

REVIVE CENTER FOR HOUSING AND HEALING

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended
June 30, 2016
(With Summarized Financial Information
for June 30, 2015)



REVIVE CENTER FOR HOUSING AND HEALING
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	3-4
FINANCIAL STATEMENTS	
Statements of Financial Position	5
Statements of Activities	6
Statements of Functional Expenses.....	7
Statements of Cash Flows	8
Notes to Financial Statements	9-19



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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Directors
ReVive Center for Housing and Healing
Chicago, Illinois

We have audited the accompanying statements of financial position of ReVive Center for Housing and Healing (ReVive) as of June 30, 2016, and the related statements of activities, functional expenses, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects the financial position of ReVive Center for Housing and Healing at June 30, 2016, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited ReVive's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 17, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Sikich LLP

Naperville, Illinois
November 18, 2016

FINANCIAL STATEMENTS

REVIVE CENTER FOR HOUSING AND HEALING

STATEMENT OF FINANCIAL POSITION

June 30, 2016

(With Summarized Financial Information for June 30, 2015)

	<u>2016</u>	<u>2015</u>
ASSETS		
ASSETS		
Cash and cash equivalents	\$ 139,437	\$ 135,043
Receivables		
Government grants	153,057	48,322
Contributions and pledges	271,450	250,350
Rent and other, net of allowance of \$35,000 in 2016 and \$0 in 2015	132,536	63,274
Prepaid expenses and other	27,855	26,945
Property and equipment, net	4,825,953	5,053,387
	<u>4,825,953</u>	<u>5,053,387</u>
TOTAL ASSETS	<u>\$ 5,550,288</u>	<u>\$ 5,577,321</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable	\$ 206,145	\$ 71,750
Accrued expenses	201,018	175,922
Interest rate swap	5,273	27,106
Line of credit	150,000	70,000
Notes payable	3,707,995	3,675,831
	<u>3,707,995</u>	<u>3,675,831</u>
Total liabilities	4,270,431	4,020,609
	<u>4,270,431</u>	<u>4,020,609</u>
NET ASSETS		
Unrestricted	478,356	777,711
Temporarily restricted	272,500	250,000
Permanently restricted	529,001	529,001
	<u>529,001</u>	<u>529,001</u>
Total net assets	1,279,857	1,556,712
	<u>1,279,857</u>	<u>1,556,712</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,550,288</u>	<u>\$ 5,577,321</u>

See accompanying notes to financial statements.

REVIVE CENTER FOR HOUSING AND HEALING

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2016

(With Summarized Financial Information for the Year Ended June 30, 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
SUPPORT AND REVENUE					
Contributions					
Individuals	\$ 278,350	\$ -	\$ -	\$ 278,350	\$ 482,129
Corporations and foundations	70,379	22,500	-	92,879	48,799
Episcopal Charities and Community Services	55,000	-	-	55,000	51,223
Associated religious organizations	12,163	-	-	12,163	9,040
Diocesan trust fund	45,173	-	-	45,173	42,102
Trusts and estates	11,326	-	-	11,326	34,090
Fees and grants from government agencies	524,075	-	-	524,075	626,423
Program fees and client rent	633,858	-	-	633,858	596,775
Thrift store revenue	112,884	-	-	112,884	113,406
In-kind revenue	258,481	-	-	258,481	258,581
Investment return	-	-	-	-	11,738
Miscellaneous income	27,331	-	-	27,331	37,766
Subtotal	2,029,020	22,500	-	2,051,520	2,312,072
Net assets released from restrictions	-	-	-	-	-
Total support and revenue	2,029,020	22,500	-	2,051,520	2,312,072
EXPENSES					
Program services					
Supportive housing	1,289,848	-	-	1,289,848	1,468,173
Social services	490,198	-	-	490,198	567,157
Addiction treatment	100,530	-	-	100,530	163,049
Support services					
General and administrative	224,783	-	-	224,783	225,489
Fundraising	223,016	-	-	223,016	245,447
Total expenses	2,328,375	-	-	2,328,375	2,669,315
CHANGE IN NET ASSETS	(299,355)	22,500	-	(276,855)	(357,243)
NET ASSETS, BEGINNING OF YEAR	777,711	250,000	529,001	1,556,712	1,913,955
NET ASSETS, END OF YEAR	\$ 478,356	\$ 272,500	\$ 529,001	\$ 1,279,857	\$ 1,556,712

See accompanying notes to financial statements.

REVIVE CENTER FOR HOUSING AND HEALING

STATEMENT OF FUNCTIONAL EXPENSES

For the Year Ended June 30, 2016

(With Summarized Financial Information for the Year Ended June 30, 2015)

	Program Services			Total Program Services	Support Services		Total Support Services	2016 Total	2015 Total
	Supportive Housing	Social Services	Addiction Treatment		General and Administrative	Fundraising			
Salaries and wages and employee benefits	\$ 632,975	\$ 142,548	\$ 60,928	\$ 836,451	\$ 125,724	\$ 139,614	\$ 265,338	\$ 1,101,789	\$ 1,330,948
Consultants	9,500	7,334	18,644	35,478	28,421	24,785	53,206	88,684	65,612
Equipment rentals and maintenance	5,886	2,442	606	8,934	10,963	1,459	12,422	21,356	23,571
Fees and services	22,669	9,197	713	32,579	22,407	6,771	29,178	61,757	76,342
Supplies	6,306	2,447	1,236	9,989	904	423	1,327	11,316	31,376
Food and beverage	635	544	1,280	2,459	365	73	438	2,897	2,263
Telephone	14,313	2,555	951	17,819	1,850	900	2,750	20,569	27,225
Postage and delivery	162	71	22	255	132	4,166	4,298	4,553	11,036
Occupancy	176,455	28,798	5,007	210,260	7,418	657	8,075	218,335	242,762
Printing	129	801	129	1,059	-	11,534	11,534	12,593	29,880
Transportation	143	6,976	63	7,182	918	56	974	8,156	14,638
Assistance to individuals	664	238,618	-	239,282	-	-	-	239,282	270,527
Dues and subscriptions	1,455	236	413	2,104	82	75	157	2,261	1,753
Insurance	45,608	5,994	1,522	53,124	4,512	1,233	5,745	58,869	57,188
Interest	56,819	-	-	56,819	7,603	-	7,603	64,422	97,874
Depreciation	177,720	29,621	9,016	216,357	10,093	985	11,078	227,435	227,601
Bad debt expense	74,759	-	-	74,759	-	-	-	74,759	41,876
Miscellaneous	63,650	12,016	-	75,666	3,391	30,285	33,676	109,342	116,843
TOTAL FUNCTIONAL EXPENSES	\$ 1,289,848	\$ 490,198	\$ 100,530	\$ 1,880,576	\$ 224,783	\$ 223,016	\$ 447,799	\$ 2,328,375	\$ 2,669,315

See accompanying notes to financial statements.

REVIVE CENTER FOR HOUSING AND HEALING

STATEMENT OF CASH FLOWS

For the Year Ended June 30, 2016

(With Summarized Financial Information for the Year Ended June 30, 2015)

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (276,855)	\$ (357,243)
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	227,434	227,601
Bad debt expense	74,759	41,876
(Increase) decrease in		
Government grant receivables	(104,735)	12,182
Contribution and pledge receivables	(21,100)	(240,350)
Rent and other receivables	(144,021)	(76,874)
Prepaid expenses	(910)	56,845
Increase (decrease) in		
Accounts payable	134,395	39,830
Accrued expenses	25,096	65,340
Unrealized loss on interest swap agreements	(21,833)	27,106
Total adjustments	169,085	153,556
Net cash from operating activities	(107,770)	(203,687)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(3,225,608)
Net cash from investing activities	-	(3,225,608)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings on lines of credit	180,000	70,000
Borrowings of long-term debt	114,938	1,900,000
Principal payments on long-term debt	(182,774)	(49,976)
Net cash from financing activities	112,164	1,920,024
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,394	(1,509,271)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	135,043	1,644,314
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 139,437	\$ 135,043

See accompanying notes to financial statements.

REVIVE CENTER FOR HOUSING AND HEALING

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

(With Summarized Financial Information for June 30, 2015)

1. NATURE OF ACTIVITIES

Organization

ReVive Center for Housing and Healing (ReVive) is a not-for-profit corporation formed in 1915. ReVive provides permanent supportive housing for homeless individuals and families, affordable housing with supportive services for individuals at-risk of homelessness, outpatient addiction treatment, and social services for low-income households on the Near West Side.

Description of Programs

Supportive and Affordable Housing - ReVive operates Cressey House, a 28-unit permanent supportive housing program for families and individuals who are homeless and living with a substance abuse disorder and/or mental illness. The Royalton Hotel is ReVive's 98-unit single room occupancy (SRO) affordable housing program. Both programs offer on-site case management and supportive services such as life skills workshops, employment and education assistance, and referrals to community-based programs as needed. The objective for both Cressey House and The Royalton Hotel is for residents to maintain stable housing, increase income, and increase self-determination.

Social Services - ReVive provides services for the Near West Side community including a Christmas gift program, volunteer program, snack bags for homeless persons, and a voucher services in the thrift store. ReVive also provides meeting space for community groups to further reach those in need of assistance.

Addiction Treatment - Licensed by the Illinois Department of Human Services, ReVive provide basic and intensive outpatient addiction treatment services for adult men and women. Clients receive individual and group counseling and case management linking clients to community-based services as needed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared on the accrual basis of accounting. These financial statements report amounts separately by class of net assets. The separate classes of net assets are defined as follows:

Unrestricted - amounts that are currently available for use in ReVive's operations and for the acquisition of equipment.

REVIVE CENTER FOR HOUSING AND HEALING

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016

(With Summarized Financial Information for June 30, 2015)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

Temporarily Restricted - amounts that are stipulated by donors for specific operating purposes or for use in future periods.

Permanently Restricted - amounts that are stipulated by donors to be maintained permanently by ReVive.

Support and Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. ReVive reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for a future period. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restriction. For the year ended June 30, 2016, all donor-restricted contributions are reported as temporarily restricted support, and all restrictions that were met during the period are shown as releases from restriction.

Contributions, including unconditional promises to give, are recorded when pledged by the donor. Conditional promises to give are not recognized until they have become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Revenue from government grants and contracts designated for use in specific activities is recognized in the period when expenditures have been incurred in compliance with the grantor's restrictions. If such services are not provided during the period, the governmental entities are not obligated to expend funds allotted under the grants and contracts.

Program fees and rental income are recognized when earned.

In-Kind Services and Contributions

Donated services are recognized as revenue if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Contributed services that do not meet the above criteria are not recognized as revenues and expenses and are not reported in the accompanying financial statements. In-kind donations included \$236,739 and \$258,581 for items included in the Christmas baskets and \$21,743 and \$7,988 of donated internet services for the years ended June 30, 2016 and 2015, respectively.

REVIVE CENTER FOR HOUSING AND HEALING
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2016
(With Summarized Financial Information for June 30, 2015)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, ReVive considers all liquid investments with original maturities of three months or less to be cash equivalents. ReVive maintains its cash and cash equivalents accounts in institutions guaranteed by the Federal Deposit Insurance Corporation (FDIC). At times throughout the year, cash balances may be in excess of the FDIC insurance limit.

Grants, Contributions, Pledges, and Rent Receivable

Unconditional promises to give that are expected to be collected within one year are recorded at estimated fair value. Unconditional promises to give to be collected in the future years are discounted at an appropriate rate commensurate with the risk involved. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible receivables based on management's judgment, considering factors such as prior collection history, type of contribution, and nature of fundraising activity. Management determined an allowance for uncollectible grant, contribution, and pledge receivables was not necessary for the years ended June 30, 2016 and 2015; however, the balance in rent receivables included an allowance for bad debts of \$35,000 and \$0 for June 30, 2016 and 2015, respectively.

Fair Value Measurements

Assets and liabilities carried at fair value and are classified and disclosed in one of the following categories based on the sources of information utilized in measuring fair value:

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

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

The derivative instrument consists of an interest rate swap. Pricing models utilize a series of market inputs to determine the present value of future cash flows, with adjustments, as required for credit and liquidity risk (Level 2).

REVIVE CENTER FOR HOUSING AND HEALING
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2016
(With Summarized Financial Information for June 30, 2015)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Property and equipment are capitalized at cost or estimated fair value as of the date of contribution. Depreciation is computed using the straight-line method based on the estimated useful lives of the assets as shown below:

	<u>Years</u>
Building and improvements	10-30
Furniture and equipment	3-15
Vehicles	5

Property and equipment are capitalized when the purchase price is greater than \$1,000.

Functional Expenses

Expenses are charged to each program based on direct expenditures incurred. Certain indirect expenditures that benefit more than one program are allocated to the benefited programs based on time studies or square footage.

Income Tax Status

ReVive has been classified as “not a private foundation” and has been determined to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code pursuant to a letter dated March 1943. Accordingly, no provision for income taxes is included in the financial statements.

Management Estimates

The preparation of 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 disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2015, from which the summarized information was derived.

REVIVE CENTER FOR HOUSING AND HEALING
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2016
(With Summarized Financial Information for June 30, 2015)

3. INTEREST RATE SWAP

The interest rate swap agreement was contracted at market terms and had no fair value at inception. The carrying amount of the contract has been adjusted to fair value at the end of the year, which because of changes in forecasted interest rates, resulted in reporting a liability for the fair value of the future net payments forecasted under the contracts. The fair value of the liability for Revive's interest rate swap agreements was \$5,273 and \$27,106 at June 30, 2016 and 2015, respectively, and was measured using Level 2 inputs, as described in Note 2, determined by pricing models maintained by the counterparty to the swap agreement. The pricing models utilize a series of market inputs to determine the present value of future cash flows, with adjustments, as required for credit and liquidity risk.

Liabilities recorded at fair value on a recurring basis measured using inputs considered as are follows at June 30, 2016 and 2015:

	2016			
	Level 1	Level 2	Level 3	Total
LIABILITIES				
Interest rate swap	\$ -	\$ 5,273	\$ -	\$ 5,273

	2015			
	Level 1	Level 2	Level 3	Total
LIABILITIES				
Interest rate swap	\$ -	\$ 27,106	\$ -	\$ 27,106

Revive assesses the assets and liabilities reported at fair value at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer. For the years ended June 30, 2016 and 2015, there were no such transfers.

REVIVE CENTER FOR HOUSING AND HEALING

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2016

(With Summarized Financial Information for June 30, 2015)

4. PROPERTY AND EQUIPMENT

ReVive owns two facilities for supportive housing, social services, addiction treatment, administrative offices, and a thrift store, as well as other fixed assets and equipment. As of June 30, 2016 and 2015, property and equipment consists of the following:

	2016	2015
Land	\$ 915,000	\$ 730,000
Building and improvements	6,568,542	6,753,542
Furniture and equipment	264,769	264,769
Vehicles	25,865	25,865
	<hr/>	<hr/>
Subtotal property and equipment	7,774,176	7,774,176
	<hr/>	<hr/>
Less accumulated depreciation	(2,948,223)	(2,720,789)
	<hr/>	<hr/>
NET PROPERTY AND EQUIPMENT	\$ 4,825,953	\$ 5,053,387

5. LINE OF CREDIT

As of June 30, 2016, ReVive had \$100,000 of borrowings on a \$100,000 line of credit agreement with MB Financial Bank, N.A. The line of credit agreement expires on August 10, 2017. Interest varies with the bank's prime rate, which was 4.5% on June 30, 2016. ReVive also started a new line of credit with PNC Bank that had borrowings of \$50,000 on a \$100,000 line of credit. The line of credit agreement expires on June 29, 2017. Interest is equal to the prime rate, which was 3.5% as of June 30, 2016.

6. NOTES PAYABLE

Notes payable consist of the following as of June 30:

	2016	2015
Mortgage note, dated February 16, 1996, payable to the Illinois Housing Development Authority. Original proceeds of \$333,333, 0% interest, due on December 31, 2035. The note is secured by an assignment of rents and leases creating a junior mortgage lien on the property at 1660-74 West Ogden Avenue.	\$ 333,333	\$ 333,333
Loan agreement, dated February 16, 1996, payable to the city of Chicago's Department of Housing. Original proceeds of \$1,492,474, 0% interest, due in February 2026. The loan is secured by a first mortgage on the property at 1660-74 West Ogden Avenue.	1,492,474	1,492,474

REVIVE CENTER FOR HOUSING AND HEALING
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2016
(With Summarized Financial Information for June 30, 2015)

6. NOTES PAYABLE (Continued)

	<u>2016</u>	<u>2015</u>
Mortgage note, dated August 6, 2014, payable to MB Financial Bank. Original proceeds of \$1,900,000, with interest payable at 2.1885%, and monthly payments of approximately \$6,000 through June 2019, and a balloon payment of approximately \$1,058,000 due in August 2019. The loan is secured by a first mortgage on the property at 1810 West Jackson.	\$ 1,787,757	\$ 1,850,024
Loan agreement, dated January 15, 2016, payable to MB Financial Bank. Original proceeds of \$100,000, with interest payable at 4.5%, and monthly payments of approximately \$1,867, including both principal and interest, through January 2021. The loan is secured by a CD account maintained with MB Financial.	<u>94,431</u>	<u>-</u>
TOTAL	<u>\$ 3,707,995</u>	<u>\$ 3,675,831</u>

Maturities on long-term debt consist of the following:

<u>Year Ending June 30,</u>	
2017	\$ 83,663
2018	87,507
2019	91,528
2020	1,604,472
2021	15,018
Later years	<u>1,825,807</u>
TOTAL	<u>\$ 3,707,995</u>

7. OPERATING LEASES

ReVive has entered into leases for some of its equipment. Total rental expense charged to operations amounted to \$21,675 and \$16,406 for the years ended June 30, 2016 and 2015, respectively.

REVIVE CENTER FOR HOUSING AND HEALING
NOTES TO FINANCIAL STATEMENTS (Continued)
 June 30, 2016
 (With Summarized Financial Information for June 30, 2015)

7. OPERATING LEASES (Continued)

The following is a schedule by year of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year:

<u>Year Ending June 30,</u>	
2017	\$ 11,751
2018	6,780
2019	6,780
2020	6,215
2021	<u>-</u>
TOTAL MINIMUM PAYMENTS REQUIRED	<u><u>\$ 31,526</u></u>

8. RETIREMENT PLAN

ReVive sponsors a defined contribution plan, which covers all lay employees. The plan provides for employer contributions only at the discretion of the Board of Directors. Retirement expense related to this plan totaled \$22,891 and \$25,610 for the years ended June 30, 2016 and 2015, respectively.

In addition, ReVive sponsors a defined contribution plan organized under Section 403(b) of the Internal Revenue Code. The plan covers all employees of ReVive and provides for the employer to match 50% of each employee's contribution, not to exceed 3% of annual compensation. Retirement expense related to this plan totaled \$14,492 and \$18,755 for the years ended June 30, 2016 and 2015, respectively.

Clergy paid by ReVive are covered under a defined benefit pension plan sponsored by the Protestant Episcopal Church. Pension expense for this plan totaled \$33,504 and \$28,514 for years ended June 30, 2016 and 2015, respectively.

9. NET ASSETS

Temporarily Restricted Net Assets

Temporarily restricted net assets include gifts of cash and pledges for which donor-imposed restrictions. Temporarily restricted net assets of \$272,500 and \$250,000 at June 30, 2016 and 2015, respectively, are restricted due to time.

Permanently Restricted Net Assets

Permanently restricted net assets of \$529,001 at June 30, 2016 and 2015, respectively, are restricted to an investment to be held in perpetuity, the income of which is expendable to support general operations.

10. ENDOWMENT

Endowment

ReVive's endowment consists of an individual donor-restricted fund established to support ReVive's programs. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

ReVive's management has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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. Accordingly, management classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment and (2) the original value of subsequent gifts to the permanent endowment. The 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 ReVive. In accordance with UPMIFA, ReVive considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the endowment fund
2. The purpose of ReVive and the endowment fund
3. General economic conditions
4. The possible effect of inflation or deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of ReVive

Return Objectives and Risk Parameters

ReVive has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the capital of the endowment assets. Endowment assets include those assets of donor-restricted funds that ReVive must hold in perpetuity. Under this policy, as approved by the Board of Directors, the endowment assets are invested in a manner that is intended to preserve the capital of the fund and produce interest income to support current operations and to achieve growth of the principal value of the fund in excess of inflation (as indicated by the Consumer Price Index) over a three to five-year period. This investment policy is designed to preserve the purchasing power of the portfolio while balancing present needs with those of the future. ReVive expects its endowment funds, over time, to provide an average rate of return of approximately 3% annually. Actual returns, in any given year, may vary from this amount.

REVIVE CENTER FOR HOUSING AND HEALING
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2016
(With Summarized Financial Information for June 30, 2015)

10. ENDOWMENT (Continued)

Spending Policy and How the Investment Objectives Relate to Spending Policy

ReVive has a policy of appropriating for expenditure or accumulating so much of an endowment fund as ReVive determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established. This is consistent with ReVive's objective to preserve the capital of the endowment assets held in perpetuity.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives to preserve capital, ReVive maintains its endowment funds in real property and relies on investment returns achieved through capital appreciation (realized and unrealized).

Endowment net asset composition by type of fund as of June 30:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	\$ -	\$ -	\$ 529,001	\$ 529,001

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment	\$ -	\$ -	\$ 529,001	\$ 529,001

Changes in endowment net assets for the year ended June 30:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	\$ -	\$ -	\$ 529,001	\$ 529,001
Investment return				
Investment income	-	2,985	-	2,985
Appropriations of endowment assets for expenditures	-	(2,985)	-	(2,985)
ENDOWMENT NET ASSETS, END OF YEAR	\$ -	\$ -	\$ 529,001	\$ 529,001

REVIVE CENTER FOR HOUSING AND HEALING
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 2016
(With Summarized Financial Information for June 30, 2015)

10. ENDOWMENT (Continued)

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment net assets, beginning of year	\$ -	\$ -	\$ 529,001	\$ 529,001
Investment return				
Investment income	-	19,410	-	19,410
Appropriations of endowment assets for expenditures	-	(19,410)	-	(19,410)
ENDOWMENT NET ASSETS, END OF YEAR	\$ -	\$ -	\$ 529,001	\$ 529,001

11. CONCENTRATIONS

For the years ended June 30, 2016 and 2015, revenue from one donor amounted to more than 10% of total revenue. The amount of revenue from the donors were \$80,000 and \$250,000, respectively, and are included in the individual contributions line item.

12. RELATED PARTY TRANSACTIONS

During the years ended June 30, 2016 and 2015, ReVive received contributions from members of the Board of Directions of \$192,984 and 117,832, respectively and is included in the individual contributions line item on the Statement of Activities.

13. SUBSEQUENT EVENTS

ReVive has evaluated subsequent events through November 18, 2016, which was the date that these financials were available for issuance.