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TRANSITIONAL LIVING SERVICES, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2019

eder, casella & co

TRANSITIONAL LIVING SERVICES, INC.

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Transitional Living Services, Inc.
McHenry, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of

TRANSITIONAL LIVING SERVICES, INC.
(a nonprofit organization)

which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Transitional Living Services, Inc. as of December 31, 2019, 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.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. 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 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 May 5, 2020, on our consideration of Transitional Living Services, 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 Transitional Living Services, 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 Transitional Living Services, Inc.'s internal control over financial reporting and compliance.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
May 5, 2020



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To The Board of Directors
Transitional Living Services, Inc.
McHenry, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of

TRANSITIONAL LIVING SERVICES, INC.
(a nonprofit organization)

which comprise the statement of financial position as of December 31, 2019, and the related 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 May 5, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Transitional Living Services, Inc.'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 Transitional Living Services, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Transitional Living Services, Inc.'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.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether Transitional Living Services, Inc.'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.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
May 5, 2020

FINANCIAL STATEMENTS

TRANSITIONAL LIVING SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

ASSETS

Current Assets		
Cash and Cash Equivalents	\$ 420,491	
Restricted Cash	4,819	
Investments, at fair value	64,563	
Grants Receivable	163,976	
Inventory	10,500	
Other Current Assets	7,572	
Total Current Assets		\$ 671,921
Fixed Assets		
Land	\$ 227,190	
Land Improvements	157,956	
Building and Improvements	879,763	
Transportation Equipment	166,416	
Furniture and Fixtures	11,704	
Less: Accumulated Depreciation	(803,547)	
Net Fixed Assets		639,482
Other Assets		
Security Deposits	\$ 5,135	
Restricted Funded Reserves		
IHDA Operating Reserve	29,643	
IHDA Tax and Insurance Reserve	64,620	
IHDA Replacement Reserve	76,635	
Total Other Assets		176,033
TOTAL ASSETS		<u>\$ 1,487,436</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 7,091	
Accrued Expenses	60,959	
Current Maturities of Long-Term Debt	1,200	
Total Current Liabilities		\$ 69,250
Long-Term Liabilities		
Long-Term Debt, less current maturities	\$ 621,527	
Total Long-Term Liabilities		621,527
Total Liabilities		\$ 690,777
NET ASSETS		
Without Donor Restrictions		
Board Designated	\$ 102,102	
Undesignated	518,840	
With Donor Restrictions	175,717	
Total Net Assets		796,659
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 1,487,436</u>

The Notes to Financial Statements are an integral part of this statement.

TRANSITIONAL LIVING SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Federal Grants	\$ 1,263,148	\$ -	\$ 1,263,148
State and Local Grants	203,551	24,230	227,781
Other Grants	12,500	-	12,500
Fundraising Events	142,593	2,500	145,093
Rental Income	55,294	-	55,294
Contributions	406,353	5,810	412,163
Other Revenue	46,793	7,000	53,793
Investment Return (Net)	5,003	-	5,003
Donated Services and Supplies	397,225	-	397,225
Net Assets Released from Restrictions	17,070	(17,070)	-
Total Revenues, Gains, and Other Support	<u>\$ 2,549,530</u>	<u>\$ 22,470</u>	<u>\$ 2,572,000</u>
EXPENSES			
Program Services			
New Horizons	\$ 722,839	\$ -	\$ 722,839
Employment Program	315,458	-	315,458
SSVF	390,983	-	390,983
Resource Center	170,898	-	170,898
Social Enterprise	303,034	-	303,034
Legacy Corp	145,485	-	145,485
VSH	218,091	-	218,091
Supporting Services			
Management and General	123,851	-	123,851
Fundraising	88,476	-	88,476
Direct Benefits to Donors	6,000	-	6,000
Total Expenses	<u>\$ 2,485,115</u>	<u>\$ -</u>	<u>\$ 2,485,115</u>
CHANGE IN NET ASSETS	\$ 64,415	\$ 22,470	\$ 86,885
NET ASSETS AT BEGINNING OF YEAR	<u>556,527</u>	<u>153,247</u>	<u>709,774</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 620,942</u></u>	<u><u>\$ 175,717</u></u>	<u><u>\$ 796,659</u></u>

The Notes to Financial Statements are an integral part of this statement.

TRANSITIONAL LIVING SERVICES, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	PROGRAM SERVICES								SUPPORTING SERVICES			
	New Horizons	Employment Program	SSVF	Resource Center	Social Enterprise	Legacy Corp	VSH	Total	Management and General	Fundraising	Cost of Direct Benefits to Donors	Total
Salaries	\$ 369,568	\$ 176,301	\$ 153,709	\$ 96,934	\$ 44,816	\$ 60,231	\$ 39,407	\$ 940,966	\$ 52,343	\$ 49,351	\$ -	\$ 1,042,660
Employee Benefits	29,094	24,638	6,429	30	-	-	172	60,363	24,390	-	-	84,753
Payroll Taxes	32,667	15,296	13,112	9,278	6,352	5,011	3,145	84,861	7,170	4,238	-	96,269
Professional Fees	7,109	15,606	3,624	3,093	5,870	36,572	-	71,874	6,544	2,268	-	80,686
Office Expenses	37,110	7,453	13,185	11,290	1,218	10,035	987	81,278	7,202	3,786	-	92,266
Occupancy	65,855	14,666	19,260	11,889	1,831	4,748	480	118,729	1,451	1,595	-	121,775
Travel	28,085	17,002	7,872	3,272	5,538	10,232	4,400	76,401	54	43	-	76,498
Depreciation	58,842	-	-	-	7,250	-	-	66,092	3,860	-	-	69,952
Insurance	27,289	4,098	4,679	1,945	4,638	-	-	42,649	-	-	-	42,649
Donated Supplies Distributed	57,455	32,107	37,177	8,147	223,719	11,829	23,658	394,092	-	3,133	-	397,225
Client Assistance	9,494	2,037	128,286	25,002	-	4,255	145,166	314,240	18,478	253	-	332,971
Administrative	67	3,865	3,616	18	1,302	2,572	676	12,116	472	75	-	12,663
Processing Fees and Charges	-	2,389	34	-	-	-	-	2,423	573	3,226	-	6,222
Event Expenses	204	-	-	-	500	-	-	704	1,314	20,508	6,000	28,526
	\$ 722,839	\$ 315,458	\$ 390,983	\$ 170,898	\$ 303,034	\$ 145,485	\$ 218,091	\$ 2,266,788	\$ 123,851	\$ 88,476	\$ 6,000	\$ 2,485,115

The Notes to Financial Statements are an integral part of this statement.

TRANSITIONAL LIVING SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$	86,885
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities		
Depreciation		69,952
Donated Investments		(7,480)
Unrealized (Gain)/Losses		593
Decrease/(Increase) in Assets:		
Grants Receivable		(58,919)
Other Current Assets		(4,925)
Restricted Funded Reserves		(24,227)
Increase/(Decrease) in Liabilities:		
Accounts Payable		(909)
Accrued Expenses		(21)
Net Cash Flows Provided/(Used) by Operating Activities		<u>\$ 60,949</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Furniture and Equipment	\$	(9,895)
Purchase of Investments		<u>(52,102)</u>
Net Cash Flows Provided/(Used) by Investing Activities		(61,997)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-Term Borrowings	\$	<u>(1,200)</u>
Net Cash Flows Provided/(Used) by Financing Activities		<u>(1,200)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$	(2,248)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR		<u>427,558</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR	\$	<u><u>425,310</u></u>

The Notes to Financial Statements are an integral part of this statement.

TRANSITIONAL LIVING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Transitional Living Services, Inc. (Organization) is an Illinois corporation organized on October 17, 1996 for the purpose of supplying basic needs, shelter, and a number of transitional services to homeless veterans. Support is offered in the areas of grief counseling, career counseling, education and vocational training, mental health treatment, anger management, financial counseling, and substance abuse treatment.

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes.

A. Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net Assets with Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

B. Measure of Operations

The statement of activities reports all changes in net assets, including changes in net assets from operating and nonoperating activities. Operating activities consist of those items attributable to the Organization's ongoing services and interest and dividends earned on investments. Nonoperating activities are limited to resources that generate return from investments and other activities considered to be of a more unusual or nonrecurring nature.

C. Cash and Cash Equivalents

For purposes of these financial statements, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

D. Investments

Investments are stated at fair market value. Unrealized gains and losses are included in the change in net assets.

E. Concentrations of Credit Risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains its cash and cash equivalents in various bank accounts that, at times, may exceed federally insured limits. The

NOTES TO FINANCIAL STATEMENTS (Continued)

Organization's cash and cash equivalent accounts have been placed with high credit quality financial institutions.

F. *Inventories*

Inventory at December 31, 2019 consists of household goods and clothing valued at \$10,500. All inventories are donated and are stated at market value.

G. *Fixed Assets*

Purchase property and equipment is recorded at cost. It is the policy of the Organization to capitalize betterments valued at \$5,000 or greater which materially add to the value of related assets or materially extend the useful life of assets. Normal maintenance and minor equipment purchases are charged to expense. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts with any resulting gain or loss reflected in the current period.

Depreciation is determined using the straight-line method over the estimated useful lives listed below:

	<u>Years</u>
Building and Improvements	27
Land Improvements	2
Furniture and Equipment	5 - 7

H. *Contributions*

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Contributions receivable are due in less than one year and Management represents that such amounts are 100% collectible; therefore, no allowance is provided in the financial statements.

I. *In-kind Contributions*

In-kind contributions of property and equipment are recorded as contributions at the estimated fair value of the property contributed at the date of donation.

In-kind contributions of services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by individuals possessing those skills and would otherwise need to be purchased if not provided by donation. Many individuals volunteer their time and perform a variety of tasks that assist the Organization in carrying out their mission. The Organization generally pays for services requiring specific expertise. However, individuals volunteer their time and perform a variety of tasks that assist the Organization, but these services do not meet the criteria for recognition as contributed services.

J. *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. Such allocations are determined by management on an equitable basis. The

NOTES TO FINANCIAL STATEMENTS (Continued)

expenses that are allocated include occupancy, depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance, and other, which are allocated on the basis of estimates of time and effort.

K. *Estimates*

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenue and expenses. Management evaluates, on an ongoing basis, the estimates and assumptions based on new information. Management represents that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

L. *Income Tax Status*

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and reported no unrelated business income for the year ended December 31, 2019. Management represents there are no uncertain tax position or other provision for income taxes that should be recognized in these financial statements. In addition, the Organization qualifies to receive deductible charitable contributions pursuant to Section 170(b)(1)(A)(vi).

NOTE 2 – CASH AND CASH EQUIVALENTS

The Organization maintains seven bank accounts at three financial institutions. Accounts at the institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Cash at December 31, 2019 exceeded federally insured limits by \$91,959. The Organization is working with the bank to determine how to best protect any future balance over the FDIC insurance limit.

NOTE 3 - INVESTMENTS

Investments are stated at fair market value and consist of the following:

	Cost	Fair Market Value	Unrealized Appreciation
Stocks	\$ -	\$ 12,461	\$ 12,461
Mutual Funds	50,000	52,102	2,102
	<u>\$ 50,000</u>	<u>\$ 64,563</u>	<u>\$ 14,563</u>

Investment income for the year ended December 31, 2019 consists of the following:

Interest and Dividends	\$ 7,842
Unrealized Gain/(Loss) on Investments	(593)
Administrative Fees	(2,246)
	<u>\$ 5,003</u>

NOTE 4 - FAIR VALUE MEASUREMENT

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- *Level 2.* Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets in markets that are not active;
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available, the Organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

Fair values approximate carrying value for all assets and current liabilities, measured on a recurring basis, at December 31, 2019. All are considered Level 1 observable inputs; the carrying amount approximates fair value because of the short maturities thereof.

	Fair Value Measurements Using	
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Stocks	\$ 12,461	\$ 12,461
Mutual Funds	52,102	52,102
	<u>\$ 64,563</u>	<u>\$ 64,563</u>

NOTE 5 - AVAILABILITY AND LIQUIDITY

The following table shows the total financial assets held by the Organization and the amounts of those financial assets that could be readily made available within one year of the balance sheet date to meet general expenses:

Financial Assets at Year End:

Cash and Cash Equivalents	\$ 425,310
Grant Receivable	163,976
Investments	64,563
Total Financial Assets	<u>\$ 653,849</u>

Less amounts not available to be used within one year:

Net assets with donor restrictions	\$ 175,717
Quasi endowment established by the board	102,102
	<u>\$ 277,819</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 376,030</u>

The Organization's goal is generally to maintain financial assets to meet 90 days of operating expenses and is to manage liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining enough reserves to provide reasonable assurance that long-term obligations will be fulfilled. Annually, the board designates a portion of funds to its liquidity reserve, which was \$102,102

NOTES TO FINANCIAL STATEMENTS (Continued)

as of December 31, 2019. This fund was established for the IHDA mortgage due in 2031 by the governing board with strict restrictions; however, it may be drawn upon for anything other than the IHDA mortgage only with board resolution in the event of financial distress or an immediate liquidity need resulting from events outside the typical life cycle of converting financial assets to cash or settling financial liabilities. During the year ending December 31, 2019, the level of liquidity was managed within the policy requirements.

NOTE 6 - FIXED ASSETS

A summary of fixed assets shows:

	Cost	Accumulated Depreciation	Book Value
Land	\$ 227,190	\$ -	\$ 227,190
Land Improvements	157,956	98,607	59,349
Building and Improvements	879,763	571,572	308,191
Transportation Equipment	166,416	121,664	44,752
Furniture & Fixtures	11,704	11,704	-
	<u>\$ 1,443,029</u>	<u>\$ 803,547</u>	<u>\$ 639,482</u>

Depreciation expense for the year ended December 31, 2019 was \$69,952.

NOTE 7 - MORTGAGE PAYABLE

Mortgage payable consisted of the following at December 31, 2019:

	Maturity Date	Interest Rate	Security	Face Amount	Carrying Amount
Illinois Housing Development Authority Mortgage	9/1/2031	0.00%	Building	\$ 644,727	\$ 622,727

At December 31, 2019 the annual debt service requirements to service the mortgage payable are:

Year Ending December 31	Principal	Interest	Total
2020	\$ 1,200	\$ -	\$ 1,200
2021	1,200	-	1,200
2022	1,200	-	1,200
2023	1,200	-	1,200
2024	1,200	-	1,200
Thereafter	616,727	-	616,727
	<u>\$ 622,727</u>	<u>\$ -</u>	<u>\$ 622,727</u>

NOTE 8 - NET ASSETS

A. With Donor Restriction

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. Donor restricted net assets are available at December 31, 2019 for the following purposes:

With Donor Restrictions	
Military Banner Program	\$ 4,816
IHDA Operating Reserve	29,643
IHDA Tax and Insurance Reserve	64,620
IHDA Replacement Reserve	76,638
	<u>\$ 175,717</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors were \$17,070 during the year ended December 31, 2019.

B. Without Donor Restriction

Designated - Net assets not subject to donor-imposed stipulations but designated for specific purposes by the Board.

The Organization has net assets that are Board designated for the following purposes:

New Horizons Balloon Mortgage Payment	\$	102,102
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NOTE 9 - OPERATING LEASES

On September 6, 2019 the Organization entered into a lease agreement for office space. The lease term is October 1, 2019 to September 30, 2022. Rental expense was \$2,400 for the year ended December 31, 2019.

On November 1, 2016 the Organization entered into a lease agreement for office space. This agreement was renewed November 1, 2019 for one year and increases the monthly rental payments from \$3,157 to \$3,278. Rental expense was \$38,126 for the year ended December 31, 2019.

On August 15, 2017 the Organization enter into a lease agreement for office space. This agreement was renewed November 1, 2019 for one year and increases the monthly rental payments from \$600 to \$650. Rental expense was \$7,300 for the year ended December 31, 2019.

Future lease payments are as follows:

Year Ending December 31	
2020	\$ 48,885
2021	9,600
2022	7,200
	<u>\$ 65,685</u>

The total expense for operating leases for the year ended December 31, 2019 was \$47,826.

NOTE 10 - IN-KIND DONATIONS

Donated marketable securities and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation. As of December 31, 2019, the Organization has recorded \$4,520 of donated vehicles (under capitalization threshold) and \$392,705 of other non-cash donations.

NOTE 11 - CONCENTRATION/CONTINGENCIES

For the year ended December 31, 2019 the funding received from the Federal Health Care Center represented 25% of total revenues and 51% of Federal revenues. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Organization's programs and activities. These programs are subject to review by the grantors or their representatives. The reviews of certain of these programs for the year ended December 31, 2019 have not been completed. Accordingly, the Organization's compliance with applicable requirements will be established at some future date. The amount, if any, of expenditures that may be disallowed by the governmental agencies cannot be determined at this time.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 12 - SUBSEQUENT EVENTS

The Organization is not aware of any material subsequent events through May 5, 2020, the date on which the financial statements were available to be issued.

Prior to the date of this report, the COVID-19 outbreak in the United States has created disruptions in various businesses/non-profits and will continue to impact these organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of time. The extent of the impact on the Organization is uncertain and cannot be reasonably estimated at this time.

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION



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

To the Board of Directors
Transitional Living Services, Inc.
McHenry, Illinois

Report on Compliance for Each Major Federal Program

We have audited

TRANSITIONAL LIVING SERVICES, INC.'s

compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Transitional Living Services, Inc.'s major federal programs for the year ended December 31, 2019. Transitional Living Services, Inc.'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 applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Transitional Living Services, Inc.'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 Transitional Living Services, Inc.'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 Transitional Living Services, Inc.'s compliance.

Opinion on Each Major Federal Program

In our opinion, Transitional Living Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2019.

Report on Internal Control Over Compliance

Management of Transitional Living Services, Inc. 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 Transitional Living Services, Inc.'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 the 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 Transitional Living Services, Inc.'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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Eder, Casella & Co.
EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
May 5, 2020

TRANSITIONAL LIVING SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2019

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Contract Number	Dates of Program	Program or Award Amount	Revenue Recognized 1/1/19 to 12/31/19	Expenditures 1/1/19 to 12/31/19	Revenue Recognized Inception to 12/31/19	Expenditures Inception to 12/31/19
U.S. Department of Labor								
Passed Through:								
Assistant Secretary for Veteran's Employment and Training Services								
Homeless Veterans Reintegration Project	17.805	#HV-33318-19-60-5-17	7/1/19 - 6/30/20	\$ 300,000	\$ 148,886	\$ 148,886	\$ 148,886	\$ 148,886
Homeless Veterans Reintegration Project	17.805	#HV-32062-18-60-5-17	7/1/18 - 6/30/19	300,000	139,168	139,168	273,526	273,526
Total U.S. Department of Labor				<u>\$ 600,000</u>	<u>\$ 288,054</u>	<u>\$ 288,054</u>	<u>\$ 422,412</u>	<u>\$ 422,412</u>
U.S. Department of Veterans Affairs								
Passed Through:								
Federal Health Care Center								
Supportive Services for Veterans Families (M)	64.033	#14-ZZ-308	10/1/19 - 9/30/20	\$ 358,554	\$ 77,523	\$ 77,523	\$ 77,523	\$ 77,523
Supportive Services for Veterans Families (M)	64.033	#14-IL-308	10/1/18 - 9/30/19	351,523	261,611	261,611	351,523	351,523
Homeless Providers Grant and Per Diem Program	64.024	#TLS1887-0939-556-SI-19	10/1/19 - 9/30/20	354,049	83,685	83,685	83,685	83,685
Homeless Providers Grant and Per Diem Program	64.024	#03-140-IL	10/1/18 - 9/30/19	345,728	227,044	227,044	307,538	307,538
Total U.S. Department of Justice				<u>\$ 1,409,854</u>	<u>\$ 649,863</u>	<u>\$ 649,863</u>	<u>\$ 820,269</u>	<u>\$ 820,269</u>
U.S. Department of Housing and Urban Development								
Passed Through:								
Special Needs Assessment Program								
Emergency Shelter Grants Program	14.231	#FCSYH04785	7/1/19 - 6/30/20	\$ 26,892	\$ 18,129	\$ 18,129	\$ 18,129	\$ 18,129
Emergency Shelter Grants Program	14.231	#FCSXH04785	7/1/18 - 6/30/19	26,003	1,717	1,717	26,003	26,003
Continuum of Care Program	14.267	#IL1580L5T001801	7/1/19 - 6/30/20	76,568	3,303	3,303	3,303	3,303
Continuum of Care Program	14.267	#IL1580L5T001700	07/01/18 - 06/30/19	77,060	35,396	35,396	77,060	77,060
Continuum of Care Program	14.267	#IL1581L5T001801	10/01/19 - 9/30/20	57,495	28,076	28,076	28,076	28,076
Continuum of Care Program	14.267	#IL1581L5T001700	10/01/18 - 09/30/19	56,929	52,789	52,789	56,929	56,929
HOME Investment Partnership Program	14.239	#M18-UC-17-0219	01/01/19 - 10/31/20	50,000	50,000	50,000	50,000	50,000
Community Development Block Grant	14.218	#B18-UC-17-007	02/01/19 - 09/30/19	25,000	25,000	25,000	25,000	25,000
Community Development Block Grant	14.218	#B18-UC-17-007	04/1/19 - 10/31/19	7,500	7,500	7,500	7,500	7,500
Total U.S. Department of Housing and Urban Development				<u>\$ 403,447</u>	<u>\$ 221,910</u>	<u>\$ 221,910</u>	<u>\$ 292,000</u>	<u>\$ 292,000</u>
Corporation for National and Community Service								
Passed Through:								
Arizona State University								
Legacy Corps for Veterans and Military Families	94.006	#ASUB00000233	09/01/18 - 08/31/21	\$ 118,544	\$ 23,603	\$ 23,603	\$ 23,603	\$ 23,603
Legacy Corps for Veterans and Military Families	94.006	#ASUB00000233	09/01/18 - 08/31/21	112,931	79,718	79,718	87,978	87,978
Total Corporation for National and Community Service				<u>\$ 231,475</u>	<u>\$ 103,321</u>	<u>\$ 103,321</u>	<u>\$ 111,581</u>	<u>\$ 111,581</u>
Total Federal Assistance				<u>\$ 2,644,776</u>	<u>\$ 1,263,148</u>	<u>\$ 1,263,148</u>	<u>\$ 1,646,262</u>	<u>\$ 1,646,262</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

TRANSITIONAL LIVING SERVICES, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2019

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal award activity of Transitional Living Services, Inc. under programs of the federal government for the year ended December 31, 2019. The information in this Schedule is presented in accordance with requirements of the 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 the schedule may differ from amounts presented in, and used in the preparation of, the basic financial statements.

NOTE 2 - SUMMARY OF 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.

NOTE 3 - INDIRECT COST RATE

The Organization has elected not to use the 10 percent de minimis indirect rate as allowed under the Uniform Guidance.

NOTE 4 - SUBRECIPIENTS

The Organization did not provide federal awards to subrecipients during the year ended December 31, 2019.

NOTE 5 - FEDERAL LOANS

There were no federal loans or loan guarantees outstanding at year end.

TRANSITIONAL LIVING SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
DECEMBER 31, 2019

- 1) Summary of auditor's results:
 - a) The auditor's report expresses an unmodified opinion on whether the financial statements of Transitional Living Services, Inc. were prepared in accordance with GAAP.
 - b) No significant deficiencies are reported during the audit of the financial statements. No material weaknesses are reported.
 - c) No instances of noncompliance material to the financial statements of Transitional Living Services, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
 - d) No significant deficiencies in internal control over major federal award programs are reported during the audit of the financial statements. No material weaknesses in internal control over major federal award programs are reported.
 - e) The auditor's report on compliance for the major federal award programs for Transitional Living Services, Inc. expresses an unmodified opinion on all major federal programs.
 - f) There are no audit findings that are required to be reported in accordance with Uniform Guidance 2 CFR section 200.516(a).
 - g) The program tested as a major program was: Support Services for Veterans Families – CFDA #64.033.
 - h) The threshold used for distinguishing between Type A and B programs was \$750,000.
 - i) Transitional Living Services, Inc. was determined to be a low-risk auditee.
- 2) There were no findings relating to the financial statements which are required to be reported.
- 3) There were no findings relating to federal awards which are required to be reported.

TRANSITIONAL LIVING SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

There were no current year financial statement findings.

TRANSITIONAL LIVING SERVICES, INC.
SUMMARY OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2019

SIGNIFICANT DEFICIENCY

FINDING NUMBER: 2018-001

CONDITION:

There are insufficient controls over verifying employees' hours worked are entered properly.

CURRENT STATUS:

The Organization does not have this comment in 2019.

SUPPLEMENTAL IHDA REQUIRED INFORMATION

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
SINGLE YEAR SCHEDULE OF FINANCIAL PERFORMANCE

EXHIBIT A

Exhibit A - IHDA Schedule of Financial Performance

Borrower Name: TLS Veterans
 Property Name: New Horizons
 IHDA Project ID #: 301246
 Year End (MM/DD/YY): 12/31/2019

Balance Sheet

<u>Accounts</u>		<u>Assets</u>	<u>12/31/2019</u>
Total Fixed Assets		\$	567,430.00
		Current Assets	
Cash - project accounts		\$	17,140.00
Cash - partnership accounts		\$	-
Receivables:	Tenant	\$	-
	Allowance for doubtful accounts	\$	-
	HUD	\$	-
	Medicaid	\$	-
	Others	\$	77,891.00
Total Receivables		\$	77,891.00
Prepaid Expenses:	Insurance	\$	-
	Other	\$	-
Total Prepaid Expenses		\$	-
Other Current Assets		\$	-
Total Current Assets		\$	95,031.00
		Deposits Held In Trust	
Cash (Restricted)		\$	-
Less: Tenant Security Deposits		\$	-
Total security deposits held in trust		\$	-
		Restricted Deposits and Funded Reserve	
Real estate tax and insurance escrow		\$	64,620.00
Replacement Reserve		\$	76,635.00
Other Reserves		\$	29,643.00
Total restricted deposits and funded reserves		\$	170,898.00
		Other Assets	
Other Assets		\$	-
Total Assets		\$	833,359.00
		<u>Liabilities</u>	
		Current Liabilities	
Payables:	Accounts payable trade	\$	-
	Other payables	\$	-
Total Payables		\$	-
Other Current Liabilities		\$	600,029.00
Total Current Liabilities		\$	600,029.00

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
SINGLE YEAR SCHEDULE OF FINANCIAL PERFORMANCE

EXHIBIT A

Balance Sheet

Accounts		12/31/2019
	Long-Term Liabilities	
Total Long-Term Liabilities		\$ 622,727.00
	Total Liabilities	<u>\$ 1,222,756.00</u>
	Partners' Equity	
Partners' Equity		\$ (389,397.00)
	Total Liabilities and Partners' Equity (Deficit)	<u>\$ 833,359.00</u>

Statement of Operations

Accounts		12/31/2019
	<u>Revenue</u>	
Rental:	Apartment rentals	\$ 54,744.00
	Rent subsidy	\$ 470,157.00
	Less: Vacancy loss	\$ -
	Less: Rental concessions	\$ -
	Commercial rent	\$ -
	Total Rental Revenue	<u>\$ 524,901.00</u>
Assisted Living:	Assisted living services - tenant	\$ -
	Assisted living services - Medicaid	\$ -
	Meal program revenue	\$ -
	Service revenue	\$ -
	Total Assisted Living Revenue	<u>\$ -</u>
Other:	Other interest	\$ -
	Reserve interest	\$ 2,970.00
	Sundry	\$ 58,149.00
	Commercial rent	\$ -
	Total Other Revenue	<u>\$ 61,119.00</u>
	Total Revenue	<u>\$ 586,020.00</u>
	<u>Operational Expenses</u>	
Administrative:	Office expenses	\$ 725.00
	Property management fees	\$ -
	Administration - contracted services	\$ 1,464.00
	Social programming	\$ 8,769.00
	Legal expenses	\$ -
	Audit expenses	\$ 2,609.00
	Telephone	\$ 9,229.00
	Bad debts	\$ -
	Marketing	\$ 372.00
	Sundry	\$ 94.00
	Other administrative	\$ 59,310.00
	Total Administrative Expenses	<u>\$ 82,572.00</u>
Operating:	Exterminating	\$ -
	Rubbish removal	\$ 4,675.00
	Vehicle and equipment operating	\$ -
	Sundry	\$ -
	Other operating	\$ 15,904.00
	Total Operating Expenses	<u>\$ 20,579.00</u>

Accounts		12/31/2019
Maintenance:	Security	\$ 6,007.00
	Grounds	\$ 21,045.00
	Elevator	\$ -
	Heating and air conditioning	\$ -
	Plumbing	\$ -
	Electrical	\$ -
	Painting and decorating	\$ -
	Appliance repairs	\$ -
	Maintenance - contracted services	\$ -
	Sundry	\$ -
	Other maintenance	\$ -
	Total Maintenance Expenses	\$ 27,052.00
Salaries:	Office/Administrative staff	\$ 402,235.00
	Maintenance	\$ -
	Other salaries	\$ 710.00
	Total Salaries	\$ 402,945.00
Materials & Supplies:	Office	\$ 7,840.00
	Janitors	\$ -
	Maintenance	\$ -
	Other materials and supplies	\$ 20,621.00
	Total Materials and Supplies	\$ 28,461.00
Utilities:	Gas	\$ 3,689.00
	Electricity	\$ 9,354.00
	Water and sewer	\$ 4,601.00
	Other utilities	\$ -
	Total Utilities	\$ 17,644.00
Taxes & Insurance:	Real estate taxes	\$ -
	Property and liability insurance	\$ 1,393.00
	Other taxes	\$ -
	Other insurance	\$ 25,896.00
	Total Taxes and Insurance	\$ 27,289.00
Assisted Living:	Nursing - contracted services	\$ -
	Activity - contracted services	\$ -
	Other service expenses	\$ -
	Total Assisted Living Expenses	\$ -
Miscellaneous:	Detail:	\$ 57,455.00
	Detail:	\$ -
	Total Miscellaneous Expenses	\$ 57,455.00
	Total Operational Expenses	\$ 663,997.00
NOI before financing and entity expenses, depreciation and amortization		\$ (77,977.00)
Financing Expenses		
Mortgage interest		\$ -
Mortgage insurance premium		\$ -
Other expenses		\$ -
	Total Financing Expenses	\$ -

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
SINGLE YEAR SCHEDULE OF FINANCIAL PERFORMANCE

EXHIBIT A

Accounts	12/31/2019
Entity Expenses	
Partnership management fee	\$ -
Incentive management fee	\$ -
Investor services fee	\$ -
Other management fees	\$ -
Total Entity Expenses	\$ -
Total Financing and Entity Expenses	\$ -
Net income before depreciation and amortization	\$ (77,977.00)
Depreciation	\$ 58,842.00
Amortization	\$ -
Net Operating Income	\$ (136,819.00)

Cash Flow Statement	
Accounts	12/31/2019
Cash Flows from Operating Activities	
Rental receipts	\$ 524,901.00
Interest receipts	\$ 2,970.00
Other operating receipts	\$ 58,149.00
Assisted living service receipts	\$ -
Total Receipts	\$ 586,020.00
Administrative expenses paid	\$ 82,572.00
Management fees paid	\$ -
Utilities paid	\$ 17,644.00
Operating and maintenance paid	\$ 479,037.00
Real estate taxes paid	\$ -
Property insurance paid	\$ 1,393.00
Other taxes and insurance paid	\$ 25,896.00
Assisted living expenses paid	\$ -
Other operating expenses paid	\$ 75,141.00
Interest paid on first mortgage	\$ -
Interest paid on second mortgage	\$ -
Interest paid on all other mortgage(s)	\$ -
Mortgage insurance premium paid	\$ -
Miscellaneous financial expenses paid	\$ -
Entity/Construction Expenses Paid (include detail)	
Partnership management fee paid	\$ -
Incentive management fee paid	\$ -
Investor services fee paid	\$ -
Other fees paid	\$ -
Total Disbursements	\$ 681,683.00
Net cash provided by (used in) operating activities	\$ (95,663.00)

Cash Flow Statement	
Accounts	12/31/2019
Cash flows from investing activities	
Net deposits to real estate tax and insurance escrow	\$ (22,865.00)
Net deposits to replacement reserve	\$ (1,362.00)
Net withdrawals from (deposits to) mortgage insurance	\$ -

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
SINGLE YEAR SCHEDULE OF FINANCIAL PERFORMANCE

EXHIBIT A

Net deposits to residual receipts reserve	\$	-
Net withdrawals from (deposits to) other reserves	\$	-
Purchases of fixed assets	\$	-
Net deposits to operating reserve	\$	-
Net cash provided by (used in) investing activities	\$	(24,227.00)

Cash flows from financing activities

Mortgage principal payments - first mortgage	\$	(1,200.00)
Mortgage principal payments - second mortgage	\$	-
Mortgage principal payments - all other mortgage(s)	\$	-
Distributions to partners	\$	-
Net (reimbursements to) proceeds from affiliates	\$	127,677.00
Net cash provided by (used in) financing activities	\$	126,477.00

Net increase (decrease) in cash \$ 6,587.00

Cash, Beginning \$ 10,553.00

Cash, End \$ 17,140.00

Long-Term Debt Detail

Lien	Lender	Balance	Int. Rate	Annual D/S	Maturity
1	ILLINOIS HOUSING DEVELOPMENT AUTHORITY	\$622,727	0.00%		9/1/2031
2					
3					
4					
5					
6					
7					
8					