

**ALL CHICAGO MAKING
HOMELESSNESS HISTORY**

**FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022 AND 2021**

TOGETHER WITH AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

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, 2022, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, and 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of All Chicago and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in aggregate, that raise substantial doubt about All Chicago's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 All Chicago's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about All Chicago's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Supplementary Information

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. The supplementary information on Schedule 1 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 12, 2023 on our consideration of All Chicago's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of All Chicago's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering All Chicago's internal control over financial reporting and compliance.

Report on Summarized Comparative Information

We have previously audited All Chicago's 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 6, 2022. In our opinion, the summarized comparative information presented herein as of, and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.



DUGAN & LOPATKA

ALL CHICAGO MAKING HOMELESSNESS HISTORY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

A S S E T S

	2022	2021
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,547,777	\$ 20,472,334
Cash held for others	90,657	94,708
Investments - without donor restrictions	3,982,873	-
Investments - with donor restrictions	734,105	1,158,577
Unconditional promises to give, current maturities	272,500	60,801
Government grants receivable	14,310,017	8,175,363
Other receivables	211,839	-
Prepaid expenses	164,284	132,977
	<u>22,314,052</u>	<u>30,094,760</u>
RIGHT-OF-USE ASSETS:		
Finance lease right-of-use asset, net of accumulated amortization	-	6,073
Operating lease right-of-use asset	501,079	668,105
	<u>501,079</u>	<u>674,178</u>
PROPERTY AND EQUIPMENT:		
Furniture and equipment	271,935	263,315
Computer software	609,395	396,395
	<u>881,330</u>	<u>659,710</u>
Less - Accumulated depreciation and amortization	(488,243)	(337,918)
	<u>393,087</u>	<u>321,792</u>
OTHER ASSETS:		
Investments - Perpetual in nature	165,000	165,000
	<u>165,000</u>	<u>165,000</u>
Total assets	<u>\$ 23,373,218</u>	<u>\$ 31,255,730</u>

The accompanying notes are an integral part of this statement.

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT LIABILITIES:		
Notes payable, current maturities	\$ -	\$ 26,962
Finance lease liability, current maturities	-	3,631
Operating lease liability, current maturities	183,792	176,592
Accounts payable and accrued expenses	4,404,673	3,139,165
Agency liability	90,657	94,708
Refundable advance	-	11,919,811
	<u>4,679,122</u>	<u>15,360,869</u>
Total current liabilities		
LONG-TERM LIABILITIES:		
Notes payable, less current maturities	-	38,553
Finance lease liability, less current maturities	-	3,294
Operating lease liability, less current maturities	383,184	566,976
	<u>383,184</u>	<u>608,823</u>
Total long-term liabilities		
Total liabilities	<u>5,062,306</u>	<u>15,969,692</u>
NET ASSETS:		
Without donor restrictions	9,807,603	5,124,229
With donor restrictions	8,503,309	10,161,809
	<u>18,310,912</u>	<u>15,286,038</u>
Total net assets		
Total liabilities and net assets	<u>\$ 23,373,218</u>	<u>\$ 31,255,730</u>

ALL CHICAGO MAKING HOMELESSNESS HISTORY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative totals for 2021)

	2022			2021
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT AND REVENUE:				
Contributions	\$ 755,402	\$ 2,015,389	\$ 2,770,791	\$ 10,441,132
In-kind contributions	93,290	-	93,290	169,100
Illinois Department of Human Services	77,924,526	-	77,924,526	34,189,672
Chicago Department of Family and Support Services	31,368,275	-	31,368,275	24,898,422
U.S. Department of Housing and Urban Development	2,068,465	-	2,068,465	1,910,545
Other grants	1,028,596	-	1,028,596	89,345
Special events	277,845	-	277,845	262,851
Miscellaneous income	16,542	-	16,542	5,511
Interest and dividends	28,987	37,935	66,922	59,745
Net unrealized/realized gain (loss) on investments	8,519	(250,054)	(241,535)	296,779
Net assets released from restriction - satisfaction of program restrictions	3,461,770	(3,461,770)	-	-
Total support and revenue	<u>117,032,217</u>	<u>(1,658,500)</u>	<u>115,373,717</u>	<u>72,323,102</u>
EXPENSES:				
Program Services	110,162,056	-	110,162,056	61,411,270
Management and general	1,724,126	-	1,724,126	838,223
Fundraising	462,661	-	462,661	398,510
Total expenses	<u>112,348,843</u>	<u>-</u>	<u>112,348,843</u>	<u>62,648,003</u>
CHANGE IN NET ASSETS	4,683,374	(1,658,500)	3,024,874	9,675,099
NET ASSETS, Beginning of year	<u>5,124,229</u>	<u>10,161,809</u>	<u>15,286,038</u>	<u>5,610,939</u>
NET ASSETS, End of year	<u>\$ 9,807,603</u>	<u>\$ 8,503,309</u>	<u>\$ 18,310,912</u>	<u>\$ 15,286,038</u>

The accompanying notes are an integral part of this statement.

ALL CHICAGO MAKING HOMELESSNESS HISTORY
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in total net assets	\$ 3,024,874	\$ 9,675,099
Adjustments to reconcile change in total net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization expense	153,638	103,078
Non-cash portion of lease expense for operating leases	167,026	167,026
Repayments of operating lease liabilities	(176,592)	(171,791)
Realized/unrealized (gain) loss on investments	241,535	(296,779)
Donated stock	-	(5,981,399)
Changes in other operating assets and liabilities:		
(Increase) decrease in unconditional promises to give	(211,699)	279,802
(Increase) in government grants receivable	(6,134,654)	(5,414,603)
(Increase) in other receivables	(211,839)	-
(Increase) in prepaid expenses	(31,307)	(34,655)
Increase in accounts payable and accrued expenses	1,265,508	2,277,259
Increase (decrease) in agency liability	(4,051)	17,728
Increase (decrease) in refundable advance	(11,919,811)	7,899,308
	<u>(13,837,372)</u>	<u>8,520,073</u>
Net cash provided by (used in) operating activities		
CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from the sale of investments	-	6,361,046
Purchases of investments	(3,799,936)	(54,032)
Purchases of property and equipment	(221,620)	(204,544)
	<u>(4,021,556)</u>	<u>6,102,470</u>
Net cash provided by (used in) investing activities		
CASH FLOW FROM FINANCING ACTIVITIES:		
Payments on note payable	(65,516)	(25,395)
Payments on finance lease	(4,164)	(3,309)
	<u>(69,680)</u>	<u>(28,704)</u>
Net cash (used in) financing activities		
NET CHANGE IN CASH AND CASH EQUIVALENTS	(17,928,608)	14,593,839
CASH AND CASH EQUIVALENTS, Beginning of year	<u>20,567,042</u>	<u>5,973,203</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 2,638,434</u>	<u>\$ 20,567,042</u>
Cash and cash equivalents - Operations	\$ 2,547,777	\$ 20,472,334
- Held for others	90,657	94,708
	<u>\$ 2,638,434</u>	<u>\$ 20,567,042</u>
Total cash and cash equivalents		
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ 777</u>	<u>\$ 5,450</u>

The accompanying notes are an integral part of this statement.

ALL CHICAGO MAKING HOMELESSNESS HISTORY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(with comparative totals for 2021)

	Program Services	Management and General	Fundraising	2022 Total	2021 Total
Functional expenses:					
Salaries	\$ 4,036,261	\$ 1,023,500	\$ 299,035	\$ 5,358,796	\$ 3,946,764
Payroll taxes	318,721	72,280	22,469	413,470	317,931
Employee benefits	407,946	87,538	33,442	528,926	435,163
Total salaries and related expenses	<u>4,762,928</u>	<u>1,183,318</u>	<u>354,946</u>	<u>6,301,192</u>	<u>4,699,858</u>
Other expenses:					
Pass through to partner agencies for client assistance and services	10,818,227	-	-	10,818,227	5,516,348
Direct client assistance	88,966,232	-	-	88,966,232	50,276,345
Rental assistance vendor services and fees	4,335,200	-	-	4,335,200	635,000
Professional fees	243,691	171,595	21,622	436,908	360,433
Information technology	437,484	219,929	8,453	665,866	426,252
Occupancy expenses	167,266	37,114	9,205	213,585	212,198
Office supplies and expenses	63,082	41,549	7,555	112,186	107,487
Insurance	42,184	11,375	1,855	55,414	18,599
Travel	406	1,505	175	2,086	-
Education, conferences and meetings	34,883	20,342	215	55,440	9,906
Lived experience costs	40,745	-	-	40,745	27,138
Marketing and public relations	5,507	1,043	8,190	14,740	8,015
Special events	-	-	46,727	46,727	26,678
In-kind services	93,290	-	-	93,290	169,100
Interest	492	285	-	777	5,450
Other operating expenses	10,005	20,519	2,466	32,990	46,118
Total other expenses	<u>105,258,694</u>	<u>525,256</u>	<u>106,463</u>	<u>105,890,413</u>	<u>57,845,067</u>
Total expenses before depreciation, amortization and termination of finance lease	<u>110,021,622</u>	<u>1,708,574</u>	<u>461,409</u>	<u>112,191,605</u>	<u>62,544,925</u>
Depreciation and amortization	140,434	11,952	1,252	153,638	103,078
Termination of finance lease	-	3,600	-	3,600	-
Total depreciation, amortization and loss on finance lease	<u>140,434</u>	<u>15,552</u>	<u>1,252</u>	<u>157,238</u>	<u>103,078</u>
Total expenses	<u>\$ 110,162,056</u>	<u>\$ 1,724,126</u>	<u>\$ 462,661</u>	<u>\$ 112,348,843</u>	<u>\$ 62,648,003</u>

The accompanying notes are an integral part of this statement.

ALL CHICAGO MAKING HOMELESSNESS HISTORY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

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

Nature of Organization -

All Chicago Making Homelessness History (All Chicago) collaboratively addresses the complex issue of homelessness through four signature approaches: emergency financial assistance; community partnerships; data analytics; and training and research. In response to the COVID-19 pandemic, All Chicago has adapted and expanded its programs to address the increased need for assistance and to effectively utilize emergency funding. At the same time, All Chicago remains dedicated to long-term solutions and sustainable improvement of the systems that address homelessness. All Chicago's activities encompass a range of programs targeting specific areas of focus in the effort to address homelessness.

Emergency Rental and Financial Assistance

All Chicago offers an array of rental and financial assistance programs for the Chicago community:

- **Emergency Fund:** All Chicago's Emergency Fund provides immediate rental and financial assistance to households to prevent a sudden financial setback from becoming a long-term financial crisis. During the pandemic, the Emergency Fund was expanded to include COVID-19 crisis response assistance to partner agencies.
- **Student Emergency Fund:** The Student Emergency Fund assists Chicago college students experiencing a financial crisis or transition by distributing critical and timely financial assistance via a network of partner organizations and schools to support students toward college graduation.
- **DFSS Rental Assistance Program:** In partnership with the City of Chicago's Department of Family and Support Services (DFSS), All Chicago administers the Rental Assistance Program for Chicagoans who are at risk of becoming homeless.
- **State Homeless Prevention Program:** All Chicago administers the Illinois Department of Human Services state homeless prevention program for residents of Chicago. This program provides rental, mortgage, and utility assistance, approved case management, and approved supportive services directly related to the prevention of homelessness to eligible families.
- **US Treasury Emergency Rental Assistance Program and Coronavirus Relief Fund Rental Assistance:** Through an allocation of funding from the Illinois Department of Human Services, All Chicago administers rental assistance funding from the U.S. Treasury and the Coronavirus Relief Fund. These programs provide rental and utility assistance to households affected by COVID-19.

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

Continuum of Care

All Chicago convenes key stakeholders and drives collaboration to lead Chicago's city-wide response to homelessness through the Chicago Continuum of Care (CoC). All Chicago leads the member agencies through a year-round process of research, evaluation, training, strategic planning, and federal funding applications. All Chicago manages the Homeless Management Information System (HMIS) database, which maintains data on Chicagoans experiencing, or at risk of, homelessness and the services they receive. In December 2022, All Chicago began serving as the Coordinated Entry System lead agency for the CoC.

Rapid Rehousing and Expedited Housing Initiative

All Chicago administers a rapid rehousing program in partnership with the City of Chicago's Department of Family and Support Services (DFSS). The rapid rehousing program connects families and individuals experiencing homelessness to permanent housing through a tailored package of rental and other assistance. In 2020, All Chicago launched its Expedited Housing Initiative, which is an expanded rapid rehousing program funded by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the American Rescue Plan Act of 2021 (ARPA). This initiative reduced barriers to expedite housing efforts during the COVID-19 crisis. In 2022, All Chicago launched a separate rapid rehousing program for survivors of gender-based violence, which is funded by DFSS and by the U.S. Department of Housing and Urban Development (HUD).

Subsequent events -

The financial statements were available to be issued on May 12, 2023, with subsequent events being evaluated through this date.

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.

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

Financial Statement Presentation - (Continued)

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.

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. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of market risk associated with certain investment securities, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

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.

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 and management's review, no allowance is deemed necessary.

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

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. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional. 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.

All Chicago received marketable securities included in contributions valued at \$-0- and \$5,981,399 during 2022 and 2021, respectively. Per its policy, All Chicago sold the marketable securities shortly after receipt.

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.

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.

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

In-Kind Contributions -

In addition to receiving cash and securities contributions, All Chicago receives in-kind contributions from various donors in the form of services and property. 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. 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, 2022 and 2021, were \$93,290 and \$169,100, respectively. All Chicago did not recognize any in-kind property contributions for the years ended December 31, 2022 and 2021.

Leases -

All Chicago determines if an arrangement is a lease or contains a lease at inception of the contract. All Chicago's operating leases are presented in operating lease right-of-use assets, current portion of operating lease liabilities, and long-term portion of operating lease liabilities in the accompanying statement of financial position as of December 31, 2022 and 2021. All Chicago's finance leases are presented in finance lease right-of use assets, current portion of finance lease liabilities, and long-term portion of finance lease liabilities in the accompanying statement of financial position as of December 31, 2022 and 2021.

Both operating lease and finance lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease's commencement date. As most of All Chicago's leases do not specify their implicit rate, All Chicago has elected a practical expedient to use the nominal yield, at lease inception, applicable to U.S. Treasury instruments with a maturity of similar length of the lease term.

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by All Chicago, less any lease incentives All Chicago receives from the lessor. All Chicago has elected a practical expedient to account for lease and non-lease components together as a single lease component. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, All Chicago has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date.

Operating lease expense for lease payments is recognized on a straight-line basis over the terms of each lease. Variable lease components can include maintenance, parking and other charges that are recorded as lease expense as incurred. Finance lease expense is recognized in two separate components, the interest expense on the lease liability and amortization of the right-of-use asset.

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

Leases - (Continued)

All Chicago's leases can contain options granting the right to renew or extend the term of the lease for specified option periods. The decision as to whether All Chicago will exercise the renewal options is generally at All Chicago's sole discretion. All Chicago includes lease extensions in the lease term when it is reasonably certain that All Chicago will exercise the extension.

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.

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 amortization, 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 2019. All Chicago does not have any unrecognized tax benefits and does not expect this to change in the next twelve months.

Reclassification -

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. The overall reclassification had no impact on previously reported change in net assets.

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

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. GAAP. Accordingly, such prior year information should be read in conjunction with All Chicago's financial statements for the year ended December 31, 2021, from which the summarized information was derived.

(2) UNCONDITIONAL PROMISES TO GIVE:

Unconditional promises to give at December 31, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Receivable in less than one year	\$ 272,500	\$ 60,801
Receivable in greater than one year and less than five years	<u>-</u>	<u>-</u>
Total unconditional promises to give	<u>\$ 272,500</u>	<u>\$ 60,801</u>

(3) INVESTMENTS:

The composition of investments is as follows:

	<u>2022</u>	<u>2021</u>
Mutual funds	\$ 1,110,427	\$ 1,323,577
Government securities	2,913,058	-
Certificate of deposits	99,749	-
Corporate bonds	<u>758,744</u>	<u>-</u>
	<u>\$ 4,881,978</u>	<u>\$ 1,323,577</u>

Investments are reflected in the financial statements as:

	<u>2022</u>	<u>2021</u>
Investments - Without donor restrictions	\$ 3,982,873	\$ -
Investments - With donor restrictions	734,105	1,158,577
Investments - Perpetual in nature	<u>165,000</u>	<u>165,000</u>
	<u>\$ 4,881,978</u>	<u>\$ 1,323,577</u>

(3) INVESTMENTS: (Continued)

Investment return (loss) consisted of the following:

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 66,922	\$ 59,745
Realized gain on investments	-	249,933
Unrealized gain (loss) on investments	<u>(241,535)</u>	<u>46,846</u>
	<u>\$ (174,613)</u>	<u>\$ 356,524</u>

(4) 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.

(4) FAIR VALUE MEASUREMENTS: (Continued)

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, 2022 and 2021.

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

Bonds: Valued using pricing models maximizing the use of observable inputs for similar securities on an active or secondary market that the securities are traded on.

Government Securities: Valued at the closing price reported on the active market on which the individual securities are traded.

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:

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 1,110,427	\$ -	\$ -	\$ 1,110,427
Bonds	-	758,744	-	758,744
Government securities	2,913,058	-	-	2,913,058
Total assets at fair value	<u>\$ 4,023,485</u>	<u>\$ 758,744</u>	<u>\$ -</u>	4,782,229
Certificate of Deposits				<u>99,749</u>
Total investments				<u>\$ 4,881,978</u>
	<u>Assets at Fair Value as of December 31, 2021</u>			
<u>Description</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	<u>\$ 1,323,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,323,577</u>

(5) LINE OF CREDIT:

All Chicago has an available line of credit in the amount of \$5,000,000, expiring in September 2023. 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, 2022 and 2021, 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, 2022, All Chicago is in compliance with this ratio.

(6) NOTE PAYABLE:

In November 2018, All Chicago obtained a loan to acquire furniture and equipment, with a maximum amount of \$130,000, 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 original maturity date of the loan is April 1, 2024. In January 2022, All Chicago paid the loan off in full.

(7) REFUNDABLE ADVANCE:

As of December 31, 2022 and 2021, All Chicago had a \$-0- and \$11,919,811, respectively, outstanding advance from the Illinois Department of Human Services to assist low-income individuals and families with rent, mortgage, security deposit, and utilities assistance.

(8) LEASES:

All Chicago has an 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, 2022 and 2021, totaled \$501,079 and \$668,105, respectively.

Future minimum payments on the operating lease are as follows:

2023	\$	226,800
2024		231,600
2025		<u>237,600</u>
Total minimum lease payments		696,000
Amount representing interest		<u>129,024</u>
Present value of net minimum lease payments		566,976
Current portion		<u>183,792</u>
Long-term operating lease obligations	\$	<u>383,184</u>

(8) LEASES: (Continued)

Additionally, All Chicago leased equipment under a finance lease, which originally was set to expire in October 2023. Total equipment under the finance lease is \$16,562 before accumulated amortization. During 2022, All Chicago terminated the lease and incurred a loss on termination of \$3,600.

The components of lease expenses for the years ending December 31, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Finance lease expense -		
Amortization of right-of-use asset	\$ 6,925	\$ 3,312
Interest on lease liability	<u>492</u>	<u>813</u>
Total finance lease expense	<u>\$ 7,417</u>	<u>\$ 4,125</u>
	<u>2022</u>	<u>2021</u>
Operating lease expense -		
Operating lease cost	<u>\$ 210,034</u>	<u>\$ 210,034</u>

The weighted average remaining lease term is as follows:

	<u>2022</u>	<u>2021</u>
Operating lease	3 years	4 years
Financing lease	N/A	2 years

The weighted average discount rate is as follows:

	<u>2022</u>	<u>2021</u>
Operating lease	6.0%	6.0%
Financing lease	N/A	9.3%

Cash paid for amounts included in the measurements of All Chicago's leases for the years ended December 31, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Operating cash from operating leases	\$ 219,600	\$ 214,800
Operating cash flow from finance lease	492	813
Finance cash flow from finance lease	6,925	3,309

(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, 2022, from these sources.

(10) NET ASSETS WITH DONOR RESTRICTIONS:

At December 31, 2022 and 2021, net assets with donor restrictions are comprised of the following:

	<u>2022</u>	<u>2021</u>
Income restricted for programs	\$ 8,065,809	\$ 9,943,409
Income restricted due to time restriction	272,500	53,400
Perpetual in nature	<u>165,000</u>	<u>165,000</u>
	<u>\$ 8,503,309</u>	<u>\$ 10,161,809</u>

(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.

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:

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

- (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, 2022 and 2021, All Chicago had the following endowment-related activities:

	<u>2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 165,000	\$ 165,000
Investment return:			
Investment income	-	12,651	12,651
Net depreciation (realized/unrealized)	-	(48,763)	(48,763)
Total investment return	-	(36,112)	(36,112)
Transfer from general funds	-	36,112	36,112
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 165,000</u>	<u>\$ 165,000</u>
	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, beginning of year	\$ -	\$ 165,000	\$ 165,000
Investment return:			
Investment income	-	12,628	12,628
Net appreciation (realized/unrealized)	-	4,249	4,249
Total investment return	-	16,877	16,877
Appropriated funds for expenditures	-	(16,877)	(16,877)
Endowment net assets, end of year	<u>\$ -</u>	<u>\$ 165,000</u>	<u>\$ 165,000</u>

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

Endowment Net Asset Composition by Type of Fund -

The composition of endowment net assets by type of fund as of December 31, 2022 and 2021, is as follows:

	<u>2022</u>		<u>Total</u>
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	
Donor contributions that are perpetual in nature	\$ <u> -</u>	\$ <u> 165,000</u>	\$ <u> 165,000</u>
	<u>2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor contributions that are perpetual in nature	\$ <u> -</u>	\$ <u> 165,000</u>	\$ <u> 165,000</u>

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.

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 of equities, fixed income, and cash that includes investment in both domestic and international securities across all market capitalizations.

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

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.

(12) FUTURE COMMITTED REVENUE:

As of December 31, 2022, All Chicago has received approximately \$47,800,000 in future committed revenue from grants for reimbursable expenses.

(13) CONCENTRATIONS OF GRANTS:

All Chicago received approximately 95% and 82% of its total public support and revenue from the Chicago Department of Family and Support Services and the Illinois Department of Health and Human Services for the years ended December 31, 2022 and 2021, respectively.

(14) IN-KIND DONATED SERVICES:

All Chicago received donated services for the years ended December 31, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
HUD and HMIS Planning	<u>\$ 93,290</u>	<u>\$ 169,100</u>

Volunteers consist of professionals who provide assistance to All Chicago for project management and data analytics. All Chicago assigns values to such services based on fair value rates commensurate with the type of volunteer services performed for similar services (\$38 per hour for the years ended December 31, 2022 and 2021). Expenses are recognized as program service in-kind expenses on the statement of functional expenses.

(15) 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, 2022 and 2021. Employer contributions to the plan for the years ended December 31, 2022 and 2021, amounted to \$86,453 and \$64,839, respectively.

(16) LIQUIDITY AND AVAILABILITY:

	December 31,	
	<u>2022</u>	<u>2021</u>
Financial assets -		
Cash and cash equivalents	\$ 2,547,777	\$ 20,472,334
Investments	4,716,978	1,158,577
Unconditional promises to give	272,500	60,801
Government grants receivable	14,310,017	8,175,363
Other receivables	<u>211,839</u>	<u>-</u>
Total financial assets	22,059,111	29,867,075
Less - Donor-imposed restrictions, excluding perpetual in nature (See Note 10)	8,338,309	9,996,809
Less - Refundable advance	<u>-</u>	<u>11,919,811</u>
Financial assets available to meet cash needs for general expenditures; that is, without donor or other restrictions limiting their use within one year	<u>\$ 13,720,802</u>	<u>\$ 7,950,455</u>

Additionally, All Chicago maintains a \$5,000,000 line of credit as discussed in more detail in Note 5. The available balance on the line of credit was \$5,000,000 at December 31, 2022.

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 \$2,015,389 and \$7,953,238 were received during the years ended December 31, 2022 and 2021, 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.

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 *Governmental 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, 2022, and the related statements of activities, cash flow and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 12, 2023.

Report on 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) as a basis for designing 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. 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 or significant deficiencies may exist that were not identified.

Independent Auditor's Report on
Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an
Audit of Financial Statements
Performed in Accordance with
Government Auditing Standards
To the Board of Directors of
All Chicago Making Homelessness History
Page two

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether All Chicago's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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

Warrenville, Illinois
May 12, 2023

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 Program

Opinion on Each Major Federal Program

We have audited All Chicago Making Homelessness History (All Chicago) compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of All Chicago and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of All Chicago's compliance with the compliance requirements referred to above.

Independent Auditor's Report on
Compliance for each Major Program and on
Internal Control over Compliance Required by
Uniform Guidance
To the Board of Directors of
All Chicago Making Homelessness History
Page two

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to All Chicago's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on All Chicago's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about All Chicago's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding All Chicago's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of All Chicago's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of All Chicago's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Independent Auditor's Report on
Compliance for each Major Program and on
Internal Control over Compliance Required by
Uniform Guidance
To the Board of Directors of
All Chicago Making Homelessness History
Page three

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



DUGAN & LOPATKA

Warrenville, Illinois
May 12, 2023

ALL CHICAGO MAKING HOMELESSNESS HISTORY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

Federal Grantor/Program Title	Assistance Listing Number	Pass-Through Grantor	Pass- Through Number	Passed Through to Sub-Recipients	Total Program Expenditures
Department of Housing and Urban Development:					
Continuum of Care	14.267				\$ 2,005,750
Continuum of Care	14.267	Corporation for Supportive Housing	22008-C		<u>62,715</u>
Total Continuum of Care					<u>2,068,465</u>
Emergency Solutions Grants Program	14.231	City of Chicago Department of Family and Supportive Services	134797		3,214,207
Emergency Solutions Grants Program	14.231	City of Chicago Department of Family and Supportive Services	134986		17,078,466
Emergency Solutions Grants Program	14.231	City of Chicago Department of Family and Supportive Services	136352		100,063
Emergency Solutions Grants Program	14.231	City of Chicago Department of Family and Supportive Services	168161		484,236
Emergency Solutions Grants Program	14.231	City of Chicago Department of Family and Supportive Services	174285		530,048
Emergency Solutions Grants Program	14.231	City of Chicago Department of Family and Supportive Services	174287		<u>2,100,648</u>
Total Emergency Solutions Grants Program				<u>\$ 6,413,474</u>	<u>23,507,668</u>
Community Development Block Grant/CDBG – Entitlement Grant Cluster	14.218	City of Chicago Department of Family and Supportive Services	155960		<u>657,713</u>
Total Department of Housing and Urban Development				<u>\$ 6,413,474</u>	<u>26,233,846</u>
Department of Health and Human Services:					
Community Service Block Grant	93.569	City of Chicago Department of Family and Supportive Services	168153		173,666

ALL CHICAGO MAKING HOMELESSNESS HISTORY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

<u>Federal Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Grantor</u>	<u>Pass- Through Number</u>	<u>Passed Through to Sub-Recipients</u>	<u>Total Program Expenditures</u>
Department of Health and Human Services: (Continued)					
Community Service Block Grant	93.569	City of Chicago Department of Family and Supportive Services	182526		<u>2,694,169</u>
Total Department of Health and Human Services					<u>2,867,835</u>
Department of Treasury:					
Emergency Rental Assistance Program	21.023	Illinois Department of Human Services	FCSAH05965		15,663,375
Emergency Rental Assistance Program	21.023	Illinois Department of Human Services	FCSBH05864		24,285,626
Emergency Rental Assistance Program	21.023	Illinois Department of Human Services	FCSAH05864		<u>25,382,863</u>
Total Emergency Rental Assistance Program					<u>65,331,864*</u>
Coronavirus State and Local Fiscal Recovery Funds	21.027	Illinois Department of Human Services	FCSAH06314		203,345
Coronavirus State and Local Fiscal Recovery Funds	21.027	Illinois Department of Human Services	FCSBH06314		423,608
Coronavirus State and Local Fiscal Recovery Funds	21.027	City of Chicago Department of Family and Supportive Services	188624		2,619,899
Coronavirus State and Local Fiscal Recovery Funds	21.027	City of Chicago Department of Family and Supportive Services	197661		<u>71,061</u>
Total Coronavirus State and Local Fiscal Recovery Funds					<u>3,317,913*</u>
Total Department of Treasury					<u>68,649,777</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 6,413,474</u>	<u>\$97,751,458</u>

*Major programs

ALL CHICAGO MAKING HOMELESSNESS HISTORY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022. 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, 2022 and did not receive any federal non-cash awards during the year ended December 31, 2022.

ALL CHICAGO MAKING HOMELESSNESS HISTORY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022

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:
 - 21.023 Emergency Rental Assistance Program
 - 21.027 Coronavirus State and Local Fiscal Recovery Funds
8. The threshold for distinguishing Types A programs was \$2,932,544.
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.

PART 4: SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS:

There were none.

ALL CHICAGO MAKING HOMELESSNESS HISTORY
SCHEDULE OF PROGRAM EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Private Emergency Assistance	Private Student Emergency Assistance	State Homeless Prevention	US Treasury Emergency Rental Assistance Programs	DFSS Rental Assistance	Rapid Rehousing and Expedited Housing	Continuum of Care	2022 Total
Salaries and related expenses:								
Salaries	\$ 7,096	\$ 166,180	\$ 138,114	\$ 67,398	\$ 359,002	\$ 1,695,962	\$ 1,602,509	\$ 4,036,261
Payroll taxes	633	11,097	10,927	5,477	28,134	138,400	124,053	318,721
Employee benefits	1,305	13,974	11,139	9,654	39,755	169,510	162,609	407,946
Total salaries and related expenses	9,034	191,251	160,180	82,529	426,891	2,003,872	1,889,171	4,762,928
Other expenses:								
Pass through to partner agencies for client assistance and services	736,167	-	413,421	1,549,559	-	6,589,492	1,529,588	10,818,227
Direct client assistance	255,588	896,286	2,080,120	62,853,815	6,096,346	16,092,769	691,308	88,966,232
Rental assistance vendor services and fees	-	-	-	4,335,200	-	-	-	4,335,200
Professional fees	-	36,000	-	-	-	22,251	185,440	243,691
Information technology	1,247	3,024	6,439	8,075	21,633	124,302	272,764	437,484
Occupancy expenses	1,177	4,957	6,300	3,332	15,754	73,092	62,654	167,266
Office supplies and expenses	7	77	106	50	248	43,359	19,235	63,082
Insurance	133	996	1,274	655	3,172	19,988	15,966	42,184
Travel	-	-	-	-	-	406	-	406
Education, conferences and meetings	13	98	143	114	371	2,086	32,058	34,883
Lived experience costs	-	-	-	-	-	-	40,745	40,745
Marketing and public relations	3	13	18	14	47	3,917	1,495	5,507
In-kind services	-	-	-	-	-	-	93,290	93,290
Interest	-	-	-	-	-	492	-	492
Other operating expenses	-	-	4,330	4,687	-	-	988	10,005
Total other expenses	994,335	941,451	2,512,151	68,755,501	6,137,571	22,972,154	2,945,531	105,258,694
Total expenses before depreciation and amortization	1,003,369	1,132,702	2,672,331	68,838,030	6,564,462	24,976,026	4,834,702	110,021,622
Depreciation and amortization	79	10,675	7,857	414	2,121	110,486	8,802	140,434
Total program service expenses	\$ 1,003,448	\$ 1,143,377	\$ 2,680,188	\$ 68,838,444	\$ 6,566,583	\$ 25,086,512	\$ 4,843,504	\$ 110,162,056

The accompanying notes are an integral part of this statement.