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NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

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INDEPENDENT AUDITOR'S REPORT

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

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, 2023 and 2022, 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 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, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 opinion. 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.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 7, 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 8, 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 9 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 9 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, 2023, on our consideration of North Shore Senior Center and Subsidiary's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Shore Senior Center and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Shore Senior Center and Subsidiary's internal control over financial reporting and compliance.

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CJBS, LLC
Northbrook, IL

December 15, 2023

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

To the Board of Directors of
North Shore Senior Center

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the consolidated financial statements of North Shore Senior Center and Subsidiary (NSSC Foundation) (nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2023, 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, 2023. The financial statements of NSSC Foundation 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.

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

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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.

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Northbrook, IL

December 15, 2023

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash	$ 520,395	$ 596,214
Contributions Receivable	120,490	212,334
Grants and Contracts Receivable	757,765	806,654
Accounts Receivable	33,585	68,053
Prepaid Expenses and Other Assets	141,376	123,349
Total Current Assets	1,573,611	1,806,604
LONG-TERM ASSETS		
Investments	16,195,033	15,906,772
Operating Lease Right-Of-Use Assets	238,372	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	2,970,474	2,836,301
	16,203,944	16,069,771
Less: Accumulated Depreciation	(10,708,909)	(10,218,490)
Property and Equipment, Net	5,495,035	5,851,281
Total Long-Term Assets	21,928,440	21,817,828
Total Assets	$ 23,502,051	$ 23,624,432

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, 2023 AND 2022

LIABILITIES AND NET ASSETS

	2023	2022
CURRENT LIABILITIES		
Accounts Payable	$ 110,834	$ 104,280
Accrued Expenses	330,450	223,274
Current Portion of Operating Lease Liabilities	48,180	58,993
Custodial Accounts	4,261	4,501
Deferred Income	275,109	264,941
Charitable Gift Annuities	87,948	119,322
Total Current Liabilities	856,782	775,311
LONG-TERM LIABILITIES		
Bonds Payable	7,000,000	7,000,000
Less Bond Issuance Cost	(36,313)	(42,219)
Bonds Payable Less Bond Issuance Cost, Net	6,963,687	6,957,781
Operating Lease Liabilities	192,550	4,579
Total Long-Term Liabilities	7,156,237	6,962,360
Total Liabilities	8,013,019	7,737,671
COMMITMENTS		
NET ASSETS		
Without Donor Restrictions		
Undesignated	1,797,131	2,091,969
Bond Covenant Reserve	7,700,000	7,700,000
Board Designated	-	115,352
	9,497,131	9,907,321
With Donor Restrictions		
Purpose and Time Restrictions	4,688,603	4,676,142
Perpetual in Nature	1,303,298	1,303,298
	5,991,901	5,979,440
Total Net Assets	15,489,032	15,886,761
Total Liabilities and Net Assets	$ 23,502,051	$ 23,624,432

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, 2023 AND 2022

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Without Donor Restrictions	With Donor Restrictions	Total 2022
PUBLIC SUPPORT AND OTHER REVENUE						
Grants and Contributions						
Members	$ 42,373	$ -	$ 42,373	$ 53,472	$ -	$ 53,472
Friends	517,954	15,000	532,954	572,673	-	572,673
Foundation/Corporate Grants/Estates	656	250,000	250,656	144,863	100,000	244,863
Annual Benefit	126,712	-	126,712	169,033	-	169,033
Townships	171,000	-	171,000	170,000	-	170,000
Municipalities	140,689	-	140,689	132,911	-	132,911
Government Grants	1,341,310	-	1,341,310	1,069,643	-	1,069,643
Program Fees and Contracts						
Registration and Membership Fees	572,538	-	572,538	559,890	-	559,890
Program Service Fees	588,105	-	588,105	471,880	-	471,880
State Contracts	3,858,975	-	3,858,975	3,244,618	-	3,244,618
Change in Value of Split-Interest Agreements						
Charitable Gift Annuities	(2,002)	-	(2,002)	(29,295)	-	(29,295)
Net Assets Released from Restrictions	777,817	(777,817)	-	641,384	(641,384)	-
Total Public Support and Other Revenue	8,136,127	(512,817)	7,623,310	7,201,072	(541,384)	6,659,688
EXPENSES						
Program Services	7,504,059	-	7,504,059	6,818,696	-	6,818,696
Management and General	1,193,518	-	1,193,518	974,327	-	974,327
Fundraising	687,197	-	687,197	705,205	-	705,205
Total Expenses	9,384,774	-	9,384,774	8,498,228	-	8,498,228
Change in Net Assets Before Investment Income	(1,248,647)	(512,817)	(1,761,464)	(1,297,156)	(541,384)	(1,838,540)
Investment Income						
Interest and Dividends	359,733	212,810	572,543	475,393	289,264	764,657
Realized Gain on Investments	49,236	29,552	78,788	156,915	95,510	252,425
Unrealized Gain (Loss) on Investments	471,350	282,916	754,266	(1,674,190)	(1,019,033)	(2,693,223)
Investment Fees	(41,862)	-	(41,862)	(42,309)	-	(42,309)
Total Investment Income, Net	838,457	525,278	1,363,735	(1,084,191)	(634,259)	(1,718,450)
Change In Net Assets	(410,190)	12,461	(397,729)	(2,381,347)	(1,175,643)	(3,556,990)
Net Assets at Beginning of Year	9,907,321	5,979,440	15,886,761	12,288,668	7,155,083	19,443,751
Net Assets at End of Year	$ 9,497,131	$ 5,991,901	$ 15,489,032	$ 9,907,321	$ 5,979,440	$ 15,886,761

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, 2023

	Senior and Family Services	North Shore Senior Options	Lifelong Learning	House of Welcome	Total Program Services	Management and General	Fundraising	Total 2023
OPERATING EXPENSES								
Activities Program Expense	$ 12,482	$ -	$ 198,153	$ 5,479	$ 216,114	$ -	$ -	$ 216,114
Assistance	317,540	6,791	-	-	324,331	-	-	324,331
Conferences	6,616	1,589	2,252	1,110	11,567	8,774	3,340	23,681
Dues and Multimedia	4,091	-	995	2,833	7,919	229	5,596	13,744
Equipment Repair/Rentals	19,050	9,427	27,352	6,899	62,728	7,874	27,127	97,729
Fitness Center	-	-	6,307	-	6,307	-	-	6,307
Food/Recreation Supplies	699	-	9,344	8,128	18,171	4,718	324	23,213
Health and Disability	374,926	55,389	35,419	60,669	526,403	31,356	42,450	600,209
Insurance	36,887	5,902	10,328	10,328	63,445	5,154	5,164	73,763
Occupancy	162,974	23,789	48,536	53,607	288,906	19,821	20,406	329,133
Payroll Taxes	210,135	51,437	33,668	36,644	331,884	51,668	32,375	415,927
Postage	3,385	610	13,598	1,098	18,691	1,255	1,934	21,880
Printing/Office Supplies	21,678	5,986	40,248	10,398	78,310	29,598	12,269	120,177
Professional Fees	129,622	16,178	32,871	18,720	197,391	214,693	18,750	430,834
Retirement Plan	41,376	10,820	9,550	9,337	71,083	14,329	5,159	90,571
Salaries	2,846,610	676,112	470,391	499,222	4,492,335	681,535	427,753	5,601,623
Sundry	12,496	-	14,201	1,105	27,802	20,854	18,575	67,231
Telecommunications	25,167	9,064	6,313	3,432	43,976	2,334	2,496	48,806
Transportation	24,757	2,666	322	-	27,745	147	387	28,279
Total Operating Expenses	4,250,491	875,760	959,848	729,009	6,815,108	1,094,339	624,105	8,533,552
PROPERTY AND EQUIPMENT								
Depreciation and Amortization	286,936	59,120	64,796	49,213	460,065	66,229	42,131	568,425
Professional Fees–Facilities	12,367	2,548	2,793	2,121	19,829	2,855	1,816	24,500
Interest Expense and Costs	130,386	26,864	29,444	22,363	209,057	30,095	19,145	258,297
Total Property and Equipment	429,689	88,532	97,033	73,697	688,951	99,179	63,092	851,222
TOTAL EXPENSES	$ 4,680,180	$ 964,292	$ 1,056,881	$ 802,706	$ 7,504,059	$ 1,193,518	$ 687,197	$ 9,384,774

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 STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	($ 397,729)	($3,556,990)
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	562,519	622,410
Amortization Expense	5,906	5,905
Realized (Gain) on Sale of Investments	(78,788)	(252,425)
Unrealized (Gain) Loss on Investments	(754,266)	2,693,223
Non-Cash Lease Expense	72,104	118,750
(Increase) Decrease in Assets:		
Contributions Receivable	91,844	(12,001)
Grants and Contracts Receivable	48,889	(276,543)
Accounts Receivable	34,468	(34,834)
Prepaid Expenses and Other Assets	(18,027)	(74,482)
Increase (Decrease) in Liabilities:		
Accounts Payable	6,554	17,058
Accrued Expenses	107,176	(18,093)
Custodial Accounts	(240)	(192)
Deferred Income	10,168	105,638
Charitable Gift Annuities	(31,374)	(11,321)
Operating Lease Liabilities	(73,543)	(137,562)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(414,339)	(811,459)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(206,273)	(136,343)
Certificates of Deposits, Net	(104,130)	399,871
Proceeds from Sale of Investments	1,324,100	7,974,398
Purchases of Investments	(1,132,257)	(8,029,759)
Net Change in Cash and Cash Equivalents Included in Investments	457,080	457,080
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	338,520	665,247
NET CHANGE IN CASH AND CASH EQUIVALENTS	(75,819)	(146,212)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	596,214	742,426
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 520,395	$ 596,214
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 250,701	$ -
SUPPLEMENTAL CASH FLOW INFORMATION		
Interest Paid	$ 165,315	$ 16,053

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

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.

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).

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

Recent Accounting Pronouncements

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.

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.

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

Revenue from Grants and Contracts Including State Allocations

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.

Funding under Title III Older Americans Act. During years ended June 30, 2023 and 2022, the Center was a sub-recipient of federal and state 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 and state funding included under government grants in the consolidated statement of activities and the receivable as of year-end are as follows:

	2023	2022
Title IIIB Supportive Services and Senior Centers	$ 369,182	$ 243,485
Title IIIE Caregiver Support	$ 369,153	$ 318,579
Title IIIE Cares Act Caregiver Support	$ -	$ 27,850
Title IIIE TCARE Supplemental Funding	$ -	$ 2,684
Title IIIE CRC Supplemental Funding	$ -	$ 7,125
Grant Receivable	$ 39,798	$ 41,187
Deferred Revenue	$ 86,974	$ 86,974

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 38% and 37% of its revenue from contracts from the Illinois Department of Aging for the years ended June 30, 2023 and 2022, respectively. As of June 30, 2023 and 2022, 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 $425,065 and $576,319, 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.

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:

	2023	2022
Accounts receivable, net		
Beginning of year	$ 68,053	$ 609
End of year	$ 33,585	$ 68,053

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.

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.

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, 2023 and 2022, 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, 2023 and 2022, were $562,519 and $622,410, respectively.

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, 2023 and 2022.

Leases

The Organization recognizes 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. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the consolidated statement of operations. *The lease term* includes the noncancelable period specified in the agreement together with (1) periods covered by options to extend the lease if reasonably certain to exercise that option, (2) periods covered by an option to terminate if reasonably certain not to exercise that option and (3) periods covered by an option to extend (or not terminate) if the lessor controls it. *Short-term leases* or leases with a term of twelve months or less that do not contain a purchase option that is reasonably certain to exercise are excluded from ROU asset and lease liability calculations and are recognized as expenses on a straight-line basis over the term of the lease. Lease agreements that allow either party to terminate the agreement without permission from the other party with no more than an insignificant penalty are considered month-to-month leases. *Non-lease components* such as common area maintenance, property taxes, and insurance are expensed as incurred. *Discount rate*. When the rate implicit in the lease is not readily determinable, a lessee must use its incremental borrowing rate (IBR) or the risk-free rate if an accounting policy election is made and apply this accounting policy election by class of underlying asset. The Organization elected to use the IBR.

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.

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

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 and NSSC Foundation are Illinois nonprofit corporations exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) 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 Options was an Illinois nonprofit corporation exempt from federal and state income taxes under Section 501(c)(3) of the IRC; on June 15, 2022, North Shore Senior Options exhausted its remaining assets and was dissolved.

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, 2023 and 2022. 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 four main programs: House of Welcome, Lifelong Learning, Senior and Family Services, and Senior Options.

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.

The Lifelong Learning ("LL") 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

NOTE B – PROGRAMS (continued)

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)
- Escorted Transportation Services
- Friendly Visiting Program
- General Case Management
- Grandparents Raising Grandchildren
- Hearing Loss Program
- Home-Delivered Meals
- Lending Closet
- Medicare Counselors (SHIP)
- Options Counseling
- Support Groups
- Wellness Education

The Senior Options program (operated under NSSO until June 15, 2022, and under NSSC after June 15, 2022) offers a fee-based program, Senior Options, 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, Senior Options 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. Senior Options 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:

	Center	Foundation	Total 2023	Total 2022
Financial Assets:				
Cash	$ 192,980	$ 145,410	$ 338,390	$ 356,470
Receivables, Net	911,840	-	911,840	1,087,041
Operating Investments	478,757	2,206,380	2,685,137	2,351,725
Endowment Distribution	1,095,829	(1,095,829)	-	-
Total financial assets available within one year	$2,679,406	$ 1,255,961	$3,935,367	$3,795,236

In addition to financial assets available to meet general expenditures over the year, the Organization has board designated amounts of $0 and $115,352 as of June 30, 2023 and 2022, respectively, that could be made available if necessary.

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, 2023 and 2022:

	2023	2022
Cash/Money Market Funds	$ 102,572	$ 33,123
Mutual Funds	13,421,398	13,071,030
Real Estate Fund	1,327,378	1,580,080
Pooled Investment Fund	803,347	786,331
Total Foundation’s Investments	15,654,695	15,470,564
Cash/Money Market Funds	540,338	436,208
Total Center’s Investments	540,338	436,208
Total Investments	$ 16,195,033	$ 15,906,772

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:

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

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, 2023 and 2022.

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

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

Real Estate Fund 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, 2023:

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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

	Assets at Fair Value at June 30, 2023			
	Level 1	Level 2	Level 3	Total Fair Value
Mutual Funds - Equity	$ 9,895,753	$ -	$ -	$ 9,895,753
Mutual Funds - Fixed Income	2,832,702	-	-	2,832,702
Mutual Funds - Balanced	792,943	-	-	792,943
Total Assets at Fair Value	$ 13,421,398	$ -	$ -	13,421,398
Investments Measured at NAV*				2,130,725
Cash/Money Market Funds				642,910
Total Investments				$ 16,195,033

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

* 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, 2023 and 2022, respectively:

Instrument	Fair Value as of June 30, 2023	Fair Value as of June 30, 2022	Redemption Frequency	Redemption Notice Period
Real Estate Fund	$ 1,327,378	$ 1,580,080	quarterly	Requests at any time
Alternative Investment	$ 803,347	$ 786,331	month-end	Requests at any time

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

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.

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 agrees 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, 2023 and 2022, were $33,026 and $40,267, respectively. Changes in the value of split-interest agreements totaling $2,002 loss and $29,295 loss for 2023 and 2022, respectively, were included in the consolidated statement of activities.

NOTE F – LEASE OBLIGATIONS

ASC Topic 842, Leases

As of June 30, 2023, total right-of-use assets and operating lease liabilities were approximately $238,000 and $241,000, respectively. As of June 30, 2022, total right-of-use assets and operating lease liabilities were approximately $60,000 and $64,000, 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.

NOTE F – LEASE OBLIGATIONS (continued)

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

	2023	2022
Cash paid for operating lease liabilities	$ 73,545	$ 137,562
Right of use assets obtained in exchange for new operating lease obligations	250,701	-
Weighted-average remaining lease term	4.6	0.5
Weighted-average discount rate	3.0%	3.0%

Maturities of lease liabilities as of June 30, 2023 were as follows:

2024	$ 54,594
2025	54,107
2026	54,795
2027	56,145
2028	38,160
	257,801
Less imputed interest	(17,071)
Total Lease Liabilities	$ 240,730
Current Portion of Operating Lease Liabilities	$ 48,180
Long-Term Operating Lease Liabilities	192,550
Total Lease Liabilities	$ 240,730

NOTE G – NATURE OF RESTRICTIONS ON NET ASSETS

Net assets with donor restrictions as of June 30, 2023 and 2022:

	2023	2022
Subject to expenditure for specified purpose or periods		
Foundation		
Charitable Gift Annuity for Student Internship Program	$ 9,123	$ 9,123
House of Welcome Program	58,320	55,949
Men's Club Music Concerts	29,645	27,544
	97,088	92,616
Center		
Senior and Family Services	71,779	21,220
House of Welcome Program	50,000	100,000
Bond Debt Service	60,226	118,525
	182,005	239,745
Total subject to expenditure for specified purpose or periods	279,093	332,361

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2023 AND 2022

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

	2023	2022
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	3,260,726	3,342,868
Sandra R. Johnson Endowment	103,766	88,179
Golder Distinguished Senior Lecture Series Fund	441,416	385,744
Thaviu Concert Series Fund	382,673	332,100
Edwin J. Brach and Hazel and Bertram Brodie Endowment	123,762	109,376
Weber Endowment for Training and Professional Development for House of Welcome	45,528	40,039
Thaviu House of Welcome Scholarships	51,639	45,475
	4,409,510	4,343,781
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
	1,241,717	1,241,717
Center	61,581	61,581
	1,303,298	1,303,298
Total Endowments	5,712,808	5,647,079
Total Net Assets with Donor Restrictions	$ 5,991,901	$ 5,979,440

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.

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.

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, 2023 and 2022:

	2023	2022
The Foundation, Donor Restricted Endowment		
Accumulated investment gains	$ 1,409,511	$ 1,343,781
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	1,241,717	1,241,717
Total Foundation's Endowment	5,651,228	5,585,498
The Center, Donor Restricted Endowment		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	61,581	61,581
Total Center's Endowment	61,581	61,581
Total Endowment	$ 5,712,809	$ 5,647,079

Reconciliation of the Beginning and Ending Balances of Endowment Funds

There were no changes in Center's endowment net assets as of June 30, 2023 and 2022. The changes in donor-restricted endowment net assets are as follows for the years ended June 30, 2023 and 2022:

	2023	2022
The Foundation, Donor Restricted Endowment		
Endowment Net Assets, Beginning of Year	$ 5,585,498	$ 6,672,597
Investment Return (Loss)	517,459	(625,383)
Appropriated for Expenditure	(451,729)	(461,716))
Endowment Net Assets, End of Year	5,651,228	5,585,498
The Center, Donor Restricted Endowment		
Endowment Net Assets, End of Year	61,581	61,581
Total Endowment	$ 5,712,809	$ 5,647,079

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, 2023 and 2022.

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 $90,571 and $82,389 in the fiscal year ended June 30, 2023 and 2022, 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.

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 2023 and 2022, the average annual interest rates were 2.57% and 0.24%, 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 $165,315 and $16,053 for the year ended June 30, 2023 and 2022, 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, 2024, and require an annual fee of 1.35 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, 2023 and 2022) 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, 2023 and 2022.

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, 2023 and 2022, the amortization expense was $5,906 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.

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, 2023 and 2022, available for spending in the next following year when the conditions are expected to be met:

	2023	2022
Federal Funding under Title III Older Americans Act	$ 200,000	$ 150,000
Municipalities and Townships grants	153,000	144,000
Illinois Department of Aging CCU Workforce Retention	-	560,000
Illinois Department of Aging Emergency Senior Services	-	297,000
Total Conditional Promises to Give	$ 353,000	$ 1,151,000

NOTE N – SUBSEQUENT EVENTS

The management of the Organization has evaluated events subsequent to the consolidated statement of financial position date of June 30, 2023, through December 15, 2023, 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 2023 financial statements or related consolidated note disclosures in accordance with FASB ASC 855, *Subsequent Events*.

SUPPLEMENTARY INFORMATION

NORTH SHORE SENIOR CENTER AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

ASSETS	North Shore Senior Center	NSSC Foundation	Eliminations	Total
CURRENT ASSETS				
Cash	$ 374,985	$ 145,410	$ -	$ 520,395
Contributions Receivable	120,490	-	-	120,490
Grants and Contracts Receivable	757,765	-	-	757,765
Due from Related Party	-	-	-	-
Accounts Receivable	33,585	-	-	33,585
Prepaid Expenses and Other Assets	141,376	-	-	141,376
Total Current Assets	1,428,201	145,410	-	1,573,611
LONG-TERM ASSETS				
Investments	540,338	15,654,695	-	16,195,033
Operating Lease Right-Of-Use Asssets	238,372	-	-	238,372
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	2,970,474	-	-	2,970,474
	16,203,944	-	-	16,203,944
Less: Accumulated Depreciation	(10,708,909)	-	-	(10,708,909)
Property and Equipment, Net	5,495,035	-	-	5,495,035
Total Long-Term Assets	6,273,745	15,654,695	-	21,928,440
Total Assets	$ 7,701,946	$ 15,800,105	$ -	$ 23,502,051

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2023

	North Shore Senior Center	NSSC Foundation	Eliminations	Total
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Accounts Payable	$ 106,834	$ 4,000	$ -	$ 110,834
Accrued Expenses	330,450	-	-	330,450
Current Portion of Operating Lease Liabilities	48,180	-	-	48,180
Custodial Accounts	4,261	-	-	4,261
Deferred Income	275,109	-	-	275,109
Charitable Gift Annuities	-	87,948	-	87,948
Total Current Liabilities	764,834	91,948	-	856,782
LONG-TERM LIABILITIES				
Bonds Payable	7,000,000	-	-	7,000,000
Less Bond Issuance Cost	(36,313)	-	-	(36,313)
Bonds Payable Less Bond Issuance Cost, Net	6,963,687	-	-	6,963,687
Operating Lease Liabilities	192,550	-	-	192,550
Total Long-Term Liabilities	7,156,237	-	-	7,156,237
Total Liabilities	7,921,071	91,948	-	8,013,019
COMMITMENTS				
NET ASSETS				
Without Donor Restrictions				
Undesignated	(462,711)	2,259,842	-	1,797,131
Bond Covenant Reserve	-	7,700,000	-	7,700,000
Board Designated	-	-	-	-
	(462,711)	9,959,842	-	9,497,131
With Donor Restrictions				
Purpose and Time Restrictions	182,005	4,506,598		4,688,603
Perpetual in Nature	61,581	1,241,717	-	1,303,298
	243,586	5,748,315	-	5,991,901
Total Net Assets	(219,125)	15,708,157	-	15,489,032
Total Liabilities and Net Assets	$ 7,701,946	$ 15,800,105	$ -	$ 23,502,051

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

	North Shore Senior Center			NSSC Foundation		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND OTHER REVENUE						
Grants and Contributions						
Members	$ 42,373	$ -	$ 42,373	$ -	$ -	$ -
Friends	517,954	15,000	532,954	-	-	-
Foundation/Corporate Grants/Estates	1,005,870	250,000	1,255,870	-	-	-
Annual Benefit	126,712	-	126,712	-	-	-
Townships	171,000	-	171,000	-	-	-
Municipalities	140,689	-	140,689	-	-	-
Government Grants	1,341,310	-	1,341,310	-	-	-
Program Fees and Contracts						
Registration and Membership Fees	572,538	-	572,538	-	-	-
Program Service Fees	588,105	-	588,105	-	-	-
State Contracts	3,858,975	-	3,858,975	-	-	-
Change in Value of						
Split-Interest Agreements						
Charitable Gift Annuities	-	-	-	(2,002)	-	(2,002)
Net Assets Released from Restrictions	322,740	(322,740)	-	455,077	(455,077)	-
		-				
Total Public Support and Other Revenue	8,688,266	(57,740)	8,630,526	453,075	(455,077)	(2,002)
EXPENSES						
Program Services	7,504,059	-	7,504,059	1,005,214	-	1,005,214
Management and General	1,080,256	-	1,080,256	113,262	-	113,262
Fundraising	687,197	-	687,197	-	-	-
Total Expenses	9,271,512	-	9,271,512	1,118,476	-	1,118,476
Change in Net Assets Before Investment Income	(583,246)	(57,740)	(640,986)	(665,401)	(455,077)	(1,120,478)
Investment Income						
Interest and Dividends	5,183	-	5,183	354,550	212,810	567,360
Realized Gain (Loss) on Investments	-	-	-	49,236	29,552	78,788
Unrealized Gain (Loss) on Investments	-	-	-	471,350	282,916	754,266
Investment Fees	-	-	-	(41,862)	-	(41,862)
Total Investment Income, Net	5,183	-	5,183	833,274	525,278	1,358,552
Change In Net Assets	(578,063)	(57,740)	(635,803)	167,873	70,201	238,074
Net Assets at Beginning of Year	115,352	301,326	416,678	9,791,969	5,678,114	15,470,083
Net Assets at End of Year	($ 462,711)	$ 243,586	($ 219,125)	$ 9,959,842	$ 5,748,315	$ 15,708,157

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARY

CONSOLIDATING STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023

		Consolidated Totals		
	Eliminations	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND OTHER REVENUE				
Grants and Contributions				
Members	$ -	$ 42,373	$ -	$ 42,373
Friends	-	517,954	15,000	532,954
Foundation/Corporate Grants/Estates	(1,005,214)	656	250,000	250,656
Annual Benefit	-	126,712	-	126,712
Townships	-	171,000	-	171,000
Municipalities	-	140,689	-	140,689
Government Grants	-	1,341,310	-	1,341,310
Program Fees and Contracts				
Registration and Membership Fees	-	572,538	-	572,538
Program Service Fees	-	588,105	-	588,105
Federal and State Contracts	-	3,858,975	-	3,858,975
Change in Value of Split-Interest Agreements				
Charitable Gift Annuities	-	(2,002)	-	(2,002)
Net Assets Released from Restrictions	-	777,817	(777,817)	-
Total Public Support and Other Revenue	(1,005,214)	8,136,127	(512,817)	7,623,310
EXPENSES				
Program Services	(1,005,214)	7,504,059	-	7,504,059
Management and General	-	1,193,518	-	1,193,518
Fundraising	-	687,197	-	687,197
Total Expenses	(1,005,214)	9,384,774	-	9,384,774
Change in Net Assets Before Investment Income	-	(1,248,647)	(512,817)	(1,761,464)
Investment Income				
Interest and Dividends	-	359,733	212,810	572,543
Realized Gain on Investments	-	49,236	29,552	78,788
Unrealized Gain on Investments	-	471,350	282,916	754,266
Investment Fees	-	(41,862)	-	(41,862)
Total Investment Income	-	838,457	525,278	1,363,735
Change In Net Assets	-	(410,190)	12,461	(397,729)
Net Assets at Beginning of Year	-	9,907,321	5,979,440	15,886,761
Net Assets at End of Year	$ -	$ 9,497,131	$ 5,991,901	$ 15,489,032

See accompanying Independent Auditor's Report on supplemental information.

SCHEDULE 3

NORTH SHORE SENIOR CENTER AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

	North Shore Senior Center							
	Senior and Family Services	Lifelong Learning	Senior Options	House of Welcome	Total Program Services	Management and General	Fundraising	North Shore Senior Center Total
OPERATING EXPENSES								
Activities Program Expense	$ 12,482	$ 198,153	$ -	$ 5,479	$ 216,114	$ -	$ -	$ 216,114
Assistance	317,540	-	6,791	-	324,331	-	-	324,331
Conferences	6,616	2,252	1,589	1,110	11,567	8,774	3,340	23,681
Dues and Multimedia	4,091	995	-	2,833	7,919	229	5,596	13,744
Equipment Repair/Rentals	19,050	27,352	9,427	6,899	62,728	7,874	27,127	97,729
Fitness Center	-	6,307	-	-	6,307	-	-	6,307
Food/Recreation Supplies	699	9,344	-	8,128	18,171	4,718	324	23,213
Health and Disability	374,926	35,419	55,389	60,669	526,403	31,356	42,450	600,209
Insurance	36,887	10,328	5,902	10,328	63,445	5,154	5,164	73,763
Occupancy	162,974	48,536	23,789	53,607	288,906	13,821	20,406	323,133
Payroll Taxes	210,135	33,668	51,437	36,644	331,884	51,668	32,375	415,927
Postage	3,385	13,598	610	1,098	18,691	1,255	1,934	21,880
Printing/Office Supplies	21,678	40,248	5,986	10,398	78,310	29,598	12,269	120,177
Professional Fees	129,622	32,871	16,178	18,720	197,391	203,431	18,750	419,572
Retirement Plan	41,376	9,550	10,820	9,337	71,083	14,329	5,159	90,571
Salaries	2,846,610	470,391	676,112	499,222	4,492,335	585,535	427,753	5,505,623
Sundry	12,496	14,201	-	1,105	27,802	20,854	18,575	67,231
Telecommunications	25,167	6,313	9,064	3,432	43,976	2,334	2,496	48,806
Transportation	24,757	322	2,666	-	27,745	147	387	28,279
Related Party Grants	-	-	-	-	-	-	-	-
Total Operating Expenses	4,250,491	959,848	875,760	729,009	6,815,108	981,077	624,105	8,420,290
PROPERTY AND EQUIPMENT								
Depreciation and Amortization	286,936	64,796	59,120	49,213	460,065	66,229	42,131	568,425
Professional Fees–Facilities	12,367	2,793	2,548	2,121	19,829	2,855	1,816	24,500
Interest Expense and Costs	130,386	29,444	26,864	22,363	209,057	30,095	19,145	258,297
Total Property and Equipment	429,689	97,033	88,532	73,697	688,951	99,179	63,092	851,222
	$ 4,680,180	$ 1,056,881	$ 964,292	$ 802,706	$ 7,504,059	$ 1,080,256	$ 687,197	$ 9,271,512

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER AND SUBSIDIARY

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED JUNE 30, 2023

	NSSC Foundation					Consolidated Totals			
	Program Services	Management and General	Fundraising	NSSC Foundation Total	Eliminations	Program Services	Management and General	Fundraising	Total 2023
OPERATING EXPENSES									
Activities Program Expense	$ -	$ -	$ -	$ -	$ -	$ 216,114	$ -	$ -	$ 216,114
Assistance	-	-	-	-	-	324,331	-	-	324,331
Conferences	-	-	-	-	-	11,567	8,774	3,340	23,681
Dues and Multimedia	-	-	-	-	-	7,919	229	5,596	13,744
Equipment Repair/Rentals	-	-	-	-	-	62,728	7,874	27,127	97,729
Fitness Center	-	-	-	-	-	6,307	-	-	6,307
Food/Recreation Supplies	-	-	-	-	-	18,171	4,718	324	23,213
Health and Disability	-	-	-	-	-	526,403	31,356	42,450	600,209
Insurance	-	-	-	-	-	63,445	5,154	5,164	73,763
Occupancy	-	6,000	-	6,000	-	288,906	19,821	20,406	329,133
Payroll Taxes	-	-	-	-	-	331,884	51,668	32,375	415,927
Postage	-	-	-	-	-	18,691	1,255	1,934	21,880
Printing/Office Supplies	-	-	-	-	-	78,310	29,598	12,269	120,177
Professional Fees	-	11,262	-	11,262	-	197,391	214,693	18,750	430,834
Retirement Plan	-	-	-	-	-	71,083	14,329	5,159	90,571
Salaries	-	96,000	-	96,000	-	4,492,335	681,535	427,753	5,601,623
Sundry	-	-	-	-	-	27,802	20,854	18,575	67,231
Telecommunications	-	-	-	-	-	43,976	2,334	2,496	48,806
Transportation	-	-	-	-	-	27,745	147	387	28,279
Related Party Grants	1,005,214	-	-	1,005,214	(1,005,214)	-	-	-	-
Total Operating Expenses	1,005,214	113,262	-	1,118,476	(1,005,214)	6,815,108	1,094,339	624,105	8,533,552
PROPERTY AND EQUIPMENT									
Depreciation and Amortization	-	-	-	-	-	460,065	66,229	42,131	568,425
Professional Fees–Facilities	-	-	-	-	-	19,829	2,855	1,816	24,500
Interest Expense and Costs	-	-	-	-	-	209,057	30,095	19,145	258,297
Total Property and Equipment	-	-	-	-	-	688,951	99,179	63,092	851,222
	$ 1,005,214	$ 113,262	$ -	$ 1,118,476	($ 1,005,214)	$ 7,504,059	$ 1,193,518	$ 687,197	$ 9,384,774

See accompanying Independent Auditor's Report on supplemental information.

SCHEDULE 4

NORTH SHORE SENIOR CENTER

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash	$ 374,985	$ 461,698
Contributions Receivable	120,490	212,334
Grants and Contracts Receivable	757,765	806,654
Accounts Receivable	33,585	68,053
Prepaid Expenses and Other Assets	141,376	123,349
Total Current Assets	1,428,201	1,672,088
LONG-TERM ASSETS		
Investments	540,338	436,208
Operating Lease Right-Of-Use Assets	238,372	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	2,970,474	2,836,301
	16,203,944	16,069,771
Less: Accumulated Depreciation	(10,708,909)	(10,218,490)
Property and Equipment, Net	5,495,035	5,851,281
Total Long-Term Assets	6,273,745	6,347,264
Total Assets	$ 7,701,946	$ 8,019,352

See accompanying Independent Auditor's Report on supplemental information.

NORTH SHORE SENIOR CENTER

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

LIABILITIES AND NET ASSETS

	2023	2022
CURRENT LIABILITIES		
Accounts Payable	$ 106,834	$ 88,605
Accrued Expenses	330,450	223,274
Current Portion of Operating Lease Liabilities	48,180	58,993
Custodial Accounts	4,261	4,501
Deferred Income	275,109	264,941
Total Current Liabilities	764,834	640,314
LONG-TERM LIABILITIES		
Bonds Payable	7,000,000	7,000,000
Less Bond Issuance Cost	(36,313)	(42,219)
Bonds Payable Less Bond Issuance Cost, Net	6,963,687	6,957,781
Operating Lease Liabilities	192,550	4,579
Total Long-Term Liabilities	7,156,237	6,962,360
Total Liabilities	7,921,071	7,602,674
COMMITMENTS		
NET ASSETS (DEFICIT)		
Without Donor Restrictions		
Undesignated	(462,711)	-
Board Designated	-	115,352
	(462,711)	115,352
With Donor Restrictions		
Purpose and Time Restrictions	182,005	239,745
Perpetual in Nature	61,581	61,581
	243,586	301,326
Total Net Assets (Deficit)	(219,125)	416,678
Total Liabilities and Net Assets	$ 7,701,946	$ 8,019,352

See accompanying Independent Auditor's Report on supplemental information.

SCHEDULE 5

NORTH SHORE SENIOR CENTER

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
PUBLIC SUPPORT AND OTHER REVENUE				
Grants and Contributions:				
Members	$ 42,373	$ -	$ 42,373	$ 53,472
Friends	517,954	15,000	532,954	570,073
Foundation/Corporate Grants/Estates	1,005,870	250,000	1,255,870	1,202,692
Annual Benefit	126,712	-	126,712	169,033
Townships	171,000	-	171,000	170,000
Municipalities	140,689	-	140,689	132,911
Government Grants	1,341,310	-	1,341,310	1,069,643
Program Fees and Contracts				
Registration and Membership Fees	572,538	-	572,538	559,890
Program Service Fees	588,105	-	588,105	314,888
State Contracts	3,858,975	-	3,858,975	3,244,618
Net Assets Released from Restrictions	322,740	(322,740)	-	-
Total Public Support and Other Revenue	8,688,266	(57,740)	8,630,526	7,487,220
EXPENSES				
Program Services	7,504,059	-	7,504,059	6,754,482
Management and General	1,080,256	-	1,080,256	801,727
Fundraising	687,197	-	687,197	662,066
Total Expenses	9,271,512	-	9,271,512	8,218,275
Change in Net Assets Before Investment Income	(583,246)	(57,740)	(640,986)	(731,055)
Investment Income				
Interest and Dividends	5,183	-	5,183	156
Change In Net Assets	(578,063)	(57,740)	(635,803)	(730,899)
Net Assets at Beginning of Year	115,352	301,326	416,678	1,147,577
Net Assets at End of Year	($ 462,711)	$ 243,586	($ 219,125)	$ 416,678

See accompanying Independent Auditor's Report on supplemental information.

NSSC FOUNDATION

STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2023 AND 2022

ASSETS

	2023	2022
CURRENT ASSETS		
Cash	$ 145,410	$ 134,516
Total Current Assets	145,410	134,516
INVESTMENTS	15,654,695	15,470,564
Total Assets	$ 15,800,105	$ 15,605,080

LIABILITIES AND NET ASSETS

	2023	2022
CURRENT LIABILITIES		
Accounts Payable	$ 4,000	$ 15,675
Charitable Gift Annuities	87,948	119,322
Total Current Liabilities	91,948	134,997
Total Liabilities	91,948	134,997
NET ASSETS		
Without Donor Restrictions		
Undesignated	2,259,842	2,091,969
Bond Covenant Reserve	7,700,000	7,700,000
	9,959,842	9,791,969
With Donor Restrictions		
Purpose and Time Restrictions	4,506,598	4,436,397
Perpetual in Nature	1,241,717	1,241,717
	5,748,315	5,678,114
Total Net Assets	15,708,157	15,470,083
Total Liabilities and Net Assets	$ 15,800,105	$ 15,605,080

See accompanying Independent Auditor's Report on supplemental information.

NSSC FOUNDATION

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2023
(With Comparative Totals for the Year Ended June 30, 2022)

	Without Donor Restrictions	With Donor Restrictions	Total 2023	Total 2022
PUBLIC SUPPORT AND OTHER REVENUE				
Distributions from and change in value of Charitable Gift Annuities	$ (2,002)	$ -	$ (2,002)	$ (29,295)
Net Assets Released from Restrictions	455,077	(455,077)	-	-
Total Public Support and Other Revenue	453,075	(455,077)	(2,002)	(29,295)
EXPENSES				
Program Services	1,005,214	-	1,005,214	957,829
Management & General	113,262	-	113,262	120,361
Fundraising	-	-	-	-
Total Expenses	1,118,476	-	1,118,476	1,078,190
Change in Net Assets Before Investment Income	(665,401)	(455,077)	(1,120,478)	(1,107,485)
Investment Income (Loss)				
Interest and Dividends	354,550	212,810	567,360	764,501
Realized Gain (Loss) on Investments	49,236	29,552	78,788	252,425
Unrealized Gain (Loss) on Investments	471,350	282,916	754,266	(2,693,223)
Investment Fees	(41,862)	-	(41,862)	(42,309)
Total Investment Income, Net	833,274	525,278	1,358,552	(1,718,606)
Change in Net Assets	167,873	70,201	238,074	(2,826,091)
Net Assets at Beginning of Year	9,791,969	5,678,114	15,470,083	18,296,174
Net Assets at End of Year	$ 9,959,842	$ 5,748,315	$ 15,708,157	$ 15,470,083

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 AGEOPTIONS -THE AREA AGENCY

FOR THE YEAR ENDED JUNE 30, 2023

	10/1/2021 - 6/30/2022	7/1/2022 - 9/30/2022	10/1/2021 - 9/30/2022	10/1/2022 - 6/30/2023	7/1/2022- 6/30/2023
	Federal Program III B - Grants for Supportive Services and Senior Centers - CFDA 93.044, CSFA 402-01-0027				
Support & Revenue					
Federal IIIB	$ 211,955	$ 77,928	$ 289,883	$ 291,254	$ 369,182
Project Income	9,000	3,000	12,000	9,000	12,000
Agency Funding					
Cash Match	46,432	15,479	61,911	56,992	72,471
In-kind	4,500	1,500	6,000	4,500	6,000
	271,887	**97,907**	**369,794**	**361,746**	**459,653**
Expenses					
Personnel & Fringe	235,620	85,174	320,794	319,800	404,974
Other	36,267	12,733	49,000	41,946	54,679
	271,887	**97,907**	**369,794**	**361,746**	**459,653**
Total	$ -	$ -	$ -	$ -	$ -
	Federal Program III E - National Family Caregiver Support - CFDA 93.052, CSFA 402-01-0030				
Support & Revenue					
Federal IIIE	$ 227,222	$ 85,053	$ 312,275	$ 284,100	$ 369,153
Project Income	2,818	782	3,600	2,840	3,622
Agency Funding					
Cash Match	42,122	14,040	56,162	67,689	81,729
	272,162	**99,875**	**372,037**	**354,629**	**454,504**
Expenses					
Personnel & Fringe	181,875	60,625	242,500	273,984	334,609
Other	90,287	39,250	129,537	80,645	119,895
	272,162	**99,875**	**372,037**	**354,629**	**454,504**
Total	$ -	$ -	$ -	$ -	$ -
	Federal Program VII - Programs for Prevention of Elder Abuse, Neglect and Exploitation - CFDA 93.041, CSFA 402-01-0024				
Support & Revenue					
Federal VII	$ 3,305	$ 1,102	$ 4,407	$ 3,305	$ 4,407
	3,305	**1,102**	**4,407**	**3,305**	**4,407**
Expenses					
Other	3,305	1,102	4,407	3,305	4,407
	3,305	**1,102**	**4,407**	**3,305**	**4,407**
Total	$ -	$ -	$ -	$ -	$ -

SCHEDULE 9

NORTH SHORE SENIOR CENTER AND SUBSIDIARIES

CONSOLIDATED YEAR-END FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023

Program Expenses	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	American Rescue Plan for APS 402-05-2768	Other	Costs not allocated	Total costs
Salaries	$ 182,926	$ 1,908,259	$ 560,000	$ 27,000	$ 5,900	$ 18,453	$ 1,086,720	$ 1,812,365	$ 5,601,623
Fringe benefits and payroll tax	21,060	508,133	-	-	-	-	166,456	411,058	1,106,707
Travel	3,861	20,896	-	-	-	-	742	2,780	28,279
Equipment	-	17,307	-	-	1,743	-	5,400	73,279	97,729
Supplies	-	699	-	-	-	-	3,741	18,773	23,213
Professional services	-	120,681	-	-	-	-	-	310,153	430,834
Occupancy - rent, utilities, insurance	-	165,361	-	-	-	-	34,500	203,035	402,896
Telecommunications	3,490	25,167	-	-	-	-	5,400	14,749	48,806
Training and education	-	6,616	-	-	-	-	1,500	15,565	23,681
Direct administrative costs	-	29,154	-	-	-	-	20,000	106,647	155,801
Assistance and other direct costs	-	12,496	-	167,597	-		234,702	199,188	613,983
Total Direct Expenses	211,337	2,814,769	560,000	194,597	7,643	18,453	1,559,161	3,167,592	8,533,552
Indirect costs	-	-	-	-	-	-	48,060	803,162	851,222
Total	$ 211,337	$ 2,814,769	$ 560,000	$ 194,597	$ 7,643	$ 18,453	$ 1,607,221	$ 3,970,754	$ 9,384,774

CSFA #	Program Name	State	Federal	Other	Total
402-05-2084	Illinois Department on Aging: Adult Protective Services	211,337	-	-	211,337
402-04-1641	Illinois Department on Aging: Care Coordination Unit	2,814,769	-	-	2,814,769
402-04-2815	Illinois Department on Aging: CCU Workforce Retention	560,000	-	-	560,000
402-04-2556	Illinois Department on Aging: Emergency Senior Services	194,597	-	-	194,597
402-05-2550	Illinois Department on Aging: ACL APS Covid	-	7,643	-	7,643
402-05-2768	Illinois Department on Aging: American Rescue Plan for APS	-	18,453	-	18,453
	Other grant programs and activities	883,781	553,618	169,822	1,607,221
	All other costs not allocated	-	-	3,970,754	3,970,754
	Total Expenses	4,664,484	579,714	4,140,576	9,384,774
	Total	$ 4,664,484	$ 579,714	$ 4,140,576	$ 9,384,774

See accompanying Independent Auditor's Report on supplemental information.