Ounce of Prevention Fund

Consolidated Financial Report, Single Audit, and Supplementary Reporting
June 30, 2019

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RSM US LLP

Independent Auditor's Report

Board of Directors
Ounce of Prevention Fund

Report on the Financial Statements
We have audited the accompanying consolidated financial statements of Ounce of Prevention Fund and subsidiaries, which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, 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 consolidated 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 standards 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 consolidated 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 reasonable 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 Ounce of Prevention Fund and subsidiaries as of June 30, 2019, and its changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter
The Ounce of Prevention Fund and subsidiaries adopted Accounting Standards Update 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statement of Not-for-Profit Entities*, during 2019. The adoption of this standard resulted in the inclusion of a statement of functional expenses, additional footnote disclosures, and significant changes to classification of net assets and the disclosures related to net assets. Our opinion is not modified with respect to this matter.

Report on Supplementary Consolidating Information
Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information is presented for purposes of additional analysis rather than to present the financial position, changes in net assets and cash flows of the individual entities and is not a required part of the consolidated 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 consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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 February 19, 2020 on our consideration of the Ounce of Prevention Fund and subsidiaries' 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 solely 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 the effectiveness of The Ounce of Prevention Fund and subsidiaries' 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 the Ounce of Prevention Fund and subsidiaries' internal control over financial reporting and compliance.

Other Matter
The financial statements of the Ounce of Prevention Fund and subsidiaries as of and for the year ended June 30, 2018, were audited by other auditors whose report dated March 29, 2019, expressed an unmodified opinion on those statements.

RSM US LLP

Chicago, Illinois
February 19, 2020

Ounce of Prevention Fund

Consolidated Statements of Financial Position
June 30, 2019 and 2018

		2019		2018
Assets				
Current assets:				
Cash and cash equivalents	**$**	**14,831,832**	$	14,053,632
Accounts receivable - governmental agencies and other, net		**8,870,374**		8,879,098
Pledges receivable, current		**7,722,197**		11,229,260
Deposits, prepaid expenses and other assets		**469,576**		971,557
Total current assets		**31,893,979**		35,133,547
Investments:				
Donor and Board designated		**22,869,984**		22,738,522
Other		**1,943,103**		1,934,468
Total investments		**24,813,087**		24,672,990
NMTC note receivable		**10,700,070**		10,700,070
Pledges receivable, net of current portion		**6,092,890**		6,388,485
Property, plant and equipment, net		**11,090,747**		7,545,815
Total assets	**$**	**84,590,773**	$	84,440,907
Liabilities and Net Assets				
Liabilities:				
Current liabilities:				
Accounts payable and accrued expenses	**$**	**8,305,005**	$	8,844,295
Deferred revenue		**1,050,075**		373,515
Current portion of capital lease liability		**111,400**		82,505
Total current liabilities		**9,466,480**		9,300,315
Capital lease liability, net of current portion		**99,119**		93,517
Deferred rent		**4,485,236**		1,390,043
Other liabilities		**184,093**		175,457
Total liabilities		**14,234,928**		10,959,332
Net assets:				
Without donor restrictions:				
Undesignated		**23,598,045**		25,996,032
Board designated		**5,011,371**		4,982,126
		28,609,416		30,978,158
With donor restrictions		**41,746,429**		42,503,417
Total net assets		**70,355,845**		73,481,575
Total liabilities and net assets	**$**	**84,590,773**	$	84,440,907

See notes to consolidated financial statements.

Ounce of Prevention Fund

Consolidated Statement of Activities
Year ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and other support:			
Grants:			
State of Illinois Department of Human Services			
Division of Family and Community Services	$ 11,307,096	$ -	$ 11,307,096
Bureau of Child Care and Development	530,761	-	530,761
Illinois State Board of Education	4,553,810	-	4,553,810
State of Illinois Department of Children and Family Services	26,644	-	26,644
U.S. Department of Health and Human Services	16,374,008	-	16,374,008
U.S. Department of Agriculture	126,639	-	126,639
City of Chicago-DFSS	3,281,543	-	3,281,543
Contributions	5,198,016	21,696,908	26,894,924
Investment return, net	1,135,589	805,482	1,941,071
Other revenue	2,052,980	-	2,052,980
Donated service/in-kind	635,270	-	635,270
Net assets released from restrictions	23,259,378	(23,259,378)	-
Total revenue and other support	68,481,734	(756,988)	67,724,746
Expenses:			
Program services:			
Direct program services:			
Direct work with children	29,733,617	-	29,733,617
Program and professional innovation	20,280,719	-	20,280,719
Policy and systems innovation	3,659,557	-	3,659,557
Infrastructure and support	4,590,766	-	4,590,766
Total direct program services	58,264,659	-	58,264,659
First Five Years Fund	3,527,385	-	3,527,385
Bounce DC	163,200	-	163,200
Total program services	61,955,244	-	61,955,244
Supporting services:			
General and administrative activities	6,704,820	-	6,704,820
Fund-raising	2,190,412	-	2,190,412
Total supporting services	8,895,232	-	8,895,232
Total expenses	70,850,476	-	70,850,476
Change in net assets	(2,368,742)	(756,988)	(3,125,730)
Net assets at beginning of year	30,978,158	42,503,417	73,481,575
Net assets at end of year	$ 28,609,416	$ 41,746,429	$ 70,355,845

See notes to consolidated financial statements.

Ounce of Prevention Fund

Consolidated Statement of Activities
Year ended June 30, 2018

	Without Donor Restriction	With Donor Restriction	Total
Revenue and other support:			
Grants:			
State of Illinois Department of Human Services:			
Division of Family and Community Services	$ 11,012,459	$ -	$ 11,012,459
Bureau of Child Care and Development	506,804	-	506,804
Illinois State Board of Education	3,959,955	-	3,959,955
State of Illinois Department of Children and Family Services	31,727	-	31,727
U.S. Department of Health and Human Services	15,065,117	-	15,065,117
U.S. Department of Agriculture	122,901	-	122,901
City of Chicago-DFSS	3,123,676	-	3,123,676
Contributions	6,720,945	13,088,006	19,808,951
Investment return, net	1,068,029	936,850	2,004,879
Other revenue	896,336	-	896,336
Donated service/in-kind	446,085	-	446,085
Net assets released from restrictions	22,134,702	(22,134,702)	-
Total revenue and other support	65,088,736	(8,109,846)	56,978,890
Expenses:			
Program services:			
Direct program services:			
Direct work with children	28,661,014	-	28,661,014
Program and professional innovation	13,006,557	-	13,006,557
Policy and systems innovation	2,894,995	-	2,894,995
Infrastructure and support	4,450,446	-	4,450,446
Total direct program services	49,013,012	-	49,013,012
First Five Years Fund	4,106,598	-	4,106,598
Bounce DC	127,104	-	127,104
Total program services	53,246,714	-	53,246,714
Supporting services:			
General and administrative activities	5,881,171	-	5,881,171
Fund-raising	2,064,783	-	2,064,783
Total supporting services	7,945,954	-	7,945,954
Total expenses	61,192,668	-	61,192,668
Change in net assets	3,896,068	(8,109,846)	(4,213,778)
Net assets at beginning of year	27,082,090	50,613,263	77,695,353
Net assets at end of year	$ 30,978,158	$ 42,503,417	$ 73,481,575

See notes to consolidated financial statements.

Ounce of Prevention Fund

Consolidated Statement of Functional Expenses
Year ended June 30, 2019

	Direct Program Services										
	Direct Work with Children	Program and Professional Innovation	Policy and Systems Innovation	Infrastructure and Support	Total Direct Program Services	First Five Years Fund	Bounce DC	Total Program Services	General and Administrative Activities	Fund-raising	Total
Personnel	$ 8,324,310	$ 11,176,884	$ 2,361,347	$ 3,027,572	$ 24,890,113	$ 1,374,503	$ -	$ 26,264,616	$ 3,652,546	$ 1,687,800	$ 31,604,962
Professional services	724,065	1,491,049	440,086	665,187	3,320,387	1,789,701	21,168	5,131,256	1,888,382	179,940	7,199,578
Subcontracted program services	18,260,295	3,879,029	-	-	22,139,324	25,600	133,751	22,298,675	-	-	22,298,675
Travel	100,343	1,262,510	203,976	49,999	1,616,828	31,713	-	1,648,541	33,954	11,432	1,693,927
Conference and meetings	249,875	885,245	394,631	57,051	1,586,802	15,690	-	1,602,492	41,147	107,274	1,750,913
Occupancy	602,944	72,647	15,920	5,388	696,899	24,871	-	721,770	63,360	9,654	794,784
Rent, net of construction allowance amortization	324,997	680,760	156,652	-	1,162,409	151,603	-	1,314,012	-	-	1,314,012
Supplies	257,241	53,046	19,281	28,368	357,936	5,124	-	363,060	68,263	15,286	446,609
Membership dues	78,405	88,913	6,626	37,175	211,119	35,524	-	246,643	84,138	10,927	341,708
Depreciation	335,781	-	-	307,184	642,965	26,833	-	669,798	88,912	52,826	811,536
Casualty and liability insurance	5,569	18,130	5,258	3,046	32,003	474	8,281	40,758	11,605	3,791	56,154
Equipment and computer software	114,747	121,314	45,796	118,425	400,282	7,368	-	407,650	702,848	52,804	1,163,302
Postage, printing and copying	114,359	116,727	6,179	17,021	254,286	10,173	-	264,459	50,617	41,617	356,693
Direct program services	181,416	43,732	1,500	-	226,648	-	-	226,648	-	-	226,648
Miscellaneous	59,270	390,733	2,305	274,350	726,658	28,208	-	754,866	19,048	17,061	790,975
Total expenses	$ 29,733,617	$ 20,280,719	$ 3,659,557	$ 4,590,766	$ 58,264,659	$ 3,527,385	$ 163,200	$ 61,955,244	$ 6,704,820	$ 2,190,412	$ 70,850,476

See notes to consolidated financial statements.

Ounce of Prevention Fund

Consolidated Statements of Cash Flows
Years ended June 30, 2019 and 2018

		2019		2018
Cash flows from operating activities:				
Change in net assets	**$**	**(3,125,730)**	$	(4,213,778)
Adjustments to reconcile change in net assets to				
net cash provided by operating activities:				
Depreciation		**811,536**		559,771
Net realized and unrealized gains on investments		**(402,457)**		(580,146)
Loss on sale of property, plant and equipment		**46,726**		-
Changes in:				
Accounts and pledges receivable		**3,811,382**		7,818,119
Deposits, prepaid expenses and other assets		**501,981**		(490,376)
Accounts payable and accrued expenses		**(539,290)**		957,991
Other liabilities and deferred revenue		**3,780,389**		1,190,922
Net cash provided by operating activities		**4,884,537**		5,242,503
Cash flows from investing activities:				
Purchases of property and equipment		**(4,286,192)**		(456,161)
Proceeds from sales of investments		**3,032,669**		2,914,942
Purchases of investments		**(2,770,309)**		(2,141,635)
Net cash (used in) provided by investing activities		**(4,023,832)**		317,146
Cash flows from financing activities:				
Payments made on capital lease obligations		**(82,505)**		(58,444)
Net cash used in financing activities		**(82,505)**		(58,444)
Net increase in cash and cash equivalents		**778,200**		5,501,205
Cash and cash equivalents at beginning of year		**14,053,632**		8,552,427
Cash and cash equivalents at end of year	**$**	**14,831,832**	$	14,053,632
Supplemental cash flow information:				
Fixed asset additions included in accounts payable	**$**	**-**	$	586,438
Fixed asset acquisitions financed through capital leases	**$**	**117,002**	$	228,958
Cash paid for interest	**$**	**5,418**	$	6,359

See notes to consolidated financial statements.

Note 1. General

The Ounce of Prevention Fund (the Ounce) was founded in 1982 as a public-private partnership to give children in poverty the best chance for success in school and in life by advocating for and providing the highest quality care and education from birth to age five. The Ounce develops and supports research based early learning programs; educates and coaches practitioners; and advocates with policymakers, business leaders, and the public. This comprehensive approach addresses the systems-level change required for sustained impact on our nation's children and families.

First Five Years Fund LLC (FFYF) was founded in 2007 with the Ounce as its sole member. FFYF works with federal policymakers to galvanize support for greater investments and policies to increase access to high quality early childhood education. FFYF is a disregarded entity for tax purposes.

Bounce DC was founded in 2009 as a nonprofit organization incorporated in the District of Columbia with the Ounce as its sole member. Bounce DC was created to hold the Educare Center and the debt related to the New Market Tax Credit transaction that took place during the fiscal year ended June 30, 2013 (Note 5).

The Ounce is principally supported by major local and national private philanthropies, the U.S. Department of Health and Human Services (DHHS), and the State of Illinois Department of Human Services.

Note 2. Summary of Significant Accounting Policies

Consolidation: The Ounce's financial statements consolidate the accounts and activities of its affiliated entities, FFYF and Bounce DC. All significant intercompany transactions have been eliminated.

Use of estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein. Actual results could differ from those estimates.

Cash and cash equivalents: For purposes of these consolidated financial statements, cash equivalents are defined as short-term, highly liquid investments that have original maturities of three months or less and are readily convertible to known amounts of cash.

The Ounce maintained its cash in bank accounts, which at times exceeded federally insured limits during the years ended June 30, 2019 and 2018. The Ounce did not experience any losses in such accounts during this period and believes it is not exposed to any significant credit risk.

Accounts receivable – governmental agencies and other: Accounts receivable are primarily uncollateralized obligations of federal, state and local governmental agencies. These receivables are stated at the amounts billed and do not accrue interest. Allowance for uncollectible accounts receivable from governmental agencies was $50,000 and $0 for the years ended June 30, 2019 and 2018, respectively.

As of June 30, 2019, approximately 12% of accounts receivable were due from one federal agency, 11% from one state agency, 22% from one foundation and 15% from another foundation. As of June 30, 2018, approximately 16% of accounts receivable were due from one federal agency, 7% from one state agency, 23% from one foundation and 12% from another foundation.

Note 2. Summary of Significant Accounting Policies (Continued)

Investments: Donor and board designated investments are presented in the financial statements at fair value. Other investments includes a 19.2% ownership interest in Multifamily Portfolio Limited Partnership (the Partnership), which the Ounce has elected to account for under the lower of cost or fair value method of accounting, as the percentage of ownership does not give the Ounce significant influence over the Partnership and because fair value information is not readily available. This investment was not evaluated for impairment because no indicators of impairment were present. The remainder of other investments are mutual funds, which are presented at fair value.

Investment income, realized gains (losses) and changes in unrealized gains (losses) are reflected in the statements of activities, net of investments expenses, as investment return. Investments received as contributions are recorded at fair value at the date of receipt. Investments are classified as either current or long-term based on intended use. Included in interest and dividend income are $802,310 and $804,672 in distributions from the cost method limited partnership for the years ended June 30, 2019 and 2018, respectively.

The Ounce's investment portfolio is subject to various risks, such as interest rate, credit and overall market volatility. Because of these risks, it is possible that changes in the fair value of investments may occur and that such changes could materially affect the Ounce's consolidated financial statements.

Property, plant and equipment: Purchases of individual fixed assets of $5,000 or greater are capitalized and depreciated. Fixed assets are recorded at purchased cost. Depreciation of building and renovation costs is provided over the expected minimum life of the asset (40 years and 15 years, respectively) using the straight-line method. Depreciation of furniture and equipment is provided over the estimated useful lives of the assets (3-5 years) using the straight-line method. Repairs are expensed as incurred.

If a fixed asset is purchased with funds provided by DHHS and is disposed of, the following procedures apply: If the program for which the equipment is acquired is still receiving support from DHHS, and if the DHHS awarding agency approves, the net proceeds from the sale of the asset may be used for allowable costs of that program. Otherwise, the net amount must be remitted to the DHHS awarding agency.

Grants: The majority of funding for the Ounce's operations is provided by governmental agencies. Revenue from government grants is recognized as it is earned. Revenue is considered earned when services are performed and amounts are expended in accordance with the agreement. Grant funding received in advance is deferred to the period in which it is earned.

Contributions: All contributions are considered to be available for the general programs of the Ounce unless specifically restricted by the donor.
Donor-restricted gifts: Unconditional promises to give cash and other assets are reported as net assets with donor restrictions 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Unconditional pledges that are expected to be collected within one year are recorded based on estimated future cash flows. Unconditional pledges that are expected to be collected in more than one year are recorded at the present value of estimated cash flows. The discounts on those amounts are computed using a risk-adjusted interest rate applicable to the year in which the promise is received. Amortization of the discount is included in contribution revenue.

Pledges receivable are written off when they become uncollectible, which is determined based on the length of time the receivables are past due and the responsiveness of the donor.

Note 2. Summary of Significant Accounting Policies (Continued)

Gifts in-kind and contributed services: Gifts in-kind used in the Ounce programs include free rent, equipment and donated goods distributed (e.g., clothing, furniture and foodstuffs). Contributed services represent services requiring specialized skills that the Ounce would typically purchase, such as legal and consulting services. Gifts in-kind and contributed services are recognized at their estimated fair values at date of receipt with an equal and offsetting amount in expenses in the statements of activities, resulting in no net impact on the change in net assets during the year.

The Ounce receives services from a large number of volunteers who give significant amounts of their time to fund-raising campaigns, various committees and programs; however, no amounts for these types of contributed services have been recognized in the consolidated financial statements because such services do not require specialized skills and there is no objective basis available to measure the value of such services.

Contributed services were $548,907 and $371,085 for the years ended June 30, 2019 and 2018, respectively. Contributed services in the Ounce programs include discounted consulting and legal fees, and donated salary from one staff member.

Functional allocation of expenses: The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services. Operating expenses directly identified with a functional core program are charged to that program and, where these expenses affect more than one program, they are allocated on the basis of ratios estimated by management. Personnel costs are allocated based on estimates of time and effort. Occupancy, IT, and other shared costs are allocated based on usage or headcount.

Net assets: Net assets, revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

Without donor restrictions: Net assets without donor restrictions represent resources available for support of daily operations and contributions received for which there are no donor-imposed stipulations or time restrictions. Board-designated net assets without donor restrictions are assets that are earmarked for long-term investment by the board of directors.

With donor restrictions: Net assets with donor restrictions represent net assets subject to donor-imposed restrictions that will be met either by actions of the Ounce or passage of time. Also included in this category are net assets and pledges related to endowments, which represent resources subject to donor restrictions requiring that the principal be invested and maintained in perpetuity. The income generated from these funds is classified as net assets with donor restrictions until appropriated for expenditure. For the years ended June 30, 2019 and 2018, the Ounce did not have any earnings on endowments that were subject to donor restrictions regarding purpose. Net assets released from restrictions represent amounts released from time restriction or spent on restricted purposes.

Net assets without donor restrictions at June 30, 2018 of $30,978,158 was previously reported as unrestricted net assets. Net assets with donor restrictions at June 30, 2018 of $42,503,417 represents the sum of $27,850,668 and $14,652,749, previously reported as temporarily restricted and permanently restricted net assets, respectively.

Note 2. Summary of Significant Accounting Policies (Continued)

Income taxes: The Ounce and Bounce DC have received favorable determination letters from the Internal Revenue Service stating that they are exempt from federal income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code of 1986, except for income taxes pertaining to unrelated business income. The Financial Accounting Standards Board (FASB) issued guidance that requires tax effects from uncertain tax positions to be recognized in the consolidated financial statements only if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. Management has determined there are no material uncertain tax positions that require recognition in the consolidated financial statements, as such, no provision for income taxes is reflected. Additionally, there is no interest or penalties recognized in the consolidated statements of activities or consolidated statements of financial position.

The Ounce files Form 990 in the U.S. federal jurisdiction and the state of Illinois.

Adopted accounting pronouncements: In 2019, the Ounce adopted Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements for Not-for-Profit Entities.* The ASU addressed net asset classifications, and reporting and disclosures about liquidity, expenses, and cash flows. Certain provisions, as required, have been applied retrospectively to 2018. Amounts previously reported as temporarily or permanently restricted have been reclassified to be reported as net assets with donor restrictions. In addition, the Ounce has added or enhanced disclosures for liquidity, net assets, and expenses.

Pending accounting pronouncements: In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* as a new topic, Accounting Standards Codification (ASC) *Topic 606*. The objective of ASU 2014-09 is to establish a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and will supersede most of the existing revenue recognition guidance, including industry-specific guidance. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In applying the new standard, companies will perform a five-step analysis of transactions to determine when and how revenue is recognized. ASU 2014-09 applies to all contracts with customers except those that are within the scope of other topics in the FASB ASC. This ASU is effective for the Ounce in fiscal year 2020 and shall be applied using either a full retrospective or modified retrospective approach.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*. This ASU updates certain aspects of recognition, measurement, presentation and disclosure of financial instruments and applies to all entities that hold financial assets or owe financial liabilities. Among other provisions, it significantly changes the accounting for equity securities and for liabilities accounted for under a fair value option. The ASU is effective for the Ounce in fiscal year 2020. ASU 2018-03, *Technical Corrections and Improvements to Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, provides narrow-scope clarifying amendments to certain guidance in ASU 2016-01 and will be adopted concurrently with ASU 2016-01.

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842), which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statements of financial position for leases with terms exceeding 12 months. ASU 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the right-of-use asset. ASU 2016-02 is effective for the Ounce in fiscal year 2022. Early adoption is permitted.

Note 2. Summary of Significant Accounting Policies (Continued)

In June 2018, the FASB issued ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This ASU clarifies the guidance for evaluating whether a transaction is reciprocal (i.e., an exchange transaction) or nonreciprocal (i.e., a contribution) and for distinguishing between conditional and unconditional contributions. The ASU also clarifies the guidance used by entities other than not-for-profits to identify and account for contributions made. The updated standard will be effective for the Ounce in fiscal year 2020.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, which modifies the disclosure requirements for fair value measurements by removing, modifying, or adding certain disclosures. This update will be effective for the Ounce in fiscal year 2021. An entity is permitted to early adopt any removed or modified disclosures and delay adoption of the additional disclosures until their effective date.

The Ounce is currently evaluating the impact of the adoption of these standards on its financial statements.

Subsequent events: The Ounce evaluated its June 30, 2019, consolidated financial statements for subsequent events through February 19, 2020, the date the consolidated financial statements were available to be issued. In January 2020, Ounce entered into an asset transfer agreement with a Washington nonprofit corporation that operated a Home Visiting Implementation HUB. Under this agreement, the nonprofit organization contributed its assets to Ounce with the intention that Ounce continue to operate the Home Visiting Implementation HUB under contracts representing revenue of approximately $1,500,000.

Reclassifications: Certain amounts in the 2018 financial statements have been reclassified to conform to the current-year presentation without any impact on net assets or changes in net assets previously reported.

Note 3. Liquidity and Availability

The table below represents financials assets and liquidity resources available for general expenditures within one year of June 30:

	2019
Financial assets at year-end:	
Cash and cash equivalents	$ 14,831,832
Accounts receivable - governmental agencies and other, net	8,870,374
Pledges receivable	13,815,087
Donor and board designated investments	22,869,984
Other investments	1,943,103
Total financial assets	62,330,380
Less amounts not available to be used within one year:	
Pledges receivable restricted for future periods or projects, net	6,092,890
Donor and board designated investments net of expected endowment appropriation of $858,000	22,011,984
Other investments - long term	1,943,103
	30,047,977
Total financial assets available within one year	32,282,383
Liquidity resources:	
Bank line of credit	6,000,000
Total financial assets and liquidity resources available within one year	$ 38,282,383

The Ounce regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. Ounce has $32,282,383 of financial assets available within 1 year of the statement of financial position date to meet cash needs for general expenditures.

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Ounce considers all expenditures related to its ongoing programs and subcontracted services as well as supporting services such as administrative and general and fund-raising to be general expenditures.

To help manage unanticipated liquidity needs, the Ounce has committed lines of credit which it could draw upon. Additionally, the Ounce has a board designated endowment of $5,011,371. Although the Ounce does not intend to spend from its board designated endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its board designated endowment could be made available if necessary.

Note 4. Pledges Receivable

Pledges were discounted using a risk-adjusted interest rate in the year the pledge was received, ranging from 1.62% to 2.73%. The Ounce believes that the pledges shown below are fully collectible; therefore, an allowance for doubtful accounts is not necessary.

	2019	2018
Corporations, foundations, individuals and trusts	$ 14,147,197	$ 17,966,759
Less unamortized discount	(332,110)	(349,014)
Net pledges receivable	$ 13,815,087	$ 17,617,745
Amount due in		
Less than one year	$ 7,722,197	$ 11,229,260
One to five years	6,125,000	6,737,499
Five to 10 years	300,000	-
Total	$ 14,147,197	$ 17,966,759

Note 5. NMTC Transaction

In October 2010, Bounce DC entered into a lease with the District of Columbia for land to be used for educational purposes, including the construction and operation of a facility, to include early childhood education. The lease is a 99-year lease at $1 per year and cannot be subleased without permission of the lessor. Bounce DC constructed a new building on this land, which it completed in August 2012 at a total cost of $13,042,361.

In September 2012, Bounce DC, as a leverage lender, and Educare DC (an unaffiliated entity), as program operator, were part of a New Market Tax Credits (NMTC) transaction that resulted in approximately $3,000,000 in support for Educare DC. As part of this transaction, the newly constructed building was leased to Educare DC through a capital lease. The lease is a non-cancelable lease for 65 years, requiring a single up-front payment of $12,700,000. The land and building are required to be used solely for educational purposes, including the construction and operation of a facility, to include early childhood education. Since the lease of the building was essentially a sale at the time the sublease was signed, the building was removed from the Bounce DC books. As a part of this transaction, Bounce DC also made an in-kind gift to Educare DC of approximately $500,000 of furniture and equipment.

As Bounce DC is acting as an agent between the District of Columbia and Educare DC, and since the lease of the building is passed through to Educare DC, no amounts related to the lease and sublease are recorded in the consolidated financial statements. It was never intended that Bounce DC keep, use or benefit from the contributed land.

In September 2012, Bounce DC, as leverage lender, made a loan to Educare DC NMTC Investment Fund, LLC, a qualified equity investment fund involved in financing obtained through the NMTC transaction. The loan has interest-only payments for seven years at a 1% rate, payable quarterly.

The equity investor of Educare DC NMTC Investment Fund, LLC can sell its ownership interest to Bounce DC for $1,000 at the end of year seven (put option). It is anticipated that this will happen, resulting in ownership of Educare DC NMTC Investment Fund, LLC by Bounce DC. This action, in combination with other agreements, will essentially result in the forgiveness of the note. The amount of the note is $10,700,070 as of June 30, 2019 and 2018.

Note 5. NMTC Transaction (Continued)

On September 12, 2019, the Ounce completed the unwind of the NMTC program, and the put option was exercised. This resulted in the forgiveness of the note receivable from Educare DC.

Note 6. Investments

Investments are composed of funds subject to donor restrictions requiring that the principal be invested and maintained in perpetuity, as well as funds without donor restrictions designated for long-term investment by the board of directors.

The composition of investments at June 30, 2019 and 2018, is summarized as follows:

	2019			2018		
	Donor and Board Designated	Other	Total	Donor and Board Designated	Other	Total
Publicly traded:						
Money market funds	$ 98,485	$ -	$ 98,485	$ 73,891	$ -	$ 73,891
Equity securities	1,725,434	-	1,725,434	1,727,480	-	1,727,480
Mutual funds	16,007,108	-	16,007,108	15,941,656	-	15,941,656
Supplemental employees' retirement plan (mutual funds)	-	184,093	184,093	-	175,458	175,458
Total publicly traded	17,831,027	184,093	18,015,120	17,743,027	175,458	17,918,485
Other investments:						
Limited partnerships	5,038,957	1,759,010	6,797,967	4,995,495	1,759,010	6,754,505
Total	$ 22,869,984	$ 1,943,103	$ 24,813,087	$ 22,738,522	$ 1,934,468	$ 24,672,990

Note 7. Fair Value Disclosures

U.S. GAAP defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and specifies disclosure requirements for fair value measurements. Furthermore, the Ounce maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The fair value hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Ounce has the ability to access.

Level 2 - Inputs to the valuation methodology include observable market-based inputs that are corroborated by market data.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Note 7. Fair Value Disclosures (Continued)

The asset's 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.

However, the determination of what constitutes observable requires judgment by the Ounce's management. The Ounce's management considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by multiple, independent sources that are actively involved in the relevant market. The categorization of an investment within the fair value hierarchy is based on the pricing transparency of the investment and does not necessarily correspond to the Ounce management's perceived risk of that investment.

Investment valuation: The following is a description of the valuation methodologies used for investments measured at fair value.

Investments, other than cash equivalents and the limited partnership accounted for at cost, are reported at fair value. The fair value of investments with a readily determinable market value is based on the quoted market prices as of the close of the last business day of the year. The fair value of the Covenant Apartments Fund VII (Institutional Fund) and the Weatherlow Offshore Fund I Ltd. (Weatherlow) limited partnerships are determined using net asset value (NAV) as a practical expedient.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Ounce 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, the Ounce's financial instruments reported at fair value as of June 30, 2019:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 98,485	$ -	$ -	$ 98,485
Equity securities	1,725,434	-	-	1,725,434
Mutual funds	16,191,201	-	-	16,191,201
	$ 18,015,120	$ -	$ -	18,015,120
Limited partnerships measured at NAV				5,038,957
Limited partnerships measured at cost				1,759,010
				$ 24,813,087

The following table sets forth by level, within the fair value hierarchy, the Ounce's financial instruments reported at fair value as of June 30, 2018:

	Level 1	Level 2	Level 3	Total
Money market funds	$ 73,891	$ -	$ -	$ 73,891
Equity securities	1,727,480	-	-	1,727,480
Mutual funds	16,117,114	-	-	16,117,114
	$ 17,918,485	$ -	$ -	17,918,485
Limited partnerships measured at NAV				4,995,495
Limited partnerships measured at cost				1,759,010
				$ 24,672,990

Note 7. Fair Value Disclosures (Continued)

Investments measured at NAV using the practical expedient as of June 30, 2019, consisted of the following:

	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Institutional Fund (a)	$ 3,942	$ -	See below	See below
Weatherlow (b)	5,035,015	-	See below	See below
Balance as of June 30, 2019	$ 5,038,957	$ -		

Investments measured at NAV using the practical expedient as of June 30, 2018, consisted of the following:

	Fair value	Unfunded commitments	Redemption frequency	Redemption notice period
Institutional Fund (a)	$ 43,396	$ -	See below	See below
Weatherlow (b)	4,952,099	-	See below	See below
Balance as of June 30, 2018	$ 4,995,495	$ -		

(a) The Institutional Fund acquires multi-family communities in Southeast and Mid-Atlantic States with the goal of completing value-add renovations and increasing operating income. The Institutional Fund is expected to make quarterly income distributions as the renovation programs are completed at the underlying communities. A typical hold period for each property is four to six years, though the Institutional Fund will seek to return a portion of investor capital earlier by refinancing stabilized assets.

The Institutional Fund's valuation policy is to hold an asset at cost during the first year of ownership, and then assign a fair market value based on each asset's operating performance. The Institutional Fund's audited financial statements were prepared in accordance with U.S. GAAP. The investment is illiquid during the term of commitment.

(b) Weatherlow is a multi-strategy hedge fund of funds launched in October 2002 that seeks to achieve long-term returns commensurate with the long-term returns from a portfolio invested in the general equity markets, while experiencing volatility more like that of a portfolio invested in the general debt markets. Weatherlow expects to have 20 to 30 core hedge fund managers within its portfolio and has experienced typical annualized turnover in hedge fund managers of approximately 15% since inception. Weatherlow invests in hedge fund managers across four main sectors: Long-Short Equity, Event Driven, Relative Value and Global Asset Allocation. Based on Evanston Capital Management, LLC's subjective assessment of the hedge funds in Weatherlow's portfolio, the average exposure since inception to each sector as of October 1, 2018, was 48% to Long-Short Equity, 20% to Event Driven, 11% to Relative Value and 18% to Global Asset Allocation. The investment is illiquid during the term of commitment.

Note 8. Property, Plant and Equipment

Property, plant and equipment consisted of the following as of June 30:

	2019	2018
Furniture and equipment	$ 2,741,248	$ 3,384,187
Building and leasehold improvements	14,563,999	10,433,075
Equipment financed through capital leases	333,221	228,179
Total property, plant and equipment	17,638,468	14,045,441
Less accumulated depreciation	(6,547,721)	(6,499,626)
Property, plant and equipment, net	$ 11,090,747	$ 7,545,815

Depreciation expense was $811,536 and $559,771 for the years ended June 30, 2019 and 2018, respectively.

Note 9. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes at June 30:

	2019	2018
Subject to the passage of time:		
Pledges receivable without purpose restrictions	$ 6,555,673	$ 8,878,949
Subject to purpose restrictions:		
Direct work with children	385,148	566,458
Program and professional innovation	11,506,644	11,691,686
Policy and system innovation	4,734,444	3,016,983
Infrastructure and support	705,907	594,945
Endowment returns subject to future appropriations	3,205,864	3,101,647
Amounts with perpetual restrictions	14,652,749	14,652,749
Total net assets with donor restrictions	$ 41,746,429	$ 42,503,417

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors for the years ended June 30, 2019 and 2018, as follows:

	2019	2018
Direct work with children	$ 395,866	$ 245,185
Program and professional innovation	13,443,035	8,692,847
Policy and systems innovation	4,810,798	7,098,996
Infrastructure and support	3,908,414	5,177,254
Endowment appropriations	701,265	710,389
Total	$ 23,259,378	$ 21,924,671

Net assets released from restriction in fiscal 2018 also included $210,031 of pledges that were written off.

Note 10. Endowment Net Assets

The Ounce's endowment consists of donor-restricted, as well as board-designated for long-term investment funds. Net assets associated with the Ounce's endowment funds are classified and reported based on the existence of donor-imposed restrictions.

The Uniform Prudent Management of Institutional Funds Act (UPMIFA) governs endowment funds in the state of Illinois. UPMIFA eliminates the historic dollar value rule with respect to endowment fund spending, updates the prudence standard for the management and investment of charitable funds, and amends the provisions governing the release and modification of restrictions on charitable funds. The Ounce accounts for endowment net assets by preserving the fair value of the original gift as of the gift date of the donor-restricted endowment fund absent explicit donor stipulations to the contrary. As a result, the Ounce classifies as net assets with donor restriction (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the endowment fund. The Ounce considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund.
2. The purposes of the Ounce and the donor-restricted endowment fund.
3. General economic conditions.
4. The possible effects of inflation and deflation.
5. The expected total return from income and the appreciation of investments.
6. Other resources of the Ounce.
7. The investment policies of the Ounce.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Illinois UPMIFA requires the Ounce to retain as a fund of perpetual duration. The Ounce has interpreted UPMIFA to allow spending from the endowment under such circumstances, in accordance with standards of prudence. There were no such deficiencies at June 30, 2019 and 2018.

The Ounce has a board-approved distribution policy calculated annually as part of the organizational budget process. The decision to draw a distribution each year is at the discretion of the board. The Ounce's investment policies specify a diversified portfolio with ranges for each asset type and include maximum volatility parameters. The Ounce has an active Finance Committee that meets regularly to ensure that the objectives of the investment policy are being met, and that the strategies used to meet the objectives are in accordance with the investment policy.

The endowment net asset composition by type of fund as of June 30, 2019, is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 17,858,613	$ 17,858,613
Board-designated for long-term investment funds	5,011,371	-	5,011,371
Total	$ 5,011,371	$ 17,858,613	$ 22,869,984

Note 10. Endowment Net Assets (Continued)

The changes in endowment net assets for the fiscal year ended June 30, 2019, are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ 4,982,126	$ 17,754,396	$ 22,736,522
Investment return:			
Investment income	137,841	491,213	629,054
Net appreciation (realized and unrealized)	88,188	314,269	402,457
Appropriations of endowment assets for expenditures of endowment funds	(196,784)	(701,265)	(898,049)
Endowment net assets, end of year	$ 5,011,371	$ 17,858,613	$ 22,869,984

The endowment net asset composition by type of fund as of June 30, 2018, is as follows:

	Without Donor Restriction	With Donor Restriction	Total
Donor-restricted endowment funds	$ -	$ 17,754,396	$ 17,754,396
Board-designated for long-term investment funds	4,982,126	-	4,982,126
Total	$ 4,982,126	$ 17,754,396	$ 22,736,522

The changes in endowment net assets for the fiscal year ended June 30, 2018, are as follows:

	Without Donor Restriction	With Donor Restriction	Total
Endowment net assets, beginning of year	$ 4,918,576	$ 17,527,935	$ 22,446,511
Investment return:			
Investment income	139,019	495,408	634,427
Net appreciation (realized and unrealized)	123,876	441,442	565,318
Appropriations of endowment assets for expenditures of endowment funds	(199,345)	(710,389)	(909,734)
Endowment net assets, end of year	$ 4,982,126	$ 17,754,396	$ 22,736,522

Note 11. Commitments

The Ounce leases office space under operating lease agreements with escalating rental payments. The leases generally provide that the Ounce pay for its share of real estate taxes and common area expenses. One lease was amended at the end of fiscal year 2018, resulting in a tenant improvement allowance of approximately $4,700,000, all of which was used in fiscal 2019. The allowance for tenant improvements is included in the deferred rent liability on the consolidated statements of financial position and is being amortized as a reduction to rent expense on a straight-line basis over the life of the lease. As of June 30, 2019, approximately $1,800,000 is included in other accounts receivable on the consolidated statement of financial position. This represents amounts owed to the Ounce from the landlord related to the tenant improvement allowance.

Rental expense, net of the amortization of deferred rent, was $1,314,012 and $1,622,396 for the years ended June 30, 2019 and 2018, respectively. Office leases expire during fiscal years 2020 through 2031 and require the following minimum annual lease payments as of June 30, 2019:

Years ending June 30	
2020	$ 1,683,012
2021	1,641,977
2022	1,666,957
2023	1,692,023
2024	1,717,177
Thereafter	10,201,239
Total	$ 18,602,385

The Ounce has a line-of-credit agreement with a bank in the amount of $6,000,000. There were no borrowings against the line at June 30, 2019 and 2018. The interest rate is equal to the daily LIBOR rate, plus 1.85% and the expiration date is March 31, 2020. The interest rates for fiscal years 2019 and 2018 were 2.40% and 2.12%, respectively.

The Ounce has several leases for equipment which are classified as capital leases in the financial statements. The net book value of the leased assets at June 30, 2019 and 2018, was $219,131 and $190,149, respectively. Future minimum lease obligations under capital leases as of June 30, 2019, included in other liabilities on the statement of financial position, are as follows:

Years ending June 30	
2020	$ 122,013
2021	40,722
2022	27,443
2023	27,312
2024	4,607
Total minimum lease payments	222,097
Less: amount representing interest	11,578
Present value of minimum lease payments	$ 210,519

Note 12. Retirement Plans

The Ounce sponsors a defined contribution 401(k) retirement plan (the Plan). Participants may elect to contribute a percentage of their salaries to the Plan. The Ounce contributed 3% of each participant's annual compensation to the Plan in 2019 and 2018. The Ounce recorded contributions of $549,263 and $522,361 during the years ended June 30, 2019 and 2018, respectively.

The Ounce also sponsors a supplemental employees' retirement plan, an unfunded, non-qualified deferred compensation plan. The Ounce did not make contributions to this Plan in 2019 or 2018.

Note 13. Educare Chicago Building

During fiscal year 2000, the Ounce commenced the operation of an early childhood education facility located in Chicago, Illinois.

Pursuant to an agreement dated April 1, 1998, with the Chicago School Reform Board of Trustees on behalf of the Board of Education of the City of Chicago (the Board of Education), the title to the facility was transferred from the Ounce to the Board of Education. Simultaneously, the Ounce entered into an operating lease with the Board of Education for the property for a term of 99 years, with a nominal rent payable per year. The Ounce considers the cost of construction of the building to be leasehold improvements.

The Ounce depreciates the leasehold improvements cost over 40 years, the estimated useful life of the building, and the related expense is included in total depreciation expense. Donated rent by the Board of Education is recorded in the consolidated statements of activities as a gift in-kind, with an offsetting amount to rent expense. Contributed rent was $75,000 each year for the years ended June 30, 2019 and 2018.

Note 14. Related Parties

Donations to the Ounce from related parties were $449,231 and $350,990 for the years ended June 30, 2019 and 2018, respectively.

Supplemental Information

Ounce of Prevention Fund

Consolidating Statement of Financial Position
June 30, 2019 (With Comparative Totals for 2018)

	2019				
	Ounce	FFYF	Bounce DC	Total	2018
Assets					
Current assets:					
Cash and cash equivalents	$ 12,358,278	$ 2,284,390	$ 189,164	$ 14,831,832	$ 14,053,632
Accounts receivable - governmental agencies and other, net	8,843,624	-	26,750	8,870,374	8,879,098
Pledges receivable, current	6,872,197	850,000	-	7,722,197	11,229,260
Deposits, prepaid expenses and other assets	426,704	42,872	-	469,576	971,557
Total current assets	28,500,803	3,177,262	215,914	31,893,979	35,133,547
Investments:					
Donor and board designated	22,869,984	-	-	22,869,984	22,738,522
Other	1,943,103	-	-	1,943,103	1,934,468
Total investments	24,813,087	-	-	24,813,087	24,672,990
NMTC note receivable	-	-	10,700,070	10,700,070	10,700,070
Pledges receivable, net of current portion	5,730,750	362,140	-	6,092,890	6,388,485
Property, plant and equipment, net	11,039,084	51,663	-	11,090,747	7,545,815
Total assets	$ 70,083,724	$ 3,591,065	$ 10,915,984	$ 84,590,773	$ 84,440,907
Liabilities and Net Assets					
Liabilities:					
Current liabilities:					
Accounts payable and accrued expenses	$ 8,278,255	$ -	$ 26,750	$ 8,305,005	$ 8,844,295
Deferred revenue	1,050,075	-	-	1,050,075	373,515
Current portion of lease liability	111,400	-	-	111,400	82,505
Total current liabilities	9,439,730	-	26,750	9,466,480	9,300,315
Capital lease liability, net of curent portion	99,119	-	-	99,119	93,517
Deferred rent	4,485,236	-	-	4,485,236	1,390,043
Other liabilities	184,093	-	-	184,093	175,457
Total liabilities	14,208,178	-	26,750	14,234,928	10,959,332
Net assets:					
Without donor restriction:					
Undesignated	12,241,428	467,383	10,889,234	23,598,045	25,996,032
Board designated	5,011,371	-	-	5,011,371	4,982,126
	17,252,799	467,383	10,889,234	28,609,416	30,978,158
With donor restrictions	38,622,747	3,123,682	-	41,746,429	42,503,417
Total net assets	55,875,546	3,591,065	10,889,234	70,355,845	73,481,575
Total liabilities and net assets	$ 70,083,724	$ 3,591,065	$ 10,915,984	$ 84,590,773	$ 84,440,907

Ounce of Prevention Fund

Consolidating Statement of Activities
Year ended June 30, 2019

	Ounce			FFYF			Bounce DC	Total		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	Without Donor Restriction	With Donor Restriction	Total
Revenue and other support:										
Grants:										
State of Illinois Department of Human Services:										
Division of Family and Community Services	$ 11,307,096	$ -	$ 11,307,096	$ -	$ -	$ -	$ -	$ 11,307,096	$ -	$ 11,307,096
Bureau of Child Care and Development	530,761	-	530,761	-	-	-	-	530,761	-	530,761
Illinois State Board of Education	4,553,810	-	4,553,810	-	-	-	-	4,553,810	-	4,553,810
State of Illinois Department of Children and Family Services	26,644	-	26,644	-	-	-	-	26,644	-	26,644
U.S. Department of Health and Human Services	16,374,008	-	16,374,008	-	-	-	-	16,374,008	-	16,374,008
U.S. Department of Agriculture	126,639	-	126,639	-	-	-	-	126,639	-	126,639
City of Chicago-DFSS	3,281,543	-	3,281,543	-	-	-	-	3,281,543	-	3,281,543
Contributions	5,198,016	16,169,767	21,367,783	-	5,527,141	5,527,141	-	5,198,016	21,696,908	26,894,924
Investment return, net	1,134,846	805,482	1,940,328	-	-	-	743	1,135,589	805,482	1,941,071
Other revenue	1,945,979	-	1,945,979	-	-	-	107,001	2,052,980	-	2,052,980
Donated service/in-kind	594,259	-	594,259	29,648	-	29,648	11,363	635,270	-	635,270
Net assets released from restrictions	19,473,647	(19,473,647)	-	3,785,731	(3,785,731)	-	-	23,259,378	(23,259,378)	-
Total revenue and other support	64,547,248	(2,498,398)	62,048,850	3,815,379	1,741,410	5,556,789	119,107	68,481,734	(756,988)	67,724,746
Expenses:										
Direct program services:										
Direct work with childern	29,733,617	-	29,733,617	-	-	-	-	29,733,617	-	29,733,617
Program and professional innovation	20,280,719	-	20,280,719	-	-	-	-	20,280,719	-	20,280,719
Policy and systems Innovation	3,659,557	-	3,659,557	-	-	-	-	3,659,557	-	3,659,557
Infrastructure and support	4,590,766	-	4,590,766	-	-	-	-	4,590,766	-	4,590,766
Total direct program services	58,264,659	-	58,264,659	-	-	-	-	58,264,659	-	58,264,659
First Five Years Fund			-	3,527,385	-	3,527,385	-	3,527,385	-	3,527,385
Bounce DC			-	-	-	-	163,200	163,200	-	163,200
Total program services	58,264,659	-	58,264,659	3,527,385	-	3,527,385	163,200	61,955,244	-	61,955,244
Supporting services										
General and administrative activities	6,704,820	-	6,704,820	-	-	-	-	6,704,820	-	6,704,820
Fund-raising	2,190,412	-	2,190,412	-	-	-	-	2,190,412	-	2,190,412
Total supporting services	8,895,232	-	8,895,232	-	-	-	-	8,895,232	-	8,895,232
Total expenses	67,159,891	-	67,159,891	3,527,385	-	3,527,385	163,200	70,850,476	-	70,850,476
Change in net assets	(2,612,643)	(2,498,398)	(5,111,041)	287,994	1,741,410	2,029,404	(44,093)	(2,368,742)	(756,988)	(3,125,730)
Net assets at beginning of year	19,865,442	41,121,145	60,986,587	179,389	1,382,272	1,561,661	10,933,327	30,978,158	42,503,417	73,481,575
Net assets at end of year	$ 17,252,799	$ 38,622,747	$ 55,875,546	$ 467,383	$ 3,123,682	$ 3,591,065	$ 10,889,234	$ 28,609,416	$ 41,746,429	$ 70,355,845

Ounce of Prevention Fund

Consolidating Statement of Activities
Year ended June 30, 2018

	Ounce			FFYF			Bounce DC	Total		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	Without Donor Restriction	With Donor Restriction	Total
Revenue and other support:										
Grants:										
State of Illinois Department of Human Services:										
Division of Family and Community Services	$ 11,012,459	$ -	$ 11,012,459	$ -	$ -	$ -	$ -	$ 11,012,459	$ -	$ 11,012,459
Bureau of Child Care and Development	506,804	-	506,804	-	-	-	-	506,804	-	506,804
Illinois State Board of Education	3,959,955	-	3,959,955	-	-	-	-	3,959,955	-	3,959,955
State of Illinois Department of Children and Family Services	31,727	-	31,727	-	-	-	-	31,727	-	31,727
U.S. Department of Health and Human Services	15,065,117	-	15,065,117	-	-	-	-	15,065,117	-	15,065,117
U.S. Department of Agriculture	122,901	-	122,901	-	-	-	-	122,901	-	122,901
City of Chicago-DFSS	3,123,676	-	3,123,676	-	-	-	-	3,123,676	-	3,123,676
Contributions	6,705,721	10,824,157	17,529,878	15,224	2,263,849	2,279,073	-	6,720,945	13,088,006	19,808,951
Investment return, net	1,067,458	936,850	2,004,308	-	-	-	571	1,068,029	936,850	2,004,879
Other revenue	789,335	-	789,335	-	-	-	107,001	896,336	-	896,336
Donated service/in-kind	415,188	-	415,188	30,897	-	30,897	-	446,085	-	446,085
Net assets released from restrictions	17,350,050	(17,350,050)	-	4,784,652	(4,784,652)	-	-	22,134,702	(22,134,702)	-
Total revenue and other support	60,150,391	(5,589,043)	54,561,348	4,830,773	(2,520,803)	2,309,970	107,572	65,088,736	(8,109,846)	56,978,890
Expenses:										
Direct program services:										
Direct work with children	28,661,014	-	28,661,014	-	-	-	-	28,661,014	-	28,661,014
Program and professional innovation	13,006,557	-	13,006,557	-	-	-	-	13,006,557	-	13,006,557
Policy and systems innovation	2,894,995	-	2,894,995	-	-	-	-	2,894,995	-	2,894,995
Infrastructure and support	4,450,446	-	4,450,446	-	-	-	-	4,450,446	-	4,450,446
Total direct program services	49,013,012	-	49,013,012	-	-	-	-	49,013,012	-	49,013,012
First Five Years Fund	-	-	-	4,106,598	-	4,106,598	-	4,106,598	-	4,106,598
Bounce DC	-	-	-	-	-	-	127,104	127,104	-	127,104
Total program services	49,013,012	-	49,013,012	4,106,598	-	4,106,598	127,104	53,246,714	-	53,246,714
Supporting services										
General and administrative activities	5,265,181	-	5,265,181	615,990	-	615,990	-	5,881,171	-	5,881,171
Fund-raising	2,064,783	-	2,064,783	-	-	-	-	2,064,783	-	2,064,783
Total supporting services	7,329,964	-	7,329,964	615,990	-	615,990	-	7,945,954	-	7,945,954
Total expenses	56,342,976	-	56,342,976	4,722,588	-	4,722,588	127,104	61,192,668	-	61,192,668
Change in net assets	3,807,415	(5,589,043)	(1,781,628)	108,185	(2,520,803)	(2,412,618)	(19,532)	3,896,068	(8,109,846)	(4,213,778)
Net assets at beginning of year	16,058,027	46,710,188	62,768,215	71,204	3,903,075	3,974,279	10,952,859	27,082,090	50,613,263	77,695,353
Net assets at end of year	$ 19,865,442	$ 41,121,145	$ 60,986,587	$ 179,389	$ 1,382,272	$ 1,561,661	$ 10,933,327	$ 30,978,158	$ 42,503,417	$ 73,481,575

Single Audit Reports

Ounce of Prevention Fund

Schedule of Federal Expenditures of Federal Awards
For the Year Ended June 30, 2019

Federal grantor/pass-through grantor/program title	Federal CFDA number	Pass-through grantor's number	Federal expenditures	Provided to subrecipients
U.S. Department of Health and Human Services				
Head Start				
Head Start/EHS contract	93.600		$ 8,341,859	$ 4,053,193
Head Start/EHS contract	93.600		6,914,705	3,545,515
Early Head Start	93.600		545,438	408,927
Early Head Start	93.600		521,635	384,548
			16,323,637	8,392,183
City of Chicago Department of Family and Support Services				
Head Start Support Services	93.600	52683	470,212	-
Early Head Start Support Services	93.600	52684	515,477	-
Early Head Start Child Care Partnership	93.600	32522	144,048	-
			1,129,737	-
Total Head Start			17,453,374	8,392,183
Illinois Department of Human Services				
Social Services Block Grant				
Parents-Too-Soon - Program	93.667	FCSWS00721	1,459,697	974,839
Parents-Too-Soon - Family Health Technical Assistance	93.667	FCSWS04096	452,436	-
			1,912,133	974,839
Maternal, Infant and Early Childhood Home Visiting Program (MIECHV) Cluster				
Affordable Care Act (ACA) Maternal, Infant and Early Childhood Home Visiting Program				
MIECHV - Family Recruitment	93.870	FCSWS04120	154,622	-
MIECHV - Training	93.870	FCSWS04116	347,659	-
MIECHV - Homelessnes Pilot	93.870	FCSWS04128	114,694	-
MIECHV - Doula Expansion	93.870	FCSWS04122	701,772	655,779
MIECHV - Universal Newborn	93.870	FCSWS04132	406,642	324,671
			1,725,389	980,450
State of Tennessee Health Resource and Services Administration				
MIECHV - Home Visiting Workforce Development Services	93.870	1X10MC31171-01-00	51,400	-
Total MIECHV Cluster			1,776,789	980,450
Illinois Department of Human Services				
CCDF Cluster				
Child Care Mandatory and Matching Funds of the Child Care and Development Fund - Educare Center	93.596	FCSWI00651	512,156	-
Illinois State University				
Illinois Council on Developmental Disabilities				
Developmental Disabilities Basic Support and Advocacy Grants	93.630	90373	1,540	-
Total U.S. Department of Health and Human Services			21,655,992	10,347,472
U.S. Department of Education				
The University of Chicago: National Opinion Research Center				
Research and Development Cluster				
Education Research, Development and Dissemination	84.305A	R305A180510	50,371	-
U.S. Department of Agriculture				
Illinois State Board of Education				
Child and Adult Care Food Program	10.558	15016335P00	126,639	-
Total expenditures of federal awards			$ 21,833,002	$ 10,347,472

See notes to schedule of expenditures of federal awards.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Ounce of Prevention Fund and subsidiaries (the Ounce) under programs of the federal government for the year ended June 30, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Ounce, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Ounce.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-122, Cost Principles for Non-Profit Organizations, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Federal awards totaling $126,639 were received in the form of USDA commodities from the Illinois State Board of Education under the Food Distribution Program (CFDA Number 10.558) in lieu of cash.

There were no other federal awards expended for non-cash assistance, insurance or any loans or loan guarantees outstanding at year-end.

Note 3. Indirect Cost Rate

The Ounce has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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

Independent Auditor's Report

Board of Directors
Ounce of Prevention Fund

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 consolidated financial statements of the Ounce of Prevention Fund and subsidiaries (the Ounce), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements (collectively, the financial statements), and have issued our report thereon dated February 19, 2020.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Ounce'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 the Ounce's internal control. Accordingly, we do not express an opinion on the effectiveness of the Ounce'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 the entity'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 the Ounce's financial statements are free from 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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Chicago, Illinois
February 19, 2020

Report On Compliance For Each Major Federal Program; Report On Internal Control Over Compliance; And Report On Schedule Of Expenditures Of Federal Awards Required By The Uniform Guidance

Independent Auditor's Report

Board of Directors
Ounce of Prevention Fund

Report on Compliance for Each Major Federal Program
We have audited the Ounce of Prevention Fund and subsidiaries' (the Ounce) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Ounce's major federal programs for the year ended June 30, 2019. The Ounce's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the Ounce's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Ounce's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Ounce's compliance.

Opinion on Each Major Federal Program
In our opinion, the Ounce of Prevention Fund and subsidiaries complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance
Management of the Ounce is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Ounce's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Ounce's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the consolidated financial statements of the Ounce as of and for the year ended June 30, 2019, and have issued our report thereon dated February 19, 2020, which contained an unmodified opinion on those consolidated financial statements. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

RSM US LLP

Chicago, Illinois
February 19, 2020

Ounce of Prevention Fund

Schedule of Findings and Questioned Costs
Year Ended June 30, 2019

Section I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified?	______ Yes	X None Reported
Noncompliance material to financial statements noted?	______ Yes	X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified?	______ Yes	X None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	______ Yes	X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
93.667	Social Services Block Grant
93.600	Head Start

Dollar threshold used to distinguish between type A and type B programs	$ 750,000	
Auditee qualified as low-risk auditee?	______ Yes	X No

Section II. FINANCIAL STATEMENT FINDINGS

None reported.

Section III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None reported.

Ounce of Prevention Fund

Summary Schedule of Prior Audit Findings and Questioned Costs
Year Ended June 30, 2019

FINANCIAL STATEMENT FINDINGS
None reported.

FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS
None reported.

Supplementary Reporting

Independent Auditor's Report on the Supplementary Information

Board of Directors
Ounce of Prevention Fund

We have audited the financial statements of Ounce of Prevention Fund and subsidiaries as of and for the year ended June 30, 2019, and have issued our report thereon, which contains an unmodified opinion on those financial statements. See pages 1-2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The State of Illinois Department of Human Services – Grant Close Out Report for the period from July 1, 2018 through June 30, 2019 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.

RSM US LLP

Chicago, Illinois
February 19, 2020

State of Illinois
Department of Human Services

GRANT CLOSE OUT REPORT

Grantee Name: Ounce of Prevention Fund

FEIN Number: 36-3186328

Reporting period for July 1 through June 30, 2019

Program Name: Various

Grant/Contract Number: Multiple

CFSA NUMBER:		444-80-1259		444-80-0661		444-80-0664		444-80-1258		Total
A. GRANT AWARD RECEIVED	$	337,271.00	$	1,799,865.00	$	8,625,943.00	$	613,050.00	$	11,376,129
B. INTEREST EARNED	$	0.00	$	0.00	$	0.00	$	0.00	$	0.00
C. DIRECT PROGRAM EXPENSES	$	316,354.00	$	1,615,180.00	$	8,186,146.00	$	533,078.00	$	10,650,758
D. INDIRECT COSTS	$	20,917.00	$	110,210.00	$	439,797.00	$	79,972.00	$	650,896.00
E. UNALLOWABLE COSTS	$	0.00	$	0.00	$	0.00	$	0.00	$	0.00
F. OTHER APPROVED USES	$	0.00	$	0.00	$	0.00	$	0.00	$	0.00
G. TOTAL ALLOWABLE COSTS	$	337,271.00	$	1,725,390.00	$	8,625,943.00	$	613,050.00	$	11,301,654
H. REFUND	$	0.00	$	74,475.00	$	0.00	$	0.00	$	74,475.00

State of Illinois
Department of Human Services

GRANT CLOSE OUT REPORT

Program Name: Various

Grant/Contract Number: Multiple

CFSA NUMBER:		444- 80 - 1223		444- -		444- -		444- -		Total
A. GRANT AWARD RECEIVED	$	512,156.00	$		$		$		$	512,156.00
B. INTEREST EARNED	$	0.00	$		$		$		$	0.00
C. DIRECT PROGRAM EXPENSES	$	473,677.00	$		$		$		$	473,677.00
D. INDIRECT COSTS	$	38,479.00	$		$		$		$	38,479.00
E. UNALLOWABLE COSTS	$	0.00	$		$		$		$	0.00
F. OTHER APPROVED USES	$	0.00	$		$		$		$	0.00
G. TOTAL ALLOWABLE COSTS	$	512,156.00	$		$		$		$	512,156.00
H. REFUND	$	0.00	$		$		$		$	0.00

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By signing [authorizing] this report, I certify to the best of my knowledge and belief that the report is true, complete, and accurate, and the [related] expenditures, disbursements and cash receipts are for the purposes and objectives set forth in the terms and conditions of the award. I am aware that any false, fictitious, or fraudulent information, or the omission of any material fact, may subject me to criminal, civil or administrative penalties for fraud, false statements, false claims or otherwise.

Unallowable costs includes, but not limited to: compensation of governing body, entertainment, associate dues, meetings and conventions, fundraising, bad debt, charity and grants, inventories, depreciation of IDHS funded assets, in-kind expenses, alcoholic beverages, personal automobile, fines and penalties, personal use items, lobbying, unallowable interest, unallowable relocation, gratuities, political contributions, related party transactions, or cost where conflict of interest exists.

Printed Name: Gosia Dominiak

Title: Controller

Signature: Gosia Dominiak

Date: 2/13/2020