PEOPLE'S PLACE II, INC.
AND AFFILIATE

FINANCIAL STATEMENTS
AND SINGLE AUDIT INFORMATION

FOR THE YEAR ENDED
JUNE 30, 2015

PEOPLE'S PLACE II, INC.
AND AFFILIATE

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AND AFFILIATE

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PEOPLE'S PLACE II, INC. AND AFFILIATE

VERA'S HAVEN MORTGAGOR'S CERTIFICATION

JUNE 30, 2015

I hereby certify that I have examined the accompanying consolidated financial statements and supplementary information of People's Place II, Inc. and Affiliate and its Vera's Haven rental property as of and for the year ended June 30, 2015 and, to the best of my knowledge and belief, the same is complete and accurate.

Delmas Failing Jr.

Delmas Failing, Jr.
Executive Director
People's Place II, Inc. and Affiliate

10/16/15

Date

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INDEPENDENT AUDITOR'S REPORT

October 16, 2015

To the Board of Directors
People's Place II, Inc.
Milford, Delaware

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of People's Place II, Inc. (a nonprofit organization) and affiliate, which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 Organization'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 Organization'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.

BARBACANE
THORNTON
&COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

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 People's Place II, Inc. and affiliate as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Summarized Comparative Information

We have previously audited People's Place II, Inc. and affiliate's June 30, 2014 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 29, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited consolidated financial statements from which it was derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information provided on pages 19 through 28 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 16, 2015 on our consideration of People's Place II, Inc. and affiliate'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 the 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 People's Place II, Inc. and affiliate's internal control over financial reporting and compliance.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

ASSETS	2015	2014
CURRENT ASSETS:		
Cash and cash equivalents	$ 1,689,787	$ 1,419,197
Accounts receivable, net	758,617	672,480
Prepaid expenses	51,877	27,108
Deposits	5,568	3,650
Total Current Assets	2,505,849	2,122,435
NONCURRENT ASSETS:		
Land	553,486	553,486
Buildings	3,969,834	3,969,834
Building improvements	1,434,089	1,407,324
Furniture and equipment	1,163,988	1,143,735
Automobiles	354,749	338,271
	7,476,146	7,412,650
Less: Accumulated depreciation	(3,203,804)	(2,949,784)
Net Property and Equipment	4,272,342	4,462,866
OTHER ASSETS:		
Cash escrow and reserve funds	281,746	272,122
TOTAL ASSETS	$ 7,059,937	$ 6,857,423
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts payable and other accrued expenses	$ 90,184	$ 69,249
Accrued payroll expenses	321,209	378,614
Current portion of long-term debt	109,819	310,861
Deferred revenue	7,214	6,538
Total Current Liabilities	528,426	765,262
NONCURRENT LIABILITIES:		
Long-term debt, net of current portion	3,034,411	2,895,927
TOTAL LIABILITIES	3,562,837	3,661,189
NET ASSETS:		
Unrestricted	2,910,528	2,664,804
Temporarily restricted	586,572	531,430
Total Net Assets	3,497,100	3,196,234
TOTAL LIABILITIES AND NET ASSETS	$ 7,059,937	$ 6,857,423

The accompanying notes are an integral part of these consolidated financial statements.

PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2014)

	Unrestricted	Temporarily Restricted	Totals 2015	Totals 2014
REVENUES AND SUPPORT				
Public support, received directly	$ 249,679	$ -	$ 249,679	$ 225,702
Public support, received indirectly	8,106	52,728	60,834	61,779
Revenue from governmental agencies	186,538	4,862,112	5,048,650	4,871,373
Program service fees	2,326,214	-	2,326,214	1,837,900
Rent	105,778	-	105,778	118,178
Miscellaneous revenue	15,031	-	15,031	14,140
Interest Income	1,974	-	1,974	1,736
In-kind revenue	111,552	-	111,552	125,038
Net assets released from restrictions:				
Satisfaction of program restrictions	4,859,698	(4,859,698)	-	-
TOTAL REVENUES AND SUPPORT	7,864,570	55,142	7,919,712	7,255,846
EXPENSES				
Programs:				
Counseling Center	1,885,337	-	1,885,337	1,590,472
Shelter, Advocacy, Freedom, and Empowerment (SAFE)	1,195,473	-	1,195,473	1,136,477
Residential Alternative to Detention (RAD)	910,077	-	910,077	934,819
Group Home for Girls	530,167	-	530,167	521,536
Centers for Community Justice	172,623	-	172,623	170,302
Independent Living	503,393	-	503,393	189,808
Whatcoat Social Services	349,137	-	349,137	374,129
Abriendo Puertas	343,799	-	343,799	334,980
Veterans Outreach	97,275	-	97,275	100,732
Turning Point	508,541	-	508,541	508,721
Visitation Centers	167,193	-	167,193	159,561
TOTAL PROGRAM EXPENSES	6,663,015	-	6,663,015	6,021,537
Administrative and general	955,831	-	955,831	1,248,221
TOTAL EXPENSES	7,618,846	-	7,618,846	7,269,758
CHANGE IN NET ASSETS	245,724	55,142	300,866	(13,912)
NET ASSETS, BEGINNING OF YEAR	2,664,804	531,430	3,196,234	3,210,146
NET ASSETS, END OF YEAR	$ 2,910,528	$ 586,572	$ 3,497,100	$ 3,196,234

The accompanying notes are an integral part of these consolidated financial statements.

PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2014)

	Counseling Center	SAFE	RAD	Group Home for Girls	Centers For Community Justice	Independent Living	Whatcoat Social Services
Salaries	$ 1,446,591	$ 660,774	$ 531,239	$ 349,586	$ 123,525	$ 203,363	$ 177,064
Employee benefits	65,653	46,675	27,883	21,374	10,836	16,538	11,038
Payroll taxes, etc.	100,133	46,718	38,049	24,257	8,664	14,226	13,877
Advertising	647	1,004	515	1,310	86	1,053	-
Assistance to individuals	-	168,615	2,741	8,051	-	192,016	17,429
Bad debt expense	-	-	-	-	-	-	-
Building and equipment rental and maintenance	22,178	36,035	18,360	11,324	1,691	5,847	21,308
Conferences, conventions, etc.	5,547	3,154	2,492	6,975	3,643	35,640	2,413
Electronic health records	47,039	-	-	-	-	-	-
In-kind expenses	205	40,704	948	1,246	2,660	1,547	7,873
Insurance	33,368	20,997	14,348	9,918	2,430	5,982	4,663
Interest expense	7,035	28	1	1	-	1	-
Membership dues	2,042	-	-	-	-	-	99
Miscellaneous	385	6,384	911	2,809	10	-	1,202
Occupancy	43,411	2,450	-	4	-	-	755
Postage	5,067	552	172	755	1,851	151	431
Printing and publications	876	370	-	-	579	-	1,074
Professional fees	37,039	11,870	24,517	23,583	6,789	4,062	4,059
Supplies	8,014	52,355	71,037	31,378	4,216	4,930	33,041
Telephone	18,024	20,163	15,757	8,623	2,767	5,055	8,729
Travel and vehicle expense	2,093	24,549	106,886	7,726	1,302	11,909	1,299
Utilities	7,930	27,993	19,795	10,639	-	302	27,292
Total Before Depreciation	1,853,277	1,171,390	875,651	519,559	171,049	502,622	333,646
Depreciation	32,060	24,083	34,426	10,608	1,574	771	15,491
Total Expenses	$ 1,885,337	$ 1,195,473	$ 910,077	$ 530,167	$ 172,623	$ 503,393	$ 349,137

Continued on next page.

PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2015
(WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED JUNE 30, 2014)

	Abriendo Puertas	Veterans Outreach	Turning Point	Visitation Centers	Program Services Total	Administrative and General	Totals 2015	Totals 2014
Salaries	$ 172,245	$ 66,184	$ 397,506	$ 137,961	$ 4,266,038	$ 303,616	$ 4,569,654	$ 4,269,021
Employee benefits	6,025	10,549	26,608	5,276	248,455	64,819	313,274	219,392
Payroll taxes, etc.	15,314	4,791	28,906	10,141	305,076	34,220	339,296	415,862
Advertising	79	-	234	70	4,998	2,112	7,110	6,239
Assistance to individuals	3,720	2,358	3,456	-	398,386	447	398,833	255,725
Bad debt expense	-	-	-	-	-	-	-	5,585
Building and equipment rental and maintenance	15,125	88	4,712	459	137,127	133,786	270,913	287,830
Conferences, conventions, etc.	1,514	-	3,558	1,319	66,255	11,428	77,683	40,580
Electronic health records	-	-	-	-	47,039	-	47,039	37,436
In-kind expenses	51,989	806	-	-	107,978	3,574	111,552	125,038
Insurance	5,978	2,234	8,799	2,800	111,517	17,567	129,084	153,471
Interest expense	73	4	-	-	7,143	65,237	72,380	75,657
Membership dues	-	-	-	175	2,316	5,068	7,384	10,030
Miscellaneous	-	-	312	80	12,093	4,315	16,408	28,789
Occupancy	-	-	-	-	46,620	2,234	48,854	48,190
Postage	257	-	1,103	-	10,339	3,146	13,485	12,865
Printing and publications	95	68	368	-	3,430	1,794	5,224	6,815
Professional fees	4,707	1,029	4,712	428	122,795	81,118	203,913	241,688
Supplies	35,574	57	8,002	2,351	250,955	21,453	272,408	273,269
Telephone	6,539	1,697	8,200	2,386	97,940	13,376	111,316	108,617
Travel and vehicle expense	7,529	7,410	9,990	606	181,299	4,903	186,202	228,820
Utilities	9,659	-	-	-	103,610	59,204	162,814	156,128
Total Before Depreciation	336,422	97,275	506,466	164,052	6,531,409	833,417	7,364,826	7,007,047
Depreciation	7,377	-	2,075	3,141	131,606	122,414	254,020	262,711
Total Expenses	$ 343,799	$ 97,275	$ 508,541	$ 167,193	$ 6,663,015	$ 955,831	$ 7,618,846	$ 7,269,758

The accompanying notes are an integral part of these consolidated financial statements.

PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Grants, contributions, and fees received	$ 7,599,240	$ 7,190,586
Cash paid to suppliers, employees, and government	(7,243,375)	(6,730,206)
Rent received	105,778	118,178
Other	15,031	14,140
Interest received	1,974	1,736
Interest paid	(72,380)	(75,657)
NET CASH PROVIDED BY OPERATING ACTIVITIES	406,268	518,777
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(63,496)	(125,671)
Additions to cash escrow funds	(9,624)	(9,280)
NET CASH USED FOR INVESTING ACTIVITIES	(73,120)	(134,951)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowings	(62,558)	(58,505)
NET CASH USED BY FINANCING ACTIVITIES	(62,558)	(58,505)
NET CHANGE IN CASH AND CASH EQUIVALENTS	270,590	325,321
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,419,197	1,093,876
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1,689,787	$ 1,419,197
CHANGE IN NET ASSETS	$ 300,866	$ (13,912)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO CHANGE IN NET CASH PROVIDED BY OPERATING ACTIVITIES		
Depreciation	254,020	262,711
Bad debt expense	-	5,585
(Increase) decrease in:		
Accounts receivable	(86,137)	188,247
Prepaid expenses	(24,769)	(6,427)
Deposits	(1,918)	4,500
Increase (decrease) in:		
Accounts payable and other accrued expenses	20,935	(16,066)
Accrued payroll expenses	(57,405)	95,805
Deferred revenue	676	(1,666)
NET CASH PROVIDED BY OPERATIONS	$ 406,268	$ 518,777

The accompanying notes are an integral part of these consolidated financial statements.

NOTE 1 ORGANIZATION

The mission of People's Place II, Inc. is to become the agency of choice to help people find their path to growth and independence. To this end, People's Place II, Inc. identifies the social and mental health needs of Delaware residents and facilitates the provision of services to address those needs. People's Place II, Inc. assists people of various communities by providing high-quality services that promote dignity, empowerment, independence, safety, self-esteem, and self-sufficiency. People's Place II, Inc. respects each individual's dignity and demonstrates ethical behavior by the Agency's attitudes, actions, and words. People's Place II, Inc. commits themselves to teamwork, collaboration, and open and honest communication. Empathy and compassion guides People's Place II, Inc. in creating an environment of understanding and concern for all.

The following is a description of the major programs of People's Place II, Inc.:

Counseling Center – The Counseling Center offers individual, group, and family counseling and therapy for children and adults. Special services include intensive family counseling, play therapy, parenting skills training, and a program for combat veterans. In addition, medication management and psychological assessments are available.

Shelter, Advocacy, Freedom, and Empowerment (SAFE) – SAFE provides emergency shelter for women and children who are victims of domestic violence. In addition, emergency hotlines are available 24 hours a day, 7 days a week.

Residential Alternative to Detention (RAD) – RAD is a residential program for youths ages 8 - 19, who have been arrested and cannot return home. They live in a structured setting, monitored by a round-the-clock staff while awaiting their court appearance.

Group Home for Girls – A group home is located in Milford, Delaware, which is long-term housing for abused or neglected girls ages 12 - 18, all of whom have come through the foster care system. The girls live in the facility and attend school.

Centers for Community Justice – Provides victim/offender mediation of non-violent offenses for criminal justice system referrals. Participants form agreements which resolve the offenses in ways that are meaningful and satisfactory to both parties, and also provide serious offender mediation. Participation is voluntary and confidential. Shoplifter's alternatives and conflict resolution courses are also offered.

Independent Living – For young people ages 16 - 21, currently or formerly in the foster care system. Services include assistance in the areas of job search and accessing training, educational planning, housing assistance, money management, and social skills.

NOTE 1 ORGANIZATION (cont'd)

Whatcoat Social Services – Consists of the Ruth Dorsey Emergency Homeless Shelter - 46 beds for men, women, and families (up to 30 days); Vera's Haven Transitional Housing - 10 townhouses for households who commit to working and continuing their education (up to two years); and New Start Case Management - for low-income households in Kent County, Delaware, providing case management and crisis alleviation.

Abriendo Puertas – A domestic violence program for Spanish-speaking victims of domestic violence. The program operates a shelter, offers advocacy to victims in the community, and maintains a domestic violence hotline. Victims can call the hotline 24 hours a day, seven days a week.

Veterans Outreach – Provides outreach, referral, and peer counseling to veterans in lower Delaware, including transportation to the VA Hospital in Elsmere, Delaware.

Turning Point – Provides individual and group counseling, support, and education services to perpetrators and victims of domestic violence, including children.

Visitation Centers – To provide safe, neutral places where supervised visitation and monitored exchanges can be facilitated for families with a history of domestic violence or child sexual abuse.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements of People's Place II, Inc. and Affiliate include the accounts of People's Place II, Inc. and People's Place Properties, Inc. (together the "Organization"). People's Place Properties, Inc. is primarily engaged in the management of the properties held by the Organization. People's Place Properties, Inc.'s purpose is to maintain and operate the properties and only hold funds required for such purpose. Any excess funds will revert to People's Place II, Inc. for use in accomplishing the stated purpose at the discretion of the Board of Directors. All significant inter-company transactions and balances have been eliminated.

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applicable to not-for-profit organizations.

Financial Statement Presentation

In accordance with the Financial Accounting Standards Board Accounting Standards Codification ("FASB ASC") regarding financial statements of not-for-profit organizations, 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. In addition, the Organization is required to present a statement of cash flows.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Comparative Amounts

The consolidated financial statements include certain prior year summarized comparative information in total but not by net assets 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. Accordingly, such information should be read in conjunction with the Organization's consolidated financial statements for the year ended June 30, 2014, from which the summarized information was derived.

Contributions

The Organization 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. 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 restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Cash and Cash Equivalents

For purposes of the consolidated statement of cash flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Donated Assets

Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use, and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Also, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service, as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property and Equipment

Property and equipment are stated at cost, if purchased. Donated facilities and equipment are recorded at their fair values at the date of receipt. When such assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from their respective accounts, and any gains or losses on such dispositions are recognized in the statement of activities. The Organization's policy is to capitalize items with a cost equal to or greater than $1,000. Expenditures for maintenance, repairs, minor renewals, and betterments which do not improve or extend the useful life of the respective asset are expensed.

Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. The following is a schedule of the estimated useful lives:

Buildings and improvements	10 - 40 years
Building equipment and furnishings	5 - 20 years
Office equipment	3 - 7 years
Automobiles	5 years

Maintenance and repairs are charged directly to expense as incurred; purchases of items which will benefit future periods are capitalized. When assets are disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is reported.

In-kind Contributions

In-kind contributions consist of goods, services, or facilities. Goods are valued at fair value at the date of contribution. Services are reported as contributions if the services create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Contributions of facilities are recorded based on current fair market values of the properties. In-kind contributions total $111,552 for the year ended June 30, 2015, and are included in revenues and expenses.

Income Taxes

People's Place II, Inc. qualifies as a tax exempt organization under Internal Revenue Code Section 501(c)(3), and its activities are not subject to income tax. People's Place Properties, Inc., for income tax purposes, is a 501(c)(2) organization under the Internal Revenue Code, and its activities are not subject to income tax.

Generally accepted accounting principles prescribe rules for the recognition, measurement, classification, and disclosure in the financial statements of uncertain tax positions taken or expected to be taken in the Organization's tax returns. Management has determined that the Organization does not have any uncertain tax positions or associated unrecognized benefits that materially impact the consolidated financial statements or related disclosures. Since tax matters

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd)

are subject to some degree of uncertainty, there can be no assurance that the Organization's tax returns will not be challenged by the taxing authorities and that the Organization will not be subject to additional tax, penalties, and interest as a result of such challenge. The Organization's federal exempt organization business income tax returns (Form 990) for 2012, 2013, and 2014 are subject to examination by the IRS, generally for three years after they were filed.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates in the Preparation of Financial Statements

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3 ACCOUNTS RECEIVABLE

The following is a detail of the accounts receivable presented on the consolidated statement of financial position as of June 30, 2015:

Delaware Criminal Justice Council	$ 278,671
Client fees and health insurance	184,870
Division of Services for Children, Youths, and their Families	148,996
U. S. Department of Justice	46,216
Delaware Division of Family Services	38,111
Office of Community Services	21,638
Delaware Coalition Against Domestic Violence	16,407
Miscellaneous	23,708
Total	$ 758,617

Accounts receivable represents amounts due from various federal and state agencies along with amounts due from clients and health insurance companies. Management expects all amounts to be collected from these federal and state agencies. Client fees and health insurance receivables are net of an allowance for doubtful accounts of $40,581 at June 30, 2015. Client fees and health insurance balances are analyzed through an aging of the accounts, and an allowance is developed for doubtful accounts based on historical collections.

NOTE 4 CONCENTRATION OF RISK

The Organization receives a substantial amount of its support from state, local, and federal agencies. If significant reductions in the level of this support were to occur, it would have an effect on the Organization's programs and activities.

NOTE 5 PROPERTY AND EQUIPMENT AND DEPRECIATION

The following is a breakdown of assets per various functions of the Organization:

	As of July 1, 2014	Asset Acquisitions	Asset Disposals	As of June 30, 2015
Counseling Center	$ 204,019	$ 3,074	$ -	$ 207,093
SAFE	278,516	13,004	-	291,520
RAD	98,135	19,278	-	117,413
Group Home for Girls	339,862	1,785	-	341,647
Centers for Community Justice	33,616	-	-	33,616
Independent Living	21,503	-	-	21,503
Whatcoat Social Services	137,931	2,900	-	140,831
Abriendo Puertas	38,963	12,688	-	51,651
Veterans Outreach	29,061	-	-	29,061
Turning Point	55,010	1,148	-	56,158
Visitation Centers	32,369	-	-	32,369
People's Place Properties, Inc.	5,987,802	-	-	5,987,802
Administrative and general	155,863	9,619	-	165,482
	$ 7,412,650	$ 63,496	$ -	7,476,146
Less: Accumulated depreciation				(3,203,804)
Net property and equipment				$ 4,272,342

NOTE 6 LONG-TERM DEBT

Debt obligations consisted of the following at June 30, 2015:

In April 2011, the Organization entered into a loan agreement with Wilmington Savings Fund Society, FSB ("WSFS") for $190,000, with a monthly payment of $2,715 and a maturity date of April 25, 2018. The interest rate is 5.25% and is secured by all the assets of the Organization.	$ 66,347

NOTE 6 LONG-TERM DEBT (cont'd)

In March 2005, the Organization entered into a loan agreement with Citizens Bank for $280,000, with a monthly payment of $1,697 and for a period of 25 years at an interest rate of 4.73%. The mortgage is secured by property located in Milford, Delaware. The Organization subsequently entered into a change in terms agreement with Citizen's Bank changing the maturity to March 1, 2025.	207,844
In October 2001, the Organization entered into a loan agreement with the Delaware State Housing Authority ("DSHA") for $142,500, at an interest rate of 3.00% payable monthly. The mortgage is secured by property in Seaford, Delaware. Principal payments are to be deferred until final maturity date of November 2041. This agreement was modified August 2008, stating that no interest is due or accrued on the loan and to confirm a complete deferral of payment due to DSHA.	142,500
The Organization obtained a mortgage of $1,153,236 in 2006 for a period of 30 years. The mortgage, due to DSHA, is secured by 10 transitional housing units called Vera's Haven located in Dover, Delaware. The loan has a 30-year interest-free term and principal payment deferred until final maturity in 2036. If certain terms and conditions of the loan are met, the loan will not have to be repaid.	1,153,236
In August 2003, the Organization entered into a loan agreement with the United States Department of Agriculture Rural Development ("USDA") for $765,000, with a monthly payment of $3,321 at an interest rate of 4.25% with a maturity date of August 2043. The mortgage is secured by property located on Airport Road, Milford, Delaware.	652,388
In September 2005, the Organization entered into a loan agreement with the USDA for $180,000, with a monthly payment of $767 at an interest rate of 4.125% with a maturity date of September 2045. The mortgage is secured by property located on Airport Road, Milford, Delaware.	157,960
In September 2005, the Organization entered into a loan agreement with the USDA for $60,000, with a monthly payment of $256 at an interest rate of 4.125% with a maturity date of September 2045. The mortgage is secured by property located on Airport Road, Milford, Delaware.	53,583

NOTE 6 LONG-TERM DEBT (cont'd)

In February 2007, the Organization entered into a loan agreement with Community Bank Delaware for $256,500, with a monthly payment of $1,814 amortized over a period of 30 years at an interest rate of 7.50% and with a five-year maturity. The mortgage is secured by property located in Townsend, Delaware. In December 2012, the Organization entered into a change in terms agreement with Community Bank Delaware extending the maturity date to September 1, 2020 and reducing the interest rate to 4.00%.	210,372
The Organization received financing of $500,000 in 2007 from the Federal Home Loan - Bank of Pittsburgh with a maturity date of February 6, 2022. The mortgage is secured by 10 transitional housing units called Vera's Haven located in Dover, Delaware. If the Organization fully complies with all mortgage provisions, no principal or interest will be required at the end of 15 years. The mortgage shall be deemed satisfied upon the termination of 15 years of operating the transitional housing units. Although the note includes an interest provision, the Organization has fully complied and intends to fully comply with all note agreement provisions; therefore, the likelihood the Organization will be required to repay the note is remote. As a result, the Organization has not recorded any accrued interest at June 30, 2015.	500,000
	$ 3,144,230

The following are maturities of the principal portion of debt obligations:

For the Year Ending June 30,	
2016	$ 109,819
2017	115,372
2018	133,434
2019	29,849
2020	31,221
Thereafter	2,724,535
	$ 3,144,230

NOTE 6 LONG-TERM DEBT (cont'd)

The Organization acquired an unsecured demand line of credit with WSFS Bank in the amount of $200,000 for the year ended June 30, 2015. The interest rate was 3.5 percent on June 30, 2015. There were no borrowings outstanding on the line of credit as of June 30, 2015.

NOTE 7 TEMPORARILY RESTRICTED NET ASSETS

Net assets were temporarily restricted by donors for the following purposes as of June 30, 2015:

Counseling Center	$ 5,704
SAFE	163,142
Independent Living	31,105
Whatcoat Social Services	36,776
Abriendo Puertas	64,979
Veterans Outreach	2,656
Turning Point	464
People's Place Properties - DSHA Reserves	281,746
	$ 586,572

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrences of other events specified by donors in the amount of $4,859,698 for the year ended June 30, 2015.

NOTE 8 DEFINED CONTRIBUTION PLAN

The Organization has a defined contribution plan covering all full-time employees. Employees who have one year of eligibility service and are at least 21 years of age are eligible to participate. Each year, participants may contribute up to 100 percent of pretax annual compensation (minimum of one percent), as defined in the plan. The Organization may make a matching contribution based upon a percentage of participant deferrals. The Organization's matching contribution for the year ended June 30, 2015 was 50 percent of the first two percent of the participant's compensation. Contributions are subject to certain limitations. Employer contributions to the plan for the year ended June 30, 2015 were $26,384.

NOTE 9 OPERATING LEASES - LESSEE

The Organization leases building space and equipment for use in its offices under various operating leases that expire through June 2017. Total lease payments amounted to $47,254 for the year ended June 30, 2015.

NOTE 9 OPERATING LEASES - LESSEE (cont'd)

The following is a schedule of minimum future rental payments under noncancelable operating leasing arrangements having remaining terms in excess of one year as of June 30, 2015:

For the Year Ending June 30,	
2016	$ 14,078
2017	12,228
	$ 26,306

NOTE 10 OPERATING LEASES - LESSOR

The Organization leases out office space at various locations under operating leases with terms of one to three years.

Future minimum rentals are as follows:

For the Year Ending June 30,	
2016	$ 50,217
2017	28,367
Total	$ 78,584

NOTE 11 ADVERTISING EXPENSE

The Organization expenses the production costs of advertising when incurred. Advertising expense totaled $7,110 during the year ended June 30, 2015.

NOTE 12 RESTRICTED CASH

Included in cash and cash equivalents at June 30, 2015 is $3,836 of cash segregated for Vera's Haven rental property operations.

Cash escrow and reserve funds are maintained by the Delaware State Housing Authority for a shelter in Sussex County, Delaware, and for 10 transitional housing units (Vera's Haven) located in Dover, Delaware. The balances at June 30, 2015 are as follows:

NOTE 12 RESTRICTED CASH

	Sussex County Domestic Center	Vera's Haven	Total
Insurance escrow	$ -	$ 4,210	$ 4,210
Replacement reserve	82,022	14,871	96,893
Operating reserve and residual receipts	12,105	168,538	180,643
Total	$ 94,127	$ 187,619	$ 281,746

NOTE 13 DELAWARE COMMUNITY FOUNDATION

The Organization established two endowment funds with the Delaware Community Foundation. The funds are a permanent endowment whose purpose is to provide long-term financial support to the Organization. In determining the amount of annual support to be provided in any given year, the Delaware Community Foundation and the Organization will consider the total return of the funds and their original value. The Delaware Community Foundation's Board of Directors will have ultimate control and governance responsibility for all aspects of the funds. The total ending fund balance was $34,406 as of June 30, 2015. This amount is not presented in the Organization's financial statements based on the control and governance provisions of the Delaware Community Foundation.

NOTE 14 CONCENTRATION OF CREDIT RISK

The Organization maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts.

NOTE 15 SUBSEQUENT EVENTS

The Organization has evaluated all subsequent events through October 16, 2015, the date the financial statements were available to be issued.

PEOPLE'S PLACE II, INC.
AND AFFILIATE

CONSOLIDATING FINANCIAL STATEMENTS

PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
JUNE 30, 2015

	People's Place II, Inc.	Peoples' Place Properties, Inc.	Eliminations	Totals
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$ 1,360,446	$ 329,341	$ -	$ 1,689,787
Accounts receivable	1,228,471	-	(469,854)	758,617
Prepaid expenses	51,754	123	-	51,877
Deposits	3,650	1,918	-	5,568
Total Current Asets	2,644,321	331,382	(469,854)	2,505,849
PROPERTY AND EQUIPMENT:				
Land	-	553,486	-	553,486
Buildings	-	3,969,834	-	3,969,834
Building improvements	229,477	1,204,612	-	1,434,089
Furniture and equipment	864,432	299,556	-	1,163,988
Automobiles	354,749	-	-	354,749
	1,448,658	6,027,488	-	7,476,146
Less: Accumulated depreciation	(1,171,812)	(2,031,992)		(3,203,804)
Net Property and Equipment	276,846	3,995,496	-	4,272,342
OTHER ASSETS:				
Cash escrow and reserve funds	-	281,746	-	281,746
TOTAL ASSETS	$ 2,921,167	$ 4,608,624	$ (469,854)	$ 7,059,937
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES:				
Accounts payable and other accrued expenses	$ 75,608	$ 484,430	$ (469,854)	$ 90,184
Accrued payroll expenses	321,209	-	-	321,209
Current portion of long-term debt	-	109,819	-	109,819
Deferred revenue	7,214	-	-	7,214
Total Current Liabilities	404,031	594,249	(469,854)	528,426
NONCURRENT LIABILITIES:				
Long-term debt, net of current portion	-	3,034,411	-	3,034,411
Total Liabilities	404,031	3,628,660	(469,854)	3,562,837
NET ASSETS:				
Unrestricted	1,930,564	979,964	-	2,910,528
Temporarily restricted	586,572	-	-	586,572
Total Net Assets	2,517,136	979,964	-	3,497,100
TOTAL LIABILITIES AND NET ASSETS	$ 2,921,167	$ 4,608,624	$ (469,854)	$ 7,059,937

PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

	People's Place II, Inc.	People's Place Properties, Inc.	Eliminations	Totals
REVENUES AND SUPPORT				
Public support, received directly	$ 249,679	$ -	$ -	$ 249,679
Public support, received indirectly	60,834	-	-	60,834
Revenue from governmental agencies	5,048,650	-	-	5,048,650
Program service fees	2,326,214	-	-	2,326,214
Rent	2,598	372,107	(268,927)	105,778
Miscellaneous revenue	5,312	9,719	-	15,031
Interest income	891	1,083	-	1,974
In-kind revenue	111,552	-	-	111,552
Total Revenues and Support	7,805,730	382,909	(268,927)	7,919,712
EXPENSES				
Programs:				
Counseling Center	1,920,576	-	(35,239)	1,885,337
Shelter, Advocacy, Freedom, and Empowerment (SAFE)	1,233,046	-	(37,573)	1,195,473
Residential Alternative to Detention (RAD)	948,477	-	(38,400)	910,077
Group Home for Girls	552,127	-	(21,960)	530,167
Centers for Community Justice	189,066	-	(16,443)	172,623
Independent Living	510,521	-	(7,128)	503,393
Whatcoat Social Services	363,537	-	(14,400)	349,137
Abriendo Puertas	363,599	-	(19,800)	343,799
Veterans Outreach	98,798	-	(1,523)	97,275
Turning Point	533,207	-	(24,666)	508,541
Visitation Centers	183,263	-	(16,070)	167,193
Total Program Expenses	6,896,217	-	(233,202)	6,663,015
Administrative and general	526,452	465,104	(35,725)	955,831
Total Expenses	7,422,669	465,104	(268,927)	7,618,846
CHANGE IN NET ASSETS	383,061	(82,195)	-	300,866
NET ASSETS, BEGINNING OF YEAR	2,134,075	1,062,159	-	3,196,234
NET ASSETS, END OF YEAR	$ 2,517,136	$ 979,964	$ -	$ 3,497,100

PEOPLE'S PLACE II, INC. AND AFFILIATE
CONSOLIDATING STATEMENT OF EXPENSES
YEAR ENDED JUNE 30, 2015

	People's Place II, Inc.	People's Place Properties, Inc.	Eliminations	Totals
Salaries	$ 4,546,908	$ 22,746	$ -	$ 4,569,654
Employee benefits	313,214	60	-	313,274
Payroll taxes, etc.	337,443	1,853	-	339,296
Advertising	7,110	-	-	7,110
Assistance to individuals	398,833	-	-	398,833
Building and equipment rental and maintenance	154,292	116,621	-	270,913
Conferences, conventions, etc.	77,683	-	-	77,683
Electronic health records	47,039	-	-	47,039
In-kind expenses	111,552	-	-	111,552
Insurance	128,611	473	-	129,084
Interest expense	8,036	64,344	-	72,380
Membership dues	7,384	-	-	7,384
Miscellaneous	15,088	1,320	-	16,408
Occupancy	316,506	1,275	(268,927)	48,854
Postage	13,100	385	-	13,485
Printing and publications	5,224	-	-	5,224
Professional fees	194,459	9,454	-	203,913
Supplies	260,037	12,371	-	272,408
Telephone	109,022	2,294	-	111,316
Travel and vehicle expense	184,513	1,689	-	186,202
Utilities	103,611	59,203	-	162,814
TOTAL BEFORE DEPRECIATION	7,339,665	294,088	(268,927)	7,364,826
Depreciation	83,004	171,016	-	254,020
TOTAL EXPENSES	$ 7,422,669	$ 465,104	$ (268,927)	$ 7,618,846

PEOPLE'S PLACE II, INC.
AND AFFILIATE

OTHER SUPPLEMENTARY INFORMATION

PEOPLE'S PLACE II, INC. AND AFFILIATE
DSHA STATEMENT OF PROFIT AND LOSS

Project Name: Vera's Haven
Project Number: DE-HDF-297-FY06-08 **Year Ended:** June 30, 2015

Part I	Description of Account		Amount*	
RENTAL INCOME 5100	Rent Revenue - Gross Potential	5120	$ 43,200	
	Tenant Assistance Payments	5121		
	Rent Revenue - Stores and Commercial	5140		
	Garage and Parking Space	5170		
	Flexible Subsidy Revenue	5180		
	Miscellaneous Rent Revenue	5190		
	Excess Rent	5191		
	Rent Revenue - Insurance	5192		
	Special Claims Revenue	5193		
	Retained Excess Revenue	5194		
	Lease Revenue	5195		
	Total Rent Revneue			$ 43,200
VACANCIES 5200	Apartments	5220	$ 1,910	
	Stores and Commercial	5240		
	Rental Concessions	5250		
	Garage and Parking Space	5270		
	Miscellaneous	5290		
	Total Vacancies			$ (1,910)
	Net Rent Revnues (Rent Revenue less Vacancies)			$ 41,290
	Nursing Homes / Assisted Living / Board and Care / Other Elderly Care / Coop / and Other Revenue	5300		
	Members Group Life Insurance Expense (Coops)	5320		
FINANCIAL REVENUE 5400	Financial Revenue - Project Operations	5410		
	Revenue from Investments - Residual Receipts	5430		
	Revenue from Investments - Replacement Reserve	5440	37	
	Expiration of Gift Donor Restrictions (Non-Profits)	5460		
	Gifts (Non-Profits)	5470		
	Revenue from Investments - Miscellaneous	5490		
	Total Financial Revenue			$ 37
OTHER REVENUE 5900	Laundry and Vending Revenue	5910		
	Tenant Changes (NSF and Late Charges)	5920	$ 210	
	Damages and Cleaning Fees	5930		
	Forfeited Tenant Security Deposits	5940		
	Interest Reduction Payments Revenue	5945		
	Miscellaneous Revenue (Specify) Bank Interest	5990	$ 4	
	Total Other Revenue			$ 214
	Total Revenue			$ 41,541
ADMINISTRATIVE EXPENSES	Conventions and Meetings	6203		
	Management Consultants	6204		
	Advertising and Marketing	6210		
6200	Social Activity	6215		
	Other Renting Expenses	6250		
6300	Office Salaries	6310	$ 9,273	
	Office Expenses	6311	$ 342	
	Office or Model Apartment Rent	6312		
	Computer Costs	6313		
	Management Fee	6320		
	Manager or Superintendent Salaries	6330		
	Administrative Rent Free Unit	6331		
	Legal Expenses - Project	6340	$ 1,058	
	Auditing Expenses - Project	6350	$ 1,000	
	Bookkeeping Fees / Accounting Services	6351		
	Telephone and Answering Services	6360		
	Bad Debt Expense	6370		
	Miscellaneous Adminsitrative Expenses (Specify) Tech Support	6390		
	Total Administrative Expenses			$ 11,673
UTILITIES EXPENSE 6400	Fuel Oil / Coal	6420		
	Electricity (Lights and Miscellaneous Power)	6450	$ 415	
	Water	6451	$ 2,693	
	Gas	6452		
	Sewer	6453	$ 2,693	
	Total Utilities Expense			$ 5,801

PEOPLE'S PLACE II, INC. AND AFFILIATE
DSHA STATEMENT OF PROFIT AND LOSS

Project Name: Vera's Haven
Project Number: DE-HDF-297-FY06-08 **Year Ended:** June 30, 2015

OPERATING AND MAINTENANCE 6500	Janitor and Cleaning Payroll	6510		
	Janitorial Supplies	6515	$ 2,050	
	Janitorial Cleaning Contracts	6517		
	Exterminating Contract / Payroll	6519	$ 480	
	Exterminating Supplies	6520		
	Operating and Maintenance - Rent Free Unit	6521		
	Garbage and Trash Removal	6525	$ 2,124	
	Fire Safety / Equipment and Contract	6528		
	Security Payroll / Contract	6530		
	Security Rent Free Unit	6531		
	Grounds Payroll	6535		
	Grounds Supplies	6536		
	Grounds Contract	6537	$ 2,082	
	Repairs Payroll	6540		
	Repairs Material	6541	$ 15,248	
	Repairs Contracts	6542	$ 2,560	
	Elevator maintenance	6545		
	Heating / Cooling / Repairs and Maintenance	6546	337	
	Swimming Pool Maintenance / Contract	6547		
	Snow Removal	6548		
	Decorating Payroll / Contract	6560		
	Decorating Supplies	6561		
	Vehicle and Maintenance Equipment Operation	6570		
	Miscellaneous Operating and Maintenance Expenses	6590	2,184	
	Total Operating and Maintenance Expense			$ 27,065
TAXES AND INSURANCE 6700	Real Estate Taxes	6710		
	Payroll Taxes (FICA) (Project's Share)	6711		
	Property and Liability Insurance (Hazard)	6720		
	Fidelity Bond Insurance	6721		
	Workmen's Compensation	6722		
	Health Insurance and Other Employee Benefits	6723		
	Miscellaneous Taxes, Licenses, Permits, and Insurance	6790		
	Total Taxes and Insurance			$ -
	Total Operating Expenses			$ 44,539
	Net Operating Income			
FINANCIAL EXPENSES 6800	Interest on Bonds Payable	6819		
	Interest on Mortgage Payable	6820		
	Interest on Notes Payable (Long-term)	6830		
	Interest on Notes Payable (Short-term)	6840		
	Mortgage Insurance Premium / Service Charge	6850		
	Miscellaneous Financial Expenses	6890		
	Total Financial Expenses			$ -
	Nursing Homes / Assisted Living / Board and Care / Other Elderly Care / Coop and Other Expenses	6900		
	Total Costs of Operations Before Depreciation			$ 44,539
	Profit (Loss) Before Depreciation		$ (2,998)	
DEPRECIATION 6600	Depreciation Expenses	6600	$ 51,499	
	Amortization Expenses	6610		
	Operating Profit or (Loss)			$ (54,497)
CORPORATE OR MORTGAGOR ENTITY EXPENSES 7100	Entity Revenue	7105		
	Officers Salaries	7110		
	Legal Expenses	7120		
	Federal, State, and Other Income Taxes	7130		
	Interest Income	7140		
	Interest on Mortgage Payable	7141		
	Other Expenses	7142		
	Net Entity Expenses			$ -
	Profit or Loss (Net Income or Loss)			$ (54,497)

PART II*		
1. Total principal payments required under the mortgage, even if payments under a Workout Agreement are less or more than those required under the mortgage.	2320	-
2. Replacement Reserve deposits required by the Regulatory Agreement or Amendments thereto,even if payments may be temporarily suspended or waived.	1320	2,078
3. Replacement or Painting Reserve releases which are included as expense items on this Profit and Loss Statement.	1322	-
4. Project Improvement Reserve Releases under the Flexible Subsidy Program that are included as expense items on this Profit and Loss Statement.		-

Part II - Must be completed for all financial statements

PEOPLE'S PLACE II, INC. AND AFFILIATE
SCHEDULE OF VERA'S HAVEN ESCROW AND RESERVE ACCOUNTS
JUNE 30, 2015

Account Type	Beginning Balance	Deposits	Withdrawals	Ending Balance
DSHA Insurance Escrow	$ 4,210	$ -	$ -	$ 4,210
DSHA Replacement Reserve	12,756	2,115	-	14,871
DSHA Operating Reserve and Residual Receipts	168,067	471	-	168,538
Total	$ 185,033	$ 2,586	$ -	$ 187,619

PEOPLE'S PLACE II, INC. AND AFFILIATE
VERA'S HAVEN ACCOUNTS RECEIVABLE AGING
JUNE 30, 2015

Tenants	30 Days	60 Days	90 Days	>90 Days	Total
J. W.	$ 420	$ 420	$ 20	$ -	$ 860
B. A.	420	30	-	-	450
A. R. and A. J.	420	420	240	-	1,080
S. D.	357	-	-	-	357
V. H.	57	-	-	-	57
A. L.	315	315	310	-	940
Total	$ 1,989	$ 1,185	$ 570	$ -	$ 3,744

PEOPLE'S PLACE II, INC. AND AFFILIATE
VERA'S HAVEN ACCOUNTS PAYABLE AGING
JUNE 30, 2015

Vendors	30 Days	60 Days	90 Days	>90 Days	Total
People's Place Properties, Inc.	$ 105	$ -	$ -	$ -	$ 105
WSFS Bankcard	191	-	-	-	191
Total	$ 296	$ -	$ -	$ -	$ 296

PEOPLE'S PLACE II, INC. AND AFFILIATE
VERA'S HAVEN TENANT SECURITY DEPOSITS HELD AT WSFS BANK
JUNE 30, 2015

Tenants	Deposit
A. H. and A. H.	$ 400
S. M.	400
J. W.	400
B. A.	400
A. R. and A. J.	400
S. D.	400
V. A.	300
V. H.	300
A. L.	300
T. M.	300
Total	$ 3,600

PEOPLE'S PLACE II, INC. AND AFFILIATE
DELAWARE STATE HOUSING AUTHORITY
COMPUTATION OF SURPLUS CASH AND DISTRIBUTIONS

Property Name	Fiscal Period Ended	DSHA/HDF Number
Vera's Haven	June 30, 2015	297-FY06-08

PART A - COMPUTE SURPLUS CASH

Section I - Cash

1.	Cash	$ 236		
2.	Tenant Subsidy Vouchers due for Period Covered by Financial Statements	$ -		
3.	Other (Describe) Tenant Security Deposits	$ 3,600		
	(A) Total Cash (Add Lines 1, 2, & 3)		$	3,836

Section II - Current Obligations

4.	Accrued Mortgage Interest Payables	$ -		
5.	Delinquent Mortgage Principal Payments	$ -		
6.	Delinquent Deposits to Reserve for Replacements	$ -		
7.	Accounts Payable (due within 30 days)	$ 296		
8.	Loans and Notes Payable (due within 30 days)	$ -		
9.	Deficient Tax Insurance/Mortgage Insurance Escrow	$ -		
10.	Accrued Expenses (not escrowed)	$ -		
11.	Prepaid Rents	$ -		
12.	Tenant Security Deposits Liability	$ 3,600		
13.	Other (describe) _____	$ -		
	(B) Total Liabilities		$	3,896
	(C) Surplus Cash (Deficiency) Line (A) Minus Line (B)		$	(60)

PART B - COMPUTE OWNERS DISTRIBUTIONS & REQUIRED HDF LOAN BALANCE REDUCTION

1.	Surplus Cash	$ -
2.	a. Beginning Balance: Accrued Distributions from Prior Year(s) Unpaid	
	Annual Distribution Earned During Fiscal Period Covered	$ -
	Annual Distribution Paid During Audit Year Against Audit Year	$ -
	Annual Distribution Paid During Audit Year Against Prior Year(s)	$ -
	b. Ending Balance: Distributions Unpaid From Audit Year and Prior Year(s) at Audit Year End (Ammount Carried on Balance Sheet)	$ -
3.	Amount available for distribution (the lesser of Line 1 or Line 2b)	$ -
4.	Amount due to DHSA to be applied to DSHA Permanent Loan or deposited in to residual receipts (Line 1 minus Line 3)	

Prepared By: Karen S. Huyer

Date: 10/16/15

Reviewed By: Delma Jaily

Date: 10/16/15

PEOPLE'S PLACE II, INC. AND AFFILIATE
VERA'S HAVEN IDENTIFICATION OF ENGAGEMENT AUDITOR
JUNE 30, 2015

Lead Auditor	Address	Telephone Number	Fax Number
Pamela W. Baker, CPA, CGFM	200 Springer Building 3411 Silverside Road Wilmington, DE 19810	(302) 468-4002	(302) 468-4003

PEOPLE'S PLACE II, INC.
AND AFFILIATE

SINGLE AUDIT INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

October 16, 2015

To the Board of Directors
People's Place II, Inc.
Milford, Delaware

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of People's Place II, Inc., (a nonprofit organization), and affiliate which comprise the consolidated statement of financial position as of June 30, 2015, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated October 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered People's Place II, Inc. and affiliate's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of People's Place II, Inc. and affiliate's internal control. Accordingly, we do not express an opinion on the effectiveness of People's Place II, Inc. and affiliate's internal control.

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

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

BARBACANE THORNTON & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
People's Place II, Inc.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether People's Place II, Inc. and affiliate's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of People's Place II, Inc. and affiliate's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering People's Place II, Inc. and affiliate's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

October 16, 2015

To the Board of Directors
People's Place II, Inc.
Wilmington, Delaware

Report on Compliance for Each Major Federal Program

We have audited People's Place II, Inc. and affiliate's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget ("OMB") Circular A-133 *Compliance Supplement* that could have a direct and material effect on People's Place II, Inc. and affiliate's major federal program for the year ended June 30, 2015. People's Place II, Inc. and affiliate's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and recommendations.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for People's Place II, Inc. and affiliate's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about People's Place II, Inc. and affiliate's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of People's Place II, Inc. and affiliate's compliance.

BARBACANE THORNTON & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
People's Place II, Inc.

Opinion on Each Major Federal Program

In our opinion, People's Place II, Inc. and affiliate complied, in all material aspects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of People's Place II, Inc. and affiliate is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit on compliance, we considered People's Place II, Inc. and affiliate's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of People's Place II, Inc. and affiliate's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Barbacane, Thornton & Company LLP

BARBACANE, THORNTON & COMPANY LLP

PEOPLE'S PLACE II, INC. AND AFFILIATE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor Program or Cluster Title	Source Code	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Health and Human Services				
Passed through Delaware Coalition Against Domestic Violence				
Injury Prevention and Control Research and State and Community-based Programs	I	93.136	N/A	$ 52,299
Injury Prevention and Control Research and State and Community-based Programs	I	93.136	N/A	20,006
Total CFDA #93.136				72,305
Passed through First State Community Action Agency				
Community Services Block Grant	I	93.569	N/A	43,000
Total CFDA #93.569				43,000
Passed through Criminal Justice Council				
Family Violence Prevention and Services	I	93.671	DH14-1052	68,765
Family Violence Prevention and Services	I	93.671	DH14-1047	78,070
Family Violence Prevention and Services	I	93.671	DH14-1048	79,420
Family Violence Prevention and Services	I	93.671	DH14-1051	79,869
Family Violence Prevention and Services	I	93.671	DH13-134	28,901
Family Violence Prevention and Services	I	93.671	DH13-135	30,263
Family Violence Prevention and Services	I	93.671	DH13-133	25,660
Family Violence Prevention and Services	I	93.671	DH13-136	19,770
Total CFDA #93.671				410,718
Passed through Delaware Department for Children, Youth, and their Families				
Chafee Foster Care Independence Program	I	93.674	DFS 11438	181,284
U.S. Department of Veteran Affairs				
Passed through Delaware Administrative Offices of the Court				
VA Supportive Services for Veteran Families Program	I	64.033	MOU-FY14	10,317
VA Supportive Services for Veteran Families Program	I	64.033	MOU-FY15	36,289
Total CFDA #64.033				46,606
U.S. Department of Justice				
Transitional Housing Assistance for Victims of Domestic Violence	D	16.736	N/A	25,385
Transitional Housing Assistance for Victims of Domestic Violence	D	16.736	N/A	87,900
Total CFDA #16.736				113,285
Passed through Criminal Justice Council				
Crime Victim Assistance	I	16.575	VF14-1073	89,722
Crime Victim Assistance	I	16.575	VF14-1076	39,730
Crime Victim Assistance	I	16.575	VF14-1075	92,675
Crime Victim Assistance	I	16.575	VF13-151	29,441
Crime Victim Assistance	I	16.575	VF13-154	45,566
Crime Victim Assistance	I	16.575	VF13-162	46,984
Total CFDA #16.575				344,118
U.S. Department of Housing and Urban Development				
Passed through Delaware State Housing Authority				
Emergency Solutions Grant Program	I	14.231	ESGP-01-13	20,000
Emergency Solutions Grant Program	I	14.231	ESGP-05-13	20,000
Total CFDA #14.231				40,000
Department of Homeland Security				
Passed through Emergency Food and Shelter National Board				
Emergency Food and Shelter National Board Program	I	97.024	148000-004	455
TOTAL EXPENDITURES OF FEDERAL AWARDS				$ 1,251,771

Source Codes:

D = Direct Funding
I = Indirect Funding

PEOPLE'S PLACE II, INC. AND AFFILIATE

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A BASIS OF ACCOUNTING

All expenditures included in the schedule of expenditures of federal awards are presented on the basis that expenditures are reported to the respective federal grantor agencies. Accordingly, expenditures are recorded when the federal obligation is determined.

NOTE B FEDERAL EXPENDITURES

The schedule of expenditures of federal awards reflects federal and state expenditures for all individual grants which were active during the fiscal year.

PEOPLE'S PLACE II, INC.
AND AFFILIATE

SCHEDULE OF
FINDINGS AND RECOMMENDATIONS

PEOPLE'S PLACE II, INC. AND AFFILIATE

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

PART A - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

• Material weakness(es) identified?	____ Yes	X No
• Significant deficiency(ies) identified?	____ Yes	X None reported

Type of auditor's report issued on compliance for major programs [*unmodified, qualified, adverse, or disclaimer*]:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ____ Yes X No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
93.671	Family Violence Prevention and Services

Dollar threshold used to distinguish between Type A and Type B programs: $ 300,000

Auditee qualified as low-risk auditee? X Yes ____ No

PART B - FINDINGS RELATED TO FINANCIAL STATEMENTS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

PART C - FINDINGS RELATED TO FEDERAL AWARDS

STATUS OF PRIOR YEAR FINDINGS

None.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.