CONNECTIONS FOR THE HOMELESS, INC.

FINANCIAL STATEMENTS
AS OF JUNE 30, 2021 AND 2020

TOGETHER WITH AUDITOR'S REPORT

Dugan & Lopatka
Certified Public Accountants
4320 WINFIELD ROAD, SUITE 450
WARRENVILLE, IL 60555
630 665 4440
duganlopatka.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Connections for the Homeless, Inc.:

We have audited the accompanying financial statements of Connections for the Homeless, Inc. (the Organization) (a non-profit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluation of the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Connections for the Homeless, Inc. as of June 30, 2021, 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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2020 financial statements, and in our reported dated November 16, 2020 we expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2021 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is 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 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 the Organization's internal control over financial reporting and compliance.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
November 24, 2021

Dugan & Lopatka

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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
Connections for the Homeless, Inc.:

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 Connections for the Homeless, Inc. (the Organization) which comprise the statement of financial position as of June 30, 2021, 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 November 24, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 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 the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
November 24, 2021

CONNECTIONS FOR THE HOMELESS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

ASSETS

	2021	2020
CURRENT ASSETS:		
Cash and cash equivalents - Operations	$ 308,997	$ 1,198,294
- HUD replacement reserve	51,816	40,808
- Held for others	2,957	3,337
Total cash and cash equivalents	363,770	1,242,439
Receivables - Government	1,808,824	440,314
- Pledges, current maturities	110,000	37,500
- Clients and others	9,154	10,006
Prepaid expenses	16,670	13,162
Total current assets	2,308,418	1,743,421
PROPERTY AND EQUIPMENT:		
Land	71,155	71,155
Buildings	687,052	687,052
Leasehold improvements	183,732	240,349
Furniture and fixtures	2,614	3,168
Office equipment	229,836	286,692
Vehicles	79,712	85,468
Total property and equipment	1,254,101	1,373,884
Less - Accumulated depreciation	(615,940)	(662,095)
Net property and equipment	638,161	711,789
OTHER ASSETS:		
Receivable - pledges, net of current maturities	45,000	-
Deposits	84,848	88,833
Total other assets	129,848	88,833
	$ 3,076,427	$ 2,544,043

The accompanying notes are an integral part of this statement.

LIABILITIES AND NET ASSETS

	2021	2020
CURRENT LIABILITIES:		
Notes payable, current maturities	$ -	$ 10,554
Accounts payable and accrued expenses	144,839	317,025
Accrued payroll and related expenses	213,727	195,081
Agency funds	2,957	3,337
Client security deposits	7,308	7,308
Refundable advance	32,612	16,288
Total current liabilities	401,443	549,593
LONG-TERM LIABILITIES:		
Notes payable, net of current maturities	-	494,026
Total liabilities	401,443	1,043,619
COMMITMENTS		
NET ASSETS:		
Without donor restrictions	1,914,189	656,595
With donor restrictions	760,795	843,829
Total net assets	2,674,984	1,500,424
	$ 3,076,427	$ 2,544,043

EXHIBIT 2

CONNECTIONS FOR THE HOMELESS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
PUBLIC SUPPORT AND REVENUE:				
Contributions	$ 3,141,492	$ 75,000	$ 3,216,492	$ 3,068,208
Emergency Food and Shelter National Board Program	44,234	-	44,234	60,557
U.S. Department of Housing and Urban Development	1,114,384	-	1,114,384	936,475
Department of Health and Human Services	171,893	-	171,893	156,478
Illinois Department of Human Services	1,878,008	-	1,878,008	1,541,542
City of Evanston	1,036,455	-	1,036,455	430,295
Northfield Township	2,221	-	2,221	-
City of Skokie	168,219	-	168,219	-
City of Des Plaines	3,136	-	3,136	2,750
Cook County Department of Planning and Development	5,039,538	-	5,039,538	88,162
United Way	31,716	-	31,716	74,600
YWCA	98,043	-	98,043	-
Client rental payments	76,117	-	76,117	79,103
Loan forgiveness	482,892	-	482,892	-
Special events, net expenses of $42,914 and $109,567 for 2021 and 2020, respectively	453,260	-	453,260	591,162
Other income (loss)	(29,296)	-	(29,296)	6,881
Total support and revenue	13,712,312	75,000	13,787,312	7,036,213
RECLASSIFICATIONS:				
Net assets released upon satisfaction of purpose restrictions	158,034	(158,034)	-	-
FUNCTIONAL EXPENSES:				
Program services	10,655,154	-	10,655,154	5,371,147
Management and general	1,233,683	-	1,233,683	910,421
Fundraising	723,915	-	723,915	574,240
Total functional expenses	12,612,752	-	12,612,752	6,855,808
CHANGE IN NET ASSETS	1,257,594	(83,034)	1,174,560	180,405
NET ASSETS, Beginning of year	656,595	843,829	1,500,424	1,320,019
NET ASSETS, End of year	$ 1,914,189	$ 760,795	$ 2,674,984	$ 1,500,424

The accompanying notes are an integral part of this statement.

CONNECTIONS FOR THE HOMELESS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in total net assets	$ 1,174,560	$ 180,405
Adjustments to reconcile change in total net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	41,700	51,372
Loss on disposal of fixed assets	32,690	-
Loan forgiveness	(482,892)	-
(Increase) in receivables	(1,485,158)	(242,910)
(Increase) decrease in prepaid expenses	(3,508)	13,932
(Increase) decrease in deposits	3,985	(6,901)
Increase (decrease) in accounts payable	(172,186)	228,076
Increase in accrued payroll and related expenses	18,646	106,971
(Decrease) in agency funds	(380)	(558)
Increase (decrease) in refundable advance	16,324	(11,620)
Net cash provided by (used in) operating activities	(856,219)	318,767
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(762)	(28,119)
Net cash (used in) investing activities	(762)	(28,119)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on notes payable	(21,688)	(9,962)
Cash received from notes payable	-	482,892
Net cash provided by (used in) financing activities	(21,688)	472,930
NET CHANGE IN CASH AND CASH EQUIVALENTS	(878,669)	763,578
CASH AND CASH EQUIVALENTS, Beginning of year	1,242,439	478,861
CASH AND CASH EQUIVALENTS, End of year	$ 363,770	$ 1,242,439
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	$ 3,989	$ 8,106

The accompanying notes are an integral part of this statement.

CONNECTIONS FOR THE HOMELESS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021
(with comparative totals for 2020)

	Program Services				Supporting Services			
	Eviction Prevention Services	Community and Shelter Services	Housing Services	Total Program Services	Management and General	Fundraising	2021 Total	2020 Total
FUNCTIONAL EXPENSES:								
Personnel	$ 178,314	$ 1,678,721	$ 1,137,396	$ 2,994,431	$ 925,681	$ 506,435	$ 4,426,547	$ 3,103,216
Staff recruitment, training and development	110	2,537	2,727	5,374	18,594	1,245	25,213	26,954
Occupancy	10,122	142,462	123,067	275,651	28,417	23,993	328,061	237,537
Vehicles	475	6,671	15,453	22,599	2,328	1,179	26,106	20,048
Direct assistance to individuals	2,098,600	2,534,902	2,340,397	6,973,899	-	-	6,973,899	2,826,432
Professional and contractual services	48,130	75,611	74,707	198,448	175,086	101,246	474,780	360,679
Equipment and supplies	7,909	38,171	23,870	69,950	33,524	22,843	126,317	65,003
Office management	6,274	20,156	14,847	41,277	21,628	62,763	125,668	109,045
Insurance	1,379	17,232	11,917	30,528	11,759	3,422	45,709	45,698
Interest	-	-	870	870	3,119	-	3,989	8,106
Special events	-	-	-	-	-	42,914	42,914	109,567
Depreciation and amortization	198	8,002	33,015	41,215	(213)	698	41,700	51,372
Miscellaneous	105	-	807	912	13,760	91	14,763	1,718
Total functional expenses	2,351,616	4,524,465	3,779,073	10,655,154	1,233,683	766,829	12,655,666	6,965,375
Less expenses included with revenue on statement of activities								
Special events	-	-	-	-	-	(42,914)	(42,914)	(109,567)
Total expenses included in the expense section of the statement of activities	$ 2,351,616	$ 4,524,465	$ 3,779,073	$ 10,655,154	$ 1,233,683	$ 723,915	$ 12,612,752	$ 6,855,808

The accompanying notes are an integral part of this statement.

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

Connections for the Homeless, Inc. (the Organization) is a not-for-profit Illinois corporation exempt from federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Organization was formed in 1984 to work with communities in northern Cook County to prevent and eliminate homelessness. The Organization provides housing, shelter and supportive services including food, clothing, health and mental health care, employment, and education. The Organization also does community outreach and education about homelessness and provides volunteer opportunities for those concerned about homelessness. The Organization's programs are as follows:

Eviction Prevention Services are deployed when individuals and families face an immediate threat of homelessness or have recently become homeless. Typical financial aid such as payments for rent and utilities in arrears, security deposit, and move-in fees are provided, along with short-term case management to assist clients in budgeting and other planning to ensure they are able to maintain their housing.

Community and Shelter Services - Street and community outreach, drop-in services, physical and behavioral health services, and shelter for people experiencing homelessness are provided through Community and Shelter Services. Along with case management, individuals are assessed for various housing programs and are provided with basic needs such as food, hygiene products, showers, clothing, and laundry facilities. 80-beds of shelter are available for individuals and families in a safe and healing environment. Health staff work with participants to address physical and behavioral health issues and improve long-term health.

Housing Services - The Agency runs several housing programs for youth, individuals, and families. Support includes short-and long-term housing subsidies coupled with comprehensive case management services to help people stabilize and maintain housing. Most housing is scattered site throughout north suburban Cook County and leased from private landlords.

The financial statements were available to be issued on November 24, 2021 with subsequent events being evaluated through this date.

Accounting Method -

The financial statements are maintained on the accrual basis of accounting which recognizes revenue as it is earned and expenses as they are incurred.

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

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC), *Financial Statements for Not-for-Profit Organizations.* Under the ASC, the Organization is required to report information regarding two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

With donor restrictions - Net assets subject to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Use of 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 reported amounts and disclosures. 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 occupancy, depreciation, utilities, and maintenance expense which are allocated by square foot, salaries, payroll taxes, and benefits on the basis of time and effort, as well as supplies, printing, insurance, and other expenses allocated by headcount.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all liquid investments with an original maturity of three months or less to be cash equivalents.

Concentration of Risk -

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits in various banks from time to time.

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

Government and Other Receivables -

Receivables represent grants due to the Organization from governmental agencies or from clients. The Organization has elected to record bad debts using the direct write-off method. Generally accepted accounting principles require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

Pledge Receivables -

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the contributions are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. All contributions receivables are considered fully collectible based on past experience and management's judgment; therefore, no allowance for doubtful contribution accounts receivable is needed.

Property and Equipment -

Expenditures for property and equipment are capitalized at cost or at fair market value if donated. The Organization capitalizes all capital expenditures of $2,500 or more, unless it is paid by State funds, then it is $500 or more. Depreciation is computed on the straight-line method over estimated useful lives of the assets as follows:

Buildings	27.5 years
Leasehold improvements	5 - 27 years
Furniture and fixtures	3 - 10 years
Office equipment	2 - 10 years
Vehicles	4 - 5 years

Refundable Advance -

Refundable advance refers to payments from a grantor where a measurable barrier to recognition of revenue has not yet been met in a nonexchange transaction. These deposits are recorded as a liability until the barrier to grant has been met.

Donated Property and Equipment -

Donations of property and equipment are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

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

Revenue Recognition for Contributions and Grants -

The Organization 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; that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been met. Contributions resulting from split-interest agreements, measured at the time into which the agreements are entered, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipient(s) under the contract. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. 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. Donor restricted contributions whose restrictions are met in the same period as received are shown as contributions without donor restrictions on the statement of activities.

A portion of the Organization's revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

Revenue Recognition for Program Fees -

The Organization receives rental income from clients who reside in certain residential programs. Rental income is considered a single performance obligation that is recognized over time. Rental income is charged each month, and the monthly fees are recognized ratably over the life of the lease. The Organization leases apartments to eligible applicants under operating leases which are substantially all on a yearly basis.

Income Taxes -

The Organization has been determined by the Internal Revenue Service to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

The Organization files income tax returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2018. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

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

Donated Services -

The Organization has conformed with the Accounting Standards Codification for *Accounting for Contributions Received and Contributions Made* in regard to donated services. This provision prohibits the recording of donated services unless they create or enhance a nonfinancial asset or are specialized skills that would have been purchased if they were not donated. The Organization has not received any donated services valued during the fiscal year ended June 30, 2021, and 2021.

Comparative Financial Information -

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 generally accepted accounting principles. Accordingly, such information should be read in conjunction with Organization's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Reclassifications -

Certain prior year amounts have been reclassified to be consistent with current year presentation.

(2) PLEDGES RECEIVABLE:

On June 30, 2021, and 2020, the timing of payments pledge receivable as determined by the underlying agreements are expected to be as follows:

	2021	2020
Receivable in less than one year	$ 110,000	$ 37,500
Receivable in greater than one year and less than five years	45,000	-
Total pledge receivable	155,000	37,500
Less unamortized discounts	-	-
Net pledge receivable	$ 155,000	$ 37,500

(3) LINE OF CREDIT:

The Organization has a $2,000,000 line of credit from a bank for periodic working capital requirements. The credit line is secured by all business assets. Amounts borrowed on the line of credit bear interest at prime (3.25% prime rate as of June 30, 2021). The credit agreement expires in December 2021. On June 30, 2021, and 2021, there were no outstanding borrowings against the line of credit.

(4) NOTES PAYABLE:

	2021	2020
Payable to a bank -		
Bearing interest at 5.5%, with monthly payments of $478, principal and interest, secured by a building and due in June 2022. Paid the note payable off during the year ended June 30, 2021.	$ -	$ 10,846
Bearing interest at 5.5%, with monthly payments of $478, principal and interest, secured by a building and due in June 2022. Paid the note payable off during the year ended June 30, 2021.	-	10,842
Payroll Protection Program (PPP) loan payable to a bank as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, interest at 1% with the amount to be repaid in equal installments beginning at the earlier of the date the SBA remits the loan forgiveness amount or 10 months after the end of the forgivable covered period, final payment due April 2022. As part of the loan agreement, the entire loan, or a portion can be forgiven. The Organization intends to maximize the forgivable portion of this loan. The Organization has adopted ASC 470 to account for the PPP loan and will record a gain from the forgiven portion of the loan when it is forgiven.	-	482,892
Total notes payable	-	504,580
Less - current portion long-term debt	-	10,554
Long-term debt	$ -	$ 494,026

As part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, in April 2020, the Organization obtained a Payroll Protection Program (PPP) loan in the amount of $482,892. As part of the PPP loan agreement, a portion of the loan can be forgiven. In January 2021, the organization received notice from the Small Business Administration that the loan had been forgiven in full.

(5) COMMITMENTS:

Operating Leases -

The Organization has an operating lease for office and program space which expires in various dates up to July 2027. Under the lease agreement, the Organization is responsible for the incremental increase of real estate taxes and utilities.

Total rent expense for these leases for the years ended June 30, 2021, and 2020 was $271,961 and $190,986, respectively.

The future minimum rental commitments for operations are as follows:

2022	159,057
2023	38,559
Total	$ 197,616

The Organization also leases various space on behalf of tenants. The leases expire at various dates through July 2022. Rental assistance provided on these properties was $718,196 and $712,215 for the years ended June 30, 2021, and 2020, respectively. Future minimum rental commitments for rental assistance consist of $524,686 for 2022 and $38,774 for 2023.

In October 2021 the Organization extended their office space lease until July, 2027. The future commitment for this lease is as follow:

2023	$ 96,712
2024	102,699
2025	105,249
2026	105,504
2027	108,419
2028	9,057

(6) NET ASSETS WITH DONOR RESTRICTIONS:

On September 30, 2011, the Organization received two properties located in Skokie, Illinois from the Illinois Housing Development Authority. The fair value of the two properties totaled $758,207. As part of the agreement, for a period of 15 years, the Organization will provide affordable rentals for the benefit of low-income persons which have less or equal to 50% of the area median income on these two properties.

(6) NET ASSETS WITH DONOR RESTRICTIONS: (Continued)

Net assets with donor restrictions are comprised of the following:

	2021	2020
Program restricted funds -		
Prevention	$ 2,589	$ 44,572
Equity assessment	-	5,000
Housing managers support	-	29,110
Health, community, and shelter services	-	6,940
Total program restricted	2,589	85,622
Land and buildings	758,207	758,207
	$ 760,795	$ 843,829

(7) CONDITIONAL PROMISE TO GIVE:

The Organization has received the following future commitments from granting agencies as of June 30, 2021:

	Term	Advanced or Grant Amount	Earned as of June 30, 2021	Funding Available
U.S. Department of Housing and Urban Development Continuum of Care Grants -				
Individual Housing	05/01/21-04/30/22	$ 501,531	$ 78,119	$ 423,412
Family Housing	05/01/21-04/30/22	511,428	71,694	439,734
YHDP	05/01/21-09/30/22	474,750	59,897	414,853
Cook County -				
Emergency Rental Assistance Fund	02/01/21-12/31/21	100,000	45,970	54,030
ESG	10/01/20-09/30/21	35,000	18,369	16,631
ESG – COVID	11/5/20-12/31/21	717,961	433,986	283,975
City of Evanston -				
Evanston ESG	08/14/20-8/14/22	131,578	70,544	61,034
Evanston ESG-CV	01/11/2021-7/15/2022	815,000	536,587	278,413
Evanston CDBG-CV	12/1/2020-12/31/21	80,000	24,936	55,064
Evanston TBRA	1/1/21-12/31/21	160,000	47,096	112,904
		$ 3,527,248	$ 1,387,198	$ 2,140,050

(8) RETIREMENT PLAN:

The Organization has a 403(b)-retirement plan, which allows all employees to defer payment of taxes on a portion of their salary by making contributions to the plan through payroll deductions. The Organization makes contributions based on a percentage of participant's eligible compensation. For the years ended June 30, 2021 and 2020, the Organization made contributions of $51,220 and $43,550 respectively.

(9) CONCENTRATIONS:

For the year ended June 30, 2021, the Organization had approximately 37% of its total support and revenue from funding from the Cook County Department of Planning and Development, of which approximately $5 million is coming from the federal government COVID funding as pass through funds.

For the year ended June 30, 2020, the Organization had approximately 35% of its total support and revenue from a combination of funding from the U.S. Department of Housing and Urban Development and the Illinois Department of Human Services.

(10) LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year, comprise the following:

	2021	2020
Financial Assets:		
Cash and cash equivalents	$ 363,770	$ 1,242,439
Receivables	1,927,978	487,820
Total financial Assets	2,291,748	1,730,259
Less:		
Donor imposed restrictions	7,589	85,622
Cash held for others	2,957	3,337
HUD replacement reserve	51,816	40,808
	62,362	129,767
Financial assets available to meet cash needs for general expenditures that is without donor or other restrictions limiting their use within one year	$ 2,229,386	$ 1,600,492

The Organization has received commitments from grants (see footnote 7). The Organization grants require them to incur and pay for the expense and then request for payment. Majority of their grants are reimbursed within 90 days from request for payment.

The Organization 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.

(11) MANAGEMENT'S RESPONSE TO EFFECTS OF COVID-19 PANDEMIC

In March 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. As a part of these mitigation measures, the Organization was required to change the way it provided services to participants. Programming grew as the Organization expanded to prevent more evictions, shelter more people experiencing homelessness, and connect more people to homes. A significant shift at the Organization was the transition of shelter services from a congregate setting to local hotels to prevent the spread of COVID-19. As the Organization expanded services, more staff were hired, and investments were made in capacity improvements to support the growth. These changes resulted in increased costs. To help cover additional expenses, the Organization received a Payroll Protection Program Loan as part of the Coronavirus Aid, Relief, and Economic Security Act and received additional grants from its funders.