ALL CHICAGO MAKING HOMELESSNESS HISTORY

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

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

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

Gwen S. Henry

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
All Chicago Making Homelessness History:

Report on the Financial Statements

We have audited the accompanying financial statements of All Chicago Making Homelessness History (All Chicago), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, cash flows and functional expenses 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 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.

MEMBER
INPACT
INTERNATIONAL ALLIANCE OF
PROFESSIONAL ACCOUNTANTS

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of All Chicago, as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 May 2, 2018 on our consideration of All Chicago's internal control over financial reporting and our tests on 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 All Chicago's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited All Chicago's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Dugan + Lopatka
DUGAN & LOPATKA

Wheaton, Illinois
May 2, 2018

ALL CHICAGO MAKING HOMELESSNESS HISTORY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017
(with comparative totals for 2016)

	2017	2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 58,989	$ 647,740
Cash held for others	48,333	24,535
Investments	82,583	57,453
Unconditional promises to give, current maturities	374,412	283,303
Government grants receivable	866,980	605,934
Prepaid expenses	62,064	55,156
Total current assets	1,493,361	1,674,121
PROPERTY AND EQUIPMENT:		
Furniture and equipment	92,335	92,335
Computer software	180,769	116,269
	273,104	208,604
Less - Accumulated depreciation	(175,927)	(146,827)
Net property and equipment	97,177	61,777
OTHER ASSETS:		
Unconditional promise to give, less current maturities	-	33,333
Investments and cash - Permanently restricted	165,000	160,000
Total other assets	165,000	193,333
Total assets	$ 1,755,538	$ 1,929,231
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Note payable	$ -	$ 350,000
Accounts payable and accrued expenses	287,306	291,194
Agency liability	48,333	24,535
Refundable advance	654,347	664,887
Total liabilities	989,986	1,330,616
NET ASSETS:		
Unrestricted	171,890	(11,616)
Temporarily restricted	428,662	450,231
Permanently restricted	165,000	160,000
Total net assets	765,552	598,615
Total liabilities and net assets	$ 1,755,538	$ 1,929,231

The accompanying notes are an integral part of this statement.

ALL CHICAGO MAKING HOMELESSNESS HISTORY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative totals for 2016)

	2017				2016
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
SUPPORT AND REVENUE:					
Contributions	$ 806,958	$ 588,042	$ 5,000	$ 1,400,000	$ 1,388,230
Illinois Department of Human Services	1,358,317	-	-	1,358,317	169,415
Chicago Department of Family and Support Services	2,815,008	-	-	2,815,008	3,737,888
U.S. Department of Housing and Urban Development	1,674,456	-	-	1,674,456	944,532
Special events, net of expenses of $38,034 and $35,606 for 2017 and 2016, respectively	197,977	-	-	197,977	227,254
Miscellaneous income	3,144	-	-	3,144	8,327
Interest and dividends	7,564	-	-	7,564	8,200
Net unrealized/realized gain on investments	17,566	-	-	17,566	13,844
Net assets released from restriction - satisfaction of program restrictions	609,611	(609,611)	-	-	-
Total support and revenue	7,490,601	(21,569)	5,000	7,474,032	6,497,690
EXPENSES:					
Program Services	6,565,483	-	-	6,565,483	5,656,018
Management and general	390,112	-	-	390,112	272,727
Fundraising	351,500	-	-	351,500	329,305
Total expenses	7,307,095	-	-	7,307,095	6,258,050
CHANGE IN NET ASSETS	183,506	(21,569)	5,000	166,937	239,640
NET ASSETS, Beginning of year	(11,616)	450,231	160,000	598,615	358,975
NET ASSETS, End of year	$ 171,890	$ 428,662	$ 165,000	$ 765,552	$ 598,615

The accompanying notes are an integral part of this statement.

ALL CHICAGO MAKING HOMELESSNESS HISTORY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative totals for 2016)

	2017	2016
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in total net assets	$ 166,937	$ 239,640
Adjustments to reconcile change in total net assets to net cash provided by (used in) operating activities:		
Depreciation expense	29,100	29,652
Realized/unrealized (gain) on investments	(17,566)	(13,844)
Changes in other operating assets and liabilities:		
(Increase) in unconditional promises to give	(57,776)	(53,459)
(Increase) decrease in government grants receivable	(261,046)	92,278
(Increase) decrease in prepaid expenses	(6,908)	29,842
(Decrease) in accounts payable and accrued expenses	(3,888)	(205,356)
Increase (decrease) in refundable advance	(10,540)	664,887
Net cash provided by (used in) operating activities	(161,687)	783,640
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of investments	(12,564)	(8,222)
Purchases of property and equipment	(64,500)	(17,435)
Net cash (used in) investing activities	(77,064)	(25,657)
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on line of credit, net	-	(197,547)
Payments on note payable	(350,000)	-
Net cash (used in) financing activities	(350,000)	(197,547)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(588,751)	560,436
CASH AND CASH EQUIVALENTS, Beginning of year	647,740	87,304
CASH AND CASH EQUIVALENTS, End of year	$ 58,989	$ 647,740
SUPPLEMENTAL INFORMATION:		
Transfer of portion of line-of-credit balance to a note payable	$ -	$ 350,000

The accompanying notes are an integral part of this statement.

EXHIBIT 4

ALL CHICAGO MAKING HOMELESSNESS HISTORY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017
(with comparative totals for 2016)

	Program Services		Total	Management			
	Emergency Assistance	Community Partnerships	Program Services	and General	Fundraising	2017 Total	2016 Total
Functional expenses:							
Salaries	$ 277,172	$ 1,172,115	$ 1,449,287	$ 220,922	$ 225,662	$ 1,895,871	$ 1,308,261
Payroll taxes	24,704	96,843	121,547	14,140	18,049	153,736	117,116
Employee benefits	40,924	120,524	161,448	32,385	26,675	220,508	171,393
Total salaries and related expenses	342,800	1,389,482	1,732,282	267,447	270,386	2,270,115	1,596,770
Other expenses:							
Pass through to partner agencies for client assistance	994,198	2,818	997,016	-	-	997,016	1,303,835
Direct client assistance	3,052,986	-	3,052,986	-	-	3,052,986	2,669,177
Professional fees	-	284,056	284,056	42,062	-	326,118	134,357
Information technology	5,993	237,032	243,025	9,757	13,918	266,700	231,045
Occupancy expenses	27,411	81,998	109,409	14,308	15,677	139,394	121,222
Office supplies and expenses	8,194	50,243	58,437	9,342	6,141	73,920	29,960
Insurance	978	2,746	3,724	459	578	4,761	4,276
Travel	3,878	18,448	22,326	6,898	1,285	30,509	21,349
Education, conferences and meetings	640	12,006	12,646	5,913	3,527	22,086	16,296
Lived experience costs	-	24,317	24,317	-	25	24,342	17,610
Marketing and public relations	832	2,299	3,131	4,575	10,881	18,587	17,878
In-kind goods	-	-	-	-	26,395	26,395	17,577
In-kind services	-	-	-	-	-	-	9,399
Interest	-	-	-	8,325	-	8,325	22,100
Other operating expenses	2,902	4,004	6,906	9,835	-	16,741	15,546
Total other expenses	4,098,012	719,967	4,817,979	111,474	78,427	5,007,880	4,631,627
Total expenses before depreciation	4,440,812	2,109,449	6,550,261	378,921	348,813	7,277,995	6,228,397
Depreciation	4,640	10,582	15,222	11,191	2,687	29,100	29,653
Total expenses	$ 4,445,452	$ 2,120,031	$ 6,565,483	$ 390,112	$ 351,500	$ 7,307,095	$ 6,258,050

The accompanying notes are an integral part of this statement.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Nature of Organization -

The mission of All Chicago is to unite our community and resources to provide solutions that ensure and sustain the stability of home. All Chicago collaboratively addresses the complex issue of homelessness through four signature approaches.

Emergency Financial Assistance

The Emergency Fund provides critical financial assistance to people experiencing, or at risk of, homelessness or another serious emergency. All Chicago quickly provides payments on a person's behalf for expenses like rent, utilities, and bus passes, so that a one-time emergency does not lead to homelessness or another crisis.

Community Partnerships

All Chicago serves as the backbone of Chicago's city-wide response to homelessness. All Chicago collaborates with over 40 agencies and leads them through a year-round research, valuation, strategic planning, and federal funding application process that brings millions of dollars into Chicago's homeless services system.

Data Analytics

All Chicago manages the Homeless Management Information System (HMIS) database, which contains data on Chicagoans experiencing, or at risk of, homelessness and the services they receive. All Chicago supports more than 1,100 individual HMIS users at 100 partner agencies by providing training, reports, and helpdesk services. All Chicago also analyzes and disseminates the data to inform decisions, set strategies, and drive funding and policy decisions on the local and federal levels.

Training and Research

All Chicago provides trainings, workshops, research, and analysis to help our partners apply proven strategies to prevent and end homelessness in Chicago. The trainings and workshops aim to build the capacity of our partners and promote professional development. All Chicago's research and analysis highlights needs in Chicago's homeless services system and offers solutions.

The activities related to community partnerships, data analytics, and training and research are collectively reported on the Statement of Functional Expenses as Community Partnerships.

The financial statements were available to be issued on May 2, 2018, with subsequent events being evaluated through this date.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting -

The accounts and financial statements are maintained on the accrual basis of accounting and accordingly, reflect all significant accounts receivable, payable, and other liabilities.

Basis of Presentation -

Financial statement presentation follows the recommendation of the Accounting Standards Codification (ASC), *Financial Statements of Not-for-Profit Organizations*. Under the ASC, 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.

Accounting 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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents -

Cash and cash equivalents consist of bank deposits in federally insured accounts and securities investor protection corporation accounts.

For purposes of the statement of cash flows, All Chicago considers all highly liquid investments, including savings accounts and non-permanently restricted money markets, to be cash equivalents.

Concentrations of Credit Risk -

Financial instruments which potentially subject All Chicago to concentrations of credit risk consist principally of cash. All Chicago places its cash and deposits with high quality financial institutions; however, deposits may exceed the federally insured limits.

Investments -

Investments are carried at fair value. Realized and unrealized gains and losses are reflected in the statement of activities.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Receivables -

Receivables represent grants and donations due to All Chicago from governmental agencies, non-profit agencies, foundations and individuals. Unconditional promises to give are recognized as revenue or gains in the period the promise is received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Allowance for Doubtful Accounts -

All Chicago considers contributions and grants receivable to be fully collectible and, accordingly, utilizes the direct write-off method, which closely approximates the allowance method, to record bad debts. Based on historical collection activity, no allowance is deemed necessary.

Property and Equipment -

Expenditures for property and equipment in excess of $5,000, and items which substantially increase the useful lives of existing assets are capitalized at cost or if donated, at the estimated fair market value at the date of donation. All Chicago provides for depreciation on the straight-line method at rates designed to depreciate the cost of assets over estimated useful lives of three to five years.

Support and Revenue -

All Chicago reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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.

All Chicago reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, All Chicago reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Donated Services -

Contributions of services are required to be recognized if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

In-Kind Contributions -

In addition to receiving cash contributions, All Chicago receives in-kind contributions from various donors. It is the policy of All Chicago to record the estimated fair market value of certain in-kind donations as an expense in its financial statements, and similarly increase donation revenue by a like amount. For the years ended December 31, 2017 and 2016, $26,395 and $26,976, respectively, of in-kind donations were received by All Chicago in connection with its special events and for general administration.

Functional Allocation of Expenses -

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The activities related to community partnerships, data analytics, and training and research are collectively reported on the Statement of Functional Expenses as Community Partnerships.

Income Tax Status -

All Chicago was granted an exemption from federal income taxes by the Internal Revenue Service pursuant to the provisions of Internal Revenue Code Section 501(c)(3). All Chicago qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The tax-exempt purpose of All Chicago and the nature in which it operates is described in the first paragraph of note 1. All Chicago continues to operate in compliance with its tax-exempt purpose.

All Chicago files informational returns in the U.S. federal jurisdiction and Illinois. With few exceptions, All Chicago 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. All Chicago does not have any unrecognized tax benefits and does not expect this to change in the next twelve months.

Comparative Information -

The financial statements include certain prior-year summarized comparative information in total but not by net asset class, which does not provide sufficient detail to constitute a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such prior year information should be read in conjunction with All Chicago's financial statements for the year ended December 31, 2016, from which the summarized information was derived.

Reclassification

Prior year amounts have been reclassified to be consistent with current year presentation.

(2) INVESTMENTS:

The readily determinable market value of investments held by All Chicago as of December 31 is as follows:

	2017	2016
Mutual funds	$ 185,948	$ 181,684
Money market funds	61,635	35,769
	$ 247,583	$ 217,453

Investments are reflected in the financial statements as:

	2017	2016
Investments - Unrestricted	$ 82,583	$ 57,453
- Permanently restricted	165,000	160,000
	$ 247,583	$ 217,453

(3) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for *Fair Value Measurement* establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the organization has the ability to access.

Level 2

Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

(3) FAIR VALUE MEASUREMENTS: (Continued)

Level 3

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There has been no change in the methodologies used at December 31, 2017 and 2016.

Mutual Funds: Valued at the net asset value (NAV) of shares held at year end.

Money Market: Valued at cost as of the year end, which approximates market.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although All Chicago believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, All Chicago's assets at fair value:

	Assets at Fair Value as of December 31, 2017			
Description	Level 1	Level 2	Level 3	Total
Mutual funds	$ 185,948	$ -	$ -	$ 185,948
Money market funds	61,635	-	-	61,635
Total assets at fair value	$ 247,583	$ -	$ -	$ 247,583

	Assets at Fair Value as of December 31, 2016			
Description	Level 1	Level 2	Level 3	Total
Mutual funds	$ 181,684	$ -	$ -	$ 181,684
Money market funds	35,769	-	-	35,769
Total assets at fair value	$ 217,453	$ -	$ -	$ 217,453

(4) PLEDGES RECEIVABLE:

Unconditional promises to give at December 31, 2017 and 2016 are as follows -

	2017	2016
Receivable in less than one year	$ 374,412	$ 283,303
Receivable in greater than one year and less than five years	-	33,333
Total unconditional promises to give	$ 374,412	$ 316,636

(5) REFUNDABLE ADVANCE:

As of December 31, 2017 and 2016, All Chicago had a $654,347 and $664,887, respectively, outstanding advance from the Illinois Department of Human Services to assist low income people with rent, mortgage, security deposit, and utilities assistance.

(6) COMMITMENTS AND CONTINGENCIES:

All Chicago has a copier and an office space lease that expire at various dates through February, 2021. Rental expense for the copier and office space, which includes associated building operating costs and real estate taxes, totaled $145,716 and $129,938 for the years ended December 31, 2017 and 2016, respectively. The rental expense is based on the annual rents per lease due to the immateriality of the calculated straight-line rent.

Future minimum payments under the operating leases are as follows:

Year ending December 31,	
2018	$ 170,328
2019	8,412
2020	8,412
2021	1,402

Government Funding -

Support funded by government grants is recognized as All Chicago expends the funds in accordance with the grant agreements. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this time. Management does not anticipate any adjustments for the revenue shown on December 31, 2017 from these sources.

(7) LINE OF CREDIT:

All Chicago has a line of credit in the amount of $550,000, expiring in May 2018. The line is collateralized by substantially all of All Chicago's assets. Interest varies with the bank's prime rate plus .5%. At December 31, 2017, there was no outstanding balance on the line of credit.

All Chicago must maintain a maximum debt to net assets ratio of 2.5 to 1.0. As of December 31, 2017, All Chicago is in compliance with this ratio.

(8) NOTE PAYABLE:

	2017	2016
Note payable to a bank, payable in monthly installments of principal and interest totaling $2,781 and a final payment of $336,831 due in December, 2017, bearing an interest rate of 5%.	$ -	$ 350,000

(9) EMPLOYEE BENEFIT PLAN:

All Chicago has a simple IRA benefit plan covering substantially all employees. All Chicago made matching contributions on a dollar-for-dollar basis up to 3% of compensation to participating employees for the years ended December 31, 2017 and 2016. Employer contributions to the plan for the years ended December 31, 2017 and 2016 amounted to $44,450 and $30,878, respectively.

(10) TEMPORARILY RESTRICTED NET ASSETS:

At December 31, 2017 and 2016, temporarily restricted net assets are comprised of the following:

	2017	2016
Income restricted for programs	$ 220,371	$ 261,649
Income restricted due to time restriction	208,291	188,582
	$ 428,662	$ 450,231

(11) DONOR-RESTRICTED AND BOARD-DESIGNATED ENDOWMENTS:

All Chicago's endowment includes a donor-restricted endowment fund. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(11) DONOR-RESTRICTED AND BOARD-DESIGNATED ENDOWMENTS: (Continued)

Interpretation of Relevant Law -

The Audit/Finance Committee of the Board of Directors of All Chicago has interpreted the Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, All Chicago classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by All Chicago in a manner consistent with the standard of prudence prescribed by Illinois UPMIFA.

In accordance with UPMIFA, All Chicago considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund;
(2) The purposes of All Chicago and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of All Chicago;
(7) The investment policies of All Chicago.

For the years ended December 31, 2017 and 2016, All Chicago had the following endowment-related activities:

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ -	$ 160,000	$ 160,000
Contributions	-	-	5,000	5,000
Investment return:				
Investment income	-	7,564	-	7,564
Net appreciation (realized/unrealized)	-	17,566	-	17,566
Total investment return	-	25,130	-	25,130
Appropriated funds for expenditures	-	(25,130)	-	(25,130)
Endowment net assets, end of year	$ -	$ -	$ 165,000	$ 165,000

(11) DONOR-RESTRICTED AND BOARD-DESIGNATED ENDOWMENTS: (Continued)

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ -	$ 160,000	$ 160,000
Investment return:				
Investment income	-	8,200	-	8,200
Net appreciation (realized/unrealized)	-	13,844	-	13,844
Total investment return	-	22,044	-	22,044
Appropriated funds for expenditures	-	(22,044)	-	(22,044)
Endowment net assets, end of year	$ -	$ -	$ 160,000	$ 160,000

Endowment Net Asset Composition by Type of Fund -

The composition of endowment net assets by type of fund as of December 31, 2017 and 2016 is as follows:

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ -	$ 165,000	$ 165,000

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-restricted endowment funds	$ -	$ -	$ 160,000	$ 160,000

Funds with Deficiencies -

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or Illinois UPMIFA requires the organization to retain as a fund of perpetual duration. These deficiencies result from unfavorable market fluctuations that occur after the investment of permanently restricted contributions. In accordance with GAAP, deficiencies of this nature would be and have been reported in unrestricted net assets.

(11) DONOR-RESTRICTED AND BOARD-DESIGNATED ENDOWMENTS: (Continued)

Return Objectives and Risk Parameters -

All Chicago adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to preserve the original fair value of the endowment assets. Endowment assets include those assets of donor-restricted funds that All Chicago must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. The overall objectives of the investment policy of All Chicago, in order of importance, shall be the safety of principal, liquidity and competitive rate of return.

Strategies Employed for Achieving Objectives -

The total return strategy is adopted for the donor-restricted endowment. It can assume a moderate level of risk, with growth as the primary objective and income secondary. These are expected to be achieved through a diversified asset allocation portfolio that includes (a) an allocation target of 60% equities and 40% fixed income; (b) investment in both domestic and international securities across all market capitalizations; and (c) investment in mutual funds, both opened and closed, but not in individual stocks.

Spending Policy and How the Investment Objectives Relate to Spending Policy -

In accordance with All Chicago's investment policy, all income, including dividends and interest earnings, and net appreciation from the endowment funds are reinvested into the individual endowment funds. The board will direct these funds for the operation of All Chicago when needed. In the short-term, All Chicago is strategically building operating revenues and has been appropriating investment income for operations.

In establishing this policy, All Chicago considered the long-term expected return particularly of its donor-restricted endowment funds. Accordingly, over the long term, All Chicago expects the current spending policy to allow its endowment to grow at an average of 7-9 percent annually. This is consistent with All Chicago's objective to maintain the original value of the endowment assets held in perpetuity as well as to provide additional real growth through investment returns.

(12) CONCENTRATIONS OF GRANTS:

All Chicago received approximately 78% and 75% of its total public support and revenue from the Chicago Department of Family and Support Services, the Illinois Department of Health and Human Services, and the U.S. Department of Housing and Urban Development for the years ended December 31, 2017 and 2016, respectively.

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

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

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

Gwen S. Henry

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
All Chicago Making Homelessness History:

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 *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of All Chicago Making Homelessness History (All Chicago) which comprise the statement of financial position as of December 31, 2017 and the related statements of activities, cash flows and functional expenses for the year then ended and the related notes to the financial statements and have issued our report thereon dated May 2, 2018.

Internal Control over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether All Chicago's financial statements are free of 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 over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of All Chicago's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering All Chicago's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dugan + Lopatka

DUGAN & LOPATKA

Wheaton, Illinois
May 2, 2018

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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
All Chicago Making Homelessness History:

Report on Compliance for Each Major Federal Program

We have audited All Chicago Making Homelessness History's (All Chicago) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of All Chicago's major federal programs for the year ended December 31, 2017. All Chicago'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 All Chicago'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 All Chicago'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 on All Chicago's compliance.

MEMBER
INPACT
INTERNATIONAL ALLIANCE OF
PROFESSIONAL ACCOUNTANTS

Opinion on Each Major Federal Program

In our opinion, All Chicago 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 All Chicago 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 All Chicago'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 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 All Chicago'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. 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

DUGAN & LOPATKA

Wheaton, Illinois
May 2, 2018

ALL CHICAGO MAKING HOMELESSNESS HISTORY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Federal Grantor/ Program Title	Federal CFDA Number	Pass-Through Number	Passed Through to Sub-Recipients	Total Program Expenditures
Department of Housing and Urban Development:				
Continuum of Care Program				
Pass-through Corporation for Supportive Housing	14.267	17017-C		$ 74,758
Directly received from federal	14.267			1,599,697
			$ -	1,674,455*
Emergency Solutions Grants Program				
Pass-through the City of Chicago Department of Family and Supportive Services	14.231	33024		366,076
		33025		1,733,448
			899,030	2,099,714
Total expenditures of federal awards			$ 899,030	$ 3,774,169

*Major program

See accompanying notes to schedule of expenditures of federal awards.

ALL CHICAGO MAKING HOMELESSNESS HISTORY
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 All Chicago Making Homelessness History (All Chicago) 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 All Chicago, it is not intended to and does not represent the financial position, changes in net assets, or cash flows of All Chicago.

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:

All Chicago has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note D - Non-Cash Awards:

All Chicago 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.

ALL CHICAGO MAKING HOMELESSNESS HISTORY
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 whether the financial statements of All Chicago Making Homelessness History (All Chicago) were prepared in accordance with GAAP.

2. No material weaknesses were 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 All Chicago were disclosed during the audit.

4. There were no material weaknesses in internal control over major federal award programs disclosed during the audit of the major federal award programs. No significant deficiency related to the audit of the major federal awards program is reported.

5. The auditor's report on compliance for the major federal award programs for All Chicago 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:

   14.267 Continuum of Care Program

8. The threshold for distinguishing Types A and B programs was $750,000.

9. All Chicago was determined to be a low-risk auditee.

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

There were no audit findings or questioned costs.

PART 3: FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS AUDIT:

There were no audit findings or questioned costs.

ALL CHICAGO MAKING HOMELESSNESS HISTORY.
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2017

2016-001

Condition: In gaining our understanding of controls over cash disbursements, we noted the following control: All checks over $3,000 must have two signatures. We viewed 40 checks of which 7 were over the $3,000 threshold. We noted that 3 of the 7 checks over $3,000 did not have a second signature.

Auditor's Recommendation: We recommend that the individual who mails out the check with the invoice, review the signed check to make sure there are two signatures when required. All Chicago might want to consider, in reviewing the policy, to see if a new threshold is needed as All Chicago continues to grow or to exclude the checks that are approved through a signed lease agreement or policy.

Current Status: Corrected

2016-002

Condition: In gaining our understanding of controls over timesheet allocation, we noted the following control: Employee timesheet allocations should agree to the payroll worksheet kept by the staff accountant, as the payroll worksheet ties to the general ledger. During our testing, it was noted that the hour allocation on 7 of the 40 timesheets tested did not agree to the hour allocation on the payroll worksheet.

Auditor's Recommendation: We recommend that if there are new grants, staff should immediately update the timesheet showing the new grant number, even if there will be no work on this grant in the near future. This will ensure that the staff does not allocate hours to a grant that has expired or they are not working on any more.

Current Status: Corrected