

GARY SINISE FOUNDATION AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
GARY SINISE FOUNDATION AND SUBSIDIARY
Woodland Hills, California

We have audited the accompanying consolidated financial statements of Gary Sinise Foundation and Subsidiary (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2015, and the related consolidated statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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. Those standards required 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 consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of The Gary Sinise Foundation and Subsidiary as of December 31, 2015, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information and Prior Period Financial Statements

The consolidated financial statements as of and for the year ended December 31, 2014 were audited by RBZ, LLP, which became part of Armanino LLP as of August 1, 2015, and whose report dated July 13, 2015 expressed an unmodified opinion on those statements. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2014, is consistent with the audited financial statements from which it has been derived.

A handwritten signature in black ink that reads "Armanino LLP". The letters are cursive and somewhat stylized.

Armanino^{LLP}
Los Angeles, California

July 12, 2016

THE GARY SINISE FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

ASSETS

	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 17,680,238	\$ 5,222,373
Receivables	196,448	203,551
Receivable from agreement with outside organization	100,000	300,860
Beneficial interests in grants receivable	281,860	281,860
Grants receivable	2,676,998	1,825,000
Inventory	817,597	1,206,097
Investment-donated land	1,200	6,000
Prepaid expenses	198,511	37,268
Total Current Assets	<u>21,952,852</u>	<u>9,083,009</u>
Property and equipment - net	282,430	187,281
Deposits	<u>18,706</u>	<u>14,315</u>
TOTAL ASSETS	<u>\$ 22,253,988</u>	<u>\$ 9,284,605</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Equipment line of credit	\$ -	\$ 119,218
Accounts payable and accrued liabilities	254,814	182,861
Deferred income	40,601	141,726
Deferred rent	41,033	25,494
TOTAL LIABILITIES	<u>336,448</u>	<u>469,299</u>
COMMITMENTS AND CONTINGENCIES (Note 6)		
NET ASSETS		
Unrestricted	17,179,438	3,925,627
Temporarily restricted	<u>4,738,102</u>	<u>4,889,679</u>
TOTAL NET ASSETS	<u>21,917,540</u>	<u>8,815,306</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 22,253,988</u>	<u>\$ 9,284,605</u>

See independent auditor's report and accompanying notes.

THE GARY SINISE FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	
PUBLIC SUPPORT AND REVENUE				
Bequests	\$ 10,958,000	\$ -	\$ 10,958,000	\$ -
Foundations	1,879,274	3,268,940	5,148,214	6,876,616
Individuals	4,093,896	1,639,051	5,732,947	3,423,338
Corporations	1,358,808	1,195,087	2,553,895	1,920,438
In-kind donations	1,695,442	-	1,695,442	2,380,055
Performances	347,000	-	347,000	570,728
Board contributions	540,000	-	540,000	525,000
In-direct public support	196,189	-	196,189	226,526
Merchandise sales	92,870	-	92,870	78,293
Loss on investment	(4,800)	-	(4,800)	-
Interest	713	-	713	316
Total Support and Revenue	21,157,392	6,103,078	27,260,470	16,001,310
Net Assets Released from Restrictions:				
Restricted satisfied by payments	6,254,655	(6,254,655)	-	-
TOTAL PUBLIC SUPPORT AND REVENUE	27,412,047	(151,577)	27,260,470	16,001,310
FUNCTIONAL EXPENSES				
Program services	12,321,775	-	12,321,775	10,906,699
General and administrative	733,708	-	733,708	1,055,779
Fundraising	710,877	-	710,877	363,259
Inventory impairment	391,876	-	391,876	-
Total Functional Expenses	14,158,236	-	14,158,236	12,325,737
CHANGE IN NET ASSETS	13,253,811	(151,577)	13,102,234	3,675,573
BEGINNING NET ASSETS as of December 31, 2014	3,925,627	4,889,679	8,815,306	5,139,733
ENDING NET ASSETS as of December 31, 2015	\$ 17,179,438	\$ 4,738,102	\$ 21,917,540	\$ 8,815,306

See independent auditor's report and accompanying notes.

THE GARY SINISE FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	2015										
	Program Services					Supporting Services					
	R.I.S.E.	Relief and Resiliency	Community Outreach and Education	Military Support Concerts	First Responders	Total	Management and General	Fund Raising	Total	2015	2014
Salaries, payroll taxes and employee benefits	\$ 231,669	\$ 204,794	\$ 251,371	\$ 132,217	\$ -	\$ 820,051	\$ 89,300	\$ 87,278	\$ 176,578	\$ 996,629	\$ 777,573
Accounting	-	-	-	-	-	-	149,120	-	149,120	149,120	144,000
Advertising and promotion	21,482	-	988	-	-	22,470	20,392	44,635	65,027	87,497	158,726
Commissions	-	-	-	18,000	-	18,000	-	-	-	18,000	29,500
Computer	18,472	16,436	20,187	10,467	-	65,562	6,765	6,982	13,747	79,309	44,071
Construction costs	6,710,890	-	-	-	-	6,710,890	-	-	-	6,710,890	6,579,641
Contributions	13,057	328,432	476,502	-	160,513	978,504	-	-	-	978,504	882,789
Depreciation and amortization	9,357	8,325	10,225	5,302	-	33,209	3,426	3,536	6,962	40,171	24,169
Equipment rental	56	224,807	22,066	6,201	-	253,130	405	44,486	44,891	298,021	289,762
Furnishings - In-kind	371,500	-	-	-	-	371,500	-	-	-	371,500	574,799
Insurance	58,900	7,104	8,751	14,890	-	89,645	2,138	3,853	5,991	95,636	47,586
Legal	426,469	-	-	717	-	427,186	64,210	4,270	68,480	495,666	784,416
Merchandise cost	-	-	-	-	-	-	142,020	-	142,020	142,020	66,912
Merchant fees	7,273	4,116	5,398	566	830	18,183	53,209	193	53,402	71,585	48,252
Miscellaneous	11,609	9,180	11,293	6,756	-	38,838	6,499	3,930	10,429	49,267	84,093
Outside services	313,764	417,101	264,718	172,775	2,260	1,170,618	117,564	325,431	442,995	1,613,613	1,068,098
Postage	8,784	10,362	12,725	5,087	692	37,650	2,132	24,824	26,956	64,606	47,258
Printing	7,505	2,882	6,975	933	78	18,373	594	42,631	43,225	61,598	40,549
Rents	37,993	33,803	41,518	21,527	-	134,841	13,913	14,358	28,271	163,112	134,165
Repairs and maintenance	897	366	451	234	-	1,948	152	156	308	2,256	4,010
Supplies	48,222	27,746	56,851	23,971	1,623	158,413	5,425	28,908	34,333	192,746	108,513
Taxes and licenses	79,115	-	-	-	-	79,115	4,257	-	4,257	83,372	7,513
Telephone	2,928	2,605	3,200	1,659	-	10,392	1,072	1,107	2,179	12,571	11,348
Travel and entertainment	166,970	210,420	275,828	126,115	235	779,568	45,303	64,233	109,536	889,104	309,877
Utilities	27,609	-	-	-	-	27,609	26	-	26	27,635	-
Website	15,801	14,059	17,267	8,953	-	56,080	5,786	10,066	15,852	71,932	58,117
TOTAL EXPENSES	\$ 8,590,322	\$ 1,522,538	\$ 1,486,314	\$ 556,370	\$ 166,231	\$ 12,321,775	\$ 733,708	\$ 710,877	\$ 1,444,585	\$ 13,766,360	\$ 12,325,737

See independent auditor's report and accompanying notes.

**THE GARY SINISE FOUNDATION AND SUBSIDIARY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)**

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Change in net assets	\$ 13,102,234	\$ 3,675,573
Adjustment to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	40,171	24,169
Donated inventory	-	(1,175,628)
Donated land	-	(6,000)
Unrealized loss on investment in land	4,800	-
Inventory impairment	391,876	-
 (Increase) decrease in operating assets		
Grants receivable	(851,998)	(1,825,000)
Beneficial interests in grants receivable	-	(281,860)
Accounts receivable	7,103	(120,625)
Receivable from outside organization, net	200,860	162,492
Inventory	(3,376)	(8,998)
Prepaid expenses	(161,243)	(1,926)
Deposits	(4,391)	8,500
 Increase (decrease) in operating liabilities		
Accounts payable and accrued liabilities	71,953	74,701
Deferred rent	15,539	25,494
Deferred income	(101,125)	(75,791)
 Cash provided by operating activities	<u>12,712,403</u>	<u>475,101</u>
 Cash flows from investing activities		
Capital expenditures	<u>(135,320)</u>	<u>(174,819)</u>
 Cash flows from financing activities		
Advances on equipment line of credit	-	140,932
Principal payments on equipment line of credit	(119,218)	(21,714)
Cash provided by financing activities	<u>(119,218)</u>	<u>119,218</u>
 Increase in cash	12,457,865	419,500
 Cash and cash equivalents, beginning of year	<u>5,222,373</u>	<u>4,802,873</u>
 Cash and cash equivalents, end of year	<u>\$ 17,680,238</u>	<u>\$ 5,222,373</u>

See independent auditor's report and accompanying notes.

**GARY SINISE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 1 - NATURE OF OPERATIONS

Gary Sinise Foundation ("GSF") (a Delaware nonprofit corporation) was formed in October 2010 with a mission to serve America by honoring its defenders, veterans, first responders, their families and those in need. GSF does this by creating and supporting unique programs designed to entertain, educate, inspire, strengthen and build communities.

GSF believes the ramifications of war leave an indelible impact on all service members. It furthermore believes it is the individual responsibility of each citizen to support America's defenders. GSF is committed to ensuring the sacrifices made by all of our nation's heroes are honored and remembered.

R.I.S.E. (Restoring Independence Supporting Empowerment) provides wounded heroes and their families with the resources necessary to overcome their new life challenges. Through home modifications, adapted vehicles, wheelchairs/trackchairs or constructing custom specially adapted smart homes, GSF is helping our wounded heroes increase their mobility and reclaim their self-reliance.

By establishing its *Relief and Resiliency Outreach* program, GSF is providing complete support to military and first-responder families recovering from trauma and loss during times of urgent need. GSF is also hosting day-long *Invincible Spirit Festivals* at America's military centers to boost the morale and spirits of the patients, families and staff.

Through *Serving Heroes*, GSF is showing its appreciation by serving hearty, classic American meals to our defenders across the country. With the expansion of its *Arts and Entertainment Outreach* program, GSF now offers free dinner and performances to local veterans at the Steppenwolf Theatre in Chicago and the Geffen Playhouse in Los Angeles. *Soaring Valor* provides WWII veterans a chance to visit the National WWII Museum and sponsors a historian to document their first-hand accounts of the war.

Gary Sinise and the Lt. Dan Band continue to bring their exhilarating performances to our nation's service members and their families across the world. Whether boosting morale on military bases at home and abroad or raising awareness and funding through benefit concerts, the band entertains, educates, inspires and builds communities with its explosive live show. The Lt. Dan Band ("LDB") (a Delaware limited liability company) is wholly owned by GSF and was formed in March 2011. Its proceeds help support GSF's mission.

**GARY SINISE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

The accompanying consolidated financial statements include the accounts of GSF and LDB (collectively referred to as the “Organization”). All significant intercompany transactions and balances have been eliminated in consolidation.

Tax Status

GSF is a nonprofit public benefit corporation organized under the laws of Delaware and is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and corresponding state provisions.

LDB is a limited liability company that is taxed as a partnership under the Internal Revenue Code. Under those provisions, LDB does not pay federal taxes on its taxable income. Instead, the member reports its respective share of LDB’s taxable income. However, LDB is subject to a California state income tax as well as other state and tax jurisdictions. For California income tax purposes, a limited liability company is required to pay a fee based on its gross receipts as defined, plus \$800 annually.

The Organization’s federal income tax and informational returns for tax years ending December 31, 2012 and subsequent remain subject to examination by the Internal Revenue Service. The returns for California, the Organization’s most significant jurisdiction, remain subject to examination by the California Franchise Tax Board for tax years ending December 31, 2011 and subsequent.

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted General Net Assets – Include contributions, fundraising, fees and other forms of unrestricted revenue and expenditures related to the general operations and fundraising efforts of the Organization.

Temporarily Restricted Net Assets – Include gifts and grants received that are temporarily restricted with respect to time or use by the donor or grantor. When the restrictions expire, the net assets of this fund are reclassified to unrestricted net assets. Restricted gifts and grants received are reported as unrestricted revenue if the restriction is met in the same reporting period.

Permanently Restricted Net Assets – Included assets that have been restricted by the donor in perpetuity and cannot be expended by the Organization. There were no permanently restricted net assets as of December 31, 2015.

See independent auditor's report.

**GARY SINISE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For the purpose of the financial statement, the Organization considers all investments purchased with a maturity date of three months or less to be cash equivalents. At December 31, 2015, the Organization's cash and cash equivalents balance includes \$10,772,068 in short-tem money market funds.

Use of Estimates

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

Grants Receivable

All amounts included in grants receivable are expected to be collected in the next year.

Receivables

Receivables consist of credit card remittances that have been processed but not yet received.

Inventory

Inventory consists of t-shirts and other concert merchandise and is stated at the lower of cost or market on a first-in, first-out basis and furniture to be used to furnish SMART homes as they are built. It is valued at its fair market value at the time of donation. See further discussion of the donated furniture at Note 6. Inventory values by category are as follows:

Furniture	\$ 781,455
Concert merchandise	36,142
	<u>\$ 817,597</u>

See independent auditor's report.

**GARY SINISE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment

Purchases of property and equipment are recorded at cost. Donated items are recorded at fair value when received. Depreciation and amortization on both purchased and donated items are recorded using the straight-line method over the shorter of the estimated useful life of the related asset as follows:

Furniture and office equipment	3-7 years
Computer equipment	3 years
Website	3 years
Leasehold improvements	10 years

Normal repairs and maintenance are expensed as incurred, whereas significant charges that materially increase values or extend useful lives are capitalized and depreciated over the estimated useful lives of the related assets.

Impairment of Long-Lived Assets

Management reviews each asset or asset group for impairment whenever events or circumstances indicate that the carrying value of an asset or asset group may not be recoverable, but at least annually. No impairment provision was recorded by the Organization during the year except as discussed in Note 6.

Deferred Income

Deferred income at December 31, 2015 was \$40,601 and consists of the balance of a grant from an appliance company, \$32,101, and performance revenue received for an event in 2016, \$8,500.

In-Kind Donations

In-kind donations consist of contributed assets and contributed services.

Contributed assets are recognized at the asset's fair value on the date of contribution.

Contributed services are recognized if the services received; a) create or enhance long-lived assets or b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The amounts recognized as in-kind donations are as follows:

Donated services and materials	<u>\$ 1,695,442</u>
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See independent auditor's report.

**GARY SINISE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

Contributions consist primarily of donations from foundations, businesses and the general public. Contributions are accrued when committed to the Organization by the donor.

Concentration of Risk

Occasionally the Organization's cash balances exceed FDIC-insured limits. The Organization has not experienced and does not anticipate any losses related to these balances.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program or support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated accordingly.

Comparative Financial Information

The 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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2014, from which the summarized information was derived.

Subsequent Events

The Organization has evaluated events subsequent to December 31, 2015, to assess the need for potential recognition or disclosure in the consolidated financial statements. Such events were evaluated through July 12, 2016, the date the consolidated financial statements were available to be issued. It also should be noted that in February 2016, the Organization's board of directors determined that it was in the best interest of the Organization to establish a board designated endowment fund in the amount of \$10,000,000 as part of the Organization's long-term strategic plan.

See independent auditor's report.

**GARY SINISE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 3 - RECEIVABLE FROM AGREEMENT WITH OUTSIDE ORGANIZATION

In June 2014 the Organization entered into an agreement with another nonprofit organization in relation to the Smart Home program. Under the agreement, the Organization assumed responsibility for 14 Smart Homes, and the other nonprofit assumed responsibility for 7 Smart Homes. Under the agreement, funds received by either organization for the benefit of Smart Homes for which it is not responsible are to be transferred to the other organization.

In April 2015, the Organization entered into an agreement that modified the original agreement. Under the new agreement, the Organization and the other nonprofit agreed to apply certain offsets of funds they were holding and grant money they expected to receive for certain Smart Homes once completed.

All agreements noted above have been included within the accompanying consolidated financial statements.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Furniture and office equipment	\$ 194,183
Computer equipment	100,672
Leasehold improvements	61,129
Website	<u>111,410</u>
	467,394
Accumulated depreciation and amortization	<u>(184,964)</u>
Net property and equipment	<u>\$ 282,430</u>

NOTE 5 - EQUIPMENT LINE OF CREDIT

In March 2014 the Organization entered into a \$300,000 line of credit with a bank. The line bears annual interest at 4.15% and was paid off in February 2015.

**GARY SINISE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 6 - COMMITMENTS AND CONTINGENCIES

Smart Home Construction

Through its R.I.S.E. program, the Organization is committed to building 19 Smart Homes. The total budgeted cost of those Smart Homes total \$14,543,870; as of December 31, 2015 the Organization has expended \$2,630,619, resulting in a net commitment of \$11,913,251 for homes scheduled to be constructed in 2016 and 2017 .

Leases

In November 2013, the Organization entered into an operating lease for offices that commenced April 2014 and expires August 2020.

The scheduled minimum lease payments under the lease terms are as follows:

<u>Year Ending December 31.</u>	
2016	\$ 173,059
2017	181,712
2018	200,345
2019	206,356
2020	142,247
	<u>\$ 903,719</u>

Total rent expense was \$163,112 in 2015.

Contingency

The Organization received \$1,175,628 of donated furniture in 2014 that was recorded as a donation and an asset at its then estimated fair value. During 2015 the Organization concluded that the value being carried on its books would not be realized and has estimated it has been impaired in the amount of \$391,876. The Organization is currently taking steps to determine whether this inventory will be utilized, sold or donated and will then determine whether there should be further impairment recognized.

NOTE 7 - RELATED PARTIES

The founder of the Organization donated \$390,000 during the year ended December 31, 2015, to underwrite the operating costs of the Organization. The founder also does not receive any salary or other form of compensation from the Organization.

See independent auditor's report.

**GARY SINISE FOUNDATION AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2015**

NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consist of the following as of December 31, 2015:

	<u>Beginning Balance</u>	<u>Contributions</u>	<u>Net assets Released</u>	<u>Ending Balance</u>
Smart Homes (R.I.S.E. Program)	\$ 4,764,679	\$ 6,103,078	\$ (6,129,655)	\$ 4,738,102
General support	125,000	-	(125,000)	-
Totals	<u>\$ 4,889,679</u>	<u>\$ 6,103,078</u>	<u>\$ (6,254,655)</u>	<u>\$ 4,738,102</u>

NOTE 9 - BENEFICIAL INTERESTS IN GRANTS RECEIVABLE

The Department of Veterans Affairs offers a Specially Adapted Housing Grant ("SAHG") for Veterans who have a service-connected disability due to military service. During 2015, the Organization completed homes for four Veterans who qualified for an SAHG. Upon completion of the homes, the Veterans entered into an agreement with the Organization to pay the proceeds of the SAHG to the Organization as partial reimbursement of the land acquisition and construction costs. In both years, these amounts consisted of four such grants in the amount of \$70,465.

See independent auditor's report.