

**CHICAGO COALITION
FOR THE HOMELESS
Audited Financial Statements
and Independent Auditors' Report
For the Year Ended
June 30, 2018**

Chicago Coalition for the Homeless

Table of Contents

Independent Auditor's Report	1-2
Financial Statements	
Statement of Financial Position.....	3
Statement of Activities.....	4
Statement of Functional Expenses.....	5-6
Statement of Cash Flows.....	7
Notes to Financial Statements.....	8-12

RINGOLD

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

*Auditing, Accounting, Tax Services, Advisory Services, Program & Project
Management, Supplier Diversity & Compliance, Training*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Chicago Coalition for the Homeless

We have audited the accompanying financial statements of Chicago Coalition for the Homeless (a State of Illinois nonprofit organization), which comprise the statement of financial position as of June 30, 2018 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.

Auditors' 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 from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chicago Coalition for the Homeless as of June 30, 2018, 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.

*Ringold Financial
Management Serv. Inc.*

Chicago, Illinois
December 17, 2018

CHICAGO COALITION FOR THE HOMELESS
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2018

ASSETS

Current Assets	
Cash and Cash Equivalents	\$ 2,933,471
Investments	555
Grants Receivable	721,000
Prepaid and Other Assets	<u>10,627</u>
Total Current Assets	3,665,653
Fixed Assets	
Property & Equipment	344,649
Less: Accumulated Depreciation	<u>(110,364)</u>
Total Fixed Assets	234,285
Total Assets	<u><u>\$ 3,899,938</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities	
Accounts Payable	\$ 37,053
Accrued Expense	<u>78,254</u>
Total Current Liabilities	115,307
Net Assets	
Unrestricted Net Assets	1,957,149
Unrestricted-Board Designated	300,000
Temporarily Restricted	<u>1,527,482</u>
Total Net Assets	<u><u>3,784,631</u></u>
Total Liabilities and Net Assets	<u><u>\$ 3,899,938</u></u>

See independent auditors' report and accompanying notes to financial statements

**CHICAGO COALITION FOR THE HOMELESS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Unrestricted</u>	<u>Temporarily Restricted Grants</u>	<u>Temporarily Restricted Scholarship</u>	<u>Total</u>
Support and Revenue				
Contributions				
Foundation Grants	\$ 248,900	\$ 1,729,700	\$ -	\$ 1,978,600
Scholarships	-	-	47,850	47,850
Corporations	69,951	-	-	69,951
Major Gifts	1,163,858	-	-	1,163,858
Other Contributions	13,863	-	-	13,863
Seasonal Appeals	178,486	-	-	178,486
Justice Circle	43,195	-	-	43,195
Individual Contributions	388,879	-	-	388,879
Matching Gifts	43,087	-	-	43,087
Special Events	209,812	-	-	209,812
Membership Dues	36,773	-	-	36,773
Service Fees	17,370	-	-	17,370
Investment Income	3,460	-	-	3,460
Net (Grant) Assets Released From Restrictions	1,142,366	(1,092,792)	(49,574)	-
Total Support and Revenue	<u>3,560,000</u>	<u>636,908</u>	<u>(1,724)</u>	<u>4,195,184</u>
Expenses				
Program Services	2,706,703	-	-	2,706,703
Management and General	86,772	-	-	86,772
Fundraising	312,858	-	-	312,858
Total Expenses	<u>3,106,333</u>	<u>-</u>	<u>-</u>	<u>3,106,333</u>
Change in Net Assets	<u>453,667</u>	<u>636,908</u>	<u>(1,724)</u>	<u>1,088,851</u>
NET ASSETS, beginning of year	<u>1,803,482</u>	<u>815,500</u>	<u>76,798</u>	<u>2,695,780</u>
NET ASSETS, end of year	<u>\$ 2,257,149</u>	<u>\$ 1,452,408</u>	<u>\$ 75,074</u>	<u>\$ 3,784,631</u>

See independent auditors' report and accompanying notes to financial statements

**CHICAGO COALITION FOR THE HOMELESS
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018**

	Program Services							The Re-Entry Project
	Educational Rights/ Law	Youth Futures	Statewide Network	No Youth Alone	Horizons	Housing	Small Shelter	
Expenses								
Salaries	\$ 289,380	\$ 284,693	\$ 91,574	\$ 109,541	\$ 66,576	\$ 254,397	\$ 40,745	\$ 138,753
Payroll Taxes and Benefits	91,603	93,826	34,457	32,938	16,114	81,675	18,928	38,703
Occupancy	17,744	18,092	8,640	6,726	3,199	14,939	3,602	8,837
Professional Fees	9,652	8,678	9,803	2,498	8,219	25,602	4,742	17,727
Office Expense	13,200	13,938	4,772	3,689	2,341	7,970	2,679	5,153
Printing	4,580	367	227	128	62	412	75	274
Postage & Delivery	4,056	1,289	605	514	372	1,037	446	686
Dues & Subscriptions	3,213	1,737	220	1,095	59	3,652	73	781
Conference & Travel	15,524	9,337	9,398	5,179	3,916	11,645	611	15,290
Program & Organizing	29,870	29,314	10,882	5,092	10,585	13,073	5,223	19,279
Scholarship Expense	1,098	-	-	-	-	-	-	-
Awarded Scholarships	49,574	-	-	-	-	-	-	-
Pass-through Grants	-	-	-	-	-	20,000	250,000	-
Special Events	499	-	-	-	25	392	-	-
Depreciation	616	1,332	987	1,929	2,760	705	2,727	1,574
Total Expenses	\$ 530,609	\$ 462,603	\$ 171,565	\$ 169,329	\$ 114,228	\$ 435,499	\$ 329,851	\$ 247,057

See independent auditors' report and accompanying notes to financial statements

**CHICAGO COALITION FOR THE HOMELESS
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

	Program Services (Continued)			Supporting Services			Total
	Jobs Project	Speakers Bureau	Total Program Services	Management and General	Fundraising	Total Supporting Services	
Expenses							
Salaries	\$ 60,863	\$ 49,154	\$ 1,385,676	\$ 32,458	\$ 125,485	\$ 157,943	\$ 1,543,619
Payroll Taxes and Benefits	17,984	27,394	453,622	4,070	57,603	61,673	515,295
Occupancy	4,073	3,874	89,726	3,514	10,935	14,449	104,175
Professional Fees	8,585	8,599	104,105	1,387	10,386	11,773	115,878
Office Expense	2,490	2,655	58,887	11,548	14,218	25,766	84,653
Printing	80	76	6,281	58	30,704	30,762	37,043
Postage & Delivery	298	375	9,678	455	37,482	37,937	47,615
Dues & Subscriptions	75	72	10,977	1,594	6,260	7,854	18,831
Conference & Travel	7,656	7,506	86,062	1,771	2,031	3,802	89,864
Program & Organizing	16,001	25,010	164,329	29,312	14,785	44,097	208,426
Scholarship Expense	-	-	1,098	-	156	156	1,254
Awarded Scholarships	-	-	49,574	-	-	-	49,574
Pass-through Grants	-	-	270,000	-	-	-	270,000
Special Events	-	-	916	-	-	-	916
Depreciation	1,264	1,878	15,772	605	2,813	3,418	19,190
Total Expenses	\$ 119,369	\$ 126,593	\$ 2,706,703	\$ 86,772	\$ 312,858	\$ 399,630	\$ 3,106,333

See independent auditors' report and accompanying notes to financial statements

**CHICAGO COALITION FOR THE HOMELESS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 1,088,851
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Loss on assets disposition	377
Depreciation expense	19,190
Changes in:	
Grants receivable	(526,000)
Prepaid and other assets	46,502
Accounts payable	13,459
Accrued expenses	55,636
Cash provided by operating activities	698,015

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed assets acquisitions	(197,136)
Investment	(555)
Cash used by investing activities	(197,691)

Net increase in cash and cash equivalents	500,324
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CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,433,147
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CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,933,471
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SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for:	
Interest	\$ -
Taxes	\$ -

See independent auditors' report and accompanying notes to financial statements

Chicago Coalition for the Homeless
Notes to Financial Statements
June 30, 2018

1. Description of Delegate Agency and Program Activity

Chicago Coalition for the Homeless (CCH) works to prevent and end homelessness in metropolitan Chicago. Founded in 1980, CCH was incorporated on September 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 supporting housing sized for homeless Chicago families with children. Working with CCH’s Education Committee of homeless parents, *HomeWorks* also organizes families to seek improved service 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 offered outreach at 35 shelters across Chicago. This includes Horizons, a creative writing outreach program offered in family shelters, involving about 100 mothers and children. A State Network organizer mobilizes service providers, community members and homeless leaders from 14 suburban and downstate communities to advocate on housing-related issues, with focus in Aurora, Naperville, and Waukegan. The Reentry Project is guided by a steering committee of ex-offenders, advocates and academics who advocate to end housing and job barriers. The Small Shelter Fund administers pass-through grants for small Chicago shelters, supported by an anonymous funder. The Jobs Project advocated higher minimum wages for low-wage workers. A Speakers Bureau of 15 homeless leaders reaches a yearly audience of about 4,000, many of them student and religious groups, and mobilizes community volunteers through high schools and colleges.

Six attorneys with the Law Project offer legal aid to people who are homeless, with 78% of FY18 caseload (739 cases closed) on behalf of homeless students or youth. This includes Youth Futures, a mobile legal aid clinic that reaches about 2,400 homeless and unaccompanied youth via schools, shelters and street outreach programs, including health care advocacy. A part-time outreach worker assisted a community lawyer in assisting people who live on the street.

To ensure its independent voice, CCH does not accept government grants. Donations, foundation and corporate grants, and special events sustain the organization. These include small events hosted by an Associate Board, an August golf outing, and participation in RiotFest’s concert weekend.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Chicago Coalition for the Homeless maintains its accounts in accordance with the principles and practices of fund accounting. Fund accounting is the procedure by which resources for various purposes are classified for accounting purposes into funds established in accordance with their nature and purpose.

Chicago Coalition for the Homeless
Notes to Financial Statements
June 30, 2018

2. Summary of Significant Accounting Policies (Continued)

Basis of Presentation (Continued)

These financial statements have been prepared to focus on the CCH as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. In accordance with FASB ASC 958-205 "Not-for-Profit Entities Presentation of Financial Statements", CCH reports information regarding its financial position and activities according to three classes of net assets: permanently restricted, temporarily restricted or unrestricted.

Accordingly, net assets and changes therein are classified as follows:

Unrestricted net assets: Amounts that are currently available for use in the CCH's operations and for the acquisition of equipment and are not subject to donor-imposed restrictions.

Unrestricted-Board Designated: Amounts designated by the Board of Directors to be reserved for future use. CCH maintained unrestricted-board designated net assets as of June 30, 2018.

Temporarily restricted net assets: Net assets subject to donor-imposed stipulations that may or will be met by actions of the CCH and/or passage of time. CCH maintained temporarily restricted net assets as of June 30, 2018.

Permanently restricted net assets: Net assets subject to donor-imposed stipulations that will be maintained by the CCH. Generally, the donors of these assets permit the CCH to use all or part of the income earned on related investments for general or specific purposes. CCH did not maintain any permanently restricted net assets as of June 30, 2018.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law.

Expirations of temporary restrictions on net assets (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between applicable classes of net assets.

Contributions

Contributions, including unconditional promises-to-give, are recognized as revenue in the period received. Conditional promises to give are not recognized as revenue until the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. CCH collects all of its contributions, thus, no allowance for doubtful accounts is necessary.

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending upon the existence or nature of any donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures 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.

Chicago Coalition for the Homeless
Notes to Financial Statements
June 30, 2018

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

CCH considers cash on deposit at bank(s) and highly liquid investments with original maturities of three months or less at the date of purchase to be cash and cash equivalents. CCH maintains its cash in bank accounts which, at times, may exceed federally insured limits. CCH has not experienced any losses in such accounts.

Fixed Assets

Fixed assets are stated at historical 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 two years. Additions and improvements to existing equipment are capitalized, while general maintenance and repairs are charged to expense.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated to specific program services based on direct benefit obtained. Where these expenses affect more than one area, they are allocated on the basis of ratios estimated by management. General and administrative expenses are allocated to programs based on the percentage approved within grant agreements.

Income Taxes

CCH is recognized as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes on related income. CCH had no unrelated business income during fiscal year 2018 and, therefore, no provision for federal or state income taxes has been made in the accompanying financial statements.

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. This requires the evaluation of tax positions taken or expected to be taken in the course of preparing the CCH's tax returns to determine whether the tax positions are "more likely than not" of being sustained when challenged or when examined by the applicable tax authority. For the year ended June 30, 2018, management has determined that there were no material uncertain tax positions.

Advertising

Advertising costs are expensed as incurred. Advertising expenses for the year ended June 30, 2018 were \$4,593.

Contributed Services

During the fiscal year ended June 30, 2018 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Chicago Coalition for the Homeless
Notes to Financial Statements
June 30, 2018

3. Employee Benefit Plans

CCH maintains a qualified pension plan that covers all employees. Contributions to the plan are equal to 5% of the eligible employee's annual salary. Pension expense for the year ended June 30, 2018 amounted to \$63,017.

4. Property and Equipment

Property and equipment is summarized as follows:

	Amount	Depreciable Lives in Years
Leasehold Improvements	\$ 194,085	7
Furniture and Office Equipment	82,624	5-7
Transportation	67,940	3-7
	<u>344,649</u>	
Less accumulated depreciation	(110,364)	
Total Fixed Assets:	<u>\$ 234,285</u>	

Depreciation expense amounted to \$19,190 for the fiscal year ended June 30, 2018.

5. Lease Commitments

CCH occupies its offices under an operating lease expiring in April 30, 2027. The lease provides for base rentals plus a certain percentage of the monthly operating expenses of the building. Lease payments for the facility rent during fiscal year ended June 30, 2018 were \$98,437. These expenses are reflected in the statement of activities. Future minimum base rental required under the lease, exclusive of operating expenses, is as follows:

Year ending June 30,	
2019	\$ 116,579
2020	120,065
2021	123,648
2022	127,382
2023	131,199
Thereafter	540,066
Total	<u>\$ 1,158,939</u>

6. Contributions Receivable

As of June 30, 2018, all of CCH's contributions receivable was due within one year with balance of \$721,000. No allowance has been established as CCH believes the entire amount is collectible.

7. Fundraising Expense

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

Chicago Coalition for the Homeless
Notes to Financial Statements
June 30, 2018

8. Temporarily Restricted Net Assets

Temporarily restricted net assets (restricted for the purpose indicated) at June 30, 2018 are as follows:

Lawyers Trust Fund of IL	\$ 32,500
IL Equal Justice Fund	3,333
Equal Justice Works	53,667
Polk Bros Foundation	30,000
Woods Fund of Chicago	20,000
Crown Family Philanthropies	800,000
Helen Brach Foundation	7,500
Frank E and Seba B Payne Foundation	50,000
VNA	5,000
Wohlers Family Foundation	20,000
Marguerite Casey Foundation	300,000
Pierce Family Charitable Foundation	10,000
Patrick & Anna Cudahay Fund	3,750
Chicago Community Trust	37,500
The Conant Family Foundation	10,000
The Chicago Bar Foundation	25,000
McCormick Foundation	42,658
Student Alliance	1,500
Scholarships	75,074
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	\$ 1,527,482

9. Board Designated Net Assets

As of June 30, 2018 CCH's Board of Directors has designated \$300,000 of unrestricted net assets to serve as a possible endowment fund for future years.

10. Subsequent Events

Management has evaluated subsequent events through December 17, 2018, the date which the financial statements were available for issue. There were no subsequent events which require disclosure.