

**TOGETHER WE COPE  
SINGLE AUDIT REPORT  
For the Fiscal Year Ended  
June 30, 2016**

Prepared By:

**Hearne & Associates, P.C.**  
Certified Public Accountants &  
Business Consultants

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**Single Audit Report**

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

To the Board of Directors of  
Together We Cope

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 Together We Cope (a nonprofit organization), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, cash flows, and functional expense for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 14, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Together We Cope's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Together We Cope's internal control. Accordingly, we do not express an opinion on the effectiveness of Together We Cope'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 assurance about whether Together We Cope's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required 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 of 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.

November 14, 2016  
Mokena, Illinois

  
Hearne & Associates, P.C.  
Certified Public Accountants



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

To the Board of Directors of  
Together We Cope

**Report on Compliance for Each Major Federal Program**

We have audited Together We Cope's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Together We Cope's major federal programs for the year ended June 30, 2016. Together We Cope's major federal programs are identified in the summary of auditors' 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.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Together We Cope's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Together We Cope's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Together We Cope's compliance.

***Opinion on Each Major Federal Program***

In our opinion, Together We Cope 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, 2016.

**Report on Internal Control Over Compliance**

Management of Together We Cope 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 Together We Cope's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Together We Cope's internal control over compliance.

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

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

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements of Together We Cope as of and for the year ended June 30, 2016, and have issued our report thereon dated November 14, 2016, which contained an unmodified opinion on those financial statements. 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 is presented for purposes of additional analysis as required by the Uniform Guidance 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.

November 14, 2016  
Mokena, Illinois

*Hearne & Associates, P.C.*  
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Certified Public Accountants

**TOGETHER WE COPE**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2016**

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grantor's Identifying Number</u>	<u>Federal Expenditures</u>
U.S. Department of Agriculture			
<i>Pass-Through Program From Chicago Food Depository:</i>			
Emergency Food Assistance Program	10.569	A00233	\$ 333,075
Total U.S. Department of Agriculture			<u>333,075</u>
U.S. Department of Housing and Urban Development:			
<i>Direct Programs:</i>			
Continuum of Care Homeless Assistance Competition (M)	14.267	IL0237B5T111305	29,618
Continuum of Care Homeless Assistance Competition (M)	14.267	IL0237B5T111406	98,111
Continuum of Care Homeless Assistance Competition (M)	14.267	IL0249B5T111306	37,610
Continuum of Care Homeless Assistance Competition (M)	14.267	IL0249B5T111407	142,229
Subtotal - U.S. Department of Housing and Urban Development Direct Programs			<u>307,568</u>
<i>Pass-Through Programs From Cook County:</i>			
Community Development Block Grant	14.218	1504-085	40,000
Emergency Shelter Grant	14.231	E-14-20	14,715
Emergency Shelter Grant	14.231	FC5UH03985	69,912
Subtotal - U.S. Department of Housing and Urban Development Pass Through Programs			<u>124,627</u>
Total U.S. Department of Housing and Urban Development			<u>432,195</u>
U.S. Department of Health and Human Services			
<i>Pass-Through Program From Chicago Food Depository:</i>			
Temporary Assistance for Needy Families	93.558	A00233	200
Total U.S. Department of Health and Human Services			<u>200</u>
U.S. Department of Homeland Security			
<i>Direct Program:</i>			
Emergency Food and Shelter National Board Program	97.024	237400039	17,434
<i>Pass-Through Program From Chicago Food Depository:</i>			
Emergency Food and Shelter National Board Program	97.024	A00233	12,675
Total U.S. Department of Homeland Security			<u>30,109</u>
Total Expenditures of Federal Funds			<u>\$ 795,579</u>

(M) - Program was audited as a major program as defined by §200.518.

See Notes to the Schedule of Expenditures of Federal Awards.



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**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**For the Year Ended June 30, 2016**

**A. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Together We Cope and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**B. Indirect Facilities & Administration Costs**

Together We Cope did not elect to use the 10% de minimis cost rate.

**C. Subrecipients**

Of the federal expenditures presented in the schedule, Together We Cope provided federal awards to subrecipients as follows:

South Suburban PADS	14.267	\$139,403
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**E. Non-cash Assistance**

The following amounts were expended in the form of non-cash assistance by Together We Cope and are included in the Schedule of Expenditure of Federal Awards.

Emergency Food Assistance	10.569	\$333,075
Emergency Food & Shelter	97.024	12,675
Temporary Assistance for Needy Families	93.558	200

**F. Other Information**

Together We Cope did not spend any federal award dollars on insurance.

There are no outstanding loans or loan guarantees at June 30, 2016.

Together We Cope did have grants with matching expenditures. In accordance with the Uniform Guidance, those amounts were not included on the SEFA.

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2016**

**I. Summary of Independent Auditors' Results**

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant Deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   No
- Noncompliance noted? \_\_\_\_\_ Yes   X   No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant Deficiency(ies) identified that are not considered to be material weakness(es)? \_\_\_\_\_ Yes   X   No

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

- Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)? \_\_\_\_\_ Yes   X   No

Identification of major program:

<u>CFDA</u> <u>Number</u>	<u>Name of Federal Program or Cluster</u>
14.267	Continuum of Care Homeless Assistance Competition

Dollar threshold used to distinguish between type A and type B programs \$750,000

- Auditee qualified as a low-risk auditee?   X   Yes \_\_\_\_\_ No

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**For the Year Ended June 30, 2016**

**II. Findings Relating to Financial Statement Audit as Required to be Reported in Accordance with Federally Accepted Government Auditing Standards.**

There were no findings.

**III. Findings and Questioned Costs for Federal Awards**

There were no findings or questioned costs for federal awards.

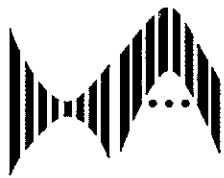
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**SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS**  
**For the Year Ended June 30, 2016**

**I. Findings Relating to Financial Statement Audit as Required to be Reported in Accordance with Generally Accepted Government Auditing Standards.**

There were no prior year findings.

**II. Finding and Questioned Costs for Federal Awards**

There were no prior year findings or questioned costs for federal awards.



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November 14, 2016

To the Board of Directors  
Together We Cope

We have audited the financial statements of Together We Cope for the year ended June 30, 2016, and have issued our report thereon dated November 14, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. Professional standards require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Together We Cope are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ending June 30, 2016. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the in-kind contributions of food, clothing and household items that it received is based on management's estimate of a flat value per bag for applicable items and the thrift shop value of items sold by the Organization.

Management has estimated its allocation of costs based on square footage for occupancy and related operational expenses. For compensation and related expenses, management has allocated these expenses based on actual time maintained by employees that work in more than one function and estimated the time to each function accordingly.

Management's estimate of the depreciation of fixed assets is based on the remaining lives of the assets.

We evaluated the key factors as assumptions used to develop the above estimates in determining they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure in Note 1 to the Financial Statements concerning In-Kind Contributions (gifts of donated food, clothing and household items) is significant due to the materiality of the reported activity and the estimates that are involved in the calculation of this activity.

The financial statement disclosures are neutral, consistent and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individual or in the aggregate, to the financial statements taken as a whole.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 14, 2016.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

With respect to the supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Together We Cope, is not intended to be, and should not be used by anyone other than these specified parties.

Very truly yours,

*Hearne & Associates P.C.*

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