

FINANCIALS

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
PADS to HOPE, Inc. DBA
Journeys from PADS to HOPE
Palatine, IL

We have audited the accompanying statement of financial position of PADS to HOPE, Inc., DBA Journeys from PADS to HOPE (an Illinois not-for-profit corporation) as of June 30, 2006 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the fiscal year then ended. These financial statements are the responsibility of the PADS to HOPE, Inc., DBA Journeys from PADS to HOPE's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PADS to HOPE, Inc., DBA Journeys from PADS to HOPE as of June 30, 2006 and the changes in its net assets and its cash flows for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Evans, Marshall & Pease, P.C.
Certified Public Accountants

August 23, 2006
Rolling Meadows, IL

Year Ending June 30, 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>FY Totals</u>
Revenue			
Public Support			
Contributions	184,070	157,573	341,643
Grants from Government Agencies	235,470		235,470
Special Events Revenues			
	<u>76,195</u>		<u>76,195</u>
Total Public Support	<u>573,770</u>	<u>40,385</u>	<u>614,155</u>
Other Revenue			
Interest Income	14,538		14,538
Employee Medical Contribution	17,980		17,980
Miscellaneous	<u>675</u>		<u>675</u>
Total Other Revenue	<u>15,213</u>		<u>15,213</u>
Net Assets Released from Restrictions			
Satisfaction of Program Restrictions	<u>128,709</u>	<u>-128,709</u>	<u>0</u>
Total Revenue	<u>739,659</u>	<u>28,864</u>	<u>768,523</u>
Expenses			
Program Services	<u>533,005</u>		<u>533,005</u>
Supporting Services			
Management and General	69,582		69,582
Fundraising	<u>122,519</u>		<u>122,519</u>
Total Supporting Services	<u>192,101</u>		<u>192,101</u>
Total Expenses	<u>725,106</u>		<u>725,106</u>
Change in Net Assets	14,553	28,864	43,417
Net Assets, Beginning of Year	<u>1,008,616</u>	<u>317,369</u>	<u>1,325,985</u>
Net Assets, End of Year	<u><u>1,023,169</u></u>	<u><u>346,233</u></u>	<u><u>1,369,402</u></u>