
COMMUNITY ORGANIZING AND
FAMILY ISSUES, INC.

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2010

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1
CONSOLIDATED FINANCIAL STATEMENTS:	
Consolidated Statement of Financial Position	2
Consolidated Statement of Activities	3
Consolidated Statement of Cash Flows	4
Consolidated Statement of Functional Expenses	5
Notes to the Consolidated Financial Statements	6-9

INDEPENDENT AUDITORS' REPORT

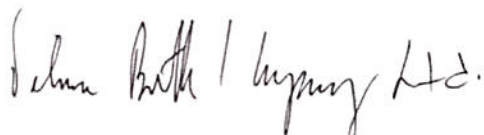
INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statement of financial position of Community Organizing and Family Issues, Inc. (an Illinois Not-for-Profit Corporation) as of September 30, 2010, 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 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 COFI as of September 30, 2010, 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 4, 2011

FINANCIAL STATEMENTS

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
 STATEMENT OF FINANCIAL POSITION
 SEPTEMBER 30, 2010 (WITH COMPARATIVE TOTALS FOR 2009)

ASSETS	2010	2009
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 135,649	\$ 26,931
Accounts Receivable	96,892	285,931
Prepaid Expenses and Deposits	<u>14,762</u>	<u>14,762</u>
Total Current Assets	247,303	327,624
<u>Fixed Assets</u>		
Furniture and Equipment	19,517	19,517
Less: Accumulated Depreciation	<u>(13,596)</u>	<u>(11,728)</u>
Total Fixed Assets	5,921	7,789
 TOTAL ASSETS	 <u>\$ 253,224</u>	 <u>\$ 335,413</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ <u>1,991</u>	\$ <u>3,177</u>
Total Current Liabilities	1,991	3,177
Total Liabilities	1,991	3,177
<u>Net Assets</u>		
Unrestricted Net Assets	95,983	104,986
Temporarily Restricted Net Assets	<u>155,250</u>	<u>227,250</u>
Total Net Assets	251,233	332,236
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 253,224</u>	<u>\$ 335,413</u>

See accompanying notes to the financial statements.

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2010 (WITH COMPARATIVE TOTALS FOR 2009)

	Unrestricted	Temporarily Restricted	2010 Total	2009 Total
SUPPORT AND REVENUE				
Grants and Contributions	\$ 41,500	\$ 75,250	\$ 116,750	\$ 264,500
Government Grants	335,279		335,279	217,667
Contracts	49,689		49,689	63,316
Miscellaneous	29,906		29,906	15,946
Released From Restrictions	147,250	(147,250)	-	-
Total Revenues	603,624	(72,000)	531,624	561,429
EXPENSES				
Program	513,298		513,298	385,392
Administrative	58,328		58,328	51,276
Fundraising	41,469		41,469	24,150
Total Operating Expenses	613,096	-	613,096	460,819
Total Expenses	613,096	-	613,096	460,819
NON OPERATING INCOME				
Interest Income	469		469	1,417
Total Non Operating Income	469	-	469	1,417
CHANGE IN NET ASSETS	(9,003)	(72,000)	(81,003)	102,027
NET ASSETS - BEGINNING	104,986	227,250	332,236	230,209
NET ASSETS - ENDING	\$ 95,983	\$ 155,250	\$ 251,233	\$ 332,236

See accompanying notes to the financial statements.

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2010 (WITH COMPARATIVE TOTALS FOR 2009)

CASH FLOW FROM OPERATING ACTIVITIES	2010	2009
Change in Net Assets	\$ (81,003)	\$ 102,027
Adjustments to Reconcile Excess Revenues to Net Cash Flow:		
Add back Depreciation	1,868	2,080
(Increase)/Decrease in Accounts and Grants Receivable	189,039	(195,272)
(Increase)/Decrease in Prepaid Expenses and Security Deposits	-	(12,176)
Increase/(Decrease) in Accounts Payable	<u>(1,186)</u>	<u>(2,155)</u>
Net Cash Provided by Operating Activities	108,718	(105,496)
CASH FLOW FROM INVESTING ACTIVITIES		
Net (Purchase)/Disposal of Equipment	<u>-</u>	<u>(2,805)</u>
Net Cash Used for Investing Activities	-	(2,805)
CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash Paid for Notes Payable	<u>0</u>	<u>(4,486)</u>
Net Cash Provided by Financing Activities	0	(4,486)
Net Increase/(Decrease) in Cash	108,718	(112,787)
CASH AT BEGINNING OF YEAR	<u>26,931</u>	<u>139,718</u>
CASH AT END OF YEAR	<u>\$ 135,649</u>	<u>\$ 26,931</u>
SUPPLEMENTAL DISCLOSURES		
Cash Paid for Interest	<u>\$</u>	<u>\$ 79</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, 2010 (WITH COMPARATIVE TOTALS FOR 2009)

				2010	2009
	Program	Administrative	Fundraising	Total	Total
EXPENSES					
Personnel Expense	\$ 362,605	\$ 46,383	\$ 27,356	\$ 436,344	\$ 302,932
Consultants	15,246	336	7,000	22,582	21,568
Parent Honorariums	15,688			15,688	8,914
Professional Services	14,224	1,885	1,028	17,137	17,207
Occupancy	37,820	5,012	2,734	45,566	34,712
Office Expense	16,847	2,233	1,218	20,297	14,980
Depreciation	1,550	205	112	1,868	2,080
Program Meetings and Supplies	16,898			16,898	18,483
Training and Staff and Consultant Travel	26,063	145		26,208	30,453
Printing and Publications	5,212		579	5,791	5,042
Insurance	1,136	2,104		3,240	1,869
Fundraising			1,442	1,442	1,450
Interest Expense					79
Miscellaneous	10	25		35	1,050
Total Expenses	<u>\$ 513,298</u>	<u>\$ 58,328</u>	<u>\$ 41,469</u>	<u>\$ 613,096</u>	<u>\$ 460,819</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, 2010 continued . . .**

Note 1 - Nature of the Organization

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 2010, 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, 2010.

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010 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 2009

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, 2009, 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, 2010, 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.

Subsequent Events

COFI has evaluated subsequent events for potential recognition and/or disclosures through January 4, 2011, the date the financial statements were available to be issued.

Note 3 – Cash

Cash held by COFI at September 30, 2010, totaled \$135,649, consisting of one operating account and one Money Market accounts at Urban Partnership Bank. The amount does not exceed the \$250,000 Federal Deposit Insurance Corporation's insurance coverage at Urban Partnership Bank.

Note 4 – Accounts Receivable

At September 30, 2010, COFI has the following accounts and grants receivable:

Grants Receivable	\$	69,232
Contracts Receivable		27,660
Total	\$	<u>96,892</u>

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010 continued . . .**

Note 5 – Prepaid Expenses and Deposits

As of September 30, 2010, prepaid expenses and deposits 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. Depreciation expense for the year ended September 30, 2010 totaled \$1,868.

<u>Equipment</u>	<u>Balance</u> <u>9/30/2009</u>	Net Additions and (Dispositions)	<u>Balance</u> <u>9/30/2010</u>
Office Furniture and Equipment	\$ 19,517	\$ 0	\$ 19,517
Less: Accumulated Depreciation	(11,728)	(1,868)	(13,596)
Net Fixed Assets	<u>\$ 7,789</u>	<u>\$ (1,868)</u>	<u>\$ 5,921</u>

Note 7 – Accounts Payable

As of September 30, 2010, accounts payable totaled \$1,991, 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:

Catholic Campaign for Human Development	\$ 35,000
Chicago Foundation for Women	20,000
Chicago Foundation for Women - Maria Mangual	2,500
Illinois Asset Building Group	1,000
Marguerite Casey Foundation	50,000
Polk Bros. Foundation	6,250
Unitarian Universalists Fund for a Just Society	2,500
Woods Fund of Chicago	30,000
Total	<u>\$ 147,250</u>

Note 9 – Temporarily Restricted Net Assets

The following temporarily restricted net assets were available for future use at September 30, 2010:

Chicago Foundation for Women	\$ 12,500
Grand Victoria Foundation	25,000
Polk Bros. Foundation	6,250
Unitarian Universalists Fund	1,500
Woods Fund of Chicago	30,000
Total	<u>\$ 75,250</u>

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2010 continued . . .**

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 \$45,566 for fiscal year 2010, which included moving costs and utilities.

Year 2011:	\$	36,127
Year 2012:		37,211
Year 2013:		35,404
Year 2014:		33,631
Year 2015:		37,738
Year 2016 thru Year 2019:		160,119
Total Contract Remaining:	\$	<u><u>\$340,230</u></u>

Note 11 – Deferred Compensation Plan

COFI has established a deferred compensation plan for its regular employees. The plan is managed by an independent administrator. Custodial accounts are established for participating employees. Employees contribute specified amounts to the plan. No contributions were made by the employer.