

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2024 AND 2023**

(With Independent Auditor's Reports)



**Wieland Wallace Inc.**  
Certified Public Accountants

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

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2024 AND 2023**

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on Consolidated Financial Statements

#### **Opinion**

We have audited the accompanying consolidated financial statements of Proviso-Leyden Council for Community Action, Inc. (a nonprofit organization), which comprise the consolidated statement of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Proviso-Leyden Council for Community Action, Inc. as of June 30, 2024, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis of Opinion**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Proviso-Leyden Council for Community Action, Inc. and to meet out other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **2023 Consolidated Financial Statements**

The consolidated financial statements of Proviso-Leyden Council for Community Action, Inc. as of June 30, 2023 were audited by other auditors whose report dated March 30, 2024, expressed an unmodified opinion on those statements.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Proviso-Leyden Council for Community Action, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Proviso-Leyden Council for Community Action, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Proviso-Leyden Council for Community Action, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* 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 consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the consolidated 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 20, 2024, on our consideration of Proviso-Leyden Council for Community Action, Inc.'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 solely 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 effectiveness of Proviso-Leyden Council for Community Action, Inc.'s 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 Proviso-Leyden Council for Community Action, Inc.'s internal control over financial reporting and compliance.

*Wieland Wallace Inc.*

Batavia, Illinois  
December 20, 2024

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

**STATEMENTS OF FINANCIAL POSITION**

	<u>June 30,</u>	
	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash	\$ 587,681	\$ 780,268
Accounts receivable, less allowance for uncollectible accounts (2024, \$79,700; 2023, \$75,900)	799,823	1,110,752
Prepaid expenses	24,338	27,078
Escrows and reserves	82,995	60,377
Property and equipment		
Organization's facility	4,511,031	4,367,589
Rental properties	10,818,060	10,907,266
Other property and equipment	1,115,965	862,072
Total fixed assets	<u>16,445,056</u>	<u>16,136,927</u>
Less accumulated depreciation	<u>(6,838,546)</u>	<u>(6,273,487)</u>
 Net fixed assets	 <u>9,606,510</u>	 <u>9,863,440</u>
 <b>TOTAL ASSETS</b>	 <b>\$ <u>11,101,347</u></b>	 <b>\$ <u>11,841,915</u></b>
<b>LIABILITIES</b>		
Accounts payable	\$ 589,522	\$ 516,449
Accrued expenses	214,007	137,932
Contract advances and deferred revenue	879,377	393,464
Security deposits	41,004	50,204
Notes payable		
Line of credit	-	639,720
Mortgage notes	10,032,416	10,052,762
 <b>TOTAL LIABILITIES</b>	 <b>11,756,326</b>	 <b>11,790,531</b>
<b>NET ASSETS (DEFICIT)</b>		
Without donor restrictions	<u>(654,979)</u>	<u>51,384</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <b>\$ <u>11,101,347</u></b>	 <b>\$ <u>11,841,915</u></b>

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

**STATEMENTS OF ACTIVITIES**

	Year Ended June 30, 2024			Year Ended June 30, 2023		
	Without Donor Restriction	With Donor Restriction	2024 Total	Without Donor Restriction	With Donor Restriction	2023 Total
	<b>SUPPORT AND REVENUES</b>					
Contributions	\$ 398,278	\$ -	\$ 398,278	\$ 344,773	\$ -	\$ 344,773
In-kind donations	77,875	-	77,875	94,500	-	94,500
Grants and reimbursements	9,228,452	-	9,228,452	9,583,534	-	9,583,534
Maywood Child Development	51,180	-	51,180	62,313	-	62,313
OASA	760	-	760	3,260	-	3,260
Income from rental properties	591,717	-	591,717	657,643	-	657,643
Miscellaneous	6,439	-	6,439	40,659	-	40,659
<b>TOTAL SUPPORT AND REVENUES</b>	<b>10,354,701</b>	<b>-</b>	<b>10,354,701</b>	<b>10,786,682</b>	<b>-</b>	<b>10,786,682</b>
<b>EXPENSES</b>						
Program services						
Agency	8,477,693	-	8,477,693	7,760,951	-	7,760,951
Rental properties	1,160,144	-	1,160,144	1,171,033	-	1,171,033
Total program services	9,637,837	-	9,637,837	8,931,984	-	8,931,984
Supporting services						
Mangement and general	1,281,515	-	1,281,515	1,382,619	-	1,382,619
Fundraising	141,712	-	141,712	55,794	-	55,794
Total supporting services	1,423,227	-	1,423,227	1,438,413	-	1,438,413
<b>TOTAL EXPENSES</b>	<b>11,061,064</b>	<b>-</b>	<b>11,061,064</b>	<b>10,370,397</b>	<b>-</b>	<b>10,370,397</b>
<b>INCREASE (DECREASE) IN NET ASSETS</b>	<b>(706,363)</b>	<b>-</b>	<b>(706,363)</b>	<b>416,285</b>	<b>-</b>	<b>416,285</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>51,384</b>	<b>-</b>	<b>51,384</b>	<b>(364,901)</b>	<b>-</b>	<b>(364,901)</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$(654,979)</b>	<b>-\$</b>	<b>\$(654,979)</b>	<b>\$ 51,384</b>	<b>-\$</b>	<b>\$ 51,384</b>

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

**STATEMENTS OF FUNCTIONAL EXPENSES**

	YEAR ENDED JUNE 30, 2024					YEAR ENDED JUNE 30, 2023				
	Program Services		Supporting Services			Program Services		Supporting Services		
	Program Services	Rental Property	Management		2024 Total	Program Services	Rental Property	Management		2023 Total
			General	Fundraising				General	Fundraising	
<b>PERSONNEL COSTS</b>										
Salaries and wages	\$ 4,770,160	\$ 205,003	\$ 809,270	\$ 56,358	\$ 5,840,791	\$ 3,125,784	\$ 132,496	\$ 569,887	\$ -	\$ 3,828,167
Employee benefits	77,650	7,198	13,217	918	98,983	87,722	3,139	30,411	-	121,272
Payroll taxes	339,348	18,702	57,762	4,011	419,823	281,639	11,385	50,866	-	343,890
<b>TOTAL PERSONNEL COSTS</b>	<b>5,187,158</b>	<b>230,903</b>	<b>880,249</b>	<b>61,287</b>	<b>6,359,597</b>	<b>3,495,145</b>	<b>147,020</b>	<b>651,164</b>	<b>-</b>	<b>4,293,329</b>
<b>OTHER EXPENSES</b>										
Advertising	88,906	-	52,368	4,140	145,414	95,020	-	397	-	95,417
Client services	464,336	-	9,038	42,401	515,775	108,033	84,207	1,888	406	194,534
Contract and professional fees	474,245	36,908	169,567	14,113	694,833	1,373,810	70,037	142,025	9,480	1,595,352
Insurance	74,868	76,171	12,743	885	164,667	3,649	66,310	74,478	3,551	147,988
Interest	-	17,781	-	-	17,781	-	29,618	67	-	29,685
Depreciation	197,430	324,572	33,605	2,334	557,941	-	436,114	129,940	-	566,054
Miscellaneous	11,925	-	9,240	2,005	23,170	117,049	24,421	30,358	10	171,838
Bad debt expense	-	233,726	-	-	233,726	12,186	74,875	-	6,804	93,865
Occupancy	280,371	225,991	47,723	3,314	557,399	347,752	160,024	184,113	-	691,889
Real estate taxes	-	14,092	-	-	14,092	-	43,633	-	-	43,633
Program subcontractors	1,325,106	-	-	-	1,325,106	1,679,171	-	-	-	1,679,171
Postage and printing	739	-	2,498	183	3,430	826	-	1,767	-	2,593
Seminars, conventions, training	39,089	-	15,976	475	55,540	27,959	-	750	-	28,709
Supplies	201,901	-	31,811	9,321	243,033	413,244	34,774	114,293	35,543	597,854
Telephone	97,128	-	16,532	1,148	114,808	56,980	-	48,594	-	105,574
Travel	34,491	-	165	106	34,762	30,127	-	2,785	-	32,912
<b>TOTAL OTHER EXPENSES</b>	<b>3,290,535</b>	<b>929,241</b>	<b>401,266</b>	<b>80,425</b>	<b>4,701,477</b>	<b>4,265,806</b>	<b>1,024,013</b>	<b>731,455</b>	<b>55,794</b>	<b>6,077,068</b>
<b>TOTAL EXPENSES</b>	<b>\$ 8,477,693</b>	<b>\$ 1,160,144</b>	<b>\$ 1,281,515</b>	<b>\$ 141,712</b>	<b>\$ 11,061,074</b>	<b>\$ 7,760,951</b>	<b>\$ 1,171,033</b>	<b>\$ 1,382,619</b>	<b>\$ 55,794</b>	<b>\$ 10,370,397</b>

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

**STATEMENTS OF CASH FLOWS**

	<b>Years Ended June 30,</b>	
	<b>2024</b>	<b>2023</b>
<b><u>CASH FLOW FROM OPERATING ACTIVITIES</u></b>		
Increase (decrease) in net assets	\$ (706,363)	\$ 416,285
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	565,059	566,054
Provision for uncollectible accounts	233,726	93,865
Forgiveness of note payable, line of credit	(171,480)	-
Write-off of prior accounts payable	-	322,540
Decrease (Increase) in operating assets		
Receivables	77,203	(494,746)
Prepaid expenses	2,740	(11,748)
Increase (decrease) in operating liabilities		
Accounts payable	73,073	(402,589)
Accrued expenses	76,075	(244,656)
Contract advances and deferred revenue	485,913	119,828
Security deposits	(9,200)	-
<b><u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u></b>	<b>626,746</b>	<b>364,833</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchase of property and equipment and other assets	(308,129)	(364,152)
<b><u>NET CASH USED BY INVESTING ACTIVITIES</u></b>	<b>(308,129)</b>	<b>(364,152)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Borrowings (repayments) on note payable, line of credit	(468,240)	303,740
Repayments of other notes payable	(20,346)	(21,665)
<b><u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u></b>	<b>(488,586)</b>	<b>282,075</b>
<b><u>NET INCREASE (DECREASE) IN CASH</u></b>	<b>(169,969)</b>	<b>282,756</b>
<b><u>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</u></b>	<b>840,645</b>	<b>557,889</b>
<b><u>CASH AND CASH EQUIVALENTS, END OF YEAR</u></b>	<b>\$ 670,676</b>	<b>\$ 840,645</b>
<b><u>SUPPLEMENTAL DISCLOSURES</u></b>		
Interest paid	\$ 17,781	\$ 29,685
<b><u>CASH AND CASH EQUIVALENTS</u></b>		
Cash	\$ 587,681	\$ 780,268
Escrows and reserves	82,995	60,377
<b><u>TOTAL CASH AND CASH EQUIVALENTS</u></b>	<b>\$ 670,676</b>	<b>\$ 840,645</b>



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

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### NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2024 AND 2023

#### NOTE 1 - NATURE OF ACTIVITIES

Proviso Leyden Council for Community Action, Inc. (the Organization or PLCCA) is an Illinois not-for-profit corporation incorporated in August 1970 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 such as on-site and off-site Head Start programs, after school programs and various Community and Economic Development Association of Cook County, Inc. (CEDA) programs including Women, Infants and Children (WIC), and Low-Income Home Energy Assistance Program (LIHEAP). The Organization also owns and manages five low-income rental housing properties in Maywood, Illinois and Lynwood, Illinois, including the two subsidiaries mentioned below. These financial statements are consolidated with two Illinois limited liability companies each owned 100% by the Organization which own and operate low-income rental housing properties, 1705-1711 St. Charles Apartments, LLC (St. Charles) and Lexington Manor, LLC (Lexington). All significant intercompany transactions and accounts have been eliminated.

#### NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### BASIS OF PRESENTATION

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and accordingly reflect all significant receivables, payables and other liabilities. The Organization reports information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. Government grants which require submission of vouchers for reimbursement are classified as net assets without donor restrictions since funds are received after outlay of approved expenses. As of June 30, 2024 and 2023, there were no net assets with donor restrictions. Contributions are recorded as net assets without donor restrictions unless the funds are conditional or designated for future periods. Grant advances are recorded as deferred revenue according to Accounting Standards Codification (ASC) 958-605 since the funds are conditional and may be required to be returned if conditions are not met.

##### CASH AND CASH EQUIVALENTS

The Organization defines cash and cash equivalents as bank accounts maintained for various programs and rental properties and highly liquid, short-term investments with a maturity at the date of acquisition of three months or less.

##### ACCOUNTS RECEIVABLE

Accounts receivable consist primarily of grants and contract fees receivable and are stated at contracted amounts, or the amount to be reimbursed based on contractual terms. All grants receivable are expected to be received within one year. Grants deemed uncollectible are charged to expense. Rent receivables are deemed collectible unless there is a history of arrears which is recorded as an allowance for doubtful accounts unless an action such as legal action or the tenant's move-out causes the Organization to charge the uncollectible rent directly to expense.

##### PROPERTY AND EQUIPMENT

Property and equipment are carried at cost if purchased or fair value at the date received 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), equipment and furniture (5-7 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.

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

Notes to Financial Statements (Continued)

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### 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 the construction project. An impairment loss is 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.

### ESCROW RESERVES

Escrow reserves are maintained by Illinois Housing Development Authority on behalf of St. Charles for real estate taxes (prior to 2024), property insurance and general reserves, and are restricted for those purposes.

### LEASES

The Organization has elected to not apply FASB Accounting Standards Update (ASU) 2016-02 Leases (Topic 842). The Organization has leases for off-site locations, of which two lessors are churches who characterize the lease payments as donations. This departure from generally accepted accounting principles, due to the decision not to record right-of-use lease assets and lease liabilities on the balance sheet of lessees for operating leases, is not significant to the Organization's financial statements.

### REVENUE RECOGNITION

Unrestricted contributions are reported as revenue received without donor restrictions. Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the same reporting period in which revenue is recognized. Revenue from cost-reimbursable federal and state contracts and grants is 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. Program service fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for those services. Income from rental properties is recorded at the amount the tenant is contractually obligated to pay, with an allowance for doubtful accounts if the tenant is significantly in arrears or direct charge to expense if the tenant moves out with an outstanding balance.

### DONATED SERVICES AND FACILITIES

Values have not been recorded for the services of volunteers and Board members for program activities and supporting services for which no basis of objective measurement is available. Donated services from professionals or organizations who regularly provide and charge for those services in the course of business are valued at the fair value of those services. During the years ended June 30, 2024 and 2023 the Organizations received donated advertising for its Early Head Start Child Care Partnership valued at \$77,875 and \$94,500 annually, respectively.

### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing various programs and support activities are summarized on a functional basis in the statement of functional expenses. Certain costs such as salaries and wages, occupancy, supplies and professional fees have been allocated the amount the program and supporting services benefitted based on an analysis of personnel time and effort and space utilized for the related activities.

### USE OF ESTIMATES

The preparation of financial statements in conformity with auditing standards generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# PROVISO-LEYDEN COUNCIL FOR COMMUNITY ACTION, INC.

Notes to Financial Statements (Continued)

## INCOME TAXES

The IRS has determined that the Organization is a tax-exempt organization as described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation within the meaning of Section 509 (a) of the Code. The effective date of the exemption is February 1974. The Organization has adopted the requirements for accounting for uncertain tax positions and management has determined that the Organization was not required to record a liability related to uncertain tax positions as of June 30, 2024 and as of June 30, 2023.

## MANAGEMENT'S REVIEW

Management evaluates subsequent events through the date the financial statements are available for issue, which is the date of the Independent Auditors' Report.

## NOTE 3 – MORTGAGE NOTES

Mortgage notes consist of a mortgage on the Lexington Avenue building with Hinsdale Bank, which was renewed for five years effective May 17, 2024, at 7.0% interest with monthly payments of \$3,400, a mortgage on the St. Charles Avenue building with Illinois Housing Development Authority (IHDA) at 0% interest with monthly payments of \$875, and five Federal loans under the Community Development Block Grant Program (CDBG) and Home Investment Partnership Program (HIP) against various buildings which have a provision allowing for forgiveness of the loans if the rental properties remain in use as low-income housing. At June 30, 2024 and 2023, the balance on the Hinsdale Bank mortgage was \$414,010 and \$424,916, respectively. The balance on the IHDA mortgage was \$228,561 and \$238,000 at each June 30, 2024 and 2023, respectively.

The Federal loans were as follows at June 30, 2024 and 2023:

<u>Collateral</u>	<u>Program</u>	<u>Start</u>	<u>Balance</u>	<u>FY24 Paid</u>	<u>Yrs Req Use</u>	<u>Term</u>
St. Charles	CDBG	2013	\$ 2,000,000	\$ 0	20	30 years
Lexington	CDBG	2014	1,863,901	0	15	30 years
Lexington	CDBG	2016	460,024	0	15	30 years
Lexington	HIP	2014	4,038,145	0	15	25 years
Goodell	HIP	1999	<u>1,027,775</u>	0	20*	25 years
			<u>\$ 9,389,845</u>		*20 yrs from 5/2001	

Total mortgage notes payable of \$10,032,416 and \$10,052,752 at June 30, 2024 and 2023, respectively, include the Federal loans of \$9,389,845, which are expected to be discharged at maturity if terms are met.

## NOTE 4 – LINE OF CREDIT

The Organization has an unsecured line of credit from Maywood Phoenix Homes, Inc., a nonprofit organization, which is non-interest bearing and due on demand. The balance remaining of \$171,480 was forgiven as a donation during the year ended June 30, 2024. At June 30, 2023, the outstanding balance was \$639,720.

## NOTE 5 – LEASE OBLIGATIONS

The Organization leased operating space and office equipment on a month to month basis for the years ended June 30, 2024 and 2023, totaling \$33,556 and \$45,053, respectively.

## NOTE 6 – 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.

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

Notes to Financial Statements (Continued)

**NOTE 7 – CONCENTRATIONS OF CREDIT RISK**

The Organization’s cash balances may, at times, exceed the federally insured limit of \$250,000 at a financial institution. However, the Organizations have not experienced any losses in such accounts and management does not believe that they are exposed to any significant credit risk.

A substantial portion of the Organization’s support and revenues is derived from federal, state and county grants and contracts. Accordingly, ongoing funding is subject to decisions and actions by various legislative bodies and regulatory agencies.

**NOTE 8 – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS**

The Organization regularly monitors liquidity to meet operating needs and other commitments, and to maintain a sufficient level of liquid reserves to provide reasonable assurance that these needs and commitments can continue to be met. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date are as follows at June 30, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Cash	\$ 587,681	\$ 780,268
Accounts receivable	799,823	1,110,752
Escrows and reserves	<u>82,995</u>	<u>60,377</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,470,499</u>	<u>\$ 1,951,397</u>

SUPPLEMENTARY INFORMATION

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

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2024**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Living Number</u>	<u>Pass-through Contract Number</u>	<u>Federal Expenditures</u>
<b>U.S. Department of Agriculture</b>			
Passed through the Community and Economic Development Assoc. of Cook Co. WIC Special Supplemental Nutrition Program for Women, Infants, and Children	10.557	10C8002518	45,006
		<b>Total 10.557</b>	<b>45,006</b>
Passed through the Illinois State Board of Education Child and Adult Care Food Program	10.558	14-016-016P-00	142,092
Child and Adult Care Food Program - Summer Feeding Program	10.558	14-016-016P-00	24,869
		<b>Total 10.558</b>	<b>166,961</b>
<b>U.S. DEPARTMENT OF AGRICULTURE TOTAL</b>			<b>211,967</b>
<b>U.S. Department of Housing and Urban Development</b>			
Passed through Cook County * Community Development Block Grant	14.218		2,000,000
* Community Development Block Grant	14.218		1,863,901
		<b>Total 14.218</b>	<b>3,863,901</b>
Passed through Cook County Community Development Block Grant/State's Program	14.228		460,024
		<b>Total 14.228</b>	<b>460,024</b>
* Passed through Cook County Home Investment Partnerships Program	14.239		4,038,144
		<b>Total 14.239</b>	<b>4,038,144</b>
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TOTAL</b>			<b>8,362,069</b>
<b>U.S. Department of Labor</b>			
Passed through the Chicago Cook Workforce Partnership WIOA Adult Program	17.258		98,849
		<b>Total 17.258</b>	<b>98,849</b>
<b>U.S. DEPARTMENT OF LABOR TOTAL</b>			<b>98,849</b>
<b>U.S. Department of Treasury</b>			
Passed through Illinois Department of Human Services Coronavirus State and Local Fiscal Recovery Funds	21.027	FCSCR04875	55,816
Coronavirus State and Local Fiscal Recovery Funds	21.027	FCSCX06832	79,385
Coronavirus State and Local Fiscal Recovery Funds	21.027	FCSCX06832	120,506
Coronavirus State and Local Fiscal Recovery Funds	21.027	FCSCP05574	203,502
Coronavirus State and Local Fiscal Recovery Funds	21.027	FCSBX06832	27,399
Coronavirus State and Local Fiscal Recovery Funds	21.027	FCSCH06341	246,216
		<b>Total 21.027</b>	<b>732,824</b>
<b>U.S. DEPARTMENT OF TREASURY TOTAL</b>			<b>732,824</b>
<b>U.S. Department of Health and Human Services</b>			
Passed through the Community and Economic Development Assoc. of Cook Co. Low-Income Home Energy Assistance	93.568	10-224021	68,991
		<b>Total 93.568</b>	<b>68,991</b>
Head Start	93.600		2,354,156
Passed through Easter Seals Metropolitan Chicago Early Head Start	93.600		57,000
Head Start	93.600		234,389
		<b>Total 93.600</b>	<b>2,645,545</b>
Passed through Illinois Department of Human Services Block Grants for Prevention and Treatment of Substance Abuse	93.959	T1010018	1,384
Block Grants for Prevention and Treatment of Substance Abuse	93.959	43CCZ03265	67,370
		<b>Total 93.959</b>	<b>68,754</b>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES TOTAL</b>			<b>2,783,290</b>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS \$</b>			<b>12,188,999</b>

\* Major Program

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

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**YEAR ENDED JUNE 30, 2024**

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**NOTE 1 – 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., under programs of the federal government for the year ended June 30, 2024. The information in the 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 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Organization uses a 23.9% negotiated indirect cost rate unless a specific grant caps the rate at a lower level.

**NOTE 3 – OTHER MATTERS**

Amount of federally-funded non-cash assistance	None
Amount of federal awards provided to sub-recipients	None

**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  
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 *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Proviso-Leyden Council for Community Action, Inc., which comprise the consolidated statements of financial position as of June 30, 2024, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated December 20, 2024.

**Report on 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 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 the 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 or significant deficiencies may exist that were not identified.

**Report on 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 financial statements. 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.

*Wieland Wallace Inc.*

Batavia, Illinois  
December 20, 2024



**Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance**

To the Board of Directors  
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.'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Organization's major federal programs for the year ended June 30, 2024. 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.

In our opinion, Proviso-Leyden Council for Community Action, Inc. complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (Government Auditing Standards); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Proviso-Leyden Council for Community Action, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that our audit evidence is sufficient and appropriate to provide a basis for our opinion on compliance for Proviso-Leyden Council for Community Action, Inc.'s major federal programs. Our audit does not provide a legal determination of Proviso-Leyden Council for Community Action, Inc.'s compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, regulations, rules, and provisions of contracts or grant agreements applicable to Proviso-Leyden Council for Community Action, Inc.'s federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Proviso-Leyden Council for Community Action, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Proviso-Leyden Council for Community Action, Inc.'s compliance with the requirements of its major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Organization's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Organization's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### **Other Matters**

The results of our auditing procedures disclosed no instances of noncompliance which are required to be reported in accordance with the Uniform Guidance.

#### **Report on 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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Wieland Wallace Inc.*

Batavia, Illinois  
December 20, 2024

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

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**YEAR ENDED JUNE 30, 2024**

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**SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unmodified opinion on whether the consolidated financial statements of Proviso-Leyden Council for Community Action, Inc. were prepared in accordance with GAAP.
2. There were no material weaknesses or significant deficiencies disclosed during the audit of the consolidated financial statements.
3. There were 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 or significant deficiencies disclosed during the audit of the major federal award programs.
5. The auditor's report on compliance for each major federal award program for Proviso-Leyden Council for Community Action, Inc. expresses an unmodified opinion.
6. There were no audit findings that are required to be reported in accordance with 2 CFR section 200.516(a).
7. The programs tested as a major program were 14.218 Community Development Block Grants – Entitlement Grants and 14.239 Home Investment Partnership Program.
8. The threshold for distinguishing Types A and B programs was \$750,000.
9. Proviso-Leyden Council for Community Action, Inc. qualified as a low-risk auditee.

**FINDINGS—FINANCIAL STATEMENTS AUDIT**

None

**FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT**

None

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

**CORRECTIVE ACTION PLAN  
YEAR ENDED JUNE 30, 2024**

There were no findings reported for the year ended June 30, 2024

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

**SUMMARY SCHEDULE OF PRIOR FINDINGS  
YEAR ENDED JUNE 30, 2024**

In the firm's report dated March 20, 2024, the firm of Rosalie J. Freidlin Ltd. Reported no findings for the year ended June 30, 2023.