

CHICAGO COALITION FOR THE HOMELESS
FINANCIAL STATEMENTS
JUNE 30, 2012

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FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT.

Board of Directors
CHICAGO COALITION FOR THE HOMELESS
70 East Lake Street, Suite 700
Chicago, IL. 60601

We have audited the accompanying statement of financial position of CHICAGO COALITION FOR THE HOMELESS as of June 30, 2012, and the related statements of activities, functional expenses, and cash flows, for the year then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2012, and the changes in net assets and its cash flows, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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Certified Public Accountants

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December 15, 2012

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CHICAGO COALITION FOR THE HOMELESS

STATEMENT OF FINANCIAL POSITION

JUNE 30, 2012

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$	1,514,163	
Certificates of deposit		77,924	
Receivables		301,000	
Prepaid expenses		<u>6,658</u>	\$ 1,899,745

FIXED ASSETS

Property and equipment	\$	178,979	
Less: Accumulated depreciation		<u>119,078</u>	<u>59,901</u>

TOTAL ASSETS

\$ 1,959,646

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$	7,216	
Accrued expenses		<u>5,921</u>	\$ 13,137

NET ASSETS

Unrestricted:			
Undesignated	\$	987,318	
Board designated		<u>300,000</u>	\$ 1,287,318
Temporarily restricted		<u>659,189</u>	<u>1,946,507</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 1,959,644

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, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted General</u>	<u>Temporarily Restricted Scholarship</u>	<u>Total</u>
<u>SUPPORT, REVENUE, AND GAINS</u>				
Contributions				
Foundation grants	\$ 798,415	\$ 613,795	\$ -	\$ 1,412,210
Scholarship	-	-	29,019	29,019
Corporations	66,820	5,000	-	71,820
Major gifts	290,440	-	-	290,440
Winter appeal	104,859	-	-	104,859
Mother's day appeal	21,417	-	-	21,417
Fall appeal	78,945	-	-	78,945
Justice circle	8,575	-	-	8,575
Individual contributions	176,947	-	-	176,947
Religious contributions	3,058	-	-	3,058
Matching gifts	7,442	-	-	7,442
Internet charities	30	-	-	30
Special events	224,403	-	-	224,403
Membership dues	26,044	-	-	26,044
Community shares matching	10,543	-	-	10,543
Fee for service	14,307	-	-	14,307
Investment income	1,794	-	-	1,794
Other income	25,328	-	-	25,328
Net assets released from restrictions	<u>80,749</u>	<u>(57,500)</u>	<u>(23,249)</u>	<u>-</u>
<u>TOTAL SUPPORT AND REVENUE</u>	<u>\$ 1,940,116</u>	<u>\$ 561,295</u>	<u>\$ 5,770</u>	<u>\$ 2,507,181</u>
<u>EXPENSES</u>				
Program	\$ 1,542,380	\$ -	\$ -	\$ 1,542,380
Management	151,995	-	-	151,995
Fundraising	219,476	-	-	219,476
	<u>\$ 1,913,851</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,913,851</u>
<u>CHANGE IN NET ASSETS</u>	<u>\$ 26,265</u>	<u>\$ 561,295</u>	<u>\$ 5,770</u>	<u>\$ 593,330</u>
<u>NET ASSETS AT BEGINNING OF YEAR</u>	<u>1,283,966</u>	<u>57,500</u>	<u>11,711</u>	<u>1,353,177</u>
<u>PRIOR PERIOD ADJUSTMENT</u>	<u>(22,913)</u>	<u>-</u>	<u>22,913</u>	<u>-</u>
<u>NET ASSETS AT END OF YEAR</u>	<u>\$ 1,287,318</u>	<u>\$ 618,795</u>	<u>\$ 40,394</u>	<u>\$ 1,946,507</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, 2012

	<u>It Takes A Home</u>	<u>No Youth Alone</u>	<u>Educational Rights</u>	<u>Youth Futures/Law Clinic</u>	<u>Jobs Project</u>	<u>PART</u>	<u>Women Empowerment Project</u>
Salaries	\$ 139,847	\$ 103,619	\$ 126,512	\$ 83,000	\$ 95,701	\$ 41,442	\$ 46,245
Employee taxes & benefits	38,631	25,602	37,171	23,173	26,211	10,366	11,148
Total salaries and related expenses	\$ 178,478	\$ 129,221	\$ 163,683	\$ 106,173	\$ 121,912	\$ 51,808	\$ 57,393
Location costs	10,989	5,355	11,453	7,583	9,839	3,765	3,954
Media, research, consultant & professional fees	2,235	2,939	4,391	3,292	1,461	548	390
Office equipment and supplies	6,343	3,410	6,915	4,460	5,715	2,675	1,478
Printing, postage, dues & subscriptions	2,068	1,074	8,083	5,582	1,413	542	479
Meeting, conference, travel	12,266	1,443	2,570	2,619	10,035	5,668	2,886
Program and organizing	9,975	1,645	4,667	1,616	6,176	2,861	5,282
Fundraising - special events	-	-	-	-	-	-	-
Scholarships awarded	114	-	24,313	1,139	114	-	114
Other administrative costs	7,065	3,634	6,707	4,544	5,779	3,000	2,225
Administrative allocation	16,265	33,068	51,311	30,211	36,120	15,758	50,650
Total expenses before depreciation	\$ 245,798	\$ 181,789	\$ 284,093	\$ 167,219	\$ 198,564	\$ 86,625	\$ 124,851
Depreciation	-	-	-	-	-	-	-
TOTAL PROGRAM AND SUPPORTING SERVICE EXPENSES	\$ 245,798	\$ 181,789	\$ 284,093	\$ 167,219	\$ 198,564	\$ 86,625	\$ 124,851

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, 2012

	<u>Re-Entry</u>	<u>Speakers Bureau</u>	<u>Creative Writing/ Horizons</u>	<u>Total Program Services</u>	<u>Management</u>	<u>Fundraising</u>	<u>Grand Total</u>
Salaries	\$ 44,895	\$ 53,305	\$ 28,427	\$ 762,993	\$ 185,647	\$ 140,399	\$ 1,089,039
Employee taxes & benefits	11,093	12,531	8,552	204,478	50,592	51,121	306,191
Total salaries and related expenses	\$ 55,988	\$ 65,836	\$ 36,979	\$ 967,471	\$ 236,239	\$ 191,520	\$ 1,395,230
Location costs	4,541	4,486	2,805	64,770	8,663	9,633	83,066
Media, research, consultant & professional fees	537	482	566	16,841	3,743	7,273	27,857
Office equipment and supplies	1,718	1,934	1,955	36,603	6,246	6,989	49,838
Printing, postage, dues & subscriptions	461	485	418	20,605	1,847	63,167	85,619
Meeting, conference, travel	2,483	3,475	1,336	44,781	1,952	1,476	48,209
Program and organizing	2,929	10,343	805	46,299	-	1,044	47,343
Fundraising - special events	-	-	-	-	2	56,090	56,092
Scholarships awarded	-	-	-	25,794	-	-	25,794
Other administrative costs	2,850	2,048	1,364	39,216	15,960	22,284	77,460
Administrative allocation	16,529	19,809	10,279	280,000	(140,000)	(140,000)	-
Total expenses before depreciation	\$ 88,036	\$ 108,898	\$ 56,507	\$ 1,542,380	\$ 134,652	\$ 219,476	\$ 1,896,508
Depreciation	-	-	-	-	17,343	-	17,343
TOTAL PROGRAM AND SUPPORTING SERVICE EXPENSES	\$ 88,036	\$ 108,898	\$ 56,507	\$ 1,542,380	\$ 151,995	\$ 219,476	\$ 1,913,851

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, 2012

OPERATING ACTIVITIES

Change in net assets	\$	593,330
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		17,343
Net loss on investments		452
Changes in:		
Receivables		(246,462)
Prepaid expenses		(261)
Accounts payable		4,255
Accrued expenses		<u>5,850</u>
Net cash provided by operating activities	\$	374,507

INVESTING ACTIVITIES

Purchase of fixed assets	\$	(16,749)
Reinvestments in certificates of deposit		(1,672)
Proceeds from investments		<u>2,190</u>
Net cash used by investing activities		<u>(16,231)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS \$ 358,276

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR 1,155,885

CASH AND CASH EQUIVALENTS AT END OF YEAR \$ 1,514,161

SUPPLEMENTAL INFORMATION TO CASH FLOWS

Cash paid during the year for:		
Income taxes	\$	-
Interest		-
Non-cash investing activities:		
Decrease in fair value of investments	\$	970

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

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2012

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: Launched in July 2009, "Sweet Home Chicago" is a citywide campaign to address the affordable housing needs of lower wage families. CCH is coordinating partner of the campaign, run by a coalition of 11 community groups and labor unions.

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 more than 30 shelters in Chicago and in seven downstate communities. This includes Horizons (2007), a creative writing program that runs outreach to adults in four family shelters and SRO facilities. The Re-Entry Project (2006) works with ex-offenders who struggle with housing and job barriers. It runs outreach at eight facilities, guided by a Steering Committee that involves ex-offenders, advocates and academics. A Speakers Bureau (2007) secures venues at which homeless people can interact with the community and public officials. It schedules more than 60 engagements a year, mostly with school, religious and civic groups, organizing an outside base of volunteers at these venues.

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 focus on children and teens struggling to attend public school. A youth attorney runs Youth Futures (2004), a mobile legal aid clinic that serves homeless teens via school and street outreach programs. The Jobs Project (1999) organizes low-wage workers to advocate for a graduated increase in the Illinois minimum wage. Prostitution Alternatives Round Table, or PART, (2001) networks agencies with survivors of prostitution, pursuing access to jobs and housing.

To ensure an independent voice, CCH does not accept government grants. It is sustained by individual donations, foundation grants, some corporate sponsorship, and three special events: the benefit concert Hopefest, a summer festival, and an August golf outing.

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

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

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through December 15, 2012, 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, 2012, are available for the following purposes:

Time restricted grants	\$ 618,795
Scholarship	<u>40,394</u>
Total	<u>\$ 659,189</u>

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

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

DONOR - IMPOSED RESTRICTIONS: (Continued)

Net assets released from restriction during FYE June 30, 2012:

Time restricted grants	\$ 57,500
Scholarship	<u>23,249</u>
Total	<u>\$ 80,749</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 are insured in full until December 31, 2012 as part of the FDIC's Transaction Liquidity Guarantee Program.

PREPAID EXPENSES

Prepaid expenses consist of:

Insurance	\$ 5,889
Other	<u>769</u>
	<u>\$ 6,658</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, 2012

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, 2012, are as follows:

	<u>Fair Value</u>	<u>Cost</u>	<u>Unrealized Loss</u>
Certificates of Deposit	\$ 77,924	\$ 78,000	\$ (76)

Investment income includes the following for the year ended June 30, 2012:

Interest and dividends	\$ 2,246
Realized gain on investments	518
Unrealized loss on investments	<u>(970)</u>
Total Investment Return	<u>\$ 1,794</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, 2012

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, 2012.

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, 2012:

Assets, at Fair Value, as of June 30, 2012

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificates of deposit	\$ -	\$ 77,924	\$ -	\$ 77,924
Money market accounts	<u>-</u>	<u>509,530</u>	<u>-</u>	<u>509,530</u>
Total assets, at fair value	<u>\$ -</u>	<u>\$587,454</u>	<u>\$ -</u>	<u>\$587,454</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, 2012

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	104,857	5-7
Transportation	<u>67,822</u>	3-7
	\$ 178,979	
Accumulated depreciation	<u>(119,078)</u>	
Net Book Value	<u>\$ 59,901</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 2008.

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 \$55,279.

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 \$53,500, increasing periodically to approximately \$60,200. The expiration date is April 30, 2016.

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

<u>Year ending June 30,</u>	
2013	\$ 55,366
2014	57,027
2015	58,738
2016	<u>50,166</u>
Total	<u>\$ 221,297</u>

CHICAGO COALITION FOR THE HOMELESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2012

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.

NOTE E. PRIOR PERIOD ADJUSTMENT

The accompanying financial statements for June 30, 2012 have been restated to correct the allocation of temporarily restricted net assets for the year ended June 30, 2011. There is no effect resulting from the restatement on the total change in net assets for the year ended June 30, 2011.