

**TOGETHER WE COPE
ANNUAL FINANCIAL REPORT
For the Fiscal Years Ended
June 30, 2020 and 2019**

Prepared By:

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

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Annual Financial Report

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HEARNE & ASSOCIATES, P.C.

Certified Public Accountants & Business Consultants

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Phillip M. Hearne, CPA
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Together We Cope
Tinley Park, IL

We have audited the accompanying financial statements of Together We Cope (a nonprofit organization) which comprise the statement of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation 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.

Auditors' 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 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 Together We Cope as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

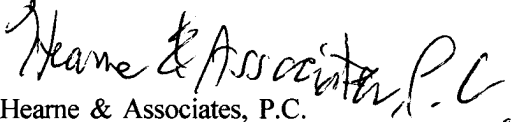
Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2021, on our consideration of Together We Cope'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 Together We Cope'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 Together We Cope's internal control over financial reporting and compliance.

April 5, 2021
Mokena, IL


Hearne & Associates, P.C.
Certified Public Accountants

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STATEMENTS OF FINANCIAL POSITION
As of June 30, 2020 and 2019

	2020	2019
<u>Assets</u>		
Current Assets:		
Cash and Cash Equivalents	\$ 165,628	\$ 60,234
Restricted Cash	125,000	-
Gift Certificates	383	603
Public Support Receivable	190,256	120,413
Inventory	61,524	64,193
Total Current Assets	542,791	245,443
Property and Equipment:		
Land and Building	1,024,725	1,024,725
Furniture & Equipment	352,468	352,468
Less: Accumulated Depreciation	(693,998)	(650,372)
Net Property and Equipment	683,195	726,821
Total Assets	\$ 1,225,986	\$ 972,264
 <u>Liabilities and Net Assets</u>		
Current Liabilities:		
Accounts Payable and Accrued Expenses	\$ 12,359	\$ 12,525
Payroll Liabilities	33,724	37,171
Current Portion of Long-term Debt	6,708	7,267
Total Current Liabilities	52,791	56,963
Other Liabilities		
Long-term Debt	8,944	15,652
Total Liabilities	61,735	72,615
Net Assets		
Without Donor Restriction	1,037,138	896,523
With Donor Restriction	127,113	3,126
Total Net Assets	1,164,251	899,649
Total Liabilities and Net Assets	\$ 1,225,986	\$ 972,264

See Independent Auditors' Report and Notes to Financial Statements.

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STATEMENTS OF ACTIVITIES
For the Years Ended June 30, 2020 and 2019

	2020			2019		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
<u>Public Support, Revenue and Gains</u>						
Public Support						
Contributions						
Suburban United Ways Allocations	\$ 136,500	\$ -	\$ 136,500	\$ 75,000	\$ -	\$ 75,000
Individuals	109,207	-	109,207	70,617	-	70,617
In-Kind	1,826,731	-	1,826,731	2,056,091	-	2,056,091
Foundations and Organizations	108,598	-	108,598	78,227	-	78,227
Businesses and Corporations	66,818	-	66,818	61,645	-	61,645
Fundraising	107,214	-	107,214	121,539	-	121,539
Total Public Support	<u>2,355,068</u>	<u>-</u>	<u>2,355,068</u>	<u>2,463,119</u>	<u>-</u>	<u>2,463,119</u>
Revenue						
Simply Sensible Shoppe	257,919	-	257,919	362,773	-	362,773
Government Grants						
Paycheck Protection Program Loan Forgiveness	-	125,000	125,000	-	-	-
Other	652,012	2,113	654,125	577,309	3,126	580,435
Satisfaction of Program Restriction	3,126	(3,126)	-	2,683	(2,683)	-
Other	4,264	-	4,264	5,387	-	5,387
Total Revenue	<u>917,321</u>	<u>123,987</u>	<u>1,041,308</u>	<u>948,152</u>	<u>443</u>	<u>948,595</u>
Total Public Support, Revenue and Gains	<u>3,272,389</u>	<u>123,987</u>	<u>3,396,376</u>	<u>3,411,271</u>	<u>443</u>	<u>3,411,714</u>
<u>Expenses</u>						
Program Services	2,800,305	-	2,800,305	3,052,196	-	3,052,196
Management and General	208,463	-	208,463	245,299	-	245,299
Fundraising	123,006	-	123,006	165,097	-	165,097
Total Expenses	<u>3,131,774</u>	<u>-</u>	<u>3,131,774</u>	<u>3,462,592</u>	<u>-</u>	<u>3,462,592</u>
Change in Net Assets	140,615	123,987	264,602	(51,321)	443	(50,878)
<u>Net Assets</u>						
Beginning of Year	<u>896,523</u>	<u>3,126</u>	<u>899,649</u>	<u>947,844</u>	<u>2,683</u>	<u>950,527</u>
End of Year	<u>\$ 1,037,138</u>	<u>\$ 127,113</u>	<u>\$ 1,164,251</u>	<u>\$ 896,523</u>	<u>\$ 3,126</u>	<u>\$ 899,649</u>

See Independent Auditors' Report and Notes to Financial Statements.

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STATEMENTS OF FUNCTIONAL EXPENSES
For the Years Ended June 30, 2020 and 2019

	Program Services		Support Services				Total	
	2020	2019	Management & General		Fundraising		2020	2019
			2020	2019	2020	2019		
Functional Expenses								
Salaries	\$ 513,819	\$ 585,345	\$ 114,560	\$ 140,362	\$ 86,044	\$ 96,232	\$ 714,423	\$ 821,939
Employee Benefits	9,963	21,947	2,221	5,263	1,668	3,608	13,852	30,818
Payroll Tax	41,490	48,808	9,251	11,704	6,948	8,024	57,689	68,536
Outside Services	3,307	7,556	22,112	31,443	390	1,141	25,809	40,140
Client Services	2,122,057	2,266,024	-	-	-	-	2,122,057	2,266,024
Office Expenses	10,579	10,396	2,944	2,797	1,143	1,117	14,666	14,310
Insurance	26,970	19,161	7,806	5,546	2,875	2,042	37,651	26,749
Telephone	7,504	5,758	1,673	1,381	1,257	947	10,434	8,086
Occupancy	23,189	26,682	22,454	27,298	10,342	12,631	55,985	66,611
Miscellaneous	774	844	15,046	6,351	130	139	15,950	7,334
Fundraising Costs	-	-	-	-	8,705	35,165	8,705	35,165
Depreciation Expense	30,502	37,112	9,620	11,218	3,504	4,051	43,626	52,381
Volunteer Expenses	2,477	5,107	-	-	-	-	2,477	5,107
Vehicle Expenses	6,984	17,420	776	1,936	-	-	7,760	19,356
Bad Debt Expense	690	36	-	-	-	-	690	36
Total Expenses	<u>\$ 2,800,305</u>	<u>\$ 3,052,196</u>	<u>\$ 208,463</u>	<u>\$ 245,299</u>	<u>\$ 123,006</u>	<u>\$ 165,097</u>	<u>\$ 3,131,774</u>	<u>\$ 3,462,592</u>

See Independent Auditors' Report and Notes to the Financial Statements.

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STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2020 and 2019

	2020	2019
<u>Cash Flows from Operating Activities:</u>		
Change in net assets	\$ 264,602	\$ (50,878)
Adjustments to reconcile change in Net Assets to Net		
Cash provided by operating activities:		
Depreciation	43,626	52,381
Change in Assets - Decrease (Increase):		
Accounts Receivable	(69,843)	(31,527)
Gift Certificates	220	(255)
Inventory	2,669	(1,976)
Change in Liabilities - Increase (Decrease):		
Accounts Payable & Payroll Liabilities	(3,613)	7,292
Net Cash (Used in) Operating Activities	237,661	(24,963)
<u>Cash Flows from Financing Activities:</u>		
Reduction of Long-term Debt	(7,267)	(6,149)
Net Cash Provided by (used in) Financing Activities	(7,267)	(6,149)
Net Increase (Decrease) in Cash and Cash Equivalents	230,394	(31,112)
Cash and Cash Equivalents, Beginning of Year	60,234	91,346
Cash and Cash Equivalents, End of Year	\$ 290,628	\$ 60,234
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash Payments for Interest	\$ -	\$ 576

See Independent Auditors' Report and Notes to Financial Statements.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

1. Nature of Operations and Summary of Significant Accounting Policies

Organization

Together We Cope (the Organization) was incorporated as a not-for-profit organization in May, 1989, under the laws of the State of Illinois and commenced operations at that time. The Organization is a largely volunteer group working to provide charitable and educational services including food, clothing, emergency shelter, utility payment assistance, and resource referrals to needy families from the townships of Bremen, Orland, Palos, Thornton, and Worth.

Basis of Accounting

The Organization's financial statements have been prepared in accordance with the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

Basis of Presentation

Together We Cope presents financial information pursuant to Financial Accounting Standards Board (FASB) Accounting Standards for Not-For-Profit Entities which establishes standards for external financial reporting by not-for-profit organizations and requires the resources be classified into distinct net asset categories according to externally (donor) imposed restrictions.

Net Assets Without Donor Restrictions – Net Assets that are not subject to donor-imposed restrictions are net assets without donor restrictions. The assets include the revenues and expenses of the primary operations of the Organization. Donor restricted contributions and grants whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor or grant-imposed stipulation that may or will be met either by actions of the Organization and/or the passage of time are classified as net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles, generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits in federally insured accounts. At June 30, 2020 the Organization had amounts in excess of the Federally Insured limit of \$250,000 by \$40,127. At June 30, 2019, the Organization had no amounts in excess of the Federally Insured limit. The Organization considers all highly liquid investments available for current use with an initial maturity date of three months or less to be cash equivalents. As of June 30, 2020 the Organization carried a

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NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

restricted cash balance of \$125,000 due to the Paycheck Protection Program Loan Forgiveness. The Organization expects

full forgiveness and recognizes the loan as a conditional contribution until the forgiveness has been granted.

Liquidity and Availability of Resources

As of June 30, 2020 and 2019, Together We Cope ended with a cash and cash equivalent and a public support receivable combined balance of \$480,884 and \$180,647, respectively.

Functional Expenses

The Organization allocated its expenses on a functional basis among its various programs and supporting activities. Expenses that can be identified with a specific program, management and general or fundraising activity are allocated directly to those programs or activities. The expenses that are allocated include salaries and related costs which are allocated on the basis of estimated time and effort. Other expenses are allocated based on space or usage for the various activities of the Organization.

Inventory

Inventory includes donated items available for sale at the Nu2u Resale Shop. Inventory is valued at the fair market value at the date of donation in accordance with generally accepted accounting principles.

Property and Equipment

Expenditures for property, equipment, and items, which substantially increase the useful lives of existing assets, are capitalized at cost. Donations of property and equipment are recorded as contributions at the estimated fair value. Depreciation is computed using the straight-line method over the estimated useful lives (ranging from 5 – 39 years) of the related assets.

Donated Services

Contributions of services are required to be recognized if the services received; (a) create or enhance non-financial assets; or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. During the year ending June 30, 2020 and 2019, there were \$0 and \$7,875, respectively, of donated services recorded. The Organization also received donated services from volunteers that did not fulfill items (a) or (b) above (and have properly not been recorded) in the amount of 50,469 and 30,594 hours for the year ending June 30, 2020 and 2019, respectively.

In-Kind Contributions

Together We Cope reports gifts of donated food, clothing, and household items to be distributed directly to its clients as unrestricted public support and, shortly thereafter, as expense when actually distributed to its clients. During the year ended June 30, 2020 and 2019, the Organization received approximately \$1,826,731 and \$2,056,091, respectively of in-kind support. For the year ended June 30, 2020 and 2019, the Organization distributed approximately \$1,826,731 and \$2,056,091, respectively of donated food, clothing, and household items received from donors. These amounts are determined by attributing a standard value to each bag of food or clothing donated.

TOGETHER WE COPE
NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

1. Nature of Operations and Summary of Significant Accounting Policies (continued)

Income Taxes

Together We Cope is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and the Illinois Charitable Trust. The Organization's Form 990, Return of Organization Exempt from Income Tax, for the years ending June 30, 2017, 2018 and 2019 are subject to examination by the IRS, generally for three years after the respective return was filed.

2. Nu2u Retail Shop

The Nu2u Retail Shop is operated by Together We Cope and is open to the Organization's clients and the general public. Clients are allowed \$75 of free merchandise per year administered through a voucher system maintained by the Organization. Revenue from the sale of the shop's inventory is used to fund client services and Organization operating expenses. Sales taxes were paid and netted against revenue for the fiscal year ended June 30, 2020 and 2019 in the amounts of \$25,374 and \$35,707, respectively.

3. Long-Term Debt

On September 6, 2017 the Organization entered into a capital lease agreement with Chicago Office Technology Group for a new copier. The total amount of the lease is \$33,540 payable in 60 monthly installments of \$559. As of June 30, 2020 and 2019, the balance of the debt was \$15,652 and \$22,919, respectively.

Maturities for long-term debt payable are as follows:

<u>Fiscal Year Ended</u>	<u>Lease</u>
2021	\$ 6,708
2022	6,708
2023	<u>2,236</u>
	<u>\$ 15,652</u>

4. Net Asset Restrictions

With Donor Restrictions are for the Emergency Shelter Rapid Rehousing Grant for funds that were unspent as of year-end. As of June 30, 2020 and 2019, the balance of the With Donor Restrictions were \$127,113 and \$3,126, respectively. The Organization received a Paycheck Protection Loan in the amount of \$125,000 for the June 30, 2020 fiscal year. The loan is subject to forgiveness and it is probable the Organization will be granted full forgiveness of the loan. With this expectation, the loan has been reclassified to revenue as a conditional contribution. The funds are to be restricted until full forgiveness has been extended.

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NOTES TO FINANCIAL STATEMENTS
June 30, 2020 and 2019

5. Federal Financial Assistance

The Organization has been awarded various grants from multiple U.S. federal agencies and include cash disbursements and non-cash food items. Revenue is recognized when earned and expenses are recognized as incurred. Activity related to the Organization’s federal assistance programs for the year ended June 30, 2020 and 2019 was as follows:

	2020	2019
Grants Received	\$ 1,771,609	\$ 893,460
Expenditures	(1,693,809)	(810,066)
Pass-Through	(77,800)	(83,394)
Carryover	\$ -	\$ -

6. Grant Programs

The Organization currently participates in various grant programs. These programs are subject to program compliance audits by the grantor agencies. The Organization’s compliance with applicable grant requirements may be established at some future date; however, the Organization believes that any noncompliance will not have a material effect on the financial statements.

7. Concentrations

Grant Revenue/Receivables

The Organization receives substantial support (excluding in-kind donations) from various governmental agencies and private agencies throughout the year. For the fiscal year ending June 30, 2020, approximately 15% of the Organization’s total support (excluding in-kind donations) was received from the State of Illinois. As of June 30, 2020, \$111,796 of the balance of grants receivable is comprised of amounts due from HUD, the State of Illinois, and Cook County, representing approximately 18%, 33%, and 17%, respectively, of the total balance of \$190,256. For the fiscal year ending June 30, 2019, approximately 14% of the Organization’s total support (excluding in-kind donations) was received from the State of Illinois. As of June 30, 2019, \$100,851 of the balance of grants receivable is comprised of amounts due from HUD, the State of Illinois, and Cook County, representing approximately 38%, 26%, and 33%, respectively, of the total balance of \$120,413.

8. Subsequent Events

The date to which the events occurring after June 30, 2020, the date of the most recent balance sheet, have been evaluated for possible adjustments to the financial statements or disclosure through April 5, 2021, the date on which the financial statements were issued. Any subsequent events requiring disclosure are discussed in the relevant footnote.

9. Uncertainty

The organization’s operations may be affected by the recent and ongoing outbreak of coronavirus disease 2019 (COVID-2019) which was declared a pandemic by the World Health Organization in March of 2020. There is unprecedented uncertainty surrounding the duration of the pandemic, its potential economic ramifications, and any government actions to mitigate them. The ultimate disruption to the organization is uncertain at this time.



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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, 2020, 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 April 5, 2021.

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.

April 5, 2021
Mokena, Illinois


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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, 2020. 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, 2020.

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.

April 5, 2021
Mokena, Illinois


Hearne & Associates, P.C.
Certified Public Accountants

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2020

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grantor's Identifying Number	Passed Through to Subrecipients	Federal Expenditures
U.S. Department of Agriculture				
<i>Pass-Through Program From Chicago Food Depository:</i>				
Emergency Food Assistance Program (Food Commodities) (M)	10.569	A00233	\$ -	\$ 716,426
COVID-19 - Emergency Food Assistance Program	10.569	not available	-	1,500
Total U.S. Department of Agriculture			<u>-</u>	<u>717,926</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	-	4,780
Community Services Block Grant	93.569	A00233	-	24,263
Total U.S. Department of Health and Human Services			<u>-</u>	<u>29,043</u>
U.S. Department of Homeland Security - Federal Emergency Management Agency				
<i>Direct Programs:</i>				
Federal Emergency Management Agency	97.024	237400039	-	50,648
<i>Pass-Through Program From Chicago Food Depository:</i>				
Emergency Food and Shelter Program - FEMA	97.024	A00233	-	13,453
Total U.S. Department of Homeland Security - Federal Emergency Management Agency			<u>-</u>	<u>64,101</u>
U.S. Department of Housing and Urban Development:				
<i>Direct Programs:</i>				
Continuum of Care Program	14.267	IL0237L5T111810	-	44,495
Continuum of Care Program	14.267	IL0237L5T111709	77,800	99,190
Subtotal - U.S. Department of Housing and Urban Development Direct Programs			<u>77,800</u>	<u>143,685</u>
<i>Pass-Through Programs From Housing Forward:</i>				
Continuum of Care - Coordinated Entry Program	14.267	IL0629L5T111803	-	46,236
<i>Pass-Through Programs From Cook County:</i>				
Community Development Block Grant	14.218	1804-083	-	7,508
Community Development Block Grant	14.218	1904-088	-	38,000
Emergency Solutions Grant Program	14.218	E19-19	-	21,500
Emergency Solutions Grant Program	14.231	E18-16	-	31,679
<i>Pass-Through Program From Illinois:</i>				
Emergency Solutions Grant Program	14.231	FCSYH03985	-	71,931
Subtotal - U.S. Department of Housing and Urban Development Pass Through Programs			<u>-</u>	<u>216,854</u>
Total U.S. Department of Housing and Urban Development			<u>77,800</u>	<u>360,539</u>
Total Expenditures of Federal Funds			<u>\$ 77,800</u>	<u>\$ 1,171,609</u>

(M) - Major Program

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, 2020

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) 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	\$77,800
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D. 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	\$717,926
Community Services Block Grant	93.569	\$24,263
Temporary Assistance for Needy Families	93.558	\$4,780

E. 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, 2020.

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, 2020

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 Number</u>	<u>Name of Federal Program or Cluster</u>
10.569	Emergency Food Assistance Program

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, 2020

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 OF PRIOR AUDIT FINDINGS
For the Year Ended June 30, 2019

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

There were no prior year findings.

II. Findings and Questioned Costs for Federal Awards

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