ALL CHICAGO MAKING HOMELESSNESS HISTORY

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019 AND 2018

TOGETHER WITH AUDITOR'S REPORT

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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, 2019, 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.

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, 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

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 6, 2020, 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 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 10, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Dugan & Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
May 6, 2020

ALL CHICAGO MAKING HOMELESSNESS HISTORY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019
(with comparative totals for 2018)

A S S E T S

	2019	2018
CURRENT ASSETS:		
Cash and cash equivalents	$ 208,443	$ 1,298,939
Cash held for others	60,969	52,375
Investments - without donor restrictions	29,507	18,630
- with donor restrictions	1,117,551	-
Unconditional promises to give, current maturities	213,821	236,207
Government grants receivable	655,868	489,042
Prepaid expenses	29,287	20,213
Total current assets	2,315,446	2,115,406
RIGHT-OF-USE ASSETS:		
Finance lease right-of-use asset, net of accumulated amortization	12,698	16,010
Operating lease right-of-use asset	1,002,158	1,169,184
Total right-of-use assets	1,014,856	1,185,194
PROPERTY AND EQUIPMENT:		
Furniture and equipment	256,770	238,129
Computer software	144,396	180,769
Capitalized development costs in progress	133,068	-
	534,234	418,898
Less - Accumulated depreciation	(186,075)	(214,232)
Net property and equipment	348,159	204,666
OTHER ASSETS:		
Investments and cash - Perpetual in nature	165,000	165,000
Total assets	$ 3,843,461	$ 3,670,266

The accompanying notes are an integral part of this statement.

LIABILITIES AND NET ASSETS

	2019	2018
CURRENT LIABILITIES:		
Notes payable, current maturities	$ 23,920	$ 11,887
Finance lease liability, current maturities	3,017	2,750
Operating lease liability, current maturities	164,592	118,992
Accounts payable and accrued expenses	391,929	362,913
Agency liability	60,969	52,375
Refundable advance	-	562,547
Total current liabilities	644,427	1,111,464
LONG-TERM LIABILITIES:		
Notes payable, less current maturities	90,901	80,186
Finance lease liability, less current maturities	10,234	13,251
Operating lease liability, less current maturities	915,359	1,079,951
Total long-term liabilities	1,016,494	1,173,388
Total liabilities	1,660,921	2,284,852
NET ASSETS:		
Without donor restrictions	(259,070)	304,852
With donor restrictions	2,441,610	1,080,562
Total net assets	2,182,540	1,385,414
Total liabilities and net assets	$ 3,843,461	$ 3,670,266

EXHIBIT 2

ALL CHICAGO MAKING HOMELESSNESS HISTORY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
(with comparative totals for 2018)

	2019			2018
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE:				
Contributions	$ 630,261	$ 2,378,836	$ 3,009,097	$ 2,008,777
Illinois Department of Human Services	1,673,228	-	1,673,228	1,931,794
Chicago Department of Family and Support Services	2,761,974	-	2,761,974	2,535,914
U.S. Department of Housing and Urban Development	1,804,917	-	1,804,917	1,870,572
Other grants	19,681	-	19,681	-
Special events	317,266	-	317,266	291,394
Miscellaneous income	26,683	-	26,683	29,841
Interest and dividends	28,911	-	28,911	9,178
Net unrealized/realized gain (loss) on investments	89,934	-	89,934	(17,131)
Net assets released from restriction - satisfaction of program restrictions	1,017,788	(1,017,788)	-	-
Total support and revenue	8,370,643	1,361,048	9,731,691	8,660,339
EXPENSES:				
Program Services	7,766,931	-	7,766,931	7,158,292
Management and general	667,449	-	667,449	475,335
Fundraising	500,185	-	500,185	406,850
Total expenses	8,934,565	-	8,934,565	8,040,477
CHANGE IN NET ASSETS	(563,922)	1,361,048	797,126	619,862
NET ASSETS, Beginning of year	304,852	1,080,562	1,385,414	765,552
NET ASSETS, End of year	$ (259,070)	$ 2,441,610	$ 2,182,540	$ 1,385,414

EXHIBIT 3

ALL CHICAGO MAKING HOMELESSNESS HISTORY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(with comparative totals for 2018)

	2019	2018
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in total net assets	$ 797,126	$ 619,862
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Depreciation expense	54,132	46,680
Amortization of operating lease	48,034	29,759
Realized/unrealized (gain) loss on investments	(89,934)	17,131
Changes in other operating assets and liabilities:		
Decrease in unconditional promises to give	22,386	138,205
(Increase) decrease in government grants receivable	(166,826)	377,938
(Increase) decrease in prepaid expenses	(9,074)	41,851
Increase in accounts payable and accrued expenses	29,016	75,607
(Decrease) in refundable advance	(562,547)	(91,800)
Net cash provided by operating activities	122,313	1,255,233
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from the sale of investments	245,653	56,000
Purchases of investments	(1,284,147)	(9,180)
Purchases of property and equipment	(194,313)	(153,615)
Net cash (used in) investing activities	(1,232,807)	(106,795)
CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings on note payable	37,927	92,073
Payments on note payable	(15,179)	-
Payments on finance lease	(2,750)	(561)
Net cash provided by financing activities	19,998	91,512
NET CHANGE IN CASH AND CASH EQUIVALENTS	(1,090,496)	1,239,950
CASH AND CASH EQUIVALENTS, Beginning of year	1,298,939	58,989
CASH AND CASH EQUIVALENTS, End of year	$ 208,443	$ 1,298,939
SUPPLEMENTAL INFORMATION:		
Right of use assets acquired through finance lease	$ -	$ 16,562
Right of use assets acquired through operating lease liability	$ -	$ 1,252,697

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, 2019
(with comparative totals for 2018)

	Program Services		Total	Management			
	Emergency Assistance	Community Partnerships	Total Program Services	Management and General	Fundraising	2019 Total	2018 Total
Functional expenses:							
Salaries	$ 367,504	$ 1,384,556	$ 1,752,060	$ 376,948	$ 315,039	$ 2,444,047	$ 2,117,975
Payroll taxes	31,245	110,019	141,264	31,380	26,385	199,029	166,711
Employee benefits	58,377	180,749	239,126	64,958	26,313	330,397	298,576
Total salaries and related expenses	457,126	1,675,324	2,132,450	473,286	367,737	2,973,473	2,583,262
Other expenses:							
Pass through to partner agencies for client assistance	789,881	3,346	793,227	-	250	793,477	844,655
Direct client assistance	3,892,295	-	3,892,295	-	-	3,892,295	3,581,865
Professional fees	894	182,985	183,879	97,638	40,907	322,424	270,171
Information technology	12,569	251,948	264,517	13,244	19,457	297,218	283,158
Occupancy expenses	24,554	159,278	183,832	15,046	14,251	213,129	197,737
Office supplies and expenses	14,012	40,194	54,206	16,166	9,069	79,441	47,022
Insurance	4,709	6,652	11,361	1,246	816	13,423	11,460
Travel	3,059	11,894	14,953	1,289	2,662	18,904	23,852
Education, conferences and meetings	782	42,142	42,924	11,976	7,135	62,035	41,347
Stipends	-	41,905	41,905	-	-	41,905	30,950
Marketing and public relations	1,266	8,100	9,366	5,280	13,488	28,134	26,797
Special events	-	-	-	-	18,934	18,934	18,361
In-kind goods	-	-	-	-	-	-	391
In-kind services	-	95,570	95,570	-	-	95,570	-
Interest	-	925	925	7,974	-	8,899	4,065
Other operating expenses	635	1,548	2,183	16,406	2,583	21,172	28,704
Total other expenses	4,744,656	846,487	5,591,143	186,265	129,552	5,906,960	5,410,535
Total expenses before depreciation	5,201,782	2,521,811	7,723,593	659,551	497,289	8,880,433	7,993,797
Depreciation	4,812	38,526	43,338	7,898	2,896	54,132	46,680
Total expenses	$ 5,206,594	$ 2,560,337	$ 7,766,931	$ 667,449	$ 500,185	$ 8,934,565	$ 8,040,477

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 1,000 individual HMIS users at 85 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 6, 2020, 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.

Financial Statement Presentation -

The financial statements of All Chicago have been prepared in conformity with Accounting Principles Generally Accepted in the United States of America (GAAP). Under GAAP, All Chicago is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of All Chicago.

With donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of All Chicago or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity.

Accounting Estimates -

The preparation of financial statements in conformity with GAAP 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.

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

Investments -

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

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 seven years.

Support and Revenue -

All Chicago recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. 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, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

A portion of All Chicago's revenue is derived from cost-reimbursable federal and state grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts are recognized as revenue when All Chicago has incurred expenditures in compliance with specific grant provisions.

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

Support and Revenue - (Continued)

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. The fair value of donated services included in contributions and a corresponding program expense for the years ended December 31, 2019 and 2018 were $95,570 and $-0-, respectively.

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. All Chicago did not recognize any in kind contributions for the years ended December 31, 2019 and 2018.

Functional Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, occupancy, depreciation and other, which are allocated on the basis of estimates of time and effort.

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 2016. All Chicago does not have any unrecognized tax benefits and does not expect this to change in the next twelve months.

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

New Accounting Pronouncement -

Effective January 1, 2019, All Chicago adopted ASU 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This guidance is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. Key provisions in this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improve guidance to better distinguish between conditional and unconditional contributions.

The adoption of this new standard did not result in a material impact to All Chicago's financial statements. There was no significant effect on the financial statements related to the adoption of this new standard which would require a cumulative adjustment to net assets at the date of adoption under the modified retrospective method.

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, 2018, from which the summarized information was derived.

(2) INVESTMENTS:

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

	2019	2018
Mutual funds	$ 1,203,870	$ 177,810
Money market funds	108,188	5,820
	$ 1,312,058	$ 183,630

Investments are reflected in the financial statements as:

	2019	2018
Investments – Without donor restrictions	$ 29,507	$ 18,630
– With donor restrictions	1,117,551	-
– Perpetual in nature	165,000	165,000
	$ 1,312,058	$ 183,630

(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.

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, 2019 and 2018.

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.

(3) FAIR VALUE MEASUREMENTS: (Continued)

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, 2019			
Description	Level 1	Level 2	Level 3	Total
Mutual funds	$ 1,203,870	$ -	$ -	$ 1,203,870
Money market funds	108,188	-	-	108,188
Total assets at fair value	$ 1,312,058	$ -	$ -	$ 1,312,058

	Assets at Fair Value as of December 31, 2018			
Description	Level 1	Level 2	Level 3	Total
Mutual funds	$ 177,810	$ -	$ -	$ 177,810
Money market funds	5,820	-	-	5,820
Total assets at fair value	$ 183,630	$ -	$ -	$ 183,630

(4) PLEDGES RECEIVABLE:

Unconditional promises to give at December 31, 2019 and 2018 are as follows -

	2019	2018
Receivable in less than one year	$ 213,821	$ 236,207
Receivable in greater than one year and less than five years	-	-
Total unconditional promises to give	$ 213,821	$ 236,207

(5) CONDITIONAL PROMISES TO GIVE:

In October 2018, a foundation made a two-year, $100,000 matching conditional promise to give to All Chicago. As of December 31, 2019, All Chicago has recognized $25,000 as revenue, with $75,000 remaining as conditional.

In August 2019, a foundation made a $375,000 conditional promise to give to support the establishment and implementation of the HMIS external data platform. As of December 31, 2019, All Chicago has recognized $187,500 as revenue, with $187,500 remaining as conditional.

(6) REFUNDABLE ADVANCE:

As of December 31, 2019 and 2018, All Chicago had a $-0- and $562,547, respectively, outstanding advance from the Illinois Department of Human Services to assist low income people with rent, mortgage, security deposit, and utilities assistance.

(7) LIQUIDITY AND AVAILABILITY:

	December 31, 2019	December 31, 2018
Financial assets -		
Cash	$ 208,443	$ 1,298,939
Investments	1,147,058	18,630
Promises to give	213,821	236,207
Government grants receivable	655,868	489,042
Total financial assets	2,225,190	2,042,818
Donor imposed restrictions, excluding perpetual in nature (See Note 13)	2,276,610	915,562
Refundable advance	-	562,547
Financial assets available to meet cash needs for general expenditures that is without donor or other restrictions limiting their use within one year	$ (51,420)	$ 564,709

Additionally, All Chicago maintains a $550,000 line of credit as discussed in more detail in Note 10. The available balance on the line of credit was $550,000 for the years ended December 31, 2019 and 2018.

All Chicago receives significant contributions, some of which are restricted by donors to fund specific programs or projects. Such restricted funds are tracked for use for the identified program or project. Restricted contributions of $2,378,836 and $1,137,991 were received and included in financial assets for the years ended December 31, 2019 and 2018 respectively.

All Chicago manages its liquidity and reserves adhering to the following principles:

- operating within a prudent range of financial soundness and stability.
- incurring unbudgeted costs only when such costs are funded.
- maintaining adequate liquid assets to fund near-term operating needs.

(8) LEASES:

During 2018, All Chicago renewed its operating lease for office space. The operating lease will expire in December 2025. For operating leases, All Chicago recognizes a right-of-use asset and a lease liability at lease commencement. The balance of the office lease included as a right to use asset at December 31, 2019 and 2018 totaled $1,002,158 and $1,169,184, respectively. The discount rate used for the operating lease is based on All Chicago incremental borrowing rate at the time the lease was signed.

Future minimum payments on the operating lease are as follows:

2020	$ 207,600
2021	214,800
2022	219,600
2023	226,800
2024	231,600
Thereafter	237,600
Total minimum lease payments	1,338,000
Amount representing interest	258,049
Present value of net minimum lease payments	1,079,951
Current portion	164,592
Long-term operating lease obligations	$ 915,359

During 2018, All Chicago started leasing equipment under a finance lease. Total equipment under the finance lease is $16,562 before accumulated amortization. The net book value of the leased equipment totaled $12,698 and $16,010 at December 31, 2019 and 2018, respectively. For finance leases, All Chicago recognizes a right-of-use asset and a lease liability at lease commencement.

Future minimum payments on the finance lease are as follows:

2020	$ 4,122
2021	4,122
2022	4,122
2023	3,438
Total minimum lease payments	15,804
Amount representing interest	2,553
Present value of net minimum lease payments	13,251
Current portion	3,017
Long-term finance lease obligations	$ 10,234

(8) LEASES: (Continued)

The components of lease expenses for the year ending December 31, 2019 and 2018 were as follows:

	2019	2018
Operating lease cost	$ 210,134	$ 206,355
Finance lease cost:		
Amortization of right-of-use asset	$ 3,312	$ 552
Interest on lease liability	1,373	126
Total finance lease cost	$ 4,685	$ 678

The weighted average remaining lease term is as follows:

	2019	2018
Operating lease	6 years	7 years
Financing lease	4 years	5 years

The weighted average discount rate is as follows:

	2019	2018
Operating lease	6.0%	6.0%
Financing lease	9.3%	9.3%

Cash paid for amounts included in the measurements of lease liability is as follows:

	2019	2018
Operating cash from operating lease	$ 210,134	$ 195,488
Operating cash flow from finance lease	1,373	126
Finance cash flow from finance lease	2,750	561

(9) CONTINGENCIES:

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, 2019 from these sources.

(10) LINE OF CREDIT:

All Chicago has a line of credit in the amount of $550,000, expiring in May 2021. 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, 2019 and 2018, 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, 2019, All Chicago is in compliance with this ratio.

(11) NOTE PAYABLE:

In November 2018, All Chicago obtained a loan to acquire furniture and equipment with a maximum amount of $130,000 from IFF bearing an interest rate of 6.00%. In April, 2019, All Chicago started making monthly payments of interest and principal of $2,513. From November 2018 through March 2019, All Chicago only had to pay interest. The maturity date of the loan is April 1, 2024. The outstanding loan balance at December 31, 2019 and 2018 was $114,821 and $92,073, respectively.

Future minimum payments are as follows:

2020	$ 23,920
2021	25,395
2022	26,962
2023	28,625
2024	9,919

(12) 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, 2019 and 2018. Employer contributions to the plan for the years ended December 31, 2019 and 2018 amounted to $63,587 and $52,470, respectively.

(13) NET ASSETS WITH DONOR RESTRICTIONS:

At December 31, 2019 and 2018, net assets with donor restrictions are comprised of the following:

	2019	2018
Income restricted for programs	$ 2,261,779	$ 824,377
Income restricted due to time restriction	14,831	91,185
Perpetual in nature	165,000	165,000
	$ 2,441,610	$ 1,080,562

(14) 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.

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 donor contributions perpetual in nature (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 as donor contributions perpetual in nature is classified as net assets with donor restrictions 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, 2019 and 2018, All Chicago had the following endowment-related activities:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 165,000	$ 165,000
Investment return:			
Investment income	-	4,617	4,617
Net appreciation (realized/unrealized)	-	30,191	30,191
Total investment return	-	34,808	34,808
Appropriated funds for expenditures	-	(34,808)	(34,808)
Endowment net assets, end of year	$ -	$ 165,000	$ 165,000

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

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning of year	$ -	$ 165,000	$ 165,000
Investment return:			
Investment income	-	9,178	9,178
Net appreciation (realized/unrealized)	-	-	-
Total investment return	-	9,178	9,178
Appropriated funds for expenditures	-	(9,178)	(9,178)
Endowment net assets, end of year	$ -	$ 165,000	$ 165,000

Endowment Net Asset Composition by Type of Fund -

The composition of endowment net assets by type of fund as of December 31, 2019 and 2018 is as follows:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor contributions that are perpetual in nature	$ -	$ 165,000	$ 165,000

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor contributions that are perpetual in nature	$ -	$ 165,000	$ 165,000

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 donor contributions perpetual in nature. In accordance with GAAP, deficiencies of this nature would be and have been reported in net assets with donor restrictions.

(14) 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. All Chicago expects the current spending policy to allow its endowment to grow at a rate commensurate with the expected return for a diversified portfolio consisting of a balanced mix of equity and fixed income investments. 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.

(15) CONCENTRATIONS OF GRANTS:

All Chicago received approximately 64% and 73% 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, 2019 and 2018, respectively.

(16) SUBSEQUENT EVENT:

As a result of the spread of the COVID-19 outbreak in the United States subsequent to year end, economic uncertainties have arisen which could potentially impact operations. However, the financial impact and duration cannot be reasonably estimated at this time.

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

To the Board of Directors of
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, 2019 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 6, 2020.

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

Warrenville, Illinois
May 6, 2020

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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, 2019. 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.

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, 2019.

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

Warrenville, Illinois
May 6, 2020

ALL CHICAGO MAKING HOMELESSNESS HISTORY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/ Program Title	Federal CFDA Number	Pass-Through Number	Passed Through to Sub-Recipients	Total Program Expenditures
Department of Health and Human Services:				
Substance Abuse and Mental Health Services				
Pass-through AIDS Foundation of Chicago	93.243			$ 19,681
Total Department of Health and Human Services			$ -	19,681
Department of Housing and Urban Development:				
Continuum of Care Program				
Pass-through Corporation for Supportive Housing	14.267	1900-C		$ 71,992
Directly received from federal agency	14.267			1,729,293
			-	1,801,285*
Emergency Solutions Grants Program				
Pass-through the City of Chicago Department of Family and Supportive Services	14.231	85383		901,834
		85754		532,077
			597,213	1,433,911
Total Department of Housing and Urban Development			597,213	3,235,196
Total expenditures of federal awards			$ 597,213	$ 3,254,877

*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, 2019

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, 2019. 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, 2019, and did not receive any federal non-cash awards during the year ended December 31, 2019.

ALL CHICAGO MAKING HOMELESSNESS HISTORY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2019

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

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.