



815.344.1300 mchenry
847.382.3366 barrington
847.336.6455 gurnee
www.edercasella.com

TRANSITIONAL LIVING SERVICES, INC.

AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2020

eder, casella & co

TRANSITIONAL LIVING SERVICES, INC.

TABLE OF CONTENTS

DECEMBER 31, 2020

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
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 <i>GOVERNMENT AUDITING STANDARDS</i>	3
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Activities	6
Statement of Functional Expenses	7
Statement of Cash Flows	8
Notes to Financial Statements	9
ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION	
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	16
Schedule of Expenditures of Federal Awards	18
Notes to the Schedule of Expenditures of Federal Awards	19
Schedule of Findings and Questioned Costs	20
Summary Schedule of Prior Audit Findings	22
SUPPLEMENTAL IHDA REQUIRED INFORMATION	
IHDA Schedule of Financial Performance – Exhibit A (unaudited)	23



815.344.1300 mchenry
847.382.3366 barrington
847.336.6455 gurnee
www.edercasella.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Transitional Living Services, Inc.
Crystal Lake, 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, 2020, 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 Organization'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 Organization'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.

eder,
casella
&
co

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, 2020, 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.

Change in Accounting Principle

As described in Note 14 to the financial statements, the Organization adopted new accounting guidance ASU 2014-09, *Revenue from Contracts with Customers and all subsequent amendments to the ASU* (collectively ASC 606) and ASU 2018-08 *Not-for Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.

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 and the Schedule of Expenditures of Federal Awards, as required by 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, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic 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 7, 2021, 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 internal control over financial reporting or on compliance. The 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 7, 2021



815.344.1300 mchenry
847.382.3366 barrington
847.336.6455 gurnee
www.edercasella.com

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.
Crystal Lake, 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, 2020, 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 7, 2021.

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) 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 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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 7, 2021

FINANCIAL STATEMENTS

TRANSITIONAL LIVING SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

Current Assets		
Cash and Cash Equivalents	\$ 885,342	
Restricted Cash	6,103	
Grants Receivable	133,460	
Inventory	10,500	
Prepaid Expenses	2,644	
Total Current Assets		\$ 1,038,049
Investments		59,033
Property and Equipment, net		637,258
Other Assets		
Security Deposits	\$ 5,135	
Deposit on Equipment	47,900	
Restricted Funded Reserves		
IHDA Operating Reserve	29,742	
IHDA Tax and Insurance Reserve	64,834	
IHDA Replacement Reserve	80,391	
Total Other Assets		228,002
TOTAL ASSETS		<u>\$ 1,962,342</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 50,755	
Accrued Expenses	103,842	
Deferred Revenue	70,040	
Current Maturities of Long-Term Debt	1,200	
Total Current Liabilities		\$ 225,837
Long-Term Liabilities		
Notes Payable	\$ 620,327	
Total Long-Term Liabilities		620,327
Total Liabilities		<u>\$ 846,164</u>
NET ASSETS		
Without Donor Restrictions		
Board Designated	\$ 300,000	
Undesignated	635,108	
		\$ 935,108
With Donor Restrictions		181,070
Total Net Assets		<u>\$ 1,116,178</u>
TOTAL LIABILITIES AND NET ASSETS		<u>\$ 1,962,342</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, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING REVENUES, GAINS, AND OTHER SUPPORT			
Support			
Federal Grants	\$ 1,650,985	\$ -	\$ 1,650,985
State and Local Grants	273,747	4,066	277,813
Other Grants	90,000	-	90,000
Special Events	50,274	-	50,274
In-Kind Contributions	267,450	-	267,450
Contributions	363,027	2,490	365,517
Rental Income	42,705	-	42,705
Other Revenue			
Other Income	276,710	11,855	288,565
Return on Investment	2,517	-	2,517
Net Assets Released from Restrictions	13,058	(13,058)	-
Total Operating Revenues, Gains, and Other Support	<u>\$ 3,030,473</u>	<u>\$ 5,353</u>	<u>\$ 3,035,826</u>
OPERATING EXPENSES			
Program Services			
New Horizons	\$ 787,285	\$ -	\$ 787,285
Employment Program	362,814	-	362,814
SSVF	539,107	-	539,107
Resource Center	267,745	-	267,745
Social Enterprise	156,096	-	156,096
Legacy Corp	110,073	-	110,073
VSH	192,052	-	192,052
Supporting Services			
Management and General	100,105	-	100,105
Fundraising	201,030	-	201,030
Total Operating Expenses	<u>\$ 2,716,307</u>	<u>\$ -</u>	<u>\$ 2,716,307</u>
CHANGE IN NET ASSETS	\$ 314,166	\$ 5,353	\$ 319,519
NET ASSETS AT BEGINNING OF YEAR	<u>620,942</u>	<u>175,717</u>	<u>796,659</u>
NET ASSETS AT END OF YEAR	<u><u>\$ 935,108</u></u>	<u><u>\$ 181,070</u></u>	<u><u>\$ 1,116,178</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, 2020

	PROGRAM SERVICES								SUPPORTING SERVICES		
	New Horizons	Employment Program	SSVF	Resource Center	Social Enterprise	Legacy Corp	VSH	Total	Management and General	Fundraising	Total
Salaries	\$ 392,406	\$ 202,694	\$ 202,257	\$ 153,896	\$ 57,684	\$ 78,820	\$ 55,439	\$ 1,143,196	\$ 22,184	\$ 161,494	\$ 1,326,874
Employee Benefits	33,068	39,607	14,082	8,565	-	-	8,367	103,689	21,986	8,185	133,860
Payroll Taxes	31,464	15,494	15,634	12,590	4,934	6,098	4,425	90,639	10,917	6,830	108,386
Professional Fees	14,542	10,094	5,071	5,065	2,226	450	88	37,536	5,871	5,255	48,662
Office Expenses	40,421	7,839	13,707	7,265	1,284	1,376	113	72,005	3,803	3,400	79,208
Occupancy	72,822	18,431	23,898	16,269	1,858	11,963	1,055	146,296	2,487	2,100	150,883
Travel	20,514	19,252	3,393	3,695	4,086	9,777	-	60,717	59	1,500	62,276
Depreciation	52,719	-	-	-	7,250	-	-	59,969	2,000	-	61,969
Insurance	29,016	9,471	8,749	2,430	9,361	-	-	59,027	-	-	59,027
Donated Supplies Distributed	77,040	38,516	38,516	38,516	67,359	-	-	259,947	-	-	259,947
Client Assistance	21,346	1,363	213,310	19,433	-	465	122,565	378,482	28,102	-	406,584
Administrative	1,649	53	490	21	54	1,124	-	3,391	2,696	145	6,232
Bad Debt	278	-	-	-	-	-	-	278	-	-	278
Event Expenses	-	-	-	-	-	-	-	-	-	12,121	12,121
	<u>\$ 787,285</u>	<u>\$ 362,814</u>	<u>\$ 539,107</u>	<u>\$ 267,745</u>	<u>\$ 156,096</u>	<u>\$ 110,073</u>	<u>\$ 192,052</u>	<u>\$ 2,415,172</u>	<u>\$ 100,105</u>	<u>\$ 201,030</u>	<u>\$ 2,716,307</u>

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, 2020

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 319,519	
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities		
Depreciation	61,969	
Donated Investments	276	
Unrealized (Gain)/Losses	5,254	
Decrease/(Increase) in Assets:		
Grants Receivable	30,516	
Prepaid Expenses	4,928	
Deposit on Equipment	(47,900)	
Restricted Funded Reserves	(4,069)	
Increase/(Decrease) in Liabilities:		
Accounts Payable	43,664	
Accrued Expenses	42,882	
Deferred Revenue	70,040	
Net Cash Flows Provided/(Used) by Operating Activities	<u>70,040</u>	\$ 527,079
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Furniture and Equipment	\$ (59,744)	
Net Cash Flows Provided/(Used) by Investing Activities		<u>(59,744)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Long-Term Borrowings	\$ (1,200)	
Net Cash Flows Provided/(Used) by Financing Activities		<u>(1,200)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		\$ 466,135
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT BEGINNING OF YEAR		<u>425,310</u>
CASH, CASH EQUIVALENTS AND RESTRICTED CASH AT END OF YEAR		<u><u>\$ 891,445</u></u>

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

TRANSITIONAL LIVING SERVICES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

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 housing and employment assistance, transitional living, basic needs including food/furniture/household goods, peer support activities, caregiver training, and counseling.

A. *Basis of Accounting*

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) and accordingly reflect all significant receivables, payables and other liabilities.

B. *Financial Statement Presentation*

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 without donor restrictions includes board-designated net assets as described in Note 8.

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.

C. *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.

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

E. *Cash and Cash Equivalents*

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

F. *Investments*

Investments in marketable equity securities with readily determinable fair values are stated at fair value. Equity securities without readily determinable fair values are stated at cost.

G. *Inventories*

Inventory at December 31, 2020 consists of household goods and clothing valued at \$10,500. All inventories are donated and are stated at market value.

H. *Property and Equipment*

The Organization capitalizes all expenditures for Property and Equipment with a cost of over \$5,000 and an estimated useful life of 3 or more years. Purchased Property and Equipment is carried at cost. Donated Property and Equipment is carried at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

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

I. *Revenue and Revenue Recognition*

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend on have been met. 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.

J. *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. Management estimates that 15 volunteers donated 300 hours of service during the year ended December 31, 2020; however, these services do not meet the criteria for recognition as contributed services.

K. *Functional Allocation of Expenses*

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. All direct expenses have been allocated to the respective function. Salaries and wages, benefits, payroll taxes, professional services, office expense, information technology, interest, insurance, and other are allocated based on the time

NOTES TO THE FINANCIAL STATEMENTS (Continued)

spent on each activity. All occupancy-related costs, depreciation, and amortization are allocated based on the coverage of space used for the programs.

L. *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.

M. *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, 2020. 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 - 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:

- *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, 2020. All are considered Level 1 observable inputs; the carrying amount approximates fair value because of the short maturities thereof.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

	Fair Value Measurements Using	
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
Stocks	\$ 2,876	\$ 2,876
Mutual Funds	56,157	56,157
	<u>\$ 59,033</u>	<u>\$ 59,033</u>

NOTE 3 - INVESTMENTS

Investments held by the Organization are stated at fair market value and consist of the following at December 31, 2020:

	Cost	Fair Market Value	Unrealized Appreciation
Stocks	\$ -	\$ 2,876	\$ 2,876
Mutual Funds	50,000	56,157	6,157
	<u>\$ 50,000</u>	<u>\$ 59,033</u>	<u>\$ 9,033</u>

Investment return for the year ended December 31, 2020 consists of the following:

Interest and Dividends	\$ 8,570
Unrealized Gain/(Loss) on Investments	(5,254)
Administrative Fees	(799)
	<u>\$ 2,517</u>

NOTE 4 - 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 Statement of Financial Position date to meet general expenses:

Financial Assets at Year End:	
Cash and Cash Equivalents	\$ 891,445
Grant Receivable	133,460
Investments	59,033
Total Financial Assets	<u>\$ 1,083,938</u>
Less amounts not available to be used within one year:	
Net assets with donor restrictions	\$ 181,070
Board Designated	300,000
	<u>\$ 481,070</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 602,868</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 \$300,000 as of December 31, 2020. 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, 2020, the level of liquidity was managed within the policy requirements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

NOTE 5 - PROPERTY AND EQUIPMENT

Property and Equipment owned by the Organization at December 31, 2020 consist of the following:

	Cost	Accumulated Depreciation	Book Value
Land	\$ 227,190	\$ -	\$ 227,190
Land Improvements	190,201	106,503	83,698
Building and Improvements	899,762	607,001	292,761
Transportation Equipment	173,916	140,307	33,609
Furniture and Fixtures	11,704	11,704	-
	<u>\$ 1,502,773</u>	<u>\$ 865,515</u>	<u>\$ 637,258</u>

Depreciation expense in the amount of \$61,969 is reported on the Statement of Functional Expenses for the year ended December 31, 2020.

NOTE 6 - NOTES PAYABLE

The Organization's obligations under notes payable consists of the following:

	Maturity Date	Interest Rate	Security	Face Amount	Carrying Amount
Illinois Housing Development Authority Mortgage	9/1/2031	0.00%	Building	\$ 644,727	\$ 621,527

The future scheduled maturities of long-term debt are as follows:

Year Ending December 31	Principal	Interest	Total
2021	\$ 1,200	\$ -	\$ 1,200
2022	1,200	-	1,200
2023	1,200	-	1,200
2024	1,200	-	1,200
2025	1,200	-	1,200
Thereafter	615,527	-	615,527
	<u>\$ 621,527</u>	<u>\$ -</u>	<u>\$ 621,527</u>

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net Assets with Donor Restrictions at December 31, 2020 were restricted for the following purposes:

Purpose for Restrictions	
Dwight Maness Fund	\$ 2,855
Military Banner Program	2,967
VEW #4600 Food Truck	281
IHDA Operating Reserve	29,742
IHDA Tax and Insurance Reserve	64,834
IHDA Replacement Reserve	80,391
	<u>\$ 181,070</u>

Net assets released from donor restrictions due to occurrence of expenditures in the amount of \$13,058 is reported on the Statement of Activities for the year ended December 31, 2020.

NOTE 8 - BOARD-DESIGNATED NET ASSETS

The Governing Board of the Organization has designated Net Assets Without Donor Restrictions at December 31, 2020 for the following purposes:

NOTES TO THE FINANCIAL STATEMENTS (Continued)

New Horizons Balloon Mortgage Payment \$ 300,000

NOTE 9 - IN-KIND DONATIONS

The Organization relies on in-kind contributions to conduct its programs. In-kind contributions of goods in the amount of \$267,450 are reported as In-Kind Contributions on the Statement of Activities and on the Statement of Functional Expenses for the year ended December 31, 2020.

NOTE 10 - OPERATING LEASES

The Organization has several noncancellable operating leases, primarily for office space, that expire at various dates through December 31, 2020. Those leases generally contain renewal options for periods ranging from three to five years and require the Organization to pay all executory costs such as taxes, maintenance, and insurance.

Future minimum lease payments under operating leases that have remaining terms in excess of one year as of December 31, 2020, are:

Year Ending December 31	
2021	\$ 99,600
2022	98,100
2023	91,809
2024	92,727
2025	93,654
Thereafter	989,631
	<u>\$ 1,465,521</u>

Rental expense in the amount of \$56,734 is reported in Occupancy Expense on the Statement of Functional Expenses for the year ended December 31, 2020.

NOTE 11 - CONCENTRATION/CONTINGENCIES

For the year ended December 31, 2020 the funding received from the Federal Health Care Center represented 35% of total revenues and 64% 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, 2020 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.

NOTE 12 - PAYCHECK PROTECTION PROGRAM

The Organization received a forgivable loan through the US Small Business Administration under CARES Act Paycheck Protection Program. The loan received was \$235,700 and is recognized as revenue in the current year. The proceeds must be used for payroll costs, rent and utilities over the 24-week period beginning from the day the funds were disbursed. At the end of the period, the Organization applied for and was granted forgiveness.

NOTE 13 - SUBSEQUENT EVENTS

The Organization is not aware of any material subsequent events through May 7, 2021, the date on which the financial statements were available to be issued.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Prior to the date of this report the Organization received an additional SBA loan for \$363,200 through the Paycheck Protection Program under the Coronavirus CARES Act.

Since March 2020, the COVID-19 outbreak in the United States has created disruptions in various non-profits and has continued to impact these Organizations. The Organization was not impacted during the year ended December 31, 2020. However, the extent of any additional impact on the Organization is uncertain and cannot be reasonably estimated at this time.

NOTE 14 - CHANGE IN ACCOUNTING PRINCIPLE

The Organization has adopted Accounting Standards Update (ASU) No. 2014-09 – *Revenue from Contracts with Customers (Topic 606)*, as amended, and ASU 2018-08 *Not-for Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognized revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

ANNUAL FEDERAL FINANCIAL COMPLIANCE SECTION



815.344.1300 mchenry
847.382.3366 barrington
847.336.6455 gurnee
www.edercasella.com

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.
Crystal Lake, 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, 2020. 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, 2020.

eder,
casella
& co

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.
Certified Public Accountants

McHenry, Illinois
May 7, 2020

TRANSITIONAL LIVING SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass Through Contract Number	Dates of Program	Program or Award Amount	Revenue Recognized 1/1/20 to 12/31/20	Expenditures 1/1/20 to 12/31/20	Revenue Recognized Inception to 12/31/20	Expenditures Inception to 12/31/20
U.S. Department of Labor								
Passed Through:								
Assistant Secretary for Veteran's Employment and Training Services								
Homeless Veterans Reintegration Project	17.805	#HV-35325-20-60-5-17	7/1/20 - 6/30/23	\$ 283,957	\$ 153,245	\$ 153,245	\$ 153,245	\$ 153,245
Homeless Veterans Reintegration Project	17.805	#HV-33318-19-60-5-17	7/1/19 - 6/30/20	300,000	147,315	147,315	296,201	296,201
Total U.S. Department of Labor				<u>\$ 583,957</u>	<u>\$ 300,560</u>	<u>\$ 300,560</u>	<u>\$ 449,446</u>	<u>\$ 449,446</u>
U.S. Department of Veterans Affairs								
Passed Through:								
Federal Health Care Center								
Supportive Services for Veterans Families	64.033	#14-ZZ-308	10/1/20 - 9/30/21	\$ 365,636	\$ -	\$ -	\$ -	\$ -
Supportive Services for Veterans Families	64.033	#14-ZZ-308-CA	04/20/20 - 12/31/20	192,110	192,110	192,110	192,110	192,110
Supportive Services for Veterans Families	64.033	#14-ZZ-308-CA2	12/01/20 - 12/31/21	32,949	32,949	32,949	32,949	32,949
Supportive Services for Veterans Families	64.033	#14-ZZ-308-C2	10/1/19 - 9/30/20	358,554	281,031	281,031	358,554	358,554
				<u>\$ 949,249</u>	<u>\$ 506,090</u>	<u>\$ 506,090</u>	<u>\$ 583,613</u>	<u>\$ 583,613</u>
Homeless Providers Grant and Per Diem Program (M)	64.024	#TLS1887-1425-556-PD-21	10/1/20 - 9/30/21	\$ 354,049	\$ 158,993	\$ 158,993	\$ 158,993	\$ 158,993
Homeless Providers Grant and Per Diem Program (M)	64.024	#TLS1887-0939-556-SI-19	10/1/19 - 9/30/20	354,049	386,399	386,399	470,084	470,084
				<u>\$ 708,098</u>	<u>\$ 545,392</u>	<u>\$ 545,392</u>	<u>\$ 629,077</u>	<u>\$ 629,077</u>
Total U.S. Department of Veterans Affairs				<u>\$ 1,657,347</u>	<u>\$ 1,051,482</u>	<u>\$ 1,051,482</u>	<u>\$ 1,212,690</u>	<u>\$ 1,212,690</u>
U.S. Department of Housing and Urban Development								
Passed Through:								
Special Needs Assessment Program								
Emergency Shelter Grants Program	14.231	#FCSZH04785	7/1/20 - 6/30/21	\$ 35,612	\$ 9,622	\$ 9,622	\$ 9,622	\$ 9,622
Emergency Shelter Grants Program	14.231	#FCSYH04785	7/1/19 - 6/30/20	20,361	2,246	2,246	20,361	20,361
Emergency Shelter Grants Program	14.231	#FCSZH04785	7/1/20 - 6/30/21	38,486	-	-	-	-
				<u>\$ 94,459</u>	<u>\$ 11,868</u>	<u>\$ 11,868</u>	<u>\$ 29,983</u>	<u>\$ 29,983</u>
Continuum of Care	14.267	#IL1580L5T001902	7/1/20 - 6/30/21	\$ 76,928	\$ 7,891	\$ 7,891	\$ 7,891	\$ 7,891
Continuum of Care	14.267	#IL1580L5T001801	07/01/19 - 06/30/20	76,568	70,084	70,084	76,568	76,568
Continuum of Care	14.267	#IL1581L5T001902	10/01/20 - 9/30/21	58,789	5,638	5,638	5,638	5,638
Continuum of Care	14.267	#IL1581L5T001801	10/01/19 - 09/30/20	57,495	29,419	29,419	57,495	57,495
				<u>\$ 269,780</u>	<u>\$ 113,032</u>	<u>\$ 113,032</u>	<u>\$ 147,592</u>	<u>\$ 147,592</u>
HOME Investment Partnership Program	14.239	#M18-UC-17-0219	02/01/2020 - 01/31/22	\$ 105,000	\$ 74,994	\$ 74,994	\$ 74,994	\$ 74,994
				<u>\$ 105,000</u>	<u>\$ 74,994</u>	<u>\$ 74,994</u>	<u>\$ 74,994</u>	<u>\$ 74,994</u>
CDBG - Entitlement Cluster Grant								
Community Development Block Grant	14.218	#B18-UC-17-007	04/1/20 - 03/31/21	\$ 33,000	\$ 7,153	\$ 7,153	\$ 7,153	\$ 7,153
Cluster Total				<u>\$ 33,000</u>	<u>\$ 7,153</u>	<u>\$ 7,153</u>	<u>\$ 7,153</u>	<u>\$ 7,153</u>
Total U.S. Department of Housing and Urban Development				<u>\$ 502,239</u>	<u>\$ 207,047</u>	<u>\$ 207,047</u>	<u>\$ 259,722</u>	<u>\$ 259,722</u>
Corporation for National and Community Service								
Passed Through:								
Legacy Corps for Veterans and Military Families								
AmeriCorps	94.006	#ASUB00000233	09/01/18 - 08/31/21	\$ 118,544	\$ 34,991	\$ 34,991	\$ 34,991	\$ 34,991
AmeriCorps	94.006	#ASUB00000233	09/01/18 - 08/31/21	118,544	56,906	56,906	80,509	80,509
Total Corporation for National and Community Service				<u>\$ 237,088</u>	<u>\$ 91,897</u>	<u>\$ 91,897</u>	<u>\$ 115,500</u>	<u>\$ 115,500</u>
Total Federal Assistance				<u>\$ 2,980,631</u>	<u>\$ 1,650,986</u>	<u>\$ 1,650,986</u>	<u>\$ 2,037,358</u>	<u>\$ 2,037,358</u>

TRANSITIONAL LIVING SERVICES, INC.
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2020

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, 2020. 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, 2020.

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, 2020

- 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: Homeless Providers Grant and Per Diem – CFDA #64.024.
 - 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, 2020

There were no current year financial statement findings.

TRANSITIONAL LIVING SERVICES, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020

There were no prior year financial statement findings.

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): 12/31/2020

Balance Sheet

Accounts	<u>Assets</u>	<u>12/31/2020</u>
Total Fixed Assets		\$ 524,724.00
	Current Assets	
Cash - project accounts		\$ 2,538.00
Cash - partnership accounts		\$ -
Receivables:		
Tenant		\$ -
Allowance for doubtful accounts		\$ -
HUD		\$ -
Medicaid		\$ -
Others		\$ 34,991.00
	Total Receivables	\$ 34,991.00
Prepaid Expenses:		
Insurance		\$ -
Other		\$ -
	Total Prepaid Expenses	\$ -
Other Current Assets		\$ -
	Total Current Assets	\$ 37,529.00
	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		\$ 64,834.00
Replacement Reserve		\$ 80,391.00
Other Reserves		\$ 29,742.00
	Total restricted deposits and funded reserves	\$ 174,967.00
	Other Assets	
Other Assets		\$ -
	Total Assets	\$ 737,220.00
	<u>Liabilities</u>	
	Current Liabilities	
Payables:		
Accounts payable trade		\$ -
Other payables		\$ -
	Total Payables	\$ -
Other Current Liabilities		\$ 461,316.00
	Total Current Liabilities	\$ 461,316.00

Unaudited

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
SINGLE YEAR SCHEDULE OF FINANCIAL PERFORMANCE

EXHIBIT A

Balance Sheet

Accounts		12/31/2020
	Long-Term Liabilities	
Total Long-Term Liabilities		\$ 621,527.00
	Total Liabilities	\$ 1,082,843.00
	Partners' Equity	
Partners' Equity		\$ (345,623.00)
	Total Liabilities and Partners' Equity (Deficit)	<u>\$ 737,220.00</u>

Statement of Operations

Accounts		12/31/2020
	<u>Revenue</u>	
Rental:	Apartment rentals	\$ 42,705.00
	Rent subsidy	\$ 710,523.00
	Less: Vacancy loss	\$ -
	Less: Rental concessions	\$ -
	Commercial rent	\$ -
	Total Rental Revenue	\$ 753,228.00
Assisted Living:	Assisted living services - tenant	\$ -
	Assisted living services - Medicaid	\$ -
	Meal program revenue	\$ -
	Service revenue	\$ -
	Total Assisted Living Revenue	\$ -
Other:	Other interest	\$ -
	Reserve interest	\$ 571.00
	Sundry	\$ 77,264.00
	Commercial rent	\$ -
	Total Other Revenue	\$ 77,835.00
	Total Revenue	<u>\$ 831,063.00</u>
	<u>Operational Expenses</u>	
Administrative:	Office expenses	\$ 278.00
	Property management fees	\$ -
	Administration - contracted services	\$ 1,648.00
	Social programming	\$ 18,876.00
	Legal expenses	\$ 1,479.00
	Audit expenses	\$ 5,032.00
	Telephone	\$ 8,918.00
	Bad debts	\$ -
	Marketing	\$ 287.00
	Sundry	\$ 310.00
	Other administrative	\$ 59,105.00
	Total Administrative Expenses	\$ 95,933.00
Operating:	Exterminating	\$ -
	Rubbish removal	\$ 7,136.00
	Vehicle and equipment operating	\$ -
	Sundry	\$ -
	Other operating	\$ 17,019.00
	Total Operating Expenses	\$ 24,155.00

Unaudited

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
SINGLE YEAR SCHEDULE OF FINANCIAL PERFORMANCE

EXHIBIT A

Statement of Operations		
Accounts		12/31/2020
Maintenance:	Security	\$ 3,323.00
	Grounds	\$ 25,981.00
	Elevator	\$ -
	Heating and air conditioning	\$ -
	Plumbing	\$ -
	Electrical	\$ -
	Painting and decorating	\$ -
	Appliance repairs	\$ -
	Maintenance - contracted services	\$ -
	Sundry	\$ -
	Other maintenance	\$ -
	Total Maintenance Expenses	\$ 29,304.00
Salaries:	Office/Administrative staff	\$ 423,870.00
	Maintenance	\$ -
	Other salaries	\$ 1,920.00
	Total Salaries	\$ 425,790.00
Materials & Supplies:	Office	\$ 16,133.00
	Janitors	\$ -
	Maintenance	\$ -
	Other materials and supplies	\$ 17,937.00
	Total Materials and Supplies	\$ 34,070.00
Utilities:	Gas	\$ 2,383.00
	Electricity	\$ 9,292.00
	Water and sewer	\$ 7,583.00
	Other utilities	\$ -
	Total Utilities	\$ 19,258.00
Taxes & Insurance:	Real estate taxes	\$ -
	Property and liability insurance	\$ 1,068.00
	Other taxes	\$ -
	Other insurance	\$ 27,948.00
	Total Taxes and Insurance	\$ 29,016.00
Assisted Living:	Nursing - contracted services	\$ -
	Activity - contracted services	\$ -
	Other service expenses	\$ -
	Total Assisted Living Expenses	\$ -
Miscellaneous:	Detail:	\$ 77,040.00
	Detail:	\$ -
	Total Miscellaneous Expenses	\$ 77,040.00
	Total Operational Expenses	\$ 734,566.00
NOI before financing and entity expenses, depreciation and amortization		\$ 96,497.00
<u>Financing Expenses</u>		
	Mortgage interest	\$ -
	Mortgage insurance premium	\$ -
	Other expenses	\$ -
	Total Financing Expenses	\$ -

Unaudited

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
SINGLE YEAR SCHEDULE OF FINANCIAL PERFORMANCE

EXHIBIT A

Accounts	12/31/2020
<u>Entity Expenses</u>	
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	\$ 96,497.00
Depreciation	\$ 52,719.00
Amortization	\$ -
Net Operating Income	\$ 43,778.00

Cash Flow Statement

Accounts	12/31/2020
Cash Flows from Operating Activities	
Rental receipts	\$ 753,228.00
Interest receipts	\$ 571.00
Other operating receipts	\$ 77,264.00
Assisted living service receipts	\$ -
Total Receipts	\$ 831,063.00
Administrative expenses paid	\$ 95,933.00
Management fees paid	\$ -
Utilities paid	\$ 19,258.00
Operating and maintenance paid	\$ 513,319.00
Real estate taxes paid	\$ -
Property insurance paid	\$ 1,068.00
Other taxes and insurance paid	\$ 27,948.00
Assisted living expenses paid	\$ -
Other operating expenses paid	\$ 44,153.00
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	\$ 701,679.00
Net cash provided by (used in) operating activities	\$ 129,384.00

Cash Flow Statement

Accounts	12/31/2020
Cash flows from investing activities	
Net deposits to real estate tax and insurance escrow	\$ (4,069.00)
Net deposits to replacement reserve	\$ -

Unaudited

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
SINGLE YEAR SCHEDULE OF FINANCIAL PERFORMANCE

EXHIBIT A

Net withdrawals from (deposits to) mortgage insurance	\$	-
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	\$	(4,069.00)

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	\$	(138,714.00)
Net cash provided by (used in) financing activities	\$	(139,914.00)

Net increase (decrease) in cash \$ (14,599.00)

Cash, Beginning \$ 17,140.00

Cash, End \$ 2,541.00

Long-Term Debt Detail					
Lien	Lender	Balance	Int. Rate	Annual D/S	Maturity
1	ILLINOIS HOUSING DEVELOPMENT AUTHORITY	\$621,527	0.00%		9/1/2031
2					
3					
4					
5					
6					
7					
8					

Unaudited