

**ALLIANCE TO END HOMELESSNESS IN
SUBURBAN COOK COUNTY**

**FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2017 AND 2016**

TOGETHER WITH AUDITOR'S REPORT

Dugan & Lopatka

Certified Public Accountants & Consultants
A Professional Corporation
104 East Roosevelt Road
Wheaton, Illinois 60187
(630) 665-4440
Fax (630) 665-5030
www.duganlopatka.com
e-mail: info@duganlopatka.com

Karen M. Olson
Hugh E. Elliott
Ronald A. Marklund

Gwen S. Henry

Michael J. Dugan
Jerry L. Lopatka
Mark F. Schultz
Peter J. Zich
Leo M. Misdom

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Alliance to End Homelessness
in Suburban Cook County

We have audited the accompanying financial statements of Alliance to End Homelessness in Suburban Cook County (the Alliance) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017 and 2016, and the related statements of activities, cash flows, and functional expenses for the years 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 audits. We conducted our audits 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Board of Directors of
Alliance to End Homelessness
in Suburban Cook County
Page two

Opinion

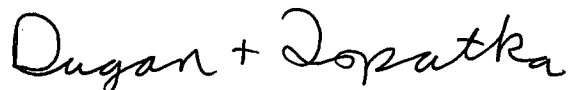
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Alliance to End Homelessness in Suburban Cook County as of December 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 a report dated March 23, 2018, on our consideration of the Alliance's internal control over financial reporting and 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Alliance's internal control over financial reporting and compliance.



DUGAN & LOPATKA

Wheaton, Illinois
March 23, 2018

ALLIANCE TO END HOMELESSNESS IN SUBURBAN COOK COUNTY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	\$ 72,919	\$ 35,877
- restricted	55,287	10,000
Accounts receivable - Contract billings	239,008	200,514
- Contributions	56,250	-
Prepaid expenses and other assets	13,280	11,871
Total current assets	436,744	258,262
PROPERTY AND EQUIPMENT, net	13,345	14,245
Total assets	<u>\$ 450,089</u>	<u>\$ 272,507</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 46,350	\$ 46,914
Accrued vacation	18,798	18,113
Total current liabilities	65,148	65,027
COMMITMENTS		
NET ASSETS:		
Unrestricted	273,404	197,480
Temporarily restricted	111,537	10,000
Total net assets	384,941	207,480
Total liabilities and net assets	<u>\$ 450,089</u>	<u>\$ 272,507</u>

The accompanying notes are an integral part of this statement.

ALLIANCE TO END HOMELESSNESS IN SUBURBAN COOK COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Contract income	\$ 1,389,464	\$ -	\$ 1,389,464	\$ 627,121	\$ -	\$ 627,121
Contributions	108,953	145,000	253,953	122,833	10,000	132,833
In-kind professional services	203	-	203	10,000	-	10,000
Other	6,505	-	6,505	5,995	-	5,995
Net assets released from restrictions	43,463	(43,463)	-	17,000	(17,000)	-
Total support and revenue	<u>1,548,588</u>	<u>101,537</u>	<u>1,650,125</u>	<u>782,949</u>	<u>(7,000)</u>	<u>775,949</u>
FUNCTIONAL EXPENSES:						
Program services -						
Data Collection	386,194	-	386,194	413,132	-	413,132
Coordinated Entry	736,253	-	736,253	35,358	-	35,358
Continuum of Care Planning	221,848	-	221,848	197,617	-	197,617
Total program services	<u>1,344,295</u>	<u>-</u>	<u>1,344,295</u>	<u>646,107</u>	<u>-</u>	<u>646,107</u>
Supporting services -						
Management and general	74,383	-	74,383	67,736	-	67,736
Fundraising	53,986	-	53,986	32,455	-	32,455
Total supporting services	<u>128,369</u>	<u>-</u>	<u>128,369</u>	<u>100,191</u>	<u>-</u>	<u>100,191</u>
Total functional expenses	<u>1,472,664</u>	<u>-</u>	<u>1,472,664</u>	<u>746,298</u>	<u>-</u>	<u>746,298</u>
CHANGE IN NET ASSETS	75,924	101,537	177,461	36,651	(7,000)	29,651
NET ASSETS, Beginning of year	<u>197,480</u>	<u>10,000</u>	<u>207,480</u>	<u>160,829</u>	<u>17,000</u>	<u>177,829</u>
NET ASSETS, End of year	<u>\$ 273,404</u>	<u>\$ 111,537</u>	<u>\$ 384,941</u>	<u>\$ 197,480</u>	<u>\$ 10,000</u>	<u>\$ 207,480</u>

The accompanying notes are an integral part of this statement.

ALLIANCE TO END HOMELESSNESS IN SUBURBAN COOK COUNTY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	<u>\$ 177,461</u>	<u>\$ 29,651</u>
Adjustments to reconcile change in total net assets to net cash provided by (used in) operating activities:		
Depreciation	8,169	7,808
Changes in assets and liabilities:		
(Increase) in accounts receivable	(94,744)	(86,814)
(Increase) in prepaid expenses and other assets	(1,409)	(25)
(Decrease) in accounts payable and accrued liabilities	(564)	(16,785)
Increase in accrued vacation	<u>685</u>	<u>1,733</u>
Total adjustments	<u>(87,863)</u>	<u>(94,083)</u>
Net cash provided by (used in) operating activities	89,598	(64,432)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment	<u>(7,269)</u>	<u>(1,300)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	82,329	(65,732)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>45,877</u>	<u>111,609</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 128,206</u>	<u>\$ 45,877</u>
SUPPLEMENTAL DISCLOSURES:		
Interest paid	<u>\$ 10</u>	<u>\$ 89</u>

The accompanying notes are an integral part of this statement.

ALLIANCE TO END HOMELESSNESS IN SUBURBAN COOK COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program Services</u>			Total Program Services	<u>Supporting Services</u>		Total
	Data Collection	Coordinated Entry	Continuum of Care Planning		Management and General	Fundraising	
Salaries	\$ 207,966	\$ -	\$ 148,006	\$ 355,972	\$ 37,345	\$ 24,487	\$ 417,804
Payroll taxes	15,530	-	10,754	26,284	2,789	1,805	30,878
Employee benefits	33,219	-	23,003	56,222	5,965	3,860	66,047
Grants to subrecipients	-	736,253	-	736,253	-	-	736,253
Consultant fees	6,277	-	-	6,277	4,929	18,020	29,226
Depreciation	4,109	-	2,844	6,953	738	478	8,169
Equipment rental and maintenance	2,907	-	2,238	5,145	2,038	-	7,183
Homeless Management Information							
System vendor fees	75,880	-	-	75,880	-	-	75,880
In-kind legal services	203	-	-	203	-	-	203
Insurance	-	-	-	-	4,156	-	4,156
Interest	-	-	-	-	10	-	10
Meetings and travel	11,633	-	8,056	19,689	2,089	1,352	23,130
Postage and shipping	-	-	1,330	1,330	157	260	1,747
Printing	-	-	5,903	5,903	-	415	6,318
Professional fees	703	-	487	1,190	8,861	82	10,133
Rent	13,013	-	9,011	22,024	2,337	1,512	25,873
Supplies	4,670	-	3,234	7,904	839	543	9,286
Utilities and other office	10,084	-	6,982	17,066	1,810	1,172	20,048
Other	-	-	-	-	320	-	320
Total functional expenses	\$ 386,194	\$ 736,253	\$ 221,848	\$ 1,344,295	\$ 74,383	\$ 53,986	\$ 1,472,664

The accompanying notes are an integral part of this statement.

ALLIANCE TO END HOMELESSNESS IN SUBURBAN COOK COUNTY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>Program Services</u>			Total Program Services	<u>Supporting Services</u>		Total
	<u>Data Collection</u>	<u>Coordinated Entry</u>	<u>Continuum of Care Planning</u>		<u>Management and General</u>	<u>Fundraising</u>	
Salaries	\$ 210,744	\$ -	\$ 116,539	\$ 327,283	\$ 34,222	\$ 18,698	\$ 380,203
Payroll taxes	15,727	-	8,697	24,424	2,554	1,395	28,373
Employee benefits	33,679	-	18,624	52,303	5,469	2,988	60,760
Consultant fees	-	35,358	-	35,358	-	-	35,358
Grants to subrecipients	9,636	-	17,670	27,306	2,589	4,440	34,335
Depreciation	4,328	-	2,393	6,721	703	384	7,808
Equipment rental and maintenance	-	-	443	443	443	-	886
Homeless Management Information							
System vendor fees	84,157	-	-	84,157	-	-	84,157
In-kind legal services	10,000	-	-	10,000	-	-	10,000
Insurance	-	-	-	-	4,042	-	4,042
Interest	-	-	-	-	89	-	89
Meetings and travel	12,748	-	11,206	23,954	776	199	24,929
Postage and shipping	-	-	535	535	493	482	1,510
Printing	-	-	3,753	3,753	1,475	1,020	6,248
Professional fees	661	-	366	1,027	9,332	59	10,418
Rent	13,925	-	7,700	21,625	2,262	1,235	25,122
Supplies	4,851	-	2,682	7,533	788	430	8,751
Utilities and other office	12,676	-	7,009	19,685	2,061	1,125	22,871
Other	-	-	-	-	438	-	438
Total functional expenses	\$ 413,132	\$ 35,358	\$ 197,617	\$ 646,107	\$ 67,736	\$ 32,455	\$ 746,298

The accompanying notes are an integral part of this statement.

ALLIANCE TO END HOMELESSNESS IN SUBURBAN COOK COUNTY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Alliance to End Homelessness in Suburban Cook County (the Alliance) was incorporated in August, 2004, in the State of Illinois as a not-for-profit organization. The Alliance was created to oversee the Continuum of Care programs established by the U.S. Department of Housing and Urban Development (HUD) for reviewing requests for block grant money from HUD for Suburban Cook County, Illinois. The Alliance serves as a convener for the collaborative, community-based endeavors of homeless service providers, affordable housing developers, local governments, foundations, and the private sector.

The financial statements were available to be issued on March 23, 2018, with subsequent events being evaluated through this date.

The following is a summary of the significant accounting policies applied by management in the preparation of the accompanying financial statements.

Basis of Accounting -

The Alliance records its financial transactions and maintains its books and records on the accrual basis of accounting which recognizes revenue as it is earned and expenses as they are incurred.

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification for "Financial Statements of Not-for-Profit Organizations." Under this codification, the Alliance is required to report information regarding its financial position and activities according to three classes of net assets, which are unrestricted, temporarily restricted and permanently restricted net assets.

Unrestricted net assets are net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets are net assets subject to donor-imposed stipulations that may or will be met, whether by actions of the Alliance and/or the passage of time. When a restriction expires, temporarily restricted net assets are reported in the statement of activities as net assets released from restrictions. As of December 31, 2017 and 2016, temporarily restricted net assets were \$111,537 and \$10,000, respectively.

Permanently restricted net assets are net assets subject to donor-imposed stipulations that they be maintained permanently by the Alliance. Generally, the donors of these assets permit the Alliance to use all or part of the income earned on any related investments for general or specific purposes. The Alliance did not receive any permanently restricted funds during the years ended December 31, 2017 and 2016.

Use of Estimates -

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Alliance considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents.

Contract Billings Receivable -

Management has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Property and Equipment -

Property and equipment are carried at original cost or fair market value at date of receipt for donated assets less accumulated depreciation. The Alliance follows the practice of capitalizing all expenditures for property and equipment in excess of \$1,000. Depreciation is computed using straight-line method over the estimated useful lives of the assets.

Restricted and Unrestricted Revenue and Support -

Grants and contributions that are restricted by the grantor/donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends, or a purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Functional Allocation of Expenses -

Expenses are charged to each program based on direct expenditures incurred. Any expenditures not directly chargeable to a specific program are charged to the programs based on an allocation, depending on the type of expense, and are based on full-time equivalents of personnel or hours of service by program area.

Income Taxes -

The Alliance has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC). Accordingly, no provision for income tax has been established. In addition, the Alliance qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under IRC Section 509(a)(1).

The Alliance files income tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Alliance is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2014. The Alliance does not expect a material net change in unrecognized tax benefits in the next twelve months.

(2) DONATED SERVICES, MATERIALS, AND FACILITIES:

Donations of services are recorded if they create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the years ended December 31, 2017 and 2016, the Alliance received donated legal services valued at \$203 and \$10,000, respectively.

In-kind donations of materials are recorded at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. Conditional transfers of assets are recognized when the conditions upon which they depend are substantially met. During the years ended December 31, 2017 and 2016, there were no such donations.

(3) PROPERTY AND EQUIPMENT:

Property and equipment consist of the following at December 31:

	<u>2017</u>	<u>2016</u>
Office equipment	\$ 58,103	\$ 50,834
Less - Accumulated depreciation	<u>(44,758)</u>	<u>(36,589)</u>
	<u>\$ 13,345</u>	<u>\$ 14,245</u>

Depreciation expense for the years ended December 31, 2017 and 2016, was \$8,169 and \$7,808, respectively.

(4) LINE OF CREDIT:

The Alliance has a \$100,000 line of credit from a bank, bearing interest at prime plus one percent, with a minimum rate of 3.00%, and due in August, 2018. The Alliance had no outstanding borrowings as of December 31, 2017 and 2016.

(5) COMPENSATED ABSENCES:

The Alliance has a vesting vacation policy. The amount of existing vacation time remaining as of December 31, 2017 and 2016, is \$18,798 and \$18,113, respectively.

(6) LEASE COMMITMENTS:

The Alliance entered into a long-term lease agreement for its office space which expires January 31, 2019. Rent expense paid under the lease amounted to \$25,872 and \$25,122 for the years ended December 31, 2017 and 2016, respectively.

Minimum lease payments due for the years ending December 31 are as follows:

2018	\$ 26,646
2019	<u>2,270</u>
	<u>\$ 28,916</u>

(7) CONTINUUM OF CARE COMPETITION:

The Alliance successfully negotiated \$12,080,398 and \$11,770,688 in Homeless Assistance Grants on behalf of its member agencies in the 2017 and 2016 HUD Continuum of Care competitions, respectively, with amounts awarded in the subsequent calendar year.

(8) CONCENTRATIONS:

The Alliance received approximately 73% and 62% of its total public support and revenue from the U.S. Department of Housing and Urban Development for the years ended December 31, 2017 and 2016, respectively. For those years then ended, 45% and 5% of total public support and revenue was pass-through funds to sub-recipients, respectively. Excluding amounts passed-through to sub-recipients, for the years ended December 31, 2017 and 2016, 52% and 60% of its total public support and revenue was received from the U.S. Department of Housing and Urban Development, respectively.

Dugan & Lopatka

Certified Public Accountants & Consultants

A Professional Corporation

104 East Roosevelt Road

Wheaton, Illinois 60187

(630) 665-4440

Fax (630) 665-5030

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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
Alliance to End Homelessness
in Suburban Cook County

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Alliance to End Homelessness in Suburban Cook County (the Alliance) which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, cash flow and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 23, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Alliance'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 Alliance's internal control. Accordingly, we do not express an opinion on the effectiveness of the Alliance'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. 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.

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*

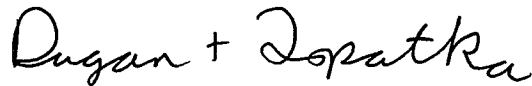
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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Alliance'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 Alliance'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 Alliance's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DUGAN & LOPATKA

Wheaton, Illinois
March 23, 2018

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

To the Board of Directors of
Alliance to End Homelessness
in Suburban Cook County

Report on Compliance for Each Major Federal Program

We have audited Alliance to End Homelessness in Suburban Cook County (the Alliance) 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 Alliance's major federal programs for the year ended December 31, 2017. The Alliance's major federal programs are 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 for each of the Alliance's major federal programs 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 Alliance'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 each major federal program. However, our audit does not provide a legal determination of the Alliance's compliance.

Opinion on Each Major Federal Program

In our opinion, the Alliance complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

Management of the Alliance is responsible for establishing and maintaining effective internal control over compliance with the type of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Alliance'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 program and to test and report on internal control over compliance in accordance with 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 Alliance'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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


DUGAN & LOPATKA

ALLIANCE TO END HOMELESSNESS IN SUBURBAN COOK COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor</u>	<u>Pass- Through Number</u>	<u>Passed Through to Sub-Recipients</u>	<u>Total Program Expenditures</u>
Department of Housing and Urban Development:					
Continuum of Care	14.267		IL0274L5T111508		\$ 95,213
Continuum of Care	14.267		IL0274L5T111609		137,105
Continuum of Care	14.267		IL0628L5T111500		123,721
Continuum of Care	14.267		IL0670L5T111600		127,230
Continuum of Care	14.267		IL0629L5T111500		641,455
Continuum of Care	14.267		IL0629L5T111601		<u>84,549</u>
Total Continuum of Care				<u>\$ 736,253</u>	<u>1,209,273*</u>
Community Development Block Grant	14.218	Cook County Department of Planning and Development	1602-027		55,000
Community Development Block Grant	14.218	Cook County Department of Planning and Development	1701-025		<u>16,552</u>
Total Community Development Block Grant					<u>71,552</u>
Emergency Solutions Grants Program	14.231	Village of Oak Park	S17-1		4,227
Emergency Solutions Grants Program	14.231	Village of Oak Park	S16-1		7,750
Emergency Solutions Grants Program	14.231	Cook County Department of Planning and Development	E17-01		<u>45,000</u>
Total Emergency Shelter Grants Program					<u>56,977</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 736,253</u>	<u>\$ 1,337,802</u>

*Major program

ALLIANCE TO END HOMELESSNESS IN SUBURBAN COOK COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note A - Basis of Presentation:

The accompanying schedule of expenditures of federal awards includes the federal award activity of Alliance to End Homelessness in Suburban Cook County (the Alliance) under programs of the federal government for the year ended December 31, 2017. The information in this Schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the Alliance, it is not intended to and does not represent the financial position, changes in net assets, or cash flows of the Alliance.

Note B - Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note C - Indirect Cost Rates:

The Alliance has elected not to use the ten percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note D - Non-Cash Awards:

The Alliance did not have any outstanding federal loans or loan guarantees or insurance at December 31, 2017, and did not receive any federal non-cash awards during the year ended December 31, 2017.

ALLIANCE TO END HOMELESSNESS IN SUBURBAN COOK COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2017

PART 1: SUMMARY OF AUDIT RESULTS -

1. The auditor's report expresses an unmodified opinion on the financial statements of Alliance to End Homelessness in Suburban Cook County.
2. There were no material weaknesses disclosed during the audit of the financial statements. No significant deficiencies related to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of Alliance to End Homelessness in Suburban Cook County were disclosed during the audit.
4. There were no significant deficiencies in internal control over compliance disclosed during the audit of the major federal award programs. There were no material weaknesses disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for the major federal award programs for Alliance to End Homelessness in Suburban Cook County expresses an unmodified opinion on all major federal programs.
6. There are no audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516 (a).
7. The programs tested as major programs included:

Continuum of Care Program	14.267
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8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Alliance to End Homelessness in Suburban Cook County was determined not to be a low-risk auditee.

PART 2: FINDINGS - FINANCIAL STATEMENTS AUDIT (GAGAS) -

There were no audit findings or questioned costs.

PART 3: AUDIT FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARDS PROGRAM
AUDIT -

There were no audit findings or questioned costs.