



NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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 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, 2021 and 2020, 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 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

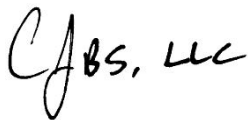
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of North Shore Senior Center and Subsidiaries as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then 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 accompanying 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 20, 2021, 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 20, 2021



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

To the Board of Directors of
North Shore Senior Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 20, 2021. 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) as a basis for designing 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 financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not

CJBS, LLC

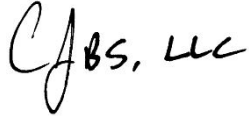
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express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 20, 2021

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 742,426	\$ 489,410
Contributions Receivable	200,333	69,334
Grants and Contracts Receivable	530,111	311,146
Accounts Receivable	33,219	59,565
Prepaid Expenses and Other Assets	48,867	63,041
	<u>1,554,956</u>	<u>992,496</u>
 LONG-TERM ASSETS		
Investments	19,149,160	16,956,867
Operating Lease Right-Of-Use Assets	178,525	-
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	2,818,711	2,744,570
	<u>16,052,181</u>	<u>15,978,040</u>
Less: Accumulated Depreciation	<u>(9,714,833)</u>	<u>(9,197,156)</u>
Property and Equipment, Net	<u>6,337,348</u>	<u>6,780,884</u>
Total Long-Term Assets	<u>25,665,033</u>	<u>23,737,751</u>
Total Assets	<u>\$ 27,219,989</u>	<u>\$ 24,730,247</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, 2021 AND 2020

<u>LIABILITIES AND NET ASSETS</u>	<u>2021</u>	<u>2020</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 87,222	\$ 58,463
Accrued Expenses	241,367	239,113
Current Portion of Operating Lease Liabilities	137,563	-
Custodial Accounts	4,693	5,081
Deferred Income	159,303	171,477
Charitable Gift Annuities	130,643	147,314
	<u>760,791</u>	<u>621,448</u>
TOTAL CURRENT LIABILITIES		
	<u>760,791</u>	<u>621,448</u>
LONG-TERM LIABILITIES		
Bonds Payable	7,000,000	7,000,000
Less Bond Issuance Cost	(48,124)	(54,029)
Bonds Payable Less Bond Issuance Cost, Net	6,951,876	6,945,971
Operating Lease Liabilities	63,571	-
	<u>7,015,447</u>	<u>6,945,971</u>
TOTAL LONG-TERM LIABILITIES		
	<u>7,015,447</u>	<u>6,945,971</u>
TOTAL LIABILITIES	<u>7,776,238</u>	<u>7,567,419</u>
COMMITMENTS		
NET ASSETS		
Without Donor Restrictions		
Undesignated	4,130,007	3,026,614
Bond Covenant Reserve	7,700,000	7,700,000
Board Designated	458,661	458,661
	<u>12,288,668</u>	<u>11,185,275</u>
With Donor Restrictions		
Purpose and Time Restrictions	5,851,785	4,674,255
Perpetual in Nature	1,303,298	1,303,298
	<u>7,155,083</u>	<u>5,977,553</u>
TOTAL NET ASSETS	<u>19,443,751</u>	<u>17,162,828</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 27,219,989</u>	<u>\$ 24,730,247</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, 2021 AND 2020

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Without Donor Restrictions	With Donor Restrictions	Total 2020
PUBLIC SUPPORT AND OTHER REVENUE						
Grants and Contributions						
Members	\$ 45,137	\$ -	\$ 45,137	\$ 99,109	\$ -	\$ 99,109
Friends	517,641	170,000	687,641	457,436	-	457,436
Foundation/Corporate Grants/Estates	284,706	100,000	384,706	179,780	327,500	507,280
Annual Benefit	136,059	-	136,059	190,811	-	190,811
Townships	163,500	-	163,500	165,833	-	165,833
Municipalities	127,958	-	127,958	148,300	-	148,300
Government Grants	1,065,895	-	1,065,895	1,830,708	-	1,830,708
Program Fees and Contracts						
Registration and Membership Fees	462,866	-	462,866	394,970	-	394,970
Program Service Fees	244,319	-	244,319	680,739	-	680,739
State Contracts	2,767,002	-	2,767,002	2,774,902	-	2,774,902
Change in Value of Split-Interest Agreements						
Charitable Gift Annuities	(27,184)	-	(27,184)	(143,658)	-	(143,658)
Net Assets Released from Restrictions	541,072	(541,072)	-	501,390	(501,390)	-
 Total Public Support and Other Revenue	 6,328,971	 (271,072)	 6,057,899	 7,280,320	 (173,890)	 7,106,430
EXPENSES						
Program Services	6,325,444	-	6,325,444	7,483,549	-	7,483,549
Management and General	837,192	-	837,192	783,088	-	783,088
Fundraising	584,897	-	584,897	618,239	-	618,239
 Total Expenses	 7,747,533	 -	 7,747,533	 8,884,876	 -	 8,884,876
 Change in Net Assets Before Investment Income	 (1,418,562)	 (271,072)	 (1,689,634)	 (1,604,556)	 (173,890)	 (1,778,446)
Investment Income						
Interest and Dividends	286,474	159,389	445,863	322,215	205,146	527,361
Realized Gain on Investments	134,630	76,125	210,755	10,252	6,616	16,868
Unrealized Gain (Loss) on Investments	2,145,415	1,213,088	3,358,503	(111,354)	(71,857)	(183,211)
Investment Fees	(44,564)	-	(44,564)	(44,676)	-	(44,676)
 Total Investment Income, Net	 2,521,955	 1,448,602	 3,970,557	 176,437	 139,905	 316,342
 Change In Net Assets	 1,103,393	 1,177,530	 2,280,923	 (1,428,119)	 (33,985)	 (1,462,104)
 Net Assets at Beginning of Year	 11,185,275	 5,977,553	 17,162,828	 12,613,394	 6,011,538	 18,624,932
 Net Assets at End of Year	 <u>\$ 12,288,668</u>	 <u>\$ 7,155,083</u>	 <u>\$ 19,443,751</u>	 <u>\$ 11,185,275</u>	 <u>\$ 5,977,553</u>	 <u>\$ 17,162,828</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, 2021

	Senior and Family Services	North Shore Senior Options	Lifelong Learning	House of Welcome	Total Program Services	Management and General	Fundraising	Total 2021
OPERATING EXPENSES								
Activities Program Expense	\$ -	\$ -	\$ 112,644	\$ -	\$ 112,644	\$ -	\$ -	\$ 112,644
Assistance	234,272	-	-	-	234,272	-	-	234,272
Conferences	2,303	90	200	708	3,301	137	1,114	4,552
Dues and Multimedia	6,110	653	551	829	8,143	2,315	1,038	11,496
Equipment Repair/Rentals	6,157	3,823	13,326	5,246	28,552	14,349	17,430	60,331
Fitness Center	-	-	4,736	-	4,736	-	-	4,736
Food/Recreation Supplies	3,050	-	-	28	3,078	1,664	2,457	7,199
Health and Disability	349,445	6,655	26,874	48,976	431,950	22,888	34,398	489,236
Insurance	28,194	4,511	7,894	7,894	48,493	3,947	3,947	56,387
Occupancy	154,005	3,407	45,345	57,525	260,282	17,002	16,357	293,641
Payroll Taxes	215,054	19,846	29,472	30,151	294,523	35,923	27,225	357,671
Postage	5,741	1,186	5,136	2,230	14,293	1,944	3,952	20,189
Printing/Office Supplies	17,793	2,128	29,151	4,273	53,345	11,573	16,633	81,551
Professional Fees	141,451	40,410	27,109	31,052	240,022	150,511	23,345	413,878
Retirement Plan	46,095	4,200	7,042	6,330	63,667	9,140	3,172	75,979
Salaries	2,824,144	255,887	394,120	377,483	3,851,634	473,633	360,214	4,685,481
Sundry	538	188	7,406	188	8,320	18,532	13,255	40,107
Telecommunications	20,144	3,100	2,238	1,829	27,311	1,553	1,702	30,566
Transportation	2,021	1,251	-	-	3,272	187	70	3,529
Total Operating Expenses	4,056,517	347,335	713,244	574,742	5,691,838	765,298	526,309	6,983,445
PROPERTY AND EQUIPMENT								
Depreciation and Amortization	379,151	32,464	66,665	53,719	531,999	60,365	49,193	641,557
Professional Fees—Facilities	10,692	916	1,880	1,515	15,003	1,702	1,387	18,092
Interest Expense and Costs	61,722	5,285	10,852	8,745	86,604	9,827	8,008	104,439
Total Property and Equipment	451,565	38,665	79,397	63,979	633,606	71,894	58,588	764,088
TOTAL EXPENSES	\$ 4,508,082	\$ 386,000	\$ 792,641	\$ 638,721	\$ 6,325,444	\$ 837,192	\$ 584,897	\$ 7,747,533

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, 2020

	Senior and Family Services	North Shore Senior Options	Lifelong Learning	House of Welcome	Total Program Services	Management and General	Fundraising	Total 2020
OPERATING EXPENSES								
Activities Program Expense	\$ -	\$ -	\$ 199,386	\$ -	\$ 199,386	\$ -	\$ -	\$ 199,386
Assistance	142,312	-	-	-	142,312	-	-	142,312
Conferences	9,544	99	1,125	2,191	12,959	2,105	278	15,342
Dues and Multimedia	6,125	772	1,211	1,965	10,073	526	1,799	12,398
Equipment Repair/Rentals	42,450	5,601	16,834	7,647	72,532	13,685	27,606	113,823
Fitness Center	-	-	88,795	-	88,795	-	-	88,795
Food/Recreation Supplies	7,048	474	14,213	19,300	41,035	2,776	1,814	45,625
Health and Disability	306,049	29,475	18,503	71,958	425,985	33,707	32,508	492,200
Insurance	23,584	3,773	6,604	6,604	40,565	3,302	3,302	47,169
Occupancy	178,322	21,030	89,726	55,922	345,000	21,026	17,840	383,866
Payroll Taxes	219,975	34,026	33,437	63,577	351,015	29,472	28,201	408,688
Postage	8,065	1,240	8,457	2,184	19,946	2,931	4,420	27,297
Printing/Office Supplies	38,673	6,417	42,344	18,204	105,638	14,937	22,418	142,993
Professional Fees	181,330	20,804	26,908	39,859	268,901	170,494	23,849	463,244
Retirement Plan	43,509	7,120	8,458	10,084	69,171	7,370	3,733	80,274
Salaries	2,855,014	437,795	430,148	807,473	4,530,430	400,386	382,128	5,312,944
Sundry	11,389	35,241	11,788	14,303	72,721	22,827	13,425	108,973
Telecommunications	14,178	5,318	1,599	2,102	23,197	1,481	784	25,462
Transportation	27,019	4,229	375	117	31,740	212	1,910	33,862
Total Operating Expenses	4,114,586	613,414	999,911	1,123,490	6,851,401	727,237	566,015	8,144,653
PROPERTY AND EQUIPMENT								
Depreciation and Amortization	264,925	39,496	64,381	72,338	441,140	38,975	36,444	516,559
Professional Fees—Facilities	16,925	2,523	4,113	4,621	28,182	2,490	2,328	33,000
Interest Expense and Costs	97,785	14,578	23,763	26,700	162,826	14,386	13,452	190,664
Total Property and Equipment	379,635	56,597	92,257	103,659	632,148	55,851	52,224	740,223
TOTAL EXPENSES	\$ 4,494,221	\$ 670,011	\$ 1,092,168	\$ 1,227,149	\$ 7,483,549	\$ 783,088	\$ 618,239	\$ 8,884,876

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, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,280,923	(\$ 1,462,104)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	635,652	510,654
Amortization Expense	5,905	5,905
Realized (Gain) on Sale of Investments	(210,755)	(16,868)
Unrealized (Gain) Loss on Investments	(3,358,503)	183,211
Non-Cash Lease Expense	117,976	-
(Increase) Decrease in Assets:		
Contributions Receivable	(130,999)	(54)
Grants and Contracts Receivable	(218,965)	349,156
Accounts Receivable	26,346	41,284
Prepaid Expenses and Other Assets	14,174	5,562
Increase (Decrease) in Liabilities:		
Accounts Payable	28,759	(76,011)
Accrued Expenses	2,254	112,842
Custodial Accounts	(388)	(511)
Deferred Income	(12,174)	148,547
Charitable Gift Annuities	(16,671)	94,322
Operating Lease Liabilities	(95,367)	-
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(931,833)</u>	<u>(104,065)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(192,116)	(81,838)
Certificates of Deposits, Net	199,810	(203,306)
Proceeds from Sale of Investments	2,351,280	662,863
Purchases of Investments	<u>(1,174,125)</u>	<u>(342,242)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>1,184,849</u>	<u>35,477</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>253,016</u>	<u>(68,588)</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>489,410</u>	<u>557,998</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 742,426</u>	<u>\$ 489,410</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Right-of-use assets obtained in exchange for new operating lease liability	<u>\$ 296,501</u>	<u>\$ -</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest Paid	<u>\$ 11,372</u>	<u>\$ 97,191</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, 2021 AND 2020

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

Nature of Activities

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. The purpose of the Foundation is to solicit and receive gifts, endowments, and contributions for and on behalf of the Center, and to provide financial support for the charitable programs, services, operations, physical plant, and activities of the Center, and to direct the investment and management of the Foundation’s assets. 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.

The Center’s Senior Options 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.

Reclassifications

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

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Recent Accounting Pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. The amendments in this Update were effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years, for a not-for-profit entity that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market. On June 3, 2020, FASB issued ASU 2020-05 to allow the deferral of the effective date for Organizations that have not yet issued their financial statements (or made financial statements available for issuance) reflecting the adoption of Leases.

The Organization adopted ASC 842 on July 1, 2020, using the modified retrospective basis and did not restate comparative periods as permitted under ASU 2018-11. Under the elected transition option, ASC 842 is applied only to the most current period presented in the financial statements. The reporting for the comparative periods presented in the financial statements continue to be according to ASC Topic 840, Leases including disclosures.

ASC 842 requires that lessees recognize right-of-use assets ("ROU") and lease liabilities calculated based on the present value of lease payments for all lease agreements with terms that are greater than twelve months. ASC 842 distinguishes leases as either a finance lease or an operating lease that affects how the leases are measured and presented in the statements of activities and cash flows. The adoption of ASC 842 resulted in recording a non-cash transitional adjustment to operating lease ROU assets and operating lease liabilities of approximately \$297,000. The lease agreements generally do not provide an implicit rate; therefore, the Organization used an incremental borrowing rate of 3% based on the lease term and other information available on July 1, 2020, to determine the present value of its future minimum rental payments.

Accounting Policies and Practical Expedients. Upon adoption, the organization elected the following accounting policies and practical expedients related to ASC 842: not reassess whether any expired or existing contracts are or contain leases, not reassess the lease classification for any expired or existing leases, and not reassess initial direct costs for any existing leases; apply accounting similar to Topic 840 operating leases accounting to leases that meet the definition of short-term leases; and not evaluate land easements that existed or expired before the adoption of ASC 842 and that were not previously accounted for as leases under Topic 840.

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

JUNE 30, 2021 AND 2020

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

Basis of Presentation

The Organization reports information regarding its financial position and activities according to two classes of net assets that are based upon the existence or absence of restrictions on use that are placed by its donors: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions are resources available to support operations and are not subject to grantor or donor-imposed restrictions. 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 *net assets without donor restrictions* to assure adequate financing of such operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that are restricted by a donor for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature; such as those that are restricted by a donor that the resources be maintained in perpetuity.

The Organization's donor-restricted endowment funds, including the unspent appreciation of the endowment fund and the portion of the Organization's donor-restricted endowment funds that the Organization is committed to maintaining in perpetuity are classified in net assets with donor restrictions.

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions 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 net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue from Grants and Contracts

Revenue from government and private grant and contract agreements is recognized as it is earned through expenditure in accordance with the agreements. Any funding received in advance of expenditure is recorded as deferred revenue until expended.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

(continued)

Federal Funding under Title III Older Americans Act. During years ended June 30, 2021 and 2020, 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, which 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 30. 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 the consolidated statement of activities and the receivable as of year-end are as follows:

	<u>2021</u>	<u>2020</u>
Title IIIB Supportive Services and Senior Centers	\$ 324,438	\$ 318,956
Title IIIE Caregiver Support	\$ 314,702	\$ 271,390
Title IIIE Cares Act Caregiver Support	\$ 5,825	\$ -
Title IIIE TCARE Supplemental Funding	\$ 4,731	\$ -
Grant Receivable	\$ 39,853	\$ 30,223
Deferred Revenue	\$ 13,769	\$ -

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

State of Illinois Department on Aging. The Organization received approximately 34% and 36% of its revenue from contracts from the Illinois Department of Aging for the years ended June 30, 2021 and 2020, respectively. As of June 30, 2021 and 2020, the amounts due from the State of Illinois Department on Aging on these fee for service contracts that pertain to nursing home pre-screens and case coordination administered through the Center's Department of Social Services was \$322,954 and \$239,144, respectively.

Revenue from Program Service Fees

The House of Welcome ("HOW") day program specializes in adult day services for individuals with Alzheimer's disease and related dementias. North Shore Senior Options (NSSO) provides various care management fee for service programs for older adults and their families. Revenues from contracts with program participants for daily fees are reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing services to program participants. Revenue is recognized as performance obligations are satisfied, which is monthly, as billed. Generally, the Organization bills program participants on the 10th day of each month for prior month services with a payment term of 10 days. Any unearned amounts for payment received in advance are included in deferred revenue.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

(continued)

Lifelong Learning program has various member-only clubs, classes, presentations, trips, concerts, and events. Revenue from contracts with members for membership dues and program fees is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing membership and program activities to its members. Membership revenue is recognized as performance obligations are satisfied over the membership term. Tuition fee revenue is recognized as performance obligations are satisfied over the class term. Program revenue associated with presentations, trips, concerts, and events is recognized at the point in time when control transfers to the program participant, generally when services are delivered to the participants. Membership dues are nonrefundable. Tuition fees are nonrefundable after the start of the class. Any unearned amounts for payment received in advance are included in deferred revenue.

The Organization operates a cafeteria and a gift shop that is staffed by volunteers. The gift shop sells donated items such as hand-crafted items made by the Organization's Sewing Bees group, note cards, and artwork created by participants in the House of Welcome Adult Day Services for people with memory loss. Revenue for cafeteria and gift shop sales is recognized when the customer receives and pays for the merchandise. Gift shop inventory items are not material to the financial statements.

Because all of the performance obligations relate to contracts with a duration of less than one year, the Organization has elected to apply the optional exemption provided in FASB ASC 606-10-50-14(a) and, therefore, is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The unsatisfied or partially unsatisfied performance obligations referred to above are primarily related to providing member services. The performance obligations for these contracts are generally completed when the annual membership term is completed. The Organization applies the practical expedient FASB ASC 340-40-25-4 to recognize the incremental costs of obtaining a contract as an expense when incurred when the amortization period of the asset that the Organization otherwise would have recognized is one year or less.

Significant Judgments. The Organization determines the transaction price based on standard charges for goods and services provided, discounts provided in accordance with the Organization's policy, and implicit price concessions provided to program participants. The Organization determines its estimates of explicit price concessions based on contractual agreements and its discount policies. The Organization determines its estimate of implicit price concessions based on its historical collection experience with program participants.

Revenue from Contributions

Contributions are recognized when cash, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met or the donor has explicitly released the restriction.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

Revenue from Donated Services and In-Kind Contributions

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

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Natural expenses directly attributable to a specific functional area of the Organization are reported as expenses of those functional areas, while indirect costs that benefit multiple functional areas have been allocated among various functional areas using a variety of cost allocation techniques such as square footage and time and effort.

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.

Financial Instruments and Credit Risk

The Organization manages deposit concentration risk by placing cash and money market accounts with high credit quality financial institutions. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. Credit risk associated with accounts receivable and promises to give is considered to be limited due to high historical collection rates.

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, the Foundation continues to investigate and pursue additional sources of income from donors and private sources.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

Investments

The Organization records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the consolidated statements of financial position. Net investment return/(loss) is reported in the consolidated statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. 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.

Accounts Receivable

Accounts receivable represent consideration from state and local government agencies and program service fees, of which the Organization has an unconditional right to receive. Accounts receivable are stated at the amount management expects to be collected from the outstanding balance. As of June 30, 2021 and 2020, management has determined, based on historical experience, the allowance for doubtful accounts is \$0 and \$45,425, respectively.

Promises to Give

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 more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. The amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date.

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. 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 consolidated financial statements.

Split-Interest Agreements

The Foundation benefits from charitable gift annuities that are commonly known as split-interest agreements.

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, 2021 and 2020, were \$635,652 and \$510,654, respectively.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

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

The Organization reports gifts of long-lived assets as without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash and other assets that must be used to acquire long-lived assets are reported as with donor restriction support. Absent explicit donor stipulations about how those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Long-Lived Assets

Management evaluates long-lived assets for impairment whenever events or circumstances indicate that the carrying value of a long-lived asset may not be recoverable in accordance with accounting principles generally accepted in the United States of America. Management determined that no long-lived assets were impaired as of June 30, 2021 and 2020.

Deferred Income

Certain grants are deferred income due to their service delivery requirements and reciprocal nature as exchange transactions. Revenue from program service fees is recognized when the services are provided. Membership dues, tuition fees, and the exchange portion of sponsorship income received in advance are deferred and recognized over the periods to which they relate.

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.

Use of Estimates

The preparation of consolidated financial statements in conformity with 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, *Nature of Activities* paragraph.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

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

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, 2021 and 2020. The Organization's federal and state information returns are subject to examination, generally for three years after the filing date.

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

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE B – PROGRAMS (continued)

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

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
- Psychotherapy

NOTE C - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization monitors its liquidity to be able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. Financial assets available for general expenditure that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

	<u>Center</u>	<u>Senior Options</u>	<u>Foundation</u>	<u>Total 2021</u>	<u>Total 2020</u>
Financial Assets:					
Cash	\$ 314,490	\$ -	\$ 113,736	\$ 428,226	\$ 315,989
Receivables, Net	731,053	32,610	-	763,663	440,045
Operating Investments	315,837		3,833,779	4,149,616	2,994,074
Endowment Distribution	916,000	366,000	(1,282,000)	-	-
Total financial assets available within one year	<u>\$2,277,380</u>	<u>\$398,610</u>	<u>\$2,665,515</u>	<u>\$5,341,505</u>	<u>\$3,750,108</u>

In addition to financial assets available to meet general expenditures over the year, the Organization has board designated amounts of \$458,661 as of June 30, 2021 and 2020, that could be made available if necessary.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE D – INVESTMENTS AND CLASSIFICATION IN THE FAIR VALUE HIERARCHY

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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Cash/Money Market Funds	\$ 490,203	\$ 473,284
Mutual Funds	15,718,984	13,794,720
Real Estate Fund	1,255,377	1,652,974
Pooled Investment Fund	848,517	-
Total Foundation's Investments	<u>18,313,081</u>	<u>15,920,978</u>
Cash/Money Market Funds	836,079	1,035,889
Total Center's Investments	<u>836,079</u>	<u>1,035,889</u>
Total Investments	<u>\$ 19,149,160</u>	<u>\$ 16,956,867</u>

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.

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, 2021 and 2020.

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.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
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JUNE 30, 2021 AND 2020

NOTE D – INVESTMENTS AND CLASSIFICATION IN THE FAIR VALUE HIERARCHY (continued)

Real Estate Fund and Alternative Investment: Valued at net asset value (NAV) of units held provided by the funds' managers. 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.

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, 2021:

	Assets at Fair Value at June 30, 2021			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds - Equity	\$ 10,997,482	\$ -	\$ -	\$ 10,997,482
Mutual Funds - Fixed Income	3,582,958	-	-	3,582,958
Mutual Funds - Balanced	1,138,544	-	-	1,138,544
Total Assets at Fair Value	\$ 15,718,984	\$ -	\$ -	15,718,984
Investments Measured at NAV*				2,103,894
Cash/Money Market Funds				1,326,282
Total Investments				\$ 19,149,160

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2021 AND 2020

NOTE D – INVESTMENTS AND CLASSIFICATION IN THE FAIR VALUE HIERARCHY (continued)

The following tables set forth by level, within the fair value hierarchy, the Organization’s investment assets at fair value at June 30, 2020:

	Assets at Fair Value at June 30, 2020			Total Fair Value
	Level 1	Level 2	Level 3	
Mutual Funds - Equity	\$ 8,512,515	\$ -	\$ -	\$ 8,512,515
Mutual Funds - Fixed Income	4,304,551	-	-	4,304,551
Mutual Funds - Balanced	977,654	-	-	977,654
Total Assets at Fair Value	\$ 13,794,720	\$ -	\$ -	13,794,720
Investments Measured at NAV*				1,652,974
Cash/Money Market Funds				1,509,173
Total Investments				\$ 16,956,867

* 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, 2021 and 2020, respectively:

Instrument	Fair Value as of June 30, 2021	Fair Value as of June 30, 2020	Redemption Frequency	Redemption Notice Period
Real Estate Fund	\$ 1,255,377	\$ 1,652,974	quarterly	Requests at any time
Alternative Investment	\$ 848,517	-	month-end	Requests at any time

The Real Estate Fund invests primarily 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.

The Alternative Investment include private equity funds. The fund primarily invests in a broad portfolio of U.S. dollar-denominated, non-investment grade, floating rate senior secured loans and other financial instruments.

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

JUNE 30, 2021 AND 2020

NOTE E – CHARITABLE GIFT ANNUITIES

The Foundation is the recipient of charitable gift annuities. Under charitable gift annuity contracts, the Foundation receives immediate and unrestricted title to contributed assets and agree to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability was recorded as a contribution without donor restrictions. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect the amortization of the discount and changes in actuarial assumptions at the end of the year. Total annuity payments for years ending June 30, 2021 and 2020, were \$43,854 and \$46,092, respectively. Changes in the value of split-interest agreements totaling \$27,184 loss and \$143,658 loss for 2021 and 2020, respectively, were included in the consolidated statement of activities.

NOTE F – LEASE OBLIGATIONS

ASC Topic 840, Leases

The Center has a lease for additional 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 has a lease for additional office space located at 2100 Ridge Ave, Evanston, Illinois for period October 1, 2019, through September 30, 2022. 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, and various equipment leases expiring on August 1, 2025, and a month-to-month lease for storage space.

Lease expense for the year ended June 30, 2020, was \$141,242.

Future minimum lease obligations for the next fiscal years under ASC 840 are as follows:

Fiscal Year Ended June 30,	Total Office Space	Parking Lot and Equipment
2022	\$ 91,552	\$ 52,435
2023	58,220	9,920
2024	-	1,986
2025	-	1,176
2026	-	294
Total	<u>\$ 149,772</u>	<u>\$ 65,811</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, 2021 AND 2020

NOTE F – LEASE OBLIGATIONS (continued)

ASC Topic 842, Leases

The Organization has operating leases for office space and office equipment. These operating leases are included in “Operating Lease Right-Of-Use Assets” on the Organization’s June 30, 2021, consolidated statement of financial position and represent the Organization’s right to use the underlying asset for the lease term. The Organization’s obligation to make lease payments is included in “Current Portion of Operating Lease Liabilities” and “Operating Lease Liabilities” on the Organization’s June 30, 2021, consolidated statement of financial position. Based on the present value of the lease payments for the remaining lease term of the Organization’s existing leases, the Organization recognized right-of-use assets and lease liabilities for operating leases of \$296,501 on July 1, 2020. Operating lease right-of-use assets and liabilities commencing after July 1, 2020, are recognized at their commencement date based on the present value of lease payments over the lease term. As of June 30, 2021, total right-of-use assets and operating lease liabilities were approximately \$179,000 and \$201,000, respectively. Short-term operating leases with an initial term of twelve months or less are not recorded on the Organization’s consolidated statement of financial position. All operating lease expense is recognized straight-line over the lease term.

Because the rate implicit in each lease is not readily determinable, the Organization uses its incremental borrowing rate of 3% to determine the present value of the lease payments.

Information related to the Organization’s right-of-use assets and related lease liabilities were as follows:

	Year ended June 30, 2021
Cash paid for operating lease liabilities	\$ 95,367
Right of use assets obtained in exchange for new operating lease obligations	\$ 296,501
Weighted-average remaining lease term	1.5
Weighted-average discount rate	3%

Maturities of lease liabilities as of June 30, 2021 were as follows:

	2022		\$	141,365
	2023			59,582
	2024			3,202
	2025			1,177
	2026			293
				205,619
Less imputed interest			(4,485)
Total Lease Liabilities			\$	201,134
Current Portion of Operating Lease Liabilities			\$	63,571
Long-Term Operating Lease Liabilities				137,563
Total Lease Liabilities			\$	201,134

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

JUNE 30, 2021 AND 2020

NOTE G – NATURE OF RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for specified purpose or periods		
Foundation		
Charitable Gift Annuity for Student Internship Program	\$ 9,123	\$ 9,123
House of Welcome Program	65,310	54,542
Men's Club Music Concerts	32,272	25,648
	<u>106,705</u>	<u>89,313</u>
Center		
Senior and Family Services	23,457	28,240
House of Welcome Program	150,000	-
Bond Debt Service	140,743	145,181
	<u>314,200</u>	<u>173,421</u>
Total subject to expenditure for specified purpose or periods	<u>420,905</u>	<u>262,734</u>
Endowments – Accumulated investment gains and term endowment subject to appropriation and expenditures based on spending policy and donor restrictions		
Foundation		
The Harry and Jeanette Weinberg Endowment	4,152,145	3,588,922
Sandra R. Johnson Endowment	148,835	78,190
Golder Distinguished Senior Lecture Series Fund	451,698	317,936
Thaviu Concert Series Fund	388,853	267,989
Edwin J. Brach and Hazel and Bertram Brodie Endowment	166,734	95,089
Weber Endowment for Training and Professional Development for House of Welcome	61,625	35,448
Thaviu House of Welcome Scholarships	60,990	27,947
	<u>5,430,880</u>	<u>4,411,521</u>
Endowments – Original donor restricted gift amounts and amounts required to be maintained in perpetuity by donor		
Foundation		
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	92,987	92,987
Thaviu House of Welcome Scholarships	100,000	100,000
Other Funds	111,083	111,083
	<u>1,241,717</u>	<u>1,241,717</u>
Center	61,581	61,581
	<u>1,303,298</u>	<u>1,303,298</u>
Total Endowments	<u>6,734,178</u>	<u>5,714,819</u>
Total Net Assets With Donor Restrictions	<u>\$ 7,155,083</u>	<u>\$ 5,977,553</u>

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

JUNE 30, 2021 AND 2020

NOTE H – ENDOWMENT

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 Illinois Uniform Prudent Management of Institutional Funds Act (UPMIFA) 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 retained in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts donated to the Endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by us in a manner consistent with the standard of prudence prescribed by UPMIFA. The Organization considered the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund,
- The purposes of the Organization and the donor-restricted endowment fund,
- General economic conditions,
- The possible effect of inflation and deflation,
- The expected total return from income and appreciation of investments,
- Other resources of the Organization,
- 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.

Investment and Spending 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, 2021 AND 2020

NOTE H – ENDOWMENT (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 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.

The average annual distribution to the Center from the Foundation assets 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 endowment 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 restricted assets until appropriated in accordance with the donor instructions and stipulations and do not impact the amount of the original donor-restricted assets.

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

JUNE 30, 2021 AND 2020

NOTE H – ENDOWMENT (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, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
The Foundation, Donor Restricted Endowment		
Accumulated investment gains	\$ 2,430,880	\$ 1,411,521
Original donor-restricted gift amount and amounts required to be maintained for specific time and purpose by donor	3,000,000	3,000,000
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>1,241,717</u>	<u>1,241,717</u>
Total Foundation's Endowment	<u>6,672,597</u>	<u>5,653,238</u>
The Center, Donor Restricted Endowment		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>61,581</u>	<u>61,581</u>
Total Center's Endowment	<u>61,581</u>	<u>61,581</u>
Total Endowment	<u>\$ 6,734,178</u>	<u>\$ 5,714,819</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, 2021 and 2020. The changes in donor-restricted endowment net assets are as follows for the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
The Foundation, Donor Restricted Endowment		
Endowment Net Assets, Beginning of Year	\$ 5,653,238	\$ 5,788,892
Investment Return	1,428,059	138,270
Appropriated for Expenditure	<u>(408,700)</u>	<u>(273,924)</u>
Endowment Net Assets, End of Year	<u>6,672,597</u>	<u>5,653,238</u>
The Center, Donor Restricted Endowment		
Endowment Net Assets, End of Year	<u>61,581</u>	<u>61,581</u>
Total Endowment	<u>\$ 6,734,178</u>	<u>\$ 5,714,819</u>

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

JUNE 30, 2021 AND 2020

NOTE H – ENDOWMENT (continued)

Information on Deficiencies

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 retain as a fund of perpetual duration. Such deficiencies result from unfavorable market fluctuations and are evaluated by the Organization in accordance with principles of prudent fiscal oversight. Any accumulated losses for underwater endowments are included together with that fund in net assets with donor restrictions. There were no significant deficiencies as of June 30, 2021 and 2020.

NOTE I – 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.

The Plan Sponsor contributed 50 percent of the first 6 percent of eligible compensation that a participant contributed after 1 year of service, calculated on a per check basis. Contributions are subject to certain limitations. The Center made contributions under 401(k) plans of \$75,979 and \$80,274 in the fiscal year ended June 30, 2021 and 2020, respectively.

NOTE J – 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.

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

JUNE 30, 2021 AND 2020

NOTE J – BONDS PAYABLE – (continued)

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 2021 and 2020, the average annual interest rates were 0.14% and 1.25%, 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 \$11,372 and \$97,191 for the year ended June 30, 2021 and 2020, respectively.

The bonds are secured by a letter of credit issued by a bank in the amount of \$7,103,562, with the maturity on August 16, 2021, and require an annual fee of 1.33 percent of the issue amount. Subsequent to year-end, the letter of credit was extended from August 16, 2021 to August 16, 2023, and requires an annual fee of 1.17 percent of the issued 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, 2021 and 2020) 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, 2021 and 2020.

NOTE K – 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, 2021 and 2020, the amortization expense was \$5,905 and \$5,905, respectively.

NOTE L – RISKS AND 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, 2021 AND 2020

NOTE L – RISKS AND 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 not restricted by the donor in perpetuity is considered 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 resulting from state agencies' audits 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.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen, which are likely to negatively impact the Organization's operations. While the disruption is expected to be temporary, there is considerable uncertainty around the duration. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

NOTE M –CONDITIONAL PROMISES TO GIVE

The Organization determines whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met, or the donor has explicitly released the restriction.

The approximate conditional promises to give as of June 30, 2021 and 2020, available for spending in the next following year when the conditions are expected to be met:

	2021	2020
Federal Funding under Title III Older Americans Act	\$ 123,000	\$ 160,000
Municipalities and Townships grants	138,000	144,000
Total Conditional Promises to Give	\$ 261,000	\$ 304,000

The Coronavirus Aid, Relief, and Economic Security Act (the CARES Act or the Act) signed into law on March 27, 2020, temporarily permits Small Business Administration (SBA) to guarantee 100 percent of 7(a) loans under a new program titled the "Paycheck Protection Program." Section 1106 of the Act provides for forgiveness of up to the full principal amount of qualifying loans guaranteed under the Paycheck Protection Program (PPP). The actual amount of loan forgiveness depends, in part, on the total amount spent over the covered period that begins on the date the lender makes the first disbursement of the PPP loan to the borrower on certain expenses as defined in the Act. The Covered Period is either (1) the twenty-four week (168-day) period beginning on the PPP loan disbursement date, or (2) if the borrower received its PPP loan before June 5, 2020, the borrower may elect to use an eight-week (56-day) Covered Period.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE M –CONDITIONAL PROMISES TO GIVE (continued)

On April 5, 2020, the Organization obtained a PPP loan totaling \$1,107,780 and elected the twenty-four weeks as the covered period. Subject to the PPP loan terms, the forgiven balance will reduce the loan's principal balance and the related accrued interest balance. The remaining principal and accrued interest at a 1% fixed rate are due and payable five years from the note's date after a ten months deferral period. As of June 30, 2020, the loan conditions have been substantially met. Following the guidance for conditional contributions, the Organization recognized as grant income the full loan amount of \$1,107,780. During the fiscal year ended June 30, 2021, the Organization obtained the forgiveness for the total PPP loan balance of \$1,107,780.

NOTE N – SUBSEQUENT EVENTS

The Organization had a letter of credit to secure bonds payable for \$7,103,562, with the maturity on August 16, 2021, requiring an annual fee of 1.33 percent of the issue amount. Subsequent to year-end, the letter of credit was extended from August 16, 2021 to August 16, 2023, and requires an annual fee of 1.17 percent of the issued amount.

The management of the Organization has evaluated events subsequent to the consolidated statement of financial position date of June 30, 2021, through December 20, 2021, 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 2021 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, 2021**

<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	\$ 628,690	\$ -	\$ 113,736	\$ -	\$ 742,426
Contributions Receivable	200,333	-	-	-	200,333
Grants and Contracts Receivable	530,111	-	-	-	530,111
Due from Related Party	-	5,540	-	(5,540)	-
Accounts Receivable	609	32,610	-	-	33,219
Prepaid Expenses and Other Assets	48,867	-	-	-	48,867
	<u>1,408,610</u>	<u>38,150</u>	<u>113,736</u>	<u>(5,540)</u>	<u>1,554,956</u>
LONG-TERM ASSETS					
Investments	836,079	-	18,313,081	-	19,149,160
Operating Lease Right-Of-Use Assets	178,525	-	-	-	178,525
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	2,818,711	-	-	-	2,818,711
	<u>16,052,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,052,181</u>
Less: Accumulated Depreciation	<u>(9,714,833)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,714,833)</u>
Property and Equipment, Net	<u>6,337,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,337,348</u>
Total Long-Term Assets	<u>7,351,952</u>	<u>-</u>	<u>18,313,081</u>	<u>-</u>	<u>25,665,033</u>
Total Assets	<u>\$ 8,760,562</u>	<u>\$ 38,150</u>	<u>\$ 18,426,817</u>	<u>(\$ 5,540)</u>	<u>\$ 27,219,989</u>

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2021

<u>LIABILITIES AND NET 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 LIABILITIES					
Accounts Payable	\$ 76,897	\$ 10,325	\$ -	\$ -	\$ 87,222
Accrued Expenses	213,542	27,825	-	-	241,367
Current Portion of Operating Lease Liabilities	137,563	-	-	-	137,563
Custodial Accounts	4,693	-	-	-	4,693
Deferred Income	159,303	-	-	-	159,303
Due to Related Party	5,540	-	-	(5,540)	-
Charitable Gift Annuities	-	-	130,643	-	130,643
	<u>597,538</u>	<u>38,150</u>	<u>130,643</u>	<u>(5,540)</u>	<u>760,791</u>
Total Current Liabilities					
	597,538	38,150	130,643	(5,540)	760,791
LONG-TERM LIABILITIES					
Bonds Payable	7,000,000	-	-	-	7,000,000
Less Bond Issuance Cost	(48,124)	-	-	-	(48,124)
Bonds Payable Less Bond Issuance Cost, Net	6,951,876	-	-	-	6,951,876
Operating Lease Liabilities	63,571	-	-	-	63,571
	<u>7,015,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,015,447</u>
Total Long-Term Liabilities					
	7,015,447	-	-	-	7,015,447
Total Liabilities	<u>7,612,985</u>	<u>38,150</u>	<u>130,643</u>	<u>(5,540)</u>	<u>7,776,238</u>
COMMITMENTS					
NET ASSETS					
Without Donor Restrictions					
Undesignated	313,135	-	3,816,872	-	4,130,007
Bond Covenant Reserve	-	-	7,700,000	-	7,700,000
Board Designated	458,661	-	-	-	458,661
	<u>771,796</u>	<u>-</u>	<u>11,516,872</u>	<u>-</u>	<u>12,288,668</u>
With Donor Restrictions					
Purpose and Time Restrictions	314,200	-	5,537,585	-	5,851,785
Perpetual in Nature	61,581	-	1,241,717	-	1,303,298
	<u>375,781</u>	<u>-</u>	<u>6,779,302</u>	<u>-</u>	<u>7,155,083</u>
Total Net Assets	<u>1,147,577</u>	<u>-</u>	<u>18,296,174</u>	<u>-</u>	<u>19,443,751</u>
Total Liabilities and Net Assets	<u>\$ 8,760,562</u>	<u>\$ 38,150</u>	<u>\$ 18,426,817</u>	<u>(\$ 5,540)</u>	<u>\$ 27,219,989</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, 2021

	North Shore Senior Center			North Shore Senior Options			NSSC Foundation		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND OTHER REVENUE									
Grants and Contributions									
Members	\$ 45,137	\$ -	\$ 45,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Friends	514,941	170,000	684,941	2,500	-	2,500	200	-	200
Foundation/Corporate Grants/Estates	1,022,902	100,000	1,122,902	223,500	-	223,500	-	-	-
Annual Benefit	136,059	-	136,059	-	-	-	-	-	-
Townships	153,500	-	153,500	10,000	-	10,000	-	-	-
Municipalities	123,503	-	123,503	4,455	-	4,455	-	-	-
Government Grants	1,065,895	-	1,065,895	-	-	-	-	-	-
Program Fees and Contracts									
Registration and Membership Fees	462,866	-	462,866	-	-	-	-	-	-
Program Service Fees	58,857	-	58,857	185,462	-	185,462	-	-	-
State Contracts	2,767,002	-	2,767,002	-	-	-	-	-	-
Change in Value of Split-Interest Agreements									
Charitable Gift Annuities	-	-	-	-	-	-	(27,184)	-	(27,184)
Net Assets Released from Restrictions	129,221	(129,221)	-	-	-	-	411,851	(411,851)	-
Total Public Support and Other Revenue	6,479,883	140,779	6,620,662	425,917	-	425,917	384,867	(411,851)	(26,984)
EXPENSES									
Program Services	6,032,944	-	6,032,944	386,000	-	386,000	868,196	-	868,196
Management and General	673,934	-	673,934	43,798	-	43,798	119,460	-	119,460
Fundraising	549,205	-	549,205	35,692	-	35,692	-	-	-
Total Expenses	7,256,083	-	7,256,083	465,490	-	465,490	987,656	-	987,656
Change in Net Assets Before Investment Income	(776,200)	140,779	(635,421)	(39,573)	-	(39,573)	(602,789)	(411,851)	(1,014,640)
Investment Income									
Interest and Dividends	4,586	-	4,586	-	-	-	281,888	159,389	441,277
Realized Gain on Investments	-	-	-	-	-	-	134,630	76,125	210,755
Unrealized Gain (Loss) on Investments	-	-	-	-	-	-	2,145,415	1,213,088	3,358,503
Investment Fees	-	-	-	-	-	-	(44,564)	-	(44,564)
Total Investment Income, Net	4,586	-	4,586	-	-	-	2,517,369	1,448,602	3,965,971
Change In Net Assets	(771,614)	140,779	(630,835)	(39,573)	-	(39,573)	1,914,580	1,036,751	2,951,331
Net Assets at Beginning of Year	1,543,410	235,002	1,778,412	39,573	-	39,573	9,602,292	5,742,551	15,344,843
Net Assets at End of Year	\$ 771,796	\$ 375,781	\$ 1,147,577	\$ -	\$ -	\$ -	\$ 11,516,872	\$ 6,779,302	\$ 18,296,174

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, 2021

	Eliminations	Consolidated Totals		Total
		Without Donor Restrictions	With Donor Restrictions	
PUBLIC SUPPORT AND OTHER REVENUE				
Grants and Contributions				
Members	\$ -	\$ 45,137	\$ -	\$ 45,137
Friends	-	517,641	170,000	687,641
Foundation/Corporate Grants/Estates	(961,696)	284,706	100,000	384,706
Annual Benefit	-	136,059	-	136,059
Townships	-	163,500	-	163,500
Municipalities	-	127,958	-	127,958
Government Grants	-	1,065,895	-	1,065,895
Program Fees and Contracts				
Registration and Membership Fees	-	462,866	-	462,866
Program Service Fees	-	244,319	-	244,319
Federal and State Contracts	-	2,767,002	-	2,767,002
Change in Value of				
Split-Interest Agreements				
Charitable Gift Annuities	-	(27,184)	-	(27,184)
Net Assets Released from Restrictions	-	541,072	(541,072)	-
Total Public Support and Other Revenue	(961,696)	6,328,971	(271,072)	6,057,899
EXPENSES				
Program Services	(961,696)	6,325,444	-	6,325,444
Management and General	-	837,192	-	837,192
Fundraising	-	584,897	-	584,897
Total Expenses	(961,696)	7,747,533	-	7,747,533
Change in Net Assets				
Before Investment Income	-	(1,418,562)	(271,072)	(1,689,634)
Investment Income				
Interest and Dividends	-	286,474	159,389	445,863
Realized Gain on Investments	-	134,630	76,125	210,755
Unrealized Gain on Investments	-	2,145,415	1,213,088	3,358,503
Investment Fees	-	(44,564)	-	(44,564)
Total Investment Income	-	2,521,955	1,448,602	3,970,557
Change In Net Assets	-	1,103,393	1,177,530	2,280,923
Net Assets at Beginning of Year	-	11,185,275	5,977,553	17,162,828
Net Assets at End of Year	\$ -	\$ 12,288,668	\$ 7,155,083	\$ 19,443,751

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, 2021

	North Shore Senior Center						
	Senior and Family Services	Lifelong Learning	House of Welcome	Total Program Services	Management and General	Fundraising	North Shore Senior Center Total
OPERATING EXPENSES							
Activities Program Expense	\$ -	\$ 112,644	\$ -	\$ 112,644	\$ -	\$ -	\$ 112,644
Assistance	234,272	-	-	234,272	-	-	234,272
Conferences	2,303	200	708	3,211	129	1,046	4,386
Dues and Multimedia	6,110	551	829	7,490	2,174	975	10,639
Equipment Repair/Rentals	6,157	13,326	5,246	24,729	13,473	16,366	54,568
Fitness Center	-	4,736	-	4,736	-	-	4,736
Food/Recreation Supplies	3,050	-	28	3,078	1,562	2,307	6,947
Health and Disability	349,445	26,874	48,976	425,295	21,491	32,299	479,085
Insurance	28,194	7,894	7,894	43,982	3,706	3,706	51,394
Occupancy	154,005	45,345	57,525	256,875	10,331	15,359	282,565
Payroll Taxes	215,054	29,472	30,151	274,677	33,731	25,564	333,972
Postage	5,741	5,136	2,230	13,107	1,825	3,711	18,643
Printing/Office Supplies	17,793	29,151	4,273	51,217	10,867	15,618	77,702
Professional Fees	141,451	27,109	31,052	199,612	135,073	21,920	356,605
Retirement Plan	46,095	7,042	6,330	59,467	8,582	2,978	71,027
Salaries	2,824,144	394,120	377,483	3,595,747	344,448	338,233	4,278,428
Sundry	538	7,406	188	8,132	17,401	12,446	37,979
Telecommunications	20,144	2,238	1,829	24,211	1,458	1,598	27,267
Transportation	2,021	-	-	2,021	176	66	2,263
Related Party Grants	93,500	-	-	93,500	-	-	93,500
Total Operating Expenses	4,150,017	713,244	574,742	5,438,003	606,427	494,192	6,538,622
PROPERTY AND EQUIPMENT							
Depreciation and Amortization	379,151	66,665	53,719	499,535	56,682	46,192	602,409
Professional Fees—Facilities	10,692	1,880	1,515	14,087	1,598	1,302	16,987
Interest Expense and Costs	61,722	10,852	8,745	81,319	9,227	7,519	98,065
Total Property and Equipment	451,565	79,397	63,979	594,941	67,507	55,013	717,461
	\$ 4,601,582	\$ 792,641	\$ 638,721	\$ 6,032,944	\$ 673,934	\$ 549,205	\$ 7,256,083

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, 2021

	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 2021
OPERATING EXPENSES													
Activities Program Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 112,644	\$ -	\$ -	\$ 112,644
Assistance	-	-	-	-	-	-	-	-	-	234,272	-	-	234,272
Conferences	90	8	68	166	-	-	-	-	-	3,301	137	1,114	4,552
Dues and Multimedia	653	141	63	857	-	-	-	-	-	8,143	2,315	1,038	11,496
Equipment Repair/Rentals	3,823	876	1,064	5,763	-	-	-	-	-	28,552	14,349	17,430	60,331
Fitness Center	-	-	-	-	-	-	-	-	-	4,736	-	-	4,736
Food/Recreation Supplies	-	102	150	252	-	-	-	-	-	3,078	1,664	2,457	7,199
Health and Disability	6,655	1,397	2,099	10,151	-	-	-	-	-	431,950	22,888	34,398	489,236
Insurance	4,511	241	241	4,993	-	-	-	-	-	48,493	3,947	3,947	56,387
Occupancy	3,407	671	998	5,076	-	6,000	-	6,000	-	260,282	17,002	16,357	293,641
Payroll Taxes	19,846	2,192	1,661	23,699	-	-	-	-	-	294,523	35,923	27,225	357,671
Postage	1,186	119	241	1,546	-	-	-	-	-	14,293	1,944	3,952	20,189
Printing/Office Supplies	2,128	706	1,015	3,849	-	-	-	-	-	53,345	11,573	16,633	81,551
Professional Fees	40,410	8,778	1,425	50,613	-	6,660	-	6,660	-	240,022	150,511	23,345	413,878
Retirement Plan	4,200	558	194	4,952	-	-	-	-	-	63,667	9,140	3,172	75,979
Salaries	255,887	22,385	21,981	300,253	-	106,800	-	106,800	-	3,851,634	473,633	360,214	4,685,481
Sundry	188	1,131	809	2,128	-	-	-	-	-	8,320	18,532	13,255	40,107
Telecommunications	3,100	95	104	3,299	-	-	-	-	-	27,311	1,553	1,702	30,566
Transportation	1,251	11	4	1,266	-	-	-	-	-	3,272	187	70	3,529
Related Party Grants	-	-	-	-	868,196	-	-	868,196	(961,696)	-	-	-	-
Total Operating Expenses	347,335	39,411	32,117	418,863	868,196	119,460	-	987,656	(961,696)	5,691,838	765,298	526,309	6,983,445
PROPERTY AND EQUIPMENT													
Depreciation and Amortization	32,464	3,683	3,001	39,148	-	-	-	-	-	531,999	60,365	49,193	641,557
Professional Fees—Facilities	916	104	85	1,105	-	-	-	-	-	15,003	1,702	1,387	18,092
Interest Expense and Costs	5,285	600	489	6,374	-	-	-	-	-	86,604	9,827	8,008	104,439
Total Property and Equipment	38,665	4,387	3,575	46,627	-	-	-	-	-	633,606	71,894	58,588	764,088
	\$ 386,000	\$ 43,798	\$ 35,692	\$ 465,490	\$ 868,196	\$ 119,460	\$ -	\$ 987,656	(\$ 961,696)	\$ 6,325,444	\$ 837,192	\$ 584,897	\$ 7,747,533

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 628,690	\$ 378,231
Contributions Receivable	200,333	62,106
Grants and Contracts Receivable	530,111	311,146
Due from Related Party	-	540,000
Accounts Receivable	609	1,151
Prepaid Expenses and Other Assets	<u>48,867</u>	<u>63,041</u>
Total Current Assets	<u>1,408,610</u>	<u>1,355,675</u>
LONG-TERM ASSETS		
Investments	836,079	1,035,889
Operating Lease Right-Of-Use Assets	178,525	-
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	<u>2,818,711</u>	<u>2,744,570</u>
	16,052,181	15,978,040
Less: Accumulated Depreciation	<u>(9,714,833)</u>	<u>(9,197,156)</u>
Property and Equipment, Net	<u>6,337,348</u>	<u>6,780,884</u>
Total Long-Term Assets	<u>7,351,952</u>	<u>7,816,773</u>
Total Assets	<u>\$ 8,760,562</u>	<u>\$ 9,172,448</u>

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	2021	2020
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 76,897	\$ 57,075
Accrued Expenses	213,542	214,432
Current Portion of Operating Lease Liabilities	137,563	-
Custodial Accounts	4,693	5,081
Deferred Income	159,303	171,477
Due to Related Party	5,540	-
	597,538	448,065
Total Current Liabilities		
LONG-TERM LIABILITIES		
Bonds Payable	7,000,000	7,000,000
Less Bond Issuance Cost	(48,124)	(54,029)
Bonds Payable Less Bond Issuance Cost, Net	6,951,876	6,945,971
Operating Lease Liabilities	63,571	-
	7,015,447	6,945,971
Total Long-Term Liabilities		
Total Liabilities	7,612,985	7,394,036
COMMITMENTS		
NET ASSETS		
Without Donor Restrictions		
Undesignated	313,135	1,084,749
Board Designated	458,661	458,661
	771,796	1,543,410
With Donor Restrictions		
Purpose and Time Restrictions	314,200	173,421
Perpetual in Nature	61,581	61,581
	375,781	235,002
Total Net Assets	1,147,577	1,778,412
Total Liabilities and Net Assets	\$ 8,760,562	\$ 9,172,448

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

(With Comparative Totals for the Year Ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
PUBLIC SUPPORT AND OTHER REVENUE				
Grants and Contributions:				
Members	\$ 45,137	\$ -	\$ 45,137	\$ 99,109
Friends	514,941	170,000	684,941	456,836
Foundation/Corporate Grants/Estates	1,022,902	100,000	1,122,902	1,431,402
Annual Benefit	136,059	-	136,059	190,811
Townships	153,500	-	153,500	157,499
Municipalities	123,503	-	123,503	138,845
Government Grants	1,065,895	-	1,065,895	1,825,571
Program Fees and Contracts				
Registration and Membership Fees	462,866	-	462,866	394,970
Program Service Fees	58,857	-	58,857	458,047
State Contracts	2,767,002	-	2,767,002	2,774,902
Net Assets Released from Restrictions	129,221	(129,221)	-	-
 Total Public Support and Other Revenue	 6,479,883	 140,779	 6,620,662	 7,927,992
EXPENSES				
Program Services	6,032,944	-	6,032,944	7,155,693
Management and General	673,934	-	673,934	601,982
Fundraising	549,205	-	549,205	562,887
 Total Expenses	 7,256,083	 -	 7,256,083	 8,320,562
 Change in Net Assets Before Investment Income	 (776,200)	 140,779	 (635,421)	 (392,570)
Investment Income				
Interest and Dividends	4,586	-	4,586	4,306
 Change In Net Assets	 (771,614)	 140,779	 (630,835)	 (388,264)
Net Assets at Beginning of Year	1,543,410	235,002	1,778,412	2,166,676
Net Assets at End of Year	\$ 771,796	\$ 375,781	\$ 1,147,577	\$ 1,778,412

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR OPTIONS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>ASSETS</u>		2021		2020
CURRENT ASSETS					
Contributions Receivable		\$	-	\$	7,228
Accounts Receivable			32,610		58,414
Due from Related Party			5,540		-
			<u>38,150</u>		<u>65,642</u>
Total Current Assets					
			<u>38,150</u>		<u>65,642</u>
Total Assets		\$	<u>38,150</u>	\$	<u>65,642</u>
	<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES					
Accounts Payable		\$	10,325	\$	1,388
Accrued Expenses			27,825		24,681
			<u>38,150</u>		<u>26,069</u>
Total Current Liabilities					
			<u>38,150</u>		<u>26,069</u>
Total Liabilities					
			<u>38,150</u>		<u>26,069</u>
NET ASSETS					
Without Donor Restrictions					
Undesignated			-		39,573
			<u>-</u>		<u>39,573</u>
Total Net Assets					
			<u>-</u>		<u>39,573</u>
Total Liabilities and Net Assets		\$	<u>38,150</u>	\$	<u>65,642</u>

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR OPTIONS**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2021****(With Comparative Totals for the Year Ended June 30, 2020)**

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
PUBLIC SUPPORT AND OTHER REVENUE				
Grants and Contributions				
Friends	\$ 2,500	\$ -	\$ 2,500	\$ -
Foundation/Corporate Grants/Estates	223,500	-	223,500	532,155
Townships	10,000	-	10,000	8,334
Municipalities	4,455	-	4,455	9,455
Government Grants	-	-	-	5,137
Program Fees and Contracts				
Program Service Fees	185,462	-	185,462	222,692
	<u>425,917</u>	<u>-</u>	<u>425,917</u>	<u>777,773</u>
EXPENSES				
Program Services	386,000	-	386,000	670,011
Management and General	43,798	-	43,798	59,196
Fundraising	35,692	-	35,692	55,352
	<u>465,490</u>	<u>-</u>	<u>465,490</u>	<u>784,559</u>
Change In Net Assets	(39,573)	-	(39,573)	(6,786)
Net Assets at Beginning of Year	39,573	-	39,573	46,359
Net Assets at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,573</u>

See accompanying Independent Auditor's Report on supplemental information.

NSSC FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020

	<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS			
Cash		\$ 113,736	\$ 111,179
Total Current Assets		<u>113,736</u>	<u>111,179</u>
INVESTMENTS		18,313,081	15,920,978
Total Assets		<u>\$ 18,426,817</u>	<u>\$ 16,032,157</u>
 <u>LIABILITIES AND NET ASSETS</u> 			
CURRENT LIABILITIES			
Due to Related Party		\$ -	\$ 540,000
Charitable Gift Annuities		130,643	147,314
Total Current Liabilities		<u>130,643</u>	<u>687,314</u>
Total Liabilities		<u>130,643</u>	<u>687,314</u>
NET ASSETS			
Without Donor Restrictions			
Undesignated		3,816,872	1,902,292
Bond Covenant Reserve		7,700,000	7,700,000
		<u>11,516,872</u>	<u>9,602,292</u>
With Donor Restrictions			
Purpose and Time Restrictions		5,537,585	4,500,834
Perpetual in Nature		1,241,717	1,241,717
		<u>6,779,302</u>	<u>5,742,551</u>
Total Net Assets		<u>18,296,174</u>	<u>15,344,843</u>
Total Liabilities and Net Assets		<u>\$ 18,426,817</u>	<u>\$ 16,032,157</u>

See accompanying Independent Auditor's Report on supplemental information.

NSSC FOUNDATION**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2021**

(With Comparative Totals for the Year Ended June 30, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
PUBLIC SUPPORT AND OTHER REVENUE				
Grants and Contributions:				
Friends	\$ 200	\$ -	\$ 200	\$ 600
Distributions from and change in value of Charitable Gift Annuities	(27,184)	-	(27,184)	(143,658)
Net Assets Released from Restrictions	411,851	(411,851)	-	-
 Total Public Support and Other Revenue	<u>384,867</u>	<u>(411,851)</u>	<u>(26,984)</u>	<u>(143,058)</u>
 EXPENSES				
Program Services	868,196	-	868,196	1,114,122
Management & General	119,460	-	119,460	121,910
Fundraising	-	-	-	-
 Total Expenses	<u>987,656</u>	<u>-</u>	<u>987,656</u>	<u>1,236,032</u>
 Change in Net Assets Before Investment Income	<u>(602,789)</u>	<u>(411,851)</u>	<u>(1,014,640)</u>	<u>(1,379,090)</u>
 Investment Income (Loss)				
Interest and Dividends	281,888	159,389	441,277	523,055
Realized Gain (Loss) on Investments	134,630	76,125	210,755	16,868
Unrealized Gain (Loss) on Investments	2,145,415	1,213,088	3,358,503	(183,211)
Investment Fees	(44,564)	-	(44,564)	(44,676)
 Total Investment Income, Net	<u>2,517,369</u>	<u>1,448,602</u>	<u>3,965,971</u>	<u>312,036</u>
 Change in Net Assets	1,914,580	1,036,751	2,951,331	(1,067,054)
 Net Assets at Beginning of Year	<u>9,602,292</u>	<u>5,742,551</u>	<u>15,344,843</u>	<u>16,411,897</u>
 Net Assets at End of Year	<u>\$ 11,516,872</u>	<u>\$ 6,779,302</u>	<u>\$ 18,296,174</u>	<u>\$ 15,344,843</u>

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**RECONCILIATION OF PROJECT REVENUE AND EXPENSES FOR****FEDERAL FUNDED PROGRAMS ADMINISTERED THROUGH AGEPTIONS -THE AREA AGENCY****FOR THE YEAR ENDED JUNE 30, 2021**

	10/1/2019 - 6/30/2020	7/1/20 - 9/30/2020	10/1/2019 - 9/30/2020	10/1/2020 - 6/30/2021	7/1/2020- 6/30/2021
Federal Program III B - Grants for Supportive Services and Senior Centers - CFDA 93.044, CSFA 402-01-0027					
Support & Revenue					
Federal IIIB	\$ 262,511	\$ 80,970	\$ 343,481	\$ 243,470	\$ 324,440
Project Income	4,598	1,402	6,000	9,000	10,402
Agency Funding					
Cash Match	59,347	20,780	80,127	50,347	71,127
In-kind	3,000	-	3,000	4,500	4,500
	329,456	103,152	432,608	307,317	410,469
Expenses					
Personnel & Fringe	286,881	95,627	382,508	262,509	358,136
Other	42,575	7,525	50,100	44,808	52,333
	329,456	103,152	432,608	307,317	410,469
Total	\$ -	\$ -	\$ -	\$ -	\$ -

**Federal Program III E - National Family Caregiver Support -
CFDA 93.052, CSFA 402-01-0030**

Support & Revenue					
Federal III E	\$ 186,646	\$ 102,406	\$ 289,052	\$ 211,877	\$ 314,283
Project Income	2,725	875	3,600	2,655	3,530
Agency Funding					
Cash Match	47,887	23,448	71,335	54,000	77,448
	237,258	126,729	363,987	268,532	395,261
Expenses					
Personnel & Fringe	176,337	58,777	235,114	182,400	241,177
Other	60,921	67,952	128,873	86,132	154,084
	237,258	126,729	363,987	268,532	395,261
Total	\$ -	\$ -	\$ -	\$ -	\$ -

**Federal Program VII - Programs for Prevention of Elder Abuse,
Neglect and Exploitation - CFDA 93.041, CSFA 402-01-0024**

Support & Revenue					
Federal VII	\$ 3,097	\$ 1,032	\$ 4,129	\$ 3,193	\$ 4,225
	3,097	1,032	4,129	3,193	4,225
Expenses					
Other	3,097	1,032	4,129	3,193	4,225
	3,097	1,032	4,129	3,193	4,225
Total	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**CONSOLIDATED YEAR-END FINANCIAL REPORT****FOR THE YEAR ENDED JUNE 30, 2021**

Program Expenses	Adult Protective Services 402-05-2084	Care Coordination Unit 402-04-1641	Emergency Senior Services 402-04-2438	ACL APS Covid 402-05-2550	Other	Costs not allocated	Total costs
Salaries	\$ 189,086	\$ 1,693,300	\$ 25,000	\$ 6,550	\$ 849,433	\$ 1,922,112	\$ 4,685,481
Fringe benefits and payroll tax	29,979	405,333	-	-	134,054	353,520	922,886
Travel	1,482	-	-	-	307	1,740	3,529
Equipment	-	3,382	-	-	2,775	54,174	60,331
Supplies	-	2,665	-	-	385	4,149	7,199
Professional services	1,421	138,730	-	-	1,300	272,427	413,878
Occupancy - rent, utilities, insurance	7,144	113,468	-	-	61,587	167,829	350,028
Telecommunications	3,512	12,806	-	-	3,826	10,422	30,566
Training and education	180	1,253	-	-	870	2,249	4,552
Direct administrative costs	-	5,891	-	-	23,753	83,592	113,236
Miscellaneous costs	-	6,068	63,331	-	165,411	156,949	391,759
Total Direct Expenses	232,804	2,382,896	88,331	6,550	1,243,701	3,029,163	6,983,445
Indirect costs	-	-	-	-	29,966	734,122	764,088
Total Expenses	232,804	2,382,896	88,331	6,550	1,273,667	3,763,285	7,747,533
Capitalized Equipment Purchases	-	-	-	6,308	15,571	-	21,879
Total	\$ 232,804	\$ 2,382,896	\$ 88,331	\$ 12,858	\$ 1,289,238	\$ 3,763,285	\$ 7,769,412

CSFA #	Program Name	State	Federal	Other	Total
402-05-2084	Illinois Department on Aging: Adult Protective Services	232,804	-	-	232,804
402-04-1641	Illinois Department on Aging: Care Coordination Unit	2,382,896	-	-	2,382,896
402-04-2438	Illinois Department on Aging: Emergency Senior Services	88,331	-	-	88,331
402-05-2550	Illinois Department on Aging: ACL APS Covid	-	6,550	-	6,550
	Other grant programs and activities	537,225	589,506	146,936	1,273,667
	All other costs not allocated	-	-	3,763,285	3,763,285
	Total Expenses	3,241,256	596,056	3,910,221	7,747,533
402-05-2550	Illinois Department on Aging: ACL APS Covid	-	6,308	-	6,308
	Other grant programs and activities	-	-	15,571	15,571
	Capitalized Equipment Purchases	-	6,308	15,571	21,879
	Total	\$ 3,241,256	\$ 602,364	\$ 3,925,792	\$ 7,769,412

See accompanying Independent Auditor's Report on supplemental information.