

CHICAGO COALITION FOR THE HOMELESS
FINANCIAL STATEMENTS
JUNE 30, 2013

CHICAGO COALITION FOR THE HOMELESS

FINANCIAL STATEMENTS

JUNE 30, 2013

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES.....	4
STATEMENT OF FUNCTIONAL EXPENSES	5-6
STATEMENT OF CASH FLOWS.....	7
NOTES TO FINANCIAL STATEMENTS.....	8-14



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, 2013, 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.

ELK GROVE
845 Oakton Street
Elk Grove Village, IL 60007
Phone: 847-956-1040

McHENRY
4123 W. Shamrock Lane
McHenry, IL 60050
Phone: 815-385-1120

TINLEY PARK
18342 S. West Creek Drive
Tinley Park, IL 60477
Phone: 708-429-1040

CHICAGO
161 N. Clark Street, Ste. 4700
Chicago, IL 60601
Phone: 312-558-1040

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, 2013, 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 "P" is large and loops around the "o" in "Porte". The "B" in "Brown" is also large and loops around the "o". The "LLC" is written in a simpler, more upright cursive style at the end of the signature.

Elk Grove Village, Illinois
October 31, 2013

CHICAGO COALITION FOR THE HOMELESS

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2013

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	1,439,567	
Certificates of deposit		99,701	
Receivables		33,794	
Prepaid expenses		<u>11,562</u>	\$ 1,584,624

FIXED ASSETS

Property and equipment	\$	184,258	
Less: Accumulated depreciation		<u>136,246</u>	<u>48,012</u>

TOTAL ASSETS

\$ 1,632,636

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable			\$ 25,847
------------------	--	--	-----------

NET ASSETS

Unrestricted:			
Undesignated	\$	892,472	
Board designated		<u>300,000</u>	\$ 1,192,472
Temporarily restricted			<u>414,317</u>
			<u>1,606,789</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 1,632,636

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, 2013

	Unrestricted	Temporarily Restricted Grants	Temporarily Restricted Scholarship	Total
<u>SUPPORT, REVENUE, AND GAINS</u>				
Contributions				
Foundation grants	\$ 506,855	\$ 153,750	\$ -	\$ 660,605
Scholarships	-	-	42,128	42,128
Corporations	20,551	-	-	20,551
Major gifts	266,212	-	-	266,212
Winter appeal	102,242	-	-	102,242
Spring appeal	26,652	-	-	26,652
Fall appeal	55,448	-	-	55,448
Justice Circle	12,405	-	-	12,405
Individual contributions	162,819	-	-	162,819
Religious contributions	1,400	-	-	1,400
Matching gifts	7,913	-	-	7,913
Special events	251,368	-	-	251,368
Membership dues	24,262	-	-	24,262
Community Shares matching	13,367	-	-	13,367
Fee for service	13,916	-	-	13,916
Investment income	3,230	-	-	3,230
Other income	140	-	-	140
Net (grant) assets released from restrictions	440,750	(420,045)	(20,705)	-
<u>TOTAL SUPPORT AND REVENUE</u>	<u>\$ 1,909,530</u>	<u>\$ (266,295)</u>	<u>\$ 21,423</u>	<u>\$ 1,664,658</u>
<u>EXPENSES</u>				
Program	\$ 1,642,064	\$ -	\$ -	\$ 1,642,064
Management	123,463	-	-	123,463
Fundraising	238,849	-	-	238,849
	<u>\$ 2,004,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,004,376</u>
<u>CHANGE IN NET ASSETS</u>	<u>\$ (94,846)</u>	<u>\$ (266,295)</u>	<u>\$ 21,423</u>	<u>\$ (339,718)</u>
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>1,287,318</u>	<u>618,795</u>	<u>40,394</u>	<u>1,946,507</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 1,192,472</u>	<u>\$ 352,500</u>	<u>\$ 61,817</u>	<u>\$ 1,606,789</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, 2013

	Housing Campaign	Statewide Network	No Youth Alone	Educational Rights/Law	Youth Futures/ Law Project	Jobs Project	PART	Women's Empowerment Project
Salaries	\$ 151,349	\$ 78,853	\$ 70,736	\$ 173,158	\$ 104,396	\$ 31,927	\$ 44,355	\$ 42,008
Employee taxes & benefits	44,422	21,547	21,265	50,062	30,711	10,574	12,684	12,935
Total salaries and related expenses	\$ 195,771	\$ 100,400	\$ 92,001	\$ 223,220	\$ 135,107	\$ 42,501	\$ 57,039	\$ 54,943
Location costs	11,542	4,812	5,524	12,304	7,734	2,690	4,103	3,926
Media, research, consultant & professional fees	3,998	1,003	2,976	6,515	3,573	496	840	602
Office equipment and supplies	5,027	1,649	2,861	6,601	4,346	2,030	1,735	1,623
Printing, postage, dues & subscriptions	3,355	700	2,913	9,174	3,019	395	759	510
Meeting, conference, travel	6,126	6,022	3,629	5,764	2,642	3,970	6,279	3,893
Program and organizing	3,904	2,336	4,205	10,679	5,355	4,180	8,038	5,164
Fundraising - special events	-	-	-	-	-	-	-	-
Scholarships awarded	-	-	-	21,744	-	-	-	-
Other administrative costs	4,001	1,916	1,928	4,532	2,803	1,038	1,228	1,175
Administrative allocation	51,279	26,066	25,453	61,372	36,107	12,570	17,543	15,755
Total expenses before depreciation	\$ 285,003	\$ 144,904	\$ 141,490	\$ 361,905	\$ 200,686	\$ 69,870	\$ 97,564	\$ 87,591
Depreciation	1,694	825	814	1,921	1,184	408	519	495
TOTAL PROGRAM AND SUPPORTING SERVICE EXPENSES	\$ 286,697	\$ 145,729	\$ 142,304	\$ 363,826	\$ 201,870	\$ 70,278	\$ 98,083	\$ 88,086

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, 2013

	The Re-Entry Project	Speakers Bureau	Creative Writing/ Horizons	Total Program Services	Management	Fundraising	Grand Total
Salaries	\$ 37,565	\$ 44,217	\$ 29,393	\$ 807,957	\$ 186,704	\$ 155,656	\$ 1,150,317
Employee taxes & benefits	11,733	13,482	11,739	241,154	37,712	42,789	321,655
Total salaries and related expenses	\$ 49,298	\$ 57,699	\$ 41,132	\$ 1,049,111	\$ 224,416	\$ 198,445	\$ 1,471,972
Location costs	3,260	3,682	2,410	61,987	8,325	9,702	80,014
Media, research, consultant & professional fees	545	629	441	21,618	729	27,350	49,697
Office equipment and supplies	1,405	1,609	1,128	30,014	7,174	6,868	44,056
Printing, postage, dues & subscriptions	400	909	301	22,435	1,504	57,947	81,886
Meeting, conference, travel	3,340	4,506	1,345	47,516	4,269	3,472	55,257
Program and organizing	6,082	15,449	1,289	66,681	3,915	5,402	75,998
Fundraising - special events	-	-	-	-	-	74,262	74,262
Scholarships awarded	-	-	-	21,744	-	-	21,744
Other administrative costs	1,050	1,222	876	21,769	6,762	3,791	32,322
Administrative allocation	14,339	18,781	10,735	290,000	(140,000)	(150,000)	-
Total expenses before depreciation	\$ 79,719	\$ 104,486	\$ 59,657	\$ 1,632,875	\$ 117,094	\$ 237,239	\$ 1,987,208
Depreciation	448	518	363	9,189	6,369	1,610	17,168
TOTAL PROGRAM AND SUPPORTING SERVICE EXPENSES	\$ 80,167	\$ 105,004	\$ 60,020	\$ 1,642,064	\$ 123,463	\$ 238,849	\$ 2,004,376

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, 2013

OPERATING ACTIVITIES

Change in net assets	\$ (339,718)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	17,168
Net gain on investments	(1,654)
Changes in:	
Receivables	267,206
Prepaid expenses	(4,904)
Accounts payable	18,631
Accrued expenses	<u>(5,921)</u>
Net cash used by operating activities	\$ (49,192)

INVESTING ACTIVITIES

Purchase of fixed assets	\$ (5,279)
Purchase of certificates of deposit	(100,000)
Proceeds from investments	<u>79,875</u>
Net cash used by investing activities	<u>(25,404)</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS \$ (74,596)

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 1,514,163

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 1,439,567

SUPPLEMENTAL INFORMATION TO CASH FLOWS

Cash paid during the year for:	
Income taxes	\$ -
Interest	-
Non-cash investing activities:	
Decrease in fair value of investments	\$ 223

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

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

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, it was incorporated on Sept. 10, 1982, under the "General Not-for-Profit Corporation Act of Illinois." CCH offers outreach at emergency shelters, transitional housing, school and street programs across the city, and runs a legal aid clinic for students, youths, families, and adults. In pressing for access to housing, jobs, and schools, CCH mobilizes homeless people, service providers, advocates, school, and religious organizations.

Housing Campaign: CCH pairs advocacy with community organizing to spur development of affordable housing and shelter access. This includes "Sweet Home Chicago," a citywide campaign managed by CCH to address the needs of low wage families.

No Youth Alone is a statewide campaign that advocates for resources to serve the growing number of unaccompanied teens. Staffed by the policy and legal staffs, it is supported by the CCH Youth Committee (1983), an active group of 30 youth providers from across Illinois.

Four community organizers offer outreach at 30 shelters in metropolitan Chicago and downstate. This includes Horizons (2007), a creative writing program that runs outreach to family and youth shelters. The Re-Entry Project (2006) is guided by a steering committee of ex-offenders, advocates and academics, who advocate to end the housing barriers faced by ex-offenders. A Speakers Bureau (2007) staffed by homeless leaders reached an audience of 4,115 people at 85 community venues, organizing an outside base of volunteers at these school and religious groups. The Statewide Network (2012) mobilizes service providers from nine suburban and downstate communities to advocate on shared issues.

Ongoing initiatives include the Women's Empowerment Project (1991), which runs outreach at family shelters and women's facilities. Its advocacy focuses on housing and education issues. The Law Project (1997) protects the legal rights of people who are homeless, with two-thirds of casework focused on children and teens struggling to attend public school. The Youth Futures attorney (2004) runs a mobile legal aid clinic that helps homeless youth via school and street outreach programs. The Jobs Project (1999) advocates improved wages for low-wage workers, including a higher minimum wage. Prostitution Alternatives Round Table, or PART, (2001) networks prostitution survivors with advocates as they pursue access to housing and rehabilitative services.

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

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through October 31, 2013, 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, 2013, are available for the following purposes:

Time restricted grants	\$ 352,500
Scholarship	<u>61,817</u>
Total	<u>\$ 414,317</u>

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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

DONOR - IMPOSED RESTRICTIONS: (Continued)

Net assets released from restriction during FYE June 30, 2013:

Time restricted grants	\$ 420,045
Scholarship	<u>20,705</u>
Total	<u>\$ 440,750</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 temporary federally insured limits of \$250,000 at one banking institution. These amounts potentially subject the Organization to credit risk if the banking institution fails. The Organization's non-interest bearing accounts were insured in full until December 31, 2012 as part of the FDIC's Transaction Liquidity Guarantee Program.

PREPAID EXPENSES

Prepaid expenses consist of:

Insurance	\$ 5,528
Other	<u>6,034</u>
	<u>\$ 11,562</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, 2013

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

INVESTMENTS

Investment securities are stated at fair value based on quoted market prices or market prices for similar securities. Unrealized gains and losses are recognized based on the change in fair value and are reported as a component of investment income. Realized gains and losses are recognized using the average cost method and are reported as a component of investment income.

Investments at June 30, 2013, are as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Loss</u>
Certificates of Deposit	\$ 99,701	\$ 100,000	\$ (299)

Investment income includes the following for the year ended June 30, 2013:

Interest and dividends	\$ 1,576
Realized gain on investments	1,877
Unrealized loss on investments	<u>(223)</u>
Total Investment Return	<u>\$ 3,230</u>

FAIR VALUE MEASUREMENTS

FASB ASC 820, *Fair Value Measurements*, 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 under FASB ASC 820 are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan 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 (CONTINUED)

JUNE 30, 2013

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

FAIR VALUE MEASUREMENTS: (Continued)

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in methodologies used at June 30, 2013.

Certificate of deposits and money markets: Valued at fair value based on similar instruments with comparable durations and considering the credit-worthiness of the issuer.

The preceding methods described may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's assets at fair value as of June 30, 2013:

Assets, at Fair Value, as of June 30, 2013

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 99,701	\$ -	\$ 99,701
Money market accounts	<u>-</u>	<u>509,990</u>	<u>-</u>	<u>509,990</u>
Total assets, at fair value	<u>\$ -</u>	<u>\$609,691</u>	<u>\$ -</u>	<u>\$609,691</u>

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.

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

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

FIXED ASSETS AND DEPRECIATION: (Continued)

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	110,136	5-7
Transportation	<u>67,822</u>	3-7
	\$ 184,258	
Accumulated depreciation	<u>(136,246)</u>	
Net Book Value	<u>\$ 48,012</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. With few exceptions, the Organization is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2009.

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 \$58,132.

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.

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

Year ending June 30,	
2014	\$ 68,052
2015	70,094
2016	72,196
2017	<u>61,660</u>
Total	<u>\$ 272,002</u>

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2013

NOTE D. FUNDRAISING EXPENSES

In addition to various special events and fund raisers, Chicago Coalition for the Homeless conducts numerous appeals during the year and significant direct mail solicitation.