

CHICAGO COALITION FOR THE HOMELESS
FINANCIAL STATEMENTS
JUNE 30, 2016

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT.

To the Board of Directors of
CHICAGO COALITION FOR THE HOMELESS
70 East Lake Street, Suite 720
Chicago, IL 60601

We have audited the accompanying financial statements of CHICAGO COALITION FOR THE HOMELESS which comprise the statement of financial position as of June 30, 2016, and the related 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 financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CHICAGO COALITION FOR THE HOMELESS as of June 30, 2016, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

PORTE BROWN LLC
Certified Public Accountants

A handwritten signature in black ink that reads "Porte Brown LLC". The signature is written in a cursive, flowing style. The word "Porte" is written in a larger, more prominent script, followed by "Brown" and "LLC" in a slightly smaller, similar script. The signature is positioned above a horizontal line.

Elk Grove Village, Illinois
November 14, 2016

CHICAGO COALITION FOR THE HOMELESS

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2016

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	1,916,662	
Certificates of deposit		214,894	
Receivables		498,000	
Prepaid expenses		<u>13,637</u>	\$ 2,643,193

FIXED ASSETS

Property and equipment	\$	237,898	
Less: Accumulated depreciation		<u>(184,816)</u>	<u>53,082</u>

TOTAL ASSETS

\$ 2,696,275

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable			\$ 23,193
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NET ASSETS

Unrestricted:			
Undesignated	\$	1,060,153	
Board designated		<u>300,000</u>	\$ 1,360,153
Temporarily restricted			<u>1,312,929</u>
			<u>2,673,082</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 2,696,275

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

CHICAGO COALITION FOR THE HOMELESS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted Grants</u>	<u>Temporarily Restricted Scholarship</u>	<u>Total</u>
<u>SUPPORT, REVENUE, AND GAINS</u>				
Contributions				
Foundation grants	\$ 490,450	\$ 1,057,500	\$ -	\$ 1,547,950
Scholarships	26,425	-	-	26,425
Corporations	31,195	-	-	31,195
Major gifts	701,923	-	-	701,923
Winter appeal	110,087	-	-	110,087
Spring appeal	1,295	-	-	1,295
Fall appeal	84,706	-	-	84,706
Justice Circle	90,610	-	-	90,610
Individual contributions	222,657	-	-	222,657
Religious contributions	4,094	-	-	4,094
Matching gifts	11,345	-	-	11,345
Special events	214,356	-	-	214,356
Membership dues	41,248	-	-	41,248
Community Shares matching	15,216	-	-	15,216
Fee for service	25,362	-	-	25,362
Investment income	2,000	-	-	2,000
Other income	1,901	-	-	1,901
Net (grant) assets released from restrictions	<u>600,043</u>	<u>(592,083)</u>	<u>(7,960)</u>	<u>-</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>\$ 2,674,913</u>	<u>\$ 465,417</u>	<u>\$ (7,960)</u>	<u>\$ 3,132,370</u>
<u>EXPENSES</u>				
Program	\$ 2,170,606	\$ -	\$ -	\$ 2,170,606
Management	127,191	-	-	127,191
Fundraising	282,839	-	-	282,839
	<u>\$ 2,580,636</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,580,636</u>
<u>CHANGE IN NET ASSETS</u>	<u>\$ 94,277</u>	<u>\$ 465,417</u>	<u>\$ (7,960)</u>	<u>\$ 551,734</u>
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>1,265,876</u>	<u>772,083</u>	<u>83,389</u>	<u>2,121,348</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 1,360,153</u>	<u>\$ 1,237,500</u>	<u>\$ 75,429</u>	<u>\$ 2,673,082</u>

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

CHICAGO COALITION FOR THE HOMELESS
STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM SERVICES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Educational Rights/Law</u>	<u>Youth Futures</u>	<u>Creative Writing/ Horizons</u>	<u>No Youth Alone</u>	<u>Housing Campaign</u>	<u>Women's Empowerment Project</u>	<u>Statewide Network</u>	<u>Small Shelter</u>
Salaries	\$ 233,939	\$ 214,461	\$ 51,991	\$ 104,712	\$ 223,226	\$ 20,321	\$ 97,141	\$ -
Employee taxes & benefits	72,557	63,247	13,044	29,271	61,395	6,039	26,306	-
Total salaries and related expenses	\$ 306,496	\$ 277,708	\$ 65,035	\$ 133,983	\$ 284,621	\$ 26,360	\$ 123,447	\$ -
Location costs	14,961	14,561	3,537	8,302	17,383	2,140	6,368	-
Media, research, consultant & professional fees	6,556	4,889	1,442	2,197	5,385	525	1,758	-
Office equipment and supplies	8,505	7,900	1,802	4,928	9,816	973	3,200	-
Printing, postage, dues & subscriptions	6,968	4,878	501	1,244	6,675	451	1,179	-
Meeting, conference, travel	14,954	7,267	2,006	6,641	15,839	3,833	12,425	-
Program and organizing	17,100	9,484	1,800	3,633	10,192	5,625	7,781	-
Fundraising - special events	19,343	-	-	-	-	-	-	-
Scholarships awarded	44,385	-	-	-	-	-	-	-
Scholarships expenses	1,231	-	-	-	-	-	-	-
Other administrative costs	-	-	-	-	-	-	-	125,000
Total expenses before depreciation	\$ 440,499	\$ 326,687	\$ 76,123	\$ 160,928	\$ 349,911	\$ 39,907	\$ 156,158	\$ 125,000
Depreciation	2,006	1,493	446	733	1,594	182	713	-
TOTAL PROGRAM AND SUPPORTING SERVICE EXPENSES	<u>\$ 442,505</u>	<u>\$ 328,180</u>	<u>\$ 76,569</u>	<u>\$ 161,661</u>	<u>\$ 351,505</u>	<u>\$ 40,089</u>	<u>\$ 156,871</u>	<u>\$ 125,000</u>

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

CHICAGO COALITION FOR THE HOMELESS
STATEMENT OF FUNCTIONAL EXPENSES - PROGRAM SERVICES
FOR THE YEAR ENDED JUNE 30, 2016

	<u>PART</u>	<u>The Re-Entry Project</u>	<u>Jobs Project</u>	<u>Speakers Bureau</u>	<u>Total Program Services</u>	<u>Management</u>	<u>Fundraising</u>	<u>Grand Total</u>
Salaries	\$ 25,368	\$ 109,537	\$ 80,608	\$ 74,757	\$ 1,236,061	\$ 39,060	\$ 111,967	\$ 1,387,088
Employee taxes & benefits	6,626	25,747	17,821	17,531	339,584	7,855	29,513	376,952
Total salaries and related expenses	\$ 31,994	\$ 135,284	\$ 98,429	\$ 92,288	\$ 1,575,645	\$ 46,915	\$ 141,480	\$ 1,764,040
Location costs	2,098	7,695	4,912	4,912	86,869	3,486	5,517	95,872
Media, research, consultant & professional fees	483	2,093	1,294	1,634	28,256	37,249	7,411	72,916
Office equipment and supplies	939	4,783	2,378	2,425	47,649	5,420	4,811	57,880
Printing, postage, dues & subscriptions	541	1,409	1,049	761	25,656	2,981	67,367	96,004
Meeting, conference, travel	7,591	15,408	9,507	7,694	103,165	9,056	3,509	115,730
Program and organizing	6,662	10,988	9,171	21,594	104,030	21,534	6,023	131,587
Fundraising - special events	-	-	-	-	19,343	-	45,503	64,846
Scholarships awarded	-	-	-	-	44,385	-	-	44,385
Scholarships expenses	-	-	-	-	1,231	-	-	1,231
Donations	-	-	-	-	125,000	-	-	125,000
Total expenses before depreciation	\$ 50,308	\$ 177,660	\$ 126,740	\$ 131,308	\$ 2,161,229	\$ 126,641	\$ 281,621	\$ 2,569,491
Depreciation	230	810	568	602	9,377	550	1,218	11,145
TOTAL PROGRAM AND SUPPORTING SERVICE EXPENSES	\$ 50,538	\$ 178,470	\$ 127,308	\$ 131,910	\$ 2,170,606	\$ 127,191	\$ 282,839	\$ 2,580,636

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

CHICAGO COALITION FOR THE HOMELESS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2016

OPERATING ACTIVITIES

Change in net assets	\$	551,734	
Adjustments to reconcile change in net assets to net cash provided by operating activities:			
Depreciation		11,145	
Changes in:			
Receivables		(250,486)	
Prepaid expenses		16,619	
Accounts payable		1,354	
Accrued expenses		<u>(3,500)</u>	
Net cash provided by operating activities	\$		326,866

INVESTING ACTIVITIES

Purchase of fixed assets	\$	(37,285)	
Proceeds from certificates of deposit		418,720	
Purchase of certificates of deposit		<u>(433,985)</u>	
Net cash used by investing activities			<u>(52,550)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS \$ 274,316

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 1,642,346

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 1,916,662

SUPPLEMENTAL INFORMATION TO CASH FLOWS

Cash paid during the year for:			
Income taxes	\$		-
Interest			-

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

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

NATURE OF OPERATIONS

Chicago Coalition for the Homeless (CCH) works to prevent and end homelessness in metropolitan Chicago. Founded in 1980, CCH was incorporated on Sept. 10, 1982, under the "general Not-for-Profit Corporation Act of Illinois."

CCH runs outreach at emergency shelters, transitional housing, school and street programs across the city, and staffs a legal aid clinic serving students, youth, families, and adults. In pressing for access to housing, jobs, and schools, CCH organizers mobilize homeless and recently homeless people, service providers, other advocates, school, and religious organizations.

Through its Housing Campaign, CCH advocates for the development of affordable housing for homeless households and to preserve a shelter safety net. The signature campaign *HomeWorks* launched in FY16. Working with nine family housing providers, *HomeWorks* advocates to create supportive housing sized for homeless Chicago families with children. Working with CCH's Education Committee of homeless parents, *HomeWorks* also organizes families to seek improved services from their local Chicago schools.

No Youth Alone is a statewide campaign that advocates for resources to serve the growing number of unaccompanied youth. Staffed by the policy and legal staffs, it is supported by the CCH Youth Committee (1983), which mobilizes 37 youth providers from across Illinois.

Four community organizers offer outreach at 35 shelters in across Chicago. This includes Horizons (2007), a creative writing program offered in family and adult shelters. The Re-Entry Project (2006) is guided by a steering committee of ex-offenders, advocates and academics, who work to end housing and job barriers faced by ex-offenders. A Speakers Bureau (2007) reaches a yearly audience of about 4,500 people, mobilizing a base of community volunteers through high schools, colleges/universities, and religious groups. Women's Empowerment Project (1991) ran outreach at women's and family shelters. The Statewide Network (2012) mobilizes services providers from eleven suburban and downstate communities to advocate on housing issues, with focus in Aurora, Rockford and Waukegan.

The Law Project (1997) offers legal aid to people who are homeless, with 93 percent of casework on behalf of homeless students or youth with civil legal needs. This includes Youth Futures (2004), which runs a mobile legal aid clinic to help homeless and unaccompanied youth via school, shelter and street outreach programs, including health care advocacy. The Jobs Project (1999) advocates improved wages for low-wage workers. Prostitution Alternatives Round Table (2001) advocated for housing and job options to help prostituted women change their lives.

To ensure its independent voice, CCH does not accept government grants. Donations, foundation grants, some corporate sponsorship and special events sustain the organization, including the Hopefest benefit concert and an August golf outing.

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 14, 2016, the date which the financial statements were available to be issued.

FINANCIAL STATEMENT PRESENTATION

In accordance with FASB ASC 958-205, "Not-for-Profit Entities Presentation of Financial Statements," the Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

REVENUE RECOGNITION

In accordance with FASB ASC 958-605-25 "Not-for-Profit Entities Revenue Recognition," contributions received, including unconditional promises to give, are recognized as revenues in the period received at their fair market values. Conditional promises to give, whether received or made, are recognized when they become unconditional, that is, when the conditions are substantially met. In addition, FASB ASC 958-605 requires not-for-profit organizations to distinguish between contributions received that increase unrestricted, temporarily restricted, and permanently restricted net assets. It also requires recognition of the expiration of donor-imposed restrictions in the period in which the restrictions expire.

DONOR - IMPOSED RESTRICTIONS

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Organization reports the support as unrestricted.

Temporarily restricted net assets at June 30, 2016, are available for the following purposes:

Time and purpose restricted grants	\$ 1,237,500
Scholarship	75,429
Total	<u>\$ 1,312,929</u>

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

DONOR - IMPOSED RESTRICTIONS: (Continued)

Net assets released from restriction during FYE June 30, 2016:

Time and purpose restricted grants	\$ 592,083
Scholarships	<u>7,960</u>
Total	<u>\$ 600,043</u>

CONTRIBUTED SERVICES

During the current period, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

FUNCTIONAL EXPENSES

The Organization allocates its expenses on a functional basis among its various programs and supporting activities. Expenses that can be identified with a specific program or supporting activity are allocated directly according to their natural expenditure classification.

CASH EQUIVALENTS

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

The Organization has cash and cash equivalents in excess of the federally insured limits of \$250,000 at one banking institution. These amounts potentially subject the Organization to credit risk if the banking institution fails.

PREPAID EXPENSES

Prepaid expenses consist of:

Insurance	\$ 8,640
Other	<u>4,997</u>
	<u>\$ 13,637</u>

RECEIVABLES

Receivables consist of grant payments due from various Corporations and Foundations. The Organization considers grants receivable to be fully collectible. The grants receivable are valued at management's estimate of the amount that will ultimately be collected.

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost. Depreciation is calculated on a straight-line basis over the estimated lives of the related assets. The Organization capitalizes all assets with a cost basis of greater than \$1,000 and a useful life of more than 2 years.

Major classifications of property and equipment and their respective lives are summarized below:

<u>Type</u>	<u>Amount</u>	<u>Depreciable Lives in Years</u>
Leasehold improvements	\$ 6,300	7
Furniture and office equipment	147,775	5-7
Transportation	<u>83,823</u>	3-7
	\$ 237,898	
Accumulated depreciation	<u>(184,816)</u>	
Net Book Value	<u>\$ 53,082</u>	

INCOME TAXES

There is no provision for federal and state income taxes because the entity is a tax-exempt organization, under Section 501(c)(3) of the Internal Revenue Code.

The Organization has adopted the provisions of ASC Topic 740, Income Taxes, relating to the accounting for uncertainty in income taxes. The Organization files income tax returns in the U.S. federal jurisdiction and the State of Illinois. Management is not aware of any uncertain tax positions.

NOTE B. RETIREMENT PLANS

The Organization maintains a qualified pension plan that covers all eligible employees. Contributions to the plan are equal to 5% of the eligible employee's annual salary. Pension expense for the current period amounted to \$61,739.

NOTE C. LEASE COMMITMENTS

The Organization has entered into a lease commitment on the building used for its activities. The terms of the lease provide for an annual rent of approximately \$65,700, increasing periodically to approximately \$74,000. The expiration date is April 30, 2017.

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2016

NOTE C. LEASE COMMITMENTS: (Continued)

Future minimum lease payments for above operating lease is as follows:

Year ending June 30,	
2017	<u>\$ 61,660</u>

NOTE D. FUNDRAISING EXPENSES

In addition to various special events and fundraisers, Chicago Coalition for the Homeless conducts four direct mail appeals during the year.