

**South Park Inn, Inc.**

**Financial Statements**  
**(With Supplementary Information)**  
**and Independent Auditor's Report**

**December 31, 2014 and 2013**

## South Park Inn, Inc.

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## Independent Auditor's Report

To the Board of Directors  
South Park Inn, Inc.

### *Report on Financial Statements*

We have audited the accompanying financial statements, which comprise the statements of financial position of South Park Inn, Inc. (a nonprofit organization) as of December 31, 2014 and 2013, and the related statements of activities and cash flows 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 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of South Park Inn, Inc. as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Other Matters*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 5 and 17 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2015, on our consideration of South Park Inn, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering South Park Inn, Inc.'s internal control over financial reporting and compliance.



Hartford, Connecticut  
June 24, 2015

**South Park Inn, Inc.**

**Statements of Financial Position  
December 31, 2014 and 2013**

Assets

	2014	2013
Current assets:		
Cash	\$ 406,033	\$ 444,579
Grants and contributions receivable	167,384	122,703
Prepaid expenses	26,304	24,383
Total current assets	599,721	591,665
Property and equipment, net:		
Building	2,301,090	2,294,386
Building improvements	1,320,556	1,300,383
Furniture and equipment	290,251	286,458
	3,911,897	3,881,227
Less accumulated depreciation	(3,115,267)	(2,964,012)
	796,630	917,215
Land	280,367	280,367
	1,076,997	1,197,582
Other assets:		
Investments	1,551,463	1,458,050
Totals	\$ 3,228,181	\$ 3,247,297

Liabilities and Net Assets

Current liabilities:		
Accrued liabilities	\$ 78,189	\$ 129,196
Accounts payable	1,349	23,937
Deferred revenue	-	5,517
Total liabilities	79,538	158,650
Commitments and contingencies		
Net assets:		
Unrestricted		
Undesignated	1,491,080	1,573,338
Board designated	1,551,463	1,458,050
Total unrestricted	3,042,543	3,031,388
Temporarily restricted	73,763	24,922
Permanently restricted	32,337	32,337
Total net assets	3,148,643	3,088,647
Totals	\$ 3,228,181	\$ 3,247,297

See Notes to Financial Statements.

**South Park Inn, Inc.**  
**Statements of Activities**  
**Years Ended December 31, 2014 and 2013**  
**(with Supplementary Information by Program for 2014)**

	Shelter	Transitional Living	Plimpton House	Total	
				2014	2013
Changes in unrestricted net assets:					
Support and revenue:					
Government grants	\$ 624,352	\$ 393,695	\$ 218,816	\$ 1,236,863	\$ 1,233,546
Contributions	284,009	6,215	144,847	435,071	423,429
In-kind donations	45,696	27,360	6,393	79,449	74,567
Veterans bed fees	61,827	105,847	-	167,674	211,534
Bed fees	21,756	40,813	233,334	295,903	273,347
Special events, net of expenses of \$14,992	25,296	19,675	11,243	56,214	-
	<u>1,062,936</u>	<u>593,605</u>	<u>614,633</u>	<u>2,271,174</u>	<u>2,216,423</u>
Net assets released from restrictions:					
Satisfaction of program restrictions	-	-	10,000	10,000	-
Total support and revenue	<u>1,062,936</u>	<u>593,605</u>	<u>624,633</u>	<u>2,281,174</u>	<u>2,216,423</u>
Expenses:					
Operating expenses	1,062,433	590,617	556,341	2,209,391	2,206,724
Depreciation	27,617	38,414	85,224	151,255	166,346
Total expenses	<u>1,090,050</u>	<u>629,031</u>	<u>641,565</u>	<u>2,360,646</u>	<u>2,373,070</u>
Decrease in unrestricted net assets before other income	<u>(27,114)</u>	<u>(35,426)</u>	<u>(16,932)</u>	<u>(79,472)</u>	<u>(156,647)</u>
Other income:					
Interest and dividends	12,909	10,040	5,736	28,685	27,237
Realized gain on investments	662	515	295	1,472	-
Loss on disposal of assets	-	-	-	-	(269)
Unrealized gain on investments	27,211	21,165	12,094	60,470	162,356
	<u>40,782</u>	<u>31,720</u>	<u>18,125</u>	<u>90,627</u>	<u>189,324</u>
Increase (decrease) in unrestricted net assets	<u>13,668</u>	<u>(3,706)</u>	<u>1,193</u>	<u>11,155</u>	<u>32,677</u>
Changes in temporarily restricted net assets:					
Contributions	25,200	19,600	11,200	56,000	10,000
Interest and dividends	459	357	205	1,021	865
Realized gain on investments	9	7	3	19	-
Unrealized gain on investments	811	630	360	1,801	4,839
Net assets released from restrictions	-	-	(10,000)	(10,000)	-
Increase in temporarily restricted net assets	<u>26,479</u>	<u>20,594</u>	<u>1,768</u>	<u>48,841</u>	<u>15,704</u>
Change in net assets	<u>\$ 40,147</u>	<u>\$ 16,888</u>	<u>\$ 2,961</u>	<u>59,996</u>	<u>48,381</u>
Net assets, beginning of year				<u>3,088,647</u>	<u>3,040,266</u>
Net assets, end of year				<u>\$ 3,148,643</u>	<u>\$ 3,088,647</u>

See Notes to Financial Statements.

**South Park Inn, Inc.**  
**Statements of Cash Flows**  
**Years Ended December 31, 2014 and 2013**

	2014	2013
Operating activities:		
Change in net assets	\$ 59,996	\$ 48,381
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	151,255	166,346
Unrealized gain on investments	(62,271)	(167,195)
Realized gain on investments	(1,491)	-
Loss on disposal of assets	-	269
Change in operating assets and liabilities:		
Grants and contributions receivable	(44,681)	174,306
Prepaid expenses	(1,921)	(2,421)
Accrued liabilities	(51,007)	(11,382)
Accounts payable	(22,588)	2,004
Deferred revenue	(5,517)	5,517
Net cash provided by operating activities	21,775	215,825
Investing activities:		
Purchase of property and equipment	(30,670)	(1,480)
Purchase of investments	(155,851)	(28,065)
Proceeds from sale of investments	126,200	-
Net cash used in investing activities	(60,321)	(29,545)
Net (decrease) increase in cash	(38,546)	186,280
Cash, beginning of year	444,579	258,299
Cash, end of year	\$ 406,033	\$ 444,579

See Notes to Financial Statements.

## South Park Inn, Inc.

### Notes to Financial Statements December 31, 2014 and 2013

#### Note 1 - Organization and summary of significant accounting policies

##### Organization

South Park Inn, Inc. (the "Organization") is a nonprofit corporation organized for the purpose of providing temporary and long-term housing and supportive services for homeless people in the Greater Hartford area. The Organization fulfills its mission through the following programs:

- Shelter Provides an 85-bed emergency shelter on a temporary basis for homeless people from the Greater Hartford area.
- Transitional Living Provides a 33-bed transitional living program for men, for up to two years, who are actively employed, stabilizing after illness, or in treatment programs. Support services are available.
- Plimpton House Provides a 35-bed permanent home for people who need affordable housing and built-in support services.

##### Financial statement presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Financial statements report information regarding financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. They are as follows:

Unrestricted - Net assets that are not subject to explicit donor-imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors. The Board of Directors determined that use of investments for current operations would require Board approval. Accordingly, investments are reflected as noncurrent assets and a corresponding amount is reflected as Board designated net assets.

Temporarily Restricted - Net assets whose use by the Organization is subject to explicit donor-imposed stipulations or by operation of law that can be fulfilled by actions of the Organization or that expire by the passage of time.

Permanently Restricted - Net assets subject to explicit donor-imposed stipulations that they be maintained permanently by the Organization and stipulate the use of income and/or appreciation as either unrestricted or temporarily restricted based on donor imposed stipulations or by operation of law.

##### Income taxes

The Organization was organized as a nonstock nonprofit corporation under Section 501(c)(3) of the Internal Revenue Code and, as such, is not subject to Federal and state corporate income taxes.

## **South Park Inn, Inc.**

### **Notes to Financial Statements December 31, 2014 and 2013**

The Organization has no unrecognized tax benefits at December 31, 2014 and 2013. The Organization's Federal information returns prior to calendar year 2011 are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

If the Organization had unrelated business income taxes, it would recognize interest and penalties associated with any tax matters as part of the change in net assets and include accrued interest and penalties with the related tax liability in the statements of financial position.

#### **Contributions**

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction.

When a 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 statements of activities as net assets released from restrictions.

The Organization receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statements of activities because the criteria for recognition of such volunteer efforts has not been satisfied.

#### **Grants and contributions receivable**

The Organization regularly monitors receivables to determine if an allowance for doubtful accounts is deemed necessary. No allowance is required as of December 31, 2014 and 2013, as management believes all amounts are collectible.

#### **Recognition of grant support**

Grants that are treated as exchange transactions are recorded as receivables in the year the commitment is made by the grantor and are deemed to be earned and reported as revenue and support when the Organization has expended funds which meet the specific grant restrictions. Unexpended amounts are classified as deferred revenue in the accompanying financial statements.

Grants require the fulfillment of certain conditions as set forth in the instrument of the grant. Failure to fulfill the conditions could result in the return of funds to grantors. As of December 31, 2014, the Organization has not been informed by any agencies of any funds which are required to be returned.

**South Park Inn, Inc.**

**Notes to Financial Statements  
December 31, 2014 and 2013**

**Cash and cash equivalents**

The Organization considers all highly liquid investments with a maturity of three months or less when acquired to be cash equivalents. The Organization had no such cash equivalents at December 31, 2014 and 2013.

**Investments**

The Organization reports investments at their current fair value and reflects any gain or loss in the statements of activities. Gains and losses are considered unrestricted unless restricted by donor stipulation or by operation of law. Nonmonetary investments received as gifts are immediately sold and recorded at the realized value.

**Endowment and spending policy**

The Organization's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Organization's investment and spending policy over endowment assets seek to preserve the restricted portion of net assets and provide long-term stability to programs and capital projects as needed. Under this policy, investments are intended to produce results that strive for growth of principal and income in order to help offset inflation. Investments are made in good quality, well managed corporations with readily ascertainable market values. Allocations of endowment resources are specified by the Board of Directors.

**Property and equipment**

The Organization capitalizes all expenditures for property and equipment in excess of \$2,500. Property and equipment are stated at cost. Depreciation of property and equipment is charged against change in net assets over their estimated useful lives using the straight-line method as follows:

Asset	Term
Building	25 years
Building improvements	7 - 25 years
Furniture and equipment	3 - 15 years

Expenditures for repairs and maintenance are charged to expense as incurred. For assets sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in change in net assets for the period.

Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

## South Park Inn, Inc.

### Notes to Financial Statements December 31, 2014 and 2013

Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

The Organization reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The Organization does not believe that any material impairment currently exists related to its long-lived assets.

#### Expense allocation

All administrative expenses are allocated to each program based on approved plans from funding sources. Administrative costs include those expenses that are not directly identifiable with any program, but provide for the overall support and direction of the Organization. At December 31, 2014 and 2013, total administrative expenses of \$423,035 and \$486,820, respectively, were allocated as follows:

<u>Program</u>	<u>Percentage</u>
Shelter	45%
Transitional Living	35%
Plimpton House	20%

#### Use of estimates

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

#### Subsequent events

The Organization has evaluated events and transactions for potential recognition or disclosure through June 24, 2015, which is the date the financial statements were available to be issued.

#### Note 2 - Concentrations

##### Concentrations of credit risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist primarily of cash, investments and contributions and grants receivable. The Organization maintains its cash with high-credit quality financial institutions. At times, such amounts may exceed Federally insured limits. The Organization's investments are in high quality marketable securities placed within a wide array of institutions with high credit ratings. This investment policy limits the Organization's exposure to concentrations of credit risk.

## South Park Inn, Inc.

### Notes to Financial Statements December 31, 2014 and 2013

The Organization invests in various debt and equity securities. These investment securities are recorded at fair value. Accordingly, the investment securities can fluctuate because of interest rates, reinvestment, credit and other risks depending on the nature of the specific investment. Therefore, it is at least reasonably possible that these factors will result in changes in the value of the Organization's investments which could materially affect amounts reported in the financial statements.

Concentrations of credit risk with respect to grants receivable are limited to contractual agreements with various Federal and state organizations. The Organization's contributors are individuals, corporations, and foundations primarily in the state of Connecticut. As of December 31, 2014, the Organization had no significant concentrations of credit risk.

#### Funding source concentrations

The following grantor agencies provided a significant percent of total support and revenue for the years ended December 31, 2014 and 2013:

Granting Agency	% of Revenue 2014	% of Revenue 2013
Department of Housing	37%	20%
Department of Housing and Urban Development	15%	14%
Department of Social Services	-%	20%

#### Note 3 - Investments and fair value measurement

The Organization values its financial assets and liabilities based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described below.

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to level 1 inputs.
- Level 2: Observable inputs other than level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to level 3 inputs.

The asset'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 the observable inputs and minimize the use of the unobservable outputs.

## South Park Inn, Inc.

### Notes to Financial Statements December 31, 2014 and 2013

Financial assets carried at fair value at December 31, 2014 and 2013 are classified as level 1 in both years. The amounts were \$1,551,463 and \$1,458,050 at December 31, 2014 and 2013, respectively.

The following is a description of the valuation methodologies used for assets at fair value. There have been no changes in the methodology used at December 31, 2014 and 2013.

Investments in money market funds and mutual funds are valued at the daily closing prices as reported by the fund (level 1). Mutual funds are open-end funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value ("NAV") and to transact at that price. The funds held by the Organization are deemed to be actively traded.

The preceding method may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Organization 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 summarizes the relationship between the cost and market values as of December 31, 2014 and 2013:

	<u>Cost</u>	<u>Market</u>	<u>Unrealized Gain (Loss)</u>
<u>2014</u>			
Money market funds	\$ 100,172	\$ 100,172	\$ -
Mutual funds:			
Short term bonds	180,878	180,769	(109)
Intermediate bonds	167,146	170,727	3,581
Inflation protection bonds	199,362	205,727	6,365
Mid cap equity	27,201	49,646	22,445
Large cap equity	352,744	683,894	331,150
Foreign equity	144,024	160,528	16,504
Totals	<u>\$ 1,171,527</u>	<u>\$ 1,551,463</u>	379,936

**South Park Inn, Inc.**

**Notes to Financial Statements  
December 31, 2014 and 2013**

	Cost	Market	Unrealized Gain (Loss)
<u>2013</u>			
Money market funds	\$ 100,162	\$ 100,162	\$ -
Mutual funds:			
Short term bonds	128,468	128,585	117
Intermediate bonds	141,392	139,758	(1,634)
Inflation protection bonds	159,498	163,149	3,651
Mid cap equity	36,563	56,194	19,631
Large cap equity	457,018	724,396	267,378
Foreign equity	117,284	145,806	28,522
Totals	\$ 1,140,385	\$ 1,458,050	317,665
Unrealized gain			\$ 62,271

**Note 4 - Contingency**

The Organization's two properties, Plimpton House and 75 Main Street, were funded by the State of Connecticut, Department of Economic and Community Development grants (formerly Department of Housing) which requires the fulfillment of certain development and operational conditions. The grantor has filed a 20 year lien expiring in 2015 and a lien in perpetuity, respectively, on the properties to ensure the grant requirements are met. Failure to fulfill the conditions during the periods could result in the return of funds and/or property to the grantor.

**Note 5 - Lease obligations**

The Organization leases office equipment under noncancelable operating leases that expire at various times through January 2017. Monthly rent expense varies from \$78 to \$186. Rent expense was \$3,168 and \$3,090 for the years ended December 31, 2014 and 2013, respectively. Future minimum rental payments required under operating leases for the years subsequent to December 31, 2014 are as follows:

Year Ending December 31	Amount
2015	\$ 2,238
2016	936
2017	78
Total	\$ 3,252

## South Park Inn, Inc.

### Notes to Financial Statements December 31, 2014 and 2013

#### Note 6 - Pension plan

The Organization has a thrift plan that qualifies under Section 403(b) of the Internal Revenue Code. Eligibility for plan participation requires one year of employment and a minimum of 1,000 hours of service during the year. For the years ended December 31, 2014 and 2013, the Organization contributed 4% of eligible employee wages and matched 50% of employee contributions up to 4% of the participants' eligible wages in both 2014 and 2013. For the years ended December 31, 2014 and 2013, the Organization contributed \$59,716 and \$59,858, respectively.

#### Note 7 - Endowment

As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. The Board of Directors has interpreted the Connecticut Uniform Prudent Management of Institutional Funds Act ("CTUPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) 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 fund.

The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by CTUPMIFA. In accordance with CTUPMIFA, the Organization 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 Organization and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Organization
7. The investment policies of the Organization

**South Park Inn, Inc.**

**Notes to Financial Statements  
December 31, 2014 and 2013**

Changes in endowment net assets for the year ended December 31, 2014 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment net assets, beginning of year	\$ -	\$ 14,922	\$ 32,337	\$ 47,259
Investment income	-	1,021	-	1,021
Net realized and unrealized appreciation	-	1,820	-	1,820
Donor-restricted endowment net assets, end of year	<u>\$ -</u>	<u>\$ 17,763</u>	<u>\$ 32,337</u>	<u>\$ 50,100</u>

Changes in endowment net assets for the year ended December 31, 2013 were as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-restricted endowment net assets, beginning of year	\$ -	\$ 9,218	\$ 32,337	\$ 41,555
Investment income	-	865	-	865
Net unrealized appreciation	-	4,839	-	4,839
Donor-restricted endowment net assets, end of year	<u>\$ -</u>	<u>\$ 14,922</u>	<u>\$ 32,337</u>	<u>\$ 47,259</u>

Earnings from donor-restricted endowment funds classified as permanently restricted and temporarily restricted net assets can be used for general operations, subject to the spending policy.

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 CTUPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2014 and 2013.

**Note 8 - Temporarily restricted net assets**

Temporarily restricted net assets are available for the following purposes:

<u>Purpose</u>	<u>2014</u>	<u>2013</u>
Endowment (Note 7)	\$ 17,763	\$ 14,922
Technology upgrades	56,000	-
Plimpton House	-	10,000
Totals	<u>\$ 73,763</u>	<u>\$ 24,922</u>

**South Park Inn, Inc.**

**Notes to Financial Statements  
December 31, 2014 and 2013**

**Note 9 - Donations in-kind**

The Organization received donated meals and cleaning supplies during the year. The total value of the meals and cleaning supplies recorded in the statements of activities for the years ended December 31, 2014 and 2013 was \$79,449 and \$74,567, respectively. During 2014, the Organization received donated equipment. The total value of \$7,000 was capitalized as of December 31, 2014. There was no donated equipment as of December 31, 2013.

**South Park Inn, Inc.**

**Operating Expenses  
Years Ended December 31, 2014 and 2013**

	Shelter	Transitional Living	Plimpton House	Total	
				2014	2013
Salaries	\$ 611,935	\$ 315,007	\$ 292,963	\$ 1,219,905	\$ 1,219,963
Employee benefits	98,615	67,416	59,038	225,069	230,894
Food	79,568	49,371	39,114	168,053	157,870
Payroll taxes	85,130	43,823	40,756	169,709	178,206
Utilities	42,988	23,148	43,182	109,318	115,860
Insurance	39,764	30,929	17,673	88,366	76,275
Maintenance and repairs	32,912	17,722	28,570	79,204	70,841
Pension expense	30,586	13,750	15,380	59,716	59,858
Supplies	21,630	14,825	11,614	48,069	52,485
Professional	7,502	5,836	3,334	16,672	15,408
Program supplies	6,864	4,950	2,523	14,337	14,586
Miscellaneous	4,939	3,840	2,194	10,973	14,478
	<u>\$ 1,062,433</u>	<u>\$ 590,617</u>	<u>\$ 556,341</u>	<u>\$ 2,209,391</u>	<u>\$ 2,206,724</u>

See Independent Auditor's Report.