

# **SOUTH SUBURBAN FAMILY SHELTER, INC.**

## **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2019

## **SOUTH SUBURBAN FAMILY SHELTER, INC.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of  
**SOUTH SUBURBAN FAMILY SHELTER, INC.**  
Homewood, Illinois

### Report on the Financial Statements

We have audited the accompanying financial statements of **SOUTH SUBURBAN FAMILY SHELTER, INC.** (the "Organization"), which comprise the statement of financial position as of June 30, 2019, 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.

*Since 1969* ■ Members American Institute and Illinois Society of Certified Public Accountants

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## **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, 2019, 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 December 19, 2019 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 solely 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 the effectiveness of the Organization's 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.



O'NEILL & GASPARDO, LLC  
Mokena, Illinois  
December 19, 2019

**SOUTH SUBURBAN FAMILY SHELTER, INC.**

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**STATEMENT OF FINANCIAL POSITION**

June 30, 2019

**ASSETS**

Current assets:

Cash and cash equivalents	\$ 646,913	
Grants receivable	256,997	
Other receivables	18,535	
Prepaid expenses and other assets	5,295	
Total current assets		\$ 927,740

Fixed assets:

Land	65,000	
Buildings and building improvements	1,873,064	
Furniture and equipment	148,074	
Less: Accumulated depreciation	(989,796)	
Net fixed assets		1,096,342

Other assets:

Restricted cash	51,747	
Security deposits	250	
Total other assets		51,997
Total assets		<u>\$ 2,076,079</u>

**LIABILITIES AND NET ASSETS**

Current liabilities:

Accounts payable	\$ 19,347	
Accrued payroll and withholdings	101,115	
Accrued compensated absences	61,853	
Other accrued expenses	20,279	
Client deposits	3,019	
Deferred revenue	44,814	
Total current liabilities		\$ 250,427

Net assets:

Net assets with donor restrictions	6,934	
Net assets without donor restrictions	1,818,718	
Total net assets		1,825,652
Total liabilities and net assets		<u>\$ 2,076,079</u>

**SOUTH SUBURBAN FAMILY SHELTER, INC.****STATEMENT OF ACTIVITIES**

Year Ended June 30, 2019

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Support and revenue:			
Government Grants:			
IL Department of Human Services	\$ 465,998	\$ -	\$ 465,998
IL Attorney General	31,500	-	31,500
IL Coalition Against Domestic Violence	540,812	-	540,812
IL Criminal Justice Information Authority	115,262	-	115,262
Cook County	108,164	-	108,164
U.S. Department of Housing and Urban Dev.	265,838	-	265,838
Contributions:			
Foundations and corporations	134,204	40,000	174,204
United Way	60,525	-	60,525
Other	42,561	-	42,561
Special events	89,400	-	89,400
Program fees	64,300	-	64,300
Interest	429	-	429
Other	1,819	-	1,819
Total support and revenue	<u>1,920,812</u>	<u>40,000</u>	<u>1,960,812</u>
Net assets released from restrictions:			
Funds expended for restricted purpose	<u>85,967</u>	<u>(85,967)</u>	<u>-</u>
Total net assets released from restrictions	<u>85,967</u>	<u>(85,967)</u>	<u>-</u>
Total support and revenue and reclassifications	2,006,779	(45,967)	1,960,812
Expenses:			
Program services	1,629,445	-	1,629,445
Supporting services:			
Management and general	373,711	-	373,711
Development and fundraising	<u>164,699</u>	<u>-</u>	<u>164,699</u>
Total supporting services	538,410	-	538,410
Loss on disposal of fixed assets	<u>34,687</u>	<u>-</u>	<u>34,687</u>
Total expenses	<u>2,202,542</u>	<u>-</u>	<u>2,202,542</u>
Change in net assets	(195,763)	(45,967)	(241,730)
Net assets, beginning	<u>2,014,481</u>	<u>52,901</u>	<u>2,067,382</u>
Net assets, ending	<u>\$ 1,818,718</u>	<u>\$ 6,934</u>	<u>\$ 1,825,652</u>

## SOUTH SUBURBAN FAMILY SHELTER, INC.

### STATEMENT OF FUNCTIONAL EXPENSES

Year Ended June 30, 2019

	Program Services							Total Program Services	Management and General	Development and Fundraising	Total
	Medical Advocacy	Court Advocacy	Counseling	Abuser Intervention	Hotline & Crisis Intervention	Community Education	Housing				
Salaries	\$152,698	\$157,185	\$344,392	\$ 98,807	\$ 65,185	\$123,904	\$167,056	\$1,109,227	\$ 286,715	\$ 92,587	\$1,488,529
Fringe benefits and taxes	14,284	31,944	63,733	17,365	6,921	23,239	47,792	205,278	36,088	17,903	259,269
Conf. and transportation	1,721	317	1,365	733	412	3,046	580	8,174	5,388	1,236	14,798
Professional Fees	2,933	2,444	12,516	1,711	3,177	2,982	2,778	28,541	7,262	4,794	40,597
Supplies	1,085	1,387	3,556	775	874	1,984	9,570	19,231	2,201	1,601	23,033
Postage and printing	418	174	264	84	156	1,674	267	3,037	3,780	15,591	22,408
Communications	930	2,345	6,823	859	5,738	2,772	5,617	25,084	3,494	1,449	30,027
Insurance	1,299	1,082	2,381	758	1,407	974	1,191	9,092	2,478	841	12,411
Rent and utilities	917	102	6,725	970	102	3,184	24,993	36,993	4,756	2,414	44,163
Building maintenance	1,733	193	12,705	1,425	193	3,711	45,513	65,473	5,734	1,854	73,061
Dues and subscriptions	-	-	50	-	-	-	-	50	4,785	786	5,621
Audit and accounting	1,956	1,630	3,586	1,141	2,119	1,467	1,793	13,692	1,793	815	16,300
Client expenses	-	-	14,923	-	8,315	-	10,233	33,471	-	-	33,471
Special activities	-	-	-	-	-	-	-	-	-	18,835	18,835
Other	410	309	994	333	465	582	354	3,447	2,064	803	6,314
Depreciation	2,714	1,134	13,560	2,260	1,423	6,048	41,516	68,655	7,173	3,190	79,018
Total expenses	<u>\$183,098</u>	<u>\$200,246</u>	<u>\$487,573</u>	<u>\$ 127,221</u>	<u>\$ 96,487</u>	<u>\$175,567</u>	<u>\$359,253</u>	<u>\$1,629,445</u>	<u>\$ 373,711</u>	<u>\$ 164,699</u>	<u>\$2,167,855</u>

## SOUTH SUBURBAN FAMILY SHELTER, INC.

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### STATEMENT OF CASH FLOWS

Year Ended June 30, 2019

Cash flows from operating activities:		
Change in net assets		\$ (241,730)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation		79,018
Loss on disposal of fixed asset		34,687
Changes in current assets and liabilities:		
Grants receivable	\$ 91,237	
Other receivables	(18,535)	
Prepaid expenses and other assets	3,126	
Accounts payable	8,647	
Accrued payroll and withholdings	(6,968)	
Accrued compensated absences	10,074	
Other accrued expenses	(3,631)	
Client deposits	500	
Deferred revenue	3,410	
Total adjustments		<u>87,860</u>
Net cash used in operating activities		<u>(40,165)</u>
Cash flows from investing activities:		
Purchases of fixed assets	<u>(109,427)</u>	
Net cash used in investing activities		<u>(109,427)</u>
Net change in cash and cash equivalents		(149,592)
Cash and cash equivalents, beginning		<u>848,252</u>
Cash and cash equivalents, ending		<u>\$ 698,660</u>
Unrestricted cash and cash equivalents at end of year		\$ 646,913
Restricted cash and cash equivalents at end of year		<u>51,747</u>
Total cash and cash equivalents at end of year		<u>\$ 698,660</u>
Supplemental cash flow information:		
Interest paid		\$ -
Income taxes paid		<u>\$ -</u>

## **SOUTH SUBURBAN FAMILY SHELTER, INC.**

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

#### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **A. Nature of Activities**

South Suburban Family Shelter, Inc. (the "Organization") is a not-for-profit organization that provides counseling and economic support to victims of domestic violence. The Organization's programs are as follows:

- **Medical Advocacy:** Provides identification, support and referral to victims of domestic violence who come into the emergency rooms and medical clinics.
- **Court Advocacy:** Provides domestic violence victims with information and support as they attempt to obtain relief from violence through the criminal or civil court system.
- **Counseling:** Provides children and adults who have been abused or have witnessed abuse with the advocacy, support and skills that they need to recover from domestic violence.
- **Abuser Intervention:** Provides re-learning opportunities for individuals who have done harm in their intimate relationships.
- **Hotline & Crisis Intervention:** Provides 24 hour hotline and emergency shelter for domestic violence victims who are leaving their homes in fear of immediate physical harm.
- **Community Education:** Provides education and prevention to engage the community in addressing domestic violence.
- **Housing:** Assists homeless women with children in making a successful transition from homelessness to permanent housing.

##### **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 Accounting Standards Update (ASU) No. 2016-14. Under ASU No. 2016-14, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions, if applicable.

## **SOUTH SUBURBAN FAMILY SHELTER, INC.**

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

#### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **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, including repurchase agreements with financial institutions and money markets, to be cash equivalents. Cash equivalents are measured at fair value using level one inputs, as defined by the Financial Accounting Standards Board.

##### **E. Receivables**

The Organization carries its grants receivable at the amount of unreimbursed expenses from the grantor less an allowance for doubtful accounts. Receivables are written off against the allowance when management determines that recovery is unlikely, and the Organization ceases its collection efforts. Management estimated that no allowance for doubtful accounts was necessary at June 30, 2019.

##### **F. Grant Revenue**

The Organization recognizes grant revenue as earned. Grant revenue is earned as the required services of the grant contract are performed or as the expenses being reimbursed by the granting agency are incurred.

##### **G. Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis on the Statement of Activities. Accordingly, certain costs have been allocated to the programs and supporting services based on estimated benefit received.

##### **H. Fixed Assets**

The Organization follows the practice of capitalizing, at cost, all disbursements for fixed assets in excess of \$1,500. Depreciation is computed on the straight-line method over 30 years for buildings, 15-30 years for building improvements and 5-7 years for furniture and equipment. Depreciation expense was \$79,018 for the year ended June 30, 2019.

Fixed assets acquired by the Organization are considered owned by the Organization. However, federal and state funding sources may maintain equitable interest in the fixed assets purchased with grant monies as well as the right to determine the use of proceeds from the sale of those assets.

The U.S. Department of Housing and Urban Development (HUD) restricts the use of the Organization's apartment building in Matteson, Illinois (used by the Housing program) for use as a homeless shelter. In previous years, HUD provided grant funds for the purchase and improvements of this building, which had a net book value of \$349,775 at June 30, 2019 on the Organization's Statement of Financial Position.

## **SOUTH SUBURBAN FAMILY SHELTER, INC.**

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

#### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

##### **I. Contributions**

All contributions are considered available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

##### **J. Donated Services**

No amounts have been recorded for donated services, because they do not meet the requirement for inclusion on the financial statements.

##### **K. 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.

##### **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). There was no unrelated business income for the year ended June 30, 2019.

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 2015, 2016 and 2017 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 in management and general 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, 2019.

#### **NOTE 2. CONCENTRATION OF CREDIT RISK**

The Organization maintains bank accounts at several banks. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 at each bank. The amount in excess of the FDIC limit totaled \$202,331 at June 30, 2019.

## **SOUTH SUBURBAN FAMILY SHELTER, INC.**

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

#### **NOTE 3. RESTRICTED CASH**

The Organization was holding restricted cash of \$51,747 at June 30, 2019. Restricted cash includes replacement reserve funds received by the Organization from the U.S. Department of Housing and Urban Development (HUD) in the amount of \$44,813. These funds are restricted for repairs and improvements at the Sanctuary house, which is a facility owned by the Organization used to assist homeless women with children in making a successful transition from homelessness to permanent housing. Restricted cash also includes \$6,934 received by the Organization from the Visiting Nurses Association for expenses incurred under the Medical Advocacy program.

#### **NOTE 4. SUPPORT FROM GOVERNMENTAL AGENCIES**

The Organization receives a major portion of its support from federal and state grants. 28%, 24%, and 14% of the total support and revenue was from the Illinois Coalition Against Domestic Violence (ICADV), Illinois Department of Human Services (DHS) and U.S. Department of Housing and Urban Development (HUD), respectively, for the year ended June 30, 2019. In addition, 46%, 23% and 12% of grants receivable were due from ICADV, the Illinois Criminal Justice Information Authority and DHS, respectively, at June 30, 2019. A substantial reduction in the level of this support, if it were to occur, could have a significant effect on the Organization's programs and activities.

Many granting agencies reserve the right to review the Organization's records of program 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 immaterial.

#### **NOTE 5. LINE OF CREDIT**

The Organization has a \$180,000 line of credit with a local bank. It is collateralized by all assets and expires on February 15, 2020. The interest rate on this line of credit was 6.50% and no amounts were outstanding at June 30, 2019.

#### **NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions of \$6,934 at June 30, 2019 consisted of contributions received in the year ended June 30, 2019 that were not yet spent for the purpose designated by the contributor.

## SOUTH SUBURBAN FAMILY SHELTER, INC.

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### NOTES TO FINANCIAL STATEMENTS

June 30, 2019

#### NOTE 7. GRANT COMMITMENT

The Organization was awarded a grant from the U.S. Department of Housing and Urban Development (HUD) that reimburses expenses incurred in the Housing program. Revenue from the grant is recorded as reimbursable expenses are incurred. Grant terms include:

**Period Covered: June 1, 2019 to May 31, 2020**

Total grant	\$ 278,708
Grant revenue earned as of June 30, 2019	<u>(9,263)</u>
Remaining grant to be earned	<u>\$ 269,445</u>

#### NOTE 8. EMPLOYEE RETIREMENT PLAN

The Organization sponsors a 403(b) retirement plan covering substantially all full-time employees.

#### NOTE 9. LIQUIDITY

The Organization is substantially supported by restricted government grants and contributions. These grants and contributions require resources to be used in a particular manner or in a future period, so the Organization must maintain sufficient resources to meet those responsibilities to its grantors and donors. Thus, financial assets may not be available for general expenditure within one year. As part of the Organization's liquidity management, the Organization has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Cash in excess of daily requirements is held in checking, savings and money market accounts and available at all times. In addition, the Organization, as more fully described in Note 5, has a line of credit in the amount of \$180,000.

The following table reports financial assets available to meet general expenditures within one year at June 30, 2019:

Cash and cash equivalents	\$ 698,660	
Grants receivable	256,997	
Other receivables	<u>18,535</u>	
Total financial assets		\$ 974,192
Less amounts not available to be used within one year:		
Donor restricted assets (restricted by donors with time or purpose restriction)	<u>(51,747)</u>	
Financial assets not available to be used within one year		<u>(51,747)</u>
Financial assets available to meet general expenditures within one year		<u>\$ 922,445</u>

## **SOUTH SUBURBAN FAMILY SHELTER, INC.**

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2019

#### **NOTE 10. FUNCTIONAL EXPENSE ALLOCATIONS**

The financial statements report certain categories of expenses that are attributable to one or more programs or supporting functions. Those expenses include conferences, professional fees, supplies, postage, communications, insurance, utilities, building maintenance, audit and accounting, other and depreciation. Expenses are allocated based on the percentage of applicable full-time equivalents (FTEs) by program or supporting function. For those expenses incurred based on location, such as utilities, communications, building maintenance and depreciation, those expenses are allocated based on the percentage of FTEs by program or supporting function by each location.

#### **NOTE 11. SUBSEQUENT EVENTS**

The Organization has evaluated events subsequent to June 30, 2019 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.

In October 2019, the Organization entered into a three-year sub-lease agreement for office space in which the Organization and the Sublessor will provide counseling and therapy services. Monthly rental payments are \$2,150, with a 2% increase each year. The Organization and Sublessor are also committed to paying certain of the related operating expenses under this lease agreement. Monthly rental payments, maintenance and utilities will be shared equally between the Organization and the Sublessor. The lease may be terminated upon a 180-day notice if applicable funding is no longer received.

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***SUPPLEMENTAL INFORMATION***

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**SOUTH SUBURBAN FAMILY SHELTER, INC.**

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

Year Ended June 30, 2019

	<b>VOCA 216001</b> <b>(16.575)</b>	<b>VAWA 617001</b> <b>(16.588)</b>
Support and revenue:		
ICADV grants	\$ 503,307	\$ 37,505
Matching funds	125,827	-
Total support and revenue	<u>629,134</u>	<u>37,505</u>
Expenses:		
Personnel	554,428	32,954
Other	74,706	4,551
Total expenses	<u>629,134</u>	<u>37,505</u>
Excess of support and revenue over expenses	<u>\$ -</u>	<u>\$ -</u>

**SOUTH SUBURBAN FAMILY SHELTER, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grantor's/Contract Number	Disbursements/ Expenditures
<b>U.S. Department of Housing and Urban Development (HUD):</b>			
Direct Program:			
Supportive Housing Program	14.235	IL0276L5T111710	\$ 256,575
Supportive Housing Program	14.235	IL0276L5T111811	<u>9,263</u>
Total Direct Programs			\$ 265,838
Pass-through from Cook County Department of Planning and Development:			
Emergency Shelter Grants Program	14.231	E17-12	24,147
Emergency Shelter Grants Program	14.231	E18-13	<u>22,700</u>
Total Emergency Shelter Grants Program			46,847
Community Development Block Grant	14.218	1704-063	7,787
Community Development Block Grant	14.218	1804-072	<u>25,742</u>
Total Community Development Block Grant			<u>33,529</u>
Total Pass-Through Programs			<u>80,376</u>
Total U.S. Department of Housing and Urban Development (HUD)			<b>346,214</b>
<b>U.S. Department of Health and Human Services (HHS):</b>			
Pass-through from Illinois Dept. of Human Services:			
Title XX Block Grant	93.667	FCSXT01646	255,636
Family Violence Prevention	93.671	FCSXT01646	<u>7,915</u>
Total U.S. Department of Health and Human Services (HHS)			<b>263,551</b>

**SOUTH SUBURBAN FAMILY SHELTER, INC.**

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2019

Federal Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grantor's/Contract Number	Disbursements/ Expenditures
<b>U.S. Department of Justice (DOJ):</b>			
Pass-through from Illinois Coalition Against Domestic Violence:			
VOCA Adult	<b>(M)</b> 16.575	216001	503,307
VAWA - Stop	16.588	617001	<u>37,505</u>
Total Illinois Coalition Against Domestic Violence			<u>540,812</u>
Total U.S. Department of Justice (DOJ)			<u>540,812</u>
Total Federal expenditures			<u><u>\$ 1,150,577</u></u>
	<b>(M) Major Programs</b>		

## **SOUTH SUBURBAN FAMILY SHELTER, INC.**

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### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

June 30, 2019

#### **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 **SOUTH SUBURBAN FAMILY SHELTER, INC.** (the "Organization") 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, 2019.

#### **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, 2019.

#### **NOTE 4. INSURANCE IN EFFECT**

There was no Federal insurance in effect in the year ended June 30, 2019.

#### **NOTE 5. SUBRECIPIENTS**

No amounts of the Federal awards were provided to subrecipients in the year ended June 30, 2019.

#### **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  
**SOUTH SUBURBAN FAMILY SHELTER, INC.**  
Homewood, 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 **SOUTH SUBURBAN FAMILY SHELTER** (the "Organization"), which comprise the statement of financial position as of June 30, 2019, 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 December 19, 2019.

**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. 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.

### **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  
December 19, 2019

**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  
**SOUTH SUBURBAN FAMILY SHELTER, INC.**  
Homewood, Illinois

**Report on Compliance for Each Major Federal Program**

We have audited **SOUTH SUBURBAN FAMILY SHELTER'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, 2019. 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, 2019.

## 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  
December 19, 2019

## **SOUTH SUBURBAN FAMILY SHELTER, INC.**

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### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

June 30, 2019

A. Summary of Auditor's Results:

1. The auditor's report expresses an unmodified opinion on the financial statements of **SOUTH SUBURBAN FAMILY SHELTER** (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

**SOUTH SUBURBAN FAMILY SHELTER, INC.**

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**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

June 30, 2019

There were no findings reported for the year ended June 30, 2018.