



**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**TABLE OF CONTENTS**

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statements of Financial Position, June 30, 2016 and 2015 .....	1 - 2
Consolidated Statement of Activities for the Year Ended June 30, 2016 with Comparative Totals for the Year Ended June 30, 2015 .....	3
Consolidated Statement of Functional Expenses for the Year Ended June 30, 2016 with Comparative Totals for the Year Ended June 30, 2015 .....	4
Consolidated Statements of Cash Flows for the Years Ended June 30, 2016 and 2015.....	5
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>6 – 28</b>
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule 1 – Consolidating Statement of Financial Position, June 30, 2016.....	29 - 30
Schedule 2 – Consolidating Statement of Activities for the Year Ended June 30, 2016 .....	31
Schedule 3 – Consolidating Statement of Functional Expenses for the Year Ended June 30, 2016.....	32
Schedule 4 – North Shore Senior Center – Statements of Financial Position, June 30, 2016 and 2015.....	33 – 34
Schedule 5 – North Shore Senior Center – Statement of Activities for the Year Ended June 30, 2016 with Comparative Totals for the Year Ended June 30, 2015 .....	35
Schedule 6 – NSSC Foundation - Statements of Financial Position, June 30, 2016 and 2015.....	36
Schedule 7 – NSSC Foundation - Statement of Activities for the Year Ended June 30, 2016 with Comparative Totals for the Year Ended June 30, 2015 .....	37
Schedules 8 through 10: Reconciliation of Project Revenue and Expenses for Federally Funded Programs Administered Through AgeOptions – the Area Agency .....	38 – 39



## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
North Shore Senior Center

### **Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of North Shore Senior Center and Subsidiary (NSSC Foundation) (two nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2016, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

### **Management's Responsibility for the Consolidated Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of North Shore Senior Center and Subsidiary as of June 30, 2016, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**CJBS, LLC**

2100 Sanders Road, Suite 200, Northbrook, Illinois 60062-6141 • p. 847-945-2888 • f. 847-945-9512

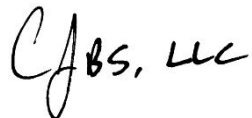
[www.cjbs.com](http://www.cjbs.com)

### **Report on Summarized Comparative Information**

We have previously audited the North Shore Senior Center and Subsidiary's 2015 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated October 26, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2015, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules presented on Schedules 1 through 7 on pages 29-37 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The supplemental schedules presented on Schedules 8 through 10 on pages 38-39 as required by AgeOptions – The Area Agency are presented for purposes of additional analysis and are 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

CJBS, LLC  
Northbrook, IL

October 24, 2016

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2016 AND 2015**

	<b><u>ASSETS</u></b>	
	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 1,397,707	\$ 1,994,666
Receivables		
- Government Grants	138,540	1,312
- Accounts Receivable	812,261	753,731
Prepaid Expenses and Other Assets	<u>82,352</u>	<u>80,335</u>
Total Current Assets	<u>2,430,860</u>	<u>2,830,044</u>
<b>INVESTMENTS</b>	<u>16,083,987</u>	<u>17,545,974</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	1,860,000	1,860,000
161 Northfield Building	7,577,404	7,577,404
House of Welcome Building	2,324,739	2,282,221
Land Improvements	1,229,097	1,226,597
Leasehold Improvements	-	25,949
Furniture and Equipment	<u>2,396,267</u>	<u>2,237,496</u>
	15,387,507	15,209,667
Less: Accumulated Depreciation	<u>( 7,203,911)</u>	<u>( 6,740,714)</u>
Total Property and Equipment	<u>8,183,596</u>	<u>8,468,953</u>
<b>OTHER ASSETS</b>		
Bond Issuance Costs, Net	77,669	83,582
Security Deposits	<u>4,692</u>	<u>3,809</u>
Total Other Assets	<u>82,361</u>	<u>87,391</u>
 Total Assets	 <u>\$ 26,780,804</u>	 <u>\$ 28,932,362</u>

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2016 AND 2015**

	<b><u>LIABILITIES AND NET ASSETS</u></b>	
	2016	2015
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 99,333	\$ 142,773
Accrued Expenses	153,685	127,767
Custodial Accounts	6,026	6,889
Deferred Income	29,558	12,539
Charitable Remainder Unitrusts	2,718	2,885
Charitable Gift Annuities	65,733	69,329
Total Current Liabilities	357,053	362,182
 <b>LONG-TERM LIABILITIES</b>		
Bonds Payable	7,000,000	7,000,000
Charitable Remainder Unitrusts, Net of Current Portion	4,508	4,763
Charitable Gift Annuities, Net of Current Portion	11,102	9,108
Total Long-Term Liabilities	7,015,610	7,013,871
Total Liabilities	7,372,663	7,376,053
 <b>COMMITMENTS</b>		
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	3,575,471	4,690,062
Bond Covenant Reserve	7,700,000	7,700,000
Net Investment in Property and Equipment	2,133,720	2,770,002
Board Designated	458,661	458,661
Total Unrestricted	13,867,852	15,618,725
Temporarily Restricted	1,236,991	1,634,786
Permanently Restricted	4,303,298	4,302,798
Total Net Assets	19,408,141	21,556,309
Total Liabilities and Net Assets	\$ 26,780,804	\$ 28,932,362

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2016**

**(With Comparative Totals for the Year Ended June 30, 2015)**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total 2016	Total 2015
<b>REVENUE AND PUBLIC SUPPORT</b>					
Members	\$ 564,991	\$ 31,000	\$ -	\$ 595,991	\$ 844,810
Friends	140,898	77,395	-	218,293	158,574
Foundation/Corporate Grants/Estates	254,604	204,800	-	459,404	772,804
Annual Benefit	124,346	-	-	124,346	95,110
United Funds	23,000	-	-	23,000	23,000
Townships	147,357	-	-	147,357	142,667
Municipalities	143,897	-	-	143,897	146,568
Government Grants	645,301	-	-	645,301	651,008
Other Contributions	12,000	-	500	12,500	51,229
Activity Revenue	557,816	-	-	557,816	494,087
Contracts	103,861	-	-	103,861	116,345
Service Fees	3,868,767	-	-	3,868,767	3,959,005
Investment Income	( 190,805)	( 77,887)	-	( 268,692)	342,567
Change in Value of Split-Interest Agreements					
Charitable Remainder Unitrusts	-	( 1,652)	-	( 1,652)	( 8,829)
Charitable Gift Annuities	( 14,028)	-	-	( 14,028)	( 15,688)
Net Assets Released from Restrictions	631,451	( 631,451)	-	-	-
<b>Total Revenue and Public Support</b>	<b>7,013,456</b>	<b>( 397,795)</b>	<b>500</b>	<b>6,616,161</b>	<b>7,773,257</b>
<b>EXPENSES</b>					
Program Services	7,141,476	-	-	7,141,476	7,092,456
Management and General	904,344	-	-	904,344	728,632
Fundraising	717,386	-	-	717,386	638,093
Loss on Disposal of Property and Equipment	1,123	-	-	1,123	734,230
<b>Total Expenses</b>	<b>8,764,329</b>	<b>-</b>	<b>-</b>	<b>8,764,329</b>	<b>9,193,411</b>
Change In Net Assets	( 1,750,873)	( 397,795)	500	( 2,148,168)	( 1,420,154)
Net Assets at Beginning of Year	15,618,725	1,634,786	4,302,798	21,556,309	22,976,463
Net Assets at End of Year	\$ 13,867,852	\$ 1,236,991	\$ 4,303,298	\$ 19,408,141	\$ 21,556,309

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2016**

**(With Comparative Totals for the Year Ended June 30, 2015)**

	Senior and Family Services			Lifelong Learning	House of Welcome		Total Program Services	Management and General	Fundraising	Total 2016	Total 2015
	Community Education	Comprehensive Care	Counseling	Group	Adult Day Services	NSSC Foundation					
<b>OPERATING EXPENSES</b>											
Activities Program Expense	\$ -	\$ -	\$ -	\$ 260,245	\$ -	\$ -	\$ 260,245	\$ -	\$ -	\$ 260,245	\$ 259,196
Assistance	-	107,137	-	-	-	-	107,137	-	-	107,137	124,110
Conferences	35	1,254	10,250	5,261	3,443	-	20,243	10,117	2,991	33,351	29,933
Dues and Multimedia	402	843	2,315	5,816	3,729	-	13,105	3,010	5,428	21,543	13,152
Equipment Repair/Rentals	993	18,584	10,655	24,337	7,849	-	62,418	32,465	14,556	109,439	74,199
Fitness Center	-	-	-	112,138	-	-	112,138	-	-	112,138	108,821
Food/Recreation Supplies	1,355	5,075	5,205	23,068	24,247	-	58,950	17,184	13,467	89,601	78,291
Health and Disability	5,225	278,538	85,365	22,571	80,673	-	472,372	18,917	35,660	526,949	510,450
Insurance	49	1,397	1,823	1,000	964	-	5,233	52,519	-	57,752	68,352
Occupancy	2,043	126,225	51,019	67,561	56,320	-	303,168	30,017	24,483	357,668	399,116
Payroll Taxes	2,948	196,013	63,978	33,952	59,240	-	356,131	40,196	35,452	431,779	430,341
Postage	83	11,258	4,018	10,567	755	-	26,681	16,470	6,941	50,092	49,732
Printing/Office Supplies	2,799	46,125	22,594	55,387	19,870	-	146,775	21,457	24,433	192,665	191,037
Professional Fees	5,452	50,774	41,861	25,803	57,440	-	181,330	114,125	26,534	321,989	273,318
Retirement Plan	1,767	52,617	23,019	14,395	20,780	-	112,578	17,539	6,900	137,017	145,343
Salaries	36,272	2,265,102	766,704	395,413	677,881	15,995	4,157,367	455,247	431,700	5,044,314	4,844,638
Sundry	222	9,797	25,192	16,650	2,499	-	54,360	10,210	34,692	99,262	56,045
Telecommunications	493	10,263	9,447	1,958	1,518	-	23,679	2,390	815	26,884	26,550
Transportation	41	20,828	20,174	540	3	-	41,586	173	3,296	45,055	41,325
Interest Paid to Annuitants	-	-	-	-	-	50,104	50,104	-	-	50,104	45,104
Investment Fees	-	-	-	-	-	50,872	50,872	1,814	-	52,686	48,429
Miscellaneous	-	-	-	-	-	-	-	310	-	310	325
<b>Total Operating Expenses</b>	<b>60,179</b>	<b>3,201,830</b>	<b>1,143,619</b>	<b>1,076,662</b>	<b>1,017,211</b>	<b>116,971</b>	<b>6,616,472</b>	<b>844,160</b>	<b>667,348</b>	<b>8,127,980</b>	<b>7,817,807</b>
<b>PROPERTY AND EQUIPMENT</b>											
Depreciation and Amortization	3,782	201,198	71,861	67,455	63,935	-	408,231	46,798	38,908	493,937	477,182
Professional Fees—Facilities	276	14,679	5,243	4,922	4,665	-	29,785	3,414	2,839	36,038	47,360
Facilities Expense	-	-	-	-	-	-	-	-	-	-	17,442
Interest Expense and Costs	805	42,872	15,313	14,374	13,624	-	86,988	9,972	8,291	105,251	99,390
<b>Total Property and Equipment</b>	<b>4,863</b>	<b>258,749</b>	<b>92,417</b>	<b>86,751</b>	<b>82,224</b>	<b>-</b>	<b>525,004</b>	<b>60,184</b>	<b>50,038</b>	<b>635,226</b>	<b>641,374</b>
<b>TOTAL EXPENSES</b>	<b>\$ 65,042</b>	<b>\$ 3,460,579</b>	<b>\$ 1,236,036</b>	<b>\$ 1,163,413</b>	<b>\$ 1,099,435</b>	<b>\$ 116,971</b>	<b>\$ 7,141,476</b>	<b>\$ 904,344</b>	<b>\$ 717,386</b>	<b>\$ 8,763,206</b>	<b>\$ 8,459,181</b>

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



**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	(\$ 2,148,168)	\$(1,420,154)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	488,024	471,266
Amortization Expense	5,913	5,916
Loss on Disposal of Property and Equipment	1,123	734,230
Realized (Gain) Loss on Sale of Investments	41,936	( 10,741)
Unrealized Loss on Investments	721,635	293,674
(Increase) Decrease in Assets:		
Government Grants	( 137,228)	5,094
Accounts Receivable	( 58,530)	18,166
Prepaid Expenses and Other Assets	( 2,017)	( 16,670)
Increase (Decrease) in Liabilities:		
Accounts Payable	( 43,440)	12,009
Accrued Expenses	25,918	( 9,855)
Custodial Accounts	( 863)	( 2,678)
Deferred Income	17,019	( 24,961)
Security Deposits	( 883)	-
Charitable Remainder Unitrusts	( 422)	( 29,722)
Charitable Gift Annuities	( 1,602)	( 8,537)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>( 1,091,585)</u>	<u>17,037</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	( 203,790)	( 1,229,337)
Proceeds from Sale of Property	-	5,530
(Increase) Decrease in Certificates of Deposits	1,892	35,010
Proceeds from Sale of Investments	1,339,366	2,055,745
Purchases of Investments	( 642,842)	( 1,653,798)
<b>Net Cash Provided by (Used in) Investing Activities</b>	<u>494,626</u>	<u>( 786,850)</u>
<b>NET CHANGE IN CASH</b>	<u>( 596,959)</u>	<u>( 769,813)</u>
<b>CASH AT BEGINNING OF YEAR</b>	<u>1,994,666</u>	<u>2,764,479</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 1,397,707</u>	<u>\$ 1,994,666</u>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest Paid	<u>\$ 9,817</u>	<u>\$ 3,774</u>

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

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

The Organization

North Shore Senior Center (the "Center" or "NSSC") has been in operation since 1956 and is an Illinois not-for-profit corporation. The Center was established to foster the independence and well-being of older adults, enhance their dignity and self-respect, and promote their participation in and contribution toward all aspects of community life.

The Center is accredited by the National Institute of Senior Centers, a constituent unit of the National Council On Aging, and by CARF International, a private not-for-profit organization that promotes quality rehabilitation services, for Community Services and Adult Day Services.

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

Principles of Consolidation

The financial statements of NSSC and Foundation are presented on a consolidated basis. The consolidated financial statements include the accounts of North Shore Senior Center and NSSC Foundation (together "the Organization"). All significant inter-organization balances and transactions have been eliminated in consolidation.

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

Basis of Accounting

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

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board ("FASB"). Under its standards, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted net assets.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

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

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

*Temporarily restricted* – Temporarily restricted net assets include contributions for which donors impose time or purpose restrictions which have not been met. The ultimate purpose of the contribution is not permanently restricted. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Restricted support received and expensed in the same year is treated as unrestricted for financial statement purposes.

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

**Comparative Financial Information**

The consolidated financial statements include certain prior-year summarized comparative information in total, but not by detail and net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended June 30, 2015, from which the summarized information was derived.

**Cash and Cash Equivalents**

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

**Concentration of Credit Risk**

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

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

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

Investments

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

Promises to Give

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

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

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

Split-Interest Agreements

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

Grants Receivable (Cost Recoverable Under Grants)

Grants receivable consist primarily of fees due from the Center's program services and are non-interest bearing. Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on grants receivable using the allowance method. The allowance is based on experience and other circumstances which may affect the ability of funders to meet their obligations. Grant receivables are considered impaired if full principal payments are not received in accordance with the grant agreement. It is the Organization's policy to charge off uncollectible grants receivable when management determines the grant will not be collected. At June 30, 2016 and 2015 receivable balances were considered collectible and no allowance for doubtful accounts was considered necessary.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

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

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, 2016 and 2015, were \$488,024 and \$471,266, respectively.

Long-Lived Assets

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

Deferred Income

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

Custodial Accounts

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

Restricted and Unrestricted Revenue

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

Donated Assets

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

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

Donated Services

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

Fundraising and Advertising Expenses

The Center's fundraising expenses for general operations totaled \$610,029 and \$543,761 for the years ended June 30, 2016 and 2015, respectively. The Foundation's costs associated with fundraising were \$48,319 and \$48,452 for the years ended June 30, 2016 and 2015, respectively. Advertising costs, if any, are annually expensed as incurred.

Expense Allocation

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

Use of Estimates

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

Income Taxes

The Center and the Foundation are 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 Center and the Foundation also qualify for a charitable contribution deduction in regard to their donors. Accordingly, no tax provision has been made in the financial statements. The Foundation is classified as a Type I supporting organization as described by the IRC 509(a)(3) that is controlled by the supported organization, the Center, as further explained in Note A, *The Organization* paragraph.

As of June 30, 2016, the Organization was not aware of any uncertain tax positions that it is obligated to disclose in accordance with FASB ASC 740, *Income Taxes*. Additionally, there were no returns open to review or under review by taxing authorities in excess of annual statutory periods which is typically three years. The Organization follows a conservative approach of research and open disclosure in regard to its tax-exempt status and positions held. The Organization files Forms 990 in the U.S. federal jurisdiction and the State of Illinois. The Organization is generally no longer subject to examination by the Internal Revenue Service for years before 2013.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

**NOTE B – PROGRAMS**

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

The House of Welcome (“HOW”) 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. In January 2008, the Center launched *Mind Matters* program for persons with early memory loss including mild cognitive impairment and early Alzheimer’s disease or other dementias.

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

Additionally, the Center has a fee based program under SFS, CareOptions, 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, CareOptions 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. CareOptions process to achieve this goal involves:

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

This fee-based program 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.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE C – RECEIVABLES**

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

During years ended June 30, 2016 and 2015, the Center was a sub-recipient of federal grants, provided through the Area Agency (AgeOptions). The federal funding source is the U.S. Administration on Aging, an agency of the U.S. Department of Health and Human Services. The federal funds are provided to the Illinois Department on Aging, who in turn allocates a portion to AgeOptions for local administration. The grants are authorized annually and are provided by AgeOptions based on the federal government's fiscal year ending September 30th. Federal grants authorized by AgeOptions for the Center under Title IIIB and Title IIIE are used to subsidize certain specified counseling, comprehensive, and respite social service programs and activities.

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

	<u>2016</u>	<u>2015</u>
Title IIIB Supportive Services and Senior Centers	\$ 387,941	\$ 370,010
Title IIIE Caregiver Support	\$ 253,360	\$ 257,040

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

As of June 30, 2016 and 2015, the receivable balance with respect to all federal and Illinois cost reimbursement grants was \$138,540 and \$1,312, respectively.

State of Illinois Department on Aging Receivables

As of June 30, 2016 and 2015, the amounts due from the State of Illinois Department on Aging on three fee for service contracts that pertain to nursing home pre-screens and case coordination administered through the Center's Department of Social Services was \$456,157 and \$412,617, respectively.



**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE D – INVESTMENTS**

All investments are valued at fair market under the provisions of FASB ASC 958. The following is a summary of the Organization's investments and investment income as of June 30, 2016 and 2015:

	<b><u>2016</u></b>	<b><u>2015</u></b>
Cash/Money Market Funds	\$ 3,718	\$ 7,866
Mutual Funds	13,495,237	14,997,529
Real Estate Fund	1,952,190	1,784,072
Charitable Remainder Unitrusts	48,375	170,148
Total Foundation's Investments	<u>15,499,520</u>	<u>16,959,615</u>
Cash/Money Market Funds	262,884	265,181
Certificates of Deposits	321,583	321,178
Total Center's Investments	<u>584,467</u>	<u>586,359</u>
Total Investments	<u>\$ 16,083,987</u>	<u>\$ 17,545,974</u>
	<b><u>2016</u></b>	<b><u>2015</u></b>
Interest, Dividend and Capital Gain Income	\$ 494,879	\$ 625,500
Unrealized (Loss)	( 721,635)	( 293,674)
Realized Gain (Loss)	( 41,936)	10,741
Total Investment Income (Loss)	<u>(\$ 268,692)</u>	<u>\$ 342,567</u>

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE E – FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

Level 1:

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

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, 2016 and 2015.

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

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

Real Estate Fund: Valued based on the net asset value per share, without further adjustment. Net asset value is based upon the fair value of the underlying investments.

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

**NOTE E – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

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

The following tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value at June 30, 2016:

	<u>Assets at Fair Value at June 30, 2016</u>			Total Fair Value
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Real Estate Fund	\$ -	\$ -	\$ 1,952,190	\$ 1,952,190
Mutual Funds - Equity				
International Stock Fund	3,540,372	-	-	3,540,372
Small Cap Value Fund	1,438,881	-	-	1,438,881
Large Cap Index Fund	3,360,964	-	-	3,360,964
Mutual Funds - Fixed Income				
High Yield Bond	558,576	-	-	558,576
Bank Loan	582,757	-	-	582,757
World Bond	764,702	-	-	764,702
Intermediate Term Bond	2,426,547	-	-	2,426,547
Mutual Funds - Balanced	822,438	-	-	822,438
	<u>13,495,237</u>	<u>-</u>	<u>-</u>	<u>13,495,237</u>
Charitable Remainder Unitrusts				
Common Stock	30,568	-	-	30,568
Mutual Funds	17,807	-	-	17,807
	<u>48,375</u>	<u>-</u>	<u>-</u>	<u>48,375</u>
Total Assets at Fair Value	<u>\$ 13,543,612</u>	<u>\$ -</u>	<u>\$ 1,952,190</u>	<u>15,495,802</u>
Cash/Money Market Funds				266,602
Certificates of Deposits				<u>321,583</u>
Total Investments				<u>\$ 16,083,987</u>

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

**NOTE E – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

The following tables set forth by level, within the fair value hierarchy, the Organization's investment assets at fair value at June 30, 2015:

	<u>Assets at Fair Value at June 30, 2015</u>			<u>Total Fair Value</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	
Real Estate Fund	\$ -	\$ -	\$ 1,784,072	\$ 1,784,072
Mutual Funds - Equity				
International Stock Fund	4,136,381	-	-	4,136,381
Small Cap Value Fund	1,530,740	-	-	1,530,740
Large Cap Index Fund	3,511,293	-	-	3,511,293
Mutual Funds - Fixed Income				
High Yield Bond	848,756	-	-	848,756
Bank Loan	855,152	-	-	855,152
World Bond	830,968	-	-	830,968
Intermediate Term Bond	2,462,222	-	-	2,462,222
Mutual Funds - Balanced	822,017	-	-	822,017
	<u>14,997,529</u>	<u>-</u>	<u>-</u>	<u>14,997,529</u>
Charitable Remainder Unitrusts				
Common Stock	32,914	-	-	32,914
Mutual Funds	103,238	-	-	103,238
Government Bonds	33,996	-	-	33,996
	<u>170,148</u>	<u>-</u>	<u>-</u>	<u>170,148</u>
Total Assets at Fair Value	<u>\$ 15,167,677</u>	<u>\$ -</u>	<u>\$ 1,784,072</u>	<u>16,951,749</u>
Cash/Money Market Funds				273,047
Certificates of Deposits				<u>321,178</u>
Total Investments				<u>\$ 17,545,974</u>

**Level 3 Gains and Losses**

The following tables reconcile the beginning and ending balances of fair value measurements using significant unobservable inputs (Level 3) of the fixed investment contract with a real estate investment company for the year ended June 30,

	<u>2016</u>	<u>2015</u>
Balance, Beginning of Year	\$ 1,784,072	\$ 265,709
Investment Income	80,457	68,759
Realized/Unrealized Gains	108,672	117,239
Purchases	-	1,348,160
Asset Management Fees	( 21,011)	( 15,795)
Balance, End of Year	<u>\$ 1,952,190</u>	<u>\$ 1,784,072</u>

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

**NOTE E – FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements for year ended June 30, 2016:

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range of Significant Input Value	Weighted Average
Real Estate Fund	\$ 1,952,190	Discounted cash flow / Direct capitalization analysis	In-Capitalization Rate Exit-Capitalization Rate Discount Rate	4.26%-4.60% 5.64%-5.86% 6.59%-6.76%	4.41% 5.75% 6.67%

Quantitative Information about Significant Unobservable Inputs Used in Level 3 Fair Value Measurements for year ended June 30, 2015:

Instrument	Fair Value	Principal Valuation Technique	Unobservable Inputs	Range of Significant Input Value	Weighted Average
Real Estate Fund	\$ 1,784,072	Discounted cash flow / Direct capitalization analysis	In-Capitalization Rate Exit-Capitalization Rate Discount Rate	1.39%-7.74% 5.16%-7.79% 6.04%-9.02%	4.96% 6.11% 7.03%

**NOTE F – CHARITABLE GIFT ANNUITIES**

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

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

There were no new gift annuity contributions for the years ending June 30, 2016 and 2015. Total annuity payments for years ending June 30, 2016 and 2015, were \$65,734 and \$69,329, respectively. Total expenses of \$64,132 and \$60,792 for 2016 and 2015, respectively, were included in Statement of Activities as interest paid to annuitants and change in value of split-interest agreements.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE G – CHARITABLE REMAINDER UNITRUSTS (continued)**

The Foundation was the trustee and beneficiary under two charitable remainder unitrusts (“CRUT’s”) in fiscal 2015 and one in fiscal 2016. In each case, the Foundation does not have a legal right to the assets during the grantor’s lifetime. The grantor receives quarterly distributions specified by the split-interest trust agreements; and upon the death of the grantor and spouse, the remaining assets in the trust transfer to the Foundation for its unrestricted use.

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

There were no new contributions for the years ending June 30, 2016 and 2015. During year ended June 30, 2015 the Foundation recognized \$27,807 as contribution revenue upon the death of one of the grantors. Total annuity payments for years ending June 30, 2016 and 2015, were \$2,718 and \$6,621, respectively. Total revenue (expenses) of (\$1,652) and (\$8,829) for 2016 and 2015, respectively, were included in Statement of Activities as change in value of split-interest agreements.

Assets held in the charitable remainder unitrusts totaled \$48,375 and \$170,148 at June 30, 2016 and 2015, respectively. The total liability under unitrust agreements totaled \$7,226 and \$7,648 at June 30, 2016 and 2015, respectively.

**NOTE H – LEASE OBLIGATIONS**

The Center had two leases for its office space in Evanston, Illinois, at 840 Dodge Avenue and at 844 Dodge Avenue that expired on February 28, 2016. Under the lease agreements the Center was responsible for a pro rata share of real estate taxes, insurance and common area maintenance. In March 26, 2016 the Center signed a new lease for an office space located at 7900 Milwaukee Ave, Niles, Illinois for period March 1, 2016 through February 28, 2023. The two offices in Evanston closed and moved the operations to Niles.

The Center also has an operating lease for a parking lot expiring on July 31, 2017, an equipment lease expiring on September 30, 2020 and a month to month lease for storage space. Lease expense for year ended June 30, 2016 and 2015, was \$103,054 and \$111,931, respectively.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE H – LEASE OBLIGATIONS (continued)**

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

Fiscal Year Ended June 30,	Total Office Space	Parking Lot and Equipment
2017	\$ 72,800	\$ 24,159
2018	75,800	6,409
2019	84,800	4,788
2020	84,800	1,197
2021	84,800	-
Thereafter	141,332	-
Total	<u>\$ 544,332</u>	<u>\$ 36,553</u>

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 Foundation to accurately represent these costs, which were eliminated in the consolidated statement of functional expenses.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE I – NATURE OF RESTRICTIONS ON NET ASSETS**

Temporarily restricted net assets are related to funds contributed to the Organization by donors for specific purpose and/or future use. The following is a list of temporarily restricted net assets as of June 30, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
<b><u>Foundation, Temporarily Restricted Net Assets</u></b>		
Charitable Remainder Unitrust	\$ 41,150	\$ 42,802
Charitable Gift Annuity for Student Internship Program	9,123	9,123
House of Welcome Program	52,957	56,546
Men's Club Music Concerts	23,201	24,788
	<u>126,431</u>	<u>133,259</u>
Endowment Temporarily Restricted Net Assets		
The Harry and Jeanette Weinberg Endowment	243,340	361,274
Sandra R. Johnson Endowment	49,487	71,798
Golder Distinguished Senior Lecture Series Fund	260,930	304,202
Thaviu Concert Series Fund	160,578	169,214
Edwin J. Brach and Hazel and Bertram Brodie Endowment	63,913	86,219
Weber Endowment for Training and Professional Development for House of Welcome	24,343	32,537
Thaviu House of Welcome Scholarships	17,685	25,661
	<u>820,276</u>	<u>1,050,905</u>
Total Foundation's Temporarily Restricted Net Assets	<u>\$ 946,707</u>	<u>\$ 1,184,164</u>
<b><u>Center, Temporarily Restricted Net Assets:</u></b>		
Comprehensive Care Services - Client Assistance	\$ 39,530	\$ 21,629
Edna Weber "Garden of Light" Wing	174,559	50,000
Multiple Programs and Bond Debt Service	76,195	378,993
	<u>290,284</u>	<u>450,622</u>
Total Center's Temporarily Restricted Net Assets	<u>290,284</u>	<u>450,622</u>
Total Temporarily Restricted Net Assets	<u>\$ 1,236,991</u>	<u>\$ 1,634,786</u>



**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

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

The following is a list of permanently restricted net assets portion of endowment funds at June 30, 2016 and 2015:

	<b><u>2016</u></b>	<b><u>2015</u></b>
<b><u>Foundation, Permanently Restricted Net Assets</u></b>		
The Harry and Jeanette Weinberg Endowment	\$ 3,000,000	\$ 3,000,000
Sandra R. Johnson Endowment	279,647	279,647
Golder Distinguished Senior Lecture Series Fund	200,000	200,000
Thaviu Concert Series Fund	200,000	200,000
Edwin J. Brach and Hazel and Bertram Brodie Endowment	258,000	258,000
Weber Endowment for Training and Professional Development for House of Welcome	92,987	92,487
Thaviu House of Welcome Scholarships	100,000	100,000
Other Funds	111,083	111,083
	<hr/>	<hr/>
Total Foundation's Permanently Restricted Net Assets	4,241,717	4,241,217
	<hr/>	<hr/>
<b><u>Center's Endowment Fund</u></b>	61,581	61,581
	<hr/>	<hr/>
Total Permanently Restricted Net Assets	<u>\$ 4,303,298</u>	<u>\$ 4,302,798</u>

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

**NOTE J – ENDOWMENT AND NON-ENDOWMENT FUNDS**

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

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

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

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

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

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

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

**Description of the Organization's Investment Policy**

**The Center –**

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

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

**The Foundation -**

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

The Foundation's investment policy targets a diversified asset allocation that balances a greater emphasis on equity-based investments (approximately 70% of the total portfolio) to achieve its longterm 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 for the Foundation is to exceed, after investment management fees, a customized blended benchmark.

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

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

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

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

**The Center –**

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

**The Foundation -**

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

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

Endowment net asset composition by type of fund at June 30, 2016 and 2015:

	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>The Foundation, Donor Restricted Endowment</b>		
Unrestricted	\$ -	\$ -
Temporarily Restricted	820,276	1,050,905
Permanently Restricted	<u>4,241,717</u>	<u>4,241,217</u>
Total Foundation's Endowment	<u>5,061,993</u>	<u>5,292,122</u>
<b>The Center, Donor Restricted Endowment</b>		
Unrestricted	-	-
Temporarily Restricted	-	-
Permanently Restricted	<u>61,581</u>	<u>61,581</u>
Total Center's Endowment	<u>61,581</u>	<u>61,581</u>
Total Endowment	<u><u>\$ 5,123,574</u></u>	<u><u>\$ 5,353,703</u></u>

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

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

***Reconciliation of the Beginning and Ending Balances of Endowment Funds***

There were no changes in Center's endowment net assets as of June 30, 2016 and 2015. The changes in endowment net assets are as follows for the years ended June 30, 2016 and 2015:

	June 30, 2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
<b>The Foundation:</b>				
Endowment Net Assets, Beginning of Year	\$ -	\$ 1,050,905	\$ 4,241,217	\$ 5,292,122
Contributions	-	-	500	500
Interest and Dividends	-	140,483	-	140,483
Realized/Unrealized (Loss)	-	( 217,119)	-	( 217,119)
Appropriated For Expenditure, Grants and Scholarships	-	( 153,993)	-	( 153,993)
Endowment Net Assets, End of Year	-	820,276	4,241,717	5,061,993
<b>The Center:</b>				
Endowment Net Assets, End of Year	-	-	61,581	61,581
Endowment, End of Year	<u>\$ -</u>	<u>\$ 820,276</u>	<u>\$ 4,303,298</u>	<u>\$ 5,123,574</u>
	June 30, 2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Endowment Net Assets
<b>The Foundation:</b>				
Endowment Net Assets, Beginning of Year	\$ -	\$ 1,205,000	\$ 4,238,717	\$ 5,443,717
Contributions	-	-	2,500	2,500
Interest and Dividends	-	192,284	-	192,284
Realized/Unrealized Gains	-	( 87,099)	-	( 87,099)
Appropriated For Expenditure, Grants and Scholarships	-	( 259,280)	-	( 259,280)
Endowment Net Assets, End of Year	-	1,050,905	4,241,217	5,292,122
<b>The Center:</b>				
Endowment Net Assets, End of Year	-	-	61,581	61,581
Endowment, End of Year	<u>\$ -</u>	<u>\$ 1,050,905</u>	<u>\$ 4,302,798</u>	<u>\$ 5,353,703</u>

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

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

**Information on Deficiencies**

Pursuant to FASB ASC 958-205-45-29, the amount of permanently restricted net assets is not reduced by appropriations from the fund and is not reduced by losses on the investments of the fund. The deficit balance of a donor-restricted endowment fund, created from time to time by appropriations or investment losses, is reflected in unrestricted net assets. Future investment income or gains that restore the fair value of the assets of the endowment fund to the required level is classified as increases in unrestricted net assets. From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Organization to maintain. Such deficiencies result from unfavorable market fluctuations and are evaluated by the Organization in accordance with principles of prudent fiscal oversight. There were no significant deficiencies as of June 30, 2016 and 2015.

**NOTE K – TAX DEFERRED SAVINGS PLAN**

Effective January 1, 2014, the Center adopted a 401(k) retirement savings plan that covers eligible employees 18 or older with at least 30 days of service, and worked a minimum of 1,000 hours. Employees can voluntarily contribute a percentage of their salary, not to exceed IRS limits on the maximum contribution, adjusted annually for cost of living. Under the terms of the plan, the Center matches a maximum of 6% for staff with five or more years of service and 3% for employees with less than five years of service and more than one year of service. The Center made contributions under 401(k) plans of \$137,017 and \$145,343 in fiscal year ended June 30, 2016 and 2015, respectively.

**NOTE L – BONDS PAYABLE**

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

The maturity date of the bonds is August 1, 2029, with no mandatory redemption until that date. Interest is paid monthly on the first day of the month. The interest rate changes each week, and is set by the re-marketing agent based on the prevailing financial conditions and yields at which comparable securities are then being sold. For fiscal years 2016 and 2015, the average annual interest rates were 0.1408% and 0.056%, respectively. During the weekly mode of interest calculation, the Center may redeem the bonds at par in whole or in part, without penalty, with written permission of the guaranteeing bank. Interest expense was \$9,804 and \$3,932 for the year ended June 30, 2016 and 2015, respectively.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2016 AND 2015**

**NOTE L – BONDS PAYABLE – (continued)**

The bonds are secured by a direct pay letter of credit issued by a bank in the amount of \$7,103,562. The letter of credit expires in August 16, 2017 and requires an annual fee of 1.33 percent of the issue amount. The NSSC Foundation is a guarantor of the bonds and must maintain unrestricted cash and marketable securities with a value at least equal to \$7,700,000 (required threshold applicable for fiscal years ended June 30, 2016 and 2015) 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 was in compliance with all covenants, as applicable, during the fiscal years ended June 30, 2016.

**NOTE M – CAPITALIZED INTEREST COSTS**

Under FASB ASC 835-20, *Capitalization of Interest*, formerly SFAS #62, *Capitalization of Interest Cost In Situations Involving Certain Tax-exempt Borrowings and Certain Gifts and Grants*, capitalization of interest expenses, net of bond proceeds interest income, starts when the proceeds are received and ceases when the project is ready for its intended use. In 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, 2016 and 2015, the amortization expense was \$5,913 and \$5,916, respectively.

**NOTE N – RISKS & UNCERTANTIES**

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2016 AND 2015**

**NOTE N – RISKS & UNCERTANTIES - (continued)**

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

**NOTE O – FUTURE COMMITTED REVENUE**

During year ended June 30, 2014, the Center was awarded a grant of \$150,000 from Illinois Department of Commerce and Economic Opportunity for the period November 1, 2013 through October 31, 2015. As of June 30, 2015, the Center received advances of \$37,500 and had available funding of \$112,500. During year ended June 30, 2016, the remaining award was received and used. No other committed awards were available as of June 30, 2016.

**NOTE P – LINE OF CREDIT**

On March 1, 2016, the Center entered into a \$2,000,000 revolving line of credit agreement with a bank, maturing February 28, 2017. The line of credit was not used during fiscal year ending June 30, 2016. A non usage fee at .10% per annum is charged under the agreement. The credit line is secured by substantially all unrestricted assets. At June 30, 2016, the Center was in compliance with loan covenants.

**NOTE Q – SUBSEQUENT EVENTS**

The management of the Center has evaluated events subsequent to the consolidated statement of financial position date of June 30, 2016, through October 24, 2016, 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 2016 financial statements or related consolidated note disclosures in accordance with FASB ASC 855, *Subsequent Events*.



**SUPPLEMENTARY INFORMATION**

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2016**

<b><u>ASSETS</u></b>	<u>North Shore Senior Center</u>	<u>NSSC Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b>CURRENT ASSETS</b>				
Cash	\$ 1,180,998	\$ 216,709	\$ -	\$ 1,397,707
Receivables				
- Government Grants	138,540	-	-	138,540
- Accounts Receivable	812,261	-	-	812,261
Prepaid Expenses and Other Assets	<u>82,352</u>	<u>-</u>	<u>-</u>	<u>82,352</u>
Total Current Assets	<u>2,214,151</u>	<u>216,709</u>	<u>-</u>	<u>2,430,860</u>
<b>INVESTMENTS</b>				
	<u>584,467</u>	<u>15,499,520</u>	<u>-</u>	<u>16,083,987</u>
<b>PROPERTY AND EQUIPMENT</b>				
Land	1,860,000	-	-	1,860,000
161 Northfield Building	7,577,404	-	-	7,577,404
House of Welcome Building	2,324,739	-	-	2,324,739
Land Improvements	1,229,097	-	-	1,229,097
Leasehold Improvements	-	-	-	-
Furniture and Equipment	<u>2,396,267</u>	<u>-</u>	<u>-</u>	<u>2,396,267</u>
	15,387,507	-	-	15,387,507
Less: Accumulated Depreciation	<u>( 7,203,911)</u>	<u>-</u>	<u>-</u>	<u>( 7,203,911)</u>
Total Property and Equipment	<u>8,183,596</u>	<u>-</u>	<u>-</u>	<u>8,183,596</u>
<b>OTHER ASSETS</b>				
Bond Issuance Costs, Net	77,669	-	-	77,669
Security Deposits	<u>4,692</u>	<u>-</u>	<u>-</u>	<u>4,692</u>
Total Other Assets	<u>82,361</u>	<u>-</u>	<u>-</u>	<u>82,361</u>
Total Assets	<u>\$ 11,064,575</u>	<u>\$ 15,716,229</u>	<u>\$ -</u>	<u>\$ 26,780,804</u>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2016**

<b><u>LIABILITIES AND NET ASSETS</u></b>	<u>North Shore Senior Center</u>	<u>NSSC Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 99,333	\$ -	\$ -	\$ 99,333
Accrued Expenses	153,685	-	-	153,685
Custodial Accounts	6,026	-	-	6,026
Deferred Income	29,558	-	-	29,558
Charitable Remainder Unitrusts	-	2,718	-	2,718
Charitable Gift Annuities	-	65,733	-	65,733
Total Current Liabilities	<u>288,602</u>	<u>68,451</u>	<u>-</u>	<u>357,053</u>
<b>LONG-TERM LIABILITIES</b>				
Bonds Payable	7,000,000	-	-	7,000,000
Charitable Remainder Unitrusts, Net of Current Portion	-	4,508	-	4,508
Charitable Gift Annuities, Net of Current Portion	-	11,102	-	11,102
Total Long-Term Liabilities	<u>7,000,000</u>	<u>15,610</u>	<u>-</u>	<u>7,015,610</u>
Total Liabilities	<u>7,288,602</u>	<u>84,061</u>	<u>-</u>	<u>7,372,663</u>
<b>COMMITMENTS</b>				
<b>NET ASSETS</b>				
Unrestricted				
Undesignated	831,727	2,743,744	-	3,575,471
Bond Covenant Reserve	-	7,700,000	-	7,700,000
Net Investment in Property and Equipment	2,133,720	-	-	2,133,720
Board Designated	458,661	-	-	458,661
Total Unrestricted	<u>3,424,108</u>	<u>10,443,744</u>	<u>-</u>	<u>13,867,852</u>
Temporarily Restricted	290,284	946,707	-	1,236,991
Permanently Restricted	61,581	4,241,717	-	4,303,298
Total Net Assets	<u>3,775,973</u>	<u>15,632,168</u>	<u>-</u>	<u>19,408,141</u>
Total Liabilities and Net Assets	<u>\$ 11,064,575</u>	<u>\$ 15,716,229</u>	<u>\$ -</u>	<u>\$ 26,780,804</u>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2016**

	North Shore Senior Center				NSSC Foundation				Eliminations	Consolidated			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES AND SUPPORT</b>													
Members	\$ 564,991	\$ 31,000	\$ -	\$ 595,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 564,991	\$ 31,000	\$ -	\$ 595,991
Friends	140,898	77,395	-	218,293	-	-	-	-	-	140,898	77,395	-	218,293
Foundation/Corporate Grants/Estates	1,058,825	204,800	-	1,263,625	-	-	-	-	( 804,221)	254,604	204,800	-	459,404
Annual Benefit	124,346	-	-	124,346	-	-	-	-	-	124,346	-	-	124,346
United Funds	23,000	-	-	23,000	-	-	-	-	-	23,000	-	-	23,000
Townships	147,357	-	-	147,357	-	-	-	-	-	147,357	-	-	147,357
Municipalities	143,897	-	-	143,897	-	-	-	-	-	143,897	-	-	143,897
Government Grants	645,301	-	-	645,301	-	-	-	-	-	645,301	-	-	645,301
Other Contributions	-	-	-	-	12,000	-	500	12,500	-	12,000	-	500	12,500
Activity Revenue	557,816	-	-	557,816	-	-	-	-	-	557,816	-	-	557,816
Contracts	103,861	-	-	103,861	-	-	-	-	-	103,861	-	-	103,861
Service Fees	3,868,767	-	-	3,868,767	-	-	-	-	-	3,868,767	-	-	3,868,767
Investment Income (Loss)	824	-	-	824	( 191,629)	( 77,887)	-	( 269,516)	-	( 190,805)	( 77,887)	-	( 268,692)
Change in Value of Split-Interest Agreements													
Charitable Remainder Unitrusts	-	-	-	-	-	( 1,652)	-	( 1,652)	-	-	( 1,652)	-	( 1,652)
Charitable Gift Annuities	-	-	-	-	( 14,028)	-	-	( 14,028)	-	( 14,028)	-	-	( 14,028)
Net Assets Released from Restrictions	473,533	( 473,533)	-	-	157,918	( 157,918)	-	-	-	631,451	( 631,451)	-	-
<b>Total Revenues and Gains (Losses)</b>	<b>7,853,416</b>	<b>( 160,338)</b>	<b>-</b>	<b>7,693,078</b>	<b>( 35,739)</b>	<b>( 237,457)</b>	<b>500</b>	<b>( 272,696)</b>	<b>( 804,221)</b>	<b>7,013,456</b>	<b>( 397,795)</b>	<b>500</b>	<b>6,616,161</b>
<b>EXPENSES</b>													
Program Services	7,024,505	-	-	7,024,505	921,192	-	-	921,192	( 804,221)	7,141,476	-	-	7,141,476
Management and General	804,772	-	-	804,772	99,572	-	-	99,572	-	904,344	-	-	904,344
Fundraising	669,067	-	-	669,067	48,319	-	-	48,319	-	717,386	-	-	717,386
Loss on Disposal of Property	1,123	-	-	1,123	-	-	-	-	-	1,123	-	-	1,123
<b>Total Expenses</b>	<b>8,499,467</b>	<b>-</b>	<b>-</b>	<b>8,499,467</b>	<b>1,069,083</b>	<b>-</b>	<b>-</b>	<b>1,069,083</b>	<b>( 804,221)</b>	<b>8,764,329</b>	<b>-</b>	<b>-</b>	<b>8,764,329</b>
<b>Change In Net Assets</b>	<b>( 646,051)</b>	<b>( 160,338)</b>	<b>-</b>	<b>( 806,389)</b>	<b>( 1,104,822)</b>	<b>( 237,457)</b>	<b>500</b>	<b>( 1,341,779)</b>	<b>-</b>	<b>( 1,750,873)</b>	<b>( 397,795)</b>	<b>500</b>	<b>( 2,148,168)</b>
<b>Net Assets at Beginning of Year</b>	<b>4,070,159</b>	<b>450,622</b>	<b>61,581</b>	<b>4,582,362</b>	<b>11,548,566</b>	<b>1,184,164</b>	<b>4,241,217</b>	<b>16,973,947</b>	<b>-</b>	<b>15,618,725</b>	<b>1,634,786</b>	<b>4,302,798</b>	<b>21,556,309</b>
<b>Net Assets at End of Year</b>	<b>\$ 3,424,108</b>	<b>\$ 290,284</b>	<b>\$ 61,581</b>	<b>\$ 3,775,973</b>	<b>\$ 10,443,744</b>	<b>\$ 946,707</b>	<b>\$ 4,241,717</b>	<b>\$ 15,632,168</b>	<b>\$ -</b>	<b>\$ 13,867,852</b>	<b>\$ 1,236,991</b>	<b>\$ 4,303,298</b>	<b>\$ 19,408,141</b>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARY**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2016**

	North Shore Senior Center								NSSC Foundation					Eliminations	Total
	Community Education	Comprehensive Care	Counseling	Group	Adult Day Services	Total Program Services	Management and General	Fundraising	North Shore Senior Center Total	Program Services	Management and General	Fundraising	NSSC Foundation Total		
<b>OPERATING EXPENSES</b>															
Activities Program Expense	\$ -	\$ -	\$ -	\$ 260,245	\$ -	\$ 260,245	\$ -	\$ -	\$ 260,245	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,245
Assistance	-	107,137	-	-	-	107,137	-	-	107,137	-	-	-	-	-	107,137
Conferences	35	1,254	10,250	5,261	3,443	20,243	10,117	2,991	33,351	-	-	-	-	-	33,351
Dues and Multimedia	402	843	2,315	5,816	3,729	13,105	3,010	5,428	21,543	-	-	-	-	-	21,543
Equipment Repair/Rentals	993	18,584	10,655	24,337	7,849	62,418	32,465	14,556	109,439	-	-	-	-	-	109,439
Fitness Center	-	-	-	112,138	-	112,138	-	-	112,138	-	-	-	-	-	112,138
Food/Recreation Supplies	1,355	5,075	5,205	23,068	24,247	58,950	17,184	13,467	89,601	-	-	-	-	-	89,601
Health and Disability	5,225	278,538	85,365	22,571	80,673	472,372	18,917	35,660	526,949	-	-	-	-	-	526,949
Insurance	49	1,397	1,823	1,000	964	5,233	52,519	-	57,752	-	-	-	-	-	57,752
Occupancy	2,043	126,225	51,019	67,561	56,320	303,168	27,017	21,483	351,668	-	3,000	3,000	6,000	-	357,668
Payroll Taxes	2,948	196,013	63,978	33,952	59,240	356,131	40,196	35,452	431,779	-	-	-	-	-	431,779
Postage	83	11,258	4,018	10,567	755	26,681	16,470	6,941	50,092	-	-	-	-	-	50,092
Printing/Office Supplies	2,799	46,125	22,594	55,387	19,870	146,775	21,457	24,433	192,665	-	-	-	-	-	192,665
Professional Fees	5,452	50,774	41,861	25,803	57,440	181,330	64,996	26,534	272,860	-	49,129	-	49,129	-	321,989
Retirement Plan	1,767	52,617	23,019	14,395	20,780	112,578	17,539	6,900	137,017	-	-	-	-	-	137,017
Salaries	36,272	2,265,102	766,704	395,413	677,881	4,141,372	409,928	386,381	4,937,681	15,995	45,319	45,319	106,633	-	5,044,314
Sundry	222	9,797	25,192	16,650	2,499	54,360	10,210	34,692	99,262	-	-	-	-	-	99,262
Telecommunications	493	10,263	9,447	1,958	1,518	23,679	2,390	815	26,884	-	-	-	-	-	26,884
Transportation	41	20,828	20,174	540	3	41,586	173	3,296	45,055	-	-	-	-	-	45,055
Grants Paid	-	-	-	-	-	-	-	-	-	804,221	-	-	804,221	( 804,221)	-
Interest Paid to Annuitants	-	-	-	-	-	-	-	-	-	50,104	-	-	50,104	-	50,104
Investment Fees	-	-	-	-	-	-	-	-	-	50,872	1,814	-	52,686	-	52,686
Miscellaneous	-	-	-	-	-	-	-	-	-	-	310	-	310	-	310
<b>Total Operating Expenses</b>	<b>60,179</b>	<b>3,201,830</b>	<b>1,143,619</b>	<b>1,076,662</b>	<b>1,017,211</b>	<b>6,499,501</b>	<b>744,588</b>	<b>619,029</b>	<b>7,863,118</b>	<b>921,192</b>	<b>99,572</b>	<b>48,319</b>	<b>1,069,083</b>	<b>( 804,221)</b>	<b>8,127,980</b>
<b>PROPERTY AND EQUIPMENT</b>															
Depreciation and Amortization	3,782	201,198	71,861	67,455	63,935	408,231	46,798	38,908	493,937	-	-	-	-	-	493,937
Professional Fees—Facilities	276	14,679	5,243	4,922	4,665	29,785	3,414	2,839	36,038	-	-	-	-	-	36,038
Facilities Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense and Costs	805	42,872	15,313	14,374	13,624	86,988	9,972	8,291	105,251	-	-	-	-	-	105,251
<b>Total Property and Equipment</b>	<b>4,863</b>	<b>258,749</b>	<b>92,417</b>	<b>86,751</b>	<b>82,224</b>	<b>525,004</b>	<b>60,184</b>	<b>50,038</b>	<b>635,226</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>635,226</b>
	<b>\$ 65,042</b>	<b>\$ 3,460,579</b>	<b>\$ 1,236,036</b>	<b>\$ 1,163,413</b>	<b>\$ 1,099,435</b>	<b>\$ 7,024,505</b>	<b>\$ 804,772</b>	<b>\$ 669,067</b>	<b>\$ 8,498,344</b>	<b>\$ 921,192</b>	<b>\$ 99,572</b>	<b>\$ 48,319</b>	<b>\$ 1,069,083</b>	<b>( \$ 804,221)</b>	<b>\$ 8,763,206</b>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2016 AND 2015**

	<b><u>ASSETS</u></b>	
	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 1,180,998	\$ 1,900,730
Receivables		
- Government Grants	138,540	1,312
- Accounts Receivable	812,261	753,731
Prepaid Expenses and Other Assets	<u>82,352</u>	<u>73,854</u>
Total Current Assets	<u>2,214,151</u>	<u>2,729,627</u>
<b>INVESTMENTS</b>	<u>584,467</u>	<u>586,359</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	1,860,000	1,860,000
161 Northfield Building	7,577,404	7,577,404
House of Welcome Building	2,324,739	2,282,221
Land Improvements	1,229,097	1,226,597
Leasehold Improvements	-	25,949
Furniture and Equipment	<u>2,396,267</u>	<u>2,237,496</u>
	15,387,507	15,209,667
Less: Accumulated Depreciation	<u>( 7,203,911)</u>	<u>( 6,740,714)</u>
Total Property and Equipment	<u>8,183,596</u>	<u>8,468,953</u>
<b>OTHER ASSETS</b>		
Bond Issuance Costs, Net	77,669	83,582
Security Deposits	<u>4,692</u>	<u>3,809</u>
Total Other Assets	<u>82,361</u>	<u>87,391</u>
Total Assets	<u>\$ 11,064,575</u>	<u>\$ 11,872,330</u>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 99,333	\$ 142,773
Accrued Expenses	153,685	127,767
Custodial Accounts	6,026	6,889
Deferred Income	29,558	12,539
	<u>288,602</u>	<u>289,968</u>
Total Current Liabilities		
	<u>288,602</u>	<u>289,968</u>
 <b>LONG-TERM LIABILITIES</b>		
Bonds Payable	<u>7,000,000</u>	<u>7,000,000</u>
Total Long-Term Liabilities	<u>7,000,000</u>	<u>7,000,000</u>
Total Liabilities	<u>7,288,602</u>	<u>7,289,968</u>
 <b>COMMITMENTS</b>		
 <b>NET ASSETS</b>		
Unrestricted		
Undesignated	831,727	841,496
Net Investment in Property and Equipment	2,133,720	2,770,002
Board Designated	458,661	458,661
Total Unrestricted	<u>3,424,108</u>	<u>4,070,159</u>
Temporarily Restricted	290,284	450,622
Permanently Restricted	<u>61,581</u>	<u>61,581</u>
Total Net Assets	<u>3,775,973</u>	<u>4,582,362</u>
Total Liabilities and Net Assets	<u>\$ 11,064,575</u>	<u>\$ 11,872,330</u>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER****STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2016****(With Comparative Totals for the Year Ended June 30, 2015)**

	Unrestricted Net Assets			Total	Temporarily Restricted	Permanently Restricted	Total 2016	Total 2015
	Operating	Property and Equipment	Board Designated					
<b>REVENUES AND SUPPORT</b>								
Members	\$ 564,991	\$ -	\$ -	\$ 564,991	\$ 31,000	\$ -	\$ 595,991	\$ 844,810
Friends	140,898	-	-	140,898	77,395	-	218,293	158,574
Foundation/Corporate Grants/Estates	1,058,825	-	-	1,058,825	204,800	-	1,263,625	1,529,600
Annual Benefit	124,346	-	-	124,346	-	-	124,346	95,110
United Way	23,000	-	-	23,000	-	-	23,000	23,000
Townships	147,357	-	-	147,357	-	-	147,357	142,667
Municipalities	143,897	-	-	143,897	-	-	143,897	146,568
Government Grants	645,301	-	-	645,301	-	-	645,301	651,008
Activity Revenue	557,816	-	-	557,816	-	-	557,816	494,087
Contracts	103,861	-	-	103,861	-	-	103,861	116,345
Service Fees	3,868,767	-	-	3,868,767	-	-	3,868,767	3,959,005
Investment Income	757	67	-	824	-	-	824	882
Net Assets Released from Restrictions	473,533	-	-	473,533	( 473,533)	-	-	-
<b>Total Revenues and Support</b>	<b>7,853,349</b>	<b>67</b>	<b>-</b>	<b>7,853,416</b>	<b>( 160,338)</b>	<b>-</b>	<b>7,693,078</b>	<b>8,161,656</b>
<b>EXPENSES</b>								
Program Services	6,499,501	525,004	-	7,024,505	-	-	7,024,505	6,984,778
Management and General	744,588	60,184	-	804,772	-	-	804,772	668,470
Fundraising	619,029	50,038	-	669,067	-	-	669,067	589,641
Loss on Disposal of Property	-	1,123	-	1,123	-	-	1,123	734,230
<b>Total Expenses</b>	<b>7,863,118</b>	<b>636,349</b>	<b>-</b>	<b>8,499,467</b>	<b>-</b>	<b>-</b>	<b>8,499,467</b>	<b>8,977,119</b>
Change In Net Assets	( 9,769)	( 636,282)	-	( 646,051)	( 160,338)	-	( 806,389)	( 815,463)
Net Assets at Beginning of Year	841,496	2,770,002	458,661	4,070,159	450,622	61,581	4,582,362	5,397,825
Net Assets at End of Year	\$ 831,727	\$ 2,133,720	\$ 458,661	\$ 3,424,108	\$ 290,284	\$ 61,581	\$ 3,775,973	\$ 4,582,362

See accompanying Independent Auditor's Report on supplemental information.



**NSSC FOUNDATION****STATEMENTS OF FINANCIAL POSITION****JUNE 30, 2016 AND 2015**

	<b><u>ASSETS</u></b>	
	<u>2016</u>	<u>2015</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 216,709	\$ 93,936
Accrued Interest and Dividends Receivable	-	6,481
Total Current Assets	216,709	100,417
<b>INVESTMENTS</b>	<u>15,499,520</u>	<u>16,959,615</u>
Total Assets	<u>\$ 15,716,229</u>	<u>\$ 17,060,032</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ -	\$ -
Charitable Remainder Unitrusts	2,718	2,885
Charitable Gift Annuities	65,733	69,329
Total Current Liabilities	<u>68,451</u>	<u>72,214</u>
<b>LONG-TERM LIABILITIES</b>		
Charitable Remainder Unitrusts, Net of Current Portion	4,508	4,763
Charitable Gift Annuities, Net of Current Portion	11,102	9,108
Total Long-Term Liabilities	<u>15,610</u>	<u>13,871</u>
Total Liabilities	<u>84,061</u>	<u>86,085</u>
<b>NET ASSETS</b>		
Unrestricted		
Undesignated	2,743,744	3,848,566
Bond Covenant Reserve	7,700,000	7,700,000
Total Unrestricted	<u>10,443,744</u>	<u>11,548,566</u>
Temporarily Restricted	946,707	1,184,164
Permanently Restricted	4,241,717	4,241,217
Total Net Assets	<u>15,632,168</u>	<u>16,973,947</u>
Total Liabilities and Net Assets	<u>\$ 15,716,229</u>	<u>\$ 17,060,032</u>

See accompanying Independent Auditor's Report on supplemental information.

**NSSC FOUNDATION****STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2016****(With Comparative Totals for the Year Ended June 30, 2015)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total 2016</u>	<u>Total 2015</u>
<b>REVENUES AND GAINS</b>					
Contributions	\$ 12,000	\$ -	\$ 500	\$ 12,500	\$ 51,229
Investment Income (Loss)	( 191,629)	( 77,887)	-	( 269,516)	341,685
Change in Value of Split-Interest Agreements					
Charitable Remainder Unitrusts	-	( 1,652)	-	( 1,652)	( 8,829)
Charitable Gift Annuities	( 14,028)	-	-	( 14,028)	( 15,688)
Net Assets Released from Restrictions	157,918	( 157,918)	-	-	-
	<u>( 35,739)</u>	<u>( 237,457)</u>	<u>500</u>	<u>( 272,696)</u>	<u>368,397</u>
<b>EXPENSES</b>					
Program Services	921,192	-	-	921,192	864,474
Supporting Services					
Management & General	99,572	-	-	99,572	60,162
Fundraising	48,319	-	-	48,319	48,452
	<u>1,069,083</u>	<u>-</u>	<u>-</u>	<u>1,069,083</u>	<u>973,088</u>
Change in Net Assets	( 1,104,822)	( 237,457)	500	( 1,341,779)	( 604,691)
<b>Net Assets at Beginning of Year</b>	<u>11,548,566</u>	<u>1,184,164</u>	<u>4,241,217</u>	<u>16,973,947</u>	<u>17,578,638</u>
<b>Net Assets at End of Year</b>	<u>\$ 10,443,744</u>	<u>\$ 946,707</u>	<u>\$ 4,241,717</u>	<u>\$ 15,632,168</u>	<u>\$ 16,973,947</u>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER**

**RECONCILIATION OF PROJECT REVENUE AND EXPENSES  
FOR TITLE IIIB & IIIE PROGRAMS**

**FOR THE FISCAL YEAR ENDED JUNE 30,2016**

**SCHEDULE 8**

FEDERAL PROGRAM IIIB - Grants for Supportive Services and  
Senior Centers  
CFDA #93.044

	FISCAL 2015			FISCAL 2016	
	10/01/14	07/01/15	Cumulative	10/01/15	07/01/15
	06/30/15	09/30/15	Totals	06/30/16	06/30/16
NSSC					
<b><u>Support and Revenues</u></b>					
Federal IIIB	\$ 284,758	\$ 93,169	\$ 377,927	\$ 294,772	\$ 387,941
Project Income	9,545	3,182	12,727	9,593	12,775
Agency Funding:					
Cash Match	164,589	54,863	219,452	111,660	166,523
In-Kind	10,350	3,450	13,800	10,350	13,800
Total Support and Revenue	<u>\$ 469,242</u>	<u>\$ 154,664</u>	<u>\$ 623,906</u>	<u>\$ 426,375</u>	<u>\$ 581,039</u>
<b><u>Expenses</u></b>					
Personnel and Fringe Benefits	\$ 424,999	\$ 141,666	\$ 566,665	\$ 385,453	\$ 527,119
Travel	-	-	-	-	-
Equipment and Supplies	-	-	-	-	-
Other	44,243	12,998	57,241	40,922	53,920
Total Expenses	<u>\$ 469,242</u>	<u>\$ 154,664</u>	<u>\$ 623,906</u>	<u>\$ 426,375</u>	<u>\$ 581,039</u>
<b>Support Over Expenses</b> (Expenses Over Support)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**SCHEDULE 9**

FEDERAL PROGRAM IIIE - National Family Caregiver Support  
CFDA #93.052

	FISCAL 2015			FISCAL 2016	
	10/01/14	07/01/15	Cumulative	10/01/15	07/01/15
	06/30/15	09/30/15	Totals	06/30/16	06/30/16
NSSC					
<b><u>Support and Revenues</u></b>					
Federal IIIE	\$ 178,210	\$ 75,282	\$ 253,492	\$ 178,078	\$ 253,360
Project Income	1,500	500	2,000	2,250	2,750
Agency Funding:					
Cash Match	35,532	11,843	47,375	36,873	48,716
In-Kind	-	-	-	-	-
Total Support and Revenue	<u>\$ 215,242</u>	<u>\$ 87,625</u>	<u>\$ 302,867</u>	<u>\$ 217,201</u>	<u>\$ 304,826</u>
<b><u>Expenses</u></b>					
Personnel and Fringe Benefits	\$ 148,766	\$ 49,588	\$ 198,354	\$ 153,272	\$ 202,860
Travel	-	-	-	-	-
Equipment and Supplies	-	-	-	-	-
Other	66,476	38,037	104,513	63,929	101,966
Total Expenses	<u>\$ 215,242</u>	<u>\$ 87,625</u>	<u>\$ 302,867</u>	<u>\$ 217,201</u>	<u>\$ 304,826</u>
<b>Support Over Expenses</b> (Expenses Over Support)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**NORTH SHORE SENIOR CENTER**

**RECONCILIATION OF PROJECT REVENUE AND EXPENSES  
FOR TITLE VII ELDER ABUSE PROGRAM**

**FOR THE FISCAL YEAR ENDED JUNE 30,2016**

**SCHEDULE 10**

FEDERAL PROGRAM VII - Programs for Prevention of Elder  
Abuse, Neglect and Exploitation  
CFDA #93.041

NSSC

	FISCAL 2015			FISCAL 2016	FISCAL 2016
	10/01/14	07/01/15	Cumulative	10/01/15	07/01/15
	06/30/15	09/30/15	Totals	06/30/16	06/30/16
<b><u>Support and Revenues</u></b>					
Federal VII	\$ 2,072	\$ 2,072	\$ 4,144	\$ 3,089	\$ 5,161
Project Income	-	-	-	-	-
Agency Funding:					
Cash Match	-	-	-	-	-
In-Kind	-	-	-	-	-
Total Support and Revenue	<u>\$ 2,072</u>	<u>\$ 2,072</u>	<u>\$ 4,144</u>	<u>\$ 3,089</u>	<u>\$ 5,161</u>
<b><u>Expenses</u></b>					
Personnel and Fringe Benefits	\$ -	\$ -	\$ -	\$ -	\$ -
Travel	-	-	-	-	-
Equipment and Supplies	-	-	-	-	-
Other	2,072	2,072	4,144	3,089	5,161
Total Expenses	<u>\$ 2,072</u>	<u>\$ 2,072</u>	<u>\$ 4,144</u>	<u>\$ 3,089</u>	<u>\$ 5,161</u>
<b><u>Support Over Expenses</u></b>					
(Expenses Over Support)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>