

# Simpson Housing Services, Inc.

## *RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX FORM*

*YEAR ENDED JUNE 30, 2013*

### **STATEMENT THAT THIS IS A TAX RETURN NOT A FINANCIAL STATEMENT**

The accompanying federal income tax return does **NOT** constitute a financial statement. We have not audited, reviewed or compiled the accompanying income tax return and, accordingly, do not express an opinion or any other form of assurance on it.

An income tax return is not intended to constitute financial statements prepared in accordance with generally accepted accounting principles. Accordingly, it does not necessarily include all financial information or disclosures required by generally accepted accounting principles. If the omitted financial information or disclosures were included with the tax return, they might influence the users' conclusions about the taxpayer's financial position, results of operations and cash flows. Accordingly, this income tax return is not designed to be used in lieu of financial statements.

### **RECORD RETENTION**

Our policy is to dispose of our copies of tax returns and workpapers, and other tax information that is more than eight years old.

Your responsibility for retention of your own tax records varies, depending upon the type of tax return or other information involved. We suggest that you keep your tax information and supporting documents for a minimum of eight years. We also recommend that you keep all records that pertain to a carryover amount, such as net operating loss carryovers and charitable contribution carryovers as well as capital loss carryovers, until eight years after the carryover has been consumed.

Also, we suggest that you maintain, indefinitely, copies of income tax returns, records supporting your tax basis in your personal, investment, and business assets, and documentation pertaining to gifts that you make. Your copies of the returns are enclosed for your files. We suggest that you retain these copies indefinitely.



CPAs & BUSINESS ADVISORS

January 29, 2014

Simpson Housing Services, Inc  
2100 Pillsbury Ave S  
Minneapolis, MN 55404-2347  
Attention: Gary Kuper

Dear Gary:

Enclosed are the 2012 Exempt Organization returns, as follows...

2012 FORM 990

2012 MINNESOTA ANNUAL REPORT

2012 IRS E-FILE SIGNATURE AUTHORIZATION FOR AN EXEMPT ORGANIZATION (FORM 8879-EO)

Please review the return for completeness and accuracy.

In addition, the enclosed CD includes a public disclosure copy of the Form 990 and Form 990-T (if applicable). All exempt organizations are required to have a copy of its current year Form 990 and two prior year returns available for public inspection. If the Form 990 includes a Schedule of Contributors (Schedule B), we have removed the names and addresses of contributors from this return as this information is not open to public inspection. You should sign the copy of these returns and keep them available at your primary office location.

We have prepared the return from information you furnished us without verification. Upon examination of the return by tax authorities, requests may be made for underlying data. We therefore recommend that you preserve all records which you may be called upon to produce in connection with such possible examinations.

The state of Minnesota requires that certain entities, (Corporations, Limited Liability Companies, Limited Liability Partnerships etc.), that receive their separate lives from the state, make annual or other periodic filings to maintain their legal status. A failure to make these filings can result in loss of status as a separate legal entity. A loss of separate legal status can result in significant tax and

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legal ramifications. Taxable liquidation, and loss of legal liability protection can both stem from delayed filing of periodic registrations. Furthermore, other jurisdictions may require that registrations be made to gain access to their legal systems for purposes of bringing suit for collection, legal liability protection, and other matters. The filing of these registrations is a legal matter and as such is not within the scope of Eide Bailly's accounting and tax practice. Eide Bailly LLP can not, and will not, be responsible for making sure that you have fully complied with Minnesota's or other jurisdictions' legal filing requirements. In the past we may have completed one or more of these forms for you in the process of preparing your income tax returns. We have not completed any of these filings for you this year. You will be responsible for completing any current or future required filings. The Minnesota Secretary of State has a website where most filings can be done on-line. The website is located at: [https://online.sos.state.mn.us/abr/corp\\_annual\\_filing.asp](https://online.sos.state.mn.us/abr/corp_annual_filing.asp). Legal counsel should be contacted if you are unsure of what filing requirements you may have.

We sincerely appreciate the opportunity to serve you. Please contact us if you have any questions concerning the tax return.

Sincerely,

Deb Nelson, CPA

# TAX RETURN FILING INSTRUCTIONS

FORM 990

FOR THE YEAR ENDING

June 30, 2013

<b>Prepared for</b>	Simpson Housing Services, Inc 2100 Pillsbury Ave S Minneapolis, MN 55404-2347
<b>Prepared by</b>	Eide Bailly LLP 800 Nicollet Mall, Ste. 1300 Minneapolis, MN 55402-7033
<b>Amount due or refund</b>	Not applicable
<b>Make check payable to</b>	Not applicable
<b>Mail tax return and check (if applicable) to</b>	Not applicable
<b>Return must be mailed on or before</b>	Not applicable
<b>Special Instructions</b>	This return has qualified for electronic filing. After you have reviewed the return for completeness and accuracy, please sign, date and return Form 8879-EO to our office. We will transmit the return electronically to the IRS and no further action is required. Return Form 8879-EO to us by November 15, 2013.

**Return of Organization Exempt From Income Tax**

**2012**

Department of the Treasury  
Internal Revenue Service

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

Open to Public Inspection

The organization may have to use a copy of this return to satisfy state reporting requirements.

**A For the 2012 calendar year, or tax year beginning JUL 1, 2012 and ending JUN 30, 2013**

<b>B</b> Check if applicable: <input type="checkbox"/> Address change <input type="checkbox"/> Name change <input type="checkbox"/> Initial return <input type="checkbox"/> Terminated <input type="checkbox"/> Amended return <input type="checkbox"/> Application pending	<b>C Name of organization</b>		<b>D Employer identification number</b>
	SIMPSON HOUSING SERVICES, INC		41-1759477
	Doing Business As		
	Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	<b>E Telephone number</b>
	2100 PILLSBURY AVE S		612-874-8683
City, town, or post office, state, and ZIP code		<b>G Gross receipts \$</b> 5,235,559.	
MINNEAPOLIS, MN 55404-2347		<b>H(a) Is this a group return for affiliates?</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>F Name and address of principal officer:</b> STEPHEN HORSFIELD		<b>H(b) Are all affiliates included?</b> <input type="checkbox"/> Yes <input type="checkbox"/> No	
SAME AS C ABOVE		If "No," attach a list. (see instructions)	
<b>I Tax-exempt status:</b> <input checked="" type="checkbox"/> 501(c)(3) <input type="checkbox"/> 501(c) ( ) ◀ (insert no.) <input type="checkbox"/> 4947(a)(1) or <input type="checkbox"/> 527		<b>H(c) Group exemption number</b> ▶	
<b>J Website:</b> ▶ WWW.SIMPSONHOUSING.ORG			
<b>K Form of organization:</b> <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Trust <input type="checkbox"/> Association <input type="checkbox"/> Other ▶		<b>L Year of formation:</b> 1993 <b>M State of legal domicile:</b> MN	

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>TO HOUSE, SUPPORT, AND ADVOCATE FOR PEOPLE EXPERIENCING HOMELESSNESS.</u>
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a) <span style="float:right">3 19</span>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b) <span style="float:right">4 19</span>
	<b>5</b> Total number of individuals employed in calendar year 2012 (Part V, line 2a) <span style="float:right">5 73</span>
	<b>6</b> Total number of volunteers (estimate if necessary) <span style="float:right">6 2300</span>
	<b>7a</b> Total unrelated business revenue from Part VIII, column (C), line 12 <span style="float:right">7a 0.</span>
	<b>b</b> Net unrelated business taxable income from Form 990-T, line 34 <span style="float:right">7b 0.</span>

	Prior Year	Current Year
<b>8</b> Contributions and grants (Part VIII, line 1h)	3,959,264.	4,388,478.
<b>9</b> Program service revenue (Part VIII, line 2g)	802,255.	778,816.
<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	5,113.	4,100.
<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	22,330.	57,443.
<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	4,788,962.	5,228,837.
<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	2,251,510.	2,433,278.
<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ 194,650.		
<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24e)	2,367,190.	2,681,763.
<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	4,618,700.	5,115,041.
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	170,262.	113,796.

	Beginning of Current Year	End of Year
<b>20</b> Total assets (Part X, line 16)	3,145,689.	3,244,344.
<b>21</b> Total liabilities (Part X, line 26)	1,482,254.	1,467,113.
<b>22</b> Net assets or fund balances. Subtract line 21 from line 20	1,663,435.	1,777,231.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

<b>Sign Here</b>	▶ Signature of officer	Date
	▶ HARRY POULOS, TREASURER	
	Type or print name and title	

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	DEB NELSON, CPA	DEB NELSON, CPA	01/29/14		P01264758
	Firm's name ▶ EIDE BAILLY LLP	Firm's EIN ▶ 45-0250958			
	Firm's address ▶ 800 NICOLLET MALL, STE. 1300 MINNEAPOLIS, MN 55402-7033		Phone no. 612-253-6500		

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

Part III Statement of Program Service Accomplishments

Check if Schedule O contains a response to any question in this Part III [X]

1 Briefly describe the organization's mission: THE SIMPSON HOUSING SERVICES MISSION IS TO HOUSE, SUPPORT, & ADVOCATE FOR PEOPLE EXPERIENCING HOMELESSNESS. WE KNOW THAT WITH CLOSE, INDIVIDUAL ADVOCACY & SUPPORT, MEN, WOMEN & FAMILIES EXPERIENCING HOMELESSNESS ACHIEVE HOUSING STABILITY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? [ ] Yes [X] No

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? [ ] Yes [X] No

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 2,390,428. including grants of \$ ) (Revenue \$ 778,816.) FAMILY HOUSING - FAMILIES WHO ARE EXPERIENCING HOMELESSNESS RECEIVE INTENSIVE CASE MANAGEMENT, ADVOCACY SERVICES AND SUBSIDIZED RENTAL HOUSING. MOST OF THE FAMILIES WE WORK WITH HAVE MAJOR BARRIERS TO THEIR FUTURE HOUSING STABILITY. EMPHASIS IS ON SECURING PERMANENT HOUSING AND INCREASING LIFE SKILLS, PARENTING SKILLS, EDUCATION, AND EMPLOYMENT TO ASSIST IN MAINTAINING HOUSING INTO THE FUTURE. UNIQUELY, THIS PROGRAM UTILIZES SUBSIDIZED, SUPPORTIVE RENTAL HOUSING FOR FAMILIES WITH CHILDREN, BOTH SINGLE SITE AND SCATTERED SITE, BOTH TRANSITIONAL AND PERMANENT HOUSING. IN CALENDAR 2012, A TOTAL OF 193 FAMILIES WITH 407 CHILDREN PARTICIPATED IN THE FAMILY HOUSING PROGRAM. ADDING THE FAMILY ROOTS ALLIANCE, OUR PARTNERSHIP WITH LUTHERAN SOCIAL SERVICES, WE SERVED A TOTAL OF 813 PARTICIPANTS.

4b (Code: ) (Expenses \$ 935,181. including grants of \$ ) (Revenue \$ ) OVERNIGHT SHELTER FOR ADULT MEN AND WOMEN - NIGHTLY (6 P.M. - 7 A.M.) EMERGENCY SHELTER IS PROVIDED NIGHTLY TO 44 MEN AND 22 WOMEN, INCLUDING A BED, THREE MEALS, HOUSING AND BENEFIT REFERRAL SERVICES, SHOWERS, LAUNDRY, A SAVINGS PROGRAM, EMPLOYMENT LISTINGS, AS WELL AS MENTAL AND PHYSICAL HEALTHCARE RESOURCES. SHELTER ADVOCATES WORK WITH SHELTER GUESTS TO ATTAIN PERMANENT HOUSING. A RAPID EXIT HOUSING ADVOCATE ASSISTS WITH PLACING SHELTER GUESTS WITH INCOME SOURCES AND LIMITED BARRIERS INTO HOUSING. THOUSANDS OF HOURS OF SERVICE ARE PROVIDED BY VOLUNTEERS.

IN 2012, 957 MEN AND WOMEN RECEIVED A BED AND 853 MEN AND WOMEN ACCESSED SERVICES OTHER THAN SHELTER, SUCH AS DINNER, TOILETRIES OR A

4c (Code: ) (Expenses \$ 1,224,191. including grants of \$ ) (Revenue \$ ) SINGLE ADULT HOUSING - SIMPSON HOUSING SERVICES PROVIDED PERMANENT, SUBSIDIZED, SUPPORTIVE RENTAL HOUSING FOR A TOTAL OF 359 SINGLE MEN AND WOMEN WHO HAVE BEEN HOMELESS LONG-TERM (AN AVERAGE OF 10 YEARS OF PRIOR HOMELESSNESS), WITH A UNIQUE FOCUS ON THE NEEDS OF SINGLE WOMEN. INTENSIVE SUPPORT AND ADVOCACY SERVICES ARE A KEY COMPONENT OF PARTICIPANTS' SUCCESS.

WE ACCOMPLISH THIS WORK THROUGH PARTNERSHIPS WITH TWO COMMUNITY AGENCIES: ST. STEPHEN'S HUMAN SERVICES, AND SPECTRUM MENTAL HEALTH. REFERRED TO AS THE COLLABORATION OF HOUSING RESOURCES (COHR), THE PARTNERSHIP OF THESE THREE AGENCIES CONSISTS OF FIVE PROGRAM TEAMS. SIMPSON STAFF SERVES ON EACH OF THE TEAMS AND SERVES AS THE TEAM LEAD

4d Other program services (Describe in Schedule O.) (Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses 4,549,800.

**Part IV Checklist of Required Schedules**

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i>	X	
2	Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ?	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i>		X
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i>		X
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i>		X
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i>		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i>		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i>		X
9	Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i>		X
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i>		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i>	X	
b	Did the organization report an amount for investments - other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i>		X
c	Did the organization report an amount for investments - program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i>		X
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i>		X
e	Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i>		X
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i>	X	
12a	Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i>		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i>	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i>		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?		X
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i>		X
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i>		X
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i>		X
17	Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I</i>		X
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i>	X	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i>		X
20a	Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i>		X
b	If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?		

**Part IV Checklist of Required Schedules** (continued)

	Yes	No
<b>21</b> Did the organization report more than \$5,000 of grants and other assistance to any government or organization in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> .....		X
<b>22</b> Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> .....		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> .....		X
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25</i> .....		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? .....		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? .....		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? .....		
<b>25a Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> .....		X
<b>26</b> Was a loan to or by a current or former officer, director, trustee, key employee, highest compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> .....		X
<b>27</b> Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i> .....		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>b</b> A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>c</b> An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV</i> .....		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> .....	X	
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> .....		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> .....		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> .....		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> .....	X	
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i> .....		X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)? .....		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> .....		X
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> .....		X
<b>38</b> Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11b and 19? .....	X	

**Note.** All Form 990 filers are required to complete Schedule O .....

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V

Input box for Schedule O response

Main table with columns for question ID, description, and Yes/No responses. Includes rows 1a-1c, 2a-2b, 3a-3b, 4a-4a, 5a-5c, 6a-6b, 7, 7a-7h, 8, 9, 9a-9b, 10, 10a-10b, 11, 11a-11b, 12a, 12b, 13, 13a-13c, 14a, 14b.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a (19), 1b (19), 2 (X), 3 (X), 4 (X), 5 (X), 6 (X), 7a (X), 7b (X), 8a (X), 8b (X), 9 (X).

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a (X), 10b, 11a (X), 11b, 12a (X), 12b (X), 12c (X), 13 (X), 14 (X), 15a (X), 15b (X), 16a (X), 16b.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed MN
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: GARY KUPER - 612-874-8683 2100 PILLSBURY AVE S, MINNEAPOLIS, MN 55404

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
RODNEY BACON PRESIDENT	2.00	X		X				0.	0.	0.
SANDY LONG VICE PRESIDENT	2.00	X		X				0.	0.	0.
TOM MCGUIRE SECRETARY	2.00	X		X				0.	0.	0.
HARRY POULOS (FROM NOVEMBER) DIRECTOR/TREASURER	2.00	X		X				0.	0.	0.
DIANE FISHER/ (THRU OCTOBER) TREASURER/DIRECTOR	2.00	X		X				0.	0.	0.
BOB ODMAN PAST PRESIDENT	2.00	X		X				0.	0.	0.
BOB BARR DIRECTOR	2.00	X						0.	0.	0.
RICHARD CHASE DIRECTOR	2.00	X						0.	0.	0.
DIANA DEVERY DIRECTOR	2.00	X						0.	0.	0.
AMY FERREIRA DIRECTOR	2.00	X						0.	0.	0.
CLAIRE FORSMARK DIRECTOR	2.00	X						0.	0.	0.
LAURA HAMILTON DIRECTOR	2.00	X						0.	0.	0.
ROBIN HARRIS DIRECTOR	2.00	X						0.	0.	0.
MARK LALIBERTE DIRECTOR	2.00	X						0.	0.	0.
JEN PETERSON DIRECTOR	2.00	X						0.	0.	0.
KAREN RYE DIRECTOR	2.00	X						0.	0.	0.
MEGAN RYE DIRECTOR	2.00	X						0.	0.	0.

**Part VII** Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
CECELIA SADDLER DIRECTOR	2.00	X					0.	0.	0.	
LORI WALL DIRECTOR	2.00	X					0.	0.	0.	
STEPHEN HORSFIELD EXECUTIVE DIRECTOR	40.00			X			45,805.	0.	4,130.	
GARY KUPER DIRECTOR OF FINANCE & ADMINISTRATION	40.00			X			62,420.	0.	11,257.	
<b>1b Sub-total</b>							108,225.	0.	15,387.	
<b>c Total from continuation sheets to Part VII, Section A</b>							0.	0.	0.	
<b>d Total (add lines 1b and 1c)</b>							108,225.	0.	15,387.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **0**

	Yes	No
3 Did the organization list any <b>former</b> officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
NONE		

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization **0**

**Part VIII Statement of Revenue**

Check if Schedule O contains a response to any question in this Part VIII

			(A)	(B)	(C)	(D)	
			Total revenue	Related or exempt function revenue	Unrelated business revenue	Revenue excluded from tax under sections 512, 513, or 514	
Contributions, Gifts, Grants and Other Similar Amounts	1 a	Federated campaigns	1a 214,999.				
	b	Membership dues	1b				
	c	Fundraising events	1c 45,180.				
	d	Related organizations	1d				
	e	Government grants (contributions)	1e 2,924,912.				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 1,203,387.				
	g	Noncash contributions included in lines 1a-1f: \$	427,334.				
	h	<b>Total.</b> Add lines 1a-1f	▶ 4,388,478.				
	Program Service Revenue	2 a	<b>CONTRACT INCOME</b>	Business Code 624200 492,926.	492,926.		
b		<b>RENTAL INCOME</b>	624200 270,827.	270,827.			
c		<b>MISCELLANEOUS INCOME</b>	900099 15,063.	15,063.			
d							
e							
f		All other program service revenue					
g		<b>Total.</b> Add lines 2a-2f	▶ 778,816.				
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)	▶ 4,100.			4,100.	
	4	Income from investment of tax-exempt bond proceeds	▶				
	5	Royalties	▶				
	6 a	Gross rents	(i) Real (ii) Personal				
		Less: rental expenses					
		Rental income or (loss)					
		Net rental income or (loss)	▶				
	7 a	Gross amount from sales of assets other than inventory	(i) Securities (ii) Other				
		Less: cost or other basis and sales expenses					
		Gain or (loss)					
		Net gain or (loss)	▶				
	8 a	Gross income from fundraising events (not including \$ 45,180. of contributions reported on line 1c). See Part IV, line 18	a 64,165.				
		Less: direct expenses	b 6,722.				
		Net income or (loss) from fundraising events	▶ 57,443.				57,443.
	9 a	Gross income from gaming activities. See Part IV, line 19	a				
Less: direct expenses		b					
Net income or (loss) from gaming activities		▶					
10 a	Gross sales of inventory, less returns and allowances	a					
	Less: cost of goods sold	b					
	Net income or (loss) from sales of inventory	▶					
Miscellaneous Revenue		Business Code					
11 a							
	b						
	c						
	d	All other revenue					
	e	<b>Total.</b> Add lines 11a-11d	▶				
12	<b>Total revenue.</b> See instructions.	▶ 5,228,837.	778,816.	0.	61,543.		

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21				
2 Grants and other assistance to individuals in the United States. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	177,543.	18,944.	120,711.	37,888.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	1,837,810.	1,637,907.	129,409.	70,494.
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
9 Other employee benefits	248,714.	236,774.	2,798.	9,142.
10 Payroll taxes	169,211.	141,014.	19,297.	8,900.
11 Fees for services (non-employees):				
a Management				
b Legal				
c Accounting	25,750.		25,750.	
d Lobbying				
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Sch O.)	45,416.	41,575.	3,220.	621.
12 Advertising and promotion				
13 Office expenses	240,798.	149,153.	32,444.	59,201.
14 Information technology				
15 Royalties				
16 Occupancy				
17 Travel	67,124.	63,007.	1,958.	2,159.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest	134,083.	134,083.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	136,583.	125,174.	7,578.	3,831.
23 Insurance	50,422.	43,392.	5,566.	1,464.
24 Other expenses. Itemize expenses not covered above. (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a <b>OCCUPANCY ASSISTANCE</b>	1,687,960.	1,687,960.		
b <b>PROGRAM SUPPLIES</b>	236,304.	236,304.		
c <b>PROGRAM EVENTS</b>	29,397.	20,673.	8,724.	
d <b>PROFESSIONAL DEVELOPMENTS</b>	5,363.	1,862.	3,426.	75.
e All other expenses	22,563.	11,978.	9,710.	875.
25 <b>Total functional expenses.</b> Add lines 1 through 24e	5,115,041.	4,549,800.	370,591.	194,650.
26 <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation.				

Check here  if following SOP 98-2 (ASC 958-720)

**Part X Balance Sheet**

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year	
<b>Assets</b>	<b>1</b> Cash - non-interest-bearing .....		<b>1</b>		
	<b>2</b> Savings and temporary cash investments .....	1,053,735.	<b>2</b>	807,239.	
	<b>3</b> Pledges and grants receivable, net .....	136,444.	<b>3</b>	99,292.	
	<b>4</b> Accounts receivable, net .....	1,375.	<b>4</b>	835.	
	<b>5</b> Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L .....		<b>5</b>		
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instr). Complete Part II of Sch L .....		<b>6</b>		
	<b>7</b> Notes and loans receivable, net .....		<b>7</b>		
	<b>8</b> Inventories for sale or use .....		<b>8</b>		
	<b>9</b> Prepaid expenses and deferred charges .....	15,848.	<b>9</b>	12,883.	
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D .....	<b>10a</b> 2,715,484.			
	<b>b</b> Less: accumulated depreciation .....	<b>10b</b> 595,365.	1,725,962.	<b>10c</b>	2,120,119.
	<b>11</b> Investments - publicly traded securities .....	212,325.	<b>11</b>	203,976.	
	<b>12</b> Investments - other securities. See Part IV, line 11 .....		<b>12</b>		
	<b>13</b> Investments - program-related. See Part IV, line 11 .....		<b>13</b>		
	<b>14</b> Intangible assets .....		<b>14</b>		
	<b>15</b> Other assets. See Part IV, line 11 .....		<b>15</b>		
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 34) .....	3,145,689.	<b>16</b>	3,244,344.		
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses .....	209,083.	<b>17</b>	212,220.	
	<b>18</b> Grants payable .....		<b>18</b>		
	<b>19</b> Deferred revenue .....		<b>19</b>		
	<b>20</b> Tax-exempt bond liabilities .....		<b>20</b>		
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D .....		<b>21</b>		
	<b>22</b> Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L .....		<b>22</b>		
	<b>23</b> Secured mortgages and notes payable to unrelated third parties .....	1,273,171.	<b>23</b>	1,254,893.	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties .....		<b>24</b>		
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D .....		<b>25</b>		
	<b>26 Total liabilities.</b> Add lines 17 through 25 .....	1,482,254.	<b>26</b>	1,467,113.	
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow SFAS 117 (ASC 958), check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>				
	<b>27</b> Unrestricted net assets .....	1,397,628.	<b>27</b>	1,727,254.	
	<b>28</b> Temporarily restricted net assets .....	265,807.	<b>28</b>	49,977.	
	<b>29</b> Permanently restricted net assets .....		<b>29</b>		
	<b>Organizations that do not follow SFAS 117 (ASC 958), check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>				
	<b>30</b> Capital stock or trust principal, or current funds .....		<b>30</b>		
	<b>31</b> Paid-in or capital surplus, or land, building, or equipment fund .....		<b>31</b>		
	<b>32</b> Retained earnings, endowment, accumulated income, or other funds .....		<b>32</b>		
<b>33</b> Total net assets or fund balances .....	1,663,435.	<b>33</b>	1,777,231.		
<b>34</b> Total liabilities and net assets/fund balances .....	3,145,689.	<b>34</b>	3,244,344.		

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	5,228,837.
2	Total expenses (must equal Part IX, column (A), line 25)	2	5,115,041.
3	Revenue less expenses. Subtract line 2 from line 1	3	113,796.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	1,663,435.
5	Net unrealized gains (losses) on investments	5	
6	Donated services and use of facilities	6	
7	Investment expenses	7	
8	Prior period adjustments	8	
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0.
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	1,777,231.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
2b	Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis	X	
2c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	X	
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	X	
3b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	X	

**SCHEDULE A**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

Open to Public Inspection

Name of the organization <b>SIMPSON HOUSING SERVICES, INC</b>	Employer identification number <b>41-1759477</b>
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**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2  A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4  A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8  A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I      b  Type II      c  Type III - Functionally integrated      d  Type III - Non-functionally integrated
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
 

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? .....	<b>11g(i)</b>	
(ii) A family member of a person described in (i) above? .....	<b>11g(ii)</b>	
(iii) A 35% controlled entity of a person described in (i) or (ii) above? .....	<b>11g(iii)</b>	
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
<b>Total</b>									

**Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....	2867506.	3573366.	3448890.	3959264.	4388478.	18237504.
<b>2</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>3</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>4 Total.</b> Add lines 1 through 3 .....	2867506.	3573366.	3448890.	3959264.	4388478.	18237504.
<b>5</b> The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f) .....						434,043.
<b>6 Public support.</b> Subtract line 5 from line 4.						17803461.

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>7</b> Amounts from line 4 .....	2867506.	3573366.	3448890.	3959264.	4388478.	18237504.
<b>8</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....		5,537.	7,594.	5,113.	4,100.	22,344.
<b>9</b> Net income from unrelated business activities, whether or not the business is regularly carried on .....						
<b>10</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....	32,055.	5,962.				38,017.
<b>11 Total support.</b> Add lines 7 through 10						18297865.
<b>12</b> Gross receipts from related activities, etc. (see instructions) .....					12	2,476,695.
<b>13 First five years.</b> If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and <b>stop here</b> .....	<input type="checkbox"/>					

**Section C. Computation of Public Support Percentage**

<b>14</b> Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) .....	<b>14</b>	97.30	%
<b>15</b> Public support percentage from 2011 Schedule A, Part II, line 14 .....	<b>15</b>	95.19	%
<b>16a 33 1/3% support test - 2012.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....	<input checked="" type="checkbox"/>		
<b>b 33 1/3% support test - 2011.</b> If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>		
<b>17a 10% -facts-and-circumstances test - 2012.</b> If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>		
<b>b 10% -facts-and-circumstances test - 2011.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization .....	<input type="checkbox"/>		
<b>18 Private foundation.</b> If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions .....	<input type="checkbox"/>		

Schedule A (Form 990 or 990-EZ) 2012

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>1</b> Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") .....						
<b>2</b> Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose .....						
<b>3</b> Gross receipts from activities that are not an unrelated trade or business under section 513 .....						
<b>4</b> Tax revenues levied for the organization's benefit and either paid to or expended on its behalf .....						
<b>5</b> The value of services or facilities furnished by a governmental unit to the organization without charge .....						
<b>6 Total.</b> Add lines 1 through 5 .....						
<b>7a</b> Amounts included on lines 1, 2, and 3 received from disqualified persons .....						
<b>b</b> Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year .....						
<b>c</b> Add lines 7a and 7b .....						
<b>8 Public support.</b> (Subtract line 7c from line 6.)						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ►	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
<b>9</b> Amounts from line 6 .....						
<b>10a</b> Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .....						
<b>b</b> Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 .....						
<b>c</b> Add lines 10a and 10b .....						
<b>11</b> Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on .....						
<b>12</b> Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) .....						
<b>13 Total support.</b> (Add lines 9, 10c, 11, and 12.)						

**14 First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here**

**Section C. Computation of Public Support Percentage**

<b>15</b> Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)) .....	<b>15</b>	%
<b>16</b> Public support percentage from 2011 Schedule A, Part III, line 15 .....	<b>16</b>	%

**Section D. Computation of Investment Income Percentage**

<b>17</b> Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)) .....	<b>17</b>	%
<b>18</b> Investment income percentage from 2011 Schedule A, Part III, line 17 .....	<b>18</b>	%

**19a 33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

**b 33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization

**20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Schedule B**  
(Form 990, 990-EZ,  
or 990-PF)

Department of the Treasury  
Internal Revenue Service

**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

OMB No. 1545-0047

**2012**

Name of the organization

Employer identification number

SIMPSON HOUSING SERVICES, INC

41-1759477

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)( 3 ) (enter number) organization

4947(a)(1) nonexempt charitable trust **not** treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year ..... ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990, 990-EZ, or 990-PF. Schedule B (Form 990, 990-EZ, or 990-PF) (2012)

Name of organization <b>SIMPSON HOUSING SERVICES, INC</b>	Employer identification number <b>41-1759477</b>
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**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	HENNEPIN COUNTY 300 S. 6TH STREET MINNEAPOLIS, MN 55487	\$ 478,499.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	HOUSING AND URBAN DEVELOPMENT PO BOX 23774 WASHINGTON, DC 20026	\$ 233,013.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	MINNESOTA HOUSING FINANCE AGENCY 400 SIBLEY STREET ST. PAUL, MN 55101	\$ 419,433.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	STATE OF MN DHS 444 LAFAYETTE RD. ST. PAUL, MN 55155	\$ 1,473,967.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	GREATER TWIN CITIES UNITED WAY 404 SOUTH 8TH STREET MINNEAPOLIS, MN 55404	\$ 214,999.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
		\$ _____	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization  <b>SIMPSON HOUSING SERVICES, INC</b>	Employer identification number  <b>41-1759477</b>
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**Part II Noncash Property** (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____
_____	_____ _____ _____ _____	\$ _____	_____

Name of organization <b>SIMPSON HOUSING SERVICES, INC</b>	Employer identification number <b>41-1759477</b>
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**Part III** Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry. For organizations completing Part III, enter the total of exclusively religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once.) ▶ \$ \_\_\_\_\_  
Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
<b>(e) Transfer of gift</b>			
<b>Transferee's name, address, and ZIP + 4</b>		<b>Relationship of transferor to transferee</b>	

**SCHEDULE D**  
**(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Financial Statements**

▶ **Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.**

▶ **Attach to Form 990. ▶ See separate instructions.**

OMB No. 1545-0047

**2012**

**Open to Public Inspection**

Name of the organization

**SIMPSON HOUSING SERVICES, INC**

Employer identification number

**41-1759477**

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year .....		
2 Aggregate contributions to (during year) .....		
3 Aggregate grants from (during year) .....		
4 Aggregate value at end of year .....		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? .....		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

Preservation of land for public use (e.g., recreation or education)       Preservation of an historically important land area

Protection of natural habitat       Preservation of a certified historic structure

Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements .....	2a
b Total acreage restricted by conservation easements .....	2b
c Number of conservation easements on a certified historic structure included in (a) .....	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register .....	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ \_\_\_\_\_

4 Number of states where property subject to conservation easement is located ▶ \_\_\_\_\_

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? .....

Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ \_\_\_\_\_

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ \_\_\_\_\_

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? .....

Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.**

Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 .....

▶ \$ \_\_\_\_\_

(ii) Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 .....

▶ \$ \_\_\_\_\_

b Assets included in Form 990, Part X .....

▶ \$ \_\_\_\_\_

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** (continued)

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:
- |                                 | Amount |
|---------------------------------|--------|
| c Beginning balance             | 1c     |
| d Additions during the year     | 1d     |
| e Distributions during the year | 1e     |
| f Ending balance                | 1f     |
- 2a Did the organization include an amount on Form 990, Part X, line 21?  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	0.	27,682.	27,682.	27,682.	
b Contributions					
c Net investment earnings, gains, and losses			185.	185.	
d Grants or scholarships					
e Other expenditures for facilities and programs	0.	27,682.	185.	185.	
f Administrative expenses					
g End of year balance			27,682.	27,682.	

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment  \_\_\_\_\_ %
  - b Permanent endowment  \_\_\_\_\_ %
  - c Temporarily restricted endowment  \_\_\_\_\_ %
- The percentages in lines 2a, 2b, and 2c should equal 100%.
- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- |   | Yes    | No |
|---|--------|----|
| (i) unrelated organizations   | 3a(i)  |    |
| (ii) related organizations  | 3a(ii) |    |
| b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? | 3b     |    |

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		260,500.		260,500.
b Buildings		2,295,161.	501,723.	1,793,438.
c Leasehold improvements				
d Equipment		121,562.	93,642.	27,920.
e Other		38,261.		38,261.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				2,120,119.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives .....		
(2) Closely-held equity interests .....		
(3) Other .....		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Col. (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

<b>1</b>	Total revenue, gains, and other support per audited financial statements	<b>1</b>	4,974,255.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
<b>a</b>	Net unrealized gains on investments	<b>2a</b>	
<b>b</b>	Donated services and use of facilities	<b>2b</b>	
<b>c</b>	Recoveries of prior year grants	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	6,722.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	6,722.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	4,967,533.
<b>4</b>	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	261,304.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	261,304.
<b>5</b>	Total revenue. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 12.)	<b>5</b>	5,228,837.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

<b>1</b>	Total expenses and losses per audited financial statements	<b>1</b>	4,885,459.
<b>2</b>	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
<b>a</b>	Donated services and use of facilities	<b>2a</b>	
<b>b</b>	Prior year adjustments	<b>2b</b>	
<b>c</b>	Other losses	<b>2c</b>	
<b>d</b>	Other (Describe in Part XIII.)	<b>2d</b>	6,722.
<b>e</b>	Add lines <b>2a</b> through <b>2d</b>	<b>2e</b>	6,722.
<b>3</b>	Subtract line <b>2e</b> from line <b>1</b>	<b>3</b>	4,878,737.
<b>4</b>	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
<b>a</b>	Investment expenses not included on Form 990, Part VIII, line 7b	<b>4a</b>	
<b>b</b>	Other (Describe in Part XIII.)	<b>4b</b>	236,304.
<b>c</b>	Add lines <b>4a</b> and <b>4b</b>	<b>4c</b>	236,304.
<b>5</b>	Total expenses. Add lines <b>3</b> and <b>4c</b> . (This must equal Form 990, Part I, line 18.)	<b>5</b>	5,115,041.

**Part XIII Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

**PART V, LINE 4: PERMANENTLY RESTRICTED ENDOWMENT FUNDS ARE DONOR**

**RESTRICTED TO BE HELD IN PERPETUITY, WITH THE INCOME AND RELATED INVESTMENT GAINS TO BE USED FOR DONOR RESTRICTED PROGRAMS. AS OF JUNE 30, 2012, THE PERMANENTLY RESTRICTED NET ASSETS WERE RELEASED FROM RESTRICTION AT THE REQUEST OF THE DONOR.**

**PART X, LINE 2: THE ORGANIZATION IS ORGANIZED AS A MINNESOTA NONPROFIT CORPORATION AND HAS BEEN RECOGNIZED BY THE INTERNAL REVENUE SERVICE (IRS)**

**Part XIII** Supplemental Information (continued)

AS EXEMPT FROM FEDERAL INCOME TAXES UNDER SECTION 501(A) OF THE INTERNAL REVENUE CODE AS AN ORGANIZATION DESCRIBED IN SECTION 501(C)(3), QUALIFIES FOR THE CHARITABLE CONTRIBUTION DEDUCTION UNDER SECTION 170(B)(1)(A)(VI), AND HAS BEEN DETERMINED TO BE A PUBLIC CHARITY UNDER SECTION 509(A)(1). THE ORGANIZATION IS ANNUALLY REQUIRED TO FILE A RETURN OF ORGANIZATION EXEMPT FROM INCOME TAX (FORM 990) WITH THE IRS. IN ADDITION, THE ORGANIZATION IS SUBJECT TO INCOME TAX ON NET INCOME THAT IS DERIVED FROM BUSINESS ACTIVITIES THAT ARE UNRELATED TO ITS EXEMPT PURPOSE. THE ORGANIZATION HAS DETERMINED IT IS NOT SUBJECT TO UNRELATED BUSINESS INCOME TAX AND HAS NOT FILED AN EXEMPT ORGANIZATION BUSINESS INCOME TAX RETURN (FORM 990-T) WITH THE IRS.

THE ORGANIZATION BELIEVES THAT IT HAS APPROPRIATE SUPPORT FOR ANY TAX POSITIONS TAKEN AFFECTING ITS ANNUAL FILING REQUIREMENTS, AND AS SUCH, DOES NOT HAVE ANY UNCERTAIN TAX POSITIONS THAT ARE MATERIAL TO THE FINANCIAL STATEMENTS. THE ORGANIZATION WOULD RECOGNIZE FUTURE ACCRUED INTEREST AND PENALTIES RELATED TO UNRECOGNIZED TAX BENEFITS AND LIABILITIES IN INCOME TAX EXPENSE IF SUCH INTEREST AND PENALTIES ARE INCURRED.

## PART XI, LINE 2D - OTHER ADJUSTMENTS:

SPECIAL EVENT EXPENSES REPORTED IN REVENUE ON FORM 990	6,722.
--	--------

## PART XI, LINE 4B - OTHER ADJUSTMENTS:

IN-KIND CONTRIBUTIONS SHOWN IN NON-OPERATING ACTIVITY ON FINANCIALS	261,304.
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## PART XII, LINE 2D - OTHER ADJUSTMENTS:

**Part XIII** Supplemental Information (continued)

SPECIAL EVENTS EXPENSES REPORTED IN REVENUE ON FORM 990 6,722.

PART XII, LINE 4B - OTHER ADJUSTMENTS:

IN-KIND EXPENSES SHOWN IN NON-OPERATING ACTIVITY ON FINANCIALS 236,304.



**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))
		ART 4 SHELTER (event type)	(event type)	NONE (total number)	
Revenue	<b>1</b> Gross receipts .....	109,345.			109,345.
	<b>2</b> Less: Contributions .....	45,180.			45,180.
	<b>3</b> Gross income (line 1 minus line 2) .....	64,165.			64,165.
Direct Expenses	<b>4</b> Cash prizes .....				
	<b>5</b> Noncash prizes .....				
	<b>6</b> Rent/facility costs .....				
	<b>7</b> Food and beverages .....	1,659.			1,659.
	<b>8</b> Entertainment .....				
	<b>9</b> Other direct expenses .....	5,063.			5,063.
	<b>10</b> Direct expense summary. Add lines 4 through 9 in column (d) .....				( 6,722 )
	<b>11</b> Net income summary. Combine line 3, column (d), and line 10 .....				57,443.

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
		<b>1</b> Gross revenue .....			
Direct Expenses	<b>2</b> Cash prizes .....				
	<b>3</b> Noncash prizes .....				
	<b>4</b> Rent/facility costs .....				
	<b>5</b> Other direct expenses .....				
	<b>6</b> Volunteer labor .....	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
<b>7</b> Direct expense summary. Add lines 2 through 5 in column (d) .....				( )	
<b>8</b> Net gaming income summary. Combine line 1, column d, and line 7 .....					

**9** Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_  
**a** Is the organization licensed to operate gaming activities in each of these states?  Yes  No  
**b** If "No," explain: \_\_\_\_\_

**10a** Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No  
**b** If "Yes," explain: \_\_\_\_\_

- 11** Does the organization operate gaming activities with nonmembers?  Yes  No
- 12** Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No
- 13** Indicate the percentage of gaming activity operated in:
- |                                      |            |   |
|--------------------------------------|------------|---|
| <b>a</b> The organization's facility | <b>13a</b> | % |
| <b>b</b> An outside facility         | <b>13b</b> | % |
- 14** Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

- 15a** Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No
- b** If "Yes," enter the amount of gaming revenue received by the organization ► \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ► \$ \_\_\_\_\_.
- c** If "Yes," enter name and address of the third party:

Name ► \_\_\_\_\_

Address ► \_\_\_\_\_

**16** Gaming manager information:

Name ► \_\_\_\_\_

Gaming manager compensation ► \$ \_\_\_\_\_

Description of services provided ► \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Director/officer       Employee       Independent contractor

**17** Mandatory distributions:

- a** Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b** Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$ \_\_\_\_\_

**Part IV** **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SCHEDULE M  
(Form 990)**

**Noncash Contributions**

OMB No. 1545-0047

**2012**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ **Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.**  
▶ **Attach to Form 990.**

Name of the organization **SIMPSON HOUSING SERVICES, INC** Employer identification number **41-1759477**

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art				
2 Art - Historical treasures				
3 Art - Fractional interests				
4 Books and publications				
5 Clothing and household goods	X		26,809.	FMV
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities - Publicly traded				
10 Securities - Closely held stock				
11 Securities - Partnership, LLC, or trust interests				
12 Securities - Miscellaneous				
13 Qualified conservation contribution - Historic structures				
14 Qualified conservation contribution - Other				
15 Real estate - Residential				
16 Real estate - Commercial				
17 Real estate - Other				
18 Collectibles				
19 Food inventory	X	204	44,341.	
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ▶ ( INTEREST EXPE )	X	7	120,850.	FMV
26 Other ▶ ( PROGRAM )	X	598	116,448.	FMV
27 Other ▶ ( SPECIAL EVENT )	X	1,256	45,180.	FMV
28 Other ▶ ( ADOPT FAMILY/ )	X	173	41,214.	FMV

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement ..... **29** **0**

	Yes	No
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? .....		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? .....	X	
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? .....		X
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

LHA For Paperwork Reduction Act Notice, see the Instructions for Form 990. Schedule M (Form 990) (2012)

**Part II** **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

PART I, OTHER TYPES OF PROPERTY:

IKEA KITCHEN

(A) CHECK IF APPLICABLE = X

(B) NUMBER OF CONTRIBUTIONS = 1

(C) REVENUE REPORTED ON FORM 990, PART VIII \$ 25000.

(D) METHOD OF DETERMINING REVENUE: FMV

MISCELLANEOUS

(A) CHECK IF APPLICABLE = X

(B) NUMBER OF CONTRIBUTIONS = 91

(C) REVENUE REPORTED ON FORM 990, PART VIII \$ 7492.

(D) METHOD OF DETERMINING REVENUE: FMV

**SCHEDULE O**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

SIMPSON HOUSING SERVICES, INC

Employer identification number

41-1759477

FORM 990, PART III, LINE 4A, PROGRAM SERVICE ACCOMPLISHMENTS:

A MAJOR EMPHASIS OF THE FAMILY HOUSING PROGRAM IS TO BREAK THE  
GENERATIONAL CYCLE OF HOMELESSNESS BY INCREASING POSITIVE FAMILY  
DYNAMICS THROUGH PARENTING AND FAMILY WORKSHOPS, SOCIAL OUTINGS,  
READING FOCUSED TUTORING AND EDUCATIONAL ADVOCACY FOR SCHOOL-AGE  
CHILDREN. IN 2012 - 2013 SCHOOL YEAR, 88% OF K-5TH GRADE STUDENTS  
DEMONSTRATED PROGRESS IN READING SKILLS AFTER ONE YEAR OR LONGER IN THE  
PROGRAM. 88% OF CHILDREN ATTENDED SCHOOL AT LEAST 90% OF THE TIME  
DURING THE 2012 - 2013 SCHOOL YEAR.

OUR UNIQUE NICHE IN THE COMMUNITY IS WORKING WITH INDIVIDUALS &  
FAMILIES WHOSE PROLONGED PERIODS OF HOMELESSNESS & PRECARIOUS HOUSING  
STEM FROM CHALLENGES SUCH AS: INSTITUTIONAL RACISM, GENERATIONAL  
POVERTY, FAMILY VIOLENCE, MENTAL ILLNESS AND CHEMICAL DEPENDENCY.  
SIMPSON'S COMMITMENT IS TO HELP PARTICIPANTS START DOWN THE PATH TO  
HOUSING STABILITY USING THE HOUSING FIRST PHILOSOPHY: PROVIDE HOMELESS  
PEOPLE WITH HOUSING QUICKLY AND THEN PROVIDE SERVICES AS NEEDED. OUR  
DISTINCTIVE ASSETS INCLUDE: RESPECTFUL AND DIGNIFIED SERVICE CENTERED  
ON A COMMITMENT OF PARTICIPANTS' WELLBEING, STRONG LEADERSHIP,  
RESPECTED ADVOCATES AND STAFF, A COLLABORATIVE AND ADAPTABLE APPROACH,  
A DEDICATED CORPS OF VOLUNTEERS, AND A MIX OF SINGLE-SITE AND  
SCATTERED-SITE HOUSING.

ACCOUNTABILITY AND ONGOING PROGRAM EVALUATION ARE KEY COMPONENTS OF OUR  
WORK. GOAL ACHIEVEMENT IS MEASURED ANNUALLY AND AT THE TIME THE

Name of the organization SIMPSON HOUSING SERVICES, INC	Employer identification number 41-1759477
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PARTICIPANT EXITS THE PROGRAM. IN 2012 94% OF THE FAMILIES MAINTAINED HOUSING FOR AT LEAST ONE YEAR, AND 80% OBTAINED PERMANENT HOUSING AT THE PROGRAM EXIT.

FORM 990, PART III, LINE 4B, PROGRAM SERVICE ACCOMPLISHMENTS:

VISIT WITH A NURSE. 116 MEN AND WOMEN WERE MOVED DIRECTLY FROM THE SHELTER INTO PERMANENT OR TRANSITIONAL HOUSING BY SHELTER ADVOCATES. ANOTHER 70 MEN AND WOMEN WERE MOVED INTO HOUSING BY THE RAPID EXIT ADVOCATE.

SIMPSON HOUSING SERVICES HOSTS THE WEEKLY LOTTERY FOR 28-DAY SHELTER BEDS AT THE 3 PRIVATELY FUNDED SHELTERS IN MINNEAPOLIS. THE SHELTER PROVIDES A TOE-HOLD BACK INTO HOUSING FOR PEOPLE EXPERIENCING HOMELESSNESS.

THE SHELTER ENGAGES VOLUNTEERS FROM THE COMMUNITY IN PROVIDING NIGHTLY HOT MEALS AND THE AWAKE PRESENCE FOR OVERNIGHT GUESTS. IN 2012, VOLUNTEERS PROVIDED COVERAGE FOR 92% OF THE NIGHTS. 184 OVERNIGHT VOLUNTEERS SHARED 8,401 HOURS OF SERVICE.

FORM 990, PART III, LINE 4C, PROGRAM SERVICE ACCOMPLISHMENTS:

FOR ONE OF THE PROGRAMS. THE TEAMS ASSIST HENNEPIN COUNTY HOMELESS ADULTS WHO HAVE SERIOUS BARRIERS TO THEIR HOUSING STABILITY TO LOCATE AND MAINTAIN PERMANENT HOUSING.

THE FIRST PROGRAM WAS INITIATED 8 YEARS AGO AT SIMPSON HOUSING SERVICES. THE PARTICIPANTS IN THESE PROGRAMS CONTINUE TO EXPERIENCE REMARKABLE STABILITY. OF THOSE IN THE PROGRAMS THAT WE LEAD, 87% WERE

Name of the organization SIMPSON HOUSING SERVICES, INC	Employer identification number 41-1759477
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STABLY HOUSED IN 2012.

FORM 990, PART VI, SECTION A, LINE 1: EXECUTIVE COMMITTEE MEMBERSHIP SHALL CONSIST OF THE OFFICERS, THE IMMEDIATE PAST PRESIDENT, AND THE COMMITTEE CHAIRPERSONS. NO INDIVIDUAL SHALL CONTINUE TO BE A MEMBER OF THE EXECUTIVE COMMITTEE WHO IS NOT A DIRECTOR. EXCEPT FOR THE POWER TO AMEND THE ARTICLES OF INCORPORATION AND THESE BYLAWS, THE EXECUTIVE COMMITTEE SHALL HAVE ALL OF THE POWERS AND AUTHORITY OF THE BOARD IN THE INTERVALS BETWEEN MEETINGS OF THE BOARD, SUBJECT TO THE DIRECTION AND CONTROL OF THE BOARD. THE EXECUTIVE COMMITTEE SHALL REPORT ALL ACTIONS TO THE BOARD AT THE NEXT MEETING OF THE BOARD.

FORM 990, PART VI, SECTION A, LINE 2: MEGAN RYE AND KAREN RYE HAVE A FAMILY RELATIONSHIP.

FORM 990, PART VI, SECTION B, LINE 11: THE 990 IS FIRST REVIEWED BY THE FINANCE COMMITTEE AND THEN REVIEWED BY THE ENTIRE BOARD UPON PRESENTATION BY THE AUDITOR.

FORM 990, PART VI, SECTION B, LINE 12C: PRIOR TO BOARD OR COMMITTEE ACTION ON A CONTRACT OR TRANSACTION INVOLVING A CONFLICT OF INTEREST, A DIRECTOR OR COMMITTEE MEMBER HAVING A CONFLICT OF INTEREST AND WHO IS IN ATTENDANCE AT THE MEETING SHALL DISCLOSE ALL FACTS MATERIAL TO THE CONFLICT OF INTEREST. SUCH DISCLOSURE SHALL BE REFLECTED IN THE MINUTES OF THE MEETING.

A DIRECTOR OR COMMITTEE MEMBER WHO PLANS NOT TO ATTEND A MEETING AT WHICH HE OR SHE HAS REASON TO BELIEVE THAT THE BOARD OR COMMITTEE WILL ACT ON A MATTER IN WHICH THE PERSON HAS A CONFLICT OF INTEREST SHALL DISCLOSE TO THE

Name of the organization SIMPSON HOUSING SERVICES, INC	Employer identification number 41-1759477
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CHAIR OF THE MEETING ALL FACTS MATERIAL TO THE CONFLICT OF INTEREST. THE CHAIR SHALL REPORT THE DISCLOSURE AT THE MEETING AND THE DISCLOSURE SHALL BE REFLECTED IN THE MINUTES OF THE MEETING.

A PERSON WHO HAS A CONFLICT OF INTEREST SHALL NOT PARTICIPATE IN OR BE PERMITTED TO HEAR THE BOARD'S OR COMMITTEE'S DISCUSSION OF THE MATTER EXCEPT TO DISCLOSE MATERIAL FACTS AND TO RESPOND TO QUESTIONS. SUCH PERSON SHALL NOT ATTEMPT TO EXERT HIS OR HER PERSONAL INFLUENCE WITH RESPECT TO THE MATTER, EITHER AT OR OUTSIDE THE MEETING.

A PERSON WHO HAS A CONFLICT OF INTEREST WITH RESPECT TO A CONTRACT OR TRANSACTION THAT WILL BE VOTED ON AT A MEETING SHALL NOT BE COUNTED IN DETERMINING THE PRESENCE OF A QUORUM FOR PURPOSES OF THE VOTE. THE PERSON HAVING A CONFLICT OF INTEREST MAY NOT VOTE ON THE CONTRACT OR TRANSACTION AND SHALL NOT BE PRESENT IN THE MEETING ROOM WHEN THE VOTE IS TAKEN, UNLESS THE VOTE IS BY SECRET BALLOT. SUCH PERSON'S INELIGIBILITY TO VOTE SHALL BE REFLECTED IN THE MINUTES OF THE MEETING.

RESPONSIBLE PERSONS WHO ARE NOT MEMBERS OF THE BOARD OF DIRECTORS OF SIMPSON HOUSING SERVICES, INC., OR WHO HAVE A CONFLICT OF INTEREST WITH RESPECT TO A CONTRACT OR TRANSACTION THAT IS NOT THE SUBJECT OF BOARD OR COMMITTEE ACTION, SHALL DISCLOSE TO THE CHAIR OR THE CHAIR'S DESIGNEE ANY CONFLICT OF INTEREST THAT SUCH RESPONSIBLE PERSON HAS WITH RESPECT TO A CONTRACT OR TRANSACTION. SUCH DISCLOSURE SHALL BE MADE AS SOON AS THE CONFLICT OF INTEREST IS KNOWN TO THE RESPONSIBLE PERSON. THE RESPONSIBLE PERSON SHALL REFRAIN FROM ANY ACTION THAT MAY AFFECT SIMPSON HOUSING SERVICES, INC.'S PARTICIPATION IN SUCH CONTRACT OR TRANSACTION.

Name of the organization SIMPSON HOUSING SERVICES, INC	Employer identification number 41-1759477
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IN THE EVENT IT IS NOT ENTIRELY CLEAR THAT A CONFLICT OF INTEREST EXISTS, THE INDIVIDUAL WITH THE POTENTIAL CONFLICT SHALL DISCLOSE THE CIRCUMSTANCES TO THE CHAIR OR THE CHAIR'S DESIGNEE, WHO SHALL DETERMINE WHETHER THERE EXISTS A CONFLICT OF INTEREST THAT IS SUBJECT TO AGENCY POLICY.

FORM 990, PART VI, SECTION B, LINE 15A: THE PAST PRESIDENT AND OTHER MEMBERS OF THE EXECUTIVE COMMITTEE DETERMINE THE EXECUTIVE DIRECTOR'S COMPENSATION ANNUALLY BASED ON AGENCY ESTABLISHED RANGE AND PERFORMANCE. THE EXECUTIVE DIRECTOR SETS SALARY LEVELS FOR KEY EMPLOYEES AND OTHER OFFICERS BASED ON SALARY SURVEYS AND PERFORMANCE.

FORM 990, PART VI, SECTION C, LINE 19: THE ORGANIZATION'S GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL STATEMENTS ARE AVAILABLE TO THE PUBLIC UPON REQUEST.

**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization **SIMPSON HOUSING SERVICES, INC** Employer identification number **41-1759477**

**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
PASSAGE COMMUNITY HOUSING, LLC - 36-3377712 2100 PILLSBURY AVE S MINNEAPOLIS, MN 55404	HOUSING SERVICES	MINNESOTA	664,077.	1,415,662.	SIMPSON HOUSING SERVICES, INC.

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No



**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
<b>a</b> Receipt of <b>(i)</b> interest <b>(ii)</b> annuities <b>(iii)</b> royalties or <b>(iv)</b> rent from a controlled entity .....	<b>1a</b>	
<b>b</b> Gift, grant, or capital contribution to related organization(s) .....	<b>1b</b>	
<b>c</b> Gift, grant, or capital contribution from related organization(s) .....	<b>1c</b>	
<b>d</b> Loans or loan guarantees to or for related organization(s) .....	<b>1d</b>	
<b>e</b> Loans or loan guarantees by related organization(s) .....	<b>1e</b>	
<b>f</b> Dividends from related organization(s) .....	<b>1f</b>	
<b>g</b> Sale of assets to related organization(s) .....	<b>1g</b>	
<b>h</b> Purchase of assets from related organization(s) .....	<b>1h</b>	
<b>i</b> Exchange of assets with related organization(s) .....	<b>1i</b>	
<b>j</b> Lease of facilities, equipment, or other assets to related organization(s) .....	<b>1j</b>	
<b>k</b> Lease of facilities, equipment, or other assets from related organization(s) .....	<b>1k</b>	
<b>l</b> Performance of services or membership or fundraising solicitations for related organization(s) .....	<b>1l</b>	
<b>m</b> Performance of services or membership or fundraising solicitations by related organization(s) .....	<b>1m</b>	
<b>n</b> Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) .....	<b>1n</b>	
<b>o</b> Sharing of paid employees with related organization(s) .....	<b>1o</b>	
<b>p</b> Reimbursement paid to related organization(s) for expenses .....	<b>1p</b>	
<b>q</b> Reimbursement paid by related organization(s) for expenses .....	<b>1q</b>	
<b>r</b> Other transfer of cash or property to related organization(s) .....	<b>1r</b>	
<b>s</b> Other transfer of cash or property from related organization(s) .....	<b>1s</b>	

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(a) Name of other organization	(b) Transaction type (a-s)	(c) Amount involved	(d) Method of determining amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			





# TAX RETURN FILING INSTRUCTIONS

## MINNESOTA ANNUAL REPORT

FOR THE YEAR ENDING

..... June 30, 2013 .....

<b>Prepared for</b>	Simpson Housing Services, Inc 2100 Pillsbury Ave S Minneapolis, MN 55404-2347
<b>Prepared by</b>	Eide Bailly LLP 800 Nicollet Mall, Ste. 1300 Minneapolis, MN 55402-7033
<b>Amount due or refund</b>	Balance due of \$25
<b>Make check payable to</b>	State of Minnesota
<b>Mail tax return and check (if applicable) to</b>	Office of the Attorney General Suite 1200, Bremer Tower 445 Minnesota Street St. Paul, MN 55101-2130
<b>Return must be mailed on or before</b>	Please mail as soon as possible.
<b>Special Instructions</b>	The return should be signed and dated by the authorized individuals.  Include the organization's federal employer identification number and Annual Report on the remittance.

# STATE OF MINNESOTA

## CHARITABLE ORGANIZATION INITIAL REGISTRATION & ANNUAL REPORT FORM

ATTORNEY GENERAL LORI SWANSON

SUITE 1200, BREMER TOWER

445 MINNESOTA STREET

ST. PAUL, MN 55101-2130

(651) 757-1311

(651) 296-1410 (TTY)

www.ag.state.mn.us

Annual Reporting

Initial Registration

**FEDERAL EIN NUMBER: 41-1759477**

**FOR YEAR ENDING: 06/30/2013**

### SECTION A: REQUIRED INFORMATION FOR INITIAL REGISTRATION & ANNUAL REPORTING

1. Legal Name of Organization: SIMPSON HOUSING SERVICES, INC

If annual reporting, is this a new name since the organization's last filing?

Yes

No

If so, please state former name: \_\_\_\_\_

2. List all names under which the organization solicits contributions:

SIMPSON HOUSING SERVICES, INC.

3. Mailing Address of Organization (required)

Physical Address of Organization (required)

2100 PILLSBURY AVE S  
MINNEAPOLIS, MN 55404-2347

2100 PILLSBURY AVE S  
MINNEAPOLIS, MN 55404-2347

4. Contact Person STEPHEN HORSFIELD

E-mail SHORSFIELD@SIMPSONHOUSING.ORG

Tel. No. 612-455-0841

Fax No. 612-879-0041

5. Does the organization use the services of a professional fund-raiser (outside solicitor or consultant)?

Yes

No

If so, provide name and address of any outside professional fund-raiser employed by the organization and state the total amount of compensation each outside fund-raiser received from the filing organization during the year. Attach schedule if more than one.

Name \_\_\_\_\_

Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_ Compensation \_\_\_\_\_

6. a) Does this professional fund-raiser solicit or consult in Minnesota?

Yes

No

b) Is this professional fund-raiser registered to solicit or consult in Minnesota?

Yes

No

7. Month and day accounting year ends: 06/30

8. Has the organization included the filing fee, late fee (if any) and all attachments required by the instructions?

Yes

No

Office Use Only:  ARF  \$25  \$50  N (e-Postcard)  990  EZ  PF  FES  SIG  BD  SAL  Audit

9. This Section A(9) must be completed by organizations filing a 990-N (e-Postcard) or organizations whose filing does not contain the information requested below. This includes organizations that: 1) do not file an IRS Form 990, 2) file an IRS Form 990-EZ or 990-PF, or 3) organizations that file a group return that does not include the filing organization's individual financial information.

**INCOME**

Contributions from the public	\$	<u>1,463,566.</u>
Government Grants	\$	<u>2,924,912.</u>
Other revenue	\$	<u>840,359.</u>
<b>TOTAL REVENUE</b>	\$	<u>5,228,837.</u>

EXCESS or DEFICIT	\$	<u>113,796.</u>
TOTAL Assets	\$	<u>3,244,344.</u>
TOTAL Liabilities	\$	<u>1,467,113.</u>

**END OF YEAR FUND BALANCE/NET WORTH** (Assets minus Liabilities) \$ 1,777,231.

**SECTION C: REQUIRED FOR ANNUAL REPORTING ONLY**

*ALL Annual Report filers MUST complete questions 1-6*

1. Has the organization's accounting year changed since the last report was filed?  Yes  No  
 If yes, provide the new year-end date: \_\_\_\_\_

2. **Attach** an explanation if there has been any change in the organization's tax status with the Internal Revenue Service; a significant change in the purposes of the organization; or if the organization's right to solicit funds has been denied, suspended, revoked or enjoined by any state agency or court in any state, or if there are proceedings pending.  None  Attached

3. List of the five highest paid directors, officers, and employees of the organization and its related organizations, as that term is defined by section 317A.011, subdivision 18, that receive total compensation of more than \$100,000, together with the compensation paid to each. For purposes of this subdivision, "compensation" is defined as the total amount reported on Form W-2 (Box 5) or Form 1099-MISC (Box 7) issued by the organization and its related organizations to the individual. The value of fringe benefits and deferred compensation paid by the charitable organization and all related organizations as that term is defined by section 317A.011, subdivision 18, shall also be reported as a separate item for each person whose compensation is required to be reported pursuant to this subdivision.

	Name/Title	Compensation	Deferred Compensation	Fringe Benefits
1				
2				
3				
4				
5				

4. **Attach** a list of organization's board of directors.  Attached  Included in IRS return

5. **Attach a GAAP audit** if total revenue exceeds \$750,000.  Attached  
 Audit not included under the Food Shelf Exemption (excluding from total revenue the value of food donated to a nonprofit food shelf for redistribution at no cost).  Audit not required

6. Minnesota law requires that an organization file a copy of all tax or informational returns filed with the IRS, including IRS Form 990-N (e-Postcard), 990, 990-EZ, or 990-PF, including all schedules and amendments. Has the organization included with this annual report a copy of all tax or informational returns, including IRS Form 990-N (e-Postcard), 990, 990-EZ or 990-PF that it filed with the IRS (excluding Schedule B or any other donor list)?  Yes  No (Not required to file a return with IRS or files a group return).

*NOTE: By answering YES to the above question, you are attesting that the IRS informational return filed with this office is an exact copy, including all schedules and attachments, of the IRS informational return filed with the IRS (excluding Schedule B or any other donor list the IRS may require).*

7. This Section C(7) must be completed by organizations that: 1) do not file an informational return with the IRS; 2) file a 990-N (e-Postcard), 990-EZ, or 990-PF; 3) file a group return that does not include the filing organization's functional expense information; or 4) file an IRS Form 990 that does not contain a completed functional expenses statement within the IRS Form 990.

<b>Statement of Functional Expenses</b>				
	<b>(A)</b> Total expenses	<b>(B)</b> Program service expenses	<b>(C)</b> Management and general expenses	<b>(D)</b> Fundraising expenses
<b>1</b> Grants and other assistance to governments and organizations in the U.S.				
<b>2</b> Grants and other assistance to individuals in the U.S.				
<b>3</b> Grants and other assistance to governments, organizations, and individuals outside the U.S.				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees				
<b>6</b> Compensation not included above, to disqualified persons (as defined under section 4958(f)(1) and persons described in section 4958(c)(3)(B))				
<b>7</b> Other salaries and wages				
<b>8</b> Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
<b>9</b> Other employee benefits				
<b>10</b> Payroll taxes				
<b>11</b> Fees for services (non-employees):				
<b>a</b> Management				
<b>b</b> Legal				
<b>c</b> Accounting				
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services				
<b>f</b> Investment management fees				
<b>g</b> Other				
<b>12</b> Advertising and promotion				
<b>13</b> Office expenses				
<b>14</b> Information technology				
<b>15</b> Royalties				
<b>16</b> Occupancy				
<b>17</b> Travel				
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings				
<b>20</b> Interest				
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization				
<b>23</b> Insurance				
<b>24</b> Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
<b>a</b> _____				
<b>b</b> _____				
<b>c</b> _____				
<b>d</b> All other expenses	22,563.	11,978.	9,710.	875.
<b>25</b> <b>Total functional expenses.</b> Add lines 1 through 24d				
<b>26</b> <b>Joint costs.</b> Check here <input type="checkbox"/> if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

**Must be prepared in accordance with generally accepted accounting principles.**  
**For 990-EZ filers: Column A, Line 25 should equal line 17 IRS Form 990-EZ**  
**For 990-PF filers: Column A, Line 25 should equal line 26 IRS Form 990-PF**  
**The total of Column A, lines 1 through 24d should equal line 25a.**  
**The total of lines 25b, 25c and 25d, should equal line 25a**

**SECTION D: REQUIRED FOR INITIAL REGISTRATION & ANNUAL REPORTING**

**BOARD OF DIRECTORS**  
**SIGNATURES AND ACKNOWLEDGMENT**

We, the undersigned, state and acknowledge that we are duly constituted officers of this organization, being the

**TREASURER** \_\_\_\_\_ (Title) and \_\_\_\_\_ (Title) respectively, and

that we execute this document on behalf of the organization pursuant to the resolution of the

**BOARD OF DIRECTORS** \_\_\_\_\_ (Board of Directors, Trustees, or Managing Group) adopted on the \_\_\_\_\_

day of \_\_\_\_\_, 20 \_\_\_\_, approving the contents of the document, and do hereby certify that the

**BOARD OF DIRECTORS** \_\_\_\_\_ (Board of Directors, Trustees, or Managing Group) has assumed, and will continue

to assume, responsibility for determining matters of policy, and have supervised, and will continue to supervise, the finances of the organization. We

further state that the information supplied is true, correct and complete to the best of our knowledge.

**HARRY POULOS** \_\_\_\_\_

Name (Print)

\_\_\_\_\_  
Name (Print)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

**TREASURER** \_\_\_\_\_

Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**\* NOTICE \***

**Documents required to be filed are public records. Please do not include social security numbers, driver's license numbers or bank account numbers on the documents filed with this Office as they are not required, but could become part of the public records. A charitable organization is not required to file a list of its donors. If it is included, it may become part of the public file.**

AG: #3124563-v1



Consolidated Financial Statements  
June 30, 2013

# Simpson Housing Services Inc.

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## **Independent Auditor's Report**

The Board of Directors  
Simpson Housing Services Inc.  
Minneapolis, Minnesota

### **Report on the Financial Statement**

We have audited the accompanying consolidated financial statements of Simpson Housing Services Inc. (the Organization), which comprise the consolidated statement of financial position as of June 30, 2013, and the related consolidated statements of activities, functional expenses and cash flows for the year 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 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 consolidated 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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Simpson Housing Services Inc. as of June 30, 2013, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

We have previously audited Simpson Housing Services Inc.'s 2012 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 15, 2012. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2012 is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated January 22, 2014, on our consideration of Simpson Housing Services Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 Simpson Housing Services Inc.'s internal control over financial reporting and compliance.



Minneapolis, Minnesota  
January 22, 2014

Simpson Housing Services Inc.  
Consolidated Statements of Financial Position  
June 30, 2013 and 2012

	2013	2012
Assets		
Current Assets		
Cash and cash equivalents	\$ 600,273	\$ 902,243
Restricted cash - other	61,668	71,228
Restricted cash - escrow and reserves	145,298	80,264
Temporary investments	203,976	212,325
Accounts receivable	835	1,375
Promises to give	-	50,000
Grants receivable	99,292	86,444
Prepaid expenses	12,883	15,848
Total current assets	1,124,225	1,419,727
Property and Equipment, Net	2,120,119	1,725,962
Total assets	\$ 3,244,344	\$ 3,145,689
Liabilities and Net Assets		
Notes payable	\$ 19,213	\$ 18,278
Accounts payable	24,492	29,245
Accrued salaries payable	41,472	42,018
Accrued vacation payable	64,872	59,643
Accrued interest	30,811	27,811
Accrued expenses - security deposits	17,721	18,554
Other accrued expenses	32,852	31,812
Total current liabilities	231,433	227,361
Long-term Liabilities		
Debt, net of current portion	1,235,680	1,254,893
Total liabilities	1,467,113	1,482,254
Net Assets		
Unrestricted	1,727,254	1,397,628
Temporarily restricted	49,977	265,807
Total net assets	1,777,231	1,663,435
Total liabilities and net assets	\$ 3,244,344	\$ 3,145,689

Simpson Housing Services Inc.

Consolidated Statements of Activities

For the Year Ended June 30, 2013 (with Comparative Totals for 2012)

	2013			2012
	Unrestricted	Temporarily Restricted	Total	Total
Support and Revenue				
Contributions	\$ 772,963	\$ 48,270	\$ 821,233	\$ 1,216,140
In-kind contributions	120,850	-	120,850	120,850
Government contracts	2,924,912	-	2,924,912	2,119,468
Contract income	492,926	-	492,926	489,944
United Way	214,999	-	214,999	204,466
Rental income	270,827	-	270,827	284,879
Special event revenue	109,345	-	109,345	111,790
Other income	19,163	-	19,163	32,545
Net assets released from restrictions	264,100	(264,100)	-	-
Total support and revenue	5,190,085	(215,830)	4,974,255	4,580,082
Expenses				
Program services				
Shelters	698,877	-	698,877	676,908
Family housing	2,390,429	-	2,390,429	2,092,435
Single adult housing	1,224,191	-	1,224,191	1,083,714
Total program services	4,313,497	-	4,313,497	3,853,057
Support services				
Management and general	370,590	-	370,590	322,393
Fundraising	201,372	-	201,372	234,370
Total support services	571,962	-	571,962	556,763
Total expenses	4,885,459	-	4,885,459	4,409,820
Change in Net Assets	304,626	(215,830)	88,796	170,262
Non-Operating Activity				
In-kind contributions	261,304	-	261,304	213,630
In-kind expense	(236,304)	-	(236,304)	(213,630)
Total non-operating activity	25,000	-	25,000	-
Net Assets, Beginning of Year	1,397,628	265,807	1,663,435	1,493,173
Net Assets, End of Year	\$ 1,727,254	\$ 49,977	\$ 1,777,231	\$ 1,663,435

Simpson Housing Services Inc.  
Consolidated Statements of Functional Expenses  
For the Year Ended June 30, 2013 (with Comparative Totals for 2012)

	2013									
	Program Services				Supporting Services			Total Supporting Services	Total Expenses	2012
	Shelter	Family Housing	Single Adult Housing	Total Program Services	Management and General	Fundraising				
Salaries	\$ 415,326	\$ 854,824	\$ 385,358	\$ 1,655,508	\$ 234,665	\$ 105,696	\$ 340,361	\$ 1,995,869	\$ 1,846,183	
Employee benefits	67,080	113,307	57,731	238,118	18,252	11,828	30,080	268,198	245,967	
Payroll taxes	36,001	71,872	33,141	141,014	19,297	8,900	28,197	169,211	159,360	
Total salaries and related expenses	518,407	1,040,003	476,230	2,034,640	272,214	126,424	398,638	2,433,278	2,251,510	
Rental assistance and housing support	29,357	935,404	666,965	1,631,726	-	-	-	1,631,726	1,351,701	
Shelter rent expense	56,234	-	-	56,234	-	-	-	56,234	56,216	
Supplies	23,765	14,930	12,489	51,184	6,978	625	7,603	58,787	39,433	
Interest expense	-	134,083	-	134,083	-	-	-	134,083	134,958	
Transportation	1,885	48,328	12,794	63,007	1,958	2,159	4,117	67,124	58,978	
Insurance	8,022	28,531	6,839	43,392	5,566	1,464	7,030	50,422	45,984	
Professional fees	3,753	32,912	4,910	41,575	28,970	621	29,591	71,166	125,112	
Office space	3,211	5,458	14,940	23,609	639	582	1,221	24,830	19,418	
Telephone and utilities	8,885	22,509	7,147	38,541	1,915	697	2,612	41,153	34,798	
Repairs and maintenance	4,296	28,380	2,273	34,949	4,102	7,636	11,738	46,687	28,545	
Program events	720	19,673	280	20,673	8,724	-	8,724	29,397	27,739	
Printing and postage	73	729	68	870	18,810	11,203	30,013	30,883	29,417	
Dues and subscriptions	887	1,624	965	3,476	2,608	-	2,608	6,084	4,731	
Professional development and recruitment	23	1,615	224	1,862	3,426	75	3,501	5,363	7,869	
Bank charges	2	-	-	2	3,206	-	3,206	3,208	2,527	
Special events	-	-	-	-	-	45,180	45,180	45,180	66,870	
Miscellaneous	2,180	4,775	1,545	8,500	3,896	875	4,771	13,271	14,577	
Total operating expenses excluding depreciation	661,700	2,318,954	1,207,669	4,188,323	363,012	197,541	560,553	4,748,876	4,300,383	
Depreciation	37,177	71,475	16,522	125,174	7,578	3,831	11,409	136,583	109,437	
Total operating expenses	698,877	2,390,429	1,224,191	4,313,497	370,590	201,372	571,962	4,885,459	4,409,820	
Non-operating in-kind expense	236,304	-	-	236,304	-	-	-	236,304	213,630	
Total expenses	\$ 935,181	\$ 2,390,429	\$ 1,224,191	\$ 4,549,801	\$ 370,590	\$ 201,372	\$ 571,962	\$ 5,121,763	\$ 4,623,450	

See Notes to Consolidated Financial Statements

Simpson Housing Services Inc.  
Consolidated Statements of Cash Flows  
For the Year Ended June 30, 2013 and 2012

	2013	2012
Operating Activities		
Change in net assets	\$ 113,796	\$ 170,262
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	136,583	109,437
Change in assets and liabilities		
Accounts receivable	540	1,558
Promises to give	50,000	140,000
Grants receivable	(12,848)	(34,631)
Prepaid expenses	2,965	(1,758)
Accounts payable	(24,179)	(12,292)
Accrued payroll liabilities	4,683	3,534
Accrued interest	3,000	(20,750)
Accrued expenses - security deposits	(833)	(410)
Other accrued expenses	1,040	12,898
Net Cash from Operating Activities	274,747	367,848
Investing Activities		
Purchase of property and equipment	(511,314)	(81,518)
Change in restricted cash - escrows and reserves	(65,034)	(11,322)
Purchase of investments (CD's)	(1,701)	(202,325)
Redemption of investments (CD's)	10,050	200,000
Net Cash used for Investing Activities	(567,999)	(95,165)
Financing Activities		
Payments on notes payable	(18,278)	(17,388)
Net Change in Cash and Cash Equivalents	(311,530)	255,295
Cash and Cash Equivalents, Beginning of Year	973,471	718,176
Cash and Cash Equivalents, End of Year	\$ 661,941	\$ 973,471
Supplemental Disclosures		
Cash paid for interest	\$ 10,056	\$ 10,947

## **Note 1 - Nature of Activities and Summary of Significant Accounting Policies**

### **Organization**

Simpson Housing Services Inc. (Organization) was incorporated on July 26, 1993, pursuant to the Minnesota Nonprofit Corporation Act. The Organization is dedicated to providing shelter and affordable housing with support services to homeless or imminently homeless families, men, women and children, to assist them in their efforts to improve their life situation and to advocate for their human and civil rights. The mission is to house, support and advocate for people experiencing homelessness. The Organization's program activities are:

#### Shelters

- The Emergency Shelter provides overnight shelter accommodations for up to 44 single men and 22 single women. The shelter also provides hot meals, shower and laundry facilities, toiletries, as well as individual advocacy and mental and physical health services. Guests are offered a 28-day stay. Five beds for women are given on a first-come, first-serve basis nightly. The shelter has a Savings Program in which guests are encouraged to save money to apply toward more stable housing when they leave the shelter.

#### Family Housing

- Family Housing Program – To provide up to two years of rental subsidy and case management services for 16 homeless families. Program emphasis is on locating permanent housing, continued education and employment.
- Transitions – To provide up to two years of rental subsidy and case management services for 15 homeless families. Program emphasis is on locating permanent housing, continued education and employment.
- THP (Transitional Housing Program) – To provide up to two years rental subsidy and case management services for 13 homeless families. Program emphasis is on locating permanent housing, continued education and employment.
- ZOOM House –Simpson Housing Services provides supportive services to ten families in the ZOOM transitional housing program in South Minneapolis. Program emphasis is on locating permanent housing, continued education and employment.
- Passages Community Housing, LLC – Simpson Housing Services Inc. owned, 17-unit apartment building, providing transitional housing and case management to resident families. Program emphasis is on locating permanent housing, continued education and employment.
- RAP (Rental Assistance Program) – To provide long-term rental assistance and limited support services for 27 homeless families. The program is designed to provide housing stability.
- SOAR – To provide an educational support program designed to affect positive change in family dynamics and child educational success by providing parenting support and direct children's services.

- FRA (Family Roots Alliance) – A collaboration between Lutheran Social Service and Simpson Housing Services. The team provides services to 40 families experiencing long-term homelessness in the Twin Cities west-metro area. The team assists families and children to move from shelter to stable, affordable housing and make sure that they get the support they need to remain stable. A rental subsidy and advocacy for both parents and children are provided.
- Third Avenue Townhomes – A permanent supportive housing project for homeless families with a disabled family member. Case-management services are provided for five families at a Section 8 affordable housing project owned by Beacon Interfaith Housing Collaborative in South Minneapolis.
- Housing First – A permanent supportive housing project for long-term homeless families with a disabled family member. Families live in scattered-site housing in Hennepin County and are provided rental assistance and case-management services. The program has a capacity of 37 families.
- Elliott Park Apartments – A permanent supportive housing project for long-term homeless families. Case-management services are provided for eight families at a Section 8 affordable housing project owned by Community Housing Development Corporation in the Elliot Park neighborhood near downtown Minneapolis.
- Riverside Plaza – A permanent supportive housing project for long-term homeless families. Case-management services are provided for fifteen families at a Section 8 affordable housing project owned by Sherman Associates in the West Bank neighborhood of Minneapolis.

#### Single Adult Housing

- WHP (Women’s Housing Partnership) and SARA (Single Adult Rental Assistance) – To provide 50 single adults with rental subsidy, services and support they need to obtain permanent housing after experiencing long-term homelessness. The primary focus of the program is to assist the most frequent guests at the Simpson Women's Shelter to locate and maintain permanent housing. The program includes intensive support services and weekly meetings with an advocate.
- COHR (Collaboration of Housing Resources) – A collaboration between Simpson Housing Services, Spectrum Community Mental Health and St. Stephen's Human Services. Through a variety of funding sources, over 300 adults, who have experienced long-term homelessness, are assisted in finding an apartment, a housing subsidy, and offered ongoing assistance to maintain housing. The teams seek to serve those who have experienced the longest time of homelessness and those who are more vulnerable or have more serious barriers to getting and maintaining housing.
- Opportunity Housing Partnership (OHP) – A collaboration between Simpson Housing Services, Aeon, and Spectrum Community Mental Health. The partnership provides resident support to residents at Aeon’s OHP properties. OHP is a set of Aeon buildings that provides 130 formerly homeless adults with a safe and permanent home and provides support services to help residents regain and maintain stability in their lives, homes and the community.

### **Principles of Consolidation**

The consolidated financial statements include the Organization's wholly owned subsidiary, Passages Community Housing, LLC, because Simpson Housing Services, Inc. has both control of and economic interest in Passages Community Housing, LLC. All material intercompany transactions have been eliminated. Unless otherwise noted, the consolidated entities are hereinafter referred to as the Organization.

### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Organization considers all unrestricted cash and other highly liquid investments in debt securities purchased with an original maturity of three months or less to be cash equivalents. Restricted cash - other is considered to be cash and cash equivalents.

### **Restricted Cash – Escrows and Reserves**

Passages Community Housing, LLC has specific agreements which require the establishment of tax and insurance escrows, replacement reserves, residual receipts and development cost escrows. Restricted cash related to these items is not considered to be cash and cash equivalents.

### **Investments**

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment gain is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less investment management and custodial fees.

### **Receivables and Credit Policies**

Accounts receivable consist primarily of noninterest-bearing promises to give and grants receivable. Management determines the allowance for uncollectable accounts receivable based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Accounts receivable are written off when deemed uncollectable. There was no allowance recorded at June 30, 2013 or 2012.

### **Promises to Give**

Unconditional promises to give expected to be collected within one year are recorded at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statement of activities. Management determines the allowance for uncollectable promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. There was no allowance recorded at June 30, 2013 or 2012.

### Property and Equipment

Expenditures for the acquisition of property and equipment greater than \$1,500 are capitalized at cost, and donated property and equipment is capitalized at fair value. Depreciation is computed on the straight-line method over the following useful lives:

Building	30 years
Vehicles	5 years
Building improvements	2-10 years
Furniture and equipment	3-5 years

When assets are sold or otherwise disposed of, the cost and related depreciation or amortization are removed from the accounts, and any remaining gain or loss is included in the statement of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed currently.

### Compensated Absences

Under the Organization's policies and procedures, employees are granted vacation leave based on the number of years of experience they have at the Organization. Employees may accumulate a maximum of 80 hours of their earned paid time off (PTO) leave benefit. Unused accumulated PTO, up to 80 hours, is paid to employees upon termination.

### Net Assets

Net assets and revenues, gains, and losses are classified based on donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted – Net assets available for use in general operations.

Temporarily Restricted – Net assets subject to donor restrictions that may or will be met by expenditures or actions of the Organization and/or the passage of time.

The Organization reports contributions restricted by donors as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently Restricted – Net assets whose use is limited by donor-imposed restrictions that neither expire by the passage of time nor can be fulfilled or otherwise removed by action of Organization. The restrictions stipulate that resources be maintained permanently but permit the Organization to expend the income generated in accordance with the provisions of the agreements.

The Organization has elected to present temporarily restricted contributions which are fulfilled in the same time period within the unrestricted net asset class.

### **Revenue and Revenue Recognition**

Revenue is recognized when earned. Program service fees and payments under cost-reimbursable contracts received in advance are deferred to the applicable period in which the related services are performed or expenditures are incurred, respectively. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

### **Contributed Property and Services**

Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Property, services and other non-cash donations are recorded as in-kind contributions at their estimated market value at the date of donation.

In addition, many individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services. Total volunteer hours for 2013 were approximately 33,610.

### **Functional Allocation of Expenses**

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

### **Income Tax Status**

The Organization is organized as a Minnesota nonprofit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi), and has been determined to be a public charity under Section 509(a)(1). The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. The Organization has determined it is not subject to unrelated business income tax and has not filed an Exempt Organization Business Income Tax Return (Form 990-T) with the IRS.

The Organization believes that it has appropriate support for any tax positions taken affecting its annual filing requirements, and as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

### **Estimates**

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 at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material.

### **Financial Instruments and Credit Risk**

The Organization manages deposit concentration risk by placing cash and certificates of deposit with financial institutions believed by management to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Organization has not experienced losses in any of these accounts. Credit risk associated with accounts receivable, promises to give, and grants receivable is considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies and nonprofit organizations supportive of the Organization's mission.

### **Subsequent Events**

The Organization has evaluated subsequent events through January 22, 2014, the date which the financial statements were available to be issued.

### **Note 2 - Fair Value Measurements and Disclosures**

Certain assets and liabilities are reported at fair value in the consolidated financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, the Organization develops inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to the Organization's assessment of the quality, risk or liquidity profile of the asset or liability.

The Organization's investment assets are classified within Level 1 because they are comprised of certificates of deposit with readily determinable fair values based on daily redemption values.

The following table presents assets measured at fair value on a recurring basis, except those measured at cost as identified below, at June 30, 2013:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Short-term investments				
Certificates of deposit	\$ 203,976	\$ 203,976	\$ -	\$ -

### Fair Value of Financial Instruments Not Required To Be Reported at Fair Value

The carrying amounts of cash and cash equivalents, accounts receivable, grants receivable, accounts payable, accrued expenses and other liabilities, approximate fair value due to the short-term nature of the items. The carrying amount of promises to give due in more than one year is based on the discounted net present value of the expected future cash receipts, and approximates fair value.

### Note 3 - Restricted Cash

Certain cash balances are restricted as of June 30, 2013 for the following purposes:

Transitional housing	\$ 13,679
Shelter guest savings	29,355
Security deposits (Passages)	18,634
Escrows and reserves (Passages)	145,298
	\$ 206,966

### Real Estate Tax and Insurance Escrow

The Minnesota Housing Finance Agency (MHFA) mortgage agreement requires the establishment of a property tax and insurance escrow. These amounts are held by MHFA. Amounts consisted of \$35 and \$2,642, respectively, as of June 30, 2013, for property tax and insurance escrow.

**Replacement Reserve**

The MHFA mortgage agreement requires a certain amount to be set aside for maintenance work on the property. These amounts are held by MHFA. As of June 30, 2013, the replacement reserve balance totaled \$52,223.

**Development Cost Escrow**

The MHFA mortgage agreement requires a certain amount to be set aside in the event the Organization cannot meet debt service requirements. These amounts are held by MHFA. As of June 30, 2013, the development cost escrow balance totaled \$13,983.

**Residual Receipts**

The MHFA mortgage agreement requires a certain amount to be set aside for excess cash payments made among other escrow and reserve accounts. These amounts are held by MHFA. As of June 30, 2013, the replacement reserve balance totaled \$76,415.

**Note 4 - Property and Equipment**

Property and equipment as of June 30, 2013 consists of the following:

Land	\$ 260,500
Building	1,369,500
Vehicles	48,967
Building improvements	925,661
Furniture and equipment	72,595
Construction in process	38,261
	2,715,484
Less accumulated depreciation	595,365
	\$ 2,120,119

Construction in progress at June 30, 2013 consists of projects at Passages Community Housing. The estimated total cost of the project is \$425,000 with an expected completion date of November 30, 2013.

**Note 5 - Notes and Mortgage Payable**

The Organization has various debt agreements for interest bearing and non-interest bearing loans. The following schedule of debt reflects the balance of outstanding loans at June 30, 2013:

<p>5% mortgage note payable to Minnesota Housing Finance Agency (MHFA). Payable in monthly amounts of \$2,631, including interest, with the last payment due September 2021. Secured by assets.                      Lien Priority 1</p>	\$     191,163
<p>0% installment note payable to MHFA is due if units are not used for low income housing through September 2021. If the Organization is not in default of the loan through that date, the note is due in one lump sum in September 2021. Secured by assets.                      Lien Priority 2</p>	35,000
<p>0% installment note payable to City Finance Agency is due if units are not used for low income housing through September 2021. If the Organization is not in default of the loan through that date, the note is due in one lump sum in September 2021. Secured by assets.                      Lien Priority 3</p>	425,730
<p>1% installment note payable to City Finance Agency is due if units are not used for low income housing through July 2033. If the Organization is not in default of the loan through that date, the note is due in one lump sum, including interest, in July 2033. Secured by assets.                      Lien Priority 4</p>	300,000
<p>0% installment note payable to MHFA is due if units are not used for low income housing through September 2021. If the Organization is not in default of the loan through that date, the note is due in one lump sum in September 2021. Secured by assets.                      Lien Priority 5</p>	148,500
<p>0% installment note payable to MHFA is due if units are not used for low income housing through September 2021. If the Organization is not in default of the loan through that date, the note is due in one lump sum, in September 2021. Secured by assets.                      Lien Priority 6</p>	120,500
<p>0% installment note payable to Wells Fargo Bank Minnesota, NA is due if units are not used for low income housing through September 2021. If the Organization is not in default of the loan through that date, the note is due in one lump sum, in September 2021. Secured by assets.                      Lien Priority 7</p>	34,000
	1,254,893
Less current portion	19,213
Long-term portion	\$   1,235,680

Order of lien priority was agreed upon in the Management and Assumption Agreement between Minnesota Housing Finance Agency and Passages Community Housing, LLC.

Future principal payments required are as follows:

Years Ending June 30,	Amount
2014	\$ 19,213
2015	20,196
2016	21,229
2017	22,315
2018 and thereafter	1,171,940
	\$ 1,254,893

In-kind interest expense of \$120,850 for below-market loans has been recorded as an in-kind contribution and included in interest expense for the year ended June 30, 2013.

**Note 6 - Leases**

The Organization leases office space and office equipment under noncancelable operating leases.

Minimum future rental payments under the non-cancelable leases for each year during the remaining lease terms are as follows:

Years Ending June 30,	Office Equipment
2014	\$ 6,468
2015	6,468
2016	6,468
2017	5,390
	\$ 24,794

Lease expense for the year ended June 30, 2013 was \$65,463.

**Note 7 - Temporarily Restricted Net Assets**

Temporarily restricted net assets consisted of the following as June 30, 2013:

SOAR	\$ 12,252
Shelter	25,770
Heading Home Minnesota Partners Fund	1,955
Strategic planning	10,000
	\$ 49,977

Temporarily restricted net assets released from restrictions for the year ended June 30, 2013 consist of the following:

SOAR	\$ 50,248
Heading Home Minnesota Partners Fund	8,221
Early childhood development	7,756
General operating - time restricted	160,000
Case management for adults and children	37,875
	37,875
	\$ 264,100

**Note 8 - Donated Materials and Interest**

The fair value of donated materials included as supporting services expenses for the year ended June 30, 2013, totaled \$45,180. The fair value of donated materials included as non-operating revenue and expense for the year ended June 30, 2013, totaled \$236,304. In addition for the year ended June 30, 2013, there was \$25,000 included in non-operating revenue that was capitalized as a building improvement.

The estimated value of donated interest expense on non-interest bearing or below market mortgages and notes payable has been included as program services expenses for the year ended June 30, 2013. For the year ended June 30, 2013, this totaled to \$120,850.

**Note 9 - Retirement Plan**

The Organization has a Simple IRA plan for all eligible employees. The annual employer's matching contribution is mandatory. The contributions made by the Organization totaled \$47,170 for the year ended June 30, 2013.

**Note 10 - Related Party Contributions**

During 2013, Board members contributed \$17,373 to the Organization, of which \$1,559 were in-kind contributions.

**Note 11 - Contingencies**

During the year ended June 30, 2013, the Organization received a \$320,000 grant from the City of Minneapolis. This grant provided funding for certain building improvements at Passages Community Housing, LLC. Under the terms of the grant, the Organization must continue to operate Passages Community Housing, LLC as an emergency or transitional housing shelter through June 30, 2016 or must repay the grant.



Supplementary Information  
June 30, 2013

**Simpson Housing Services Inc.**



## Independent Auditor's Report on Supplementary Information

The Board of Directors  
Simpson Housing Services Inc.  
Minneapolis, Minnesota

We have audited the consolidated financial statements of Simpson Housing Services, Inc. and subsidiary as of and for the year ended June 30, 2013 and our report thereon dated January 22, 2014, which expressed an unmodified opinion on those financial statements, appears on page 1. Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules on pages 19-20 are presented for the purpose of additional analysis and are 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 our audits 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 consolidated 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 taken as a whole.

*Eide Bailly LLP*

Minneapolis, Minnesota  
January 22, 2014

Simpson Housing Services Inc.  
Consolidating Statement of Financial Position  
June 30, 2013

	<u>Simpson Housing Services, Inc.</u>	<u>Passages Community Housing</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	\$ 582,990	\$ 17,283	\$ -	\$ 600,273
Restricted cash - other	43,034	18,634	-	61,668
Restricted cash - escrow and reserves	-	145,298	-	145,298
Temporary investments	203,976	-	-	203,976
Accounts receivable	19,426	835	(19,426)	835
Grants receivable	99,292	-	-	99,292
Prepaid expenses	-	12,883	-	12,883
Total current assets	<u>948,718</u>	<u>194,933</u>	<u>(19,426)</u>	<u>1,124,225</u>
Property and Equipment, Net	<u>899,390</u>	<u>1,220,729</u>	<u>-</u>	<u>2,120,119</u>
Total assets	<u>\$ 1,848,108</u>	<u>\$ 1,415,662</u>	<u>\$ (19,426)</u>	<u>\$ 3,244,344</u>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities</b>				
Notes payable	\$ -	\$ 19,213	\$ -	\$ 19,213
Accounts payable	22,884	21,034	(19,426)	24,492
Accrued salaries payable	41,472	-	-	41,472
Accrued vacation payable	64,872	-	-	64,872
Accrued interest	-	30,811	-	30,811
Accrued expenses - security deposits	-	17,721	-	17,721
Other accrued expenses	32,852	-	-	32,852
Total current liabilities	<u>162,080</u>	<u>88,779</u>	<u>(19,426)</u>	<u>231,433</u>
<b>Long-term Liabilities</b>				
Debt, net of current portion	<u>-</u>	<u>1,235,680</u>	<u>-</u>	<u>1,235,680</u>
Total liabilities	<u>162,080</u>	<u>1,324,459</u>	<u>(19,426)</u>	<u>1,467,113</u>
<b>Net Assets</b>				
Unrestricted	1,636,051	91,203	-	1,727,254
Temporarily restricted	49,977	-	-	49,977
Total net assets	<u>1,686,028</u>	<u>91,203</u>	<u>-</u>	<u>1,777,231</u>
Total liabilities and net assets	<u>\$ 1,848,108</u>	<u>\$ 1,415,662</u>	<u>\$ (19,426)</u>	<u>\$ 3,244,344</u>

Simpson Housing Services Inc.  
Consolidating Statement of Activities  
June 30, 2013

	Simpson Housing Services, Inc.	Passages Community Housing	Eliminations	Total
<b>Support and Revenue</b>				
Contributions	\$ 821,233	\$ -	\$ -	\$ 821,233
In-kind contributions	-	120,850	-	120,850
Government contracts	2,604,912	320,000	-	2,924,912
Contract income	535,066	-	(42,140)	492,926
United Way	214,999	-	-	214,999
Rental income	50,700	220,127	-	270,827
Special event revenue	109,345	-	-	109,345
Other income	16,063	3,100	-	19,163
Total support and revenue	<u>4,352,318</u>	<u>664,077</u>	<u>(42,140)</u>	<u>4,974,255</u>
<b>Expenses</b>				
Program services				
Shelters	698,877	-	-	698,877
Family housing	2,086,803	345,766	(42,140)	2,390,429
Single adult housing	1,224,191	-	-	1,224,191
Total program services	<u>4,009,871</u>	<u>345,766</u>	<u>(42,140)</u>	<u>4,313,497</u>
Support services				
Management and general	370,590	-	-	370,590
Fundraising	201,372	-	-	201,372
Total support services	<u>571,962</u>	<u>-</u>	<u>-</u>	<u>571,962</u>
Total expenses	<u>4,581,833</u>	<u>345,766</u>	<u>(42,140)</u>	<u>4,885,459</u>
Change in Operating Net Assets	<u>(229,515)</u>	<u>318,311</u>	<u>-</u>	<u>88,796</u>
<b>Non-Operating Activity</b>				
In-kind contributions	261,304	-	-	261,304
In-kind expense	(236,304)	-	-	(236,304)
Total non-operating activity	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
Net Assets, Beginning of Year	<u>1,890,543</u>	<u>(227,108)</u>	<u>-</u>	<u>1,663,435</u>
Net increase in net assets	<u>(204,515)</u>	<u>318,311</u>	<u>-</u>	<u>113,796</u>
Net Assets, End of Year	<u>\$ 1,686,028</u>	<u>\$ 91,203</u>	<u>\$ -</u>	<u>\$ 1,777,231</u>