



**Guardian Angel
Community Services**

Financial Statements
June 30, 2020

Sassetti



CERTIFIED PUBLIC ACCOUNTANTS

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To The Board of Directors
Guardian Angel Community Services
Joliet, Illinois

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Guardian Angel Community Services, (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020, and the related statement 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 Guardian Angel Community Services as of June 30, 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.

Report on Summarized Comparative Information

We have previously audited Guardian Angel Community Services' 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 25, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. 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 January 15, 2021, on our consideration of Guardian Angel Community Services' 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 this report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Organization's internal control over financial reporting and compliance.

Sassetti LLC

January 15, 2021
Oak Park, Illinois

GUARDIAN ANGEL COMMUNITY SERVICES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and cash equivalents	\$ 945,564	\$ 269,887
Investments, at fair value	2,866,591	3,719,395
Beneficial interests	37,228	37,228
Accounts receivable	780,637	698,577
Promises to give	10,249	10,459
Prepaid expenses	29,414	51,416
Property and equipment, net	323,362	316,901
Total Assets	\$ 4,993,045	\$ 5,103,863
LIABILITIES		
Accounts payable	\$ 68,181	\$ 58,022
Accrued payroll liabilities	335,020	226,927
Deferred revenue	4,737	71,040
Other liabilities	57,105	61,851
Total Liabilities	465,043	417,840
NET ASSETS		
Without donor restriction	4,484,431	4,612,815
With donor restriction	43,571	73,208
Total Net Assets	4,528,002	4,686,023
Total Liabilities and Net Assets	\$ 4,993,045	\$ 5,103,863

The accompanying notes are an integral part of these financial statements.

GUARDIAN ANGEL COMMUNITY SERVICES

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

	Without Donor Restriction	With Donor Restriction	Totals	
			2020	2019
REVENUES AND OTHER SUPPORT				
Program service fees	\$ 1,329,048	\$ -	\$ 1,329,048	\$ 1,021,409
Grants	3,203,984	-	3,203,984	2,758,003
Public support	693,309	30,500	723,809	729,266
Bequests	-	-	-	11,338
Investment return, net	50,218	-	50,218	317,893
Other income	1,500	-	1,500	-
Net assets released from restrictions	60,137	(60,137)	-	-
Total Revenues and Other Support	<u>5,338,196</u>	<u>(29,637)</u>	<u>5,308,559</u>	<u>4,837,909</u>
EXPENSES				
Program services	4,507,536	-	4,507,536	3,875,946
Administrative and general	724,585	-	724,585	612,232
Fundraising	234,459	-	234,459	214,619
Total Expenses	<u>5,466,580</u>	<u>-</u>	<u>5,466,580</u>	<u>4,702,797</u>
CHANGE IN NET ASSETS	(128,384)	(29,637)	(158,021)	135,112
NET ASSETS				
Beginning of year	4,612,815	73,208	4,686,023	4,550,911
End of year	<u>\$ 4,484,431</u>	<u>\$ 43,571</u>	<u>\$ 4,528,002</u>	<u>\$ 4,686,023</u>

The accompanying notes are an integral part of these financial statements.

GUARDIAN ANGEL COMMUNITY SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

	Program Services						Support Services			Totals		
	Sexual Assault Service Center	Groundwork	Foster Care	Adult Protective Services	Suzy's Caring Place	PAIP	Exchange	Total Program Services	General and Administrative		Fundraising	2020
Salaries And Benefits:												
Salaries and wages	\$ 595,710	\$ 723,405	\$ 570,171	\$ 269,041	\$ 138,359	\$ 73,928	\$ 10,278	\$ 2,380,892	\$ 493,836	\$ 37,252	\$ 2,911,980	\$ 2,491,327
Payroll taxes	49,944	53,142	40,774	19,359	10,105	5,355	719	179,398	27,299	2,766	209,463	181,490
Employee benefits	72,380	65,327	64,442	28,434	13,143	6,426	1,057	251,209	49,125	2,194	302,528	294,252
Workers compensation insurance	8,035	9,910	6,715	3,506	1,853	1,036	141	31,196	23,555	495	55,246	44,390
Total Salaries and Benefits:	726,069	851,784	682,102	320,340	163,460	86,745	12,195	2,842,695	593,815	42,707	3,479,217	3,011,459
Supplies Expense:												
Food	-	2,729	3,338	1,897	126	-	-	8,090	-	136	8,226	9,161
Office supplies and expenses	17,396	15,782	10,534	7,132	5,409	2,153	156	58,562	2,528	1,572	62,662	76,286
Program support supplies	5,487	30,040	2,430	836	13,604	53	-	52,450	-	87,751	140,201	129,069
Total Supplies Expense	22,883	48,551	16,302	9,865	19,139	2,206	156	119,102	2,528	89,459	211,089	214,516
Occupancy Expense:												
Contracted services	4,688	16,105	3,497	1,922	1,987	953	1	29,163	1,194	788	31,145	31,624
Utilities	8,033	21,062	4,543	2,540	1,662	1,906	-	39,746	1,516	1,046	42,308	38,407
Property and casualty insurance	6,296	7,116	5,467	2,526	2,043	721	99	24,268	1,747	363	26,378	23,427
Building rent	45,709	167,504	34,015	18,627	12,531	16,518	-	294,904	11,298	7,728	313,930	314,240
Equipment and building repairs	624	2,674	542	236	10,641	88	10	15,051	1,202	38	16,291	9,649
Total Occupancy Expense:	65,360	214,461	48,064	25,851	28,864	20,186	110	403,132	16,957	9,963	430,052	417,347
Transportation Expense	11,421	4,474	88,356	14,896	4,995	581	17	124,740	314	665	125,719	124,175
Vehicle and Equipment Leases	5,169	4,550	4,047	579	305	164	23	14,837	394	817	16,048	13,384
Specific Assistance to Individuals:												
Foster family payments	-	-	338,152	-	-	-	-	338,152	-	-	338,152	268,360
Utilities	-	-	-	-	5,540	-	-	5,540	-	-	5,540	3,369
Transportation	279	148	1,918	13	-	-	-	2,358	-	-	2,074	2,074
Client rent expense	11,358	-	-	-	346,110	-	-	357,468	-	-	357,468	235,559
Donated gift certificates	-	1,263	-	-	-	-	-	1,263	-	-	34,319	50,417
Total Specific Assistance to Individuals	11,637	1,411	340,070	13	351,650	-	-	704,781	-	33,056	737,837	559,779
Miscellaneous Expense												
Professional fees	3,568	23,077	1,288	27,825	2,207	170	9	58,134	43,778	4,389	106,301	94,979
Telephone	6,435	3,561	4,415	4,168	1,747	1,734	46	22,106	-	348	22,454	22,355
Conference and education	11,981	2,177	5,441	5,548	404	661	100	26,312	109	218	26,639	15,314
Recruiting costs	20	335	67	158	79	2	661	661	-	1	662	225
Memberships	1,308	3,198	158	360	38	20	3	5,085	63	160	5,308	7,178
Liability insurance	1,659	1,994	1,526	708	385	202	28	6,502	573	101	7,176	7,754
Postage	1,336	1,606	741	330	260	89	12	4,374	459	870	5,703	5,009
Donated services	17,035	75,568	11,744	-	-	17,082	-	121,429	-	36,657	158,086	155,776
Miscellaneous	2,897	4,063	4,017	7,903	373	220	30	19,503	62,379	14,576	96,458	31,532
Total Miscellaneous Expense	46,229	115,579	29,397	47,000	5,493	20,180	228	284,106	107,361	57,320	428,787	340,122
Total Expenses Before Depreciation	888,768	1,240,810	1,208,338	418,544	573,906	130,062	12,729	4,473,393	721,369	233,987	5,428,749	4,680,782
Depreciation and amortization	7,623	9,350	7,110	3,315	5,681	936	128	34,143	3,216	472	37,831	22,015
Total expenses	\$ 896,391	\$ 1,250,160	\$ 1,215,448	\$ 421,859	\$ 579,587	\$ 130,998	\$ 12,857	\$ 4,507,536	\$ 724,585	\$ 234,459	\$ 5,466,580	\$ 4,702,797

The accompanying notes are an integral part of these financial statements.

GUARDIAN ANGEL COMMUNITY SERVICES
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (158,021)	\$ 135,112
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	37,831	22,015
Net realized and unrealized gains on investments	(47,857)	(233,760)
(Increase) decrease in operating assets:		
Accounts receivable	(82,060)	30,515
Promises to give	210	12,250
Prepaid expenses	22,002	(8,558)
Increase (decrease) in operating liabilities:		
Accounts payable	10,159	(90,198)
Accrued payroll liabilities	108,093	39,769
Deferred revenue	(66,303)	(11,133)
Other liabilities	(4,746)	12,204
Net Cash Used in Operating Activities	(180,692)	(91,784)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(44,292)	(67,854)
Purchases of investments	-	(691,628)
Sales of investments	900,661	487,815
Net Cash Provided by (Used in) Investing Activities	856,369	(271,667)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	675,677	(363,451)
CASH AND CASH EQUIVALENTS:		
Beginning of year	269,887	633,338
End of year	\$ 945,564	\$ 269,887
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

Note 1 - Summary of Significant Accounting Policies

Nature of Organization - Guardian Angel Community Services (GACS) is an Illinois nonprofit organization whose mission is to help empower people to improve the quality of their lives. The Organization mainly operates within Will and Grundy counties and has several programs through which it fulfills its mission: Foster Care; the Sexual Assault Service Center; Groundwork, which includes an emergency shelter for victims and families of domestic abuse, counseling and legal advocacy; Suzy's Caring Place, a transitional housing program for victims of domestic violence; Adult Protective Services, which provides counseling and legal advocacy services for elderly and disabled adults who have been victims of abuse; as well as other training and counseling programs. The Organization is funded by federal, state, and local government contracts, program service fees, private corporations, foundations, and individual donors.

Basis of Presentation - These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Use of Accounting Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Classification of Net Assets - Under generally accepted accounting principles, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restriction and net assets with donor restriction. The net assets of the Organization are reported in the two self-balancing groups as follows:

Net Assets without Donor Restriction: Net assets without donor restriction are for use at the discretion of the Board of Directors (the Board) and/or management for general operating purposes. The Board may designate a portion of these net assets for specific purposes which make them unavailable for use at management's discretion.

Net Assets with Donor Restriction: Net assets with donor restriction consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organization reports gifts of cash and other assets as revenue with donor restriction if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restriction and reported in the statements of activities as net assets released from restrictions.

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

Change in Accounting Principles - During 2020, the Organization adopted the Financial Accounting Standards Board's (FASB) ASU 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard assists organizations in evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchange (reciprocal) transactions. In addition, it clarifies whether a contribution is conditional. As a result, it enhances comparability of financial information among not-for-profit entities. The Organization adopted ASU 2018-08 using a modified prospective method effective July 1, 2019. Under the modified prospective method, this standard only applies to agreements not completed or entered into (revenue or expense that has not yet been recognized) as of July 1, 2019. As a result, the 2019 financial statements are not restated and there was no cumulative-effect adjustment to opening net assets as of July 1, 2019. There were no material changes to the recognition of contribution revenue during 2020.

Cash and Cash Equivalents - For the purpose of the statement of cash flows, the Organization considers all short-term investments with maturities of three months or less when purchased to be cash equivalents.

Investments - Investments are stated at fair market value in the accompanying financial statements. The market value of investments is generally determined based on quoted market price or estimated fair value. Realized and unrealized investment gains, losses, and income, net of expenses are reported in the statement of activities as investment return.

Promises to Give - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in public support revenue. Conditional promises to give are not included as support until the conditions are substantially met.

Fair Value Measurements – The Organization measures fair value in accordance with generally accepted accounting principles, which establish a definition of fair value and a hierarchy prioritizing the inputs to valuation techniques, giving the highest priority to quoted prices in active markets for identical assets and liabilities and lowest priority to unobservable value inputs. Significant financial instruments include cash, accounts receivable and debt. For these financial instruments, carrying values approximate fair value.

Property and Equipment - Property and equipment are recorded at cost when purchased or at fair value at the date of donation and are being depreciated on a straight-line basis over their estimated useful lives. Amortization of the cost of leasehold

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

improvements is computed on a straight-line basis over the term of the estimated service life, depending on circumstances.

Property and equipment purchases and leasehold improvements in excess of \$1,000 per item are capitalized. Assets are depreciated over their useful lives of 3 to 15 years. The building is depreciated over a life of 27.5 years. Costs of maintenance and repairs are charged to expense when incurred.

Functional Expenses - Indirect functional expenses have been allocated between applicable program services based on an analysis of personnel time or square footage of space utilized for the related activities, or ratio of program direct salaries to total direct salaries. Expenses directly attributable to a specific program or functional area are reported as expenses of those functional areas. Expenses allocated include occupancy, repairs, insurance, utilities, and supplies.

Donated Services - The Organization records contributions of donated services that create or enhance nonfinancial assets or that require specialized skills that are provided by individuals possessing those skills and that would typically need to be purchased if not provided by donation. When such contributions are received, they are recorded at their fair values in the period received.

The majority of the donated services related to specially trained volunteers who respond to crisis phone calls and provide other program related shelter services. These amounts are included as public support revenue for the corresponding program. Amounts were determined by using comparable wage rates for the applicable service based on rates prevailing in the area and are summarized as follows:

	2020	2019
Sexual Assault Service Center	\$ 17,035	\$ 30,191
Groundwork	75,568	97,676
Other	28,908	27,909
	<u>\$ 121,511</u>	<u>\$ 155,776</u>

In addition to the above, the organization received \$36,575 in donated legal services related to development of an affirmative action plan for the year ended June 30, 2020.

Donated Assets - Donated marketable securities and other noncash donations are recorded as contributions at their estimated fair values at the date of donation.

Federal Income Taxes - The Organization is exempt from income tax under provisions of Internal Revenue Code Section 501(c)(3). Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities. Management has analyzed the tax positions taken

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

by the Organization and has concluded that as of June 30, 2020, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Organization is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Organization's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by the IRS generally for three years after it is filed.

Revenue Recognition – In accordance with ASC Sub-Topic 958-605, Revenue Recognition, the Organization must determine whether a contribution (or a promise) is conditional or unconditional. A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Indicators of a barrier include a measurable performance related barrier or other measurable barrier, a stipulation that limits discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement. Topic 958 prescribes that the Organization should not consider probability of compliance with the barrier when determining if such awards are conditional and should be reported as conditional grant advance liabilities until such conditions are met.

Contributions received, including private grants and unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows. Donor-restricted contributions and promises are reported as an increase in without donor restriction net assets if the restriction expires in the reporting period in which the contribution is recognized. All other donor-restricted contributions are reported as an increase in with donor restrictions net assets. When a restriction expires, the with donor restrictions net assets are reclassified to without donor restrictions net assets and reported in the statement of activities and changes in net assets as net assets released from restriction. Conditional contributions are not recognized as revenue until they become unconditional. A conditional contribution is one that has both a barrier that must be overcome and an agreement requiring advance payment to be returned or future payment not to be obligated if the barrier is not overcome.

Special event revenues are recorded as deferred revenue when received and recognized as earned when the underlying event occurs.

Program service revenues are recognized when the services are provided

Government grants are recognized when earned. Revenue is earned when eligible expenditures, as defined in each grant, contract or other allowable cost manual are made. Any cash received for revenue not yet earned is considered to be deferred revenue. Revenue earned but not yet paid to the Organization is included in grants and contracts receivable. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such review reduces expenditures

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

allowable under these grants or contracts, the Organization records the disallowance at the time the final assessment is made.

Accounts Receivable - Accounts receivable consist of government and state grants that are carried at original invoice or voucher amount. Management monitors the collection of grant receivables on a monthly basis and amounts are written off when deemed uncollectible. Recoveries of receivables previously written off are recorded when received. Management does not believe that an allowance for doubtful accounts is necessary as of June 30, 2020.

Comparative Financial Information – The financial information shown for fiscal year 2019 in the accompanying financial statements is included to provide a basis for comparison with 2020. The comparative information is summarized by totals only, and such information does not include sufficient detail to constitute a presentation in conformity to generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2019, from which the summarized information was derived.

Subsequent Events - Management of the Organization have evaluated subsequent events through January 15, 2021, which is the date the financial statements were available to be issued.

Note 2 – Retirement Plan

The Organization sponsors a defined contribution plan under Internal Revenue Code Section 401(k) that covers all employees that work more than 20 hours. Individuals employed over one year are eligible for an employer contribution of 3%. Benefit plan contributions totaled \$62,722 and \$43,699 for the years ended June 30, 2020 and 2019.

Note 3 – Concentrations

The Organization maintains its cash accounts at one financial institution. The balances may, at times, exceed federally insured limits.

During the years ended June 30, 2020 and 2019, respectively, the organization received approximately 85% and 76% of total revenues from various federal, state, and local governmental agencies. Substantially all of the organization's accounts receivable balances were made up of amounts due from governmental agencies.

Note 4 – Property and Equipment

Property and equipment are summarized as follows:

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

	2020	2019
Equipment	\$ 209,398	\$ 165,106
Building	119,853	119,853
Land	79,754	79,754
Leasehold improvements	87,345	87,345
Less accumulated depreciation	(172,988)	(135,157)
	\$ 323,362	\$ 316,901

Note 5 – Promises to Give

Unconditional promises to give are summarized as follows:

	2020	2019
Restricted for future periods	\$ 10,249	\$ 10,459
	\$ 10,249	\$ 10,459

All balances at June 30, 2020 are due within one year. No discount was recorded at June 30, 2020 or 2019.

Note 6 – Investments

The Organization follows generally accepted accounting principles for fair value measurement. Generally accepted accounting principles define fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Organization considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

Generally accepted accounting principles related to fair value disclosure also establish a fair value hierarchy that requires the Organization to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs that may be used to measure fair value are as follows:

Level 1 - quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Fair values of investments at June 30, 2020:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,890,122	\$ -	\$ -	\$ 1,890,122
Corporate bonds	758,380	135,768	-	894,148
U.S. treasuries	78,380	-	-	78,380
Total investments held	<u>\$ 2,726,882</u>	<u>\$ 135,768</u>	<u>\$ -</u>	<u>\$ 2,862,650</u>
Beneficial interest				
Pooled investments*				37,228
Accrued interest receivable				<u>3,941</u>
				<u>\$ 2,903,819</u>

Fair values of investments at June 30, 2019:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 1,890,122	\$ -	\$ -	\$ 1,890,122
Corporate bonds	758,380	135,768	-	894,148
U.S. treasuries	78,380	-	-	78,380
Total investments held	<u>\$ 2,726,882</u>	<u>\$ 135,768</u>	<u>\$ -</u>	<u>\$ 2,862,650</u>
Beneficial interest				
Pooled investments*				37,228
Accrued interest receivable				<u>3,941</u>
				<u>\$ 2,903,819</u>

* In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to line items presented in the statements of net assets available for benefits.

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

Investment return consisted of the following for the years ended June 30:

	2020	2019
Interest and dividend income	\$ 80,100	\$ 86,192
Net realized and unrealized gains	(27,945)	233,760
Investment fees	(1,937)	(2,059)
	<u>\$ 50,218</u>	<u>\$ 317,893</u>

Certain corporate bonds are valued at quoted market prices in nonactive markets and have been assigned to level two on the fair value hierarchy. Mutual funds and U.S. treasuries are valued at quoted market prices in active markets, and accordingly have been assigned to level one on the fair value hierarchy.

The Organization's valuation methodology used to measure the fair values of mutual funds were derived from quoted market prices as all of these instruments have active markets. The fair value of the beneficial interest in pooled investments is valued at the net asset value ("NAV") of the units of the respective custodian. The NAV, as provided by the custodian of the account, is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liabilities and fees.

Investment securities are exposed to various risks including interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the Statement of Financial Position.

Note 7 – Beneficial Interests

The Organization has a beneficial interest in the Will County Community Foundation. Funds are disbursed to GACS upon request to the Foundation. The beneficial interest is invested in pooled investment funds and had a fair market value of \$37,228 at June 30, 2020 and 2019.

Note 8 – Conditional Grants

Conditional grants are grants that include a specific condition in order to earn the revenue. Conditional grants are not recorded in revenue until the condition of the grant is met (generally, when the service is provided). The Organization has conditional grants from the following agencies to provide counseling and housing services that are available to be used during fiscal year 2021 on qualifying expenses.

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

Housing and Urban Development (HUD)	\$ 651,795
Department of Human Services (DHS)	590,115
Department of Child and Family Services (DCFS)	1,285,731
Illinois Criminal Justice Information Authority (ICJIA)	371,833
Illinois Coalition Against Sexual Assault (ICASA)	472,636
	\$3,372,110

Note 9 - Contingency

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

Note 10 – Lease Commitments

The Organization's central office in Joliet is rented pursuant to a lease expiring in July 2029, with options for two additional five-year periods. In addition, the Organization leases a satellite office in Morris that goes through June 2021. Rent expense, recognized on a straight-line basis, was \$296,833 and \$293,001 for the years ended June 30, 2020 and 2019, respectively.

The following is a schedule by year of future minimum rent payments required under the operating leases as of June 30:

2021		\$ 308,720
2022		301,580
2023		301,580
2024		301,580
2025		301,580
Thereafter		1,231,452
	Total	\$ 2,746,492

Note 11 – Net Assets

Net assets with donor restriction were restricted for the following purposes at June 30:

	2020	2019
Groundwork	\$ 33,446	\$ 73,083
Fund for pets of domestic violence survivors	10,000	-
Sexual assault services center	125	125
	\$ 43,571	\$ 73,208

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

Note 12 – Liquidity and Availability of Resources

The Organization typically operates on a consistent annual cycle, with known recurring expenditures that include payroll, fringe benefits, supplies, rent, and travel, as a result of fulfilling the Organization’s mission. Due to the general predictability of its annual operations, the Organization is able to structure its financial assets to be available as general expenditures, liabilities and other obligations come due. To help manage unanticipated liquidity needs, the Organization may liquidate investment positions with board approval.

For purposes of analyzing resources available to meet general expenditures over the next 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures. The Organization’s financial assets available for general expenditure within one year of the statement of financial position date of June 30, 2020 and 2019, are as follows:

	2020	2019
Cash and cash equivalents	\$ 945,564	\$ 269,887
Investments	2,866,591	3,719,395
Beneficial interests	37,228	37,228
Accounts receivable	780,637	698,577
Promises to give	10,249	10,459
Total financial assets available	\$ 4,640,269	\$ 4,735,546
Less: Amounts unavailable for general expenditure within one year due to:		
Donor restricted contributions	\$ (43,571)	\$ (73,208)
Endowment fund requirements	(37,228)	(37,228)
Total financial assets available to management for general expenditure within one year	\$ 4,559,470	\$ 4,625,110

If the Organization incurs expenditures related to the donor restricted purposes designated during 2021, it is possible that a portion or all of the donor restricted net assets could be released from restriction.

Note 13 – Uncertainties and COVID-19

On March 10, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, and on March 13, 2020, the President of the United States declared the COVID-19 pandemic a national emergency, invoking powers under the Stafford Act, the Legislation that directs federal emergency disaster response. The Organization cannot predict how legal and regulatory responses to concerns about COVID-19 or other major

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020, WITH COMPARATIVE TOTALS FOR JUNE 30, 2019

public health issues will impact the Organization. As of the report date, the Organization converted its major annual fundraiser and other fundraisers to virtual events due to the pandemic. The Angelica event originally planned for fiscal 2020 was held as a virtual event in fiscal 2021. The total magnitude, timing, and duration of the financial impacts of the pandemic cannot be reasonably estimated at this time.

Note 14 – Recent Accounting Pronouncements

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (Topic 606), requiring an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The updated standard will replace most existing revenue recognition guidance in U.S. GAAP when it becomes effective. Early adoption is permitted. The updated standard will be effective for the Organization's June 30, 2021 financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which will supersede the current lease recording requirements in Topic 842. The ASU looks to increase transparency and comparability by conforming US GAAP with International Accounting Standards as it relates to leases. The new standard will require that all leases, including operating leases, be included on the balance sheet as a "right of use" asset with an offsetting liability for the payments remaining on the lease. The new guidance will be effective for the Organization's year ending June 30, 2023, with early application permitted.

The Organization is currently evaluating the impact of the adoption of the above standards on its financial statements.

GUARDIAN ANGEL COMMUNITY SERVICES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CDFA Number</u>	<u>Pass Through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Justice			
Passed through Illinois Criminal Justice Information Authority Crime Victim Assistance *	16.575	217175 / 218075	\$ 246,697
Passed through Illinois Coalition Against Domestic Violence Crime Victim Assistance *	16.575	217001	611,815
Passed through Illinois Coalition Against Sexual Assault Crime Victim Assistance *	16.575	VOCA - Advocacy	579,994
Crime Victim Assistance *	16.575	VOCA - One time	<u>29,641</u>
Subtotal - Crime Victim Assistance			1,468,147
Passed through Illinois Coalition Against Sexual Assault Crime Victim Assistance/Discretionary Grants	16.582	N/A	666
Passed through Illinois Coalition Against Sexual Assault Violence Against Women Formula Grants	16.588	N/A	56,880
Passed through Illinois Coalition Against Domestic Violence Violence Against Women Formula Grants	16.588	616001	<u>25,942</u>
Subtotal - Violence Against Women Formula Grants			82,822
Total U.S. Department of Justice			1,551,635
U.S. Department of Homeland Security:			
Passed through United Way of Will County Emergency Food and Shelter National Board Program	97.024	N/A	<u>13,799</u>
Total U.S. Department of Homeland Security			13,799
U.S. Department of Housing and Urban Development			
Passed through Illinois Department of Human Services Emergency Solutions Grant Program	14.231	80592490E	76,024
Direct Program: Continuum of Care	14.267	N/A	<u>261,448</u>
Total U.S. Department of Housing and Urban Development			337,472

See Notes to Schedule of Federal Awards

GUARDIAN ANGEL COMMUNITY SERVICES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2020

U.S. Department of Health and Human Services

Passed through Illinois Coalition Against Sexual Assault Injury Prevention and Control Research and State and Community Based Programs	93.136	N/A	27,780
Passed through Illinois Department of Human Services Social Services Block Grant	93.667	807624900	45,735
Social Services Block Grant	93.667	82001490A	<u>234,119</u>
Subtotal - Social Services Block Grant			279,854
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	824084900	84,515
Passed through Agency of Aging Northeastern Illinois Special Programs for the Aging, Title VII, Chapter 3, Programs for Prevention of Elder Abuse, Neglect and E:	93.041	N/A	<u>4,197</u>
Total U.S. Department of Health and Human Services			<u>396,346</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,299,252</u></u>

* Audited as a major program

See Notes to Schedule of Federal Awards

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2020

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Guardian Angel Community Services under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this Schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Because the Schedule presents only a selected portion of the operations of Guardian Angel Community Services, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows, if applicable, of Guardian Angel Community Services Pass-through entity identifying numbers are presented where available.

The Organization elected not to use the option of the 10% de minimis indirect cost rate.

Basis of Accounting

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

Payments to Subrecipients

Guardian Angel Community Services provided no Federal awards to sub-recipients during the year ended June 30, 2020.

Non - Cash Assistance

Guardian Angel Community Services neither received nor disbursed Federal awards in the form of non-monetary assistance during the year ended June 30, 2020.

Insurance, Loans, and Loan Guarantees

During the year ended June 30, 2020, Guardian Angel Community Services received no insurance, loans, loan guarantees or other Federal assistance for the purpose of administering Federal programs.



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

Board of Directors
Guardian Angel Community Services
Joliet, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Guardian Angel Community Services (a nonprofit organization), which comprise the statement of financial position as of June 30, 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 January 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Guardian Angel Community Services' 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 Guardian Angel Community Services' internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Guardian Angel Community Services' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance



with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sassetti LLC

January 15, 2021
Oak Park, Illinois

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

Board of Directors
Guardian Angel Community Services
Joliet, Illinois

Report on Compliance for Each Major Federal Program

We have audited Guardian Angel Community Services' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Guardian Angel Community Services' major federal programs for the year ended June 30, 2020. Guardian Angel Community Services' 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 Guardian Angel Community Services' 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 Guardian Angel Community Services' 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 Guardian Angel Community Services' compliance.

Opinion on Each Major Federal Program

In our opinion, Guardian Angel Community Services 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 June 30, 2020.

Report on Internal Control Over Compliance

Management of Guardian Angel Community Services 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 Guardian Angel Community Services' 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 Guardian Angel Community Services' internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the 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.

Sassetti LLC

January 15, 2021

Oak Park, Illinois

GUARDIAN ANGEL COMMUNITY SERVICES
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 2020

PART I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Section

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness (es) identified? Yes X No

Significant deficiency (ies) identified? Yes X No

Noncompliance material to financial statements noted? Yes X No

Federal Awards Section

Dollar threshold used to determine Type A programs: \$750,000

Auditee qualified as low-risk auditee? X Yes No

Type of auditor's report on compliance for major programs: Unmodified

Internal control over major programs:

Material weakness (es) identified? Yes X No

Significant deficiency (ies) identified? Yes X No

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? Yes X No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
16.575	Crime Victim Assistance

GUARDIAN ANGEL COMMUNITY SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2020

PART II - FINANCIAL STATEMENT AUDIT FINDINGS

NONE

PART III - FEDERAL PROGRAM AUDIT FINDINGS

NONE

PART IV - SUMMARY OF PRIOR AUDIT FINDINGS

NONE