

CRISIS CENTER FOR SOUTH SUBURBIA

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

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, 2017, 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

www.og-llc.com ■ info@og-llc.com

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, 2017, 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.

Report on Supplemental 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) is presented for purposes of additional analysis and is 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 October 25, 2017, 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 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 17, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.



O'NEILL & GASPARDO, LLC
Mokena, Illinois
October 25, 2017

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF FINANCIAL POSITION

June 30, 2017 with Comparative Amounts for June 30, 2016

	<u>2017</u>	<u>2016</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 610,751	\$ 792,631
Certificates of deposit	125,331	235,976
Grants receivable	539,074	160,421
Other receivables	24,508	12,052
Inventory - resale shops	149,243	123,065
Prepaid expenses	54,296	11,371
Total current assets	<u>1,503,203</u>	<u>1,335,516</u>
Property and equipment:		
Land	68,250	68,250
Building and improvements	2,235,234	2,188,572
Furniture and equipment	253,517	183,635
Leasehold improvements	36,150	36,150
Vehicles	47,714	47,714
Less: Accumulated Depreciation	<u>(1,660,811)</u>	<u>(1,549,710)</u>
Net property and equipment	980,054	974,611
Other assets:		
Investments - Endowment Fund	84,767	81,775
Deposits	11,779	11,825
Total other assets	<u>96,546</u>	<u>93,600</u>
Total assets	<u>\$ 2,579,803</u>	<u>\$ 2,403,727</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 34,207	\$ 25,107
Accrued expenses	102,978	72,848
Deferred revenue - grants	4,753	-
Deferred revenue - special events	12,290	24,880
Current portion of mortgage payable	12,963	12,455
Total current liabilities	<u>167,191</u>	<u>135,290</u>
Long term liabilities:		
Mortgages payable, net of current portion	212,846	225,777
Total long term liabilities	<u>212,846</u>	<u>225,777</u>
Total liabilities	380,037	361,067
Net assets:		
Unrestricted:		
Designated by Board for Endowment Fund	84,767	81,775
Undesignated by Board	2,114,999	1,960,885
Total unrestricted net assets	<u>2,199,766</u>	<u>2,042,660</u>
Temporarily restricted	-	-
Total net assets	<u>2,199,766</u>	<u>2,042,660</u>
Total liabilities and net assets	<u>\$ 2,579,803</u>	<u>\$ 2,403,727</u>

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2017 with Comparative Amounts for the Year Ended June 30, 2016

	2017			2016
	Unrestricted	Temporarily Restricted	Total	Total
Support and revenue:				
Government grants and contracts	\$ 1,026,645	\$ -	\$ 1,026,645	\$ 937,050
Contributions	517,420	-	517,420	422,232
Neat Repeats Resale Shop:				
Revenues	1,116,654	-	1,116,654	1,049,590
Less: Expenses	(455,349)	-	(455,349)	(438,876)
Net revenue	661,305	-	661,305	610,714
Special events:				
Revenue	382,213	-	382,213	289,061
Less: Expenses	(106,384)	-	(106,384)	(77,272)
Net revenue	275,829	-	275,829	211,789
Fees - Choices program	51,885	-	51,885	45,591
Rental income	11,097	-	11,097	15,077
Investment income	5,515	-	5,515	9,381
Other	3,744	-	3,744	3,824
Total support and revenue	2,553,440	-	2,553,440	2,255,658
Expenses:				
Program services	1,840,761	-	1,840,761	1,702,732
Supporting services:				
General and administrative	262,735	-	262,735	300,201
Fundraising	292,838	-	292,838	247,991
Total supporting services	555,573	-	555,573	548,192
Total expenses	2,396,334	-	2,396,334	2,250,924
Change in net assets	157,106	-	157,106	4,734
Net assets:				
Beginning of year	2,042,660	-	2,042,660	2,037,926
End of year	\$ 2,199,766	\$ -	\$ 2,199,766	\$ 2,042,660

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2017 with Comparative Amounts for the Year Ended June 30, 2016

	Program Services				
	Residential Shelter	Community Counseling	Court Advocacy	Medical Advocacy	Volunteer Services
Payroll:					
Salaries	\$ 358,035	\$ 202,651	\$ 259,331	\$ 59,793	\$ 18,544
Employee health insurance	24,499	10,888	13,610	2,722	907
Payroll taxes	26,620	15,503	19,839	4,574	1,419
Workers' compensation insurance	5,784	2,571	3,213	643	214
State unemployment insurance	-	9,707	-	-	-
Retirement plan contribution	2,510	1,302	1,395	372	186
Total payroll	417,448	242,622	297,388	68,104	21,270
Advertising	-	-	-	-	-
Bank/investment service charges	-	-	-	-	-
Client medical	564	-	-	-	-
Client travel	4,734	-	-	-	-
Community education	-	-	-	-	-
Contractual services	16,950	7,694	8,878	2,367	1,776
Depreciation	33,330	14,443	16,665	4,444	3,333
Dues and subscriptions	733	734	734	734	734
Food	53,114	-	-	-	-
Housekeeping supplies	15,459	-	-	-	-
Insurance	9,240	3,960	4,620	990	330
Interest and investment expense	-	-	-	-	-
Legal and accounting	4,158	1,848	2,156	462	154
Maintenance and repairs	33,858	-	-	-	-
Meetings, conferences, seminars	451	562	813	387	79
Miscellaneous	998	997	997	997	997
Occupancy	-	-	-	-	-
Office supplies	4,135	1,034	478	258	192
Postage	1,331	754	964	222	146
Printing	3,475	1,967	2,517	580	180
Program supplies	6,331	1,765	1,148	621	993
Real estate taxes	-	-	-	-	-
Refuse, exterminating	5,460	-	-	-	-
Small equipment purchases	4,405	1,958	2,284	489	163
Specific assistance - rent	5,681	-	-	-	-
Staff travel	164	665	3,067	730	98
Telephone	1,474	834	1,068	246	76
Utilities	10,960	5,382	5,831	1,346	1,346
Vehicle maintenance	2,055	-	-	-	-
Volunteer / donor recognition	-	-	-	-	833
Totals - 2017	<u>\$ 636,508</u>	<u>\$ 287,219</u>	<u>\$ 349,608</u>	<u>\$ 82,977</u>	<u>\$ 32,700</u>
Totals - 2016	<u>\$ 624,603</u>	<u>\$ 270,718</u>	<u>\$ 344,246</u>	<u>\$ 68,944</u>	<u>\$ 23,252</u>

See accompanying notes and auditor's report.

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2017 with Comparative Amounts for the Year Ended June 30, 2016

	Program Services			
	PAIP (Choices) Services	Transitional Housing	Community Education Services	Total Program Services
Payroll:				
Salaries	\$ 54,847	\$ 46,388	\$ 130,950	\$ 1,130,539
Employee health insurance	2,722	5,444	6,351	67,143
Payroll taxes	4,196	3,549	10,018	85,718
Workers' compensation insurance	643	1,285	1,500	15,853
State unemployment insurance	-	-	-	9,707
Retirement plan contribution	279	651	78	6,773
Total payroll	62,687	57,317	148,897	1,315,733
Advertising	-	-	-	-
Bank/investment service charges	-	-	-	-
Client medical	-	-	-	564
Client travel	-	893	-	5,627
Community education	-	-	1,435	1,435
Contractual services	1,776	5,919	4,143	49,503
Depreciation	4,444	18,887	7,777	103,323
Dues and subscriptions	-	734	734	5,137
Food	-	506	-	53,620
Housekeeping supplies	-	-	-	15,459
Insurance	990	2,310	2,310	24,750
Interest and investment expense	-	10,200	-	10,200
Legal and accounting	462	1,341	1,078	11,659
Maintenance and repairs	-	2,196	-	36,054
Meetings, conferences, seminars	890	-	-	3,182
Miscellaneous	997	1,994	997	8,974
Occupancy	-	72,187	-	72,187
Office supplies	290	121	139	6,647
Postage	204	173	487	4,281
Printing	532	450	1,271	10,972
Program supplies	1,019	3,447	124	15,448
Real estate taxes	-	4,406	-	4,406
Refuse, exterminating	-	1,197	-	6,657
Small equipment purchases	489	1,142	1,142	12,072
Specific assistance - rent	-	-	-	5,681
Staff travel	1,557	3,491	2,198	11,970
Telephone	226	191	539	4,654
Utilities	1,346	8,327	3,140	37,678
Vehicle maintenance	-	-	-	2,055
Volunteer / donor recognition	-	-	-	833
Totals - 2017	\$ 77,909	\$ 197,429	\$ 176,411	\$ 1,840,761
Totals - 2016	\$ 57,507	\$ 139,152	\$ 174,310	\$ 1,702,732

See accompanying notes and auditor's report.

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2017 with Comparative Amounts for the Year Ended June 30, 2016

	General and Administrative		Totals	
	Expenses	Fundraising	2017	2016
Payroll:				
Salaries	\$ 197,042	\$ 229,181	\$ 1,556,762	\$ 1,514,416
Employee health insurance	9,981	13,610	90,734	86,237
Payroll taxes	13,406	17,532	116,656	112,517
Workers' compensation insurance	2,356	3,213	21,422	24,801
State unemployment insurance	-	-	9,707	1,403
Retirement plan contribution	1,116	1,395	9,284	9,207
Total payroll	223,901	264,931	1,804,565	1,748,581
Advertising	1,120	-	1,120	800
Bank/investment service charges	3,112	-	3,112	1,745
Client medical	-	-	564	537
Client travel	-	-	5,627	7,674
Community education	-	-	1,435	2,238
Contractual services	6,510	3,173	59,186	46,259
Depreciation	4,444	3,333	111,100	88,832
Dues and subscriptions	-	-	5,137	4,588
Food	-	-	53,620	48,096
Housekeeping supplies	-	-	15,459	16,295
Insurance	3,630	4,620	33,000	30,296
Interest and investment expense	-	-	10,200	10,296
Legal and accounting	1,694	2,310	15,663	18,772
Maintenance and repairs	-	-	36,054	26,209
Meetings, conferences, seminars	2,337	570	6,089	4,321
Miscellaneous	19	-	8,993	7,117
Occupancy	-	-	72,187	58,443
Office supplies	5,802	1,207	13,656	8,334
Postage	656	852	5,789	6,386
Printing	1,912	2,224	15,108	7,760
Program supplies	415	2,809	18,672	13,528
Real estate taxes	-	-	4,406	4,443
Refuse, exterminating	-	-	6,657	5,621
Small equipment purchases	2,121	2,121	16,314	2,617
Specific assistance - rent	-	-	5,681	7,320
Staff travel	214	605	12,789	24,108
Telephone	811	943	6,408	5,049
Utilities	4,037	3,140	44,855	40,084
Vehicle maintenance	-	-	2,055	4,126
Volunteer / donor recognition	-	-	833	449
Totals - 2017	<u>\$ 262,735</u>	<u>\$ 292,838</u>	<u>\$ 2,396,334</u>	
Totals - 2016	<u>\$ 300,201</u>	<u>\$ 247,991</u>		<u>\$ 2,250,924</u>

See accompanying notes and auditor's report.

CRISIS CENTER FOR SOUTH SUBURBIA

STATEMENT OF CASH FLOWS

Year Ended June 30, 2017 with Comparative Amounts for the Year Ended June 30, 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Change in net assets	\$ 157,106	\$ 4,734
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	111,100	88,832
Unrealized loss (gain) on investments	4,341	(3,787)
Realized loss (gain) on investments	(5,176)	-
In-kind donations of property and equipment	(70,000)	-
Changes in current assets and liabilities:		
Grants receivable	(378,653)	(95,006)
Other receivables	(12,456)	37,267
Inventory - resale shops	(26,178)	9,324
Prepaid expenses	(42,925)	(585)
Deposits	46	-
Accounts payable	9,100	(1,563)
Accrued expenses	30,130	(56,850)
Deferred revenue - grants	4,753	(1,514)
Deferred revenue - special events	(12,590)	14,930
Net cash (used in) operating activities	<u>(231,402)</u>	<u>(4,218)</u>
Cash flows from investing activities:		
Purchases of certificates of deposit	(1,166)	(1,396)
Proceeds from certificates of deposit	111,812	-
Purchase of investments	(95,746)	(77,989)
Proceeds from sale of investments	93,589	-
Purchases of property and equipment	<u>(46,544)</u>	<u>(125,597)</u>
Net cash provided by (used in) investing activities	61,945	(204,982)
Cash flows from financing activities:		
Proceeds - notes payable	-	245,000
Repayment of mortgages payable	<u>(12,423)</u>	<u>(249,806)</u>
Net cash (used in) financing activities	<u>(12,423)</u>	<u>(4,806)</u>
Net decrease in cash and cash equivalents	(181,880)	(214,006)
Cash and cash equivalents at beginning of year	<u>792,631</u>	<u>1,006,637</u>
Cash and cash equivalents at end of year	<u>\$ 610,751</u>	<u>\$ 792,631</u>
Supplemental cash flow information:		
Interest paid	<u>\$ 9,432</u>	<u>\$ 9,766</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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, 2017

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, 2017 and 2016.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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. Property and Equipment

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 \$111,100 and \$88,832 for the years ended June 30, 2017 and 2016, respectively.

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 if the restriction expires in the fiscal year in which the support is recognized. 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, 2017

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 2013, 2014 and 2015 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, 2017 and 2016.

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, 2016, 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 \$232,114 and \$273,935 in uninsured cash balances at June 30, 2017 and 2016, respectively.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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) in the year ended June 30, 2016. 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, 2017:

Board-designated endowment net assets, beginning of year	\$	81,775
Interest, dividend and capital gain income		2,925
Investment fees		(768)
Realized gain (loss)		5,176
Unrealized gain (loss)		(4,341)
Amounts appropriated for expenditure		<u>-</u>
Board-designated endowment net assets, end of year	\$	<u>84,767</u>

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 3. INVESTMENTS – BOARD DESIGNATED ENDOWMENT – Continued

The Endowment consisted of the following investments at June 30, 2017, which were all valued at fair value based on quoted prices in active markets (all Level 1 measurements):

	<u>Cost</u>	<u>Market Value</u>
Fixed income securities	\$ 51,231	\$ 51,222
Equity securities	34,000	33,545
	<u>\$ 85,231</u>	<u>\$ 84,767</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 (\$556,503 net of accumulated depreciation) on this property as of June 30, 2017.

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 with a certificate deposit that the Organization has with this same bank, which had a balance of \$125,331 at June 30, 2017. There were no borrowings on this line of credit at June 30, 2017 and 2016.

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 \$299,558 at June 30, 2017. The outstanding balance of the mortgage was \$225,809 at June 30, 2017.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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:

2018	\$	12,963
2019		13,491
2020		14,040
2021		14,612
2022		15,208
Thereafter		155,495
Total	\$	<u>225,809</u>

NOTE 7. CONTRIBUTED SERVICES

During the year ended June 30, 2017, volunteers contributed 4,702 hours of program services to the Organization, and 38,072 hours of administrative and fundraising services to the Organization. The value of the contributed services received is not included in the financial statements, since it does 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 that expired in August 2017. Monthly rent under the lease ranges from \$5,300 to \$5,600. The Organization continues to lease this facility on a month to month basis as of the date of the Independent Auditor's report.

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 leased two copiers under an operating lease which was scheduled to expire in March 2019. The Organization terminated this lease in July 2017, paying a \$16,511 termination fee, which was reimbursed by another company the Organization started leasing copiers from in July 2017.

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.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

NOTE 8. LEASE COMMITMENTS - Continued

Total rent expense for all leases was \$233,531 in the year ended June 30, 2017.

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

2018	\$	139,204
2019		78,205
2020		56,128
2021		52,628
2022		-
Total	\$	<u>326,165</u>

NOTE 9. CONCENTRATIONS

The Organization received 22% of its support and revenue from the Illinois Department of Human Services (DHS) in the year ended June 30, 2017. In addition, grants receivable from DHS was 84% of total grants receivable at June 30, 2017.

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 26% of total support and revenue in the year ended June 30, 2017.

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 \$9,284 in the year ended June 30, 2017.

CRISIS CENTER FOR SOUTH SUBURBIA

NOTES TO FINANCIAL STATEMENTS

June 30, 2017

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, 2017 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.

The Organization entered into a five year lease agreement for four copiers on August 11, 2017 with monthly lease payments of \$1,507.

The Organization entered into a lease agreement for its Worth, Illinois re-sale shop on September 8, 2017. The lease starts on the completion of lessor's improvements and ends five and half years later. Monthly lease payments in the first lease year are discounted to \$3,000. Monthly lease payments in subsequent years range from \$6,150 to \$6,788.

SUPPLEMENTAL INFORMATION

CRISIS CENTER FOR SOUTH SUBURBIA

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

Year Ended June 30, 2017

	VOCA Domestic Violence Services: 215201 <u>(16.575)</u>	VOCA Technology Upgrade: 215001 - Tech <u>(16.575)</u>
Support and revenue:		
ICADV grants	\$ 98,074	\$ 3,820
Matching funds	<u>24,519</u>	<u>955</u>
Total support and revenue	122,593	4,775
Expenses:		
Personnel	104,643	-
Other	<u>17,950</u>	<u>4,775</u>
Total expenses	<u>122,593</u>	<u>4,775</u>
Excess of support and revenue over expenses	<u>\$ -</u>	<u>\$ -</u>

**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, 2017, 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 October 25, 2017.

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. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses, that we consider to be a significant deficiency (2017-1).

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

www.og-llc.com ■ info@og-llc.com

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*.

Organization's Response to Findings

The Organization's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The Organization's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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
October 25, 2017

CRISIS CENTER FOR SOUTH SUBURBIA

SCHEDULE OF FINDINGS AND RESPONSES

June 30, 2017

Significant Deficiency in Internal Control

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.

Views of Organization's management and corrective action: The Organization agrees with the recommendation and has already improved procedures, including monitoring procedures.