
**COMMUNITY ORGANIZING AND
FAMILY ISSUES, INC.**

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2009**

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

Board of Directors
Community Organizing and Family Issues, Inc.
Chicago, Illinois 60607

We have audited the accompanying statement of financial position of the Community Organizing and Family Issues, Inc. (an Illinois Not-for-Profit Corporation) as of September 30, 2009, and the related statements of activities, cash flows and statement of functional expenses for the year then ended. These financial statements are the responsibility of the Community Organizing and Family Issues, Inc.'s (COFI) management. 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. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the COFI as of September 30, 2009, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Velma Butler & Company, Ltd.
Chicago, Illinois

January 5, 2010

FINANCIAL STATEMENTS

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2009 (WITH COMPARATIVE TOTALS FOR 2008)

ASSETS	2009	2008
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 26,931	\$ 139,718
Accounts Receivable	285,931	90,659
Prepaid Expenses and Deposits	<u>14,762</u>	<u>2,586</u>
Total Current Assets	327,624	232,963
<u>Fixed Assets</u>		
Furniture and Equipment	19,517	16,712
Less: Accumulated Depreciation	<u>(11,728)</u>	<u>(9,648)</u>
Total Fixed Assets	7,789	7,064
TOTAL ASSETS	<u>\$ 335,413</u>	<u>\$ 240,027</u>
LIABILITIES AND NET ASSETS		
<u>Current Liabilities</u>		
Accounts Payable	\$ 3,177	\$ 5,332
Notes Payable	<u>0</u>	<u>4,486</u>
Total Current Liabilities	3,177	9,818
Total Liabilities	3,177	9,818
<u>Net Assets</u>		
Unrestricted Net Assets	104,986	72,459
Temporarily Restricted Net Assets	<u>227,250</u>	<u>157,750</u>
Total Net Assets	332,236	230,209
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 335,413</u>	<u>\$ 240,027</u>

See accompanying notes to the financial statements.

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2009 (WITH COMPARATIVE TOTALS FOR 2008)

	Unrestricted	Temporarily Restricted	2009 Total	2008 Total
SUPPORT AND REVENUE				
Grants and Contributions	\$ 43,500	\$ 221,000	\$ 264,500	\$ 218,000
Government Grants	217,667		217,667	113,518
Contracts	63,316		63,316	52,294
Contributions In Kind	0		0	2,685
Miscellaneous	15,946		15,946	20,257
Released From Restrictions	151,500	(151,500)	-	-
Total Revenues	<u>491,929</u>	<u>69,500</u>	<u>561,429</u>	<u>406,754</u>
EXPENDITURES				
Program	385,393		385,393	303,098
Administrative	51,276		51,276	39,384
Fundraising	24,150		24,150	21,102
Total Operating Expenditures	<u>460,819</u>	<u>-</u>	<u>460,819</u>	<u>363,584</u>
Total Expenditures	<u>460,819</u>	<u>-</u>	<u>460,819</u>	<u>363,584</u>
NON OPERATING INCOME				
Interest Income	<u>1,417</u>		<u>1,417</u>	<u>2,550</u>
Total Non Operating Income	<u>1,417</u>	<u>-</u>	<u>1,417</u>	<u>2,550</u>
CHANGE IN NET ASSETS	<u>32,527</u>	<u>69,500</u>	<u>102,027</u>	<u>45,720</u>
NET ASSETS - BEGINNING	<u>72,459</u>	<u>157,750</u>	<u>230,209</u>	<u>184,489</u>
NET ASSETS - ENDING	<u>\$ 104,986</u>	<u>\$ 227,250</u>	<u>\$ 332,236</u>	<u>\$ 230,209</u>

See accompanying notes to the financial statements.

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2009 (WITH COMPARATIVE TOTALS FOR 2008)

CASH FLOW FROM OPERATING ACTIVITIES	2009	2008
Change in Net Assets	\$ 102,027	\$ 45,720
Adjustments to Reconcile Excess Revenues to Net Cash Flow:		
Add back Depreciation	2,080	(2,101)
(Increase)/Decrease in Accounts and Grants Receivable	(195,272)	(1,058)
(Increase)/Decrease in Prepaid Expenses and Security Deposits	(12,176)	(1,086)
Increase/(Decrease) in Accounts Payable	<u>(2,155)</u>	<u>(8,966)</u>
Net Cash Provided by Operating Activities	(105,496)	32,509
CASH FLOW FROM INVESTING ACTIVITIES		
Net (Purchase)/Disposal of Equipment	<u>(2,805)</u>	<u>2,064</u>
Net Cash Used for Investing Activities	(2,805)	2,064
CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash Received from Promissory Notes	-	-
Net Cash Paid for Notes Payable	<u>(4,486)</u>	<u>(8,585)</u>
Net Cash Provided by Financing Activities	(4,486)	(8,585)
Net Increase/(Decrease) in Cash	(112,787)	25,990
CASH AT BEGINNING OF YEAR	<u>139,718</u>	<u>113,728</u>
CASH AT END OF YEAR	\$ <u>26,931</u>	\$ <u>139,718</u>

SUPPLEMENTAL DISCLOSURES		
Cash Paid for Interest	\$ <u>79</u>	\$ <u>555</u>

See accompanying notes to the financial statements.

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
STATEMENT OF UNRESTRICTED FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2009 (WITH COMPARATIVE TOTALS FOR 2008)

				2009	2008
	Program	Administrative	Fundraising	Total	Total
EXPENSES					
Personnel Expense	\$ 247,547	\$ 40,244	\$ 15,141	\$ 302,932	\$ 231,004
Other Contract Services	17,556	320	3,692	21,568	23,291
Parent Honorariums	8,914			8,914	15,186
Professional Services	14,434	2,003	770	17,207	10,704
Occupancy	28,463	4,513	1,736	34,712	30,369
Office Expense	12,284	1,947	749	14,980	10,013
Depreciation	1,706	270	104	2,080	2,101
Program Meetings and Supplies	18,483			18,483	18,190
Training and Staff and Consultant Travel	30,453			30,453	14,366
Insurance		1,869		1,869	1,798
Fundraising			1,450	1,450	1,303
Interest Expense	65	10	4	79	555
Miscellaneous	950	100		1,050	572
Printing and Publications	4,538		504	5,042	4,131
Total Expenses	<u>\$ 385,393</u>	<u>\$ 51,276</u>	<u>\$ 24,150</u>	<u>\$ 460,819</u>	<u>\$ 363,583</u>

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009 continued . . .**

Note 1 - Nature of the Organization

The Community Organizing and Family Issues, Inc. (COFI) is a not-for-profit corporation organized in the State of Illinois since 1995. COFI is dedicated to strengthening the voice of low-income families both at the community level and in the public policy arena to create more family supportive/family friendly communities.

Note 2 - Summary of Significant Accounting Policies

The significant accounting policies followed by COFI are described below to enhance the usefulness of the financial statements to the reader.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial Statement Presentation

COFI follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, COFI is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. During fiscal year 2009, COFI had no permanently restricted net assets. In addition, COFI is required to present a statement of cash flows.

Revenue Recognition

COFI accounts for contributions in accordance with the recommendations of the SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions are recognized as revenue when the commitment is received.

All donor-restricted support and revenue is reported as an increase in temporarily or permanently restricted net assets, depending upon the nature of the restriction. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income tax status

Community Organizing and Family Issues, Inc. is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The organization has been classified as an entity that is not a private foundation within the meaning of section 509(a) and qualifies as tax deductible contributions as provided in section 170(b)(1)(a)(vi). There was no unrelated business income for the year ended September 30, 2009.

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009 continued . . .**

Note 2 – Significant Accounting Policies (continued)

Office Furniture and Equipment

It is COFI's policy to capitalize office furniture and equipment more than \$500. Purchased office furniture and equipment are recorded at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using primarily the straight-line method.

Other Matters

Interest earned from the deposits of contributions are included under interest income and used for the general purposes unless the grantor specifically specified that the interest be used for a specific program purpose.

Financial Information for 2008

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the agency's financial statements for the year ended September 30, 2008, from which the summarized information was derived.

Functional Allocation of Expenses

The cost of providing the various program and other activities has been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated between programs and supporting services.

Donated Materials and Services

During the year ended September 30, 2009, COFI did not receive any donated food, equipment nor consulting services. This amount is typically reported as unrestricted contributions in kind in the financial statements.

New Accounting Pronouncements

COFI's financial instruments consist of cash and accounts receivable. In 2006, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standard No. 157, *Fair Value Measurements*. (SFAS No. 157). SFAS defines fair value, provides guidance for using fair value to measure assets and liabilities under current U.S. GAAP standards and expands the disclosures on methods used and the effect of fair value measurements on earnings. This standard is effective for financial statements issued for fiscal years beginning after November 15, 2007. COFI adopted this standard for the year ended December 31, 2009.

Statement of Financial Accounting Standard No. 157, *Fair Value Measurements* (SFAS No. 157) defines a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that maybe used to measure fair value:

- Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009 continued . . .**

- Level 2: Significant other observable inputs other than Level 1, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Significant unobservable inputs that reflect a report entity's own assumptions about the assumption that market participants would use in pricing an asset or liability.

The carrying amounts of cash and cash equivalents, receivables, other current asset, and other liabilities approximated fair value due to the short maturity of these instruments or assumptions made by management.

Statement of Financial Accounting Standards No. 165, "Subsequent Events" ("SFAS 165") defines subsequent events as events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provide additional evidence about conditions that existed at the date of the balance sheet. Unrecognized subsequent events are events or transactions that provide evidence about conditions that did not exist at the date of the balance sheet, but arose before the financial statements are issued. COFI adopted the new pronouncement on June 15, 2009. The requirement had no significant impact on COFI's financial statements.

Note 3 – Cash

Cash held by COFI at September 30, 2009, totaled \$26,931, consisting of one operating account and one Money Market accounts at Shore Bank. The amount does not exceed the \$250,000 Federal Deposit Insurance Corporation's insurance coverage at Shore Bank.

Note 4 – Accounts Receivable

At September 30, 2009, COFI has the following accounts and grants receivable:

Grants Receivable	\$ 183,931
Contracts Receivable	<u>102,000</u>
Total	<u>\$ 285,931</u>

Note 5 – Prepaid Expenses

As of September 30, 2009, prepaid expenses totaled \$14,762, which was used for the security deposit on office space rental.

Note 6 – Fixed Assets

COFI follows the practice of capitalizing, at cost, all expenditures for fixed assets. Depreciation is computed on a straight-line basis over the useful lives of the assets. Fixed asset balances at September 30, 2009, are shown below:

<u>Equipment</u>	Balance 9/30/08	Net Additions and (Dispositions)	Balance 9/30/09
Office Furniture and Equipment	\$ 16,712	\$ 2,805	\$ 19,517
Less: Accumulated Depreciation	<u>(9,648)</u>	<u>(2,080)</u>	<u>(11,728)</u>
Net Fixed Assets	<u>\$ 7,064</u>	<u>\$ 725</u>	<u>\$ 7,789</u>

Depreciation expense for the year ended September 30, 2009 totaled \$2,080.

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009 continued . . .**

Note 7 – Accounts Payable

As of September 30, 2009, accounts payable totaled \$3,177, consisting of amount due to vendors as a result of operations.

Note 8 – Net Assets Released from Restrictions

Net assets released from restrictions by incurring expenses to satisfy the restriction imposed by the donor were as follows:

Ben & Jerry’s Foundation	\$10,000
Catholic Campaign for Human Development	30,000
Chicago Community Trust	12,500
Chicago Foundation for Women	12,500
Crossroads Fund (for FIRE)	1,000
Illinois Asset Building Group	2,000
Marguerite Casey Foundation	25,000
Polk Bros Foundation	25,000
Sociological Initiatives Foundation	5,000
Unitarian Universalist Fund	2,500
United Methodist Women	1,000
Woods Fund of Chicago	<u>25,000</u>
Total	<u>\$ 151,500</u>

Note 9 – Temporarily Restricted Net Assets

The following temporarily restricted net assets were available for future use at September 30, 2009:

Unitarian Universalist Fund	\$ 2,500
Illinois Asset Building Group	1,000
Woods Fund of Chicago	30,000
Chicago Foundation for Women	22,500
Catholic Campaign for Human Development	35,000
Marguerite Casey Foundation	50,000
Other Future Income	<u>80,000</u>
Total	<u>\$ 221,000</u>

Note 10 – Lease Commitments

COFI leased its office space under an operating lease, which expired on June 30, 2009. They relocated to from the building on Washington to a larger facility on Randolph Street. Occupancy totaled \$34,712 for fiscal year 2009, which included moving costs and utilities.

Year 2010:	\$ 32,654
Year 2011:	36,127
Year 2012:	37,211
Year 2013:	35,404
Year 2014:	33,631
Year 2015 thru Year 2020:	<u>197,857</u>
Total Contract:	<u>\$ 372,884</u>

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2009 continued . . .**

Note 11 – Deferred Compensation Plan

COFI has established a deferred compensation plan for its full time employees. The plan is managed by private companies. Custodial accounts are established for participating employees. Employees contribute specified amounts to the plan. No contributions are made by the employer.

Note 12 – Subsequent Events

Management has performed an analysis of activities and transactions subsequent to September 30, 2009, to determine the need for any adjustments to and/or disclosure within the audited financial statements for the year ended September 30, 2009. Management has performed their analysis and has not evaluated events occurring after January 5, 2010, the date the financial statements were issued.