

**PROVISO-LEYDEN COUNCIL FOR
COMMUNITY ACTION, INC.**

**FINANCIAL STATEMENTS
AS OF JUNE 30, 2021 AND 2020**

TOGETHER WITH AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Proviso-Leyden Council for Community Action, Inc.:

Report on the Financial Statements

We have audited the accompanying financial statements of Proviso-Leyden Council for Community Action, Inc. (the Organization) (a non-profit organization), which comprise the statement of financial position as of June 30, 2021 and 2020, and the related statements of activities, cash flows and functional expenses for the years 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 audits. We conducted our audits 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 from 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 evaluating 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 have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditor's Report
To the Board of Directors of
Proviso-Leyden Council for Community Action, Inc.
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Opinion

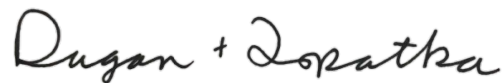
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of June 30, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. The consolidated year-end financial report for the fiscal year ended June 30, 2021 for the Organization is presented for purposes of additional analysis as required by the Illinois Department of Human Services and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020 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 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

Warrenville, Illinois
November 16, 2021
(except for the consolidated year-end financial report as to which the
date is January 4, 2022)

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
<u>A S S E T S</u>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,127,472	\$ 555,959
Accounts receivable	828,791	429,269
Prepaid expenses and other current assets	49,515	59,078
Escrow reserves	69,663	53,682
Total current assets	<u>2,075,441</u>	<u>1,097,988</u>
PROPERTY AND EQUIPMENT, net	<u>8,595,832</u>	<u>8,616,050</u>
Total assets	<u><u>\$ 10,671,273</u></u>	<u><u>\$ 9,714,038</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES:		
Current liabilities -		
Accounts payable	\$ 1,014,389	\$ 355,535
Accrued expenses	130,223	176,869
Deferred revenue	663,447	416,107
Current maturities of long-term debt	22,917	465,814
Total current liabilities	<u>1,830,976</u>	<u>1,414,325</u>
LONG-TERM DEBT, net of current maturities	<u>9,653,910</u>	<u>9,141,042</u>
Total liabilities	<u>11,484,886</u>	<u>10,555,367</u>
NET ASSETS (DEFICIT):		
Without donor restriction	(893,613)	(841,329)
With donor restriction	80,000	-
Total net assets (deficit)	<u>(813,613)</u>	<u>(841,329)</u>
Total liabilities and net assets	<u><u>\$ 10,671,273</u></u>	<u><u>\$ 9,714,038</u></u>

The accompanying notes are an integral part of this statement.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:						
Public support -						
Contributions	\$ 420,676	\$ 80,000	\$ 500,676	\$ 270,610	\$ -	\$ 270,610
In-kind contributions	90,000	-	90,000	90,000	-	90,000
Special events	-	-	-	14,984	-	14,984
Total public support	510,676	80,000	590,676	375,594	-	375,594
Government grants -						
Grants and reimbursements	6,285,654	-	6,285,654	3,973,291	-	3,973,291
Program service fees -						
Maywood Child Development	27,820	-	27,820	56,019	-	56,019
OASA	30,400	-	30,400	31,961	-	31,961
Total program service fees	58,220	-	58,220	87,980	-	87,980
Other revenues -						
Forgiveness of debt	531,347	-	531,347	-	-	-
Income from rental properties	499,215	-	499,215	446,240	-	446,240
Miscellaneous	17,301	-	17,301	27,942	-	27,942
Total other revenues	1,047,863	-	1,047,863	474,182	-	474,182
Total public support and revenue	7,902,413	80,000	7,982,413	4,911,047	-	4,911,047
FUNCTIONAL EXPENSES:						
Program services	5,741,642	-	5,741,642	4,067,614	-	4,067,614
Rental properties	1,000,442	-	1,000,442	1,038,589	-	1,038,589
Management and general	1,179,002	-	1,179,002	919,996	-	919,996
Fundraising	33,611	-	33,611	31,782	-	31,782
Total functional expenses	7,954,697	-	7,954,697	6,057,981	-	6,057,981
CHANGE IN NET ASSETS	(52,284)	80,000	27,716	(1,146,934)	-	(1,146,934)
NET ASSETS (DEFICIT), Beginning of year	(841,329)	-	(841,329)	305,605	-	305,605
NET ASSETS (DEFICIT), End of year	\$ (893,613)	\$ 80,000	\$ (813,613)	\$ (841,329)	\$ -	\$ (841,329)

The accompanying notes are an integral part of this statement.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in total net assets	\$ 27,716	\$ (1,146,934)
Adjustments to reconcile change in total net assets to net cash provided by (used in) operating activities:		
Depreciation	489,122	501,862
Forgiveness of debt	(531,347)	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(399,522)	29,249
Decrease in prepaid expenses	9,563	131,710
(Increase) decrease in escrow reserves	(15,981)	21,154
Increase in accounts payable	658,854	195,148
Increase in deferred revenue	247,340	66,369
(Decrease) in accrued expenses	(46,646)	(257,076)
Net cash provided by (used in) operating activities	<u>439,099</u>	<u>(458,518)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	<u>(468,904)</u>	<u>(23,791)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments of long-term debt	(16,936)	(20,332)
Borrowings from long-term debt	<u>618,254</u>	<u>531,347</u>
Net cash provided by financing activities	<u>601,318</u>	<u>511,015</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	571,513	28,706
CASH AND CASH EQUIVALENTS, Beginning of year	<u>555,959</u>	<u>527,253</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 1,127,472</u>	<u>\$ 555,959</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid	<u>\$ 30,407</u>	<u>\$ 25,412</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Property and equipment financed through long-term debt	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2021

	Supporting Services				2021 Total	
	Program	Rental Properties	Management and General	Fundraising		Total Supporting Services
Salaries and wages	\$ 2,782,633	\$ -	\$ 566,733	\$ -	\$ 566,733	\$ 3,349,366
Employee benefits	185,694	-	55,035	-	55,035	240,729
Payroll taxes	270,073	-	47,636	-	47,636	317,709
	<u>3,238,400</u>	<u>-</u>	<u>669,404</u>	<u>-</u>	<u>669,404</u>	<u>3,907,804</u>
Advertising	89,000	-	-	100	100	89,100
Client services	194,528	-	739	4,250	4,989	199,517
Contract and professional fees	824,184	159,843	114,538	7,959	122,497	1,106,524
Insurance	1,895	-	58,403	-	58,403	60,298
Interest	-	28,542	1,865	-	1,865	30,407
Depreciation	-	351,265	137,857	-	137,857	489,122
Miscellaneous, net	20,091	-	222	500	722	20,813
Occupancy	173,212	460,379	133,184	4,592	137,776	771,367
Payments to subcontractors	539,861	-	-	-	-	539,861
Postage and printing	315	-	1,559	-	1,559	1,874
Seminars, conventions and training	79,843	-	500	-	500	80,343
Supplies	533,490	-	43,909	15,986	59,895	593,385
Telephone	46,823	413	16,822	224	17,046	64,282
Travel	-	-	-	-	-	-
	<u>2,503,242</u>	<u>1,000,442</u>	<u>509,598</u>	<u>33,611</u>	<u>543,209</u>	<u>4,046,893</u>
	<u>\$ 5,741,642</u>	<u>\$ 1,000,442</u>	<u>\$ 1,179,002</u>	<u>\$ 33,611</u>	<u>\$ 1,212,613</u>	<u>\$ 7,954,697</u>

The accompanying notes are an integral part of this statement.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2020

	Supporting Services				2020 Total	
	Program	Rental Properties	Management and General	Fundraising		Total Supporting Services
Salaries and wages	\$ 2,118,623	\$ -	\$ 455,032	\$ -	\$ 455,032	\$ 2,573,655
Employee benefits	163,738	-	45,572	-	45,572	209,310
Payroll taxes	213,104	-	46,487	-	46,487	259,591
	<u>2,495,465</u>	<u>-</u>	<u>547,091</u>	<u>-</u>	<u>547,091</u>	<u>3,042,556</u>
Advertising	90,039	-	-	1,385	1,385	91,424
Client services	223,994	-	-	8,766	8,766	232,760
Contract and professional fees	326,498	50,421	73,029	13,951	86,980	463,899
Insurance	4,580	-	55,192	-	55,192	59,772
Interest	-	23,931	1,481	-	1,481	25,412
Depreciation	-	385,949	115,913	-	115,913	501,862
Miscellaneous, net	14,598	179,357	7,144	-	7,144	201,099
Occupancy	147,518	390,827	91,401	2,396	93,797	632,142
Payments to subcontractors	537,819	-	-	-	-	537,819
Postage and printing	73	430	1,782	51	1,833	2,336
Seminars, conventions and training	37,514	-	-	2,635	2,635	40,149
Supplies	143,311	7,261	15,802	2,488	18,290	168,862
Telephone	34,870	413	10,890	110	11,000	46,283
Travel	11,335	-	271	-	271	11,606
	<u>1,572,149</u>	<u>1,038,589</u>	<u>372,905</u>	<u>31,782</u>	<u>404,687</u>	<u>3,015,425</u>
	<u>\$ 4,067,614</u>	<u>\$ 1,038,589</u>	<u>\$ 919,996</u>	<u>\$ 31,782</u>	<u>\$ 951,778</u>	<u>\$ 6,057,981</u>

The accompanying notes are an integral part of this statement.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Proviso-Leyden Council for Community Action, Inc. (the “Organization” or “PLCCA”) is an Illinois not-for-profit corporation which manages government and privately funded programs, with special emphasis placed on the implementation and coordination of activities designed to provide opportunities for persons and families to become self-sufficient. To achieve this mission, the Organization provides educational services to the economically deprived and serves as a site for various Community and Economic Development Association of Cook County, Inc. (CEDA) programs including Women, Infants and Children (WIC), Low-Income Home Energy Assistance Program (LIHEAP), and Weatherization. The Organization also manages low-income housing properties in Maywood, Illinois, and Lynwood, Illinois.

During fiscal year 2013, the Organization formed a wholly owned subsidiary, 1705-1711 St. Charles Apartments, LLC (“St. Charles”), an Illinois limited liability company which is consolidated with PLCCA. The purpose of St. Charles is to be the sole owner of a 24-unit low-income apartment building in Maywood which was purchased and renovated with a loan from the United States Department of Housing and Urban Development (HUD). As of June 30, 2014, the construction rehab was completed, and as of June 30, 2015, a majority of the units had been rented.

Additionally, during fiscal year 2013, the Organization formed a wholly owned subsidiary, Lexington Manor, LLC (“Lexington”), an Illinois limited liability company. Lexington is consolidated with PLCCA. The purpose of Lexington is to be the sole owner of an apartment building in Maywood which was purchased in February 2013, also through a HUD loan. As of June 30, 2017, the construction rehab was completed, and a majority of the units had been rented.

All significant intercompany transactions and accounts have been eliminated.

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. As of June 30, 2021, the Organization has \$80,000 restricted for utilities bills assistance. As of June 30, 2020, the Organization had no net assets with donor restrictions.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Cash and Cash Equivalents

The Organization defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

Bank Accounts

The Head Start program requires the Organization to hold its funds in a separate bank account that is included on the cash and cash equivalents line on the Statements of Financial Position.

Accounts Receivable

Accounts receivables consist primarily of grants and contract fees receivable and are stated at contracted amounts, or the amount to be reimbursed based on contractual terms. The Organization does not receive interest or late fees on past due amounts. The Organization has not established an allowance for doubtful accounts, as it believes all grants are substantially collectible. Management's periodic evaluation of the collectability of grants and contract fees receivable is based on past experience, known and inherent risks, adverse situations that may affect a grantor's ability to pay, and current economic conditions. The delinquency of grants and contract fees receivable is based upon past due status in accordance with payment terms. Grants deemed uncollectible are charged to expense. All grants' receivables are expected to be received within one year.

Property and Equipment

Property and equipment are carried at cost if purchased or fair value if contributed. Property and equipment are capitalized if the value of the asset, or group of assets, has a cost or fair value greater than \$5,000. Depreciation is computed on the straight-line method over the estimated useful lives of buildings (25 years), building improvements (15-25 years), leasehold improvements (15 years), equipment and furniture (3-10 years), vehicles (5 years), and software (3 years).

The cost and accumulated depreciation of property sold or retired are removed from the related asset and accumulated depreciation amounts, and any resulting gain or loss is recorded in the period of disposal.

Renewals and improvements which extend the useful lives of assets are capitalized at cost. Maintenance and repairs are expensed as incurred.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. It is the Organization's policy to assess impairment of rehabbed rental properties at the completion of construction. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset and/or if the market value of the property were significantly less based on similar direct sales.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Escrow Reserves

Escrow reserves are maintained by Illinois Housing Development Authority on behalf of St. Charles for real estate taxes, property insurance and general reserves, and are restricted for those purposes.

Revenue Recognition for Contributions

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.

Revenue Recognition for Grants

A portion of the Organization's revenue is derived from cost-reimbursable federal and 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

Program service fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for the services. The Organization's program revenue consists primarily of rent payment for the low-income housing buildings. These fees are considered to have a single performance obligation that is satisfied at a point in time. The performance obligations for these services are considered met, and revenue is recognized, when the monthly rent starts. Income from rental properties is recorded as received as payment cannot be assured. Rental agreements are generally signed for one year or less.

Advertising Costs

The Organization follows the policy of expensing advertising costs when incurred. For the years ended June 30, 2021 and 2020, advertising related costs amounted to \$89,100 and \$91,424 respectively.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 salaries and wages, occupancy, supplies, and professional fees which are allocated on the basis estimated of time and effort.

Use of Estimates in the Preparation of Financial Statements

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Tax Status

The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation under IRC Section 509(a).

The Organization follows the accounting standards for contingencies in uncertain tax positions. The guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken, or expected to be taken, on a tax return that are not certain to be realized. No liability has been recognized by the Organization for uncertain tax positions as of June 30, 2021 and 2020. The Organization's tax returns are subject to review and examination by federal and state authorities.

The tax returns for the current year, as well as fiscal years 2018 and thereafter, are open to examination by federal and state authorities.

NOTE 2 – CONCENTRATIONS

As of June 30, 2021, and 2020, two grantors comprised 57% and 32%, respectively, of accounts receivable. The Organization received 17% and 26% of its total revenues for the years ended June 30, 2021 and 2020, from the Department of Health and Human Services.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 3 – PROPERTY AND EQUIPMENT

The costs of the Organization’s property and equipment as of June 30 were as follows:

	2021	2020
Land	\$ 200,000	\$ 200,000
Buildings	1,139,241	1,139,241
Rental properties	9,251,433	9,251,433
Building improvements	2,431,830	2,120,529
Equipment	415,188	257,585
Furniture	78,251	78,251
Vehicles	125,785	125,785
Software	41,384	41,384
	13,683,112	13,214,208
Less: accumulated depreciation	5,087,280	4,598,158
Total	\$ 8,595,832	\$ 8,616,050

Depreciation and amortization expense for fiscal years ending June 30, 2021 and 2020, was \$489,122 and \$501,862, respectively.

The rental properties subject to HUD requirements are being rented to income-eligible persons in accordance with grant agreements. If and when the properties are sold, the Organization must provide the current tenants, at the time of sale, with the right of first refusal to purchase the property. If the tenants agree to purchase the property, it must be sold for a price that is at least 1% less than the current appraised value. The sale proceeds are to be split equally between the Organization and the County per the grant agreements.

NOTE 4 – LONG-TERM DEBT

Long-term debt payable on June 30 consisted of the following:

Description	Interest Rate	Terms	2021	2020
Payroll Protection Program			\$ 618,254	\$ 531,347

Notes held by St. Charles:

First mortgage on 1705-1711 St. Charles Building	0.00%	Non-interest-bearing loan secured by building, land, and assignment of rents. Payable in monthly installments of \$875	251,500	258,125
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PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

Second mortgage on 1705-1711 St. Charles Building	0.00%	Cash-flow only loan with maturity of 30 years. Secured by junior assessment of land, building, and assignment of rents.	2,000,000	2,000,000
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Notes held by Lexington:

Junior loan on Lexington Manor	0.00%	Cash-flow only loan with maturity of 30 years. Secured by junior assignment of land, building, and rents.	2,323,925	2,323,925
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Junior loan on Lexington Manor	0.00%	HOME Investment Partnership Loan with maturity of 25 years. Secured by junior assignment of land, building, and rents.	4,038,145	4,038,145
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Construction loan on Lexington Manor	5.50%	Payable to a bank with monthly principal and interest payments of \$3,052 starting in Aril 2021, with a balloon payment due July 2022. Secured by land, building, assignment of rents.	445,003	455,314
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Totals			9,676,827	9,606,856
Less current maturities			22,917	465,814
Net Long-Term Debt			\$ 9,653,910	\$ 9,141,042

Aggregate maturities of long-term debt are as June of 30, 2021, are due in future years as follows:

2022	\$ 22,917
2023	583,462
2024	180,502
2025	182,210
2026	146,666
Thereafter	8,561,070
Total	\$ 9,676,827

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 4 – LONG-TERM DEBT – CONTINUED

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 \$531,347. As part of the PPP loan agreement, a portion of the loan can be forgiven. In May 2021, the Organizations received notice from the Small Business Administration that both the loan and advance had been forgiven in full.

During 2021, the Organization received a second Payroll Protection Program loan as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loan is payable to a bank with interest at 1% and the balance to be repaid in equal installments of principal and interest, 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, with the final payment due by February 2026. As part of the loan agreement, a portion or all 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.

St. Charles has entered into a cash-flow only loan with Cook County that carries a 0% interest rate for a maximum of \$2,000,000 during fiscal year 2013. The Organization may seek forgiveness of the balance of the loan after the maturity date. Under the terms of the agreement with Cook County, under authority from the United States Department of Housing and Urban Development, the property must be used for low-income housing for a period of 20 years from the date of completion. Annual repayments of the loan are to be based on positive cash flow are to be split 66% to Cook County and 34% may be retained by Organization, to begin once the building is deemed complete, which occurred during fiscal year 2014. In the events units are not used as affordable rental housing, the outstanding principal and interest would become immediately due, along with an additional charge of 10% of the outstanding loan amount. No amounts have been repaid to Cook County through June 30, 2021 and 2020, respectively .

During fiscal year 2014, Lexington entered into a cash-flow only loan with Cook County under the Neighborhood Stabilization Program (NSP) that carries a 0% interest rate originally, for a maximum of \$750,000, which was then modified to \$1,421,026, and again modified during fiscal year 2016 to a total of \$2,323,925. Amounts were drawn down as construction on the building continued. Under the terms of the agreement with Cook County, under authority from the United States Department of Housing's NSP, the property must be used for low-income housing for a period of 15 years from the date of completion. Annual repayments of the loan are to be based on positive cash flow and are to be split 66% to cook County and 34% may be retained by the Organization, to begin once building is rented. Under the terms of the note, the principal balance will be forgiven at a rate of 10% per year beginning in year 21 through year 30, when the mortgage matures. In the event units are not used as affordable rental housing, the outstanding principal and interest would become immediately due, along with an additional 10% charge of the outstanding loan amount. No amounts were repaid to Cook County during fiscal year 2021 or 2020.

During fiscal year 2014, Lexington entered into a HOME construction loan with Cook County for renovations of low-income housing not to exceed \$4,335,257. The outstanding loan balance will be forgiven in increments of 20% of the original indebtedness each year from years 21 through 25. Under the terms of the agreement with Cook County, under authority from the United States Department of Housing, the property must be used for low-income housing for a period of 15 years from the date of completion. In the event units are not used as affordable rental housing, the outstanding principal and interest would become immediately due. No amounts were repaid to Cook County during fiscal year 2021 or 2020.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE 5 – LINE OF CREDIT

The Organization has a \$250,000 line of credit from a bank, secured by substantially all assets not otherwise secured, bearing interest at prime plus .50%, and due on demand. The balance as of June 30, 2021, was \$ -0-.

NOTE 6 – CONTRIBUTIONS IN KIND

Donated materials are recorded at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Conditional transfers of assets are recognized when the conditions upon which they depend are substantially met. During the years ended June 30, 2021 and 2020, the Organization received no donated materials.

Donations of services are recorded if they create or enhance a non-financial asset or are specialized skills that would be purchased if they were not donated. During the years ended June 30, 2021 and 2020, the Organization received donated advertising for its Early Head Start Child Care Partnership program valued at \$90,000 annually. These donated services were included in the statement of activities as an advertising program expense.

NOTE 7 – LEASE OBLIGATIONS AND RENTAL EXPENSE

The Organization leased operating space and office equipment under operating leases expiring on various dates through April 2020. Rental expense for the years ended June 30, 2021 and 2020, was \$21,964 and \$19,757, respectively. The Organization has no further obligations under these leases and leases are month to month.

NOTE 8 – RETIREMENT PLAN

All employees are eligible to participate in a tax-deferred group annuity plan sponsored by the Organization under Section 403(b) of the Internal Revenue Code. The 403(b) plan is employee-funded only. There were no amounts charged to the Organization's operations for plan contributions for the years ended June 30, 2021 and 2020.

NOTE 9 – SUBSEQUENT EVENTS

The Organization evaluated its June 30, 2020, financial statements for subsequent events through November 16, 2021, the date the financial statements were available to be issued.

NOTE 10 – COMMITMENTS AND CONTINGENT LIABILITIES

The Organization has received significant financial assistance from federal and state agencies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and may be subject to audit by the grantor agencies. Any disallowed claims resulting from such audits become a liability of the Organization.

NOTE 11 – LIQUIDITY CONSIDERATIONS

The Organization is largely dependent on government funding, the timing of which cannot always be accurately projected. The organization maintain a line of credit of up to \$250,000 to manage liquidity should cash inflows be delayed. On June 30, 2021, there was no outstanding balance on line of credit.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021 AND 2020

NOTE 11 – LIQUIDITY CONSIDERATIONS – CONTINUED

	2021	2020
Financial assets	\$ 1,956,263	\$ 985,228
Less: financial assets not available for general expenditures within the next year	-	-
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,956,263	\$ 985,228

The Organization manages its liquidity and reserves adhering to the following principles:

- operating within a prudent range of financial soundness and stability.
- maintaining adequate liquid assets to fund near-term operating needs.

The Organization has received their fiscal year 2022 grants from the Illinois Department of Human Services. Historically, Illinois Department of Human Services has paid for the services provided within 90 days assuming there is no dispute with services.

NOTE 12 – MANAGEMENT RESPONSE TO 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 part of these mitigation measures, the Organization had to make changes in how to operate its programs. In response to the effects of COVID-19, management is implementing strategies to help mitigate the losses in relation to this pandemic. The Organization cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption from this pandemic may impact the Organization’s operations and financial statements.

NOTE 13 – MANAGEMENT RESPONSE TO NET ASSETS DEFICIT AND ITS SUBSEQUENT PLANS

As indicated in the accompanying financial statements, the Organization had a net deficiency in net assets of \$813,613 as of June 30, 2021. The Organization does anticipate that \$8,362,070 of long-term debt will be forgiven once all of the conditions of the loan are met. The conditions of these loans is to provide low-income housing to families and individuals.

Management and the board of directors of the Organization have evaluated these conditions and are actively working on a strategic plan to improve the Organization’s operating performance in various programs, which include new revenue streams, better collections of revenue earned for the rental properties, and reducing cost in various programs.

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
Proviso-Leyden Council for Community Action, Inc.:

We have audited, in accordance with the 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 Proviso-Leyden Council for Community Action, 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, and have issued our report thereon dated November 16, 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) to determine 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.

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
Page two

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 the determination of 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

Warrenville, Illinois
November 16, 2021

INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE

To the Board of Directors of
Proviso-Leyden Council for Community Action, Inc.:

Report on Compliance for Each Major Federal Program

We have audited Proviso-Leyden Council for Community Action, Inc. (a non-profit organization) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2021. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

Independent Auditor's Report
on Compliance for each Major Federal Program
and on Internal Control over Compliance Required
by Uniform Guidance

Page two

Opinion on Each Major Program

In our opinion, the Organization complied, in all material respects, with the type's compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


DUGAN & LOPATKA

Warrenville, Illinois
November 16, 2021

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Number</u>	<u>Total Program Expenditures</u>
Department of Health and Human Services:			
HeadStart			
Direct	93.600		\$ 1,281,926
Direct – COVID	93.600		86,123
Pass-Through -			
Easter Seals of Metropolitan Chicago	93.600		170,846
Easter Seals of Metropolitan Chicago	93.600		<u>599,802</u>
Total HeadStart			2,138,697
Low-Income Home Energy Assistance			
Pass-through -			
Community and Economic Development Association of Cook County (CEDA)	93.568	10-224021	49,068
Block Grant for Prevention & Treatment of Substance Abuse Pass-Through -			
Illinois Department of Human Services	93.959	T1010018	58,340
Opioid STR pass through			
Illinois Department of Human Services	93.788	H79T1081699	5,207
Temporary Assistance for Needy Families Pass-Through -			
Illinois Department of Human Services	93.558	FCSZR04875	<u>222,327</u>
Total U.S. Department of Health and Human Services			<u>2,473,639</u>
Department of Agriculture:			
Child & Adult Care Food Program Pass-Through -			
Illinois State Board of Education	10.558	14-016-016P-00	144,636
Special Supplemental Nutrition Program for Women, Infants and Children Pass-Through -			
CEDA	10.557	10C8002518	<u>43,042</u>
Total Department of Agriculture			<u>187,678</u>

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Number</u>	<u>Total Program Expenditures</u>
Department of the Treasury Coronavirus Relief Fund - COVID Pass-Through -			
Illinois Department of Human Services	21.019	FCSZP05574	250,000
Illinois Department of Human Services	21.019	FCSZC00224	5,052
Illinois Department of Human Services	21.019	FCSZR04875	<u>84,157</u>
Total Coronavirus Relief Fund – COVID			<u>339,209</u> *
Total Department of Treasury			<u>339,209</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS - BEFORE LOANS			<u>3,000,526</u>
Department of Housing and Urban Development: Community Development Block Grants Passed- Through -			
Cook County	14.218		2,000,000
Cook County	14.218		1,863,901
Cook County	14.218		<u>460,024</u>
Total Community Development Block Grants			4,323,925
HOME Investment Partnerships Program Cook County	14.239		<u>4,038,145</u> *
Total Department of Housing and Urban Development			<u>8,362,070</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,362,596</u>

* Major program

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note A - Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Proviso-Leyden Council for Community Action, Inc. (the Organization) (a non-profit organization) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements. Because the Schedule presents only a selected portion of the operations of Proviso-Leyden Council for Community Action, Inc., it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note B - Basis of Accounting:

The accompanying schedule of expenditures of federal awards is presented on the accrual basis of accounting. Such expenditures are recognized following, as applicable, the cost principles in Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where applicable or available.

Note C - Indirect Cost Rates:

The Organization has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance. The Organization used an indirect cost rate approved by the Department of Health and Human Services for the allocation of indirect costs.

Note D - Sub-Recipients

The Organization provided no federal awards to sub-recipients during the fiscal year ended June 30, 2021.

Note E - Non-Cash Awards:

The Organization did not receive any federally funded non-cash assistance during the fiscal year ended June 30, 2021.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Note F - Loans or Loan Guarantees:

In 2013, a loan of \$2,000,000 was received from the U.S. Department of Housing and Urban Development under CFDA number 14.218, passed through Cook County, Illinois, to purchase and renovate a low-income housing building on St. Charles Road in Maywood. The loan is a cash-flow only loan with a thirty-year maturity. The loan requires the Organization to provide low-income housing for a period of 20 years.

Various loans were received during 2014 and 2015 to purchase and renovate a separate low-income housing building in Maywood on Lexington Street. The Organization received a loan from the U.S. Department of Housing and Urban Development under CFDA number 14.218 and the Neighbor Stabilization Program, passed through Cook County, Illinois. The loan is a -0-% interest, cash-flow only loan with a 30-year maturity. Principal will be forgiven in increments of 10% per year beginning in year 21 through 30. The loan requires the Organization to provide low-income housing for a period of 15 years. The outstanding balance on the loan at June 30, 2019 was \$2,323,925.

A second loan of \$4,038,145 was received from the U.S. Department of Housing and Urban Development under CFDA number 14.239 (the Home Investment Partnerships Program 'HOME' program), passed through Cook County, Illinois. The loan is a 0% interest loan and requires principal payments of \$8,400 annually for 25 years as well as \$350 escrow reserve contributions per unit per year. Principal will be forgiven in increments of 20% per year beginning in year 21 through year 25. The loan requires the Organization to provide low-income housing for a period of fifteen years. As of June 30, 2017 the renovation of the Lexington Street property has been completed and the property is housing tenants.

PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

PART 1: SUMMARY OF AUDIT RESULTS:

1. The auditor's report expresses an unmodified opinion on the financial statements of Proviso-Leyden Council for Community Action, Inc.
2. There were no material weaknesses disclosed during the audit of the financial statements. No significant deficiencies related to the audit of the financial statements are reported.
3. No instances of noncompliance material to the financial statements of Proviso-Leyden Council for Community Action, Inc. were disclosed during the audit.
4. There were no material weaknesses disclosed during the audit of the major federal award programs. No significant deficiencies related to the audit of the major federal award program are reported.
5. The auditor's report on compliance for the major federal award programs for Proviso-Leyden Council for Community Action, Inc. expresses an unmodified opinion on all major federal programs.
6. There are no audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a).
7. The programs tested as major programs included:

HOME Investment Partnerships Program	14.239
Coronavirus Relief Fund - COVID	21.019
8. Threshold for distinguishing Types A and B programs was \$750,000.
9. Proviso-Leyden Council for Community Action, Inc. was determined to be a low-risk auditee.

PART 2: FINDINGS - FINANCIAL STATEMENT AUDIT (GAGAS):

None

PART 3: AUDIT FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARDS PROGRAM AUDIT:

There were no audit findings or questioned costs.

Illinois Grant Accountability and Transparency Act Grantee Portal - Audit Consolidated Year-End Financial Report

[Grantee Portal](#) / [Audit Reviews](#) / [Audit](#) / CYEFR

Add a Program

Certify & Submit

	CSFA #	Program Name	\$ State	\$ Federal	\$ Other	\$ Total
View	444-26-0723	Block Grants for Prevention and Treatment of Substance Abuse - OMT	35,264	5,052	565,870	606,186
View	444-26-1552	Substance Use Prevention Services	13,099	58,340	0	71,439
View	444-26-1755	Illinois State Opioid Response (SOR) Grant	0	5,207	0	5,207
View	444-80-1411	Teen REACH (Responsibility, Education, Achievement, Caring and Hope)	0	305,484	0	305,484
View	444-80-2377	Illinois Youth Investment Program	123,533	250,000	0	373,533
View	482-00-2107	Harm Reduction Community Linkages Project	74,624	0	0	74,624
View	546-00-2448	Violence Prevention - Proviso Leyden Community Council for	554,707	0	0	554,707
Totals:			1,280,607	3,000,526	3,673,564	7,954,697

		Community Action				
View	586-18-0409	Child and Adult Care Food Program	0	144,636	0	144,636
View	586-43-2207	State Programs - Low-Income Advanced Placement Fee	0	0	0	0
View	586-44-2222	Early Childhood Block Grant	479,381	0	0	479,381
View	586-44-2467	Federal Programs - Early Childhood Governor's Emergency Education Relief Fund	0	0	0	0
View		Other grant programs and activities		2,231,807	967,087	3,198,894
View		All other costs not allocated			2,140,607	2,140,607
Totals:			1,280,607	3,000,526	3,673,564	7,954,697

Please note the following:

- The CYEFR may be pre-populated with programs based on existing awards in the GATA system. These programs cannot be removed. If no spending occurred in a program leave the amounts at zero.
- Any grant expenditures not associated with funding received through the State of Illinois are to be entered in "Other grant programs and activities". The expenditures must be identified as federal (direct or pass-through) or other funding.
- All other expenditures not related to grants are to be entered in "All other costs not allocated".
- The grand total must account for all expenditures for the fiscal year and must tie to the audited financials.