



NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
North Shore Senior Center, NSSC Foundation and
North Shore Senior Options

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of North Shore Senior Center and Subsidiaries (NSSC Foundation and North Shore Senior Options) (nonprofit organizations), which comprise the consolidated statements of financial position as of June 30, 2018 and 2017, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits 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 consolidated financial statements are free from material misstatement. The financial statements of NSSC Foundation and North Shore Senior Options were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of North Shore Senior Center and Subsidiaries as of June 30, 2018 and 2017, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

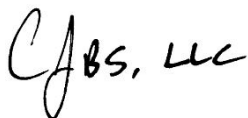
Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules presented on Schedules 1 through 9 on pages 30-42 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The supplemental information presented on Schedule 10 on page 43 as required by AgeOptions – The Area Agency is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The supplementary information presented on Schedule 11 on page 44 that includes the Consolidated Year-End Financial Report for the State of Illinois Grant Accountability and Transparency Act (GATA) compliance is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated 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, 2018, on our consideration of North Shore Senior Center and Subsidiaries' 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 North Shore Senior Center and Subsidiaries' 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 North Shore Senior Center and Subsidiaries' internal control over financial reporting and compliance.



CJBS, LLC
Northbrook, IL

December 13, 2018



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

To the Board of Directors of
North Shore Senior Center

We have audited the consolidated financial statements of North Shore Senior Center and Subsidiaries (NSSC Foundation, and North Shore Senior Options) (nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2018, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 13, 2018. We conducted our audit 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 North Shore Senior Center's subsidiaries, NSSC Foundation and North Shore Senior Options, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with NSSC Foundation and North Shore Senior Options.

Internal Control Over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered Organization'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of 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 consolidated 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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Organization's consolidated 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,

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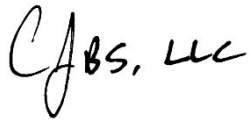
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providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be 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.

A handwritten signature in black ink that reads "CJBS, LLC". The letters are cursive and somewhat stylized.

CJBS

Northbrook, IL

December 13, 2018

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	<u>ASSETS</u>	
	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash	\$ 1,017,626	\$ 443,914
Receivables		
- Government Grants	34,079	86,229
- Contributions	75,653	108,976
- Program Fees	1,233,420	988,391
Prepaid Expenses and Other Assets	96,240	109,913
	<u>2,457,018</u>	<u>1,737,423</u>
INVESTMENTS	<u>16,754,285</u>	<u>17,459,872</u>
PROPERTY AND EQUIPMENT		
Land	1,860,000	1,860,000
161 Northfield Building	7,577,404	7,577,404
House of Welcome Building	2,566,969	2,566,969
Land Improvements	1,229,097	1,229,097
Furniture and Equipment	2,536,989	2,495,033
	<u>15,770,459</u>	<u>15,728,503</u>
Less: Accumulated Depreciation	<u>(8,217,466)</u>	<u>(7,713,353)</u>
Total Property and Equipment	<u>7,552,993</u>	<u>8,015,150</u>
OTHER ASSETS		
Security Deposits	<u>1,460</u>	<u>1,460</u>
Total Other Assets	<u>1,460</u>	<u>1,460</u>
Total Assets	<u>\$ 26,765,756</u>	<u>\$ 27,213,905</u>

The accompanying notes are an integral part of the consolidated financial statements.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

<u>LIABILITIES AND NET ASSETS</u>		
	<u>2018</u>	<u>2017</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 106,220	\$ 75,231
Accrued Expenses	165,896	146,319
Custodial Accounts	5,743	5,827
Deferred Income	40,629	41,951
Charitable Remainder Unitrusts	-	2,497
Charitable Gift Annuities	51,952	65,734
	<u>370,440</u>	<u>337,559</u>
LONG-TERM LIABILITIES		
Bonds Payable	7,000,000	7,000,000
Less Bond Issuance Cost, Net	<u>(65,840)</u>	<u>(71,754)</u>
Bonds Payable Less Bond Issuance Cost, Net	6,934,160	6,928,246
Charitable Remainder Unitrusts, Net of Current Portion	-	3,781
Charitable Gift Annuities, Net of Current Portion	<u>5,262</u>	<u>6,854</u>
	<u>6,939,422</u>	<u>6,938,881</u>
Total Long-Term Liabilities	<u>6,939,422</u>	<u>6,938,881</u>
Total Liabilities	<u>7,309,862</u>	<u>7,276,440</u>
COMMITMENTS		
NET ASSETS		
Unrestricted		
Undesignated	4,125,194	4,062,527
Bond Covenant Reserve	7,700,000	7,700,000
Net Investment in Property and Equipment	1,173,136	1,828,683
Board Designated	458,661	458,661
Total Unrestricted	<u>13,456,991</u>	<u>14,049,871</u>
Temporarily Restricted	4,695,605	1,584,296
Permanently Restricted	<u>1,303,298</u>	<u>4,303,298</u>
	<u>19,455,894</u>	<u>19,937,465</u>
Total Net Assets	<u>19,455,894</u>	<u>19,937,465</u>
Total Liabilities and Net Assets	<u>\$ 26,765,756</u>	<u>\$ 27,213,905</u>

The accompanying notes are an integral part of the consolidated financial statements.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2018	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2017
PUBLIC SUPPORT AND OTHER REVENUE								
Members	\$ 297,516	\$ -	\$ -	\$ 297,516	\$ 346,464	\$ 2,000	\$ -	\$ 348,464
Friends	437,820	-	-	437,820	425,276	5,500	-	430,776
Foundation/Corporate Grants/Estates	240,228	235,000	-	475,228	248,687	224,902	-	473,589
Annual Benefit	133,253	-	-	133,253	102,904	-	-	102,904
United Funds	-	-	-	-	25,000	-	-	25,000
Townships	156,858	-	-	156,858	152,728	-	-	152,728
Municipalities	145,079	-	-	145,079	140,158	-	-	140,158
Government Grants	660,925	-	-	660,925	625,093	-	-	625,093
Other Contributions	13,141	-	-	13,141	550	-	-	550
Activity Revenue	587,433	-	-	587,433	588,648	-	-	588,648
Contracts	45,576	-	-	45,576	102,360	-	-	102,360
Service Fees	3,971,908	-	-	3,971,908	3,796,179	-	-	3,796,179
Change in Value of Split-Interest Agreements								
Charitable Remainder Unitrusts	-	-	-	-	-	7,904	-	7,904
Charitable Gift Annuities	12,318	-	-	12,318	(3,273)	-	-	(3,273)
Net Assets Released from Restrictions								
Donor Release	-	3,000,000	(3,000,000)	-	-	-	-	-
Satisfaction of Purpose and Time Restrictions	546,125	(546,125)	-	-	656,500	(656,500)	-	-
Total Public Support and Other Revenue	7,248,180	2,688,875	(3,000,000)	6,937,055	7,207,274	(416,194)	-	6,791,080
EXPENSES								
Program Services	7,152,871	-	-	7,152,871	7,199,953	-	-	7,199,953
Management and General	879,350	-	-	879,350	707,717	-	-	707,717
Fundraising	671,880	-	-	671,880	697,468	-	-	697,468
Total Expenses	8,704,101	-	-	8,704,101	8,605,138	-	-	8,605,138
Change in Net Assets Before Investment Income	(1,455,921)	2,688,875	(3,000,000)	(1,767,046)	(1,397,864)	(416,194)	-	(1,814,058)
Investment Income								
Interest and Dividends	360,820	176,105	-	536,925	364,828	176,000	-	540,828
Realized Gain on Investments	106,809	52,388	-	159,197	55,078	26,631	-	81,709
Unrealized Gain on Investments	395,412	193,941	-	589,353	1,159,977	560,868	-	1,720,845
Total Investment Income	863,041	422,434	-	1,285,475	1,579,883	763,499	-	2,343,382
Change In Net Assets	(592,880)	3,111,309	(3,000,000)	(481,571)	182,019	347,305	-	529,324
Net Assets at Beginning of Year	14,049,871	1,584,296	4,303,298	19,937,465	13,867,852	1,236,991	4,303,298	19,408,141
Net Assets at End of Year	<u>\$ 13,456,991</u>	<u>\$ 4,695,605</u>	<u>\$ 1,303,298</u>	<u>\$ 19,455,894</u>	<u>\$ 14,049,871</u>	<u>\$ 1,584,296</u>	<u>\$ 4,303,298</u>	<u>\$ 19,937,465</u>

The accompanying notes are an integral part of the consolidated financial statements.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2018

	Senior and Family Services				Lifelong Learning	House of Welcome		Total Program Services	Management and General	Fundraising	Total 2018
	Community Education	Comprehensive Care	Comprehensive Care- CareOption	Counseling	Group	Adult Day Services	NSSC Foundation				
OPERATING EXPENSES											
Activities Program Expense	\$ -	\$ -	\$ -	\$ -	\$ 232,639	\$ -	\$ -	\$ 232,639	\$ -	\$ -	\$ 232,639
Assistance	-	121,483	-	-	-	-	-	121,483	-	-	121,483
Conferences	75	1,469	3,957	2,174	2,426	1,701	-	11,802	2,113	579	14,494
Dues and Multimedia	532	998	1,271	329	639	1,700	-	5,469	1,775	3,960	11,204
Equipment Repair/Rentals	463	6,304	2,076	2,779	13,425	6,915	-	31,962	35,768	36,677	104,407
Fitness Center	-	-	-	-	139,553	-	-	139,553	-	-	139,553
Food/Recreation Supplies	502	3,367	109	6,705	21,736	25,750	-	58,169	8,696	10,166	77,031
Health and Disability	8,523	206,097	24,374	41,203	24,838	67,113	-	372,148	84,130	17,838	474,116
Insurance	-	-	-	-	-	-	-	-	55,418	242	55,660
Occupancy	2,147	145,554	270	58,250	79,636	67,368	-	353,225	32,292	29,099	414,616
Payroll Taxes	2,559	171,185	27,743	39,508	32,940	56,594	-	330,529	22,194	28,801	381,524
Postage	20	7,085	30	2,945	2,595	144	-	12,819	14,678	7,885	35,382
Printing/Office Supplies	4,917	34,604	3,693	16,245	49,953	21,374	-	130,786	9,062	23,092	162,940
Professional Fees	4,493	82,565	27,216	62,128	22,531	31,713	-	230,646	244,219	26,932	501,797
Retirement Plan	1,025	33,587	7,886	14,051	9,091	13,532	-	79,172	10,503	6,826	96,501
Salaries	34,670	2,159,761	355,079	545,049	419,963	734,630	16,020	4,265,172	277,399	409,092	4,951,663
Sundry	955	876	154	421	12,495	237	-	15,138	8,940	13,708	37,786
Telecommunications	319	7,857	3,685	5,460	1,817	514	-	19,652	2,019	892	22,563
Transportation	-	23,322	6,821	14,412	751	7	-	45,313	228	3,591	49,132
Interest Expense Annuitants	-	-	-	-	-	-	58,832	58,832	-	-	58,832
Investment Fees	-	-	-	-	-	-	51,864	51,864	1,402	-	53,266
Miscellaneous	-	-	-	-	-	500	-	500	24	500	1,024
Total Operating Expenses	61,200	3,006,114	464,364	811,659	1,067,028	1,029,792	126,716	6,566,873	810,860	619,880	7,997,613
PROPERTY AND EQUIPMENT											
Depreciation and Amortization	4,020	197,468	30,503	53,317	70,092	67,646	-	423,046	49,444	37,540	510,030
Professional Fees—Facilities	284	13,938	2,153	3,763	4,947	4,775	-	29,860	3,491	2,650	36,001
Interest Expense and Costs	1,265	62,124	9,596	16,774	22,051	21,282	-	133,092	15,555	11,810	160,457
Total Property and Equipment	5,569	273,530	42,252	73,854	97,090	93,703	-	585,998	68,490	52,000	706,488
TOTAL EXPENSES	\$ 66,769	\$ 3,279,644	\$ 506,616	\$ 885,513	\$ 1,164,118	\$ 1,123,495	\$ 126,716	\$ 7,152,871	\$ 879,350	\$ 671,880	\$ 8,704,101

The accompanying notes are an integral part of the consolidated financial statements.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2017

	Senior and Family Services				Lifelong Learning	House of Welcome	NSSC Foundation	Total Program Services	Management and General	Fundraising	Total 2017
	Community Education	Comprehensive Care	Comprehensive Care-CareOption	Counseling	Group	Adult Day Services					
OPERATING EXPENSES											
Activities Program Expense	\$ -	\$ -	\$ -	\$ -	\$ 257,707	\$ -	\$ -	\$ 257,707	\$ -	\$ -	\$ 257,707
Assistance	-	76,676	-	-	-	-	-	76,676	-	-	76,676
Conferences	-	1,619	2,966	2,581	4,780	2,573	-	14,519	1,874	5,120	21,513
Dues and Multimedia	420	951	2,382	651	774	2,019	-	7,197	2,515	3,407	13,119
Equipment Repair/Rentals	1,581	13,982	2,678	5,822	17,028	5,668	-	46,759	30,195	20,968	97,922
Fitness Center	-	-	-	-	122,433	-	-	122,433	-	-	122,433
Food/Recreation Supplies	173	2,985	1,123	8,019	26,361	23,986	-	62,647	13,295	8,574	84,516
Health and Disability	3,874	283,035	19,109	56,189	31,178	92,011	-	485,396	(2,241)	29,309	512,464
Insurance	50	1,416	-	1,831	1,021	984	-	5,302	59,949	-	65,251
Occupancy	2,267	145,591	451	57,757	63,036	55,567	-	324,669	12,242	26,024	362,935
Payroll Taxes	3,041	179,874	20,810	37,520	32,340	52,890	-	326,475	28,128	32,589	387,192
Postage	93	10,791	8	3,783	6,469	685	-	21,829	15,250	3,503	40,582
Printing/Office Supplies	4,319	40,688	3,239	17,015	52,321	20,367	-	137,949	16,714	27,041	181,704
Professional Fees	2,909	60,845	3,093	45,226	21,904	97,973	-	231,950	86,461	17,609	336,020
Retirement Plan	1,897	58,391	5,023	20,498	15,357	20,441	-	121,607	15,184	6,907	143,698
Salaries	39,077	2,254,073	261,734	511,415	409,805	678,767	16,020	4,170,891	360,419	439,946	4,971,256
Sundry	250	1,839	1,744	799	15,610	1,296	-	21,538	9,761	18,583	49,882
Telecommunications	480	8,300	3,836	5,218	1,550	1,402	-	20,786	2,404	708	23,898
Transportation	-	22,782	3,448	13,377	617	11	-	40,235	59	2,783	43,077
Interest Expense Annuitants	-	-	-	-	-	-	58,213	58,213	-	-	58,213
Investment Fees	-	-	-	-	-	-	52,382	52,382	1,819	-	54,201
Miscellaneous	-	-	-	-	-	-	-	-	25	-	25
Total Operating Expenses	60,431	3,163,838	331,644	787,701	1,080,291	1,056,640	126,615	6,607,160	654,053	643,071	7,904,284
PROPERTY AND EQUIPMENT											
Depreciation and Amortization	4,065	208,740	26,374	52,983	72,663	71,072	-	435,897	39,461	40,000	515,358
Professional Fees—Facilities	294	15,105	1,908	3,834	5,258	5,143	-	31,542	2,855	2,894	37,291
Interest Expense and Costs	1,169	60,029	7,584	15,237	20,896	20,439	-	125,354	11,348	11,503	148,205
Total Property and Equipment	5,528	283,874	35,866	72,054	98,817	96,654	-	592,793	53,664	54,397	700,854
TOTAL EXPENSES	\$ 65,959	\$ 3,447,712	\$ 367,510	\$ 859,755	\$ 1,179,108	\$ 1,153,294	\$ 126,615	\$ 7,199,953	\$ 707,717	\$ 697,468	\$ 8,605,138

The accompanying notes are an integral part of the consolidated financial statements.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	(\$ 481,571)	\$ 529,324
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	504,116	509,443
Amortization Expense	5,914	5,915
Realized (Gain) on Sale of Investments	(159,197)	(81,709)
Unrealized (Gain) on Investments	(589,353)	(1,720,845)
(Increase) Decrease in Assets:		
Government Grants Receivable	52,150	52,311
Contribution Receivable	33,323	(47,666)
Program Fee Receivable	(245,029)	(237,440)
Prepaid Expenses and Other Assets	13,673	(27,561)
Security Deposits	-	3,232
Increase (Decrease) in Liabilities:		
Accounts Payable	30,989	(24,102)
Accrued Expenses	19,577	(7,366)
Custodial Accounts	(84)	(199)
Deferred Income	(1,322)	12,393
Charitable Remainder Unitrusts	(6,278)	(948)
Charitable Gift Annuities	(15,374)	(4,247)
Net Cash Provided by (Used in) Operating Activities	<u>(838,466)</u>	<u>(1,039,465)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(41,959)	(340,997)
Certificates of Deposits, Net	510,809	(5,895)
Proceeds from Sale of Investments	11,105,000	956,240
Purchases of Investments	<u>(10,161,672)</u>	<u>(523,676)</u>
Net Cash Provided by (Used in) Investing Activities	<u>1,412,178</u>	<u>85,672</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>573,712</u>	<u>(953,793)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>443,914</u>	<u>1,397,707</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,017,626</u>	<u>\$ 443,914</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest Paid	<u>\$ 79,898</u>	<u>\$ 51,397</u>

The accompanying notes are an integral part of the consolidated financial statements.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization

North Shore Senior Center (the “Center” or “NSSC”) has been in operation since 1956 and is an Illinois not-for-profit corporation. The Center was established to foster the independence and well-being of older adults, enhance their dignity and self-respect, and promote their participation in and contribution toward all aspects of community life. The Center is accredited by the National Institute of Senior Centers, a constituent unit of the National Council On Aging, and by CARF International, a private not-for-profit organization that promotes quality rehabilitation services, for Community Services and Adult Day Services.

NSSC Foundation (“the Foundation”) was established in 1992 as a non-profit corporation by the North Shore Senior Center for the principal purpose of managing unrestricted investments and restricted endowment funds, and to solicit and receive gifts, endowments, and contributions for and on behalf of the Center to provide financial support for charitable programs, services, operations, physical plant, and activities of the Center. While its Articles of Incorporation indicate that the Foundation can support any other non-profit organization, by virtue of the designation of the Foundation as a Type I supporting organization in accordance with IRC 509(a)(3), the Foundation exclusively supports the Center. The Foundation’s directors are elected by the members of the Foundation. A majority of the Foundation’s members consist of the Center’s board of directors. The executive director and president of the Center also serves as the president of the Foundation. NSSC Foundation utilizes the Center’s facilities and certain staff.

Center’s CareOption program is operated under North Shore Senior Options (“NSSO”), a 501(c)(3) Organization incorporated on August 18, 2017, as a subsidiary of North Shore Senior Center. NSSO utilizes the Center’s facilities and certain staff. NSSO has fee-based programs that fills a gap in services for seniors whose income or asset levels do not allow them to participate in government-provided or managed care services and most insurance companies do not reimburse for costs.

Principles of Consolidation

The consolidated financial statements include the accounts of North Shore Senior Center, North Shore Senior Options, and NSSC Foundation (together “the Organization”). All significant inter-organization balances and transactions have been eliminated in consolidation.

The following represents a summary of principal accounting policies practiced by the Organization:

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting, which recognizes revenue when it is earned and expenses when they are incurred. All significant receivables, payables, and other liabilities are reflected on Consolidated Statement of Financial Position.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recent Accounting Guidance

In May 2015, the Financial Accounting Standards Board ("FASB") issued ASU No. 2015-07, Fair Value Measurement (Topic 820): Disclosures for Investments in Certain Entities That Calculate Net Assets Value per Share (or its equivalent), a consensus of the FASB Emerging Issues Task Force. This ASU modifies the way that an entity reports investments for which it measures fair value at net asset value (NAV) per share. Before adopting the ASU, if an entity measures eligible investments at NAV, it determines the investment's classification in the fair value hierarchy based on whether it is redeemable with the investee at NAV on the measurement date, on a future date, or never redeemable at NAV. The amended guidance in ASU No. 2015-07 requires an entity that elects to report an eligible investment at NAV to exclude it from the fair value hierarchy. Also, the ASU removes the requirement for an entity to disclose all investments that qualify under the practical expedient for measurement at NAV. The amended guidance only requires an entity to report the investments for which it has elected the practical expedient. The ASU No. 2015-07 is effective for annual periods that begin after December 15, 2016, with early adoption permitted. ASU 2015-07 has been early adopted during the year ended June 30, 2017.

In April 2015, the FASB issued ASU No. 2015-03, *Interest – Imputation of Interest (Subtopic 835-30) Simplifying the Presentation of Debt Issuance Costs*. To simplify presentation of debt issuance costs, the amendments in this Update require that debt issuance costs related to a recognized debt liability be presented in the statement of financial position as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this Update. The amendments in this Update are effective for financial statements issued for fiscal years beginning after December 15, 2015, on a retrospective basis, wherein the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. ASU 2015-07 has been adopted during the year ended June 30, 2017.

Basis of Presentation

Generally accepted accounting principles for not-for-profit organizations require all resources be classified for accounting and reporting purposes into net asset categories according to donor-imposed restrictions. Under these standards, the Organization is required to report information regarding financial position and activities according to the following three classes of net assets:

Unrestricted net assets – net assets that are not subject to grantor or donor-imposed restrictions. Unrestricted net assets include revenues and expenses of the primary operations of the Organization. It is the policy of the Board of Directors of the Organization to review its plans for future operations of the Organization and from time to time to designate appropriate sums of unrestricted net assets to assure adequate financing of such operations.

Temporarily restricted net assets – net assets subject to donors-imposed time or purpose restrictions which have not been met. The ultimate purpose of the contribution is not permanently restricted. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Restricted support received and expensed in the same year is treated as unrestricted for financial statement purposes.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Permanently restricted net assets – net assets include contributions, which require, by donor restriction, that the corpus be invested in perpetuity and only the income be made available for program operations in accordance with donor restrictions.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Organization considers highly liquid investments with an initial maturity of three months or less to be cash equivalents, except those held for long-term investment.

Concentration of Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash and investments. The Organization places its cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits from time to time.

Because a significant portion of the Foundation's assets are market investments, there is an inherent concentration of risk for associated income and loss tied to market performance. However, the Foundation's Board of Directors seeks to mitigate this risk through diversification of investment portfolio, ongoing monitoring, and consultation with third-party investment professionals. Additionally, they continue to investigate and pursue additional sources of income from donors and private sources.

Investments

The Organization carries investments in marketable securities with readily determinable fair market values and all investments in equity and debt securities at their fair market values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statement of activities. Realized gains and losses on investments held more than one fiscal year and sold in current year include the change in fair value of investments in the current year.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contributions and unconditional promises to give that are expected to be collected within one year are recorded at their net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate (ranging from 2% to 6%) applicable to the year in which the contribution is made. Amortization of the discount is included in contribution revenue.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Support from wills and estates are recognized when probate declares the will valid and the Organization is notified of the approximate amount of the bequest. The Organization is the beneficiary of various trusts and bequests not currently measurable. Because the beneficiary designation can be revoked at any time, such trusts and bequests associated therewith are thus conditional promises to give and are not included in the financial statements.

Split-Interest Agreements

The Foundation benefits from charitable gift annuities, charitable remainder unitrusts, and other arrangements with donors that are commonly known as *split-interest agreements*.

Grants Receivable (Cost Recoverable Under Grants)

Grants receivable consist primarily of fees due from the Center's program services and are non-interest bearing. Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on grants receivable using the allowance method. The allowance is based on experience and other circumstances which may affect the ability of funders to meet their obligations. Grant receivables are considered impaired if full principal payments are not received in accordance with the grant agreement. It is the Organization's policy to charge off uncollectible grants receivable when management determines the grant will not be collected. At June 30, 2018 and 2017, receivable balances were considered fully collectible and no allowance for doubtful accounts was considered necessary.

Property and Equipment

Property and equipment have been capitalized at stated cost or at the fair market value at the date of contribution. All assets are depreciated using the straight-line method. Furniture and equipment are depreciated over their useful lives, ranging from three to ten years. Leasehold improvements are amortized over the lives of the leases, assuming the leases are usually renewed. Buildings are depreciated over their useful lives of twenty to thirty years. The Organization capitalizes all acquisitions of property and equipment in excess of \$2,500. Total depreciation expense for the fiscal years ended June 30, 2018 and 2017, were \$504,116 and \$509,443, respectively.

Long-Lived Assets

The Organization evaluates long-lived assets for impairment using the discounted cash flows method whenever events or changes in circumstances indicated that the carrying amount of an asset may not be recoverable in accordance with accounting principles generally accepted in the United States of America.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Deferred Income

Certain grants are deferred income due to their service delivery requirements and reciprocal nature as exchange transactions. Revenue is recognized when the service has been provided. Each fall the Center has an annual benefit to raise funds. Funds for the event that are received prior to the fiscal year end are classified as deferred revenue.

Custodial Accounts

Custodial accounts are used for fees and expenses incurred for specific group activities that are sponsored by the Center for its members. Funds are held for forthcoming classes, trips, and club activities and are represented in the consolidated financial statements as assets offset by corresponding liabilities.

Restricted and Unrestricted Revenue

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from restrictions.

Donated Assets

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

Donated Services

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization annually receives a significant amount of donated services from volunteers. Because the majority of these donated services do not meet the U.S. GAAP requirements for recognition of professional services or creation or enhancement of non-financial assets, no value has been reflected in the accompanying consolidated financial statements.

Advertising Expenses

Advertising costs, if any, are annually expensed as incurred.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles ("U.S. GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Income Taxes

North Shore Senior Center, NSSC Foundation and North Shore Senior Options, are Illinois nonprofit corporations exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and are not subject to income taxes, except regarding income unrelated to their tax-exempt purpose. The Organization also qualify for a charitable contribution deduction in regard to their donors. Accordingly, no tax provision has been made in the financial statements. The Foundation is classified as a Type I supporting organization as described by the IRC 509(a)(3) that is controlled by the supported organization, the Center, as further explained in Note A, *The Organization* paragraph.

The Organization follows the guidance of Accounting Standards Codification (ASC) 740, *Accounting for Income Taxes*, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. There are no such uncertain tax positions for the Organization for the years ended June 30, 2018 and 2017. The Organization's federal and state information returns are subject to examination, generally for three years after the filing date.

Reclassification

Certain reclassifications have been made to prior year amounts to conform with the current presentation.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE B – PROGRAMS

The Center offers three main programs: House of Welcome, Lifelong Learning, and Senior and Family Services.

The House of Welcome (“HOW”) day program specializes in *adult day services* for individuals with Alzheimer’s disease and related dementias. This program offers several therapeutic, small group activities in a homelike setting for its participants. The Center also works with the Greater Illinois Chapter of the Alzheimer’s Association in providing support group programs. *Mind Matters Early Memory Loss Program* is a therapeutic, evidence-based group program based on research indicating that social interaction, physical exercise, cognitive activities and creative arts therapies can benefit those with early memory loss.

The Lifelong Learning (“L&L”) program is available to adults age 50 and older to pursue new interests; cultivate new friends; and participate in a wide variety of cultural, recreational, educational, and social activities. A sample of the program’s activities offered includes the following:

- Education and Learning
- Social and Special Interests
- Creative and Performing Arts
- Health and Fitness
- Leisure and Recreation
- Travel and Adventure

The Center’s Senior and Family Services (“SFS”) program provides a wide range of services for seniors at its headquarters location, satellite location, village halls, hospitals, park districts, and senior housing facilities.

The no fee-based SFS programs include the following:

- Information and Assistance
- Adult Protective Services Program
- Benefits Counseling
- Respite and Caregiver Services
- Choices for Care Program
- Chore Housekeeping
- Community Care Program (CCP)
- Counseling
- Escorted Transportation Services
- Friendly Visiting Program
- General Case Management
- Hearing Loss Program
- Home-Delivered Meals
- Lending Closet
- Medicare Counselors (SHIP)
- Support Groups
- Wellness Education

The NSSO offers fee-based programs which aims to be the go-to resource for services that can guide older adults and their family members to thrive in the place they call home. To accomplish this, NSSO offers a client-centered approach for seniors and their families, works with families to provide answers at a time of seemingly endless questions, and helps guide seniors to the actions and decisions that ensure an optimal life. NSSO process to achieve this goal involves:

- Assessment and Monitoring
- Planning and Problem-Solving
- Education and Advocacy

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE C – RECEIVABLES

These fee-based programs fill a gap in services for seniors whose income or asset levels do not allow them to participate in government-provided or managed care services and most insurance companies do not reimburse for costs:

- Care Management
- Guardianship
- Daily Money Management
- PEARLS: The Program to Encourage Active and Rewarding Lives for Seniors
- Psychotherapy

Federal Funding – Title III Older Americans Act and Related Federal Funding

During years ended June 30, 2018 and 2017, the Center was a sub-recipient of federal grants, provided through the Area Agency (AgeOptions). The federal funding source is the U.S. Administration on Aging, an agency of the U.S. Department of Health and Human Services. The federal funds are provided to the Illinois Department on Aging, who in turn allocates a portion to AgeOptions for local administration. The grants are authorized annually and are provided by AgeOptions based on the federal government's fiscal year ending September 30th. Federal grants authorized by AgeOptions for the Center under Title IIIB and Title IIIE are used to subsidize certain specified counseling, comprehensive, and respite social service programs and activities.

Total amounts of revenue recognized under Title III Federal funding included under government grants in Statement of Activities are as follows:

	<u>2018</u>	<u>2017</u>
Title IIIB Supportive Services and Senior Centers	\$ 413,274	\$ 407,717
Title IIIE Caregiver Support	\$ 247,651	\$ 214,877

Additional federal grants were received from the Area Agency as well as Community Development Block Grants.

As of June 30, 2018 and 2017, the receivable balance with respect to all federal and Illinois cost reimbursement grants was \$34,079 and \$86,229, respectively.

State of Illinois Department on Aging Receivables

As of June 30, 2018 and 2017, the amounts due from the State of Illinois Department on Aging on three fee for service contracts that pertain to nursing home pre-screens and case coordination administered through the Center's Department of Social Services was \$994,594 and \$800,186, respectively.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE D – INVESTMENTS

All investments are valued at fair market under the provisions of FASB ASC 958. The following is a summary of the Organization's investments and investment income as of June 30, 2018 and 2017:

	2018	2017
Cash/Money Market Funds	\$ 116,488	\$ 154,671
Mutual Funds	14,898,240	14,682,517
Real Estate Fund	1,660,004	1,976,991
Charitable Remainder Unitrusts	-	55,331
Total Foundation's Investments	<u>16,674,732</u>	<u>16,869,510</u>
Cash/Money Market Funds	79,553	268,278
Certificates of Deposits	-	322,084
Total Center's Investments	<u>79,553</u>	<u>590,362</u>
Total Investments	<u>\$ 16,754,285</u>	<u>\$ 17,459,872</u>
	2018	2017
Interest, Dividend and Capital Gain Income	\$ 536,925	\$ 540,828
Unrealized Gain (Loss)	589,353	1,720,845
Realized Gain (Loss)	<u>159,197</u>	<u>81,709</u>
Total Investment Income (Loss)	<u>\$ 1,285,475</u>	<u>\$ 2,343,382</u>

NOTE E – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Accounting Standards Codification for *Fair Value Measurements* (ASC 820) establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE E – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2018 and 2017.

Common Stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual Funds: Valued at the closing price reported on the active market on which the individual funds are traded.

Real Estate Fund: Valued at net asset value (NAV) of units held. The NAV 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 liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

Money Market: Valued at cost plus interest earned, which approximates fair value.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE E – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The preceding approach described might produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value at June 30, 2018:

	<u>Assets at Fair Value at June 30, 2018</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Mutual Funds - Equity				
International Stock Fund	\$ 3,242,244	\$ -	\$ -	\$ 3,242,244
Small Cap Value Fund	699,096	-	-	699,096
Large Cap Index Fund	-	-	-	-
Mutual Funds - Fixed Income				
High Yield Bond	698,774	-	-	698,774
Bank Loan	825,894	-	-	825,894
World Bond	1,784,115	-	-	1,784,115
Short Term Bond	746,097	-	-	746,097
Intermediate Term Bond	2,377,258	-	-	2,377,258
Mutual Funds - Balanced	4,524,762	-	-	4,524,762
Total Assets at Fair Value	<u>\$ 14,898,240</u>	<u>\$ -</u>	<u>\$ -</u>	<u>14,898,240</u>
Investments Measured at NAV*				1,660,004
Cash/Money Market Funds				<u>196,041</u>
Total Investments				<u>\$ 16,754,285</u>

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE E – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

The following tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value at June 30, 2017:

	Assets at Fair Value at June 30, 2017			Total Fair Value
	Level 1	Level 2	Level 3	
Mutual Funds - Equity				
International Stock Fund	\$ 4,438,932	\$ -	\$ -	\$ 4,438,932
Small Cap Value Fund	1,472,858	-	-	1,472,858
Large Cap Index Fund	3,480,460	-	-	3,480,460
Mutual Funds - Fixed Income				
High Yield Bond	616,345	-	-	616,345
Bank Loan	615,808	-	-	615,808
World Bond	796,091	-	-	796,091
Intermediate Term Bond	2,435,930	-	-	2,435,930
Mutual Funds - Balanced	826,093	-	-	826,093
	<u>14,682,517</u>	<u>-</u>	<u>-</u>	<u>14,682,517</u>
Charitable Remainder Unitrusts				
Common Stock	40,206	-	-	40,206
Mutual Funds	15,125	-	-	15,125
	<u>55,331</u>	<u>-</u>	<u>-</u>	<u>55,331</u>
Total Assets at Fair Value	<u>\$ 14,737,848</u>	<u>\$ -</u>	<u>\$ -</u>	<u>14,737,848</u>
Investments Measured at NAV*				1,976,991
Cash/Money Market Funds				422,949
Certificates of Deposits				322,084
Total Investments				<u>\$ 17,459,872</u>

* The fair values of the real estate fund reflected in the tables above have been determined using the NAV per share (or its equivalent) practical expedient and, as such, have not been categorized within the fair value hierarchy. The fair values presented in the tables are intended to permit reconciliation of the fair value hierarchy table to amounts presented in the Consolidated Statement of Activities.

Fair Value of Investments that Calculate Net Asset Value. The following table summarizes investments measured at fair value based on net asset value (NAVs) per share as of June 30, 2018 and 2017, respectively:

Instrument	Fair Value as of June 30, 2018	Fair Value as of June 30, 2017	Redemption Frequency	Redemption Notice Period
Real Estate Fund	\$ 1,660,004	\$ 1,976,991	quarterly	Requests at any time

The Real Estate Fund invests primarily in in core institutional quality industrial, multi-family, office, and retail properties located throughout the United States, and is diversified by product type, geographic region, and economic exposure in order to mitigate investment risk. Requests for redemptions of units in the Fund may be made at any time and are effective at the end of the calendar quarter in which the request is received.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE F – CHARITABLE GIFT ANNUITIES

The Foundation is the recipient of charitable gift annuities (“CGA’s”). Assets received and the annuity payments liabilities are measured at fair value on the date the agreement is recognized. The fair value of the liability is measured at the present value of the future payments to be distributed over the beneficiary’s expected life. At the gift date, the difference between the fair values of the assets received and the liability is recognized as unrestricted, temporarily restricted or permanently restricted contribution revenue, based on donor restrictions.

Based on the annuity contracts, charitable gift annuities provide for the payment of distributions to the grantor or other designated beneficiaries over the annuities term (the designated beneficiary’s lifetime). At the end of the annuities term, the remaining assets are available for the Foundation’s use. Annuity liability is amortized over the beneficiary’s expected life using a straight-line method. The present value of the estimated future payments calculated using the initial discount rate averaging 6% and applicable mortality tables estimates the liability balance at year-end.

There were no new gift annuity contributions for the years ending June 30, 2018 and 2017. Total annuity payments for years ending June 30, 2018 and 2017, was \$61,888 and \$65,734, respectively. Total expenses of \$58,832 and \$58,213 for 2018 and 2017, respectively, were included in Consolidated Statement of Activities as interest paid to annuitants and change in the value of split-interest agreements.

NOTE G – CHARITABLE REMAINDER UNITRUSTS

The Foundation was the trustee and beneficiary under one charitable remainder unitrusts (“CRUT’s”) as of June 30, 2018 and 2017. The Foundation did not have a legal right to the assets during the grantor’s lifetime. The grantor received quarterly distributions specified by the split-interest trust agreements; and upon the death of the grantor and spouse, the remaining assets in the trust transferred to the Foundation for its unrestricted use.

At the inception of the agreement, the assets were stated at fair market value as investments; and the liability was stated at the present value of the expected future cash flows to be paid to the grantor. The portion of the trust attributable to the present value of the future benefits to be received by the Foundation was recorded in the Consolidated Statement of Activities as a temporarily restricted contribution in the period the trust was established. Annually, the assets and liabilities were adjusted by an amount equal to the change in market value. The present value of the estimated future payments, calculated using a discount rate of 9.4%, and the applicable mortality table estimated the liability balance at year end.

There were no new contributions for the years ending June 30, 2018 and 2017. During year ended June 30, 2018, the Foundation recognized \$12,141 as a contribution revenue upon the death of the grantor, Total annuity payments for years ending June 30, 2018 and 2017, were \$2,071 and \$2,497, respectively. Total revenue of \$0 and \$7,904 for 2018 and 2017, respectively, were included in the Consolidated Statement of Activities as a change in the value of split-interest agreements.

Assets held in the charitable remainder unitrust totaled \$0 and \$55,331 at June 30, 2018 and 2017, respectively. The total liability under the unitrust agreement totaled \$0 and \$6,278 at June 30, 2018 and 2017, respectively.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE H – LEASE OBLIGATIONS

The Center has a lease for its office space located at 7900 Milwaukee Ave, Niles, Illinois for period March 1, 2016, through February 28, 2023. Under the lease agreement, the Center is responsible for a pro rata share of real estate taxes, insurance, and common area maintenance.

The Center also has an operating lease for a parking lot that expires on July 31, 2022, an equipment lease expiring on September 30, 2020, and a month to month lease for storage space.

Lease expense for the year ended June 30, 2018 and 2017, was \$136,351 and \$135,705, respectively.

Future minimum lease obligations for the next fiscal years are as follows:

Fiscal Year Ended June 30,	Total Office Space	Parking Lot and Equipment
2019	\$ 84,800	\$ 44,867
2020	84,800	43,280
2021	84,800	44,187
2022	84,800	46,397
2023	56,532	3,882
Total	<u>\$ 395,732</u>	<u>\$ 182,613</u>

NSSO and the Foundation has utilized office space and personnel from the North Shore Senior Center. An allocation of certain rent, salary, and associated benefits is charged to the NSSO and Foundation accounts to accurately represent these costs, which were eliminated in the consolidated financial statements.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE I – NATURE OF RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets are related to funds contributed to the Organization by donors for specific purpose and/or future use. The following is a list of temporarily restricted net assets as of June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
<u>Foundation, Temporarily Restricted Net Assets</u>		
Charitable Remainder Unitrust	\$ -	\$ 49,054
Charitable Gift Annuity for Student Internship Program	9,123	9,123
House of Welcome Program	56,353	55,228
Men's Club Music Concerts	26,143	25,461
	<u>91,619</u>	<u>138,866</u>
Endowment Temporarily Restricted Net Assets		
The Harry and Jeanette Weinberg Endowment	3,679,398	577,828
Sandra R. Johnson Endowment	88,289	80,898
Golder Distinguished Senior Lecture Series Fund	324,740	301,317
Thaviu Concert Series Fund	237,607	212,103
Edwin J. Brach and Hazel and Bertram Brodie Endowment	103,985	94,893
Weber Endowment for Training and Professional Development for House of Welcome	39,069	35,989
Thaviu House of Welcome Scholarships	31,558	28,915
	<u>4,504,646</u>	<u>1,331,943</u>
Total Foundation's Temporarily Restricted Net Assets	<u>\$ 4,596,265</u>	<u>\$ 1,470,809</u>
<u>Center, Temporarily Restricted Net Assets:</u>		
Comprehensive Care Services - Client Assistance	\$ 20,308	\$ 28,070
Care Option Program	-	30,000
Multiple Programs and Bond Debt Service	33,981	55,417
	<u>54,289</u>	<u>113,487</u>
Total Center's Temporarily Restricted Net Assets	<u>54,289</u>	<u>113,487</u>
<u>NSSO, Temporarily Restricted Net Assets:</u>		
Registered Nurse Support and Other	45,051	-
	<u>45,051</u>	<u>-</u>
Total NSSO's Temporarily Restricted Net Assets	<u>45,051</u>	<u>-</u>
Total Temporarily Restricted Net Assets	<u>\$ 4,695,605</u>	<u>\$ 1,584,296</u>

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018 AND 2017

NOTE I – NATURE OF RESTRICTIONS ON NET ASSETS (continued)

The following is a list of permanently restricted net assets portion of endowment funds at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
<u>Foundation, Permanently Restricted Net Assets</u>		
The Harry and Jeanette Weinberg Endowment	\$ -	\$ 3,000,000
Sandra R. Johnson Endowment	279,647	279,647
Golder Distinguished Senior Lecture Series Fund	200,000	200,000
Thaviu Concert Series Fund	200,000	200,000
Edwin J. Brach and Hazel and Bertram Brodie Endowment	258,000	258,000
Weber Endowment for Training and Professional Development for House of Welcome	92,987	92,987
Thaviu House of Welcome Scholarships	100,000	100,000
Other Funds	111,083	111,083
	<hr/>	<hr/>
Total Foundation's Permanently Restricted Net Assets	1,241,717	4,241,717
	<hr/>	<hr/>
<u>Center's Endowment Fund</u>	61,581	61,581
	<hr/>	<hr/>
Total Permanently Restricted Net Assets	<u>\$ 1,303,298</u>	<u>\$ 4,303,298</u>

NOTE J – ENDOWMENT AND NON-ENDOWMENT FUNDS

In August 2008, the Financial Accounting Standards Board issued Staff Position No. FSP FAS 117-1, *Endowments of Not-for Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* ("FSP FAS 117-1"). This standard provides guidance on classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the *Uniform Prudent Management of Institutional Funds Act* of 2006 ("UPMIFA") and provides other disclosures about an organization's endowment funds. The State of Illinois adopted UPMIFA, effective June 30, 2009, and the following disclosures are being made in accordance with the requirements contained in FSP FAS 117-1, which were incorporated into FASB ASC 958:

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE J – ENDOWMENT AND NON-ENDOWMENT FUNDS (continued)

Description of the Governing Board's Interpretation of the Law(s) that Underlie the Organization's Net Asset Classification of Donor-Restricted Endowment Funds

The Organization interpreted the Uniform Prudent Management of Institutional Funds Act as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the organization in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1.) The duration and preservation of the fund,
- 2.) The purposes of the Organization and the donor-restricted endowment fund,
- 3.) General economic conditions,
- 4.) The possible effect of inflation and deflation,
- 5.) The expected total return from income and appreciation of investments,
- 6.) Other resources of the Organization,
- 7.) The investment policies of the Organization.

As provided by UPMIFA, its guidelines for expenditure of donor-restricted endowment funds apply in the absence of overriding, explicit donor stipulations. Specific provisions of donor gift instruments will take precedence over the general default provisions of UPMIFA.

Description of the Organization's Investment Policy

The Center –

Endowment assets include those assets of donor-restricted funds that the Center must hold in perpetuity. The Center maintains the endowment funds in cash and cash equivalents based on historical precedent. The Center places an emphasis on money market accounts and certificate of deposits to achieve its long-term return objectives within prudent risk parameters.

The Center's spending policy is at the discretion of the board of directors as determined by the governing documents for the various donor-restricted funds that make up the endowments and applicable federal and state law.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE J – ENDOWMENT AND NON-ENDOWMENT FUNDS (continued)

The Foundation –

The Foundation has adopted an investment policy for financial assets that attempts to provide a predictable stream of funding to the Center's programs while seeking to maintain the purchasing power of such assets. The financial assets are invested in a manner that is intended to maximize total return without undue risk. The Foundation relies on a total return strategy in which investment returns are achieved through capital appreciation (realized and unrealized) and current yields (interest and dividends).

The Foundation's investment policy targets a diversified asset allocation that balances a greater emphasis on equity-based investments (approximately 70% of the total portfolio) to achieve its long-term return objectives within prudent risk constraints along with a substantive allocation (approximately 30% of the total portfolio) to fixed income to provide certainty of return and tempering of volatility. The investment policy is developed with the goal of achieving an investment rate of return of 7% on average. The performance objective of the Foundation is to exceed, after investment management fees, a customized blended benchmark.

In determining distributable amounts from endowment earnings, the Foundation considers applicable federal and state law, and the governing documents for the various donor-restricted funds.

Effective beginning July 1, 2014, the average annual distribution to the Center from the Foundation assets in total, both restricted and unrestricted, is determined by multiplying the rolling three-year average market value of the fund by 5%. In calculating the average market value, the December 31 market value for the previous three years is used. Exceptions to this policy may be made only with the approval of the board of directors. The Foundation expects this distribution practice to allow its investments to grow in excess of the annual spending. This is consistent with the Foundation's objective to maintain the purchasing power of the assets as well as to provide additional real growth through new gifts and investment return.

Details of the Composition of Endowment Funds at the End of the Fiscal Year

The Center –

The Center's endowment consists of \$61,581 that is to be held in perpetuity, as designated by the donors. The income from the assets can be used to support the Center's general activities. All earnings of the permanently restricted fund are appropriated for spending in the year earned.

The Foundation –

The Foundation's endowment consists of all donor-restricted endowment funds. Management keeps the original gift and realized and unrealized gains and losses on those assets linked for determining the fair value of the fund for administrative purposes. Investment income and realized and unrealized gains and losses on those assets are recorded as temporarily restricted assets until appropriated in accordance with the donor instructions and stipulations and do not impact the amount of the permanently restricted assets.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE J – ENDOWMENT AND NON-ENDOWMENT FUNDS (continued)

Details of the Composition of Endowment Funds at the End of the Year

Endowment net asset composition by type of fund at June 30, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
The Foundation, Donor Restricted Endowment		
Unrestricted	\$ -	\$ -
Temporarily Restricted	4,504,646	1,331,943
Permanently Restricted	<u>1,241,717</u>	<u>4,241,717</u>
Total Foundation's Endowment	<u>5,746,363</u>	<u>5,573,660</u>
The Center, Donor Restricted Endowment		
Unrestricted	-	-
Temporarily Restricted	-	-
Permanently Restricted	<u>61,581</u>	<u>61,581</u>
Total Center's Endowment	<u>61,581</u>	<u>61,581</u>
Total Endowment	<u>\$ 5,807,944</u>	<u>\$ 5,635,241</u>

Reconciliation of the Beginning and Ending Balances of Endowment Funds

There were no changes in Center's endowment net assets as of June 30, 2018 and 2017. The changes in endowment net assets are as follows for the years ended June 30, 2018 and 2017:

	<u>June 30, 2018</u>			
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Endowment Net Assets</u>
The Foundation:				
Endowment Net Assets, Beginning of Year	\$ -	\$ 1,331,943	\$ 4,241,717	\$ 5,573,660
Donor Release	-	3,000,000	(3,000,000)	-
Interest and Dividends	-	173,623	-	173,623
Realized/Unrealized (Loss)	-	242,857	-	242,857
Appropriated for Expenditure, Grants and Scholarships	-	(243,777)	-	(243,777)
Endowment Net Assets, End of Year	<u>-</u>	<u>4,504,646</u>	<u>1,241,717</u>	<u>5,746,363</u>
The Center:				
Endowment Net Assets, End of Year	<u>-</u>	<u>-</u>	<u>61,581</u>	<u>61,581</u>
Endowment, End of Year	<u>\$ -</u>	<u>\$ 4,504,646</u>	<u>\$ 1,303,298</u>	<u>\$ 5,807,944</u>

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE J – ENDOWMENT AND NON-ENDOWMENT FUNDS (continued)

	June 30, 2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
The Foundation:				
Endowment Net Assets, Beginning of Year	\$ -	\$ 820,276	\$ 4,241,717	\$5,061,993
Interest and Dividends	-		-	173,373
		173,373		
Realized/Unrealized (Loss)	-	578,723	-	578,723
Appropriated for Expenditure, Grants and Scholarships	-	(240,429)	-	(240,429)
Endowment Net Assets, End of Year	-	1,331,943	4,241,717	5,573,660
The Center:				
Endowment Net Assets, End of Year	-	-	61,581	61,581
Endowment, End of Year	\$ -	\$ 1,331,943	\$ 4,303,298	\$ 5,635,241

Information on Deficiencies

Pursuant to FASB ASC 958-205-45-29, the amount of permanently restricted net assets is not reduced by appropriations from the fund and is not reduced by losses on the investments of the fund. The deficit balance of a donor-restricted endowment fund, created from time to time by appropriations or investment losses, is reflected in unrestricted net assets. Future investment income or gains that restore the fair value of the assets of the endowment fund to the required level is classified as increases in unrestricted net assets. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to maintain. Such deficiencies result from unfavorable market fluctuations and are evaluated by the Organization in accordance with principles of prudent fiscal oversight. There were no significant deficiencies as of June 30, 2018 and 2017.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE K – TAX DEFERRED SAVINGS PLAN

Effective January 1, 2014, North Shore Senior Center (the “Plan Sponsor”) adopted a defined contribution plan covering all qualified employees of the Plan Sponsor. To be eligible to make a salary deferral contribution or receive an employer matching contribution participant must have attained age 18. Participation in the employee elective contributions portion of the Plan begins on the first day of employment at the Plan Sponsor. Participation in the matching portion of the Plan begins on the date on which the participant completed one year of service and at least 1,000 hours of service. Through payroll deductions, participants may contribute on a tax-deferred basis or after-tax basis (Roth deferrals) up to the maximum allowed under the Internal Revenue Code.

Prior September 1, 2017, for a participant with more than 1 year of service but less than 5 years, the Plan Sponsor contributed 50 percent of the first 6 percent of eligible compensation that a participant contributed. For a participant with 5 years of service or greater, the Plan Sponsor contributed 100 percent of the first 6 percent of eligible compensation that a participant contributed. After September 1, 2017, the Plan Sponsor contributed 50 percent of the first 6 percent of eligible compensation that a participant contributed after 1 year of service, without consideration for any additional years of service once the 1-year requirement is met. Contributions are subject to certain limitations.

The Center made contributions under 401(k) plans of \$96,501 and \$143,698 in the fiscal year ended June 30, 2018 and 2017, respectively.

NOTE L – BONDS PAYABLE

On August 18, 1999, the North Shore Senior Center borrowed \$7 million from the issuance of Illinois Development Finance Authority variable-rate demand revenue bonds. The bond proceeds were used to purchase and renovate the existing land and the 40,000 square foot facility at 161 Northfield Road. Two percent of the bond proceeds were used for the cost of the bond issue, and 98% of the bond proceeds were for the acquisition and renovation of the property located at 161 Northfield Road and 18 months of capitalized interest.

The maturity date of the bonds is August 1, 2029, with no mandatory redemption until that date. Interest is paid monthly on the first day of the month. The interest rate changes each week and is set by the re-marketing agent based on the prevailing financial conditions and yields at which comparable securities are then being sold. For fiscal years 2018 and 2017, the average annual interest rates were 1.0728% and 0.7280%, respectively. During the weekly mode of interest calculation, the Center may redeem the bonds at par in whole or in part, without penalty, with the written permission of the guaranteeing bank. Interest expense was \$75,098 and \$53,746 for the year ended June 30, 2018 and 2017, respectively.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE L – BONDS PAYABLE – (continued)

The bonds are secured by a direct pay letter of credit issued by a bank in the amount of \$7,103,562, with the maturity on August 16, 2019, and requires an annual fee of 1.33 percent of the issue amount. The NSSC Foundation is a guarantor of the bonds and must maintain unrestricted cash and marketable securities with a value at least equal to \$7,700,000 (required threshold applicable for fiscal years ended June 30, 2018 and 2017) to comply with the terms of the Guaranty Agreement.

The Center must, among other covenants, maintain its principal depository account with the letter of credit bank or its affiliates. In addition, the ratio of unrestricted cash and investments to funded debt for any semi-annual period ended on or about any June 30 or December 31 must be at least 1.1 to 1.0. The Center complied with all covenants, as applicable, during the fiscal years ended June 30, 2018 and 2017.

NOTE M – CAPITALIZED INTEREST COSTS

Under FASB ASC 835-20, *Capitalization of Interest*, formerly SFAS #62, *Capitalization of Interest Cost In Situations Involving Certain Tax-exempt Borrowings and Certain Gifts and Grants*, capitalization of interest expenses, net of bond proceeds interest income, starts when the proceeds are received and ceases when the project is ready for its intended use. In the fiscal year 2000, the Center capitalized interest costs associated with the tax-exempt bonds until the date of occupancy, July 31, 2001. The Center is amortizing these costs over a period of 30 years, beginning with their initial occupancy on July 31, 2001. The total capitalized interest included in the 161 Northfield building cost is \$137,585.

For the fiscal years ended June 30, 2018 and 2017, the amortization expense was \$5,914 and \$5,915, respectively.

NOTE N – RISKS & UNCERTANTIES

A substantial amount of the Center's total revenue is derived from government grants and service contracts. Program revenue in excess of program expenses is typically subject to recapture under various provisions. Additionally, the disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability to the Center. Also, a change in the funding levels could have a significant effect on operations.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2018 AND 2017

NOTE N – RISKS & UNCERTANTIES - (continued)

The Foundation's endowment consists of all donor-restricted endowment funds. If an organization is subject to UPMIFA, the net appreciation on endowments that is not permanently restricted is considered temporarily restricted until appropriated for expenditure by the board. Opinions of legal counsel may be necessary if there are questions about legal restrictions on the net appreciation on investments. Future changes in government regulations, legal opinions or any claims as a result of audits from state agencies, should arise, could materially impact the classification of net assets. Management believes that financial statements present fairly, in all material respects, endowments in accordance with accounting principles generally accepted in the United States of America and in accordance with donor intent.

NOTE O – LINE OF CREDIT

On March 1, 2016, the Center entered into a \$2,000,000 revolving line of credit agreement with a bank, maturing February 28, 2017. The line of credit was not used, and was not renewed at maturity. A non-usage fee at .10% per annum was charged under the agreement. The credit line was secured by substantially all unrestricted assets.

NOTE P – SUBSEQUENT EVENTS

The management of the Center has evaluated events subsequent to the consolidated statement of financial position date of June 30, 2018, through December 13, 2018, the date the consolidated financial statements were available to be issued. It has concluded that there are no effects that provide additional evidence about conditions that existed at the consolidated statement of financial position date that require recognition in the 2018 financial statements or related consolidated note disclosures in accordance with FASB ASC 855, *Subsequent Events*.

SUPPLEMENTARY INFORMATION

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**CONSOLIDATING STATEMENT OF FINANCIAL POSITION****JUNE 30, 2018**

<u>ASSETS</u>	<u>North Shore Senior Center</u>	<u>North Shore Senior Options</u>	<u>NSSC Foundation</u>	<u>Eliminations</u>	<u>Total</u>
CURRENT ASSETS					
Cash	\$ 761,796	\$ -	\$ 255,830	\$ -	\$ 1,017,626
Receivables					
- Government Grants	34,079	-	-	-	34,079
- Contributions	50,653	25,000	-	-	75,653
- Program Fees	1,184,633	48,787	-	-	1,233,420
Prepaid Expenses and Other Assets	96,240	-	-	-	96,240
Total Current Assets	<u>2,127,401</u>	<u>73,787</u>	<u>255,830</u>	<u>-</u>	<u>2,457,018</u>
INVESTMENTS	<u>79,553</u>		<u>16,674,732</u>	<u>-</u>	<u>16,754,285</u>
PROPERTY AND EQUIPMENT					
Land	1,860,000	-	-	-	1,860,000
161 Northfield Building	7,577,404	-	-	-	7,577,404
House of Welcome Building	2,566,969	-	-	-	2,566,969
Land Improvements	1,229,097	-	-	-	1,229,097
Furniture and Equipment	2,536,989	-	-	-	2,536,989
	<u>15,770,459</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,770,459</u>
Less: Accumulated Depreciation	<u>(8,217,466)</u>		<u>-</u>	<u>-</u>	<u>(8,217,466)</u>
Total Property and Equipment	<u>7,552,993</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,552,993</u>
OTHER ASSETS					
Security Deposits	1,460		-	-	1,460
Total Other Assets	<u>1,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,460</u>
Total Assets	<u>\$ 9,761,407</u>	<u>\$ 73,787</u>	<u>\$ 16,930,562</u>	<u>\$ -</u>	<u>\$ 26,765,756</u>

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

	<u>North Shore Senior Center</u>	<u>North Shore Senior Options</u>	<u>NSSC Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Accounts Payable	\$ 97,551	\$ 8,669	\$ -	\$ -	\$ 106,220
Accrued Expenses	154,811	11,085	-	-	165,896
Custodial Accounts	5,743		-	-	5,743
Deferred Income	40,629		-	-	40,629
Charitable Gift Annuities	-		51,952	-	51,952
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	298,734	19,754	51,952	-	370,440
LONG-TERM LIABILITIES					
Bonds Payable	7,000,000	-	-	-	7,000,000
Less Bond Issuance Cost, Net	(65,840)	-	-	-	(65,840)
Bonds Payable Less Bond Issuance Cost, Net	6,934,160	-	-	-	6,934,160
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Charitable Gift Annuities, Net of Current Portion	-		5,262	-	5,262
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Long-Term Liabilities	6,934,160	-	5,262	-	6,939,422
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	7,232,894	19,754	57,214	-	7,309,862
COMMITMENTS					
NET ASSETS					
Unrestricted					
Undesignated	780,846	8,982	3,335,366		4,125,194
Bond Covenant Reserve	-	-	7,700,000	-	7,700,000
Net Investment in Property and Equipment	1,173,136	-	-	-	1,173,136
Board Designated	458,661	-	-	-	458,661
Total Unrestricted	2,412,643	8,982	11,035,366	-	13,456,991
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Temporarily Restricted	54,289	45,051	4,596,265		4,695,605
Permanently Restricted	61,581	-	1,241,717	-	1,303,298
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets	2,528,513	54,033	16,873,348	-	19,455,894
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 9,761,407</u>	<u>\$ 73,787</u>	<u>\$ 16,930,562</u>	<u>\$ -</u>	<u>\$ 26,765,756</u>

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

	Consolidated Totals				Total
	Eliminations	Unrestricted	Temporarily Restricted	Permanently Restricted	
PUBLIC SUPPORT AND OTHER REVENUE					
Members	\$ -	\$ 297,516	\$ -	\$ -	\$ 297,516
Friends	-	437,820	-	-	437,820
Foundation/Corporate Grants/Estates	(1,254,842)	240,228	235,000	-	475,228
Annual Benefit	-	133,253	-	-	133,253
United Funds	-	-	-	-	-
Townships	-	156,858	-	-	156,858
Municipalities	-	145,079	-	-	145,079
Government Grants	-	660,925	-	-	660,925
Other Contributions	-	13,141	-	-	13,141
Activity Revenue	-	587,433	-	-	587,433
Contracts	-	45,576	-	-	45,576
Service Fees	-	3,971,908	-	-	3,971,908
Change in Value of Split-Interest Agreements					
Charitable Gift Annuities	-	12,318	-	-	12,318
Net Assets Released from Restrictions					
Donor Release	-	-	3,000,000	(3,000,000)	-
Satisfaction of Purpose and Time Restrictions	-	546,125	(546,125)	-	-
Total Public Support and Other Revenue	(1,254,842)	7,248,180	2,688,875	(3,000,000)	6,937,055
EXPENSES					
Program Services	(1,254,842)	7,152,871	-	-	7,152,871
Management and General	-	879,350	-	-	879,350
Fundraising	-	671,880	-	-	671,880
Total Expenses	(1,254,842)	8,704,101	-	-	8,704,101
Change in Net Assets Before Investment Income	-	(1,455,921)	2,688,875	(3,000,000)	(1,767,046)
Investment Income					
Interest and Dividends	-	360,820	176,105	-	536,925
Realized Gain on Investments	-	106,809	52,388	-	159,197
Unrealized Gain on Investments	-	395,412	193,941	-	589,353
Total Investment Income	-	863,041	422,434	-	1,285,475
Change In Net Assets	-	(592,880)	3,111,309	(3,000,000)	(481,571)
Net Assets at Beginning of Year	-	14,049,871	1,584,296	4,303,298	19,937,465
Net Assets at End of Year	\$ -	\$ 13,456,991	\$ 4,695,605	\$ 1,303,298	\$ 19,455,894

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES****FOR THE YEAR ENDED JUNE 30, 2018**

	North Shore Senior Center								
	Community Education	Comprehensive Care	Counseling	Group	Adult Day Services	Total Program Services	Management and General	Fundraising	North Shore Senior Center Total
OPERATING EXPENSES									
Activities Program Expense	\$ -	\$ -	\$ -	\$ 232,639	\$ -	\$ 232,639	\$ -	\$ -	\$ 232,639
Assistance	-	121,483	-	-	-	121,483	-	-	121,483
Conferences	75	1,469	2,174	2,426	1,701	7,845	1,961	537	10,343
Dues and Multimedia	532	998	329	639	1,700	4,198	1,647	3,674	9,519
Equipment Repair/Rentals	463	6,304	2,779	13,425	6,915	29,886	33,189	34,032	97,107
Fitness Center	-	-	-	139,553	-	139,553	-	-	139,553
Food/Recreation Supplies	502	3,367	6,705	21,736	25,750	58,060	8,069	9,433	75,562
Health and Disability	8,523	206,097	41,203	24,838	67,113	347,774	78,064	16,552	442,390
Insurance	-	-	-	-	-	-	51,422	225	51,647
Occupancy	2,147	145,554	58,250	79,636	67,368	352,955	27,180	24,217	404,352
Payroll Taxes	2,559	171,185	39,508	32,940	56,594	302,786	20,594	26,724	350,104
Postage	20	7,085	2,945	2,595	144	12,789	13,620	7,316	33,725
Printing/Office Supplies	4,917	34,604	16,245	49,953	21,374	127,093	8,409	21,427	156,929
Professional Fees	4,493	82,565	62,128	22,531	31,713	203,430	218,862	24,990	447,282
Retirement Plan	1,025	33,587	14,051	9,091	13,532	71,286	9,746	6,334	87,366
Salaries	34,670	2,159,761	545,049	419,963	734,630	3,894,073	215,280	337,477	4,446,830
Sundry	955	876	421	12,495	237	14,984	8,295	12,720	35,999
Telecommunications	319	7,857	5,460	1,817	514	15,967	1,871	829	18,667
Transportation	-	23,322	14,412	751	7	38,492	212	3,332	42,036
Related Party Grants	-	135,424	-	-	-	135,424	-	-	135,424
Interest Expense Annuitants	-	-	-	-	-	-	-	-	-
Investment Fees	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	500	500	-	464	964
Total Operating Expenses	61,200	3,141,538	811,659	1,067,028	1,029,792	6,111,217	698,421	530,283	7,339,921
PROPERTY AND EQUIPMENT									
Depreciation and Amortization	4,020	197,468	53,317	70,092	67,646	392,543	45,879	34,833	473,255
Professional Fees—Facilities	284	13,938	3,763	4,947	4,775	27,707	3,239	2,459	33,405
Interest Expense and Costs	1,265	62,124	16,774	22,051	21,282	123,496	14,433	10,958	148,887
Total Property and Equipment	5,569	273,530	73,854	97,090	93,703	543,746	63,551	48,250	655,547
	\$ 66,769	\$ 3,415,068	\$ 885,513	\$ 1,164,118	\$ 1,123,495	\$ 6,654,963	\$ 761,972	\$ 578,533	\$ 7,995,468

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2018

	North Shore Senior Options				NSSC Foundation					Consolidated Totals			
	Program - Comprehensive Care	Management and General	Fundraising	North Shore Senior Options Total	Program Services	Management and General	Fundraising	NSSC Foundation Total	Eliminations	Program Services	Management and General	Fundraising	Total 2018
OPERATING EXPENSES													
Activities Program Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 232,639	\$ -	\$ -	\$ 232,639
Assistance	-	-	-	-	-	-	-	-	-	121,483	-	-	121,483
Conferences	3,957	152	42	4,151	-	-	-	-	-	11,802	2,113	579	14,494
Dues and Multimedia	1,271	128	286	1,685	-	-	-	-	-	5,469	1,775	3,960	11,204
Equipment Repair/Rentals	2,076	2,579	2,645	7,300	-	-	-	-	-	31,962	35,768	36,677	104,407
Fitness Center	-	-	-	-	-	-	-	-	-	139,553	-	-	139,553
Food/Recreation Supplies	109	627	733	1,469	-	-	-	-	-	58,169	8,696	10,166	77,031
Health and Disability	24,374	6,066	1,286	31,726	-	-	-	-	-	372,148	84,130	17,838	474,116
Insurance	-	3,996	17	4,013	-	-	-	-	-	-	55,418	242	55,660
Occupancy	270	2,112	1,882	4,264	-	3,000	3,000	6,000	-	353,225	32,292	29,099	414,616
Payroll Taxes	27,743	1,600	2,077	31,420	-	-	-	-	-	330,529	22,194	28,801	381,524
Postage	30	1,058	569	1,657	-	-	-	-	-	12,819	14,678	7,885	35,382
Printing/Office Supplies	3,693	653	1,665	6,011	-	-	-	-	-	130,786	9,062	23,092	162,940
Professional Fees	27,216	17,007	1,942	46,165	-	8,350	-	8,350	-	230,646	244,219	26,932	501,797
Retirement Plan	7,886	757	492	9,135	-	-	-	-	-	79,172	10,503	6,826	96,501
Salaries	355,079	16,729	26,225	398,033	16,020	45,390	45,390	106,800	-	4,265,172	277,399	409,092	4,951,663
Sundry	154	645	988	1,787	-	-	-	-	-	15,138	8,940	13,708	37,786
Telecommunications	3,685	148	63	3,896	-	-	-	-	-	19,652	2,019	892	22,563
Transportation	6,821	16	259	7,096	-	-	-	-	-	45,313	228	3,591	49,132
Related Party Grants	-	-	-	-	1,119,418	-	-	1,119,418	(1,254,842)	-	-	-	-
Interest Expense Annuitants	-	-	-	-	58,832	-	-	58,832	-	58,832	-	-	58,832
Investment Fees	-	-	-	-	51,864	1,402	-	53,266	-	51,864	1,402	-	53,266
Miscellaneous	-	-	36	36	-	24	-	24	-	500	24	500	1,024
Total Operating Expenses	464,364	54,273	41,207	559,844	1,246,134	58,166	48,390	1,352,690	(1,254,842)	6,566,873	810,860	619,880	7,997,613
PROPERTY AND EQUIPMENT													
Depreciation and Amortization	30,503	3,565	2,707	36,775	-	-	-	-	-	423,046	49,444	37,540	510,030
Professional Fees-Facilities	2,153	252	191	2,596	-	-	-	-	-	29,860	3,491	2,650	36,001
Interest Expense and Costs	9,596	1,122	852	11,570	-	-	-	-	-	133,092	15,555	11,810	160,457
Total Property and Equipment	42,252	4,939	3,750	50,941	-	-	-	-	-	585,998	68,490	52,000	706,488
	\$ 506,616	\$ 59,212	\$ 44,957	\$ 610,785	\$ 1,246,134	\$ 58,166	\$ 48,390	\$ 1,352,690	(\$ 1,254,842)	\$ 7,152,871	\$ 879,350	\$ 671,880	\$ 8,704,101

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	<u>ASSETS</u>	
	2018	2017
CURRENT ASSETS		
Cash	\$ 761,796	\$ 311,682
Receivables		
- Government Grants	34,079	86,229
- Contributions	50,653	108,976
- Program Fees	1,184,633	988,391
Prepaid Expenses and Other Assets	96,240	109,913
Total Current Assets	2,127,401	1,605,191
INVESTMENTS		
	79,553	590,362
PROPERTY AND EQUIPMENT		
Land	1,860,000	1,860,000
161 Northfield Building	7,577,404	7,577,404
House of Welcome Building	2,566,969	2,566,969
Land Improvements	1,229,097	1,229,097
Furniture and Equipment	2,536,989	2,495,033
	15,770,459	15,728,503
Less: Accumulated Depreciation	(8,217,466)	(7,713,353)
Total Property and Equipment	7,552,993	8,015,150
OTHER ASSETS		
Security Deposits	1,460	1,460
Total Other Assets	1,460	1,460
Total Assets	\$ 9,761,407	\$ 10,212,163

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	2018	2017
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 97,551	\$ 69,231
Accrued Expenses	154,811	146,319
Custodial Accounts	5,743	5,827
Deferred Income	40,629	41,951
Total Current Liabilities	298,734	263,328
 LONG-TERM LIABILITIES		
Bonds Payable	7,000,000	7,000,000
Less Bond Issuance Cost, Net	(65,840)	(71,754)
Bonds Payable Less Bond Issuance Cost, Net	6,934,160	6,928,246
Total Long-Term Liabilities	6,934,160	6,928,246
Total Liabilities	7,232,894	7,191,574
 COMMITMENTS		
NET ASSETS		
Unrestricted		
Undesignated	780,846	558,177
Net Investment in Property and Equipment	1,173,136	1,828,683
Board Designated	458,661	458,661
Total Unrestricted	2,412,643	2,845,521
Temporarily Restricted	54,289	113,487
Permanently Restricted	61,581	61,581
Total Net Assets	2,528,513	3,020,589
 Total Liabilities and Net Assets	\$ 9,761,407	\$ 10,212,163

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2018	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2017
PUBLIC SUPPORT AND OTHER REVENUE								
Members	\$ 297,516	\$ -	\$ -	\$ 297,516	\$ 346,464	\$ 2,000	\$ -	\$ 348,464
Friends	437,820	-	-	437,820	418,870	5,500	-	424,370
Foundation/Corporate Grants/Estates	1,102,946	170,000	-	1,272,946	1,069,357	224,902	-	1,294,259
Annual Benefit	133,253	-	-	133,253	109,310	-	-	109,310
United Way	-	-	-	-	25,000	-	-	25,000
Townships	156,858	-	-	156,858	152,728	-	-	152,728
Municipalities	140,079	-	-	140,079	140,158	-	-	140,158
Government Grants	660,925	-	-	660,925	625,093	-	-	625,093
Activity Revenue	587,433	-	-	587,433	588,648	-	-	588,648
Contracts	45,576	-	-	45,576	102,360	-	-	102,360
Service Fees	3,769,214	-	-	3,769,214	3,796,179	-	-	3,796,179
Net Assets Released from Restrictions	229,198	(229,198)	-	-	409,199	(409,199)	-	-
Total Public Support and Other Revenue	7,560,818	(59,198)	-	7,501,620	7,783,366	(176,797)	-	7,606,569
EXPENSES								
Program Services	6,654,963	-	-	6,654,963	7,073,338	-	-	7,073,338
Management and General	761,972	-	-	761,972	640,364	-	-	640,364
Fundraising	578,533	-	-	578,533	649,078	-	-	649,078
Total Expenses	7,995,468	-	-	7,995,468	8,362,780	-	-	8,362,780
Change in Net Assets Before Investment Income	(434,650)	(59,198)	-	(493,848)	(579,414)	(176,797)	-	(756,211)
Investment Income								
Interest and Dividends	1,772	-	-	1,772	827	-	-	827
Change In Net Assets	(432,878)	(59,198)	-	(492,076)	(578,587)	(176,797)	-	(755,384)
Net Assets at Beginning of Year	2,845,521	113,487	61,581	3,020,589	3,424,108	290,284	61,581	3,775,973
Net Assets at End of Year	\$ 2,412,643	\$ 54,289	\$ 61,581	\$ 2,528,513	\$ 2,845,521	\$ 113,487	\$ 61,581	\$ 3,020,589

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR OPTIONS
STATEMENT OF FINANCIAL POSITION

JUNE 30, 2018

ASSETS

	2018
CURRENT ASSETS	
Receivables	
- Contributions	\$ 25,000
- Program Fees	48,787
Total Current Assets	73,787
Total Assets	\$ 73,787

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Accounts Payable	\$ 8,669
Accrued Expenses	11,085
Total Current Liabilities	19,754
Total Liabilities	19,754
NET ASSETS	
Unrestricted	8,982
Temporarily Restricted	45,051
Permanently Restricted	-
Total Net Assets	54,033
Total Liabilities and Net Assets:	\$ 73,787

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR OPTIONS**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2018**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2018
PUBLIC SUPPORT AND OTHER REVENUE				
Foundation/Corporate Grants/Estates	\$ 392,124	\$ 65,000	\$ -	\$ 457,124
Municipalities	5,000	-	-	5,000
Service Fees	202,694	-	-	202,694
Net Assets Released from Restrictions	19,949	(19,949)	-	-
Total Public Support and Other Revenue	619,767	45,051	-	664,818
EXPENSES				
Program Services	506,616	-	-	506,616
Management and General	59,212	-	-	59,212
Fundraising	44,957	-	-	44,957
Total Expenses	610,785	-	-	610,785
Change In Net Assets	8,982	45,051	-	54,033
Net Assets at Beginning of Year	-	-	-	-
Net Assets at End of Year	<u>\$ 8,982</u>	<u>\$ 45,051</u>	<u>\$ -</u>	<u>\$ 54,033</u>

See accompanying Independent Auditor's Report on supplemental information.

NSSC FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2018 AND 2017

	<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
CURRENT ASSETS			
Cash		\$ 255,830	\$ 132,232
Total Current Assets		<u>255,830</u>	<u>132,232</u>
INVESTMENTS			
		<u>16,674,732</u>	<u>16,869,510</u>
Total Assets		<u>\$ 16,930,562</u>	<u>\$ 17,001,742</u>
 <u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES			
Accounts Payable		\$ -	\$ 6,000
Charitable Remainder Unitrusts		-	2,497
Charitable Gift Annuities		<u>51,952</u>	<u>65,734</u>
Total Current Liabilities		<u>51,952</u>	<u>74,231</u>
LONG-TERM LIABILITIES			
Charitable Remainder Unitrusts, Net of Current Portion		-	3,781
Charitable Gift Annuities, Net of Current Portion		<u>5,262</u>	<u>6,854</u>
Total Long-Term Liabilities		<u>5,262</u>	<u>10,635</u>
Total Liabilities		<u>57,214</u>	<u>84,866</u>
NET ASSETS			
Unrestricted			
Undesignated		3,335,366	3,504,350
Bond Covenant Reserve		<u>7,700,000</u>	<u>7,700,000</u>
Total Unrestricted		<u>11,035,366</u>	<u>11,204,350</u>
Temporarily Restricted		4,596,265	1,470,809
Permanently Restricted		<u>1,241,717</u>	<u>4,241,717</u>
Total Net Assets		<u>16,873,348</u>	<u>16,916,876</u>
Total Liabilities and Net Assets		<u>\$ 16,930,562</u>	<u>\$ 17,001,742</u>

See accompanying Independent Auditor's Report on supplemental information.

NSSC FOUNDATION

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2018 AND 2017

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2018	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2017
PUBLIC SUPPORT AND OTHER REVENUE								
Contributions	\$ 13,141	\$ -	\$ -	\$ 13,141	\$ 550	\$ -	\$ -	\$ 550
Change in Value of Split-Interest Agreements								
Charitable Remainder Unitrusts	-	-	-	-	-	7,904	-	7,904
Charitable Gift Annuities	12,318	-	-	12,318	(3,273)	-	-	(3,273)
Net Assets Released from Restrictions								
Donor Release	-	3,000,000	(3,000,000)	-	-	-	-	-
Satisfaction of Purpose and Time Restrictions	296,978	(296,978)	-	-	247,301	(247,301)	-	-
Total Public Support and Other Revenue	322,437	2,703,022	(3,000,000)	25,459	244,578	(239,397)	-	5,181
EXPENSES								
Program Services	1,246,134	-	-	1,246,134	947,285	-	-	947,285
Supporting Services								
Management & General	58,166	-	-	58,166	67,353	-	-	67,353
Fundraising	48,390	-	-	48,390	48,390	-	-	48,390
Total Expenses	1,352,690	-	-	1,352,690	1,063,028	-	-	1,063,028
Change in Net Assets Before Investment Income	(1,030,253)	2,703,022	(3,000,000)	(1,327,231)	(818,450)	(239,397)	-	(1,057,847)
Investment Income								
Interest and Dividends	359,048	176,105	-	535,153	364,001	176,000	-	540,001
Realized Gain on Investments	106,809	52,388	-	159,197	55,078	26,631	-	81,709
Unrealized Gain on Investments	395,412	193,941	-	589,353	1,159,977	560,868	-	1,720,845
Total Investment Income	861,269	422,434	-	1,283,703	1,579,056	763,499	-	2,342,555
Change in Net Assets	(168,984)	3,125,456	(3,000,000)	(43,528)	760,606	524,102	-	1,284,708
Net Assets at Beginning of Year	11,204,350	1,470,809	4,241,717	16,916,876	10,443,744	946,707	4,241,717	15,632,168
Net Assets at End of Year	\$ 11,035,366	\$ 4,596,265	\$ 1,241,717	\$ 16,873,348	\$ 11,204,350	\$ 1,470,809	\$ 4,241,717	\$ 16,916,876

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**RECONCILIATION OF PROJECT REVENUE AND EXPENSES FOR****FEDERALLY FUNDED PROGRAMS ADMINISTERED THROUGH AGEPTIONS -THE AREA AGENCY****FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	10/1/2016 - 6/30/2017	7/1/17 - 9/30/2017	10/1/2016 - 9/30/2017	10/1/2017 - 6/30/2018	7/1/2017 - 6/30/2018
Federal Program III B - Grants for Supportive Services and Senior Centers - CFDA 93.044, CSFA 402-01-0027					
Support & Revenue					
Federal IIIB	306,223	129,831	436,054	283,443	413,274
Project Income	5,125	100	5,225	9,000	9,100
Agency Funding					
Cash Match	132,058	61,050	193,108	150,584	211,634
In-kind	9,375	3,980	13,355	9,375	13,355
	452,781	194,961	647,742	452,402	647,363
Expenses					
Personnel & Fringe	410,856	174,387	585,243	405,003	579,390
Other	41,925	20,574	62,499	47,399	67,973
	452,781	194,961	647,742	452,402	647,363
Total	-	-	-	-	-
Federal Program III E - National Family Caregiver Support - CFDA 93.052, CSFA 402-01-0030					
Support & Revenue					
Federal IIIE	166,310	85,094	251,404	162,557	247,651
Project Income	3,600	-	3,600	4,950	4,950
Agency Funding					
Cash Match	51,472	17,980	69,452	47,080	65,060
	221,382	103,074	324,456	214,587	317,661
Expenses					
Personnel & Fringe	169,313	56,437	225,750	160,357	216,794
Other	52,069	46,637	98,706	54,230	100,867
	221,382	103,074	324,456	214,587	317,661
Total	-	-	-	-	-
Federal Program VII - Programs for Prevention of Elder Abuse, Neglect and Exploitation - CFDA 93.041, CSFA 402-01-0024					
Support & Revenue					
Federal VII	3,094	1,031	4,125	3,087	4,118
	3,094	1,031	4,125	3,087	4,118
Expenses					
Other	3,094	1,031	4,125	3,087	4,118
	3,094	1,031	4,125	3,087	4,118
Total	-	-	-	-	-

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
CONSOLIDATED YEAR-END FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Program Expenses	402-01-0027	402-01-0030	402-01-0024	402-00-1640	402-00-1641	Other	Costs not allocated	Total costs
Salaries	\$ 539,171	\$ 201,386	\$ 4,118	\$ 141,608	\$1,744,814	\$ 73,713	\$ 2,246,853	\$ 4,951,663
Fringe benefits and payroll tax	40,220	15,408	-	23,121	409,191	17,691	446,510	952,141
Travel	-	-	-	-	37,734	-	11,398	49,132
Equipment	-	-	-	-	9,083	-	95,324	104,407
Supplies	-	-	-	-	10,072	-	66,959	77,031
Contractual services	-	-	-	-	-	-	-	-
Professional services	-	-	-	-	248,735	-	253,062	501,797
Construction	-	-	-	-	-	-	-	-
Occupancy - rent, utilities, insurance	30,464	18,125	-	15,134	140,081	-	266,472	470,276
Research and development	-	-	-	-	-	-	-	-
Telecommunications	11,222	2,000	-	-	-	-	9,341	22,563
Training and education	-	-	-	-	3,643	-	10,851	14,494
Direct administrative costs	-	1,500	-	-	107,207	12,638	88,181	209,526
Miscellaneous costs	26,286	79,242	-	8,508	7,447	-	523,100	644,583
Total Direct Expenses	647,363	317,661	4,118	188,371	2,718,007	104,042	4,018,051	7,997,613
Indirect costs - not allocated	-	-	-	-	-	-	706,488	706,488
Total Expenses	\$ 647,363	\$ 317,661	\$ 4,118	\$ 188,371	\$ 2,718,007	\$ 104,042	\$ 4,724,539	\$ 8,704,101

CSFA #	Program Name	State	Federal	Other	Total
402-01-0027	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	\$ 152,913	\$ 260,361	\$ 234,089	\$ 647,363
402-01-0030	National Family Caregiver Support, Title III, Part E	-	247,651	70,010	317,661
402-01-0024	Special Programs for the Aging, Title VII, Chapter 3 Programs for Prevention of Elder Abuse, Neglet, and Exploitation	-	4,118	-	4,118
402-00-1640	Adult Protective Services	188,371	-	-	188,371
402-00-1641	Care Coordination Unit	2,718,007	-	-	2,718,007
	Other grant programs and activities	84,292	19,750	-	104,042
	All other costs not allocated	-	-	4,724,539	4,724,539
	Total Expenses	3,143,583	531,880	5,028,638	8,704,101

See accompanying Independent Auditor's Report on supplemental information.