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

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2011**

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.

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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, 2011, 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. The prior year's summarized comparative information was derived from Community Organization and Family Issues, Inc.'s financial statements and our report dated January 4, 2011, we expressed an unqualified opinion on those financial statements.

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, 2011, 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, 2012

FINANCIAL STATEMENTS

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
STATEMENT OF FINANCIAL POSITION
SEPTEMBER 30, 2011 (WITH COMPARATIVE TOTALS FOR 2010)

ASSETS	2011	2010
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 77,703	\$ 135,649
Accounts Receivable	239,654	96,892
Prepaid Expenses and Deposits	15,543	14,762
Total Current Assets	332,900	247,303
<u>Fixed Assets</u>		
Furniture and Equipment	34,651	19,517
Less: Accumulated Depreciation	(14,723)	(13,596)
Total Fixed Assets	19,928	5,921
TOTAL ASSETS	\$ <u>352,828</u>	\$ <u>253,224</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable	\$ 5,296	\$ 1,991
Total Current Liabilities	5,296	1,991
Total Liabilities	5,296	1,991
<u>Net Assets</u>		
Unrestricted Net Assets	116,282	95,983
Temporarily Restricted Net Assets	231,250	155,250
Total Net Assets	347,532	251,233
TOTAL LIABILITIES AND NET ASSETS	\$ <u>352,828</u>	\$ <u>253,224</u>

See accompanying notes to the financial statements.

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (WITH COMPARATIVE TOTALS FOR 2010)

	Unrestricted	Temporarily Restricted	2011 Total	2010 Total
SUPPORT AND REVENUE				
Grants and Contributions	\$ 140,750	\$ 201,250	\$ 342,000	\$ 116,750
Government Grants	289,092		289,092	335,279
Contracts	58,000		58,000	49,689
Miscellaneous	44,367		44,367	29,906
Released From Restrictions	125,250	(125,250)	-	-
Total Revenues	<u>657,459</u>	<u>76,000</u>	<u>733,459</u>	<u>531,624</u>
EXPENSES				
Program	536,426		536,426	513,298
Administrative	59,783		59,783	58,328
Fundraising	41,737		41,737	41,469
Total Operating Expenses	<u>637,946</u>	<u>-</u>	<u>637,946</u>	<u>613,096</u>
Total Expenses	<u>637,946</u>	<u>-</u>	<u>637,946</u>	<u>613,096</u>
NON OPERATING INCOME				
Interest Income	<u>786</u>		<u>786</u>	<u>469</u>
Total Non Operating Income	<u>786</u>	<u>-</u>	<u>786</u>	<u>469</u>
CHANGE IN NET ASSETS	20,299	76,000	96,299	(81,003)
NET ASSETS - BEGINNING	<u>95,983</u>	<u>155,250</u>	<u>251,233</u>	<u>332,236</u>
NET ASSETS - ENDING	<u>\$ 116,282</u>	<u>\$ 231,250</u>	<u>\$ 347,532</u>	<u>\$ 251,233</u>

See accompanying notes to the financial statements.

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2011 (WITH COMPARATIVE TOTALS FOR 2010)

CASH FLOW FROM OPERATING ACTIVITIES	2011	2010
Change in Net Assets	\$ 96,299	\$ (81,003)
Adjustments to Reconcile Excess Revenues to Net Cash Flow:		
Add back Depreciation	1,127	1,868
(Increase)/Decrease in Accounts and Grants Receivable	(142,762)	189,039
(Increase)/Decrease in Prepaid Expenses and Security Deposits	(781)	-
Increase/(Decrease) in Accounts Payable	<u>3,305</u>	<u>(1,186)</u>
Net Cash Provided by Operating Activities	(42,812)	108,718
CASH FLOW FROM INVESTING ACTIVITIES		
Net (Purchase)/Disposal of Equipment	<u>(15,134)</u>	<u>-</u>
Net Cash Used for Investing Activities	(15,134)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash Paid for Notes Payable	<u>-</u>	<u>-</u>
Net Cash Provided by Financing Activities	-	-
Net Increase/(Decrease) in Cash	(57,946)	108,718
CASH AT BEGINNING OF YEAR	<u>135,649</u>	<u>26,931</u>
CASH AT END OF YEAR	<u>\$ 77,703</u>	<u>\$ 135,649</u>
SUPPLEMENTAL DISCLOSURES		
Cash Paid for Interest	<u>\$ -</u>	<u>\$ -</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, 2011 (WITH COMPARATIVE TOTALS FOR 2010)

				2011	2010
	Program	Administrative	Fundraising	Total	Total
EXPENSES					
Personnel Expense	\$ 330,766	\$ 44,977	\$ 23,158	\$ 398,901	\$ 436,344
Consultants	9,844	264	9,134	19,242	22,582
Parent Honorariums	13,255	0	-	13,255	15,688
Professional Services	25,347	3,359	1,832	30,538	17,137
Occupancy	45,167	5,986	3,265	54,418	45,566
Office Expense	22,283	2,953	1,611	26,847	20,297
Depreciation	936	124	68	1,128	1,868
Program Meetings and Supplies	17,976	0	-	17,976	16,898
Community Service Program	16,517	0	-	16,517	-
Training and Staff and Consultant Travel	20,830		-	20,830	26,208
Printing and Publications	5,988	0		5,988	5,791
Insurance	1,410	2,095	-	3,505	3,240
Fundraising	30	0	2,669	2,699	1,442
Uncollectable Funds	25,000			25,000	
Miscellaneous	1,077	25	-	1,102	35
Total Expenses	<u>\$ 536,426</u>	<u>\$ 59,783</u>	<u>\$ 41,737</u>	<u>\$ 637,946</u>	<u>\$ 613,096</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, 2011**

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 ("FASB") Accounting Standards Codification ("ASC") Not-for-profit Entities Presentation of Financial Statements. Under FASB ASC 0558-205 (Subtopic 205, "presentation of Financial Statements", of Topic 958) 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 2011, COFI had no permanently restricted net assets. In addition, COFI is required to present a statement of cash flows. Net assets and revenue, expenses, gains, and losses are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Unrestricted Net Assets

Unrestricted net assets are not subject to donor-imposed stipulations. At its discretion, the Board of Trustees may designate funds for specific purposes. Such Board-designated funds are segregated in the unrestricted net assets.

Temporarily Restricted Net Assets

Temporarily restricted net assets result from contributions and other inflows of assets whose use is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of COFI, pursuant to those stipulations.

Permanently Restricted Net Assets

Permanently restricted net assets are restricted to investments held in perpetuity; the income from which is designated annually, at the discretion of the Board of Trustees, to be used to support COFI's mission.

Revenue Recognition

COFI accounts for contributions in accordance with the recommendations of the FASB ASC 95605 (Subtopic 605, "Revenue Recognition", of Topic 958). In accordance with FASB ASC 958-605, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence 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 contributions are awarded.

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Note 2 – Significant Accounting Policies (continued)

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, 2011.

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 2010

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, 2010, 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, 2011, COFI received donated food, software, and graphic design consulting services. These donations are 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, 2012, the date the financial statements were available to be issued.

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Note 3 – Cash

Cash held by COFI at September 30, 2011, totaled \$77,703, 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, 2011, COFI has the following accounts and grants receivable:

Grants Receivable	\$ 101,201
Contracts Receivable	138,453
Total	<u>\$ 239,654</u>

Note 5 – Prepaid Expenses and Deposits

As of September 30, 2011, prepaid expenses and deposits totaled \$15,543, which was primarily used for the security deposit on office space rental.

Note 6 – Fixed Assets

As of September 30, 2011, 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, 2011 totaled \$1,127.

<u>Equipment</u>	Balance <u>9/30/2010</u>	Net Additions and (Dispositions)	Balance <u>9/30/2011</u>
Office Furniture and Equipment	\$ 19,517	\$ 15,134	\$ 34,651
Less: Accumulated Depreciation	(13,596)	(1,127)	(14,723)
Net Fixed Assets	<u>\$ 5,921</u>	<u>\$ 14,006</u>	<u>\$ 19,928</u>

Note 7 – Accounts Payable

As of September 30, 2011, accounts payable totaled \$5,295, consisting of amount due to vendors as a result of operations.

Note 8 – Net Assets Released from Restrictions

As of September 30, 2011, net assets released from restrictions by incurring expenses to satisfy the restriction imposed by the donor were as follows:

Marguerite Casey Foundation	\$ 50,000
Woods Fund of Chicago	30,000
Unitarian Universalists Fund for a Just Society	1,500
Polk Bros Foundation	6,250
Chicago Foundation for Women	12,500
Grand Victoria Foundation	<u>25,000</u>
Total	<u>\$ 125,250</u>

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2011**

Note 8 – Net Assets Released from Restrictions (continued)

Grand Victoria Foundation rescinded their grant due to delays from the State of Illinois, which is noted as uncollectable funds in the expenses.

Note 9 – Temporarily Restricted Net Assets

The following temporarily restricted net assets were available for future use at September 30, 2011:

Woods Fund of Chicago	\$	60,000
Polk Bros Foundation		6,250
Marguerite Casey Foundation		30,000
McCormick Foundation		7,500
Steans Family Foundation		7,500
Chicago Foundation for Women		15,000
Circle of Service Foundation		5,000
Just and Fair School Fund		90,000.00
Wieboldt Foundation		10,000.00
Total		<u>231,250.00</u>

Note 10 – Lease Commitments

COFI leased its office space under an operating lease, which expired on June 30, 2009. They relocated from the building on Washington to a larger facility on Randolph Street. Occupancy including utilities totaled \$54,418 for fiscal year 2011. The future lease commitments are detailed as follows:

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>\$340,230</u>

Note 11 – Deferred Compensation Plan

COFI participates in a qualified defined contribution retirement plan administered by a private administrator. The 403(b)(7) retirement plan (“Plan”) covers all employees starting from the date of hire that are scheduled to work more than 20 hours a week regularly. The maximum contribution is the elective deferral limit set by Internal Revenue Service regulations.

The Plan expense for the year ended September 30, 2011, totaled \$1,164 related to the employer match. COFI has an option to provide an employer match to be determined annually. Plan assets as of September 30, 2011, totaled \$184,295. COFI’s payroll expense totaled \$398,901. Participants’ are fully vested in their elective deferrals and in the earnings on their deferrals.