
COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.

INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
SEPTEMBER 30, 2012

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, 2012, 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 November 30, 2012, 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, 2012, 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

November 30, 2012

FINANCIAL STATEMENTS

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
 STATEMENT OF FINANCIAL POSITION
 SEPTEMBER 30, 2012 (WITH COMPARATIVE TOTALS FOR 2011)

ASSETS	2012	2011
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 177,381	\$ 77,703
Accounts Receivable	382,074	239,654
Prepaid Expenses and Deposits	<u>11,881</u>	<u>15,543</u>
Total Current Assets	571,336	332,900
<u>Fixed Assets</u>		
Furniture and Equipment	34,075	34,651
Less: Accumulated Depreciation	<u>(13,730)</u>	<u>(14,723)</u>
Total Fixed Assets	20,345	19,928
 TOTAL ASSETS	 <u>\$ 591,681</u>	 <u>\$ 352,828</u>
LIABILITIES AND NET ASSETS		
<u>Current Liabilities</u>		
Accounts Payable	\$ <u>12,095</u>	\$ <u>5,296</u>
Total Current Liabilities	12,095	5,296
 Total Liabilities	 12,095	 5,296
<u>Net Assets</u>		
Unrestricted Net Assets	148,116	116,282
Temporarily Restricted Net Assets	<u>431,470</u>	<u>231,250</u>
 Total Net Assets	 579,586	 347,532
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 591,681</u>	 <u>\$ 352,828</u>

See accompanying notes to the financial statements.

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012 (WITH COMPARATIVE TOTALS FOR 2011)

	Unrestricted	Temporarily Restricted	2012 Total	2011 Total
SUPPORT AND REVENUE				
Grants and Contributions	\$ 152,290	\$ 367,370	\$ 519,660	\$ 342,000
Government Grants	259,256		259,256	289,092
Contracts	140,583		140,583	58,000
Miscellaneous	45,393	11,600	56,993	44,367
Released From Restrictions	178,750	(178,750)	-	-
Total Revenues	<u>776,272</u>	<u>200,220</u>	<u>976,492</u>	<u>733,459</u>
EXPENSES				
Program	632,305		632,305	536,426
Administrative	67,327		67,327	59,783
Fundraising	45,570		45,570	41,737
Total Operating Expenses	<u>745,202</u>	<u>-</u>	<u>745,202</u>	<u>637,946</u>
Total Expenses	<u>745,202</u>	<u>-</u>	<u>745,202</u>	<u>637,946</u>
NON OPERATING INCOME				
Interest Income	<u>764</u>		<u>764</u>	<u>786</u>
Total Non Operating Income	764	-	764	786
CHANGE IN NET ASSETS	31,834	200,220	232,054	96,299
NET ASSETS - BEGINNING	<u>116,282</u>	<u>231,250</u>	<u>347,532</u>	<u>251,233</u>
NET ASSETS - ENDING	<u>\$ 148,116</u>	<u>\$ 431,470</u>	<u>\$ 579,586</u>	<u>\$ 347,532</u>

See accompanying notes to the financial statements.

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2012 (WITH COMPARATIVE TOTALS FOR 2011)

CASH FLOW FROM OPERATING ACTIVITIES	2012	2011
Change in Net Assets	\$ 232,054	\$ 96,299
Adjustments to Reconcile Excess Revenues to Net Cash Flow:		
Add back Depreciation	4,356	1,127
Add back Loss on Disposal of Assets	2,184	
(Increase)/Decrease in Accounts and Grants Receivable	(142,420)	(142,762)
(Increase)/Decrease in Prepaid Expenses and Security Deposits	3,662	(781)
Increase/(Decrease) in Accounts Payable	<u>6,799</u>	<u>3,305</u>
Net Cash Provided by Operating Activities	106,635	(42,812)
CASH FLOW FROM INVESTING ACTIVITIES		
Net (Purchase)/Sale of Equipment	<u>(6,957)</u>	<u>(15,134)</u>
Net Cash Used for Investing Activities	(6,957)	(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	99,678	(57,946)
CASH AT BEGINNING OF YEAR	<u>77,703</u>	<u>135,649</u>
CASH AT END OF YEAR	<u>\$ 177,381</u>	<u>\$ 77,703</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, 2012 (WITH COMPARATIVE TOTALS FOR 2011)

	Program	Admin	Fundraising	2012 Total	2011 Total
EXPENSES					
Personnel Expense	\$ 402,216	\$ 52,450	\$ 28,792	\$ 483,458	\$ 398,901
Consultants	30,649	402	8,213	39,264	19,242
Parent Honorariums	17,944	-	-	17,944	13,255
Professional Services	20,845	2,763	1,507	25,114	30,538
Occupancy	42,855	5,680	3,098	51,633	54,418
Office Expense	20,010	2,652	1,447	24,109	26,847
Depreciation	3,615	479	261	4,356	1,128
Program Meetings and Supplies	25,662	-	-	25,662	17,976
Community Service Program	19,191	-	-	19,191	16,517
Training and Staff and Consultant Travel	35,644	-	-	35,644	20,830
Printing and Publications	11,519	-	-	11,519	5,988
Insurance	-	2,632	-	2,632	3,505
Fundraising	-	-	2,104	2,104	2,699
Uncollectable Funds	113	-	-	113	25,000
Miscellaneous	2,041	270	148	2,459	1,102
Total Expenses	<u>\$ 632,305</u>	<u>\$ 67,327</u>	<u>\$ 45,570</u>	<u>\$ 745,202</u>	<u>\$ 637,946</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, 2012**

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 958-205 (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. In addition, COFI is required to present a statement of cash flows. During fiscal year 2012, COFI had no permanently restricted net assets. 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 Directors 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 Directors, to be used to support COFI’s mission. COFI had no permanently restricted net assets at September 30, 2012.

Revenue Recognition

COFI accounts for contributions in accordance with the recommendations of the FASB ASC 958-605 (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, 2012**

Note 2 – Significant Accounting Policies (continued)

All donor-restricted support and revenue are 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 2011

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, 2011, 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.

Subsequent Events

COFI has evaluated subsequent events for potential recognition and/or disclosures through November 30, 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, 2012**

Note 3 – Cash

Cash held by COFI at September 30, 2012, totaled \$177,381, consisting of one operating account and one Money Market accounts. The amount does not exceed the \$250,000 Federal Deposit Insurance Corporation’s insurance coverage.

Note 4 – Accounts Receivable

At September 30, 2012, COFI had the following accounts and grants receivable:

Grants Receivable	\$	309,370
Accounts Receivable, net		2,316
Contracts Receivable		70,388
Total	\$	<u><u>382,074</u></u>

Note 5 – Prepaid Expenses and Deposits

As of September 30, 2012, prepaid expenses and deposits totaled \$11,881, which consisted of the security deposit on office space rental and prepaid insurance.

Note 6 – Fixed Assets

As of September 30, 2012, fixed assets totaled \$20,345. COFI follows the practice of capitalizing, at cost, all expenditures for fixed assets in excess of \$500. Depreciation is computed on a straight-line basis over the useful lives of the assets. Depreciation expense for the year ended September 30, 2012 totaled \$4,356. Additions totaled \$6,956 and disposals were \$7,532. The following shows the changes in fixed assets for the fiscal year.

<u>Equipment</u>	Balance	Net		Balance
		9/30/2010	Additions and (Dispositions)	
Office Furniture and Equipment	\$ 34,651	\$	(576)	\$ 34,075
Less: Accumulated Depreciation	(14,723)		993	(13,730)
Net Fixed Assets	\$ <u><u>19,928</u></u>	\$	<u><u>417</u></u>	\$ <u><u>20,345</u></u>

Note 7 – Accounts Payable

As of September 30, 2012, accounts payable totaled \$12,095, consisting of amount due to vendors as a result of operations.

**COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012**

Note 8 – Net Assets Released from Restrictions

As of September 30, 2012, net assets released from restrictions by incurring expenses to satisfy the restriction imposed by the donor were as follows:

Chicago Foundation for Women	\$	15,000
Circle of Service Foundation		5,000
Just and Fair School Fund		50,000
Just and Fair School Fund for High HOPES		17,500
Marguerite Casey Foundation		30,000
McCormick Foundation		7,500
Polk Bros. Foundation		6,250
Steans Family Foundation		7,500
Wieboldt Foundation		10,000
Woods Fund of Chicago		30,000
Total	\$	<u>178,750</u>

Note 9 – Temporarily Restricted Net Assets

The following temporarily restricted net assets were available for future use at September 30, 2012:

W.K. Kellogg Foundation	\$	200,000
Woods Fund of Chicago		30,000
Crown Family Philanthropies		12,500
Polk Bros Foundation		37,500
Albert Pick Foundation		10,000
McCormick Foundation		25,000
Chicago Foundation for Women		15,000
Ben & Jerry's Foundation		16,000
Grand Victoria Foundation		30,000
Circle of Service Foundation		9,370
Just and Fair School Fund		22,500
Wieboldt Foundation		10,000
US Bank		2,000
Other Restricted Income		11,600
Total Restricted	\$	<u>431,470</u>

Other restricted income consists of conference fees, training fees, and contract paid for services in fiscal year 2013 in the amounts of \$600, \$2,000 and \$9,000 respectively.

COMMUNITY ORGANIZING AND FAMILY ISSUES, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Note 10 – Lease Commitments

COFI leased its office space under an operating lease, which expired on June 30, 2019. Occupancy expense including utilities totaled \$51,633 for fiscal year 2012. The future lease commitments are detailed as follows:

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>304,103</u></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, 2012, totaled \$1,319 related to the employer match. COFI has an option to provide an employer match to be determined annually. Plan assets as of September 30, 2012, totaled \$232,687. COFI’s payroll expense totaled \$483,458. Participants’ are fully vested in their elective deferrals and in the earnings on their deferrals.

The following table summarizes change in benefits:

Balance as of September 30, 2011	\$	184,295
Additions/Contributions		48,392
Balance as of September 30, 2012	\$	<u><u>232,687</u></u>