



NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	
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	
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statements of Financial Position, June 30, 2022 and 2021	1 - 2
Consolidated Statements of Activities for the Years Ended June 30, 2022 and 2021	3
Consolidated Statement of Functional Expenses for the Year June 30, 2022	4
Consolidated Statement of Functional Expenses for the Year June 30, 2021	5
Consolidated Statements of Cash Flows for the Years Ended June 30, 2022 and 2021	6
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	7 – 29
SUPPLEMENTARY INFORMATION	
Schedule 1 – Consolidating Statement of Financial Position, June 30, 2022.....	30-31
Schedule 2 – Consolidating Statement of Activities for the Year Ended June 30, 2022	32-33
Schedule 3 – Consolidating Statement of Functional Expenses for the Year Ended June 30, 2022	34-35
Schedule 4 – North Shore Senior Center – Statements of Financial Position, June 30, 2022 and 2021	36-37
Schedule 5 – North Shore Senior Center – Statement of Activities for the Year Ended June 30, 2022, with comparative totals for the Year Ended June 30, 2021	38
Schedule 6 – North Shore Senior Options – Statements of Financial Position, June 30, 2022 and 2021	39
Schedule 7 – North Shore Senior Options – Statement of Activities for the Year Ended June 30, 2022, with comparative totals for the Year Ended June 30 2021	40
Schedule 8 – NSSC Foundation - Statements of Financial Position, June 30, 2022 and 2021	41
Schedule 9 – NSSC Foundation - Statement of Activities for the Year Ended June 30, 2022, with comparative totals for the Year Ended June 30 2021	42
Schedules 10: Reconciliation of Project Revenue and Expenses for Federally Funded Programs Administered Through AgeOptions – the Area Agency	43
Schedules 11: Consolidated Year-End Financial Report.....	44



INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022 and 2021, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of North Shore Senior Center and Subsidiaries as of June 30, 2022 and June 30, 2021 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.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of North Shore Senior Center and Subsidiaries and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of NSSC Foundation and North Shore Senior Options were not audited in accordance with *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North Shore Senior Center and Subsidiaries' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

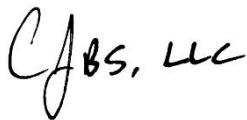
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information presented on Schedules 1 through 9, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The accompanying supplementary information presented on Schedules 10, 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 accompanying supplementary information presented on Schedules 11 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 supplementary information presented on Schedules 1 through 11 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 15, 2022, 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 15, 2022



**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 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, 2022, and the related consolidated statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated December 15, 2022. The financial statements of 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.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered North Shore Senior Center'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 financial statements, but not for the purpose of expressing an opinion on the effectiveness of North Shore Senior Center's internal control. Accordingly, we do not express an opinion on the effectiveness of North Shore Senior Center'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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether North Shore Senior Center'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 express such an opinion. The results of our tests disclosed no

CJBS, LLC

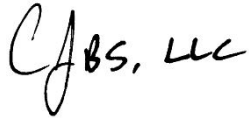
2100 Sanders Road, Suite 200, Northbrook, Illinois 60062-6141 • p. 847-945-2888 • f. 847-945-9512

www.cjbs.com

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 15, 2022

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>ASSETS</u>	
	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 596,214	\$ 742,426
Contributions Receivable	212,334	200,333
Grants and Contracts Receivable	806,654	530,111
Accounts Receivable	68,053	33,219
Prepaid Expenses and Other Assets	<u>123,349</u>	<u>48,867</u>
Total Current Assets	<u>1,806,604</u>	<u>1,554,956</u>
 LONG-TERM ASSETS		
Investments	15,906,772	19,149,160
Operating Lease Right-Of-Use Assets	59,775	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>2,836,301</u>	<u>2,818,711</u>
	16,069,771	16,052,181
Less: Accumulated Depreciation	<u>(10,218,490)</u>	<u>(9,714,833)</u>
Property and Equipment, Net	<u>5,851,281</u>	<u>6,337,348</u>
Total Long-Term Assets	<u>21,817,828</u>	<u>25,665,033</u>
Total Assets	<u>\$ 23,624,432</u>	<u>\$ 27,219,989</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, 2022 AND 2021

<u>LIABILITIES AND NET ASSETS</u>	<u>2022</u>	<u>2021</u>
CURRENT LIABILITIES		
Accounts Payable	\$ 104,280	\$ 87,222
Accrued Expenses	223,274	241,367
Current Portion of Operating Lease Liabilities	58,993	137,563
Custodial Accounts	4,501	4,693
Deferred Income	264,941	159,303
Charitable Gift Annuities	119,322	130,643
	<u>775,311</u>	<u>760,791</u>
LONG-TERM LIABILITIES		
Bonds Payable	7,000,000	7,000,000
Less Bond Issuance Cost	(42,219)	(48,124)
Bonds Payable Less Bond Issuance Cost, Net	6,957,781	6,951,876
Operating Lease Liabilities	4,579	63,571
	<u>6,962,360</u>	<u>7,015,447</u>
Total Long-Term Liabilities	<u>6,962,360</u>	<u>7,015,447</u>
Total Liabilities	<u>7,737,671</u>	<u>7,776,238</u>
COMMITMENTS		
NET ASSETS		
Without Donor Restrictions		
Undesignated	2,091,969	4,130,007
Bond Covenant Reserve	7,700,000	7,700,000
Board Designated	115,352	458,661
	<u>9,907,321</u>	<u>12,288,668</u>
With Donor Restrictions		
Purpose and Time Restrictions	4,676,142	5,851,785
Perpetual in Nature	1,303,298	1,303,298
	<u>5,979,440</u>	<u>7,155,083</u>
Total Net Assets	<u>15,886,761</u>	<u>19,443,751</u>
Total Liabilities and Net Assets	<u>\$ 23,624,432</u>	<u>\$ 27,219,989</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, 2022 AND 2021

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Without Donor Restrictions	With Donor Restrictions	Total 2021
PUBLIC SUPPORT AND OTHER REVENUE						
Grants and Contributions						
Members	\$ 53,472	\$ -	\$ 53,472	\$ 45,137	\$ -	\$ 45,137
Friends	572,673	-	572,673	517,641	170,000	687,641
Foundation/Corporate Grants/Estates	144,863	100,000	244,863	284,706	100,000	384,706
Annual Benefit	169,033	-	169,033	136,059	-	136,059
Townships	170,000	-	170,000	163,500	-	163,500
Municipalities	132,911	-	132,911	127,958	-	127,958
Government Grants	1,069,643	-	1,069,643	1,065,895	-	1,065,895
Program Fees and Contracts						
Registration and Membership Fees	559,890	-	559,890	462,866	-	462,866
Program Service Fees	471,880	-	471,880	244,319	-	244,319
State Contracts	3,244,618	-	3,244,618	2,767,002	-	2,767,002
Change in Value of Split-Interest Agreements						
Charitable Gift Annuities	(29,295)	-	(29,295)	(27,184)	-	(27,184)
Net Assets Released from Restrictions	641,384	(641,384)	-	541,072	(541,072)	-
Total Public Support and Other Revenue	7,201,072	(541,384)	6,659,688	6,328,971	(271,072)	6,057,899
EXPENSES						
Program Services	6,818,696	-	6,818,696	6,325,444	-	6,325,444
Management and General	974,327	-	974,327	837,192	-	837,192
Fundraising	705,205	-	705,205	584,897	-	584,897
Total Expenses	8,498,228	-	8,498,228	7,747,533	-	7,747,533
Change in Net Assets Before Investment Income	(1,297,156)	(541,384)	(1,838,540)	(1,418,562)	(271,072)	(1,689,634)
Investment Income						
Interest and Dividends	475,393	289,264	764,657	286,474	159,389	445,863
Realized Gain on Investments	156,915	95,510	252,425	134,630	76,125	210,755
Unrealized Gain (Loss) on Investments	(1,674,190)	(1,019,033)	(2,693,223)	2,145,415	1,213,088	3,358,503
Investment Fees	(42,309)	-	(42,309)	(44,564)	-	(44,564)
Total Investment Income, Net	(1,084,191)	(634,259)	(1,718,450)	2,521,955	1,448,602	3,970,557
Change In Net Assets	(2,381,347)	(1,175,643)	(3,556,990)	1,103,393	1,177,530	2,280,923
Net Assets at Beginning of Year	12,288,668	7,155,083	19,443,751	11,185,275	5,977,553	17,162,828
Net Assets at End of Year	\$ 9,907,321	\$ 5,979,440	\$ 15,886,761	\$ 12,288,668	\$ 7,155,083	\$ 19,443,751

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, 2022

	Senior and Family Services	North Shore Senior Options	Lifelong Learning	House of Welcome	Total Program Services	Management and General	Fundraising	Total 2022
OPERATING EXPENSES								
Activities Program Expense	\$ 14,546	\$ -	\$ 164,074	\$ 6,559	\$ 185,179	\$ -	\$ -	\$ 185,179
Assistance	278,231	351	-	-	278,582	-	-	278,582
Conferences	2,786	299	99	1,244	4,428	3,237	4,778	12,443
Dues and Multimedia	5,685	586	904	2,006	9,181	913	1,994	12,088
Equipment Repair/Rentals	38,111	3,566	21,472	5,958	69,107	8,851	23,528	101,486
Fitness Center	-	-	7,434	-	7,434	-	-	7,434
Food/Recreation Supplies	2,009	-	1,359	5,884	9,252	3,029	9,985	22,266
Health and Disability	350,134	10,261	32,880	41,616	434,891	43,288	33,961	512,140
Insurance	32,205	5,153	9,017	9,017	55,392	4,509	4,509	64,410
Occupancy	168,499	16,984	54,630	58,388	298,501	24,630	20,593	343,724
Payroll Taxes	227,090	17,108	31,037	28,173	303,408	43,544	33,653	380,605
Postage	7,289	1,002	15,730	2,537	26,558	1,856	3,640	32,054
Printing/Office Supplies	28,552	3,537	44,693	10,575	87,357	9,460	20,523	117,340
Professional Fees	142,167	24,918	27,427	24,536	219,048	162,913	27,133	409,094
Retirement Plan	47,309	5,432	8,816	6,428	67,985	10,890	3,514	82,389
Salaries	2,943,340	284,299	434,607	375,386	4,037,632	558,148	433,699	5,029,479
Sundry	10,299	175	12,256	257	22,987	18,682	16,404	58,073
Telecommunications	47,231	4,960	6,685	4,147	63,023	2,653	2,785	68,461
Transportation	18,497	591	263	-	19,351	151	447	19,949
Total Operating Expenses	4,363,980	379,222	873,383	582,711	6,199,296	896,754	641,146	7,737,196
PROPERTY AND EQUIPMENT								
Depreciation and Amortization	359,986	31,282	72,046	48,068	511,382	64,045	52,888	628,315
Professional Fees—Facilities	13,429	1,167	2,688	1,793	19,077	2,389	1,973	23,439
Interest Expense and Costs	62,610	5,441	12,530	8,360	88,941	11,139	9,198	109,278
Total Property and Equipment	436,025	37,890	87,264	58,221	619,400	77,573	64,059	761,032
TOTAL EXPENSES	\$ 4,800,005	\$ 417,112	\$ 960,647	\$ 640,932	\$ 6,818,696	\$ 974,327	\$ 705,205	\$ 8,498,228

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 STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	(\$ 3,556,990)	\$ 2,280,923
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	622,410	635,652
Amortization Expense	5,905	5,905
Realized (Gain) on Sale of Investments	(252,425)	(210,755)
Unrealized (Gain) Loss on Investments	2,693,223	(3,358,503)
Non-Cash Lease Expense	118,750	117,976
(Increase) Decrease in Assets:		
Contributions Receivable	(12,001)	(130,999)
Grants and Contracts Receivable	(276,543)	(218,965)
Accounts Receivable	(34,834)	26,346
Prepaid Expenses and Other Assets	(74,482)	14,174
Increase (Decrease) in Liabilities:		
Accounts Payable	17,058	28,759
Accrued Expenses	(18,093)	2,254
Custodial Accounts	(192)	(388)
Deferred Income	105,638	(12,174)
Charitable Gift Annuities	(11,321)	(16,671)
Operating Lease Liabilities	(137,562)	(95,367)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(811,459)</u>	<u>(931,833)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(136,343)	(192,116)
Certificates of Deposits, Net	399,871	199,810
Proceeds from Sale of Investments	7,974,398	2,351,280
Purchases of Investments	(8,029,759)	(1,157,206)
Net Change in Cash and Cash Equivalents Included in Investments	<u>457,080</u>	<u>(16,919)</u>
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	<u>665,247</u>	<u>1,184,849</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(146,212)</u>	<u>253,016</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>742,426</u>	<u>489,410</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 596,214</u>	<u>\$ 742,426</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Right-of-use assets obtained in exchange for new operating lease liabilities	<u>\$ -</u>	<u>\$ 296,501</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest Paid	<u>\$ 16,053</u>	<u>\$ 11,372</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, 2022 AND 2021

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 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 and subsequently dissolved on June 15, 2022. NSSO, the Senior Options program after June 15, 2022, utilizes the Center’s facilities and certain staff. NSSO has fee-based programs that 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.

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, 2022 AND 2021

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.

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-For-Profit Entities for Contributed Nonfinancial Assets*, that should be applied on a retrospective basis and is effective for fiscal years ending on June 30, 2022, and calendar years ending on December 31, 2022. The standard requires nonprofits to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. Also, it requires expanded disclosures to include disaggregation of the amount of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets, and for each category of contributed nonfinancial asset, information on an entity's policies on contributed nonfinancial assets about monetization and utilization during the reporting period, information on donor-imposed restrictions, and valuation techniques. In the fiscal year 2022, the Organization adopted ASU 2020-07 with no material impact on the financial statements.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 AND 2021

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, 2022 and 2021, 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>2022</u>	<u>2021</u>
Title IIIB Supportive Services and Senior Centers	\$ 243,485	\$ 324,438
Title IIIE Caregiver Support	\$ 318,579	\$ 314,702
Title IIIE Cares Act Caregiver Support	\$ 27,850	\$ 5,825
Title IIIE TCARE Supplemental Funding	\$ 2,684	\$ 4,731
Title IIIE CRC Supplemental Funding	\$ 7,125	\$ -
Grant Receivable	\$ 41,187	\$ 39,853
Deferred Revenue	\$ 86,974	\$ 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 37% and 34% of its revenue from contracts from the Illinois Department of Aging for the years ended June 30, 2022 and 2021, respectively. As of June 30, 2022 and 2021, 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 \$576,319 and \$322,954, 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, 2022 AND 2021

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.

Grants and contract receivable presented on the consolidated statement of financial position include the following program service fees:

	<u>2022</u>	<u>2021</u>
Accounts receivable, net		
Beginning of year	\$ 609	\$ 13,051
End of year	\$ 68,053	\$ 609

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, 2022 AND 2021

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, 2022 AND 2021

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, 2022 and 2021, management has determined, based on historical experience, that no allowance for doubtful accounts was necessary.

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, 2022 and 2021, were \$622,409 and \$635,652, respectively.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 and 2021.

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, 2022 AND 2021

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, 2022 and 2021. 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, 2022 AND 2021

NOTE B – PROGRAMS (continued)

The NSSO (Care Options program) 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
- 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>Foundation</u>	<u>Total 2022</u>	<u>Total 2021</u>
Financial Assets:				
Cash	\$ 221,954	\$ 134,516	\$ 356,470	\$ 428,226
Receivables, Net	1,087,041	-	1,087,041	763,663
Operating Investments	259,275	2,092,450	2,351,725	4,149,616
Endowment Distribution	1,175,000	(1,175,000)	-	-
Total financial assets available within one year	<u>\$2,743,270</u>	<u>\$ 1,051,966</u>	<u>\$3,795,236</u>	<u>\$5,341,505</u>

In addition to financial assets available to meet general expenditures over the year, the Organization has board designated amounts of \$115,352 and \$458,661 as of June 30, 2022 and 2021, respectively, that could be made available if necessary.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Cash/Money Market Funds	\$ 33,123	\$ 490,203
Mutual Funds	13,071,030	15,718,984
Real Estate Fund	1,580,080	1,255,377
Pooled Investment Fund	<u>786,331</u>	<u>848,517</u>
Total Foundation's Investments	15,470,564	18,313,081
Cash/Money Market Funds	<u>436,208</u>	<u>836,079</u>
Total Center's Investments	436,208	836,079
Total Investments	<u>\$ 15,906,772</u>	<u>\$ 19,149,160</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, 2022 and 2021.

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
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022:

	Assets at Fair Value at June 30, 2022			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds - Equity	\$ 9,702,495	\$ -	\$ -	\$ 9,702,495
Mutual Funds - Fixed Income	2,575,485	-	-	2,575,485
Mutual Funds - Balanced	793,049	-	-	793,049
Total Assets at Fair Value	\$ 13,071,029	\$ -	\$ -	13,071,029
Investments Measured at NAV*				2,366,411
Cash/Money Market Funds				469,332
Total Investments				\$ 15,906,772

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022 AND 2021

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, 2021:

	Assets at Fair Value at June 30, 2021			Total Fair Value
	Level 1	Level 2	Level 3	
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

* 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, 2022 and 2021, respectively:

Instrument	Fair Value as of June 30, 2022	Fair Value as of June 30, 2021	Redemption Frequency	Redemption Notice Period
Real Estate Fund	\$ 1,580,080	\$ 1,255,377	quarterly	Requests at any time
Alternative Investment	\$ 786,331	\$ 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, 2022 AND 2021

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, 2022 and 2021, were \$40,267 and \$43,854, respectively. Changes in the value of split-interest agreements totaling \$29,295 loss and \$27,184 loss for 2022 and 2021, respectively, were included in the consolidated statement of activities.

NOTE F – LEASE OBLIGATIONS

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, 2022 and 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, 2022 and 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, 2021, are recognized at their commencement date based on the present value of lease payments over the lease term.

As of June 30, 2022, total right-of-use assets and operating lease liabilities were approximately \$60,000 and \$64,000, respectively. 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. The 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.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE F – LEASE OBLIGATIONS (continued)

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

	<u>2022</u>	<u>2021</u>
Cash paid for operating lease liabilities	\$ 137,562	\$ 95,367
Right of use assets obtained in exchange for new operating lease obligations	-	\$ 296,501
Weighted-average remaining lease term	0.5	1.5
Weighted-average discount rate	3.0%	3.0%

Maturities of lease liabilities as of June 30, 2022 were as follows:

2023	\$ 59,582
2024	3,202
2025	1,177
2026	293
	<u>64,254</u>
Less imputed interest	(682)
Total Lease Liabilities	<u>\$ 63,572</u>
Current Portion of Operating Lease Liabilities	\$ 58,993
Long-Term Operating Lease Liabilities	4,579
Total Lease Liabilities	<u>\$ 63,572</u>

NOTE G – NATURE OF RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</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	55,949	65,310
Men’s Club Music Concerts	27,544	32,272
	<u>92,616</u>	<u>106,705</u>
Center		
Senior and Family Services	21,220	23,457
House of Welcome Program	100,000	150,000
Bond Debt Service	118,525	140,743
	<u>239,745</u>	<u>314,200</u>
Total subject to expenditure for specified purpose or periods	<u>332,361</u>	<u>420,905</u>

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

JUNE 30, 2022 AND 2021

NOTE G – NATURE OF RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions as of June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</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	55,949	65,310
Men's Club Music Concerts	27,544	32,272
	<u>92,616</u>	<u>106,705</u>
Center		
Senior and Family Services	21,220	23,457
House of Welcome Program	100,000	150,000
Bond Debt Service	118,525	140,743
	<u>239,745</u>	<u>314,200</u>
Total subject to expenditure for specified purpose or periods	<u>332,361</u>	<u>420,905</u>
Endowments – Accumulated investment gains and term endowments held until subject to appropriation and expenditures based on spending policies and donor restrictions		
Foundation		
The Harry and Jeanette Weinberg Endowment	3,342,868	4,152,145
Sandra R. Johnson Endowment	88,179	148,835
Golder Distinguished Senior Lecture Series Fund	385,744	451,698
Thaviu Concert Series Fund	332,100	388,853
Edwin J. Brach and Hazel and Bertram Brodie Endowment	109,376	166,734
Weber Endowment for Training and Professional Development for House of Welcome	40,039	61,625
Thaviu House of Welcome Scholarships	45,475	60,990
	<u>4,343,781</u>	<u>5,430,880</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	<u>61,581</u>	<u>61,581</u>
	<u>1,303,298</u>	<u>1,303,298</u>
Total Endowments	<u>5,647,079</u>	<u>6,734,178</u>
Total Net Assets with Donor Restrictions	<u>\$ 5,979,441</u>	<u>\$ 7,155,083</u>

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

JUNE 30, 2022 AND 2021

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, 2022 AND 2021

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 20%-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, 2022 AND 2021

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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
The Foundation, Donor Restricted Endowment		
Accumulated investment gains	\$ 1,343,781	\$ 2,430,880
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>5,585,498</u>	<u>6,672,597</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>\$ 5,647,079</u>	<u>\$ 6,734,178</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, 2022 and 2021. The changes in donor-restricted endowment net assets are as follows for the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
The Foundation, Donor Restricted Endowment		
Endowment Net Assets, Beginning of Year	\$ 6,672,597	\$ 5,653,238
Investment Return (Loss)	(625,383)	1,428,059
Appropriated for Expenditure	<u>(461,716)</u>	<u>(408,700)</u>
Endowment Net Assets, End of Year	<u>5,585,498</u>	<u>6,672,597</u>
The Center, Donor Restricted Endowment		
Endowment Net Assets, End of Year	<u>61,581</u>	<u>61,581</u>
Total Endowment	<u>\$ 5,647,079</u>	<u>\$ 6,734,178</u>

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

JUNE 30, 2022 AND 2021

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, 2022 and 2021.

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 \$82,389 and \$75,979 in the fiscal year ended June 30, 2022 and 2021, 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, 2022 AND 2021

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 2022 and 2021, the average annual interest rates were 0.24% and 0.14%, 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 \$16,053 and \$11,372 for the year ended June 30, 2022 and 2021, 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, 2023, and require an annual fee of 1.17 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, 2022 and 2021) 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, 2022 and 2021.

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, 2022 and 2021, 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, 2022 AND 2021

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.

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, 2022 and 2021, available for spending in the next following year when the conditions are expected to be met:

	<u>2022</u>	<u>2021</u>
Federal Funding under Title III Older Americans Act	\$ 150,000	\$ 123,000
Municipalities and Townships grants	144,000	138,000
Illinois Department of Aging CCU Workforce Retention	560,000	-
Illinois Department of Aging Emergency Senior Services	<u>297,000</u>	<u>-</u>
Total Conditional Promises to Give	<u>\$ 1,151,000</u>	<u>\$ 261,000</u>

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, 2022 AND 2021

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 month 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 management of the Organization has evaluated events subsequent to the consolidated statement of financial position date of June 30, 2022, through December 15, 2022, 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 2022 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, 2022**

<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	\$ 461,698	\$ -	\$ 134,516	\$ -	\$ 596,214
Contributions Receivable	212,334	-	-	-	212,334
Grants and Contracts Receivable	806,654	-	-	-	806,654
Due from Related Party	-	-	-	-	-
Accounts Receivable	68,053	-	-	-	68,053
Prepaid Expenses and Other Assets	123,349	-	-	-	123,349
	<u>1,672,088</u>	<u>-</u>	<u>134,516</u>	<u>-</u>	<u>1,806,604</u>
Total Current Assets					
	<u>1,672,088</u>	<u>-</u>	<u>134,516</u>	<u>-</u>	<u>1,806,604</u>
LONG-TERM ASSETS					
Investments	436,208	-	15,470,564	-	15,906,772
Operating Lease Right-Of-Use Asssets	59,775	-	-	-	59,775
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	2,836,301	-	-	-	2,836,301
	<u>16,069,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,069,771</u>
Less: Accumulated Depreciation	<u>(10,218,490)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,218,490)</u>
Property and Equipment, Net	<u>5,851,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,851,281</u>
Total Long-Term Assets	<u>6,347,264</u>	<u>-</u>	<u>15,470,564</u>	<u>-</u>	<u>21,817,828</u>
Total Assets	<u>\$ 8,019,352</u>	<u>\$ -</u>	<u>\$ 15,605,080</u>	<u>\$ -</u>	<u>\$ 23,624,432</u>

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2022

<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	\$ 88,605	\$ -	\$ 15,675	\$ -	\$ 104,280
Accrued Expenses	223,274	-	-	-	223,274
Current Portion of Operating Lease Liabilities	58,993	-	-	-	58,993
Custodial Accounts	4,501	-	-	-	4,501
Deferred Income	264,941	-	-	-	264,941
Due to Related Party	-	-	-	-	-
Charitable Gift Annuities	-	-	119,322	-	119,322
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	640,314	-	134,997	-	775,311
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
LONG-TERM LIABILITIES					
Bonds Payable	7,000,000	-	-	-	7,000,000
Less Bond Issuance Cost	(42,219)	-	-	-	(42,219)
Bonds Payable Less Bond Issuance Cost, Net	6,957,781	-	-	-	6,957,781
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Operating Lease Liabilities	4,579	-	-	-	4,579
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Long-Term Liabilities	6,962,360	-	-	-	6,962,360
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	7,602,674	-	134,997	-	7,737,671
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
COMMITMENTS					
NET ASSETS					
Without Donor Restrictions					
Undesignated	-	-	2,091,969	-	2,091,969
Bond Covenant Reserve	-	-	7,700,000	-	7,700,000
Board Designated	115,352	-	-	-	115,352
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	115,352	-	9,791,969	-	9,907,321
With Donor Restrictions					
Purpose and Time Restrictions	239,745	-	4,436,397	-	4,676,142
Perpetual in Nature	61,581	-	1,241,717	-	1,303,298
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	301,326	-	5,678,114	-	5,979,440
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Net Assets	416,678	-	15,470,083	-	15,886,761
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 8,019,352</u>	<u>\$ -</u>	<u>\$ 15,605,080</u>	<u>\$ -</u>	<u>\$ 23,624,432</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, 2022

	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	\$ 53,472	\$ -	\$ 53,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Friends	570,073	-	570,073	2,600	-	2,600	-	-	-
Foundation/Corporate Grants/Estates	1,102,692	100,000	1,202,692	352,898	-	352,898	-	-	-
Annual Benefit	169,033	-	169,033	-	-	-	-	-	-
Townships	170,000	-	170,000	-	-	-	-	-	-
Municipalities	132,911	-	132,911	-	-	-	-	-	-
Government Grants	1,069,643	-	1,069,643	-	-	-	-	-	-
Program Fees and Contracts									
Registration and Membership Fees	559,890	-	559,890	-	-	-	-	-	-
Program Service Fees	314,888	-	314,888	156,992	-	156,992	-	-	-
State Contracts	3,244,618	-	3,244,618	-	-	-	-	-	-
Change in Value of									
Split-Interest Agreements									
Charitable Gift Annuities	-	-	-	-	-	-	(29,295)	-	(29,295)
Net Assets Released from Restrictions	174,455	(174,455)	-	-	-	-	466,929	(466,929)	-
Total Public Support and Other Revenue	7,561,675	(74,455)	7,487,220	512,490	-	512,490	437,634	(466,929)	(29,295)
EXPENSES									
Program Services	6,754,482	-	6,754,482	417,112	-	417,112	957,829	-	957,829
Management and General	801,727	-	801,727	52,239	-	52,239	120,361	-	120,361
Fundraising	662,066	-	662,066	43,139	-	43,139	-	-	-
Total Expenses	8,218,275	-	8,218,275	512,490	-	512,490	1,078,190	-	1,078,190
Change in Net Assets									
Before Investment Income	(656,600)	(74,455)	(731,055)	-	-	-	(640,556)	(466,929)	(1,107,485)
Investment Income									
Interest and Dividends	156	-	156	-	-	-	475,237	289,264	764,501
Realized Gain (Loss) on Investments	-	-	-	-	-	-	156,915	95,510	252,425
Unrealized Gain (Loss) on Investments	-	-	-	-	-	-	(1,674,190)	(1,019,033)	(2,693,223)
Investment Fees	-	-	-	-	-	-	(42,309)	-	(42,309)
Total Investment Income, Net	156	-	156	-	-	-	(1,084,347)	(634,259)	(1,718,606)
Change In Net Assets	(656,444)	(74,455)	(730,899)	-	-	-	(1,724,903)	(1,101,188)	(2,826,091)
Net Assets at Beginning of Year	771,796	375,781	1,147,577	-	-	-	11,516,872	6,779,302	18,296,174
Net Assets at End of Year	\$ 115,352	\$ 301,326	\$ 416,678	\$ -	\$ -	\$ -	\$ 9,791,969	\$ 5,678,114	\$ 15,470,083

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, 2022

	Consolidated Totals			Total
	Eliminations	Without Donor Restrictions	With Donor Restrictions	
PUBLIC SUPPORT AND OTHER REVENUE				
Grants and Contributions				
Members	\$ -	\$ 53,472	\$ -	\$ 53,472
Friends	-	572,673	-	572,673
Foundation/Corporate Grants/Estates	(1,310,727)	144,863	100,000	244,863
Annual Benefit	-	169,033	-	169,033
Townships	-	170,000	-	170,000
Municipalities	-	132,911	-	132,911
Government Grants	-	1,069,643	-	1,069,643
Program Fees and Contracts				
Registration and Membership Fees	-	559,890	-	559,890
Program Service Fees	-	471,880	-	471,880
Federal and State Contracts	-	3,244,618	-	3,244,618
Change in Value of				
Split-Interest Agreements				
Charitable Gift Annuities	-	(29,295)	-	(29,295)
Net Assets Released from Restrictions	-	641,384	(641,384)	-
Total Public Support and Other Revenue	(1,310,727)	7,201,072	(541,384)	6,659,688
EXPENSES				
Program Services	(1,310,727)	6,818,696	-	6,818,696
Management and General	-	974,327	-	974,327
Fundraising	-	705,205	-	705,205
Total Expenses	(1,310,727)	8,498,228	-	8,498,228
Change in Net Assets				
Before Investment Income	-	(1,297,156)	(541,384)	(1,838,540)
Investment Income				
Interest and Dividends	-	475,393	289,264	764,657
Realized Gain on Investments	-	156,915	95,510	252,425
Unrealized Gain on Investments	-	(1,674,190)	(1,019,033)	(2,693,223)
Investment Fees	-	(42,309)	-	(42,309)
Total Investment Income	-	(1,084,191)	(634,259)	(1,718,450)
Change In Net Assets	-	(2,381,347)	(1,175,643)	(3,556,990)
Net Assets at Beginning of Year	-	12,288,668	7,155,083	19,443,751
Net Assets at End of Year	\$ -	\$ 9,907,321	\$ 5,979,440	\$ 15,886,761

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, 2022

	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	\$ 14,546	\$ 164,074	\$ 6,559	\$ 185,179	\$ -	\$ -	\$ 185,179
Assistance	278,231	-	-	278,231	-	-	278,231
Conferences	2,786	99	1,244	4,129	3,039	4,486	11,654
Dues and Multimedia	5,685	904	2,006	8,595	857	1,872	11,324
Equipment Repair/Rentals	38,111	21,472	5,958	65,541	8,310	22,089	95,940
Fitness Center	-	7,434	-	7,434	-	-	7,434
Food/Recreation Supplies	2,009	1,359	5,884	9,252	2,844	9,374	21,470
Health and Disability	350,134	32,880	41,616	424,630	40,640	31,884	497,154
Insurance	32,205	9,017	9,017	50,239	4,233	4,233	58,705
Occupancy	168,499	54,630	58,388	281,517	17,490	19,333	318,340
Payroll Taxes	227,090	31,037	28,173	286,300	40,880	31,594	358,774
Postage	7,289	15,730	2,537	25,556	1,742	3,417	30,715
Printing/Office Supplies	28,552	44,693	10,575	83,820	8,881	19,268	111,969
Professional Fees	142,167	27,427	24,536	194,130	135,709	25,473	355,312
Retirement Plan	47,309	8,816	6,428	62,553	10,224	3,299	76,076
Salaries	2,943,340	434,607	375,386	3,753,333	433,878	407,169	4,594,380
Sundry	10,299	12,256	257	22,812	17,539	15,401	55,752
Telecommunications	47,231	6,685	4,147	58,063	2,491	2,615	63,169
Transportation	18,497	263	-	18,760	142	420	19,322
Related Party Grants	352,898	-	-	352,898	-	-	352,898
Total Operating Expenses	4,716,878	873,383	582,711	6,172,972	728,899	601,927	7,503,798
PROPERTY AND EQUIPMENT							
Depreciation and Amortization	359,986	72,046	48,068	480,100	60,127	49,652	589,879
Professional Fees—Facilities	13,429	2,688	1,793	17,910	2,243	1,852	22,005
Interest Expense and Costs	62,610	12,530	8,360	83,500	10,458	8,635	102,593
Total Property and Equipment	436,025	87,264	58,221	581,510	72,828	60,139	714,477
	\$ 5,152,903	\$ 960,647	\$ 640,932	\$ 6,754,482	\$ 801,727	\$ 662,066	\$ 8,218,275

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, 2022

	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 2022
OPERATING EXPENSES													
Activities Program Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,179	\$ -	\$ -	\$ 185,179
Assistance	351	-	-	351	-	-	-	-	-	278,582	-	-	278,582
Conferences	299	198	292	789	-	-	-	-	-	4,428	3,237	4,778	12,443
Dues and Multimedia	586	56	122	764	-	-	-	-	-	9,181	913	1,994	12,088
Equipment Repair/Rentals	3,566	541	1,439	5,546	-	-	-	-	-	69,107	8,851	23,528	101,486
Fitness Center	-	-	-	-	-	-	-	-	-	7,434	-	-	7,434
Food/Recreation Supplies	-	185	611	796	-	-	-	-	-	9,252	3,029	9,985	22,266
Health and Disability	10,261	2,648	2,077	14,986	-	-	-	-	-	434,891	43,288	33,961	512,140
Insurance	5,153	276	276	5,705	-	-	-	-	-	55,392	4,509	4,509	64,410
Occupancy	16,984	1,140	1,260	19,384	-	6,000	-	6,000	-	298,501	24,630	20,593	343,724
Payroll Taxes	17,108	2,664	2,059	21,831	-	-	-	-	-	303,408	43,544	33,653	380,605
Postage	1,002	114	223	1,339	-	-	-	-	-	26,558	1,856	3,640	32,054
Printing/Office Supplies	3,537	579	1,255	5,371	-	-	-	-	-	87,357	9,460	20,523	117,340
Professional Fees	24,918	8,843	1,660	35,421	-	18,361	-	18,361	-	219,048	162,913	27,133	409,094
Retirement Plan	5,432	666	215	6,313	-	-	-	-	-	67,985	10,890	3,514	82,389
Salaries	284,299	28,270	26,530	339,099	-	96,000	-	96,000	-	4,037,632	558,148	433,699	5,029,479
Sundry	175	1,143	1,003	2,321	-	-	-	-	-	22,987	18,682	16,404	58,073
Telecommunications	4,960	162	170	5,292	-	-	-	-	-	63,023	2,653	2,785	68,461
Transportation	591	9	27	627	-	-	-	-	-	19,351	151	447	19,949
Related Party Grants	-	-	-	-	957,829	-	-	957,829	(1,310,727)	-	-	-	-
Total Operating Expenses	379,222	47,494	39,219	465,935	957,829	120,361	-	1,078,190	(1,310,727)	6,199,296	896,754	641,146	7,737,196
PROPERTY AND EQUIPMENT													
Depreciation and Amortization	31,282	3,918	3,236	38,436	-	-	-	-	-	511,382	64,045	52,888	628,315
Professional Fees-Facilities	1,167	146	121	1,434	-	-	-	-	-	19,077	2,389	1,973	23,439
Interest Expense and Costs	5,441	681	563	6,685	-	-	-	-	-	88,941	11,139	9,198	109,278
Total Property and Equipment	37,890	4,745	3,920	46,555	-	-	-	-	-	619,400	77,573	64,059	761,032
	\$ 417,112	\$ 52,239	\$ 43,139	\$ 512,490	\$ 957,829	\$ 120,361	\$ -	\$ 1,078,190	(\$ 1,310,727)	\$ 6,818,696	\$ 974,327	\$ 705,205	\$ 8,498,228

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>ASSETS</u>	
	2022	2021
CURRENT ASSETS		
Cash	\$ 461,698	\$ 628,690
Contributions Receivable	212,334	200,333
Grants and Contracts Receivable	806,654	530,111
Due from Related Party	-	-
Accounts Receivable	68,053	609
Prepaid Expenses and Other Assets	123,349	48,867
Total Current Assets	1,672,088	1,408,610
 LONG-TERM ASSETS		
Investments	436,208	836,079
Operating Lease Right-Of-Use Assets	59,775	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	2,836,301	2,818,711
	16,069,771	16,052,181
Less: Accumulated Depreciation	(10,218,490)	(9,714,833)
Property and Equipment, Net	5,851,281	6,337,348
Total Long-Term Assets	6,347,264	7,351,952
Total Assets	\$ 8,019,352	\$ 8,760,562

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	2022	2021
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 88,605	\$ 76,897
Accrued Expenses	223,274	213,542
Current Portion of Operating Lease Liabilities	58,993	137,563
Custodial Accounts	4,501	4,693
Deferred Income	264,941	159,303
Due to Related Party	-	5,540
	640,314	597,538
Total Current Liabilities		
 LONG-TERM LIABILITIES		
Bonds Payable	7,000,000	7,000,000
Less Bond Issuance Cost	(42,219)	(48,124)
Bonds Payable Less Bond Issuance Cost, Net	6,957,781	6,951,876
 Operating Lease Liabilities	4,579	63,571
	6,962,360	7,015,447
Total Long-Term Liabilities		
 Total Liabilities	7,602,674	7,612,985
 COMMITMENTS		
 NET ASSETS		
Without Donor Restrictions		
Undesignated	-	313,135
Board Designated	115,352	458,661
	115,352	771,796
With Donor Restrictions		
Purpose and Time Restrictions	239,745	314,200
Perpetual in Nature	61,581	61,581
	301,326	375,781
 Total Net Assets	416,678	1,147,577
 Total Liabilities and Net Assets	\$ 8,019,352	\$ 8,760,562

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

(With Comparative Totals for the Year Ended June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
PUBLIC SUPPORT AND OTHER REVENUE				
Grants and Contributions:				
Members	\$ 53,472	\$ -	\$ 53,472	\$ 45,137
Friends	570,073	-	570,073	684,941
Foundation/Corporate Grants/Estates	1,102,692	100,000	1,202,692	1,122,902
Annual Benefit	169,033	-	169,033	136,059
Townships	170,000	-	170,000	153,500
Municipalities	132,911	-	132,911	123,503
Government Grants	1,069,643	-	1,069,643	1,090,796
Program Fees and Contracts				
Registration and Membership Fees	559,890	-	559,890	462,866
Program Service Fees	314,888	-	314,888	58,857
State Contracts	3,244,618	-	3,244,618	2,742,101
Net Assets Released from Restrictions	174,455	(174,455)	-	-
 Total Public Support and Other Revenue	 7,561,675	 (74,455)	 7,487,220	 6,620,662
EXPENSES				
Program Services	6,754,482	-	6,754,482	6,032,944
Management and General	801,727	-	801,727	673,934
Fundraising	662,066	-	662,066	549,205
 Total Expenses	 8,218,275	 -	 8,218,275	 7,256,083
 Change in Net Assets Before Investment Income	 (656,600)	 (74,455)	 (731,055)	 (635,421)
Investment Income				
Interest and Dividends	156	-	156	4,586
 Change In Net Assets	 (656,444)	 (74,455)	 (730,899)	 (630,835)
 Net Assets at Beginning of Year	 771,796	 375,781	 1,147,577	 1,778,412
 Net Assets at End of Year	 \$ 115,352	 \$ 301,326	 \$ 416,678	 \$ 1,147,577

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR OPTIONS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>ASSETS</u>		2022		2021
CURRENT ASSETS					
Accounts Receivable		\$	-		\$ 32,610
Due from Related Party			-		5,540
Total Current Assets			-		38,150
Total Assets		\$	-		\$ 38,150
<u>LIABILITIES AND NET ASSETS</u>					
CURRENT LIABILITIES					
Accounts Payable		\$	-		\$ 10,325
Accrued Expenses			-		27,825
Total Current Liabilities			-		38,150
Total Liabilities			-		38,150
NET ASSETS					
Without Donor Restrictions					
Undesignated			-		-
Total Net Assets			-		-
Total Liabilities and Net Assets		\$	-		\$ 38,150

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR OPTIONS**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2022****(With Comparative Totals for the Year Ended June 30, 2021)**

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
PUBLIC SUPPORT AND OTHER REVENUE				
Grants and Contributions				
Friends	\$ 2,600	\$ -	\$ 2,600	\$ 2,500
Foundation/Corporate Grants/Estates	352,898	-	352,898	223,500
Townships	-	-	-	10,000
Municipalities	-	-	-	4,455
Government Grants	-	-	-	-
Program Fees and Contracts				
Program Service Fees	156,992	-	156,992	185,462
Total Public Support and Other Revenue	512,490	-	512,490	425,917
EXPENSES				
Program Services	417,112	-	417,112	386,000
Management and General	52,239	-	52,239	43,798
Fundraising	43,139	-	43,139	35,692
Total Expenses	512,490	-	512,490	465,490
Change In Net Assets	-	-	-	(39,573)
Net Assets at Beginning of Year	-	-	-	39,573
Net Assets at End of Year	\$ -	\$ -	\$ -	\$ -

See accompanying Independent Auditor's Report on supplemental information.

NSSC FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

	<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
CURRENT ASSETS			
Cash		\$ 134,516	\$ 113,736
Total Current Assets		<u>134,516</u>	<u>113,736</u>
INVESTMENTS			
		<u>15,470,564</u>	<u>18,313,081</u>
Total Assets		<u>\$ 15,605,080</u>	<u>\$ 18,426,817</u>
<u>LIABILITIES AND NET ASSETS</u>			
CURRENT LIABILITIES			
Accounts Payable		\$ 15,675	\$ -
Charitable Gift Annuities		<u>119,322</u>	<u>130,643</u>
Total Current Liabilities		<u>134,997</u>	<u>130,643</u>
Total Liabilities		<u>134,997</u>	<u>130,643</u>
NET ASSETS			
Without Donor Restrictions			
Undesignated		2,091,969	3,816,872
Bond Covenant Reserve		<u>7,700,000</u>	<u>7,700,000</u>
		9,791,969	11,516,872
With Donor Restrictions			
Purpose and Time Restrictions		4,436,397	5,537,585
Perpetual in Nature		<u>1,241,717</u>	<u>1,241,717</u>
		5,678,114	6,779,302
Total Net Assets		<u>15,470,083</u>	<u>18,296,174</u>
Total Liabilities and Net Assets		<u>\$ 15,605,080</u>	<u>\$ 18,426,817</u>

See accompanying Independent Auditor's Report on supplemental information.

NSSC FOUNDATION**STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2022**

(With Comparative Totals for the Year Ended June 30, 2021)

	Without Donor Restrictions	With Donor Restrictions	Total 2022	Total 2021
PUBLIC SUPPORT AND OTHER REVENUE				
Grants and Contributions:				
Friends	\$ -	\$ -	\$ -	\$ 200
Distributions from and change in value of				
Charitable Gift Annuities	(29,295)	-	(29,295)	(27,184)
Net Assets Released from Restrictions	466,929	(466,929)	-	-
Total Public Support and Other Revenue	<u>437,634</u>	<u>(466,929)</u>	<u>(29,295)</u>	<u>(26,984)</u>
EXPENSES				
Program Services	957,829	-	957,829	868,196
Management & General	120,361	-	120,361	119,460
Fundraising	-	-	-	-
Total Expenses	<u>1,078,190</u>	<u>-</u>	<u>1,078,190</u>	<u>987,656</u>
Change in Net Assets Before Investment Income	<u>(640,556)</u>	<u>(466,929)</u>	<u>(1,107,485)</u>	<u>(1,014,640)</u>
Investment Income (Loss)				
Interest and Dividends	475,237	289,264	764,501	441,277
Realized Gain (Loss) on Investments	156,915	95,510	252,425	210,755
Unrealized Gain (Loss) on Investments	(1,674,190)	(1,019,033)	(2,693,223)	3,358,503
Investment Fees	(42,309)	-	(42,309)	(44,564)
Total Investment Income, Net	<u>(1,084,347)</u>	<u>(634,259)</u>	<u>(1,718,606)</u>	<u>3,965,971</u>
Change in Net Assets	<u>(1,724,903)</u>	<u>(1,101,188)</u>	<u>(2,826,091)</u>	<u>2,951,331</u>
Net Assets at Beginning of Year	<u>11,516,872</u>	<u>6,779,302</u>	<u>18,296,174</u>	<u>15,344,843</u>
Net Assets at End of Year	<u>\$ 9,791,969</u>	<u>\$ 5,678,114</u>	<u>\$ 15,470,083</u>	<u>\$ 18,296,174</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, 2022

	10/1/2020 - 6/30/2021	7/1/21 - 9/30/2021	10/1/2020 - 9/30/2021	10/1/2021 - 6/30/2022	7/1/2021- 6/30/2022
Federal Program III B - Grants for Supportive Services and Senior Centers - CFDA 93.044, CSFA 402-01-0027					
Support & Revenue					
Federal IIIB	\$ 243,470	\$ 31,530	\$ 275,000	\$ 211,955	\$ 243,485
Project Income	9,000	3,000	12,000	9,000	12,000
Agency Funding					
Cash Match	50,347	6,927	57,274	46,432	53,359
In-kind	4,500	1,500	6,000	4,500	6,000
	307,317	42,957	350,274	271,887	314,844
Expenses					
Personnel & Fringe	262,509	25,265	287,774	235,620	260,885
Other	44,808	17,692	62,500	36,267	53,959
	307,317	42,957	350,274	271,887	314,844
Total	\$ -	\$ -	\$ -	\$ -	\$ -

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

Support & Revenue					
Federal IIIE	\$ 211,877	\$ 91,357	\$ 303,234	\$ 227,222	\$ 318,579
Project Income	2,655	945	3,600	2,818	3,763
Agency Funding					
Cash Match	54,000	18,000	72,000	42,122	60,122
	268,532	110,302	378,834	272,162	382,464
Expenses					
Personnel & Fringe	182,400	60,800	243,200	181,875	242,675
Other	86,132	49,502	135,634	90,287	139,789
	268,532	110,302	378,834	272,162	382,464
Total	\$ -	\$ -	\$ -	\$ -	\$ -

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

Support & Revenue					
Federal VII	\$ 3,193	\$ 1,064	\$ 4,257	\$ 3,305	\$ 4,369
	3,193	1,064	4,257	3,305	4,369
Expenses					
Other	3,193	1,064	4,257	3,305	4,369
	3,193	1,064	4,257	3,305	4,369
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, 2022

	Adult Protective Services 402-05-2084	Care Coordination Unit 402-04-1641	CCU Workforce Retention 402-04-2815	Emergency Senior Services 402-04-2556	ACL APS Covid 402-05-2550	Legis Add on 444-99-2670	Other	Costs not allocated	Total costs
Program Expenses									
Salaries	\$ 179,498	\$ 1,703,511	\$ 150,000	\$ 23,500	\$ 6,000	\$ 213,500	\$ 819,609	\$ 1,933,861	\$ 5,029,479
Fringe benefits and payroll tax	27,160	428,479	-	-	-	36,500	122,112	360,883	975,134
Travel	2,501	11,752	-	-	-	-	418	5,278	19,949
Equipment	-	24,615	-	-	-	-	9,702	67,169	101,486
Supplies	-	1,306	-	-	-	-	13,514	7,446	22,266
Professional services	-	92,409	-	-	-	-	2,214	314,471	409,094
Occupancy - rent, utilities, insurance	6,572	125,362	-	-	-	-	39,465	236,735	408,134
Telecommunications	3,497	18,702	-	-	227	-	18,456	27,579	68,461
Training and education	275	1,811	-	-	-	-	1,450	8,907	12,443
Direct administrative costs	100	26,579	-	-	-	-	25,338	109,465	161,482
Assistance and other direct costs	-	6,964	-	96,057	-	-	194,740	231,507	529,268
Total Direct Expenses	219,603	2,441,490	150,000	119,557	6,227	250,000	1,247,018	3,303,301	7,737,196
Indirect costs	-	-	-	-	-	-	34,268	726,764	761,032
Total Expenses	219,603	2,441,490	150,000	119,557	6,227	250,000	1,281,286	4,030,065	8,498,228
Capitalized Equipment Purchases	-	-	-	-	-	-	6,964	-	6,964
Total	\$ 219,603	\$ 2,441,490	\$ 150,000	\$ 119,557	\$ 6,227	\$ 250,000	\$ 1,288,250	\$ 4,030,065	\$ 8,505,192

CSFA #	Program Name	State	Federal	Other	Total
402-05-2084	Illinois Department on Aging: Adult Protective Services	219,603	-	-	219,603
402-04-1641	Illinois Department on Aging: Care Coordination Unit	2,441,490	-	-	2,441,490
402-04-2815	Illinois Department on Aging: CCU Workforce Retention	150,000	-	-	150,000
402-04-2556	Illinois Department on Aging: Emergency Senior Services	119,557	-	-	119,557
402-05-2550	Illinois Department on Aging: ACL APS Covid	-	6,227	-	6,227
444-99-2670	Illinois Department Of Human Services Public Act 102-0017	250,000	-	-	250,000
	Other grant programs and activities	571,368	586,533	123,385	1,281,286
	All other costs not allocated	-	-	4,030,065	4,030,065
	Total Expenses	3,752,018	592,760	4,153,450	8,498,228
	Other grant programs and activities	-	-	6,964	6,964
	Capitalized Equipment Purchases	-	-	6,964	6,964
	Total	\$ 3,752,018	\$ 592,760	\$ 4,160,414	\$ 8,505,192

See accompanying Independent Auditor's Report on supplemental information.