

CRISIS CENTER FOR SOUTH SUBURBIA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

CRISIS CENTER FOR SOUTH SUBURBIA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Crisis Center for South Suburbia
Tinley Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of **CRISIS CENTER FOR SOUTH SUBURBIA** (the "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.

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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.

Members American Institute and Illinois Society of Certified Public Accountants

19070 S. Everett Blvd. ■ Suite 208
Mokena, Illinois 60448
p 708.478.2900 ■ f 708.478.2901

2 Mid Am Plaza, Rt. 83 & 22nd St. ■ Suite 800
Oakbrook Terrace, Illinois 60181
p 630.627.1114 ■ f 630.627.3039

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization 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.

Other Matters

Other Information

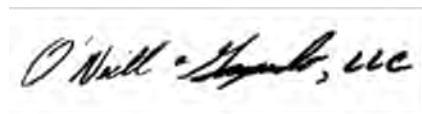
Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying Schedule of Support and Revenue and Expenses—Illinois Coalition Against Domestic Violence (ICADV) and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 28, 2018, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited the Organization's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 25, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.



O'NEILL & GASPARDO, LLC
Mokena, Illinois
September 28, 2018

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF FINANCIAL POSITION

June 30, 2018 with Comparative Amounts for June 30, 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,025,520	\$ 610,751
Certificate of deposit	-	125,331
Grants receivable	295,600	539,074
Other receivables	10,006	24,508
Inventory - resale shops	151,059	149,243
Prepaid expenses	<u>12,706</u>	<u>54,296</u>
Total current assets	1,494,891	1,503,203
Fixed assets:		
Land	68,250	68,250
Building and improvements	2,238,340	2,235,234
Furniture and equipment	263,138	253,517
Leasehold improvements	162,123	36,150
Vehicles	90,567	47,714
Less: accumulated depreciation	<u>(1,794,802)</u>	<u>(1,660,811)</u>
Net fixed assets	1,027,616	980,054
Other assets:		
Certificate of deposit	126,830	-
Investments - Endowment Fund	88,974	84,767
Deposits	<u>13,079</u>	<u>11,779</u>
Total other assets	228,883	96,546
Total assets	<u>\$ 2,751,390</u>	<u>\$ 2,579,803</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 41,048	\$ 34,207
Accrued expenses	120,357	102,978
Deferred revenue - grants	5,558	4,753
Deferred revenue - special events	27,010	12,290
Deferred rent	25,252	-
Current portion of mortgage payable	<u>13,491</u>	<u>12,963</u>
Total current liabilities	232,716	167,191
Long term liabilities:		
Mortgages payable, net of current portion	<u>199,384</u>	<u>212,846</u>
Total long term liabilities	199,384	212,846
Total liabilities	432,100	380,037
Net assets:		
Unrestricted:		
Designated by Board for Endowment Fund	88,974	84,767
Undesignated by Board	<u>2,230,316</u>	<u>2,114,999</u>
Total unrestricted net assets	2,319,290	2,199,766
Temporarily restricted	<u>-</u>	<u>-</u>
Total net assets	<u>2,319,290</u>	<u>2,199,766</u>
Total liabilities and net assets	<u>\$ 2,751,390</u>	<u>\$ 2,579,803</u>

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2018 with Comparative Amounts for the Year Ended June 30, 2017

	2018			2017
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue:				
Government grants and contracts	\$ 1,336,545	\$ -	\$ 1,336,545	\$ 1,026,645
Contributions	543,982	-	543,982	517,420
Neat Repeats Resale Shop:				
Revenues	1,141,579	-	1,141,579	1,116,654
Less: expenses	(551,755)	-	(551,755)	(455,349)
Net revenue	589,824	-	589,824	661,305
Special events:				
Revenue	402,594	-	402,594	382,213
Less: expenses	(113,931)	-	(113,931)	(106,384)
Net revenue	288,663	-	288,663	275,829
Fees - Choices program	44,574	-	44,574	51,885
Rental income	17,528	-	17,528	11,097
Investment income	7,074	-	7,074	5,515
Other	16,206	-	16,206	3,744
Total support and revenue	2,844,396	-	2,844,396	2,553,440
Expenses:				
Program services	1,918,193	-	1,918,193	1,840,761
Supporting services:				
General and administrative	396,591	-	396,591	262,735
Fundraising	410,088	-	410,088	292,838
Total supporting services	806,679	-	806,679	555,573
Total expenses	2,724,872	-	2,724,872	2,396,334
Change in net assets	119,524	-	119,524	157,106
Net assets:				
Beginning of year	2,199,766	-	2,199,766	2,042,660
End of year	\$ 2,319,290	\$ -	\$ 2,319,290	\$ 2,199,766

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2018 with Comparative Amounts for the Year Ended June 30, 2017

	Program Services				
	Residential Shelter	Community Counseling	Court Advocacy	Medical Advocacy	Volunteer Services
Payroll:					
Salaries	\$ 340,600	\$ 254,200	\$ 308,461	\$ 40,705	\$ 38,943
Employee health insurance	24,212	15,842	20,957	3,349	2,233
Payroll taxes	25,038	16,285	22,663	3,008	2,878
Workers' compensation insurance	4,991	3,246	4,518	600	574
State unemployment insurance	-	1,433	-	-	-
Retirement plan contribution	-	-	-	-	-
Total payroll	394,841	291,006	356,599	47,662	44,628
Advertising	-	-	-	-	-
Bank/investment service charges	-	-	-	-	-
Client medical	1,159	-	-	-	-
Client travel	7,922	-	-	-	-
Community education	-	-	-	-	-
Contractual services	11,950	7,772	10,816	1,436	1,374
Depreciation	76,858	13,484	2,697	-	-
Dues and subscriptions	200	-	-	-	-
Food	45,516	-	-	-	-
Housekeeping supplies	14,072	-	-	-	-
Insurance	19,737	3,463	693	-	-
Interest and investment expense	-	-	-	-	-
Legal and accounting	3,372	2,192	3,035	506	337
Maintenance and repairs	28,972	-	-	-	-
Meetings, conferences, seminars	5,252	3,414	4,727	788	525
Miscellaneous	-	-	-	-	-
Occupancy	-	-	-	-	-
Office supplies	1,552	575	596	44	134
Postage	2,195	1,426	1,975	329	219
Printing	4,384	2,851	3,968	526	504
Program supplies	7,579	1,137	500	203	747
Real estate taxes	-	-	-	-	-
Refuse, exterminating	5,022	-	-	-	-
Small equipment purchases	10,867	997	2,929	-	-
Specific assistance - rent	15,041	-	-	-	-
Staff travel	404	364	4,844	406	299
Telephone	2,125	1,417	2,491	221	211
Utilities	18,318	3,213	642	-	-
Vehicle maintenance	3,598	-	-	-	-
Volunteer / donor recognition	-	-	-	-	2,362
Totals - 2018	<u>\$ 680,936</u>	<u>\$ 333,311</u>	<u>\$ 396,512</u>	<u>\$ 52,121</u>	<u>\$ 51,340</u>
Totals - 2017	<u>\$ 636,508</u>	<u>\$ 287,219</u>	<u>\$ 349,608</u>	<u>\$ 82,977</u>	<u>\$ 32,700</u>

See accompanying notes and auditor's report.

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2018 with Comparative Amounts for the Year Ended June 30, 2017

	Program Services			
	PAIP (Choices) Services	Transitional Housing	Community Education Services	Total Program Services
Payroll:				
Salaries	\$ 45,208	\$ 76,946	\$ 57,524	\$ 1,162,587
Employee health insurance	3,349	6,551	3,349	79,842
Payroll taxes	3,341	5,686	4,251	83,150
Workers' compensation insurance	666	1,134	847	16,576
State unemployment insurance	-	-	-	1,433
Retirement plan contribution	-	-	-	-
Total payroll	52,564	90,317	65,971	1,343,588
Advertising	-	-	-	-
Bank/investment service charges	-	-	-	-
Client medical	-	-	-	1,159
Client travel	-	420	-	8,342
Community education	-	-	3,866	3,866
Contractual services	1,595	2,714	2,029	39,686
Depreciation	-	-	4,045	97,084
Dues and subscriptions	-	-	-	200
Food	-	700	-	46,216
Housekeeping supplies	-	526	-	14,598
Insurance	-	-	1,039	24,932
Interest and investment expense	-	8,919	-	8,919
Legal and accounting	506	843	506	11,297
Maintenance and repairs	115	6,230	-	35,317
Meetings, conferences, seminars	788	1,313	788	17,595
Miscellaneous	-	-	-	-
Occupancy	-	110,409	-	110,409
Office supplies	76	662	32	3,671
Postage	329	549	329	7,351
Printing	585	1,190	744	14,752
Program supplies	1,096	4,110	239	15,611
Real estate taxes	-	4,503	-	4,503
Refuse, exterminating	-	3,632	-	8,654
Small equipment purchases	-	-	1,431	16,224
Specific assistance - rent	-	-	-	15,041
Staff travel	1,366	1,934	90	9,707
Telephone	442	1,460	582	8,949
Utilities	-	21,425	964	44,562
Vehicle maintenance	-	-	-	3,598
Volunteer / donor recognition	-	-	-	2,362
Totals - 2018	\$ 59,462	\$ 261,856	\$ 82,655	\$ 1,918,193
Totals - 2017	\$ 77,909	\$ 197,429	\$ 176,411	\$ 1,840,761

See accompanying notes and auditor's report.

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2018 with Comparative Amounts for the Year Ended June 30, 2017

	General and Administrative Expenses		Totals	
			Fundraising	2018
Payroll:				
Salaries	\$ 248,258	\$ 304,986	\$ 1,715,831	\$ 1,556,762
Employee health insurance	16,747	20,096	116,685	90,734
Payroll taxes	18,747	22,539	124,436	116,656
Workers' compensation insurance	3,737	4,493	24,806	21,422
State unemployment insurance	4,016	-	5,449	9,707
Retirement plan contribution	10,191	-	10,191	9,284
Total payroll	301,696	352,114	1,997,398	1,804,565
Advertising	1,845	-	1,845	1,120
Bank/investment service charges	2,030	-	2,030	3,112
Client medical	-	-	1,159	564
Client travel	-	-	8,342	5,627
Community education	-	-	3,866	1,435
Contractual services	8,947	10,757	59,390	59,186
Depreciation	22,924	14,832	134,840	111,100
Dues and subscriptions	2,798	1,374	4,372	5,137
Food	-	-	46,216	53,620
Housekeeping supplies	-	-	14,598	15,459
Insurance	5,887	3,809	34,628	33,000
Interest and investment expense	915	-	9,834	10,200
Legal and accounting	2,895	3,035	17,227	15,663
Maintenance and repairs	2,970	-	38,287	36,054
Meetings, conferences, seminars	3,939	4,727	26,261	6,089
Miscellaneous	1,147	-	1,147	8,993
Occupancy	-	-	110,409	72,187
Office supplies	11,958	1,135	16,764	13,656
Postage	1,646	1,975	10,972	5,789
Printing	3,282	4,055	22,089	15,108
Program supplies	3,025	5,548	24,184	18,672
Real estate taxes	1,093	-	5,596	4,406
Refuse, exterminating	-	-	8,654	6,657
Small equipment purchases	7,926	528	24,678	16,314
Specific assistance - rent	-	-	15,041	5,681
Staff travel	680	351	10,738	12,789
Telephone	3,465	2,313	14,727	6,408
Utilities	5,463	3,535	53,560	44,855
Vehicle maintenance	60	-	3,658	2,055
Volunteer / donor recognition	-	-	2,362	833
Totals - 2018	<u>\$ 396,591</u>	<u>\$ 410,088</u>	<u>\$ 2,724,872</u>	
Totals - 2017	<u>\$ 262,735</u>	<u>\$ 292,838</u>		<u>\$ 2,396,334</u>

See accompanying notes and auditor's report.

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF CASH FLOWS

Year Ended June 30, 2018 with Comparative Amounts for the Year Ended June 30, 2017

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Change in net assets	\$ 119,524	\$ 157,106
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	134,840	111,100
Unrealized loss (gain) on investments	(1,480)	4,341
Realized loss (gain) on investments	(28)	(5,176)
In-kind donations of property and equipment	-	(70,000)
Changes in current assets and liabilities:		
Grants receivable	243,474	(378,653)
Other receivables	14,502	(12,456)
Inventory - resale shops	(1,816)	(26,178)
Prepaid expenses	41,590	(42,925)
Deposits	(1,300)	46
Accounts payable	6,841	9,100
Accrued expenses	17,379	30,130
Deferred revenue - grants	805	4,753
Deferred revenue - special events	14,720	(12,590)
Deferred rent	25,252	-
Net cash provided by (used in) operating activities	<u>614,303</u>	<u>(231,402)</u>
Cash flows from investing activities:		
Purchases of certificates of deposit	(1,499)	(1,166)
Proceeds from certificates of deposit	-	111,812
Purchase of investments	(55,256)	(95,746)
Proceeds from sale of investments	52,558	93,589
Purchases of fixed assets	<u>(182,403)</u>	<u>(46,544)</u>
Net cash provided by (used in) investing activities	<u>(186,600)</u>	<u>61,945</u>
Cash flows from financing activities:		
Repayment of mortgages payable	<u>(12,934)</u>	<u>(12,423)</u>
Net cash (used in) financing activities	<u>(12,934)</u>	<u>(12,423)</u>
Net increase (decrease) in cash and cash equivalents	414,769	(181,880)
Cash and cash equivalents at beginning of year	<u>610,751</u>	<u>792,631</u>
Cash and cash equivalents at end of year	<u>\$ 1,025,520</u>	<u>\$ 610,751</u>
Supplemental cash flow information:		
Interest paid	<u>\$ 8,919</u>	<u>\$ 9,432</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Nature of Activities

CRISIS CENTER FOR SOUTH SUBURBIA (the "Organization") is a voluntary welfare service organization which provides temporary shelter for victims of domestic violence. Additionally, the Organization provides comprehensive social services to all victims of domestic violence. Services are provided in the south suburbs of Chicago, Illinois so the Organization's financial condition is impacted by the economic and political status of this area and the State of Illinois. The Organization's programs are as follows:

- **Residential Shelter:** Individuals and families who are experiencing domestic violence receive emergency, short-term shelter at the Organization's 35 bed facility.
- **Community Counseling:** The Counseling Program provides both individual and group counseling services, free of charge to individuals and families victimized by domestic violence.
- **Court Advocacy:** Legal advocacy services to victims of domestic violence or dating violence are offered in the Markham and Bridgeview courthouses. Court advocates also provide legal advocacy services for residential clients of the Organization.
- **Medical Advocacy:** This program works with hospitals providing domestic violence services and trains hospital staff on domestic violence in a medical setting. In addition, the program will train local firefighters, emergency medical technicians, and medical students on the dynamics of domestic violence and how to deal with domestic violence issues when responding to emergency calls.
- **Volunteer Services:** The Organization offers temporary and permanent volunteer opportunities. Volunteers provide the following services: answer crisis hotline calls; child care; court and hospital advocacy support; clerical, gardening, and maintenance services; technical assistance; sales support at resale shops; assistance with special events and projects.
- **PAIP (Choices) Services:** The Partner Abuse Intervention Program (PAIP) or Choices Program is designed to assist batterers in ending abusive behavior in their intimate relationships.
- **Transitional Housing:** The Transitional Housing Program bridges the gap between emergency shelter and permanent housing for victims of domestic violence. This provides the opportunity for clients to learn and practice the skills needed to escape from violence, and move towards safety and independence.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- **Community Education Services:** The Organization provides presentations to community and corporate groups, which focus on the complex issues of domestic violence. They are offered at no charge.

B. Basis of Accounting

The Organization uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

C. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards Codification (ASC) No. 958-205 *Not-for-Profit Entities Presentation of Financial Statements*. Under ASC No. 958-205, the Organization is required to report 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, if applicable.

D. Cash and Cash Equivalents

The Organization considers all highly liquid short-term investment instruments purchased with a maturity of three months or less at acquisition date to be cash equivalents.

E. Investments

Investment securities are carried at fair value based on quoted prices in active markets (all Level 1 measurements).

F. Grants and Other Receivables

Grants and other receivables arise in the normal course of business. The Organization carries its grants and other receivables at cost less an allowance for doubtful accounts, which is estimated based on collection history. Grants and other receivables are written off against the allowance when management determines that recovery is unlikely and the Organization ceases its collection efforts.

Management determined that an allowance for doubtful accounts was not necessary at June 30, 2018.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

G. Inventory

The Organization maintains two resale shops, which sell donated clothing and other items. Inventory consists of these items and is carried at estimated realizable sale value.

H. Fixed Assets

Property and equipment are recorded at cost if purchased, or fair value if contributed, using a capitalization threshold of \$1,000. Depreciation is computed on the straight-line method over 7-40 years for buildings and improvements, 3-7 years for furniture and equipment, 5-30 years for leasehold improvements and 5 years for vehicles. Depreciation expense was \$134,840 in the year ended June 30, 2018.

I. Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets in the fiscal year in which the restriction expires. All other donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. The Organization has not adopted a policy for time restrictions on contributions of long-lived assets.

J. Revenue from Government Grants and Program Services

The Organization recognizes government grant revenue either on a pro-rata basis over the service period for the grants or to the extent of expenses. Revenue from program services is recognized when earned.

K. Functional Allocation of Expenses

The costs of providing the Organization's various programs and supporting services have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

L. Income Taxes

The Organization has been determined to be exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (“IRC”) and therefore no provision for federal income taxes has been made on the accompanying financial statements. In addition, the Organization has been classified as an organization other than a private foundation under IRC Section 509(a)(1). As a result, donations or gifts to the Organization qualify for the charitable contribution deduction under IRC Section 170(b)(1)(A).

The Organization has adopted accounting principles related to uncertain tax positions and has evaluated its tax positions taken for all open tax years. Currently, the 2014, 2015 and 2016 tax years are open and subject to examination by the Internal Revenue Service, the Illinois Attorney General and Illinois Department of Revenue. However, the Organization is not currently under audit nor has the Organization been contacted by any of these jurisdictions. If any interest and penalties associated with tax positions are incurred, they are recorded in miscellaneous expenses. Based on the evaluation of the Organization’s tax positions, management believes all positions taken would be upheld under examination. Therefore, no provision for the effects of uncertain tax positions has been recorded as of June 30, 2018.

M. Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

N. Comparative Data

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2017, which includes the detail and from which the summarized information was derived.

NOTE 2. CONCENTRATION OF CREDIT RISK

The Organization maintains its cash and certificates of deposit at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization had \$384,201 in uninsured cash balances at June 30, 2018.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 3. INVESTMENTS – BOARD DESIGNATED ENDOWMENT

The Board of Directors designated \$75,000 of unrestricted cash/net assets as a general endowment fund to support the mission of the Organization in the year ended June 30, 2015. The Organization invested this \$75,000 of designated cash in various investments (see below for details). Since this endowment resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets.

The Organization's Endowment Policies and Procedures states the following:

- The overall objectives of Endowment investments are:
 - Generation of a consistent and stable flow of income for ongoing operating and special programming purposes.
 - Appreciation and growth for the long-term benefit of the Organization as well as to protect Endowment principal from erosion through inflation.
- No more than 10% of the total market value of Endowment principal will be spent in any single fiscal year, in order to balance the effects of inflation as well as continue to build Endowment principal.
- The original principal balance will not be invaded as well as subsequent basis donations to the Endowment.
- Management of Endowment principal and income will take into consideration the near and long-term financial needs of the Organization and will not be solely or primarily dictated by the Organization's short-term spending needs.
- Composition of and changes in the endowment's investments were as follows for the year ended June 30, 2018:

Board-designated endowment net assets, beginning of year	\$	84,767
Interest, dividend and capital gain income		2,874
Investment fees		(870)
Realized gain		28
Unrealized gain		1,480
Donated shares		695
Board-designated endowment net assets, end of year	\$	<u>88,974</u>

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 3. INVESTMENTS – BOARD DESIGNATED ENDOWMENT – Continued

The Endowment consisted of the following investments at June 30, 2018, which were all valued at fair value based on quoted prices in active markets (all Level 1 measurements):

	Market Value	Cost	Unrealized Gain (Loss)
Fixed income securities	\$ 53,895	\$ 54,360	\$ (465)
Equity securities	35,079	33,687	1,392
	<u>\$ 88,974</u>	<u>\$ 88,047</u>	<u>\$ 927</u>

NOTE 4. LAND DONATION

The Village of Tinley Park (the “Village”) donated land to the Organization in 2004. The Organization constructed a building on this land, which is used for administration and a majority of the Organization’s programs. The agreement with the Village states that should the property ever not be used by the Organization for public purposes, title shall revert back to the Village. The Organization has recorded \$1,815,440 of fixed assets for building and improvements (\$492,208 net of accumulated depreciation) on this property as of June 30, 2018.

NOTE 5. LINE OF CREDIT

The Organization has a \$125,000 line of credit agreement with a local bank, which expires on April 4, 2019. It is collateralized by a certificate deposit that the Organization has with this same bank, and has a balance of \$126,830 at June 30, 2018. There were no borrowings on this line of credit at June 30, 2018.

NOTE 6. MORTGAGE PAYABLE

The Organization has a mortgage payable with monthly principal and interest payments of \$1,821. The final payment is due in November 2030. The interest rate is 4.00% for the first five years of the mortgage (October 2015 to September 2020) and then the rate is adjusted to the five year Treasury index plus 2.50% every five years with a minimum rate of 4.00%. The mortgage is collateralized by an apartment building. The net book value of the apartment building and improvements and land was \$283,131 at June 30, 2018. The outstanding balance of the mortgage was \$212,875 at June 30, 2018.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 6. MORTGAGE PAYABLE - Continued

Future maturities of the mortgage payable in the years ending June 30th are as follows, assuming an interest rate of 4.00% throughout the life of the mortgage:

2019	\$	13,491
2020		14,040
2021		14,612
2022		15,208
2023		15,827
Thereafter		139,697
Total	\$	<u>212,875</u>

NOTE 7. CONTRIBUTED SERVICES

The Organization recognized \$32,041 of revenue for in-kind services provided under the Organization's community counseling program.

In addition to these services, volunteers contributed 6,278 hours of program services to the Organization, and 39,946 hours of administrative and fundraising services to the Organization in the year ended June 30, 2018. The value of these contributed services received is not included in the financial statements, since they do not meet requirements to be recorded under U.S. generally accepted accounting principles.

NOTE 8. LEASE COMMITMENTS

The Organization leases the Worth resale shop facility under an operating lease, which expires in March 2023. Monthly rent under the lease ranges from \$3,000 to \$6,788 plus increases in real estate taxes.

The Organization leases its Orland Park resale shop facility under an operating lease, which expires in May 2021. The lease includes one option to extend the lease for an additional five years. Monthly rent under the lease ranges from \$4,334 to \$4,784 plus common area maintenance charges and real estate taxes.

The Organization leases copiers under an operating lease, which expires in August 2022. Monthly rent under this lease is \$1,507.

The Organization leases seven apartments under two year lease agreements, which provide housing to domestic violence victims. Monthly lease expense for each of the seven apartments range from \$809 to \$1,061 per month. In addition, the Organization leases four apartments under one year leases.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 8. LEASE COMMITMENTS - Continued

Total rent expense for all leases was \$293,229 in the year ended June 30, 2018.

Future minimum rental payments required in the years ending June 30th are shown in the following table. Amounts do not include common area maintenance expenses for the Orland Park resale shop facility and real estate taxes for the Worth and Orland Park resale shop facilities, since those amounts are unknown.

2019	\$	160,639
2020		149,396
2021		147,775
2022		97,074
2023		62,106
Total	\$	<u>616,990</u>

NOTE 9. CONCENTRATIONS

The Organization received 20% and 18% of its total support and revenue from the Illinois Department of Human Services (DHS) and Illinois Coalition Against Domestic Violence (ICADV) in the year ended June 30, 2018, respectively. In addition, grants receivable from DHS and ICADV was 37% and 40% of total grants receivable at June 30, 2018, respectively.

DHS and other granting agencies reserve the right to review the Organization's records of performance and could require return of grant funds based on these reviews. The amount of expenses that may be disallowed by the government agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be insignificant.

The Organization operates two resale shops. Net revenue at the resale shops comprised 21% of total support and revenue in the year ended June 30, 2018.

NOTE 10. RETIREMENT PLAN

The Organization has a 403(b) retirement plan covering all eligible employees. The plan provides for contributions by the Organization as annually determined by its Board of Directors. The Organization contributed \$10,191 in the year ended June 30, 2018.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE 11. OWNERSHIP OF PROPERTY AND EQUIPMENT

Many of the items of property and equipment included in the financial statements have been acquired with government funds. The grants under which the funds were received require the return of these assets to the grantor governmental agency upon the termination of the grants or the termination of services for which the assets are used. Management considers the probability of this occurring to be remote. Therefore, these assets are included in the accompanying financial statements and no provision has been made for potential losses or possible reversions.

NOTE 12. SUBSEQUENT EVENTS

The Organization has evaluated events subsequent to June 30, 2018 for possible adjustment or disclosure to the accompanying financial statements. This evaluation was done through the date of the Independent Auditor's Report, which is the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

CRISIS CENTER FOR SOUTH SUBURBIA

SCHEDULE OF SUPPORT AND REVENUE AND EXPENSES - ILLINOIS COALITION AGAINST DOMESTIC VIOLENCE (ICADV)

Year Ended June 30, 2018

	VOCA Domestic Violence Services: 215301 <u>(16,575)</u>
Support and revenue:	
ICADV grants	\$ 403,187
Matching funds	<u>100,849</u>
Total support and revenue	504,036
Expenses:	
Personnel	479,124
Other	<u>24,912</u>
Total expenses	<u>504,036</u>
Excess of support and revenue over expenses	<u>\$ -</u>

CRISIS CENTER FOR SOUTH SUBURBIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grantor's/Contract Number	Disbursements/ Expenditures
U.S. Department of Housing and Urban Development (HUD):			
Pass-through from Cook County Department of Planning and Development:			
Emergency Shelter Grants Program	14.231	E17-06	\$ 36,932
Emergency Shelter Grants Program	14.231	E16-06	<u>16,676</u>
Total Emergency Shelter Grants Program			\$ 53,608
Community Development Block Grant	14.218	1604-039	5,816
Community Development Block Grant	14.218	1704-040	<u>18,685</u>
Total Community Development Block Grant			<u>24,501</u>
Total U.S. Department of Housing and Urban Development (HUD)			78,109
U.S. Department of Health and Human Services (HHS):			
Pass-through from Illinois Dept. of Human Services:			
Title XX Block Grant	93.667	FCSWT01494	42,103
Family Violence Prevention and Services	93.671	FCSWT01494	<u>83,110</u>
Total U.S. Department of Health and Human Services (HHS)			125,213
Department of Homeland Security (DHS):			
Emergency Food and Shelter Program	97.024	2374-00 020	17,020
Emergency Food and Shelter Program	97.024	2580-00 023	<u>6,170</u>
Total Emergency Food and Shelter Program			<u>23,190</u>
Total Department of Homeland Security (DHS)			23,190

CRISIS CENTER FOR SOUTH SUBURBIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grantor's/Contract Number	Disbursements/ Expenditures
U.S. Department of Justice (DOJ):			
Direct Award:			
OVW Expanded Transitional Housing Services for Chicago Southland	16.736	2016-WH-AX-0024	116,157
Pass-through from Illinois Coalition Against Domestic Violence:			
VOCA - Domestic Violence	(M) 16.575	215301	403,187
Pass-through from Illinois Criminal Justice Information Authority:			
VOCA - Transitional Housing	(M) 16.575	215179	96,803
Total U.S. Department of Justice (DOJ)			<u>616,147</u>
U.S. Department of Agriculture:			
Passed through Illinois State Board of Education:			
Child and Adult Care Food Program	10.558	07016083POO	17,266
Total U.S. Department of Agriculture			<u>17,266</u>
Total Federal expenditures			<u><u>\$ 859,925</u></u>

(M) Major Programs

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2018

NOTE 1. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **CRISIS CENTER FOR SOUTH SUBURBIA** and is presented on the accrual basis of accounting. The information presented in this schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements. Pass-through entity identifying numbers are presented when available.

NOTE 2. NON-CASH ASSISTANCE

None of the Federal awards were expended in the form of non-cash assistance in the year ended June 30, 2018.

NOTE 3. LOANS AND LOAN GUARANTEES

There were no loans or loan guarantees made with any Federal award money received in the year ended June 30, 2018.

NOTE 4. INSURANCE IN EFFECT

There was no Federal insurance in effect in the year ended June 30, 2018.

NOTE 5. SUBRECIPIENTS

No amounts of the Federal awards were provided to subrecipients in the year ended June 30, 2018.

NOTE 6. DE MINIMIS COST RATE

The Organization has elected the 10% de minimis cost rate for indirect costs.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors of
Crisis Center for South Suburbia
Tinley Park, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of **CRISIS CENTER FOR SOUTH SUBURBIA** (the "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, and have issued our report thereon dated September 28, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the 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.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis. *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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Members American Institute and Illinois Society of Certified Public Accountants

19070 S. Everett Blvd. ■ Suite 208
Mokena, Illinois 60448
p 708.478.2900 ■ f 708.478.2901

2 Mid Am Plaza, Rt. 83 & 22nd St. ■ Suite 800
Oakbrook Terrace, Illinois 60181
p 630.627.1114 ■ f 630.627.3039

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



O'NEILL & GASPARDO, LLC
Mokena, Illinois
September 28, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors of
Crisis Center for South Suburbia
Tinley Park, Illinois

Report on Compliance for Each Major Federal Program

We have audited **CRISIS CENTER FOR SOUTH SUBURBIA's** (the "Organization"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2018. The Organization's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of the Organization's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Opinion on Each Major Federal Program

In our opinion, the Organization complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

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19070 S. Everett Blvd. ■ Suite 208
Mokena, Illinois 60448
p 708.478.2900 ■ f 708.478.2901

2 Mid Am Plaza, Rt. 83 & 22nd St. ■ Suite 800
Oakbrook Terrace, Illinois 60181
p 630.627.1114 ■ f 630.627.3039

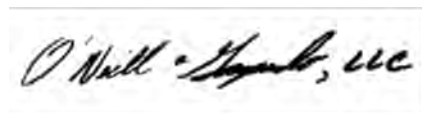
Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose



O'NEILL & GASPARDO, LLC
Mokena, Illinois
September 28, 2018

CRISIS CENTER FOR SOUTH SUBURBIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

June 30, 2018

A. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on the financial statements of **CRISIS CENTER FOR SOUTH SUBURBIA** (the "Organization").
2. No material weaknesses or significant deficiencies in internal controls were disclosed during the financial statement audit of the Organization.
3. No instances of noncompliance material to the financial statements of the Organization, which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.
4. No material weaknesses or significant deficiencies related to internal controls over major programs were identified during the audit of the Organization.
5. The auditor's report on compliance for the major federal award program for the Organization expresses an unmodified opinion on the major federal award program.
6. There were no audit findings that are required to be reported in accordance with 2 CFR 200.516(a) in this Schedule.
7. The program tested as major program:

Crime Victim Assistance	16.575
-------------------------	--------
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. The Organization was determined to not be a low-risk auditee.

B. Findings – Financial Statement Audit:

None noted

C. Findings – Major Federal Award Programs Audit:

None noted

CRISIS CENTER FOR SOUTH SUBURBIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

June 30, 2018

Significant Deficiency in Internal Control (Financial Statement Audit) – Occurred in the year ended June 30, 2017

Finding: 2017-1 Procedures for Collecting Program Fees

Criteria: Procedures should be monitored for proper and consistent implementation to minimize the risk of misstatements, theft and other irregularities.

Condition: A former employee was collecting fees for a class he conducted without following the Organization's procedures.

Effect: This former employee stole some of the fees he collected.

Cause: The Organization did not monitor that procedures were being followed. Also, these procedures should have been strengthened.

Recommendation: Procedures for collecting program fees should be improved and monitored.

Status

The Organization agreed with the recommendation and improved procedures, including monitoring procedures.

Some of the actions taken were:

- Revising fiscal control policies for program fee collection procedures.
- Staff were trained and systems put into place to better document the detail behind each payment collected.
- Modifying program procedures related to documenting the sliding scale fee assessed for each client, procedures for documenting client attendance and fees collected. These records are contained in program records and individual detail is maintained in client files.
- Instituted a monthly reconciliation process between the fiscal department and the program records to ensure no further discrepancies took place.