



Guardian Angel Community Services

Financial Statements

Year Ended June 30, 2024

GUARDIAN ANGEL COMMUNITY SERVICES
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024

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

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of Guardian Angel Community Services (the "Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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



of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited Guardian Angel Community Services' 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Supplementary Information

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* 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2024, on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the Organization's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Organization's internal control over financial reporting and compliance.

Sassetti LLC

December 13, 2024
Oak Brook, Illinois

GUARDIAN ANGEL COMMUNITY SERVICES
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 1,309,823	\$ 1,448,136
Investments, at fair value	3,298,421	3,119,134
Beneficial interests	41,920	37,542
Accounts and grants receivable	933,179	840,290
Promises to give	23,761	13,284
Prepaid expenses	27,129	44,728
Property and equipment, net	89,823	113,997
Right-of-use asset	<u>1,430,240</u>	<u>1,663,144</u>
Total Assets	<u><u>\$ 7,154,296</u></u>	<u><u>\$ 7,280,255</u></u>
LIABILITIES		
Accounts payable	\$ 134,812	\$ 94,819
Accrued payroll liabilities	477,842	459,369
Deferred revenue	19,682	110,326
Other liabilities	5,556	-
Lease liability	<u>1,462,868</u>	<u>1,701,660</u>
Total Liabilities	<u>2,100,760</u>	<u>2,366,174</u>
NET ASSETS		
Without donor restriction	5,017,668	4,857,047
With donor restriction	<u>35,868</u>	<u>57,034</u>
Total Net Assets	<u>5,053,536</u>	<u>4,914,081</u>
Total Liabilities and Net Assets	<u><u>\$ 7,154,296</u></u>	<u><u>\$ 7,280,255</u></u>

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

GUARDIAN ANGEL COMMUNITY SERVICES

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

	Without Donor Restriction	With Donor Restriction	Totals	
			2024	2023
REVENUES AND OTHER SUPPORT				
Program service fees	\$ 2,126,848	\$ -	\$ 2,126,848	\$ 2,062,950
Governmental grants	5,084,390	-	5,084,390	4,374,345
Contributions	215,538	133,389	348,927	384,986
Special event revenue	177,074	-	177,074	162,971
Contributed nonfinancial goods and services	234,543	-	234,543	214,872
Investment return, net	420,216	-	420,216	301,500
Other income	92,080	-	92,080	103,313
Net assets released from restrictions	154,555	(154,555)	-	-
Total Revenues and Other Support	8,505,244	(21,166)	8,484,078	7,604,937
EXPENSES				
Program services	7,177,206	-	7,177,206	6,393,481
Administrative and general	897,815	-	897,815	891,003
Fundraising	269,602	-	269,602	212,611
Total Expenses	8,344,623	-	8,344,623	7,497,095
CHANGE IN NET ASSETS	160,621	(21,166)	139,455	107,842
NET ASSETS				
Beginning of year	4,857,047	57,034	4,914,081	4,806,239
End of year	\$ 5,017,668	\$ 35,868	\$ 5,053,536	\$ 4,914,081

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

GUARDIAN ANGEL COMMUNITY SERVICES
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

	Program Services							Support Services		Totals		
	Sexual Assault Service Center	Groundwork	Foster Care	Suzy's Caring Place	PAIP	Exchange	Other	Total Program Services	General and Administrative	Fundraising	2024	2023
Salaries And Benefits:												
Salaries and wages	\$ 700,997	\$ 1,492,483	\$ 1,016,604	\$ 410,537	\$ 190,672	\$ 80,919	\$ 91,263	\$ 3,983,475	\$ 698,635	\$ 43,193	\$ 4,725,303	\$ 3,978,390
Payroll taxes	58,102	122,738	81,373	31,761	15,256	6,303	8,625	324,158	20,484	3,594	348,236	298,626
Employee benefits	73,620	134,924	122,511	44,324	15,411	17,580	4,243	412,613	33,728	4,430	450,771	373,677
Workers compensation insurance	7,256	16,820	10,326	3,407	1,729	538	-	40,076	20,402	473	60,951	47,549
Total Salaries and Benefits:	839,975	1,766,965	1,230,814	490,029	223,068	105,340	104,131	4,760,322	773,249	51,690	5,585,261	4,698,242
Supplies Expense:												
Food	-	8,533	2,151	-	56	139	-	10,879	-	169	11,048	38,002
Office supplies and expenses	14,755	24,240	16,577	8,333	6,923	1,310	11,907	84,045	3,174	998	88,217	84,951
Contributed goods	13,576	29,332	1,028	277	13,816	-	-	58,029	-	75,691	133,720	96,919
Program support supplies	5,858	221	150	142	6,256	-	-	12,627	-	48,186	60,813	69,129
Total Supplies Expense	34,189	62,326	19,906	8,752	27,051	1,449	11,907	165,580	3,174	125,044	293,798	289,001
Occupancy Expense:												
Contracted services	12,616	29,229	10,502	2,476	24	11	-	54,858	4,381	1,531	60,770	50,841
Utilities	12,566	21,590	7,714	1,808	-	-	-	43,678	3,482	1,135	48,295	40,397
Property and casualty insurance	9,586	21,240	13,654	5,375	2,732	1,184	-	53,771	4,224	596	58,591	63,545
Building rent	73,847	153,472	51,760	12,292	87	34	-	291,492	21,429	7,484	320,405	331,241
Equipment and building repairs	3,304	17,693	3,752	1,527	875	345	617	28,113	1,192	156	29,461	29,258
Total Occupancy Expense:	111,919	243,224	87,382	23,478	3,718	1,574	617	471,912	34,708	10,902	517,522	515,282
Transportation Expense	11,187	8,071	118,017	6,155	164	1,782	597	145,973	38	359	146,370	112,111
Vehicle and Equipment Leases	4,338	8,139	7,139	423	258	102	203	20,602	456	1,057	22,115	19,916
Specific Assistance to Individuals:												
Foster family payments	-	-	547,761	-	-	-	-	547,761	-	-	547,761	457,649
Utilities	-	-	-	-	-	-	-	-	-	-	-	829
Client rent expense	-	-	-	776,647	8,565	-	-	785,212	-	-	785,212	701,970
Contributed gift certificates	365	3,195	-	-	-	-	-	3,560	-	34,783	38,343	32,427
Total Specific Assistance to Individuals	365	3,195	547,761	776,647	8,565	-	-	1,336,533	-	34,783	1,371,316	1,192,875
Miscellaneous Expense												
Professional fees	3,641	9,305	11,055	10,184	1,082	360	40	35,667	67,865	7,011	110,543	181,161
Telephone	10,394	18,499	17,966	4,685	4,655	761	125	57,085	3,217	1,133	61,435	59,464
Conference and education	3,051	20,822	4,985	9,388	3,894	832	-	42,972	108	16	43,096	24,559
Memberships	1,692	1,031	2,947	48	55	1,361	-	7,134	73	211	7,418	8,891
Liability insurance	1,949	4,000	2,613	535	530	198	-	9,825	772	113	10,710	7,724
Postage	726	1,637	3,155	531	251	663	-	6,963	544	43	7,550	9,348
Contributed services	8,835	34,656	3,104	-	13,705	2,180	-	62,480	-	-	62,480	85,526
Outside printing	103	502	235	170	124	-	-	1,134	-	3,643	4,777	3,105
Unemployment	498	1,222	998	229	133	35	-	3,115	-	34	3,149	7,627
COVID related housing costs	-	-	-	-	-	-	-	-	-	-	-	177,566
Miscellaneous	3,357	13,727	8,436	1,047	776	387	-	27,730	11,868	33,311	72,909	78,237
Total Miscellaneous Expense	34,246	105,401	55,494	26,817	25,205	6,777	165	254,105	84,447	45,515	384,067	643,208
Total Expenses Before Depreciation	1,036,219	2,197,321	2,066,513	1,332,301	288,029	117,024	117,620	7,155,027	896,072	269,350	8,320,449	7,470,635
Depreciation and amortization	4,047	8,841	5,984	1,803	1,065	439	-	22,179	1,743	252	24,174	26,460
Total expenses	\$ 1,040,266	\$ 2,206,162	\$ 2,072,497	\$ 1,334,104	\$ 289,094	\$ 117,463	\$ 117,620	\$ 7,177,206	\$ 897,815	\$ 269,602	\$ 8,344,623	\$ 7,497,095

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

GUARDIAN ANGEL COMMUNITY SERVICES

STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 139,455	\$ 107,842
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	24,174	26,460
Net realized and unrealized gains on investments	(300,041)	(104,703)
Non-cash lease expense	307,932	290,675
(Increase) decrease in operating assets:		
Accounts and grants receivable	(92,889)	94,022
Promises to give	(10,477)	(13,284)
Prepaid expenses	17,599	(44,443)
Increase (decrease) in operating liabilities:		
Accounts payable	39,993	(34,100)
Accrued payroll liabilities	18,473	(23,338)
Deferred revenue	(90,644)	98,000
Other liabilities	5,556	(44,531)
Lease liabilities	(309,080)	(249,207)
Net Cash (Used in) Provided by Operating Activities	(249,949)	103,393
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(5,750)
Purchases of investments and reinvested dividends	(92,341)	(282,483)
Sales of investments	208,717	305,834
Net Cash Provided by Investing Activities	116,376	17,601
CASH FLOWS FROM FINANCING ACTIVITIES		
Finance lease payments	(4,740)	(2,952)
Net Cash Used in Financing Activities	(4,740)	(2,952)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(138,313)	118,042
CASH AND CASH EQUIVALENTS:		
Beginning of year	1,448,136	1,330,094
End of year	\$ 1,309,823	\$ 1,448,136
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 661	\$ -
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, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

Note 1 - Summary of Significant Accounting Policies

Nature of Organization - Guardian Angel Community Services (GACS) is an Illinois nonprofit organization whose mission is to provide diverse services that inspire people to improve the quality of their lives in their greatest time of need. The Organization mainly operates within Will and Grundy counties. 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 (U.S. GAAP).

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.

Adopted Accounting Pronouncements – In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update (ASU) 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments. This standard replaces the incurred loss methodology and is referred to as the current expected credit loss (CECL) methodology. CECL requires an estimate of credit losses for the remaining life of the financial asset using historical

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including loan receivables and trade receivables. Financial assets measured at amortized cost will be presented at the net amount expected to be collected by using an allowance for credit losses. The new standard was adopted by the Organization on July 1, 2023 and had no material impact on the Organization's financial statements.

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.

Accounts and Grants Receivable - Accounts receivable consist of government and state grants or program services fees 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. Accounts receivables are assessed for any credit losses based on historical experience and current and forecasted conditions. Recoveries of receivables previously written off are recorded when received. Management does not believe that an allowance for uncollectible accounts or grants receivable is necessary as of June 30, 2024.

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

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

straight-line basis over their estimated useful lives. Amortization of the cost of leasehold improvements is computed on a straight-line basis over the term of the estimated extended lease or services life, whichever is shorter.

Property and equipment purchases and leasehold improvements in excess of \$5,000 per item are capitalized. Assets are depreciated over their useful lives of 3 to 15 years. Costs of maintenance and repairs are charged to expense when incurred.

Leases – The Organization determines if an arrangement is or contains a lease at inception. Leases are included in right-of-use assets and lease liabilities in the Statements of Financial Position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term at the commencement date.

Operating and finance lease ROU assets and finance lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. When available, the Organization uses the interest rate implicit in the lease to determine the net present value of the lease payments. For operating leases that do not provide an incremental borrowing rate, the Organization has elected to use the practical expedient as allowed under the standard. As such, a risk-free rate as of the date of the lease inception, based on the term of the lease, has been used. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the Organization will exercise that option. Finance lease expense for minimum lease payments is recognized in two separate components, interest expense on the lease liability and amortization of the ROU asset.

As permitted by U.S. GAAP, management has elected not to apply these new lease accounting policies to leases with a term of less than one year at the lease's commencement date. Expenses associated with these short-term leases are recognized on a straight-line basis over the term of the lease.

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

Contributed 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.

GUARDIAN ANGEL COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

Amounts were determined by using comparable wage rates for the applicable service based on rates prevailing in the area and are summarized as follows:

Program Utilized In:	2024	2023
Sexual Assault Service Center	\$ 8,835	\$ 9,012
Groundwork	34,656	66,285
Other	18,989	10,229
	<u>\$ 62,480</u>	<u>\$ 85,526</u>

Contributed Nonfinancial Assets – Contributed equipment and other materials are recorded as contributions at their estimated fair values at the date of donation. The Organization was the recipient of the following contributed goods during the years ended June 30, 2024 and 2023:

2024		
Type of Contributed Nonfinancial Asset	Value	Utilization in Programs/Activities
Supplies	\$ 54,847	All Programs
Gift cards	38,343	All Programs
Food	3,182	Groundwork
Vouchers/gift certificates	75,691	Fundraising
	<u>\$ 172,063</u>	

2023		
Type of Contributed Nonfinancial Asset	Value	Utilization in Programs/Activities
Supplies	\$ 14,226	All Programs
Gift cards	32,427	All Programs
Food	3,575	Groundwork
Vouchers/gift certificates	79,118	Fundraising
	<u>\$ 129,346</u>	

Supplies and gift cards may be restricted to the program/activity that it is donated for.

Revenue Recognition – The Organization has the following types of revenues and support:

Contributions - Contributions received, including private grants and unconditional promises to give in the future, are reported as revenue when received, measured at fair

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

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.

Governmental grants - Government grants revenue is recorded when eligible expenditures, as defined in each grant, contract or other allowable cost manual are made. Any cash received in advance of eligible expenditures being incurred is included as deferred revenue. Amounts due to the Organization for costs incurred under the grant and not yet paid are 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 allowable under these grants or contracts, the Organization records the disallowance at the time the final assessment is made.

Special events - Special event revenue for tickets are recorded as deferred revenue when received and recognized as earned when the underlying event occurs. Sponsorship revenue is recorded as a contribution when promised or donated.

Program service fees – Program service fees are considered exchange transactions and are received from the following sources:

Foster care: The Organization receives revenue under fee-for-service contracts with the State of Illinois Department of Children and Family Services (DCFS). Revenue is recognized over time as the services are performed. Purchased services by DCFS are billed monthly based on the previous month's services and the number of children and days that they are under the Organization's care. Rates are set by DCFS. The Organization also provides administrative and case management services for the program, the reimbursement rates for these services are also set by DCFS and dependent on the number of children served and the days served during the month. Foster care payments received in excess of amounts spent are subject to review and carryforward approval by DCFS and are included as deferred revenue.

PAIP Programs: The Organization provides classes as part of the Partner Abuse Intervention Program (PAIP) and charges participants per class. Revenue is recorded as classes are provided.

GUARDIAN ANGEL COMMUNITY SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

No contracts have a significant financing component.

The beginning and ending contract balances were as follows:

	July 1, 2023	June 30, 2024
Accounts receivable	\$ 98,716	\$ 295,814
Deferred revenue	\$ 110,326	\$ 19,682
	July 1, 2022	June 30, 2023
Accounts receivable	\$ 202,383	\$ 98,716
Deferred revenue	\$ 12,326	\$ 110,326

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.

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 by the Organization and has concluded that as of June 30, 2024, 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.

Comparative Financial Information – The financial information shown for fiscal year 2023 in the accompanying financial statements is included to provide a basis for comparison with 2024. 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, 2023, from which the summarized information was derived.

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

Subsequent Events - Management of the Organization have evaluated subsequent events through December 13, 2024, 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 \$96,645 and \$80,390 for the years ended June 30, 2024 and 2023.

Note 3 – Concentrations

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

During the both years ended June 30, 2024 and 2023, the Organization received approximately 84% 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:

	2024	2023
Equipment	\$ 59,865	\$ 210,453
Leasehold improvements	136,611	117,656
Less accumulated depreciation	(106,653)	(214,112)
	<u>\$ 89,823</u>	<u>\$ 113,997</u>

Total depreciation expense for the years ended June 30, 2024 and 2023 was \$24,174 and \$26,460, respectively.

Note 5 – 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.

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

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

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, 2024:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 3,298,421	\$ -	\$ -	\$ 3,298,421
Total investments held	<u>\$ 3,298,421</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,298,421</u>
Beneficial interest				
Pooled investments*				<u>41,920</u>
				<u>\$ 3,340,341</u>

Fair values of investments at June 30, 2023:

	Level 1	Level 2	Level 3	Total
Mutual funds	\$ 2,997,155	\$ -	\$ -	\$ 2,997,155
Corporate bonds	-	49,257	-	49,257
U.S. treasuries	<u>72,722</u>	<u>-</u>	<u>-</u>	<u>72,722</u>
Total investments held	<u>\$ 3,069,877</u>	<u>\$ 49,257</u>	<u>\$ -</u>	<u>\$ 3,119,134</u>
Beneficial interest				
Pooled investments*				<u>37,542</u>
				<u>\$ 3,156,676</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

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

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.

Net investment return consisted of the following for the years ended June 30:

	2024	2023
Interest and dividend income	\$ 115,053	\$ 81,383
Net realized and unrealized gains	309,812	222,045
Investment fees	(4,649)	(1,928)
	<u>\$ 420,216</u>	<u>\$ 301,500</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 6 – 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 \$41,920 and \$37,542 at June 30, 2024 and 2023, respectively.

Note 7 – Leases

The Organization's central office in Joliet is rented pursuant to an operating lease expiring in July 2029. The lease has options for two additional five-year periods, which were not included in the ROU lease calculation. The Organization also operates five satellite offices in their area of service with leases extending through 2029. Rent

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

expense, recognized on a straight-line basis, was \$302,973 and \$295,993 for the years ended June 30, 2024 and 2023, respectively.

The Organization entered into a finance lease for copiers in October 2022 that goes through September 2027. Expense associated with the finance lease was \$4,298 and \$3,223 for the year ended June 30, 2024 and 2023.

The below table provides additional information related to the Organization's leases as of June 30, 2024:

ROU assets obtained in exchange for new finance lease liabilities	\$ -
ROU assets obtained in exchange for new operating lease liabilities	\$ 27,721
Weighted-average remaining lease term in years for finance leases	3.25
Weighted-average remaining lease term in years for operating leases	5.05
Weighted-average discount rate for finance leases	4.06%
Weighted-average discount rate for operating leases	2.94%

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

	Finance	Operating	Total
2025	\$ 4,740	\$ 301,580	\$ 306,320
2026	4,740	301,580	306,320
2027	4,740	301,580	306,320
2028	1,185	301,580	302,765
2029	-	301,580	301,580
Thereafter	-	25,133	25,133
Total undiscounted cash flows	15,405	1,533,033	1,548,438
Less: present value discount	(947)	(84,623)	(85,570)
	<u>\$ 14,458</u>	<u>\$ 1,448,410</u>	<u>\$ 1,462,868</u>

Note 8 - 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 9 – 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

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

is met (generally, when the service is provided). The Organization has conditional grants of approximately \$1,200,000 to provide counseling and housing services that are available to be used during fiscal year 2025 on qualifying expenses.

Note 10 – Net Assets

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

	2024	2023
Groundwork	\$ 14,064	\$ 36,393
Wiers Special Project Fund	15,559	15,614
Capital improvements	3,611	2,393
Sexual assault services center	2,634	2,634
	<u>\$ 35,868</u>	<u>\$ 57,034</u>

Note 11 – Disaggregation of Revenue

Revenue from contracts with customers disaggregated by category for the years ended June 30, 2024 and 2023 is as follows:

	2024	2023
Revenue recognized over time		
Foster care fees	2,062,944	1,564,988
Adult Protective Services fees	-	413,467
Revenue recognized at a point in time		
PAIP class fees	63,904	84,495
Tota revenue from exchange transactions	<u>\$ 2,126,848</u>	<u>\$ 2,062,950</u>

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.

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2024, WITH COMPARATIVE TOTALS FOR JUNE 30, 2023

The Organization's financial assets available for general expenditure within one year of the statement of financial position date of June 30, 2024 and 2023, are as follows:

	2024	2023
Cash and cash equivalents	\$ 1,309,823	\$ 1,448,136
Investments	3,298,421	3,119,134
Beneficial interests	41,920	37,542
Accounts receivable	933,179	840,290
Promises to give	23,761	13,284
Total financial assets available	5,607,104	5,458,386
Less: Amounts unavailable for general expenditure within one year due to:		
Donor restricted contributions	(35,868)	(57,034)
Beneficial interest fund	(41,920)	(37,542)
Total financial assets available to management for general expenditure within one year	\$ 5,529,316	\$ 5,363,810

If the Organization incurs expenditures related to the donor restricted purposes designated during 2025, it is possible that a portion or all of the donor restricted net assets could be released from restriction.



Single Audit

Year Ended June 30, 2024

GUARDIAN ANGEL COMMUNITY SERVICES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing 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	219175	\$ 476,189
Passed through Illinois Coalition Against Domestic Violence Crime Victim Assistance *	16.575	221001	250,748
Passed through Illinois Coalition Against Sexual Assault Crime Victim Assistance *	16.575	N/A	<u>302,880</u>
Total - Crime Victim Assistance			<u>1,029,817</u>
Passed through Illinois Coalition Against Sexual Assault Violence Against Women Formula Grants	16.588	N/A	57,181
Passed through Illinois Coalition Against Domestic Violence Violence Against Women Formula Grants	16.588	620001	<u>12,845</u>
Total - Violence Against Women Formula Grants			<u>70,026</u>
Passed through Illinois Criminal Justice Information Authority Sexual Assault Services Formula Program	16.017	N/A	<u>42,909</u>
Total U.S. Department of Justice			<u>1,142,752</u>
U.S. Department of Housing and Urban Development			
Passed through Illinois Department of Human Services COVID19 - Emergency Solutions Grant Program	14.231	FCSCH05713	151,564
Emergency Solutions Grant Program	14.231	FCSCH03770	<u>167,146</u>
Total - Emergency Solutions Grant Program			<u>318,710</u>
Direct Program: Continuum of Care	14.267	N/A	<u>489,883</u>
Total U.S. Department of Housing and Urban Development			<u>808,593</u>

<Continued>

See Notes to Schedule of Expenditures of Federal Awards

GUARDIAN ANGEL COMMUNITY SERVICES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass Through Number</u>	<u>Federal Expenditures</u>
U.S. Department of Homeland Security:			
Passed through United Way			
Emergency Food and Shelter National Board Program	97.024	N/A	<u>\$ 45,901</u>
Total U.S. Department of Homeland Security			<u>45,901</u>
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	24,707
Family Violence Prevention and Services Act			
Sexual Assault/Rape Crisis Services and Support	93.497	N/A	46,751
Social Services Block Grant	93.667	N/A	138,122
Passed through Illinois Department of Human Services			
Social Services Block Grant	93.667	FCSBT01550	<u>42,957</u>
Total - Social Services Block Grant			<u>181,079</u>
Family Violence Prevention and Services/Domestic Violence Shelter and Supportive Services	93.671	FCSBT01550	<u>94,000</u>
Total U.S. Department of Health and Human Services			<u>346,537</u>
U.S. Department of the Treasury			
Passed through Will County			
Coronavirus State and Local Recovery Funds *	21.027	N/A	<u>362,407</u>
Total U.S. Department of the Treasury			<u>362,407</u>
Total Expenditures of Federal Awards			<u><u>\$ 2,706,190</u></u>

* Audited as a major program

See Notes to Schedule of Expenditures of Federal Awards

GUARDIAN ANGEL COMMUNITY SERVICES

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2024

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, 2024. 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. 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, 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, 2024.

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, 2024.

Insurance, Loans, and Loan Guarantees

During the year ended June 30, 2024, 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 (the "Organization"), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 13, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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

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



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Sassetti LLC

December 13, 2024
Oak Brook, Illinois



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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Guardian Angel Community Services (the "Organization") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended June 30, 2024. The Organization's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Organization 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, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Organization and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Organization's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Organization's federal programs.



Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control over Compliance

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



a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

Sassetti LLC

Oak Brook, Illinois
December 13, 2024

GUARDIAN ANGEL COMMUNITY SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

PART I - SUMMARY OF AUDITOR'S RESULTS

Financial Statement Section

Type of auditors' report issued:	<u>Unmodified</u>		
Internal control over financial reporting:			
Material weakness (es) identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiency (ies) identified?	<u> </u> Yes	<u> X </u> No	
Noncompliance material to financial statements noted?	<u> </u> Yes	<u> X </u> No	

Federal Awards Section

Dollar threshold used to determine Type A programs:	<u>\$750,000</u>		
Auditee qualified as low-risk auditee?	<u> </u> Yes	<u> X </u> No	
Type of auditor's report on compliance for major programs:	<u>Unmodified</u>		
Internal control over major programs:			
Material weakness (es) identified?	<u> </u> Yes	<u> X </u> No	
Significant deficiency (ies) identified?	<u> </u> Yes	<u> X </u> No	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?	<u> </u> Yes	<u> X </u> No	

Identification of major programs:

<u>Assistance Listing Numbers</u>	<u>Name of Federal Program or Cluster</u>
16.575	Crime Victim Assistance
21.027	Coronavirus State and Local Recovery Funds

GUARDIAN ANGEL COMMUNITY SERVICES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024

PART II - FINANCIAL STATEMENT AUDIT FINDINGS

NONE

PART III - FEDERAL PROGRAM AUDIT FINDINGS

NONE

PART IV - SUMMARY OF PRIOR AUDIT FINDINGS

FINDING 2023-001 – Limited Controls Over Financial Reporting

Condition: During fiscal year 2023, year-end close out and reconciliations of various financial statement elements were not accurately prepared and reviewed on a timely basis, resulting in additional adjusting journal entries.

Current Status: This is no longer a finding for fiscal year 2024.