS:		
Pledges receivable, net of current maturities	-	46,700
Total assets	<u>\$ 6,733,778</u>	<u>\$ 7,010,663</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 36,802	\$ 143,184
Mortgage payable, current maturities	13,315	12,730
Other accrued liabilities	83,473	94,093
Total current liabilities	<u>133,590</u>	<u>250,007</u>
LONG-TERM LIABILITIES:		
Line of Credit	232,369	497,221
Mortgage payable, net of current maturities	231,462	244,584
Total long-term liabilities	<u>463,831</u>	<u>741,805</u>
Total liabilities	<u>597,421</u>	<u>991,812</u>
COMMITMENTS		
NET ASSETS:		
Unrestricted - Undesignated	4,893,994	4,683,934
- Board designated	1,097,448	1,168,845
Temporarily restricted	144,915	166,072
Total net assets	<u>6,136,357</u>	<u>6,018,851</u>
Total liabilities and net assets	<u>\$ 6,733,778</u>	<u>\$ 7,010,663</u>

The accompanying notes are an integral part of this statement.

PEOPLE'S RESOURCE CENTER
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	2016			2015		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE:						
Donations and appeals	\$ 1,634,748	\$ 106,932	\$ 1,741,680	\$ 1,775,454	\$ 296,151	\$ 2,071,605
Events/Fundraisers	81,290	2,750	84,040	172,815	-	172,815
Grants	404,655	339,890	744,545	480,373	465,750	946,123
Government funding	44,495	50,000	94,495	83,731	932,548	1,016,279
Investment return	(3,502)	-	(3,502)	24,928	-	24,928
Gain on sale of 50% owned building	303,367	-	303,367	-	-	-
Miscellaneous income	64	-	64	1,705	-	1,705
In-kind contributions	6,315,353	-	6,315,353	5,999,712	-	5,999,712
Net assets released upon satisfaction of purpose restrictions	520,729	(520,729)	-	1,918,479	(1,918,479)	-
Total public support and revenue	9,301,199	(21,157)	9,280,042	10,457,197	(224,030)	10,233,167
FUNCTIONAL EXPENSES:						
Program services	8,390,561	-	8,390,561	7,748,826	-	7,748,826
Fund development	276,579	-	276,579	274,302	-	274,302
Capital campaign	27,135	-	27,135	195,269	-	195,269
General administrative	468,261	-	468,261	487,060	-	487,060
Total functional expenses	9,162,536	-	9,162,536	8,705,457	-	8,705,457
CHANGE IN NET ASSETS	138,663	(21,157)	117,506	1,751,740	(224,030)	1,527,710
NET ASSETS, Beginning of year	5,852,779	166,072	6,018,851	4,101,039	390,102	4,491,141
NET ASSETS, End of year	\$ 5,991,442	\$ 144,915	\$ 6,136,357	\$ 5,852,779	\$ 166,072	\$ 6,018,851

The accompanying notes are an integral part of this statement.

PEOPLE'S RESOURCE CENTER
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from public support and revenue	\$ 2,487,972	\$ 2,390,088
Cash paid for program services, employees, and suppliers	(2,776,668)	(2,652,544)
Interest income	23,737	26,662
Interest paid	(20,369)	(10,457)
	<u>(285,328)</u>	<u>(246,251)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(4,831)	(2,500,988)
Sales of investments	245,024	233,564
Purchase of investments	(273,737)	(203,912)
	<u>(33,544)</u>	<u>(2,471,336)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net borrowings (payments) on line of credit	(264,852)	497,221
Borrowings on mortgage payable	-	315,000
Payments on mortgage payable	(12,537)	(57,686)
Proceeds from contributions restricted for long-term purposes	483,642	1,710,733
	<u>206,253</u>	<u>2,465,268</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(112,619)	(252,319)
CASH AND CASH EQUIVALENTS, Beginning of year	862,848	1,115,167
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 750,229</u>	<u>\$ 862,848</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH		
(USED IN) OPERATING ACTIVITIES:		
Net change in total net assets	<u>\$ 117,506</u>	<u>\$ 1,527,710</u>
Non-cash items included above:		
Depreciation	158,502	102,727
Donated fixed assets	-	(185,598)
Unrealized loss on investments	52,130	44,070
Realized gain on investments	(21,020)	(42,336)
Loss on disposal of fixed assets	-	314
Contribution received for long-term purposes	(500,605)	(1,814,903)
Changes in operating assets and liabilities:		
(Increase) decrease in promises to give, less promise to give for long-term purpose	6,495	(4,685)
Decrease in grants receivable	10,303	1,482
(Increase) in accounts receivable	(283)	(333)
Decrease in prepaid expenses	8,646	1,482
Increase (decrease) in accounts payable	(106,382)	110,042
Increase (decrease) other accrued liabilities	(10,620)	13,777
	<u>(402,834)</u>	<u>(1,773,961)</u>
Net adjustments	<u>(402,834)</u>	<u>(1,773,961)</u>
Net cash (used in) operating activities	<u>\$ (285,328)</u>	<u>\$ (246,251)</u>

The accompanying notes are an integral part of this statement.

PEOPLE'S RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Capital Campaign</u>	<u>Total</u>
Salaries, taxes and benefits	\$ 1,119,649	\$ 184,966	\$ 321,650	\$ 26,830	\$ 1,653,095
Building, grounds and utilities	187,056	6,548	28,934	-	222,538
Contracted services	56,170	4,079	70,510	-	130,759
Recruitment, training and retention	26,934	2,276	2,115	-	31,325
Marketing, fundraisers and development	33,558	73,191	3,354	305	110,408
Equipment maintenance and purchase	11,367	442	10,854	-	22,663
Business insurance	21,728	467	603	-	22,798
General (office supplies, printing, postage, miscellaneous)	17,589	2,154	27,685	-	47,428
Client assistance	6,763,020	-	-	-	6,763,020
Depreciation	153,490	2,456	2,556	-	158,502
 Total functional expenses	 <u>\$ 8,390,561</u>	 <u>\$ 276,579</u>	 <u>\$ 468,261</u>	 <u>\$ 27,135</u>	 <u>\$ 9,162,536</u>

The accompanying notes are an integral part of this statement.

PEOPLE'S RESOURCE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Capital Campaign</u>	<u>Total</u>
Salaries, taxes and benefits	\$ 1,051,782	\$ 157,029	\$ 300,019	\$ 45,396	\$ 1,554,226
Building, grounds and utilities	194,137	5,372	18,799	1,042	219,350
Contracted services	21,342	1,418	116,225	39,060	178,045
Recruitment, training and retention	24,232	1,729	1,747	-	27,708
Marketing, fundraisers and development	91,175	103,195	6,271	41,925	242,566
Equipment maintenance and purchase	13,348	766	6,822	61,147	82,083
Business insurance	16,378	99	2,983	-	19,460
General (office supplies, printing, postage, miscellaneous)	18,354	2,385	30,726	6,699	58,164
Client assistance	6,221,128	-	-	-	6,221,128
Depreciation	96,950	2,309	3,468	-	102,727
 Total functional expenses	 <u>\$ 7,748,826</u>	 <u>\$ 274,302</u>	 <u>\$ 487,060</u>	 <u>\$ 195,269</u>	 <u>\$ 8,705,457</u>

The accompanying notes are an integral part of this statement.

PEOPLE'S RESOURCE CENTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016 AND 2015

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization -

People's Resource Center (PRC) is a not-for-profit, social service organization, with two locations in Illinois, one in Wheaton and the other in Westmont. Established in 1975, PRC's mission is to respond to basic human needs, to promote dignity and justice, and to create a future of hope and opportunity for residents of DuPage County, through discovering and sharing personal and community resources.

Since 1975, People's Resource Center has been bringing neighbors together to respond to hunger and poverty in DuPage County.

Nearly 30,000 DuPage residents rely on PRC for help each year. With a team of over 2,400 volunteers and 39 employees, PRC offers nutritious food and other basic necessities like clothes and rent assistance for people facing tough times. PRC also connects people with resources—education and tutoring, jobs, technology, art, a caring community—to create a future of hope and opportunity for all. All services are free and are provided to anyone living in DuPage County.

PRC is able to provide these services because of the generosity and support from their neighbors. PRC volunteers and employees offer time, skills and resources to help their neighbors. Donors contribute food, clothing, books, computers, and money to support PRC's work. The majority of PRC's support comes from caring neighbor's right here in DuPage County. PRC volunteers are a valued and essential part of their work. Volunteers are PRC's foundation, their ambassadors, their advocates for those in need and their solution. PRC is governed by a volunteer Board of Directors.

The financial statements were available to be issued on November 22, 2016, with subsequent events being evaluated through this date.

The following is a brief summary of the accounting policies adopted by PRC:

Basis of Presentation -

Financial statement presentation follows the recommendation of the Accounting Standards Codification (ASC), *Financial Statements of Not-for-Profit Organizations*. Under the ASC, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets 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.

Permanently Restricted Net Assets - Net assets subject to donor-imposed stipulations that are 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.

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

Accounting Method -

The records of PRC are maintained and the financial statements have been prepared on the accrual basis of accounting.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, PRC considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Credit Risk -

Financial instruments which potentially subject PRC to concentrations of credit risk consist principally of cash. PRC places its cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits from time to time.

Investments -

PRC has investments that are comprised of various equities and are carried at fair value.

Pledges Receivable -

Pledges receivable are recorded in the fiscal year, in which the notification of an unconditional pledge is received and then are classified as either unrestricted, temporarily restricted or permanently restricted depending on the existence and/or nature of donor restrictions. Pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledges receivable. For the years ended June 30, 2016 and 2015, management felt there was no need for an allowance.

Property and Equipment -

Property and equipment are stated at cost. Depreciation is provided on the straight-line method over estimated useful lives ranging from three to forty years. PRC's capitalization policy is to capitalize expenditures in excess of \$1,500.

Restricted Resources -

PRC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

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

Estimates -

PRC prepares its financial statements according to generally accepted accounting principles in the United States of America which require the use of estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Functional Allocation of Expenses -

The cost of providing PRC's various programs and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

(2) TAX STATUS:

PRC is exempt from federal income taxes as an organization described in 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

PRC files informational returns in the U.S. federal jurisdiction and Illinois. With a few exceptions, PRC is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2012. PRC does not expect a material net change in unrecognized tax benefits in the next twelve months.

(3) PLEDGES RECEIVABLE:

Included in pledges receivable are the following unconditional promises to give:

	<u>2016</u>	<u>2015</u>
Capital campaign	\$ 121,133	\$ 104,170
Matching gifts	<u>1,270</u>	<u>7,765</u>
	<u>\$ 122,403</u>	<u>\$ 111,935</u>
	<u>2016</u>	<u>2015</u>
Amounts due in:		
Less than one year	\$ 122,403	\$ 65,235
One to three years	<u>-</u>	<u>46,700</u>
	<u>\$ 122,403</u>	<u>\$ 111,935</u>

(4) INVESTMENTS:

The composition of investments is as follows:

	<u>2016</u>	<u>2015</u>
DuPage Foundation Endowment Fund	\$ 1,097,448	\$ 1,168,845
Certificates of deposit	<u>250,000</u>	<u>181,000</u>
	<u>\$ 1,347,448</u>	<u>\$ 1,349,845</u>

Investment return consists of the following:

Interest income	\$ 27,608	\$ 26,662
Realized gain	21,020	42,336
Unrealized (loss) on investments	<u>(52,130)</u>	<u>(44,070)</u>
	<u>\$ (3,502)</u>	<u>\$ 24,928</u>

PRC has an unrestricted endowment fund that the board has designated to help meet operating needs.

(5) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements established 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 the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

(5) FAIR VALUE MEASUREMENTS: (Continued)

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2016 and 2015.

DuPage Foundation Endowment Fund: Valued at the fair market value of PRC's share of net assets of the Foundation as of June 30, 2016 and 2015.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although PRC believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, PRC's assets at fair value:

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2016</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
DuPage Foundation Endowment Fund	\$ -	\$ -	\$ 1,097,448	\$ 1,097,448
Total assets at fair value	\$ -	\$ -	\$ 1,097,448	1,097,448
Certificates of deposit				<u>250,000</u>
Total investments				<u>\$ 1,347,448</u>

(5) FAIR VALUE MEASUREMENTS: (Continued)

<u>Description</u>	<u>Assets at Fair Value as of June 30, 2015</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
DuPage Foundation Endowment Fund	\$ -	\$ -	\$ 1,168,845	\$ 1,168,845
Total assets at fair value	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,168,845</u>	1,168,845
Certificates of deposit				<u>181,000</u>
Total investments				<u>\$ 1,349,845</u>

The table below sets forth a summary of changes in the fair value of PRC's level 3 assets for the years ended June 30, 2016 and 2015:

	<u>DuPage Foundation Fund Year Ended June 30,</u>	
	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 1,168,845	\$ 1,200,231
Realized and unrealized (loss) relating to instruments held at end of year	(31,110)	(1,734)
Interest, purchases and sales, net	<u>(40,287)</u>	<u>(29,652)</u>
Balance, end of year	<u>\$ 1,097,448</u>	<u>\$ 1,168,845</u>

(6) BENEFICIAL INTEREST IN AN ENDOWMENT FUND:

PRC has a beneficial interest in an endowment fund established through the DuPage Foundation. Under the fund agreement, the fund shall be used to support PRC. PRC recognizes income as the DuPage Foundation distributes the interest earned on the endowment. The balance of this fund at June 30, 2016 and 2015 is \$12,283 and \$13,112, respectively.

(7) LEASE COMMITMENT:

PRC had a lease agreement, with a third party, for the Westmont location that expired in March, 2015. Rent expense for the year ended June 30, 2015 was \$36,724.

(8) LINE OF CREDIT:

PRC has an \$850,000 line of credit from a bank maturing on January 16, 2018, with variable interest, secured by investments, and bears interest at the Prime Rate (3.50% at June 30, 2016). The outstanding balance at June 30, 2016 and 2015 was \$232,369 and \$497,221, respectively.

(9) LONG-TERM MORTGAGE:

	<u>2016</u>	<u>2015</u>
Mortgage payable to a bank, payable in monthly installments of principal and interest totaling \$2,004 and a final payment of \$226,697 due in October 2017, bearing an interest rate of 4.50% secured by a building	\$ 244,777	\$ 257,314
Less - Current maturities	<u>(13,315)</u>	<u>(12,730)</u>
Long-term debt	<u>\$ 231,462</u>	<u>\$ 244,584</u>

Maturities of notes payables are as follows:

Year ending <u>December 31,</u>	
2017	\$ 13,315
2018	<u>231,462</u>
	<u>\$ 244,777</u>

PRC has a financial covenant that it must have an unrestricted cash and investments to total funded debt ratio of greater than 1.50 for the year ended June 30, 2016. At June 30, 2016, PRC met the covenant.

(10) RESTRICTED RESOURCES:

At June 30, 2016 and 2015, temporarily restricted net assets consisted of the following:

	<u>2016</u>	<u>2015</u>
Food Pantry	\$ 13,000	\$ 14,344
Adult Learning and Literacy	15,686	50,000
General Operations	3,050	16,500
Social Services including Family Connections	66,720	65,227
Future Capital Purchase	17,890	-
Southeast Center Programs	12,500	-
Other Empowerment Programs	<u>16,069</u>	<u>20,001</u>
	<u>\$ 144,915</u>	<u>\$ 166,072</u>

(11) DONATED SERVICES AND GOODS:

PRC is supported by in-kind services received from individual and organizational volunteers. PRC has over 2,400 volunteers whom account for over 98% of the total staff and have been and will continue to be the foundation by which PRC provides service to the community. PRC volunteers are a valued and essential part of their work. Volunteers are their foundation, their ambassadors, their advocates for those in need and their solution. The estimated value of these services is not reflected in the financial statements as they do not meet the requirements to be recorded.

PRC is supported by in-kind legal and other professional services. During the years ended June 30, 2016 and 2015, PRC received \$53,707 and \$316,154, respectively, of donated legal and other professional services.

PRC reports the estimated fair value of donated food, clothing, computers and other products over which it has control as unrestricted support and shortly thereafter as expense when distributed to its families. PRC does not estimate the value of providing classes and tutoring in the financial statements since it does not meet the requirements to be recorded. During the years ended June 30, 2016 and 2015, respectively, PRC estimated approximately \$6,262,000 and \$5,667,000 of in-kind goods which is broken down into the following categories:

	<u>2016</u>	<u>2015</u>
Food	84%	81%
Clothes	10%	9%
Computers	3%	4%
Other items	3%	6%

This level of in-kind support is vital to PRC's ability to continue to meet their community needs since all programs except for Food Pantry are 100% reliant on in-kind goods. The community supports PRC in-kind by donating:

	<u>2016</u>	<u>2015</u>
Pounds of food distributed	52%	57%
Computers distributed	100%	100%
Clothes distributed	100%	100%
Toys distributed at PRC's holiday program	100%	100%
Layettes, birthday bags and bicycles distributed	100%	100%

(12) RETIREMENT PLAN:

A simple IRA plan was started in August, 2002 and is available to all eligible employees. PRC matched employee contributions dollar for dollar of up to a maximum of 3% of an employee's annual salary for the years ended June 30, 2016 and 2015. There were employer matching contributions of \$32,905 and \$32,286 for the years ended June 30, 2016 and 2015, respectively.