

PREBLE STREET

Financial Statements

June 30, 2015 and 2014

Independent Auditor's Report

To the Board of Directors of
Preble Street

Report on the Financial Statements

We have audited the accompanying financial statements of Preble Street (the Organization) which comprise the statements of financial position as of June 30, 2015 and 2014, 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 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

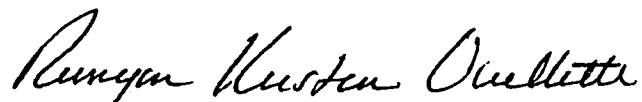
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Preble Street as of June 30, 2015 and 2014 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2015 on our consideration of Preble Street'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 Preble Street's internal control over financial reporting and compliance.

A handwritten signature in black ink, reading "Ryan Kristen Ouellette". The signature is written in a cursive style with a large initial "R".

December 17, 2015
South Portland, Maine

PREBLE STREET
Statements of Financial Position
June 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash	\$ 1,984,614	1,929,710
Accounts receivable	71,200	53,535
Pledges receivable, current portion	326,000	421,562
Grants receivable	780,358	716,743
Prepaid expenses	78,020	124,078
Inventory	41,057	38,165
Total current assets	3,281,249	3,283,793
Investments:		
Investments	3,295,684	1,799,389
Beneficial interest in perpetual trust	150,356	153,032
Total investments	3,446,040	1,952,421
Property and equipment:		
Land	422,930	422,930
Buildings and improvements	7,871,382	7,874,713
Equipment	724,797	699,200
Vehicles	25,500	25,500
	9,044,609	9,022,343
Less accumulated depreciation	(2,726,005)	(2,443,303)
Net property and equipment	6,318,604	6,579,040
Other assets:		
Pledges receivable, noncurrent, net	9,801	374,640
Total other assets	9,801	374,640
Total assets	\$ 13,055,694	12,189,894
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	260,887	127,440
Accrued expenses	389,607	293,781
Funds held for others	19,177	-
Deferred revenue	21,478	-
Capital lease, current portion	3,001	2,911
Total current liabilities	694,150	424,132
Capital lease, net of current portion	7,365	10,366
Total liabilities	701,515	434,498
Net assets:		
Unrestricted:		
Undesignated	1,470,417	1,472,474
Board-designated investments	1,534,515	1,582,947
Investment in property and equipment	6,308,238	6,565,763
Total unrestricted net assets	9,313,170	9,621,184
Temporarily restricted	1,490,653	1,981,180
Permanently restricted	1,550,356	153,032
Total net assets	12,354,179	11,755,396
Total liabilities and net assets	\$ 13,055,694	12,189,894

See accompanying notes to financial statements.

PREBLE STREET
Statements of Activities
For the Years Ended June 30, 2015 and 2014

	2015				2014			
	Unrestricted	Temporarily restricted	Permanently restricted	Total	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenue and support:								
Government grant income	\$ 5,200,964	-	-	5,200,964	4,673,699	-	-	4,673,699
Fee for service income	330,637	-	-	330,637	342,936	-	-	342,936
Contributions	2,097,629	581,896	1,400,000	4,079,525	1,897,510	1,563,509	-	3,461,019
Donated services	136,495	-	-	136,495	185,901	-	-	185,901
Donated goods	1,970,243	-	-	1,970,243	1,861,955	-	-	1,861,955
United Way	404,149	-	-	404,149	477,937	-	-	477,937
Other income	50,445	-	-	50,445	36,240	-	-	36,240
Interest and dividend income	83,724	3,213	-	86,937	28,262	16,443	-	44,705
Net gain /(loss) on investments	(63,979)	(2,584)	-	(66,563)	209,699	-	-	209,699
Change in fair value of trust	-	-	(2,676)	(2,676)	-	-	18,457	18,457
Total revenue and support	10,210,307	582,525	1,397,324	12,190,156	9,714,139	1,579,952	18,457	11,312,548
Net assets released from restrictions:	1,073,052	(1,073,052)	-	-	912,195	(912,195)	-	-
Total revenue, support, and reclassifications	11,283,359	(490,527)	1,397,324	12,190,156	10,626,334	667,757	18,457	11,312,548
Program expenses:								
Food programs	2,736,160	-	-	2,736,160	2,563,066	-	-	2,563,066
Resource Center	1,306,703	-	-	1,306,703	1,544,258	-	-	1,544,258
Veterans Services	1,602,412	-	-	1,602,412	1,202,922	-	-	1,202,922
Maine Hunger Initiative	237,046	-	-	237,046	326,902	-	-	326,902
Community Advocacy	173,643	-	-	173,643	128,850	-	-	128,850
Teen Center	814,570	-	-	814,570	896,420	-	-	896,420
Kreislter Shelter	554,961	-	-	554,961	510,383	-	-	510,383
Clinical Intervention Team	797,489	-	-	797,489	491,683	-	-	491,683
Logan Place	527,406	-	-	527,406	546,707	-	-	546,707
Florence House	1,286,922	-	-	1,286,922	1,214,303	-	-	1,214,303
Transitional living	236,221	-	-	236,221	51,083	-	-	51,083
Anti-trafficking	265,880	-	-	265,880	15,446	-	-	15,446
Total program expenses	10,539,413	-	-	10,539,413	9,492,023	-	-	9,492,023
Supporting services:								
Administration	647,370	-	-	647,370	622,436	-	-	622,436
Fundraising	151,789	-	-	151,789	146,638	-	-	146,638
Community Relations	252,801	-	-	252,801	212,053	-	-	212,053
Total supporting services	1,051,960	-	-	1,051,960	981,127	-	-	981,127
Total expenses	11,591,373	-	-	11,591,373	10,473,150	-	-	10,473,150
Change in net assets	(308,014)	(490,527)	1,397,324	598,783	153,184	667,757	18,457	839,398
Net assets, beginning of year	9,621,184	1,981,180	153,032	11,755,396	9,468,000	1,313,423	134,575	10,915,998
Net assets, end of year	\$ 9,313,170	1,490,653	1,550,356	12,354,179	9,621,184	1,981,180	153,032	11,755,396

See accompanying notes to financial statements.

PREBLE STREET
Statement of Functional Expenses
Year Ended June 30, 2015

	Program services												Supporting services				Total expenses	
	Food Programs	Resource Center	Veterans Services	Maine Hunger Initiative	Community Advocacy	Teen Center	Kreisler Shelter	Clinical Intervention	Logan Place	Florence House	Transitional Living	Anti-Trafficking	Total	Administration	Fundraising	Community Relations		Total
Salaries	\$ 469,656	640,505	598,694	99,513	104,442	488,287	341,256	449,826	393,683	821,510	118,342	118,053	4,643,767	379,679	89,163	172,451	641,293	5,285,060
Payroll taxes and employee benefits	115,367	150,870	149,593	25,743	27,728	124,204	82,505	118,670	95,492	195,298	31,360	31,271	1,148,101	177,692	23,448	44,589	245,729	1,393,830
Outside services	253	20,468	83,189	49	42	212	140	200	130	329	60	19,912	124,984	13,209	38	268	13,515	138,499
Donated services	6,947	22,627	5,819	44,925	6,237	-	-	5,280	13,354	25,531	-	5,621	136,341	-	-	154	154	136,495
Program expenses	68,383	23,796	450,704	30,275	1,282	12,850	7,233	2,124	2,931	22,402	62,344	31,791	716,115	1,327	619	3,399	5,345	721,460
Subcontracts	-	-	131,721	-	-	32,000	-	116,896	-	-	-	28,124	308,741	-	-	-	-	308,741
Food	231,853	-	-	-	-	10,396	-	-	-	15,545	-	-	257,794	-	-	-	-	257,794
Donated goods	1,623,856	306,910	240	690	-	22,419	-	900	3,116	10,117	395	600	1,969,243	1,000	-	-	1,000	1,970,243
Occupancy	117,783	75,887	50,529	5,795	8,054	49,955	49,137	45,175	3,974	129,421	4,890	10,535	551,135	14,268	2,363	3,773	20,404	571,539
Telephone	685	870	4,711	605	746	536	251	2,675	332	719	752	1,328	14,210	1,151	117	71	1,339	15,549
Office supplies	1,803	3,965	4,025	795	323	2,947	4,568	2,304	1,103	5,920	224	875	28,852	4,036	982	1,099	6,117	34,969
Technology	6,061	6,560	15,789	1,304	1,296	7,215	8,700	12,474	3,239	11,168	1,618	4,212	79,636	2,644	6,372	5,749	14,765	94,401
Printing	121	1,252	163	2,089	62	542	78	377	51	86	93	94	5,008	216	11,616	2,086	13,918	18,926
Insurance	4,789	4,675	7,659	918	802	3,966	2,641	3,782	2,447	6,234	1,128	1,236	40,277	240	723	95	1,058	41,335
Professional fees	2,631	4,611	4,202	503	440	2,172	1,449	2,225	1,342	3,420	619	678	24,292	421	547	52	1,020	25,312
Postage	1,436	1,403	2,557	275	241	1,190	792	1,135	766	1,871	339	380	12,385	131	3,329	249	3,709	16,094
Staff development	2,139	3,742	6,006	487	762	2,578	4,276	4,318	1,336	7,459	898	1,123	35,124	2,241	657	276	3,174	38,298
Travel	1,968	1,212	52,663	4,429	5,380	5,628	2,573	6,979	501	1,963	1,820	3,561	88,677	3,069	61	2,242	5,372	94,049
Jesuit and VISTA volunteers	9,612	-	-	10,231	-	463	-	1,377	-	696	-	-	21,002	-	-	-	-	21,002
Volunteer support	1,738	1,703	2,789	334	344	1,448	962	1,377	891	2,272	411	450	14,719	1,298	459	10,118	11,875	26,594
Training/advocacy stipend	-	-	-	30	10,200	10,860	-	-	-	5,779	-	150	27,019	-	-	-	-	27,019
Research and evaluation	278	271	5,945	53	47	231	153	220	142	362	66	72	7,840	6,727	42	1,406	8,175	16,015
Other	2,144	2,888	2,467	495	416	2,336	1,632	1,753	1,442	3,159	458	1,381	20,571	14,980	7,539	528	23,047	43,618
	2,669,503	1,274,215	1,579,465	229,538	168,844	782,435	508,346	778,690	526,272	1,265,482	231,596	261,447	10,275,833	624,329	148,075	248,605	1,021,009	11,296,842
Depreciation expense	66,657	32,488	22,947	7,508	4,799	32,135	46,615	18,799	1,134	21,440	4,625	4,433	263,580	23,041	3,714	4,196	30,951	294,531
Total expenses	\$ 2,736,160	1,306,703	1,602,412	237,046	173,643	814,570	554,961	797,489	527,406	1,286,922	236,221	265,880	10,539,413	647,370	151,789	252,801	1,051,960	11,591,373

See accompanying notes to financial statements.

PREBLE STREET
Statement of Functional Expenses
Year Ended June 30, 2014

	Program services												Supporting services				Total expenses	
	Food Programs	Resource Center	Veterans Services	Maine Hunger Initiative	Community Advocacy	Teen Center	Kreisler Sheiter	Clinical Intervention	Logan Place	Florence House	Transltional Living	Anti-Trafficking	Total	Administration	Fundraising	Community Relations		Total
Salaries	\$ 464,829	795,415	398,001	103,143	77,572	538,653	319,022	239,684	402,141	790,014	33,108	9,304	4,170,886	366,498	82,597	130,548	579,643	4,750,529
Payroll taxes and employee benefits	127,126	213,849	117,903	30,599	23,424	143,843	94,976	68,838	110,127	211,378	9,575	2,236	1,153,874	132,466	24,152	40,298	196,916	1,350,790
Outside services	-	20,129	78,824	-	-	-	-	-	-	-	-	1,840	100,793	-	-	-	-	100,793
Donated services	7,853	27,308	6,171	106,838	-	1,078	-	6,336	7,788	21,682	-	-	185,054	-	-	847	847	185,901
Program expenses	46,858	29,973	357,636	35,525	976	11,223	2,622	3,203	4,869	14,515	592	409	508,401	2,508	1,188	5,415	9,111	517,512
Subcontracts	-	1,936	117,262	-	-	32,000	-	107,484	-	-	-	111	258,793	-	-	-	-	258,793
Food	210,888	-	-	-	-	7,135	-	-	-	12,092	-	-	230,115	-	-	-	-	230,115
Donated goods	1,497,020	319,254	200	2,029	82	23,005	10	91	2,557	5,922	415	-	1,850,585	11,370	-	-	11,370	1,861,955
Occupancy	115,670	67,956	29,108	9,337	5,926	52,752	30,841	28,074	4,088	106,570	2,417	456	453,195	21,524	2,933	2,823	27,280	480,475
Telephone	778	1,718	2,416	1,312	245	1,540	294	2,729	403	790	44	72	12,341	878	87	155	1,120	13,461
Office supplies	1,765	3,593	6,411	1,010	315	2,824	5,031	2,732	1,231	2,893	469	9	28,283	6,667	1,177	2,390	10,234	38,517
Technology	4,887	7,230	16,799	1,170	2,469	5,448	2,429	7,991	2,609	7,007	2,239	72	60,350	4,116	8,300	2,968	15,384	75,734
Printing	258	1,141	456	54	177	824	127	144	133	476	37	4	3,831	239	9,592	917	10,748	14,579
Insurance	4,678	5,380	5,391	979	578	3,927	2,293	2,180	2,409	5,344	228	69	33,456	2,932	659	949	4,540	37,996
Professional fees	1,931	6,479	2,537	404	239	2,975	946	958	994	2,206	94	29	19,792	2,022	272	392	2,686	22,478
Postage	1,178	1,372	1,468	260	146	988	577	549	637	1,345	57	17	8,594	872	2,490	502	3,864	12,458
Staff development	1,792	4,052	3,967	718	526	4,140	4,647	2,844	2,310	3,971	152	24	29,143	10,667	997	4,240	15,904	45,047
Travel	3,703	2,299	28,947	6,554	2,740	3,578	647	2,836	1,107	2,791	145	177	55,524	817	423	1,400	2,640	58,164
Jesuit and VISTA volunteers	9,868	-	-	17,750	-	454	554	-	-	770	-	-	29,396	-	-	-	-	29,396
Volunteer support	1,238	1,301	1,303	237	140	954	-	527	583	1,301	55	17	7,656	859	213	12,327	13,399	21,055
Training/advocacy stipend	-	-	-	-	9,960	10,034	-	-	-	-	30	-	20,024	-	-	-	-	20,024
Research and evaluation	494	868	2,969	103	61	926	242	730	566	576	24	7	7,566	289	70	100	459	8,025
Other	2,286	2,319	5,375	459	254	1,951	1,257	932	1,020	2,287	111	42	18,293	20,217	6,322	504	27,043	45,336
	2,505,100	1,513,572	1,183,144	318,481	125,830	850,252	466,515	478,862	545,572	1,193,930	49,792	14,895	9,245,945	584,941	141,472	206,775	933,188	10,179,133
Depreciation expense	57,966	30,686	19,778	8,421	3,020	46,168	43,868	12,821	1,135	20,373	1,291	551	246,078	37,495	5,166	5,278	47,939	294,017
Total expenses	\$ 2,563,066	1,544,258	1,202,922	326,902	128,850	896,420	510,383	491,683	546,707	1,214,303	51,083	15,446	9,492,023	622,436	146,638	212,053	981,127	10,473,150

See accompanying notes to financial statements.

PREBLE STREET
Statements of Cash Flows
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Change in net assets	\$ 598,783	839,398
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	294,531	294,017
Change in unamortized discount	(22,457)	(9,884)
Realized and unrealized (gain) loss on investments	66,563	(209,699)
(Gain) loss on beneficial interest in perpetual trust	2,676	(18,457)
Endowment contributions	(1,400,000)	-
(Increase) decrease in assets:		
Accounts receivable	(17,665)	(33,870)
Pledges receivable	482,858	(238,974)
Grants receivable	(63,615)	245,721
Prepaid expenses	46,058	(38,642)
Inventory	(2,892)	(1,775)
Increase (decrease) in liabilities:		
Accounts payable	133,447	(121,407)
Accrued expenses	95,826	51,332
funds held for others	19,177	-
Deferred revenue	21,478	(2,419)
Net cash provided by operating activities	254,768	755,341
Cash flows from investing activities:		
Proceeds from sale of investments	893,277	797,845
Purchases of investments	(2,456,135)	(922,260)
Purchase of property and equipment	(34,095)	(98,866)
Net cash used in investing activities	(1,596,953)	(223,281)
Cash flows from financing activities:		
Endowment contributions	1,400,000	-
Payments on capital lease	(2,911)	(1,892)
Net cash provided by (used in) financing activities	1,397,089	(1,892)
Net change in cash	54,904	530,168
Cash, beginning of year	1,929,710	1,399,542
Cash, end of year	\$ 1,984,614	1,929,710
Supplemental disclosures:		
Cash paid during the year for interest	\$ 363	290
Non-cash financing of equipment purchase	-	15,169

See accompanying notes to financial statements.

PREBLE STREET
Notes to Financial Statements, Continued

DESCRIPTION OF PURPOSE

Preble Street is a nonprofit corporation whose mission is to provide accessible, barrier free services to empower people experiencing problems with homelessness, housing, hunger, and poverty, and to advocate for solutions to these problems.

Resource Center

Drop-in services 365 days a year for adults and families, meeting basic needs—e.g. showers, mail—of approximately 400 people a day, as well as street outreach, casework, employment services, and connection to resources for housing, healthcare, mental healthcare, substance abuse treatment, legal assistance, and education to empower people to move beyond homelessness.

Clinical Intervention

Case managers and peer navigators work in shelters and on the streets to engage homeless individuals with mental illness or co-occurring substance abuse, linking them to basic needs, housing, treatment, and community resources. Case managers also work with chronically homeless individuals to provide follow up and connection to mainstream resources, and develop the skills to support the transition from homelessness to residential stability in public and private housing.

Teen Services

Operates 24/365 to meet basic needs of 40-60 homeless and runaway youth a day, ages 12-20, including:

Teen Center: Drop-in open 8am-8pm to provide meals, clothing, showers, mail, etc., as well as street outreach, casework, and on-site collaborative services connecting youth to housing, healthcare, mental health and substance abuse treatment, educational/vocational services, and legal resources.

Joe Kreisler Teen Shelter: 24-bed overnight emergency shelter and support, located across the street from the Teen Center, and open 8pm-8am.

First Place: A long-term supported transition-in-place program for homeless young people, ages 18-23, providing affordable apartments and 12-18 months of supervision and support services to assist homeless youth in establishing stable independent living.

Anti-Trafficking Coalition

Comprehensive and collaborative service coordination and support in southern Maine for victims of all human trafficking—including sex trafficking and exploitation and labor trafficking—focused on identifying victims, training providers in best practices, and providing outreach, emergency services, case management, and interdisciplinary service planning and intervention for more than 60 individuals a year.

Food Programs

Soup Kitchens: Operate at the Resource Center, Teen Center, and Florence House, to serve nutritious meals 3 times a day, 365 days a year to 400-500 individuals (approximately 395,000 meals a year).

Food Pantry: Distributes emergency grocery meals to 140-180 families every week (approximately 235,000 meals a year).

Florence House

Permanent Apartments & Safe Haven: 25 efficiency apartments and 15 semi-private units with support services to assist tenants developing skills to maintain stable independent housing.

Emergency Shelter: providing safety, basic services, support, and housing assistance for 25 homeless women 24/365.

PREBLE STREET
Notes to Financial Statements, Continued

DESCRIPTION OF PURPOSE, CONTINUED

Logan Place

Provides 30 units of safe, affordable, permanent housing and support services to help tenants live independently, re-integrate into the community, reconnect with families, become good neighbors, and achieve their goals.

Advocacy

Homeless Voices for Justice: Advocating on an individual and systems basis with and for people who struggle with homelessness, poverty, and oppression statewide.

Maine Hunger Initiative: Strengthening Maine's emergency food system by promoting best practices; and ensuring adequate nutrition for people living in poverty across Maine by leading and informing efforts to create state and national policies and programs to end hunger.

Veterans Healthcare Outreach: Advancing health reform through outreach, education, and enrollment of low and moderate income veterans and their families throughout Maine.

Veterans Housing Services

Preventing homelessness and ensuring residential stability for veterans throughout Maine from offices in Portland, Lewiston, and Bangor through a homeless prevention and rapid re-housing model using a collaborative and holistic approach to support the housing goals of veterans in urban and rural communities. With many entry points and a coordinated continuum of support and housing options, the program meets the needs of those who are homeless as well as those at risk.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - The financial statement presentation follows the provisions of FASB ASC 958-605 *Not-for-Profit Entities: Revenue Recognition-Contributions* and FASB ASC 958-205 *Presentation of Financial Statements*. Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of Preble Street, and changes therein, are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of Preble Street and/or the passage of time. Preble Street has elected to report all temporarily restricted assets with restrictions which are met within the same fiscal period, as unrestricted net assets.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that the principal be maintained permanently by Preble Street. Generally, the donors of the assets permit Preble Street to use all or part of the income earned on related investments for general or specific purposes.

Basis of Accounting - The financial statements are prepared on the accrual basis of accounting, which is in accordance with accounting principles generally accepted in the United States of America. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Revenue Recognition - All public support and revenue is considered to be available for unrestricted use unless specifically restricted by the donor. At its discretion, the Board of Directors may designate funds for specific

PREBLE STREET
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

purposes. Such board-designated funds are shown as a segregated portion of unrestricted net assets on the statements of financial position.

Cash - For the purposes of the statements of cash flows, Preble Street considers all checking and savings accounts to be cash.

Accounts and Grants Receivable - Preble Street primarily operates in the Portland, Maine area and receives various governmental grants and contracts to provide services in this area. All amounts receivable are considered fully collectible, therefore an allowance for doubtful accounts is not considered necessary.

Inventory - Inventory consists of donated and purchased food, beverages, and supplies and is stated at fair value as of the date of donation, using the first-in-first-out method. For purchased goods, inventory is stated at the lower of cost or market.

Property and Equipment - Property and equipment with a value of \$5,000 or more is capitalized at cost if purchased, or fair value at the date of the gift if donated, and is recorded as an addition to unrestricted net assets. Expenditures for minor additions are charged to expense when incurred. Depreciation is being provided using the straight-line method over the estimated useful lives of the related assets (buildings: 35 to 40 years; major improvements: 20 to 35 years; vehicles: 5 years; computers: 3 to 5 years; and other equipment: 5 to 10 years).

Indirect Costs - Preble Street allocates indirect costs to programs in accordance with a cost allocation plan, which is based on several methods that determine each program's use of indirect costs.

Grants and Contributions - Grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor.

Income Taxes - Preble Street is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to Preble Street's tax-exempt purpose may be subject to taxation as unrelated business income. In addition, Preble Street qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1) of the Code.

Preble Street follows the provisions of FASB ASC 740-10 *Accounting for Uncertainty in Income Taxes*. This statement clarifies the criteria that an individual tax position must satisfy for some or all of the benefits of that position to be recognized in an entity's financial statements. It also prescribes a recognition threshold of more likely-than-not, and a measurement attribute for all tax positions taken or expected to be taken on a tax return, in order for those tax positions to be recognized in the financial statements. There was no cumulative effect on Preble Street's financial statements related to these provisions, and no interest or penalties related to uncertain tax positions were accrued. Preble Street is currently open to audit under the statute of limitations by the Internal Revenue Service and state taxing authorities for the years ended June 30, 2012 through 2015.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of

PREBLE STREET
Notes to Financial Statements, Continued

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CONCENTRATION OF CREDIT RISK

Cash balances were held in accounts at various financial institutions during the years ended June 30, 2015 and 2014. As of June 30, 2015 and 2014, Preble Street's accounts at each such institution were insured by the Federal Deposit Insurance Corporation at levels set by applicable statute and regulation. In addition, Preble Street entered into a repurchase sweep agreement at one institution whereby amounts greater than the FDIC insured limit are swept into an overnight repurchase investment account. At June 30, 2015 and 2014, Preble Street had uninsured cash balances of \$339,114 and \$287,211, respectively.

GRANTS RECEIVABLE

Following is a summary of grants receivable at June 30:

	<u>2015</u>	<u>2014</u>
Avesta Housing	\$ 111,306	106,807
Catholic Charities of Maine	201,570	179,956
City of Portland - CDBG	28,419	14,790
City of Portland - General assistance	58,000	32,000
City of Portland - Logan Place	18,243	18,244
City of Portland - HUD Supportive Housing Grant	-	27,608
Maine State Housing Authority	50,679	51,584
Youth Alternatives/Ingraham	-	15,093
Cumberland County	6,541	6,541
U.S. Department of Justice	53,479	12,421
Southern Maine Area Agency on Aging	10,441	10,305
U.S. Department Housing and Urban Development	10,876	-
U.S. Department of Health and Human Services	16,273	15,169
State of Maine DHHS	87,692	30,078
Coastal Enterprises, Inc.	3,920	-
U.S. Department of Veterans Affairs	122,919	196,147
Total grants receivable	\$ 780,358	716,743

PREBLE STREET
Notes to Financial Statements, Continued

PLEDGES RECEIVABLE

In fiscal 2012, Preble Street launched a capital campaign to raise funds for the purchase and renovation of a property located at 38 Preble Street. Now fully renovated, the building serves as the new home for the Lighthouse Shelter and has been renamed the Joe Kreisler Shelter, in honor of Preble Street's founder.

Contributions to this campaign came from foundations and long time supporters of the Organization and are considered fully collectible. As a result, no allowance for uncollectible pledges is considered necessary. Total pledges receivable for all campaigns, net of unamortized discount, are summarized as follows at June 30:

	<u>2015</u>	<u>2014</u>
Pledges receivable expected to be collected in:		
Less than one year	\$ 326,000	421,562
One year to five years	10,400	397,696
Over five years	-	-
<u>Less unamortized discount at 6%</u>	<u>(599)</u>	<u>(23,056)</u>
	335,801	796,202
<u>Less current portion</u>	<u>(326,000)</u>	<u>(421,562)</u>
 <u>Non-current portion</u>	 <u>\$ 9,801</u>	 <u>374,640</u>

CONDITIONAL PROMISES TO GIVE RECEIVABLE

In June, 2015 the United Way of Greater Portland committed to provide funding to Preble Street for the fiscal year ending June 30, 2016. As this commitment carries certain conditions, the likelihood of non-fulfillment of which has been estimated by Preble Street to be more than remote, the value of this commitment has not been recorded as a receivable nor as support as of June 30, 2015, in accordance with FASB ASC 958-605 *Not-for-Profit Entities: Revenue Recognition-Contributions*. The amount of this conditional promise to give is \$325,272. Should the corresponding conditions be fulfilled, this amount is due to be paid to Preble Street in full during the fiscal year ending June 30, 2016.

In December, 2013, Preble Street was awarded a grant by a private foundation for the purpose of starting a youth transitional living program. The total grant amount is for \$813,000 and is to be paid out in equal installments over a three year period upon the completion of agreed upon milestones for the project. The first payment of \$271,000 was received in 2014, and the second payment of \$271,000 was received in 2015. Given the conditional nature of this grant, Preble Street believes the likelihood of non-fulfillment is more than remote, and as such, the grant was not recorded as a promise to give receivable. The remaining payments of this grant will be treated as revenue when the conditions of the grant have been met and payment is received.

PREBLE STREET
Notes to Financial Statements, Continued

INVESTMENTS

Investments are carried at fair value and consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Mutual funds	\$ 2,437,251	1,452,881
Exchange-traded funds	789,751	289,040
Money market funds and cash equivalents	16,660	57,468
<u>Alternative investments</u>	<u>52,022</u>	<u>-</u>
<u>Totals</u>	<u>\$ 3,295,684</u>	<u>1,799,389</u>

BENEFICIAL INTEREST IN PERPETUAL TRUST

Preble Street received a donation in 1997 from a donor who wished to establish an endowment fund for Preble Street to assist low income individuals achieve employment and self sufficiency. This fund was established through an agreement with the United Way of Greater Portland Foundation. It is known as the Preble Street Resource Center Self Sufficiency Endowment Fund.

The United Way of Greater Portland Foundation manages and oversees the investment of the assets of the fund. The Preble Street Board of Directors has sole discretion as to the use of the distributable income each year. Each year, the distributable income is equal to 4.5% of the average portfolio value of the fund over the prior three years. If the fund's value exceeds \$100,000, the Preble Street Board of Directors may elect to expend more than the income generated in a specific year, provided the balance of the fund does not fall below the \$100,000 level as a result of the withdrawals. As of June 30, 2015 and 2014, the balances in this account were \$150,356 and \$153,032, respectively.

ENDOWMENT

At June 30, 2015 and 2014, Preble Street had Board-designated and donor-restricted endowment funds totaling \$3,078,968 and \$1,735,979, respectively. The purpose of this fund is to generate income to be used to provide annual support to the ongoing operations of the Organization. Preble Street has adopted the provisions of FASB ASC 958-205-50-1A *Not-for-Profit Entities: Reporting Endowment Funds*. Under these provisions, Preble Street is required to provide the following disclosures relating to its endowment activities.

Relevant Law - Preble Street conducts its activities primarily in Portland, Maine, and accordingly, considers itself bound by the version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") adopted by the State of Maine's legislature. In accordance with that statute, Preble Street has interpreted State law to require all realized and unrealized gains and losses on permanently restricted investments to be temporarily restricted net assets until appropriated by the Board of Directors. Accordingly, except for explicit donor stipulations specifying reinvestment of some or all of net appreciation (depreciation), net appreciation (depreciation) on permanent endowment investments is reported as increases (decreases) in temporarily restricted endowment investments until appropriated by the Board, in accordance with the donor's stipulations, if any, concerning the purposes for which ordinary income may be used.

PREBLE STREET
Notes to Financial Statements, Continued

ENDOWMENT, CONTINUED

Endowment Spending Policy - The responsibility of setting the spending policy for the Board-designated and donor-restricted endowments shall rest with the Executive Committee of the Board of Directors, subject to the approval of the entire Board of Directors. The amount available to help meet the annual operating needs of Preble Street shall be based upon the following principles:

- No portion of the Board-designated endowment fund will be spent until the value of the pool equals or exceeds \$1,050,000 at the end of the fiscal year.
- Donor-restricted endowment fund agreement mandates that no spending is allowed that would make the value of the investment less than the original corpus amount of \$1,400,000.
- Thereafter, the endowment funds can be spent up to an annual cap calculated at five percent of the average total fund value, as of the end of each of the immediately preceding four fiscal years, net of fees and all other expenses. For purposes of calculating this four-year average, fiscal years before which the net value of the funds was not at \$1,050,000 as of the end of the fiscal year, shall be ignored.
- This is a maximum amount and Preble Street can elect to spend less should it choose to do so.

Distributions from the Board-designated endowment were \$72,000 and \$48,580, in 2015 and 2014, respectively. There were no distributions made from the donor-restricted endowment fund in 2015 or 2014, respectively.

Endowment Investment Policy - The primary objective of Preble Street's endowment fund is to provide, over time, an increasing flow of real income (as defined by the spending policy) to help support the annual operating budget of Preble Street. The investment policy is directed toward maximizing such a flow of income, measured in terms of total return balanced against prudent risks, over the long term.

The overall investment philosophy will be moderately conservative, allowing for equity investments but with a relatively low level of risk tolerance. Both equity and fixed income investments will be prudently diversified with a blend of equities, bonds, and cash being recommended by the investment committee. All long range investments of the endowment fund will consist of either cash or publicly traded securities.

Preble Street's endowment balances were comprised of the following as of June 30, 2015:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Totals</u>
Donor-restricted endowment (a)	\$ (5,903)	-	1,550,356	1,544,453
Board-designated endowment	1,534,515	-	-	1,534,515
Totals	\$ 1,528,612	-	1,550,356	3,078,968

(a) 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 UPMIFA requires Preble Street to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature that are reported in unrestricted net assets were \$5,903 as of June 30, 2015. This deficiency resulted from unfavorable market fluctuations that occurred shortly after the investment of a new permanently restricted contribution. There were no such deficiencies as of June 30, 2014.

PREBLE STREET
Notes to Financial Statements, Continued

ENDOWMENT, CONTINUED

The changes in Preble Street's endowment balances for the year ended June 30, 2015 were as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Totals</u>
Endowment net assets, beginning of year	\$ 1,582,947	-	153,032	1,735,979
Contributions	15,000	-	1,400,000	1,415,000
(Distributions)	(72,000)	-	-	(72,000)
Investment return:				
Investment income, net of fees	54,296	2,584	-	56,880
Net depreciation (b)	(51,631)	(2,584)	(2,676)	(56,891)
Total investment return	2,665	-	(2,676)	(11)
Endowment net assets, end of year	\$ 1,528,612	-	1,550,356	3,078,968

(b) According to the provisions of FASC 958-205-45-22 *Losses of an Endowment Fund*, the decline in the fair value of the assets of the donor-restricted endowment fund reduces temporarily restricted net assets by \$2,584, the remaining loss of \$5,903 reduces unrestricted net assets.

PREBLE STREET
Notes to Financial Statements, Continued

ENDOWMENT, CONTINUED

Preble Street's endowment balances were comprised of the following as of June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Totals</u>
Donor-restricted endowment	\$ -	-	153,032	153,032
Board-designated endowment	1,582,947	-	-	1,582,947
Totals	\$ 1,582,947	-	153,032	1,735,979

The changes in Preble Street's endowment balances for the year ended June 30, 2014 were as follows:

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Totals</u>
Endowment net assets, beginning of year	\$ 1,411,352	-	134,575	1,545,927
Contributions	-	-	-	-
(Distributions)	(48,580)	-	(5,135)	(53,715)
Investment return:				
Investment income, net of fees	31,895	-	1,262	33,157
Net appreciation	188,280	-	22,330	210,610
Total investment return	220,175	-	23,592	243,767
Endowment net assets, end of year	\$ 1,582,947	-	153,032	1,735,979

PREBLE STREET
Notes to Financial Statements, Continued

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS

In accordance with FASB ASC 820-10 *Fair Value Measurements and Disclosure*, Preble Street is required to disclose, for its assets and liabilities measured at fair value on a recurring basis, the sources and types of information, known as inputs, used to determine those fair value measurements. The guidance provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (level 3).

The three levels of the fair value hierarchy are as follows:

Level 1: Level 1 inputs are quoted prices in active markets for identical assets and liabilities that an entity has the ability to access at a measurement date.

Level 2: Level 2 inputs are inputs other than quoted prices that are observable for the specific asset or liability, either directly or indirectly.

Level 3: Level 3 inputs are unobservable inputs for the asset or liability in which little or no market activity is available for the asset or liability at the measurement date.

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

- *Equity securities, Corporate Bonds, and U.S. Government Securities:* Valued at the closing price as reported on the active market on which the individual securities are traded.
- *Mutual Funds and Exchange Traded Funds:* Valued at the net asset value (NAV) of shares held by Preble Street at year end.
- *Alternative investments:* Estimated value based on available information typically received from the funds' underlying investments.
- *Beneficial Interest in Perpetual Trust:* Valued at the closing price as reported on the active market on which the underlying individual securities of the Trust are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although Preble Street management 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.

PREBLE STREET
Notes to Financial Statements, Continued

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED

The table below segregates all financial assets and liabilities as of June 30, 2015 and 2014 that are measured at fair value on a recurring basis (at least annually) into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date:

	<u>Fair value measurements at 06/30/15 using:</u>			
	Totals <u>06/30/15</u>	Quoted prices in active markets for identical assets <u>(Level 1)</u>	Significant other observable inputs <u>(Level 2)</u>	Significant unobservable inputs <u>(Level 3)</u>
Mutual Funds	\$ 2,437,251	2,437,251	-	-
Exchange-traded funds	789,751	789,751	-	-
Money market funds and cash equivalents	16,660	16,660	-	-
Alternative investments	52,022	-	-	52,022
Beneficial interest in perpetual trust	150,356	-	150,356	-
Totals	\$ 3,446,040	3,243,662	150,356	52,022

Fair value measurements at 06/30/15 using:
Significant unobservable inputs (Level 3)

Alternative investments

Opening balance	\$ -
Purchases	50,750
Total gains or losses included in change in net assets, net	2,022
Purchases, issues, sales and settlements	-
Fees	(750)

Closing balance **\$ 52,022**

Change in unrealized gains or losses
For the period included in changes in
net assets at 06/30/15 **\$ 2,022**

PREBLE STREET
Notes to Financial Statements, Continued

ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS, CONTINUED

	<u>Fair value measurements at 06/30/14 using:</u>			
	<u>Totals</u>	<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
	<u>06/30/14</u>			
Mutual Funds	\$ 1,452,881	1,452,881	-	-
Exchange-traded funds	289,040	289,040	-	-
Money market funds and cash equivalents	57,468	57,468	-	-
Beneficial interest in perpetual trust	153,032	-	153,032	-
Totals	1,952,421	1,799,389	153,032	-

Transfers between level 2 and level 3 assets are recognized on the actual date of the event or change in circumstances that caused the transfer. There were no transfers into or out of level 2 and level 3 assets or liabilities during the years ended June 30, 2015 and 2014.

LINE OF CREDIT

Preble Street has available a line of credit agreement with a financial institution for a maximum borrowing limit of \$350,000. Interest is payable monthly on all outstanding advances at a rate equal to prime plus 0.5% (equal to 3.75% at June 30, 2015 and 2014). At June 30, 2015 and 2014, there were no amounts outstanding on this line of credit.

OBLIGATION UNDER OPERATING LEASE

Preble Street holds a number of non-cancelable operating leases. The leases are for the use of office space and equipment, program space including the safe haven and shelter portions of the building that houses Florence House and apartments for the Transitional Living Program, and the use of certain vehicles. The agreements call for monthly rental payments ranging from \$56 to \$5,926, and can be adjusted annually to reflect changes in the related facility's operating expenses, the lease terms range from 1 – 30 years. As of June 30, 2015 future minimum operating lease payments amounted to the following:

<u>For year ended</u>	<u>Total</u>
2016	\$ 85,925
2017	80,614
2018	73,955
2019	71,112
2020	71,112
<u>Thereafter</u>	<u>1,333,350</u>
Total	\$ 1,716,068

PREBLE STREET
Notes to Financial Statements, Continued

OBLIGATION UNDER OPERATING LEASE, CONTINUED

During the years ended June 30, 2015 and 2014, total rent expense incurred by Preble Street related to these agreements amounted to \$154,089 and \$93,457, respectively.

OBLIGATION UNDER CAPITAL LEASE

During 2014, Preble Street secured the use of certain office equipment under the terms of a capital lease. The cost basis of equipment thus capitalized amounted to \$15,169 at both June 30, 2015 and 2014. Accumulated depreciation amounted to (\$3,598) and (\$1,431) at June 30, 2015 and 2014, respectively. Future minimum required payments under this lease are as follows for the year ended June 30:

2016	\$ 3,274
2017	3,274
2018	3,274
2019	1,090
Subtotal	10,912
Less amounts representing interest	(546)
Principal balance	10,366
Less current portion	(3,001)
Non-current principal portion	\$ 7,365

CONTINGENCIES

Preble Street participates in various intergovernmental grant programs that may be subject to future program compliance audits by the grantors or their representatives. Accordingly, Preble Street's compliance with applicable grant requirements may be established at some future date. The amount, if any, of liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

PENSION PLAN

Preble Street participates in a tax deferred investment plan under section 403(b) of the Internal Revenue Code. Eligible employees are able to defer salary and participate in the employer match portion of the plan. Total retirement expense under this plan for the years ended June 30, 2015 and 2014 amounted to \$25,018 and \$20,530, respectively.

During fiscal year 2015, Preble Street began participating in a retirement plan under Internal Revenue Service Code Section 457(b) for the benefit of each officer of the Organization. The plan stipulates that annual contributions will be made on behalf of each participant in an amount determined at the sole discretion of the Executive Committee of the Board of Directors. Total expenses incurred under this plan amounted to \$45,518 for the year ended June 30, 2015. Total plan assets and the corresponding retirement plan liability of \$45,518 are included in cash and accrued expenses, respectively, in the statement of financial position at June 30, 2015.

PREBLE STREET
Notes to Financial Statements, Continued

RESTRICTIONS AND LIMITATIONS OF NET ASSET BALANCES

Temporarily restricted net assets consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Food Programs	\$ -	233,750
Maine Hunger Initiative	161,450	76,250
Community advocacy	31,357	40,282
38 Preble Street Building and Operating Fund	783,559	909,769
Transitional Living Program	232,649	221,129
Capacity building support	250,000	500,000
Project youth count	31,638	-
<u>Totals</u>	<u>\$ 1,490,653</u>	<u>1,981,180</u>

Included within the 38 Preble Street Building and Operating Fund are funds intended to supplement the budget of the Teen Services programs, as needed, in future years.

The capacity building support grant is unrestricted as to its use, but is intended to provide operating support across a three year period, thus releasing \$250,000 each year.

Permanently restricted net assets consisted of the following at June 30:

	<u>2015</u>	<u>2014</u>
Beneficial interest in perpetual trust with income restricted for self sufficiency efforts	\$ 150,356	153,032
Permanently restricted endowment	1,400,000	-
<u>Totals</u>	<u>\$ 1,550,356</u>	<u>153,032</u>

As previously discussed, Preble Street has a board-designated endowment fund. At June 30, 2015 and 2014, these board-designated net assets amounted to \$1,534,515 and \$1,582,947, respectively.

PREBLE STREET
Notes to Financial Statements, Continued

NET ASSETS RELEASED FROM RESTRICTIONS

The sources of net assets released from temporary donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donors were as follows for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Food	\$ 233,750	271,371
Kreisler Shelter	140,000	136,860
Maine Hunger Initiative	114,335	159,375
Resource Center	-	25,000
Community advocacy	68,925	19,718
Capacity building	250,000	250,000
Project youth count	6,562	-
<u>Transitional Living Program</u>	<u>259,480</u>	<u>49,871</u>
<u>Totals</u>	<u>\$ 1,073,052</u>	<u>912,195</u>

DONATED SERVICES AND GOODS

During the years ended June 30, 2015 and 2014, certain goods and professional services were donated to Preble Street. The estimated fair values of these goods and professional services totaling \$2,106,738 and \$2,047,856 for 2015 and 2014, respectively, have been reflected in the accompanying financial statements as public support with a like amount included in expenses as donated services and goods, food commodities, and food and program expenses.

The value of nonprofessional, donated services is not reflected in the accompanying financial statements as these services do not meet the criteria outlined in FASB ASC 958-605 *Not-for-Profit Entities: Revenue Recognition-Contributions*. However, Preble Street utilizes in excess of 5,500 nonprofessional volunteers that have donated significant amounts of their time in support of Preble Street's programs. The estimated fair value of the nonprofessional donated services was \$623,880 in 2015 and \$602,555 in 2014.

OTHER ECONOMIC CONCENTRATIONS AND RISKS

Approximately 55% of Preble Street's annual funding, other than in-kind goods and services, is provided through various local, state and federal governmental grants and contracts. Any significant reduction in this funding could affect Preble Street's ability to fulfill its mission.

As detailed previously, Preble Street invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

PREBLE STREET
Notes to Financial Statements, Continued

RENTAL INCOME

Preble Street owns and operates two buildings in Portland, Maine that house Preble Street's programs as well as various other social welfare programs provided by other nonprofit and governmental agencies. These agencies are tenants-at-will and pay monthly stipends to help support the costs of occupying the facilities. During the years ended June 30, 2015 and 2014 these stipends totaled \$50,240 and \$36,240, respectively.

SUBSEQUENT EVENTS

In accordance with FASB ASC 855-10 *Subsequent Events*, management has evaluated subsequent events for possible recognition or disclosure through December 17, 2015, which is the date these financial statements were available to be issued.