

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

## **FINANCIAL STATEMENTS**

YEAR ENDED JUNE 30, 2018

# **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, 2018, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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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, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Other Information*

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2018, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.



O'NEILL & GASPARDO, LLC  
Mokena, Illinois  
November 15, 2018

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

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### **STATEMENT OF FINANCIAL POSITION**

June 30, 2018

#### **ASSETS**

Current assets:			
Cash and cash equivalents	\$	807,438	
Grants receivable		348,234	
Prepaid expenses and other assets		8,421	
Total current assets			\$ 1,164,093
Property and equipment:			
Land		65,000	
Buildings and building improvements		1,849,778	
Furniture and equipment		135,900	
Less: Accumulated depreciation		(950,058)	
Net property and equipment			1,100,620
Other assets:			
Restricted cash		40,814	
Security deposits		250	
Total other assets			41,064
Total assets			<u>\$ 2,305,777</u>

#### **LIABILITIES AND NET ASSETS**

Current liabilities:			
Accounts payable	\$	10,700	
Accrued payroll and withholdings		108,083	
Accrued compensated absences		51,779	
Other accrued expenses		23,910	
Client deposits		2,519	
Deferred revenue		41,404	
Total current liabilities			\$ 238,395
Net assets:			
Temporarily restricted net assets		52,901	
Unrestricted net assets		2,014,481	
Total net assets			2,067,382
Total liabilities and net assets			<u>\$ 2,305,777</u>

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

Year Ended June 30, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Support and revenue:			
Government grants:			
IL Department of Human Services	\$ 443,522	\$ -	\$ 443,522
IL Attorney General	31,500	-	31,500
IL Coalition Against Domestic Violence	524,274	-	524,274
IL Criminal Justice Information Authority	105,119	-	105,119
Cook County	120,070	-	120,070
U.S. Department of Homeland Security	6,000	-	6,000
U.S. Department of Housing and Urban Dev.	264,065	-	264,065
Contributions:			
Foundations and corporations	227,479	70,000	297,479
United Way	59,985	-	59,985
Other	38,306	-	38,306
Special events:			
Revenue	119,136	-	119,136
Less: Costs of direct benefits to donors	(14,730)	-	(14,730)
Net revenue from special events	104,406	-	104,406
Program fees	73,687	-	73,687
Interest	383	-	383
Other	1,979	-	1,979
Total support and revenue	2,000,775	70,000	2,070,775
Net assets released from restrictions	39,472	(39,472)	-
Total support and revenue and reclassifications	2,040,247	30,528	2,070,775
Expenses:			
Program services	1,646,957	-	1,646,957
Supporting services:			
General and administrative expenses	158,452	-	158,452
Fundraising	137,562	-	137,562
Total supporting services	296,014	-	296,014
Total expenses	1,942,971	-	1,942,971
Change in net assets	97,276	30,528	127,804
Net assets:			
Beginning of year	1,917,205	22,373	1,939,578
End of year	<u>\$ 2,014,481</u>	<u>\$ 52,901</u>	<u>\$ 2,067,382</u>

**SOUTH SUBURBAN FAMILY SHELTER, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2018

	Program Services										Total
	Hospital Advocacy	Court Advocacy	Counseling	Abuser Treatment	Emergency Shelter	Sanctuary	Total Program Services	Management and General	Fundraising	Total	
Salaries	\$177,238	\$157,627	\$459,549	\$112,045	\$ 77,321	\$168,997	\$1,152,777	\$ 108,914	\$ 97,758	\$1,359,449	
Fringe benefits and taxes	28,943	25,740	75,043	18,297	12,626	28,620	189,269	17,785	15,964	223,018	
Conf. and transportation	2,958	2,631	7,670	1,870	1,291	57	16,477	1,817	1,632	19,926	
Professional Fees	2,042	2,316	10,133	1,291	1,141	3,238	20,161	15,479	1,126	36,766	
Supplies	3,176	2,825	8,236	2,008	1,386	3,491	21,122	1,952	1,752	24,826	
Postage and printing	979	871	2,539	619	427	-	5,435	602	540	6,577	
Communications	3,161	2,811	8,195	1,998	1,379	5,511	23,055	1,942	1,743	26,740	
Insurance	1,359	1,208	3,523	859	593	2,956	10,498	836	749	12,083	
Rent and utilities	2,124	1,889	5,508	1,343	927	22,667	34,458	1,305	1,172	36,935	
Building maintenance	2,103	1,870	5,452	1,329	917	40,545	52,216	1,293	1,160	54,669	
Dues and subscriptions	962	855	2,494	608	420	-	5,339	591	530	6,460	
Audit and accounting	2,073	1,844	5,375	1,310	904	1,977	13,483	1,274	1,143	15,900	
Client expenses	-	-	6,064	-	18,187	4,508	28,759	-	-	28,759	
Other	661	588	1,713	418	288	-	3,668	1,229	9,212	14,109	
Depreciation	5,587	4,969	14,486	3,532	2,437	39,229	70,240	3,433	3,081	76,754	
Total expenses	\$233,366	\$208,044	\$615,980	\$147,527	\$120,244	\$321,796	\$1,646,957	\$ 158,452	\$137,562	\$1,942,971	

## SOUTH SUBURBAN FAMILY SHELTER, INC.

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### STATEMENT OF CASH FLOWS

Year Ended June 30, 2018

Cash flows from operating activities:		
Change in net assets		\$ 127,804
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		76,754
Loss on disposal of fixed asset		823
Changes in current assets and liabilities:		
Grants receivable	\$ 216,733	
Prepaid expenses and other assets	(3,335)	
Accounts payable	7,033	
Accrued payroll and withholdings	13,382	
Accrued compensated absences	(3,052)	
Other accrued expenses	5,115	
Client deposits	(1,350)	
Deferred revenue	16,890	
Total adjustments		<u>251,416</u>
Net cash provided by operating activities		456,797
Cash flows from investing activities:		
Purchases of fixed assets	<u>(43,501)</u>	
Net cash used in investing activities		<u>(43,501)</u>
Net increase in cash and cash equivalents		413,296
Cash and cash equivalents at beginning of year		<u>434,956</u>
Cash and cash equivalents at end of year		<u>\$ 848,252</u>
Unrestricted cash and cash equivalents at end of year		\$ 807,438
Restricted cash and cash equivalents at end of year		40,814
Total cash and cash equivalents at end of year		<u>\$ 848,252</u>
Supplemental cash flow information:		
Interest paid		<u>\$ -</u>
Income taxes paid		<u>\$ -</u>



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

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

#### **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:

- **Hospital Advocacy:** Provides identification, treatment and referral to victims of domestic violence who come into the emergency rooms of area hospitals.
- **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 Treatment:** Provides re-learning opportunities for abusive individuals.
- **Emergency Shelter:** Provides a safe place for domestic violence victims who are leaving their homes in fear of immediate physical harm.
- **Sanctuary:** 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 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.

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

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

#### **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.

##### **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, 2018.

##### **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. Property and Equipment**

The Organization follows the practice of capitalizing, at cost, all disbursements for property and equipment 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 \$76,754 for the year ended June 30, 2018.

Property and equipment acquired by the Organization are considered owned by the Organization. However, federal and state funding sources may maintain equitable interest in the property and equipment 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 Sanctuary 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 \$339,988 at June 30, 2018 on the Organization's Statement of Financial Position.

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

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

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

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

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

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

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

##### **K. 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, 2018.

The Organization has adopted accounting principles related to uncertain tax positions and has evaluated its tax positions taken for all open tax years. Currently, the 2014, 2015 and 2016 tax years are open and subject to examination by the Internal Revenue Service, the Illinois Attorney General and Illinois Department of Revenue. However, the Organization is not currently under audit nor has the Organization been contacted by any of these jurisdictions. If any interest and penalties associated with tax positions are incurred, they are recorded in miscellaneous expenses 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, 2018.

##### **L. 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.

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

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

#### **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 \$355,131 at June 30, 2018.

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

The Organization was holding restricted cash of \$40,814 at June 30, 2018. This restricted cash represents replacement reserve funds received by the Organization from U.S. Department of Housing and Urban Development (HUD). 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.

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

The Organization receives a major portion of its support from federal and state grants. 25%, 21%, and 13% 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, 2018. In addition, 39%, 22% and 14% of grants receivable were due from ICADV, the Illinois Criminal Justice Information Authority, and DHS, respectively, at June 30, 2018. 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 \$140,000 line of credit with a local bank. It is collateralized by all assets and expires on February 15, 2019. The interest rate on this line of credit was 6.00% and no amounts were outstanding at June 30, 2018.

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

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### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2018

#### **NOTE 6. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets of \$52,901 at June 30, 2018 consisted of contributions received in the years ended June 30, 2018 and 2017 that were not yet spent for the purpose designated by the contributor.

#### **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 Sanctuary program. Revenue from the grant is recorded as reimbursable expenses are incurred. Grant terms include:

**Period Covered: June 1, 2018 to May 31, 2019**

Total grant	\$ 278,708
Grant revenue earned as of June 30, 2018	<u>(18,133)</u>
Remaining grant to be earned	<u>\$ 260,575</u>

#### **NOTE 8. EMPLOYEE RETIREMENT PLAN**

The Organization sponsors a 403(b) retirement plan covering substantially all full-time employees. The Organization made contributions of \$3,500 under this plan for the year ended June 30, 2018.

#### **NOTE 9. SUBSEQUENT EVENTS**

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

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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, 2018

	<u>VOCA 215301</u> <u>(16.575)</u>	<u>VAWA</u> <u>616001</u> <u>(16.575)</u>
Support and revenue:		
ICADV grants	\$ 486,088	\$ 38,186
Matching funds	121,522	-
Total support and revenue	<u>607,610</u>	<u>38,186</u>
Expenses:		
Personnel	549,454	33,205
Other	58,156	4,981
Total expenses	<u>607,610</u>	<u>38,186</u>
Excess of support and revenue over expenses	<u>\$ -</u>	<u>\$ -</u>





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

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

June 30, 2018

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

The accompanying schedule of expenditures of federal awards includes the federal grant activity of **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, 2018.

#### **NOTE 3. LOANS AND LOAN GUARANTEES**

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

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

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

#### **NOTE 5. SUBRECEIPTS**

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

#### **NOTE 6. DE MINIMIS COST RATE**

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

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

To the Board of Directors of  
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, INC.** (the "Organization"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 15, 2018.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

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### **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  
November 15, 2018

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

To the Board of Directors of  
South Suburban Family Shelter, Inc.  
Homewood, Illinois

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

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

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

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## 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  
November 15, 2018

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

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

June 30, 2018

A. Summary of Auditor's Results:

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