

**CHICAGO COALITION  
FOR THE HOMELESS  
Audited Financial Statements  
and Independent Auditor's Report  
For the Year Ended  
June 30, 2019**

## **Table of Contents**

<b>Independent Auditor's Report .....</b>	<b>1-2</b>
<b>Financial Statements</b>	
<b>Statement of Financial Position.....</b>	<b>3</b>
<b>Statement of Activities.....</b>	<b>4</b>
<b>Statement of Functional Expenses.....</b>	<b>5-6</b>
<b>Statement of Cash Flows.....</b>	<b>7</b>
<b>Notes to Financial Statements.....</b>	<b>8-14</b>

# RINGOLD

## **CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS**

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

### **INDEPENDENT AUDITOR'S 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 nonprofit organization), which comprise the statement of financial position as of June 30, 2019, 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 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, 2019, 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 Services, Inc.*

Ringold Financial Management Services, Inc.  
Chicago, IL  
November 1, 2019

**CHICAGO COALITION FOR THE HOMELESS**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2019**

**ASSETS**

<b>Current Assets</b>	
Cash and Cash Equivalents	\$ 2,182,429
Investments	1,832,418
Grants Receivable	257,500
Prepaid and Other Assets	19,629
<b>Total Current Assets</b>	<b>4,291,976</b>
 <b>Fixed Assets</b>	
Property & Equipment	317,572
Less: Accumulated Depreciation	(106,095)
<b>Total Fixed Assets</b>	<b>211,477</b>
<b>Total Assets</b>	<b>\$ 4,503,453</b>

**LIABILITIES AND NET ASSETS**

<b>Current Liabilities</b>	
Accounts Payable	\$ 55,395
Accrued Expense	87,165
<b>Total Current Liabilities</b>	<b>142,560</b>
 <b>Net Assets</b>	
Without Donor Restrictions:	
Undesignated	2,933,385
Designated by Board	300,000
<b>Total Without Donor Restrictions</b>	<b>3,233,385</b>
With Donor Restrictions:	
Program and Time Restricted	444,258
Time Restricted	428,250
Time Restricted Pass-through Grant	255,000
<b>Total With Donor Restrictions</b>	<b>1,127,508</b>
<b>Total Net Assets</b>	<b>4,360,893</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 4,503,453</b>

See independent auditor's report and accompanying notes to financial statements

**CHICAGO COALITION FOR THE HOMELESS  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Support and Revenue</b>			
Contributions			
Foundation Grants	\$ 505,473	\$ 644,981	\$ 1,150,454
Scholarships	-	86,601	86,601
Corporations	114,726	-	114,726
Major Gifts	1,736,969	-	1,736,969
Other Contributions	9,470	-	9,470
Seasonal Appeals	189,528	-	189,528
Justice Circle	61,110	-	61,110
Individual Contributions	525,381	-	525,381
Matching Gifts	32,135	-	32,135
Special Events	252,134	-	252,134
Membership Dues	18,546	-	18,546
Service Fees	41,733	-	41,733
Investment Income	60,433	-	60,433
Net Assets Released from Restrictions:			
Satisfaction of Program Restrictions and Expiration of Time Restrictions	460,898	(460,898)	-
Expiration of Time Restrictions	415,658	(415,658)	-
Expiration of Time Restrictions Pass-through Grant	255,000	(255,000)	-
Total Net Assets Released From Restrictions	<u>1,131,556</u>	<u>(1,131,556)</u>	<u>-</u>
<b>Total Support and Revenue</b>	<u>4,679,194</u>	<u>(399,974)</u>	<u>4,279,220</u>
<b>Expenses</b>			
Program Services	3,250,470	-	3,250,470
Management and General	121,344	-	121,344
Fundraising	356,155	-	356,155
<b>Total Expenses</b>	<u>3,727,969</u>	<u>-</u>	<u>3,727,969</u>
Unrealized Gains on Investments	25,011	-	25,011
<b>Change in Net Assets</b>	<u>976,236</u>	<u>(399,974)</u>	<u>576,262</u>
<b>NET ASSETS, beginning of year</b>	<u>2,257,149</u>	<u>1,527,482</u>	<u>3,784,631</u>
<b>NET ASSETS, end of year</b>	<u>\$ 3,233,385</u>	<u>\$ 1,127,508</u>	<u>\$ 4,360,893</u>

See independent auditor's report and accompanying notes to financial statements

**CHICAGO COALITION FOR THE HOMELESS  
STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services							The Re-Entry Project
	Educational Rights/ Law	Youth Futures	Statewide Network	No Youth Alone	Horizons	Housing	Small Shelter	
<b>Expenses</b>								
Salaries	\$ 299,604	\$ 284,904	\$ 97,355	\$ 110,167	\$ 35,749	\$ 156,758	\$ 66,048	\$ 126,850
Payroll Taxes and Benefits	99,801	103,558	35,662	32,044	8,886	49,906	31,241	34,871
Occupancy	30,013	30,444	12,896	9,937	2,781	16,033	6,643	11,110
Professional Fees	15,749	16,197	6,930	3,559	980	19,105	6,016	9,427
Office Expense	21,289	20,292	6,278	4,854	1,400	7,697	3,287	5,559
Printing	968	852	408	341	77	504	188	296
Postage & Delivery	1,561	1,617	621	496	137	788	337	565
Dues & Subscriptions	6,117	3,460	935	2,763	79	4,430	168	798
Conference & Travel	16,384	11,781	9,747	7,648	2,011	12,197	765	13,843
Program & Organizing	53,567	52,778	18,096	10,607	4,849	17,030	5,805	20,838
Awarded Scholarships	47,214	-	-	-	-	-	-	-
Pass-through Grants	-	-	-	-	-	22,500	255,000	-
Special Events	3,170	-	-	-	262	-	-	-
Depreciation	5,135	4,608	1,629	1,594	470	2,673	3,225	1,954
<b>Total Expenses</b>	<b>\$ 600,572</b>	<b>\$ 530,491</b>	<b>\$ 190,557</b>	<b>\$ 184,010</b>	<b>\$ 57,681</b>	<b>\$ 309,621</b>	<b>\$ 378,723</b>	<b>\$ 226,111</b>

See independent auditor's report and accompanying notes to financial statements

**CHICAGO COALITION FOR THE HOMELESS  
STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2019**

	Program Services (Continued)			Supporting Services			Total
	Speakers Bureau	Bring Chicago Home	Total Program Services	Management and General	Fundraising	Total Supporting Services	
<b>Expenses</b>							
Salaries	\$ 47,906	\$ 290,201	\$ 1,515,542	\$ 50,050	\$ 151,845	\$ 201,895	\$ 1,717,437
Payroll Taxes and Benefits	18,236	91,209	505,414	18,447	44,031	62,478	567,892
Occupancy	4,643	18,173	142,673	6,039	13,648	19,687	162,360
Professional Fees	1,735	194,479	274,177	1,629	23,474	25,103	299,280
Office Expense	2,379	12,027	85,062	8,907	26,571	35,478	120,540
Printing	127	642	4,403	143	34,189	34,332	38,735
Postage & Delivery	242	959	7,323	319	33,270	33,589	40,912
Dues & Subscriptions	134	480	19,364	974	6,079	7,053	26,417
Conference & Travel	5,011	7,644	87,031	378	2,307	2,685	89,716
Program & Organizing	18,096	56,684	258,350	30,224	17,232	47,456	305,806
Awarded Scholarships	-	-	47,214	-	-	-	47,214
Pass-through Grants	-	-	277,500	-	-	-	277,500
Special Events	-	828	4,260	126	-	126	4,386
Depreciation	866	3	22,157	4,108	3,509	7,617	29,774
<b>Total Expenses</b>	<b>\$ 99,375</b>	<b>\$ 673,329</b>	<b>\$ 3,250,470</b>	<b>\$ 121,344</b>	<b>\$ 356,155</b>	<b>\$ 477,499</b>	<b>\$ 3,727,969</b>

See independent auditor's report and accompanying notes to financial statements



**CHICAGO COALITION FOR THE HOMELESS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in net assets	\$ 576,262
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Loss on asset dispositions	7,655
Depreciation expense	29,774
Unrealized gains on investments	(25,011)
Changes in:	
Grants receivable	463,500
Prepaid and other assets	(9,002)
Accounts payable	18,342
Accrued expenses	8,911
<b>Cash provided by operating activities</b>	<b>1,070,431</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Fixed assets acquisitions	(14,621)
Purchases of investments	(1,806,852)
<b>Cash used by investing activities</b>	<b>(1,821,473)</b>

Net decrease in cash and cash equivalents	(751,042)
---	-----------

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,933,471
--	-----------

CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 2,182,429
--	--------------

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

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

See independent auditor's report and accompanying notes to financial statements

**Chicago Coalition for the Homeless**  
**Notes to Financial Statements**  
**June 30, 2019**

---

**NOTE A. Description of Delegate Agency and Program Activity**

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

CCH staff run outreach at emergency shelters, transitional housing, schools, drop-in programs, and for people living on the streets in Chicago. They also staff a legal aid clinic serving students, youth, families, and adults. In advocating for access to housing, jobs, schools, and support services, CCH organizers mobilize homeless and recently homeless people, service providers, advocates, schools, and community organizations.

At the Law Project, six attorneys provide legal aid to people who are homeless. Legal staff closed 848 cases in FY19, 71% on behalf of homeless students and youth. Legal casework centers on civil issues, focused on education, access to health/mental health care, public benefits, shelter/housing, and legal ID records. A mobile legal clinic, Youth Futures, reached over 2,400 homeless and unaccompanied youth via weekly to monthly outreach at schools and youth shelters. It also co-manages StreetLight Chicago, a free mobile app and website listing resources and a Book-a-Bed feature for homeless youth. Staff reached over 7,300 people at community events for low-income families in the city and suburbs and distributed 42,800 pieces of staff-written informational material on 19 topics. In addition, 2,700 youth-serving professionals were trained on the rights and options for homeless students and youth. The Law Project manages a college scholarship program providing \$2,500 renewable awards, assisting 17 homeless teens in FY19.

Through its Housing program, CCH advocates for the development of supportive housing for homeless households and to preserve a shelter safety net in Illinois. Bring Chicago Home is the signature campaign: Endorsed by 85 organizations, Bring Chicago Home advocates for a significant increase in city resources to address homelessness at scale in Chicago. Another campaign, No Youth Alone, advocates for resources to serve unaccompanied and homeless youth. Staffed by CCH policy specialists and youth attorneys, its Homeless Youth Committee was organized in 1983 and mobilizes 38 youth providers across Illinois.

Three community organizers outreached to over 3,000 people at 26 shelters and clinics across Chicago. A street organizer reached out to almost 350 people who lived on the street or in encampments. Organizing programs include Horizons, a creative writing outreach program offered on-site in family and adult shelters, involving participants in a year-end showcase at the American Writers Museum. A State Network organizer mobilizes 1,300 service providers, community members, and homeless leaders from 14 suburbs and downstate cities, including Aurora, Naperville, and Waukegan.

The Reentry Project is guided by a steering committee of returning citizens, advocates, and academics. Working with the RROCI reentry coalition, the project advocates to end housing and job barriers, enacting seven laws in four years. The Small Shelter Fund administers pass-through grants for small Chicago shelters, supported by an anonymous funder. A Speakers Bureau of 15 homeless leaders reaches a yearly audience of about 3,000, many of them student and religious groups, and mobilizes community volunteers at high schools and colleges.

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 the Associate Board, an August golf outing, and participation in Riot Fest’s concert weekend.

**Chicago Coalition for the Homeless**  
**Notes to Financial Statements**  
**June 30, 2019**

---

**NOTE B. 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.

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. This has been accomplished by classification of fund balances and transactions into two classes of net assets – without donor restrictions and with donor restrictions.

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

Net assets without donor restrictions: Net assets not subject to donor-imposed restrictions. This class also includes net assets designated by the Board of Directors to be reserved for future use. CCH maintained board designated net assets as of June 30, 2019.

Net assets with donor restrictions: Net assets subject to donor-imposed stipulations that may or will be met by actions of CCH and/or passage of time. This class can also include net assets with restrictions that are perpetual in nature. CCH maintained net assets with donor restrictions as of June 30, 2019.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other liabilities are reported as increases or decreases in net assets without donor restrictions 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 net assets without donor restrictions or with donor restrictions depending upon the existence or nature of any donor restrictions.

**Chicago Coalition for the Homeless**  
**Notes to Financial Statements**  
**June 30, 2019**

---

**NOTE B. Summary of Significant Accounting Policies (Continued)**

**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.

**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.

**Investments**

Investments are reflected at fair value and changes in fair value are recorded as unrealized gains or losses. Gains and losses on investments are reported as increases or decreases in net assets without donor restrictions in the statement of activities, unless their use is restricted by explicit donor stipulation or by law.

CCH's investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with such investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect investment balances and the amounts reported in the financial statements.

**Fair Value Measurements**

The Fair Value Measurements and Disclosures topic of the FASB Codification establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1      Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.
- Level 2      Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets or liabilities in inactive markets;
  - Inputs other than quoted prices that are observable for the asset or liability;
  - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

**Chicago Coalition for the Homeless**  
**Notes to Financial Statements**  
**June 30, 2019**

---

**NOTE B. Summary of Significant Accounting Policies (Continued)**

**Fair Value Measurements (Continued)**

The table below presents the balances of assets and liabilities measured at fair value:

	June 30, 2019			
	Total	Level 1	Level 2	Level 3
<b>Fixed Income</b>	\$ 1,167,593	\$ 1,167,593	\$ -	\$ -
<b>Mutual Funds</b>	664,825	664,825	-	-
<b>Total</b>	\$ 1,832,418	\$ 1,832,418	\$ -	\$ -

**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 \$2,000 and a useful life of more than one year. 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. Certain expenses are attributable to more than one program or supporting function. Salaries, benefits, professional services, office expenses, information technology, insurance, and depreciation are allocated based on each staff members estimated work time percentage for each program. Estimated percentages are set annually during the budgeting phase.

**Liquidity and Availability of Resources**

CCH has \$4,272,347 of financial assets available within 1 year of the balance sheet date to meet cash needs for general expenditure consisting of cash of \$2,182,429, contributions receivable of \$257,500, and short-term investments of \$1,832,418. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the balance sheet date. The contributions receivable are subject to implied time restrictions but are expected to be collected within one year.

CCH has a goal to maintain financial assets, which consist of cash and short-term investments, on hand to meet 60 days of normal operating expenses, which are, on average, approximately \$644,790. CCH has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, CCH invests cash in excess of daily requirements in various short-term investments, including certificate of deposits and short-term treasury instruments. CCH has no committed lines of credit which it could draw upon in the event of an unanticipated liquidity need.

**Chicago Coalition for the Homeless**  
**Notes to Financial Statements**  
**June 30, 2019**

---

**NOTE B. Summary of Significant Accounting Policies (Continued)**

**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 2019 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, 2019, 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, 2019 were \$9,576.

**Contributed Services**

During the fiscal year ended June 30, 2019 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

**NOTE C. 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, 2019 amounted to \$74,927.

**NOTE D. Property and Equipment**

Property and equipment at June 30, 2019 is summarized as follows:

	Amount	Depreciable Lives in Years
Leasehold Improvements	\$ 194,085	7
Furniture and Office Equipment	55,547	5-7
Transportation	67,940	3-7
	317,572	
Less accumulated depreciation	(106,095)	
Total Fixed Assets:	\$ 211,477	

Depreciation expense amounted to \$29,774 for the fiscal year ended June 30, 2019.

**Chicago Coalition for the Homeless**  
**Notes to Financial Statements**  
**June 30, 2019**

---

**NOTE E. Net Assets With Donor Restrictions**

Net assets with donor restrictions (restricted for the purpose indicated) at June 30, 2019 are as follows:

<u>Program and Time Restricted:</u>	
Blowitz-Ridgeway Foundation	\$ 5,000
Chicago Bar Foundation	25,000
Chicago Community Trust	49,166
Comer Family Foundation	20,000
Crown Family Philanthropies	70,000
Equal Justice Works	7,667
Frank E. and Seba B. Payne Foundation	50,000
Illinois Equal Justice Foundation	3,333
Lawyers Trust Fund of Illinois	32,500
Michael Reese Health Trust	15,000
Morrison Family Foundation	25,000
Pierce Family Foundation	5,000
Student Alliance	2,481
Wohlers Family Foundation	20,000
Scholarships	114,111
Total Program and Time Restricted	<u>\$ 444,258</u>
 <u>Time Restricted:</u>	
Conant Family Foundation	\$ 10,000
Crown Family Philanthropies	75,000
Cuore E. Mani Foundation	10,000
Forefront	12,000
Helen Brach Foundation	7,500
Marguerite Casey Foundation	180,000
Patrick and Anna M. Cudahy Fund	3,750
Polk Bros Foundation	90,000
VNA Foundation	20,000
Woods Fund of Chicago	20,000
Total	<u>\$ 428,250</u>
 <u>Time Restricted Pass-through Grant:</u>	
Crown Family Philanthropies	<u>\$ 255,000</u>
 Total Net Assets with Donor Restrictions	 <u>\$ 1,127,508</u>

**Chicago Coalition for the Homeless**  
**Notes to Financial Statements**  
**June 30, 2019**

---

**NOTE F. 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, 2019 were \$153,736. 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,	
2020	\$ 120,065
2021	123,648
2022	127,382
2023	131,199
Thereafter	540,066
Total	<u>\$ 1,042,360</u>

**NOTE G. Contributions Receivable**

As of June 30, 2019, all of CCH's contributions receivable was due within one year with a balance of \$257,500. No allowance has been established as CCH believes the entire amount is collectible.

**NOTE H. Fundraising Expense**

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

**NOTE I. Board Designated Net Assets**

As of June 30, 2019 CCH's Board of Directors has designated \$300,000 of net assets without donor restrictions to serve as a possible endowment fund for future years.

**NOTE J. Subsequent Events**

Management has evaluated subsequent events through November 1, 2019, the date which the financial statements were available for issue. There were no subsequent events which require disclosure.



**Chicago Coalition for the Homeless**

**Management Letter**

**For the Year Ended**

**June 30, 2019**

---

**TABLE OF CONTENTS**

---

Report Letter .....1  
Findings and Recommendations ..... 2-3  
Additional Required Communications ..... 4-5  
Proposed Journal Entries.....6

# RINGOLD

## CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

Board of Directors  
Chicago Coalition for the Homeless  
70 E. Lake Str.  
Chicago, IL 60601

In planning and performing our audit of the financial statements of Chicago Coalition for the Homeless (CCH) as of and for the year ended June 30, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered CCH's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the Organization's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies in CCH's internal control presented on page 2 of this report to be significant deficiencies.

CCH's written response to the significant deficiencies identified in our audit has not been subjected to the audit procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

This communication is intended solely for the information and use of management, Board of Directors, and others within the Organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Ringold Financial  
Management Services, Inc.*

Ringold Financial Management Services, Inc.  
Chicago, IL  
November 1, 2019

850 South Wabash Avenue, Suite 320 • Chicago, IL 60605 • (312) 566-9705-Phone • (312) 566-9736-Fax  
19027 Jodi Road Unit G • Mokena, IL 60448 • (708) 478-5850-Phone • (708) 478-5893-Fax  
[www.ringoldfinancial.com](http://www.ringoldfinancial.com)

**Chicago Coalition for the Homeless**  
**FINDINGS AND RECOMMENDATIONS**  
**June 30, 2019**

**Significant Deficiencies:**

**Net Assets**

CCH did not adequately maintain a schedule summarizing the changes to net assets with donor restrictions during the year. Failure to do so can lead to financial statements and disclosures that materially misstate the amount of net assets subject to donor restrictions. We recommend that the Organization actively maintain this schedule by including all additions and releases for net assets with donor restrictions.

**Management's Response**

CCH contracts with an outside firm to assist with aspects of financial management and ensure there are sufficient checks and balances within our accounting system. Our current contractor failed to accurately account for the net assets with donor restrictions per our staff. CCH is in the process of identifying a new financial firm to this role and will work closely with this firm to ensure proper communication and procedures are in place to ensure these assets are accurately accounted for.

**Fixed Assets**

CCH recorded journal entries to write off fixed assets that were fully depreciated yet still in use. The Organization should only make this type of adjustment for fixed assets that are disposed of or no longer in use.

**Management's Response**

CCH will put in place protocols with staff and our contractors to ensure we only write off fully depreciated fixed assets that are disposed of or no longer in use.

**Accrued Expenses**

The year-end balance for accrued vacations was overstated caused by accruals that were not reversed. The Organization should make the necessary reversing and adjusting entries for all accruals to ensure that balance sheet and income statement accounts are fairly stated.

**Management's Response**

As noted above, CCH is identifying a new outside contractor to assist with financial management. We will ensure that this new firm is using proper procedures for vacation accruals.

**Chicago Coalition for the Homeless**  
**FINDINGS AND RECOMMENDATIONS**  
**June 30, 2019**

**Other Matters:**

**Credit Risk**

CCH maintains its cash at multiple financial institutions in Chicago, Illinois. The balances are insured up to \$250,000 by the Federal Deposits Insurance Corporation (FDIC). However, the Organization's balances regularly exceed this limit. There is a risk of losing funds that exceed the FDIC insured limit in the event of a bank failure. We recommend that Management takes steps to ensure that their deposits at financial institutions are fully insured at all times.

**Management's Response**

CCH has reduced the number of bank accounts it uses to streamline financial management. We understand the very limited risk involved with having bank accounts in excess of \$250,000.

**Other Items**

During the course of the audit, other observations, comments and suggestions may have been informally communicated to appropriate levels of management.