



**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

# **NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

## **TABLE OF CONTENTS**

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF CONSOLIDATED FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b>	
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Consolidated Statements of Financial Position, June 30, 2019 and 2018 .....	1 - 2
Consolidated Statements of Activities for the Years Ended June 30, 2019 and 2018.....	3
Consolidated Statement of Functional Expenses for the Year June 30, 2019.....	4
Consolidated Statement of Functional Expenses for the Year June 30, 2018.....	5
Consolidated Statements of Cash Flows for the Years Ended June 30, 2019 and 2018.....	6
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.....</b>	<b>7 – 27</b>
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule 1 – Consolidating Statement of Financial Position, June 30, 2019 .....	28-29
Schedule 2 – Consolidating Statement of Activities for the Year Ended June 30, 2019 .....	30-31
Schedule 3 – Consolidating Statement of Functional Expenses for the Year Ended June 30, 2019.....	32-33
Schedule 4 – North Shore Senior Center – Statements of Financial Position, June 30, 2019 and 2018.....	34-35
Schedule 5 – North Shore Senior Center – Statement of Activities for the Year Ended June 30, 2019, with comparative totals for the Year Ended June 30, 2018 .....	36
Schedule 6 – North Shore Senior Options – Statements of Financial Position, June 30, 2019 and 2018.....	37
Schedule 7 – North Shore Senior Options – Statement of Activities for the Year Ended June 30, 2019, with comparative totals for the Year Ended June 30 2018 .....	38
Schedule 8 – NSSC Foundation - Statements of Financial Position, June 30, 2019 and 2018.....	39
Schedule 9 – NSSC Foundation - Statement of Activities for the Year Ended June 30, 2019, with comparative totals for the Year Ended June 30 2018 .....	40
Schedules 10: Reconciliation of Project Revenue and Expenses for Federally Funded Programs Administered Through AgeOptions – the Area Agency .....	41
Schedules 11: Consolidated Year-End Financial Report.....	42



## **INDEPENDENT AUDITOR'S REPORT**

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

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

We have audited the accompanying consolidated financial statements of North Shore Senior Center and Subsidiaries (NSSC Foundation and North Shore Senior Options) (nonprofit organizations), which comprise the consolidated statements of financial position as of June 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

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

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. The financial statements of NSSC Foundation and North Shore Senior Options were not audited in accordance with Government Auditing Standards.

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

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

## **Opinion**

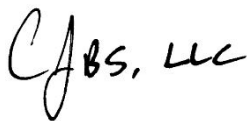
In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of North Shore Senior Center and Subsidiaries as of June 30, 2019 and 2018, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplemental schedules presented on Schedules 1 through 9 on pages 28-40 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The supplemental information presented on Schedule 10 on page 41 as required by AgeOptions – The Area Agency is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. The supplementary information presented on Schedule 11 on page 42 that includes the Consolidated Year-End Financial Report for the State of Illinois Grant Accountability and Transparency Act (GATA) compliance is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019, on our consideration of North Shore Senior Center and Subsidiaries' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Shore Senior Center and Subsidiaries' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Shore Senior Center and Subsidiaries' internal control over financial reporting and compliance.



CJBS, LLC  
Northbrook, IL

December 16, 2019



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

To the Board of Directors of  
North Shore Senior Center

We have audited the consolidated financial statements of North Shore Senior Center and Subsidiaries (NSSC Foundation, and North Shore Senior Options) (nonprofit organizations), which comprise the consolidated statement of financial position as of June 30, 2019, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated December 16, 2019. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The financial statements of North Shore Senior Center's subsidiaries, NSSC Foundation and North Shore Senior Options, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with NSSC Foundation and North Shore Senior Options.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered Organization's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of Organization's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Organization's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and

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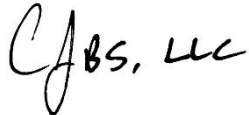
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accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CJBS

Northbrook, IL

December 16, 2019

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

	<b><u>ASSETS</u></b>	
	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 557,998	\$ 1,017,626
Contributions Receivable	69,280	75,653
Grants and Contracts Receivable	660,302	1,106,807
Accounts Receivable	100,849	160,692
Prepaid Expenses and Other Assets	68,603	96,240
	<u>1,457,032</u>	<u>2,457,018</u>
<b>INVESTMENTS</b>	<u>17,240,525</u>	<u>16,754,285</u>
<b>PROPERTY AND EQUIPMENT</b>		
Land	1,860,000	1,860,000
161 Northfield Building	7,577,404	7,577,404
House of Welcome Building	2,566,969	2,566,969
Land Improvements	1,229,097	1,229,097
Furniture and Equipment	2,662,733	2,536,989
	<u>15,896,203</u>	<u>15,770,459</u>
Less: Accumulated Depreciation	<u>( 8,686,503)</u>	<u>( 8,217,466)</u>
Total Property and Equipment	<u>7,209,700</u>	<u>7,552,993</u>
<b>OTHER ASSETS</b>		
Security Deposits	<u>-</u>	<u>1,460</u>
Total Other Assets	<u>-</u>	<u>1,460</u>
Total Assets	<u><u>\$ 25,907,257</u></u>	<u><u>\$ 26,765,756</u></u>

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 134,474	\$ 106,220
Accrued Expenses	126,271	165,896
Custodial Accounts	5,592	5,743
Deferred Income	22,930	40,629
Charitable Gift Annuities	52,992	57,214
	<u>342,259</u>	<u>375,702</u>
<b>LONG-TERM LIABILITIES</b>		
Bonds Payable	7,000,000	7,000,000
Less Bond Issuance Cost	<u>( 59,934)</u>	<u>( 65,840)</u>
Bonds Payable Less Bond Issuance Cost, Net	6,940,066	6,934,160
	<u>6,940,066</u>	<u>6,934,160</u>
<b>Total Long-Term Liabilities</b>	<u>6,940,066</u>	<u>6,934,160</u>
<b>Total Liabilities</b>	<u>7,282,325</u>	<u>7,309,862</u>
 <b>COMMITMENTS</b>		
<b>NET ASSETS</b>		
Without Donor Restrictions		
Undesignated	4,454,733	5,298,330
Bond Covenant Reserve	7,700,000	7,700,000
Board Designated	458,661	458,661
	<u>12,613,394</u>	<u>13,456,991</u>
With Donor Restrictions		
Purpose and Time Restrictions	4,708,240	4,695,605
Perpetual in Nature	1,303,298	1,303,298
	<u>6,011,538</u>	<u>5,998,903</u>
<b>Total Net Assets</b>	<u>18,624,932</u>	<u>19,455,894</u>
 <b>Total Liabilities and Net Assets</b>	 <u>\$ 25,907,257</u>	 <u>\$ 26,765,756</u>

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



**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF ACTIVITIES**

**FOR THE YEARS ENDED JUNE 30, 2019 AND 2018**

	Without Donor Restrictions	With Donor Restrictions	Total 2019	Without Donor Restrictions	With Donor Restrictions	Total 2018
<b>PUBLIC SUPPORT AND OTHER REVENUE</b>						
Grants and Contributions						
Members	\$ 111,919	\$ -	\$ 111,919	\$ 113,511	\$ -	\$ 113,511
Friends	435,620	-	435,620	437,820	-	437,820
Foundation/Corporate Grants/Estates	156,888	246,267	403,155	240,228	235,000	475,228
Annual Benefit	147,199	-	147,199	133,253	-	133,253
Townships	161,306	-	161,306	156,858	-	156,858
Municipalities	145,708	-	145,708	145,079	-	145,079
Government Grants	690,116	-	690,116	660,925	-	660,925
Other Contributions	500	-	500	13,141	-	13,141
Program Fees and Contracts						
Registration and Membership Fees	698,130	-	698,130	771,438	-	771,438
Program Service Fees	968,523	-	968,523	1,022,695	-	1,022,695
State Contracts	2,884,873	-	2,884,873	2,994,789	-	2,994,789
Gain on Sale of Equipment	6,247	-	6,247	-	-	-
Change in Value of Split-Interest Agreements						
Charitable Gift Annuities	( 47,730)	-	( 47,730)	( 46,514)	-	( 46,514)
Net Assets Released from Restrictions	527,366	( 527,366)	-	546,125	( 546,125)	-
	<u>6,886,665</u>	<u>( 281,099)</u>	<u>6,605,566</u>	<u>7,189,348</u>	<u>( 311,125)</u>	<u>6,878,223</u>
<b>EXPENSES</b>						
Program Services	7,069,096	-	7,069,096	7,026,155	-	7,026,155
Management and General	593,675	-	593,675	893,968	-	893,968
Fundraising	570,555	-	570,555	671,880	-	671,880
	<u>8,233,326</u>	<u>-</u>	<u>8,233,326</u>	<u>8,592,003</u>	<u>-</u>	<u>8,592,003</u>
Change in Net Assets Before Investment Income	( 1,346,661)	( 281,099)	( 1,627,760)	( 1,402,655)	( 311,125)	( 1,713,780)
Investment Income						
Interest and Dividends	367,737	193,960	561,697	360,820	176,105	536,925
Realized Gain on Investments	19,423	10,735	30,158	106,809	52,388	159,197
Unrealized Gain on Investments	161,085	89,039	250,124	395,412	193,941	589,353
Investment Fees	( 45,181)	-	( 45,181)	( 53,266)	-	( 53,266)
Total Investment Income, Net	<u>503,064</u>	<u>293,734</u>	<u>796,798</u>	<u>809,775</u>	<u>422,434</u>	<u>1,232,209</u>
Change In Net Assets	( 843,597)	12,635	( 830,962)	( 592,880)	111,309	( 481,571)
Net Assets at Beginning of Year	<u>13,456,991</u>	<u>5,998,903</u>	<u>19,455,894</u>	<u>14,049,871</u>	<u>5,887,594</u>	<u>19,937,465</u>
Net Assets at End of Year	<u>\$ 12,613,394</u>	<u>\$ 6,011,538</u>	<u>\$ 18,624,932</u>	<u>\$ 13,456,991</u>	<u>\$ 5,998,903</u>	<u>\$ 19,455,894</u>

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Senior and Family Services				Lifelong Learning	House of Welcome	Total Program Services	Management and General	Fundraising	Total 2019
	Community Education	Comprehensive Care	Comprehensive Care-Option	Counseling	Group	Adult Day Services				
<b>OPERATING EXPENSES</b>										
Activities Program Expense	\$ -	\$ -	\$ -	\$ -	\$ 214,168	\$ -	\$ 214,168	\$ -	\$ -	\$ 214,168
Assistance	-	125,168	-	-	-	-	125,168	-	-	125,168
Conferences	-	3,894	2,569	2,337	1,590	5,691	16,081	-	1,301	17,382
Dues and Multimedia	247	2,615	1,524	212	955	1,865	7,418	2,459	3,264	13,141
Equipment Repair/Rentals	502	27,863	2,728	4,808	14,507	4,625	55,033	8,310	32,130	95,473
Fitness Center	-	-	-	-	125,265	-	125,265	-	-	125,265
Food/Recreation Supplies	1,757	3,970	337	4,642	25,724	25,937	62,367	11,872	2,801	77,040
Health and Disability	-	187,659	34,460	73,273	11,422	75,352	382,166	8,502	21,694	412,362
Insurance	854	16,576	2,135	6,404	5,977	5,123	37,069	2,562	2,989	42,620
Occupancy	5,977	131,679	6,694	59,648	87,575	72,034	363,607	26,371	22,437	412,415
Payroll Taxes	1,455	165,266	33,262	35,232	32,555	54,519	322,289	16,523	20,318	359,130
Postage	265	10,003	500	3,913	11,644	1,465	27,790	6,945	10,380	45,115
Printing/Office Supplies	4,673	31,321	3,070	13,827	48,168	16,604	117,663	8,529	41,932	168,124
Professional Fees	5,924	128,683	40,547	62,360	25,770	28,939	292,223	207,685	55,720	555,628
Retirement Plan	410	28,716	7,581	11,265	7,829	10,276	66,077	4,739	4,378	75,194
Salaries	17,906	2,091,786	429,743	464,116	403,442	689,024	4,096,017	235,604	273,525	4,605,146
Sundry	299	7,553	2,131	2,685	13,357	3,691	29,716	7,599	20,103	57,418
Telecommunications	288	8,292	4,425	5,710	1,689	1,106	21,510	1,781	800	24,091
Transportation	38	28,193	6,795	9,894	743	-	45,663	207	3,367	49,237
<b>Total Operating Expenses</b>	<b>40,595</b>	<b>2,999,237</b>	<b>578,501</b>	<b>760,326</b>	<b>1,032,380</b>	<b>996,251</b>	<b>6,407,290</b>	<b>549,688</b>	<b>517,139</b>	<b>7,474,117</b>
<b>PROPERTY AND EQUIPMENT</b>										
Depreciation and Amortization	2,871	212,103	40,911	53,769	73,009	70,454	453,117	30,116	36,572	519,805
Professional Fees—Facilities	199	14,690	2,833	3,724	5,056	4,879	31,381	2,086	2,533	36,000
Interest Expense and Costs	1,123	82,998	16,009	21,040	28,569	27,569	177,308	11,785	14,311	203,404
<b>Total Property and Equipment</b>	<b>4,193</b>	<b>309,791</b>	<b>59,753</b>	<b>78,533</b>	<b>106,634</b>	<b>102,902</b>	<b>661,806</b>	<b>43,987</b>	<b>53,416</b>	<b>759,209</b>
<b>TOTAL EXPENSES</b>	<b>\$ 44,788</b>	<b>\$ 3,309,028</b>	<b>\$ 638,254</b>	<b>\$ 838,859</b>	<b>\$ 1,139,014</b>	<b>\$ 1,099,153</b>	<b>\$ 7,069,096</b>	<b>\$ 593,675</b>	<b>\$ 570,555</b>	<b>\$ 8,233,326</b>

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

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

	Senior and Family Services				Lifelong Learning	House of Welcome	Total Program Services	Management and General	Fundraising	Total 2018
	Community Education	Comprehensive Care	Comprehensive Care-CareOption	Counseling	Group	Adult Day Services				
<b>OPERATING EXPENSES</b>										
Activities Program Expense	\$ -	\$ -	\$ -	\$ -	\$ 232,639	\$ -	\$ 232,639	\$ -	\$ -	\$ 232,639
Assistance	-	121,483	-	-	-	-	121,483	-	-	121,483
Conferences	75	1,469	3,957	2,174	2,426	1,701	11,802	2,113	579	14,494
Dues and Multimedia	532	998	1,271	329	639	1,700	5,469	1,775	3,960	11,204
Equipment Repair/Rentals	463	6,304	2,076	2,779	13,425	6,915	31,962	35,768	36,677	104,407
Fitness Center	-	-	-	-	139,553	-	139,553	-	-	139,553
Food/Recreation Supplies	502	3,367	109	6,705	21,736	25,750	58,169	8,696	10,166	77,031
Health and Disability	8,523	206,097	24,374	41,203	24,838	67,113	372,148	84,130	17,838	474,116
Insurance	-	-	-	-	-	-	-	55,418	242	55,660
Occupancy	2,147	145,554	270	58,250	79,636	67,368	353,225	32,292	29,099	414,616
Payroll Taxes	2,559	171,185	27,743	39,508	32,940	56,594	330,529	22,194	28,801	381,524
Postage	20	7,085	30	2,945	2,595	144	12,819	14,678	7,885	35,382
Printing/Office Supplies	4,917	34,604	3,693	16,245	49,953	21,374	130,786	9,062	23,092	162,940
Professional Fees	4,493	82,565	27,216	62,128	22,531	31,713	230,646	244,219	26,932	501,797
Retirement Plan	1,025	33,587	7,886	14,051	9,091	13,532	79,172	10,503	6,826	96,501
Salaries	34,670	2,159,761	355,079	545,049	419,963	734,630	4,249,152	293,419	409,092	4,951,663
Sundry	955	876	154	421	12,495	237	15,138	8,940	13,708	37,786
Telecommunications	319	7,857	3,685	5,460	1,817	514	19,652	2,019	892	22,563
Transportation	-	23,322	6,821	14,412	751	7	45,313	228	3,591	49,132
Miscellaneous	-	-	-	-	-	500	500	24	500	1,024
<b>Total Operating Expenses</b>	<b>61,200</b>	<b>3,006,114</b>	<b>464,364</b>	<b>811,659</b>	<b>1,067,028</b>	<b>1,029,792</b>	<b>6,440,157</b>	<b>825,478</b>	<b>619,880</b>	<b>7,885,515</b>
<b>PROPERTY AND EQUIPMENT</b>										
Depreciation and Amortization	4,020	197,468	30,503	53,317	70,092	67,646	423,046	49,444	37,540	510,030
Professional Fees—Facilities	284	13,938	2,153	3,763	4,947	4,775	29,860	3,491	2,650	36,001
Interest Expense and Costs	1,265	62,124	9,596	16,774	22,051	21,282	133,092	15,555	11,810	160,457
<b>Total Property and Equipment</b>	<b>5,569</b>	<b>273,530</b>	<b>42,252</b>	<b>73,854</b>	<b>97,090</b>	<b>93,703</b>	<b>585,998</b>	<b>68,490</b>	<b>52,000</b>	<b>706,488</b>
<b>TOTAL EXPENSES</b>	<b>\$ 66,769</b>	<b>\$ 3,279,644</b>	<b>\$ 506,616</b>	<b>\$ 885,513</b>	<b>\$ 1,164,118</b>	<b>\$ 1,123,495</b>	<b>\$ 7,026,155</b>	<b>\$ 893,968</b>	<b>\$ 671,880</b>	<b>\$ 8,592,003</b>

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, 2019 AND 2018**

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	(\$ 830,962)	(\$ 481,571)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expense	513,899	504,116
Amortization Expense	5,906	5,914
Realized (Gain) on Sale of Investments	( 30,158)	( 159,197)
Unrealized (Gain) on Investments	( 250,124)	( 589,353)
(Gain) on Sale of Equipment	( 6,247)	-
(Increase) Decrease in Assets:		
Contributions Receivable	6,373	33,323
Grants and Contracts Receivable	446,505	( 179,354)
Accounts Receivable	59,843	( 13,525)
Prepaid Expenses and Other Assets	27,637	13,673
Security Deposits	1,460	-
Increase (Decrease) in Liabilities:		
Accounts Payable	28,254	30,989
Accrued Expenses	( 39,625)	19,577
Custodial Accounts	( 151)	( 84)
Deferred Income	( 17,699)	( 1,322)
Charitable Remainder Unitrusts	-	( 6,278)
Charitable Gift Annuities	( 4,222)	( 15,374)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>( 89,311)</b>	<b>( 838,466)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	( 170,606)	( 41,959)
Proceeds from Sale of Equipment	6,247	-
Certificates of Deposits, Net	( 753,030)	510,809
Proceeds from Sale of Investments	11,105,000	11,105,000
Purchases of Investments	(10,557,928)	(10,161,672)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>( 370,317)</b>	<b>1,412,178</b>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>( 459,628)</b>	<b>573,712</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,017,626</b>	<b>443,914</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>\$ 557,998</b>	<b>\$ 1,017,626</b>
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest Paid	<b>\$ 110,974</b>	<b>\$ 79,898</b>

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

## **NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

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

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

##### **Principles of Consolidation**

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

##### **Reclassifications**

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

##### **Basis of Accounting**

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

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

**Recent Accounting Pronouncements**

August 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes includes: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”, (b) modifying the presentation of underwater endowment funds and related disclosures, (c) requiring the use of the placed in service approach to recognize the expirations of restrictions on gifts used to acquire or construct long-lived assets absent explicit donor stipulations otherwise, (d) requiring that all nonprofits present an analysis of expenses by function and nature in either the statement of activities, a separate statement, or in the notes and disclose a summary of the allocation methods used to allocate costs, requiring the disclosure of quantitative and qualitative information regarding the liquidity and availability of resources, (f) presenting investment return net of external and direct internal investment expenses, and (g) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements.

The Organization adopted ASU No. 2016-14 during 2019 and has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The Organization opted to not disclose liquidity and availability information for 2018 as permitted under the ASU in the year of adoption. The investment expenses are netted against investment return in the statement of activities. The Organization changed its presentation of its net asset classes and expanded the note disclosures as required by the ASU.

The changes have the following effect on net assets at June 30, 2018:

Net Assets Classifications	ASU 2016-14 Classifications		
	Without donor restrictions	With donor restrictions	Total Net Assets
As previously presented:			
Unrestricted	\$ 13,456,991	\$ -	\$ 13,456,991
Temporarily Restricted	-	4,695,605	4,695,605
Permanently Restricted	-	1,303,298	1,303,298
Net Assets Previously Presented	13,456,991	5,998,903	19,455,894
Reclassifications to implement ASU 2016-14	-	-	-
Net assets, as reclassified	\$ 13,456,991	\$ 5,998,903	\$ 19,455,894

## **NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

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

**(continued)**

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers* (Topic 606), which outlines a single comprehensive model for recognizing revenue and supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognition. ASU 2014-09 requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The new guidance also added Subtopic 340-40, *Other Assets and Deferred Costs—Contracts with Customers*, to the ASC to require the deferral of incremental costs of obtaining a contract with a customer. Topic 606 and all the related amendments and Subtopic 340-40 ("new revenue standard") were effective for the Organization's fiscal year beginning July 1, 2018, and did not have a significant impact on the Organization's results of operations. The Organization adopted the new revenue standard to all contracts using the modified retrospective approach and did not record a cumulative catch-up adjustment as the timing and measurement of revenue for the Organization's program fees are similar to its prior revenue recognition model. However, certain government contract revenues recognized under Topic 605 in prior years were recognized under ASU 2018-08 in the current year, with no impact on the net income. 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. Therefore, those contract revenues continue to be recognized as increases in net assets without donor restrictions.

In June 2018, the FASB issued ASU 2018-08, *Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments in this Update require that an entity determine 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. The Organization adopted ASU 2018-08 in the fiscal year ended June 30, 2019, using a modified prospective basis. The comparative information has not been restated, and it continues to be reported under the accounting standards in effect for those periods. There was no cumulative-effect adjustment to the opening balance of net assets at the beginning of the year of adoption.

#### **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.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

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

**(continued)**

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

The Organization reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

**Revenue from Grants and Contracts**

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

*Federal Funding under Title III Older Americans Act.* During years ended June 30, 2019 and 2018, the Center was a sub-recipient of federal grants, provided through the Area Agency (AgeOptions). The federal funding source is the U.S. Administration on Aging, an agency of the U.S. Department of Health and Human Services. The federal funds are provided to the Illinois Department on Aging, which in turn allocates a portion to AgeOptions for local administration. The grants are authorized annually and are provided by AgeOptions based on the federal government's fiscal year ending September 30. Federal grants authorized by AgeOptions for the Center under Title IIIB and Title IIIE are used to subsidize certain specified counseling, comprehensive, and respite social service programs and activities. Total amounts of revenue recognized under Title III Federal funding included under government grants in the consolidated statement of activities and the receivable as of year-end are as follows:

	<u>2019</u>	<u>2018</u>
Title IIIB Supportive Services and Senior Centers	\$ 391,027	\$ 413,274
Title IIIE Caregiver Support	\$ 259,731	\$ 247,651
Grant Receivable	\$ 39,863	\$ 34,079

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 40% of its revenue from contracts from the Illinois Department of Aging for the years ended June 30, 2019 and 2018. As of June 30, 2019 and 2018, 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 \$488,911 and \$994,594, respectively.



**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

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

**(continued)**

**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 5th 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.

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.

## **NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

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

##### **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.

##### **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 manage deposit concentration risk by placing cash, money market accounts, and certificates of deposit 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 continue to investigate and pursue additional sources of income from donors and private sources.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

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

**(continued)**

**Investments**

The Organization record 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, 2019 and 2018, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is 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, charitable remainder unitrusts, and other arrangements with donors 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, 2019 and 2018, were \$513,899 and \$504,116, respectively.

## **NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

#### **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, 2019 and 2018.

#### **Deferred Income**

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

#### **Custodial Accounts**

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

#### **Use of Estimates**

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **Income Taxes**

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

## **NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

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

##### **(continued)**

The Organization follows the guidance of Accounting Standards Codification (ASC) 740, *Accounting for Income Taxes*, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. There are no such uncertain tax positions for the Organization for the years ended June 30, 2019 and 2018. The Organization's federal and state information returns are subject to examination, generally for three years after the filing date.

#### **NOTE B – PROGRAMS**

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

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

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

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

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

The no fee-based SFS programs include the following:

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**NOTE B – PROGRAMS (continued)**

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

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

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

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

	June 30, 2019			
	Center	Foundation	Senior Options	Total
Financial assets:				
Cash and Cash Equivalents	\$ 431,859	\$ 56,947	\$ -	\$ 488,806
Accounts Receivable, Net	752,618	-	77,813	830,431
Operating Investments	312,341	2,904,768	-	3,217,109
Endowment Distributions Budget	820,397	( 820,397)	-	-
Total financial assets available within one year	<u>\$ 2,317,215</u>	<u>\$ 2,141,318</u>	<u>\$ 77,813</u>	<u>\$ 4,536,346</u>

In addition to financial assets available to meet general expenditures over the year, the Organization has board designated amounts of \$458,661 as of June 30, 2019, that could be made available if necessary.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**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, 2019 and 2018:

	<b><u>2019</u></b>	<b><u>2018</u></b>
Cash/Money Market Funds	\$ 29,863	\$ 116,488
Mutual Funds	14,694,857	14,898,240
Real Estate Fund	1,683,222	1,660,004
Total Foundation's Investments	<u>16,407,942</u>	<u>16,674,732</u>
Cash/Money Market Funds	<u>832,583</u>	<u>79,553</u>
Total Center's Investments	<u>832,583</u>	<u>79,553</u>
Total Investments	<u><u>\$ 17,240,525</u></u>	<u><u>\$ 16,754,285</u></u>

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

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from, or corroborated by, observable market data by correlation or other means.

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

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2019 and 2018.

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

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

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

*Real Estate Fund:* Valued at net asset value (NAV) of units held. The NAV is used as a practical expedient to estimate fair value. The NAV is based on the fair value of the underlying investments held by the fund less its liability. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

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

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, 2019:

	<u>Assets at Fair Value at June 30, 2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total Fair Value</u>
Mutual Funds - Equity	\$ 8,096,988	\$ -	\$ -	\$ 8,096,988
Mutual Funds - Fixed Income	5,577,385	-	-	5,577,385
Mutual Funds - Balanced	<u>1,020,484</u>	<u>-</u>	<u>-</u>	<u>1,020,484</u>
Total Assets at Fair Value	<u>\$ 14,694,857</u>	<u>\$ -</u>	<u>\$ -</u>	<u>14,694,857</u>
Investments Measured at NAV*				1,683,222
Cash/Money Market Funds				<u>862,446</u>
Total Investments				<u>\$ 17,240,525</u>



**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

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

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

	Assets at Fair Value at June 30, 2018			Total Fair Value
	Level 1	Level 2	Level 3	
Mutual Funds - Equity	\$ 8,466,103	\$ -	\$ -	\$ 8,466,103
Mutual Funds - Fixed Income	5,426,551	-	-	5,426,551
Mutual Funds - Balanced	1,005,586	-	-	1,005,586
<b>Total Assets at Fair Value</b>	<b>\$ 14,898,240</b>	<b>\$ -</b>	<b>\$ -</b>	<b>14,898,240</b>
Investments Measured at NAV*				1,660,004
Cash/Money Market Funds				196,041
<b>Total Investments</b>				<b>\$ 16,754,285</b>

\* 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, 2019 and 2018, respectively:

Instrument	Fair Value as of June 30, 2019	Fair Value as of June 30, 2018	Redemption Frequency	Redemption Notice Period
Real Estate Fund	\$ 1,683,222	\$ 1,660,004	quarterly	Requests at any time

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

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

**JUNE 30, 2019 AND 2018**

**NOTE E – CHARITABLE GIFT ANNUITIES**

The Foundation is the recipient of charitable gift annuities. Under charitable gift annuity contracts, the Foundation receives immediate and unrestricted title to contributed assets and agree to make fixed recurring payments over the stipulated period. Contributed assets are recorded at fair value on the date of receipt. The related liability for future payments to be made to the specified beneficiaries is recorded at fair value using present value techniques and risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the liability. The excess of contributed assets over the annuity liability was recorded as a contribution without donor restrictions. In subsequent years, the liability for future annuity payments is reduced by payments made to the specified beneficiaries and is adjusted to reflect the amortization of the discount and changes in actuarial assumptions at the end of the year.

There were no new gift annuity contributions for the years ending June 30, 2019 and 2018. Total annuity payments for years ending June 30, 2019 and 2018, was \$51,952 and \$61,688, respectively. Change in value of split-interest agreements totaling \$47,730 and \$46,514 for 2019 and 2018, respectively, were included in the consolidated statement of activities.

**NOTE F – LEASE OBLIGATIONS**

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

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

Lease expense for the year ended June 30, 2019 and 2018, was \$132,026 and \$136,351, respectively.

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

Fiscal Year Ended June 30,	Total Office Space	Parking Lot and Equipment
2020	\$ 84,800	\$ 43,280
2021	84,800	44,187
2022	84,800	46,397
2023	56,532	3,882
Total	<u>\$ 310,932</u>	<u>\$ 137,746</u>

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

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

**JUNE 30, 2019 AND 2018**

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

Net assets with donor restrictions as of June 30, 2019 and 2018:

	<b>2019</b>	<b>2018</b>
<b>Subject to expenditure for specified purpose or periods</b>		
<b>Foundation</b>		
Charitable Gift Annuity for Student Internship Program	\$ 9,123	\$ 9,123
House of Welcome Program	56,566	56,353
Men's Club Music Concerts	26,184	26,143
	91,873	91,619
<b>Center</b>		
Comprehensive Care Services and Other	33,347	40,307
Bond Debt Service	35,845	13,982
	69,192	54,289
<b>NSSO</b>		
Registered Nurse Support and Other	-	45,051
<b>Total subject to expenditure for specified purpose or periods</b>	161,065	190,959
<b>Endowments – Accumulated investment gains and term endowment subject to appropriation and expenditures based on spending policy and donor restrictions</b>		
<b>Foundation</b>		
The Harry and Jeanette Weinberg Endowment	3,685,034	3,679,398
Sandra R. Johnson Endowment	88,250	88,289
Golder Distinguished Senior Lecture Series Fund	341,966	324,740
Thaviu Concert Series Fund	257,897	237,607
Edwin J. Brach and Hazel and Bertram Brodie Endowment	103,811	103,985
Weber Endowment for Training and Professional Development for House of Welcome	38,673	39,069
Thaviu House of Welcome Scholarships	31,544	31,558
	4,547,175	4,504,646
<b>Endowments – Original donor restricted gift amounts and amounts required to be maintained in perpetuity by donor</b>		
<b>Foundation</b>		
Sandra R. Johnson Endowment	279,647	279,647
Golder Distinguished Senior Lecture Series Fund	200,000	200,000
Thaviu Concert Series Fund	200,000	200,000
Edwin J. Brach and Hazel and Bertram Brodie Endowment	258,000	258,000
Weber Endowment for Training and Professional Development for House of Welcome	92,987	92,987
Thaviu House of Welcome Scholarships	100,000	100,000
Other Funds	111,083	111,083
	1,241,717	1,241,717
<b>Center</b>	61,581	61,581
	1,303,298	1,303,298
<b>Total Endowments</b>	5,850,473	5,807,944
<b>Total Net Assets With Donor Restrictions</b>	\$ 6,011,538	\$ 5,998,903

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

**JUNE 30, 2019 AND 2018**

**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 retain 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 consider the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

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

**Investment and Spending Policy**

**The Center –**

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

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

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**JUNE 30, 2019 AND 2018**

**NOTE H – ENDOWMENT (continued)**

**The Foundation –**

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

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

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

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

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

**The Center –**

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

**The Foundation –**

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

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

**JUNE 30, 2019 AND 2018**

**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, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
<b>The Foundation, Donor Restricted Endowment</b>		
Accumulated investment gains	\$ 1,547,175	\$ 1,504,646
Original donor-restricted gift amount and amounts required to be maintained for specific time and purpose by donor	3,000,000	3,000,000
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>1,241,717</u>	<u>1,241,717</u>
Total Foundation's Endowment	<u>5,788,892</u>	<u>5,746,363</u>
<b>The Center, Donor Restricted Endowment</b>		
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	<u>61,581</u>	<u>61,581</u>
Total Center's Endowment	<u>61,581</u>	<u>61,581</u>
Total Endowment	<u>\$ 5,850,473</u>	<u>\$ 5,807,944</u>

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

There were no changes in Center's endowment net assets as of June 30, 2019 and 2018. The changes in donor-restricted endowment net assets are as follows for the years ended June 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
<b>The Foundation, Donor Restricted Endowment</b>		
Endowment Net Assets, Beginning of Year	\$ 5,746,363	\$ 5,573,660
Donor reclassification of restricted gift		
from required to be maintained in perpetuity	-	( 3,000,000)
to specific time and purpose	-	3,000,000
Investment Return	289,609	416,480
Appropriated for Expenditure	<u>( 247,080)</u>	<u>( 243,777)</u>
Endowment Net Assets, End of Year	<u>5,788,892</u>	<u>5,746,363</u>
<b>The Center, Donor Restricted Endowment</b>		
Endowment Net Assets, End of Year	<u>61,581</u>	<u>61,581</u>
Total Endowment	<u>\$ 5,850,473</u>	<u>\$ 5,807,944</u>

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

**JUNE 30, 2019 AND 2018**

**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, 2019 and 2018.

**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.

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

The Center made contributions under 401(k) plans of \$75,194 and \$96,501 in the fiscal year ended June 30, 2019 and 2018, respectively.

**NOTE J – BONDS PAYABLE**

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

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

**JUNE 30, 2019 AND 2018**

**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 2019 and 2018, the average annual interest rates were 1.61% and 1.0728%, 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 \$110,974 and \$75,098 for the year ended June 30, 2019 and 2018, respectively.

The bonds are secured by a direct pay letter of credit issued by a bank in the amount of \$7,103,562, with the maturity on August 16, 2021, and requires an annual fee of 1.33 percent of the issue amount. The NSSC Foundation is a guarantor of the bonds and must maintain unrestricted cash and marketable securities with a value at least equal to \$7,700,000 (required threshold applicable for fiscal years ended June 30, 2019 and 2018) 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, 2019 and 2018.

**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, 2019 and 2018, the amortization expense was \$5,914 and \$5,915, respectively.

**NOTE L – RISKS AND UNCERTAINTIES**

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



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

**JUNE 30, 2019 AND 2018**

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

**NOTE 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, 2019 and 2018, available for spending in the next following year when the conditions are expected to be met:

	<b>2019</b>	<b>2018</b>
Federal Funding under Title III Older Americans Act	\$ 142,000	\$ 170,000
Municipalities and Townships grants	170,000	169,000
Total conditional promises to give	\$ 312,000	\$ 339,000

**NOTE N – SUBSEQUENT EVENTS**

The management of the Organization has evaluated events subsequent to the consolidated statement of financial position date of June 30, 2019, through December 16, 2019, 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 2019 financial statements or related consolidated note disclosures in accordance with FASB ASC 855, *Subsequent Events*.

**SUPPLEMENTARY INFORMATION**

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES****CONSOLIDATING STATEMENT OF FINANCIAL POSITION****JUNE 30, 2019**

<b><u>ASSETS</u></b>	<u>North Shore Senior Center</u>	<u>North Shore Senior Options</u>	<u>NSSC Foundation</u>	<u>Eliminations</u>	<u>Total</u>
<b>CURRENT ASSETS</b>					
Cash	\$ 501,051	\$ -	\$ 56,947	\$ -	\$ 557,998
Contributions Receivable	69,280	-	-	-	69,280
Grants and Contracts Receivable	582,489	77,813	-	-	660,302
Accounts Receivable	100,849	-	-	-	100,849
Prepaid Expenses and Other Assets	68,603	-	-	-	68,603
	<u>1,322,272</u>	<u>77,813</u>	<u>56,947</u>	<u>-</u>	<u>1,457,032</u>
Total Current Assets					
	<u>832,583</u>	<u>-</u>	<u>16,407,942</u>	<u>-</u>	<u>17,240,525</u>
<b>INVESTMENTS</b>					
<b>PROPERTY AND EQUIPMENT</b>					
Land	1,860,000	-	-	-	1,860,000
161 Northfield Building	7,577,404	-	-	-	7,577,404
House of Welcome Building	2,566,969	-	-	-	2,566,969
Land Improvements	1,229,097	-	-	-	1,229,097
Furniture and Equipment	2,662,733	-	-	-	2,662,733
	<u>15,896,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,896,203</u>
Less: Accumulated Depreciation	<u>( 8,686,503)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>( 8,686,503)</u>
Total Property and Equipment	<u>7,209,700</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,209,700</u>
Total Assets	<u>\$ 9,364,555</u>	<u>\$ 77,813</u>	<u>\$ 16,464,889</u>	<u>\$ -</u>	<u>\$ 25,907,257</u>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF FINANCIAL POSITION**

**JUNE 30, 2019**

<b><u>LIABILITIES AND NET ASSETS</u></b>	North Shore Senior Center	North Shore Senior Options	NSSC Foundation	Eliminations	Total
<b>CURRENT LIABILITIES</b>					
Accounts Payable	\$ 117,419	\$ 17,055	\$ -	\$ -	\$ 134,474
Accrued Expenses	111,872	14,399	-	-	126,271
Custodial Accounts	5,592	-	-	-	5,592
Deferred Income	22,930	-	-	-	22,930
Charitable Gift Annuities	-	-	52,992	-	52,992
	<u>257,813</u>	<u>31,454</u>	<u>52,992</u>	<u>-</u>	<u>342,259</u>
Total Current Liabilities					
	<u>257,813</u>	<u>31,454</u>	<u>52,992</u>	<u>-</u>	<u>342,259</u>
<b>LONG-TERM LIABILITIES</b>					
Bonds Payable	7,000,000	-	-	-	7,000,000
Less Bond Issuance Cost	( 59,934)	-	-	-	( 59,934)
Bonds Payable Less Bond Issuance Cost, Net	6,940,066	-	-	-	6,940,066
	<u>6,940,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,940,066</u>
Total Long-Term Liabilities					
	<u>6,940,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,940,066</u>
Total Liabilities	<u>7,197,879</u>	<u>31,454</u>	<u>52,992</u>	<u>-</u>	<u>7,282,325</u>
<b>COMMITMENTS</b>					
<b>NET ASSETS</b>					
Without Donor Restrictions					
Undesignated	1,577,242	46,359	2,831,132	-	4,454,733
Bond Covenant Reserve	-	-	7,700,000	-	7,700,000
Board Designated	458,661	-	-	-	458,661
	<u>2,035,903</u>	<u>46,359</u>	<u>10,531,132</u>	<u>-</u>	<u>12,613,394</u>
With Donor Restrictions					
Purpose and Time Restrictions	69,192	-	4,639,048	-	4,708,240
Perpetual in Nature	61,581	-	1,241,717	-	1,303,298
	<u>130,773</u>	<u>-</u>	<u>5,880,765</u>	<u>-</u>	<u>6,011,538</u>
Total Net Assets	<u>2,166,676</u>	<u>46,359</u>	<u>16,411,897</u>	<u>-</u>	<u>18,624,932</u>
Total Liabilities and Net Assets	<u>\$ 9,364,555</u>	<u>\$ 77,813</u>	<u>\$ 16,464,889</u>	<u>\$ -</u>	<u>\$ 25,907,257</u>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2019**

	North Shore Senior Center			North Shore Senior Options			NSSC Foundation		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND OTHER REVENUE</b>									
Grants and Contributions									
Members	\$ 111,919	\$ -	\$ 111,919	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Friends	434,620	-	434,620	1,000	-	1,000	-	-	-
Foundation/Corporate Grants/Estates	988,317	246,267	1,234,584	471,462	-	471,462	-	-	-
Annual Benefit	147,199	-	147,199	-	-	-	-	-	-
Townships	159,639	-	159,639	1,667	-	1,667	-	-	-
Municipalities	135,708	-	135,708	10,000	-	10,000	-	-	-
Government Grants	690,116	-	690,116	-	-	-	-	-	-
Other Contributions	-	-	-	-	-	-	500	-	500
Program Fees and Contracts									
Registration and Membership Fees	698,130	-	698,130	-	-	-	-	-	-
Program Service Fees	728,136	-	728,136	240,387	-	240,387	-	-	-
State Contracts	2,884,873	-	2,884,873	-	-	-	-	-	-
Change in Value of									
Split-Interest Agreements									
Charitable Gift Annuities	-	-	-	-	-	-	( 47,730)	-	( 47,730)
Gain on Sale of Equipment	6,247	-	6,247	-	-	-	-	-	-
Net Assets Released from Restrictions	231,364	( 231,364)	-	45,051	( 45,051)	-	250,951	( 250,951)	-
Total Public Support and Other Revenue	7,216,268	14,903	7,231,171	769,567	( 45,051)	724,516	203,721	( 250,951)	( 47,230)
<b>EXPENSES</b>									
Program Services	6,663,378	-	6,663,378	638,254	-	638,254	1,070,355	-	1,070,355
Management and General	427,426	-	427,426	42,422	-	42,422	123,827	-	123,827
Fundraising	519,041	-	519,041	51,514	-	51,514	-	-	-
Total Expenses	7,609,845	-	7,609,845	732,190	-	732,190	1,194,182	-	1,194,182
Change in Net Assets									
Before Investment Income	( 393,577)	14,903	( 378,674)	37,377	( 45,051)	( 7,674)	( 990,461)	( 250,951)	( 1,241,412)
Investment Income									
Interest and Dividends	16,837	-	16,837	-	-	-	350,900	193,960	544,860
Realized Gain on Investments	-	-	-	-	-	-	19,423	10,735	30,158
Unrealized Gain on Investments	-	-	-	-	-	-	161,085	89,039	250,124
Investment Fees	-	-	-	-	-	-	( 45,181)	-	( 45,181)
Total Investment Income, Net	16,837	-	16,837	-	-	-	486,227	293,734	779,961
Change In Net Assets	( 376,740)	14,903	( 361,837)	37,377	( 45,051)	( 7,674)	( 504,234)	42,783	( 461,451)
Net Assets at Beginning of Year	2,412,643	115,870	2,528,513	8,982	45,051	54,033	11,035,366	5,837,982	16,873,348
Net Assets at End of Year	\$ 2,035,903	\$ 130,773	\$ 2,166,676	\$ 46,359	\$ -	\$ 46,359	\$ 10,531,132	\$ 5,880,765	\$ 16,411,897

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**CONSOLIDATING STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2019**

	Eliminations	Consolidated Totals		Total
		Without Donor Restrictions	With Donor Restrictions	
<b>PUBLIC SUPPORT AND OTHER REVENUE</b>				
Grants and Contributions				
Members	\$ -	\$ 111,919	\$ -	\$ 111,919
Friends	-	435,620	-	435,620
Foundation/Corporate Grants/Estates	( 1,302,891)	156,888	246,267	403,155
Annual Benefit	-	147,199	-	147,199
Townships	-	161,306	-	161,306
Municipalities	-	145,708	-	145,708
Government Grants	-	690,116	-	690,116
Other Contributions	-	500	-	500
Program Fees and Contracts				
Registration and Membership Fees	-	698,130	-	698,130
Program Service Fees	-	968,523	-	968,523
Federal and State Contracts	-	2,884,873	-	2,884,873
Change in Value of				
Split-Interest Agreements				
Charitable Gift Annuities	-	( 47,730)	-	( 47,730)
Gain on Sale of Equipment	-	6,247	-	6,247
Net Assets Released from Restrictions	-	527,366	( 527,366)	-
<b>Total Public Support and Other Revenue</b>	<b>( 1,302,891)</b>	<b>6,886,665</b>	<b>( 281,099)</b>	<b>6,605,566</b>
<b>EXPENSES</b>				
Program Services	( 1,302,891)	7,069,096	-	7,069,096
Management and General	-	593,675	-	593,675
Fundraising	-	570,555	-	570,555
<b>Total Expenses</b>	<b>( 1,302,891)</b>	<b>8,233,326</b>	<b>-</b>	<b>8,233,326</b>
Change in Net Assets				
Before Investment Income	-	( 1,346,661)	( 281,099)	( 1,627,760)
Investment Income				
Interest and Dividends	-	367,737	193,960	561,697
Realized Gain on Investments	-	19,423	10,735	30,158
Unrealized Gain on Investments	-	161,085	89,039	250,124
Investment Fees	-	( 45,181)	-	( 45,181)
<b>Total Investment Income</b>	<b>-</b>	<b>503,064</b>	<b>293,734</b>	<b>796,798</b>
Change In Net Assets	-	( 843,597)	12,635	( 830,962)
Net Assets at Beginning of Year	-	13,456,991	5,998,903	19,455,894
Net Assets at End of Year	\$ -	\$ 12,613,394	\$ 6,011,538	\$ 18,624,932

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

North Shore Senior Center									
	Community Education	Comprehensive Care	Counseling	Group	Adult Day Services	Total Program Services	Management and General	Fundraising	North Shore Senior Center Total
<b>OPERATING EXPENSES</b>									
Activities Program Expense	\$ -	\$ -	\$ -	\$ 214,168	\$ -	\$ 214,168	\$ -	\$ -	\$ 214,168
Assistance	-	125,168	-	-	-	125,168	-	-	125,168
Conferences	-	3,894	2,337	1,590	5,691	13,512	-	1,184	14,696
Dues and Multimedia	247	2,615	212	955	1,865	5,894	2,237	2,969	11,100
Equipment Repair/Rentals	502	27,863	4,808	14,507	4,625	52,305	7,560	29,229	89,094
Fitness Center	-	-	-	125,265	-	125,265	-	-	125,265
Food/Recreation Supplies	1,757	3,970	4,642	25,724	25,937	62,030	10,800	2,548	75,378
Health and Disability	-	187,659	73,273	11,422	75,352	347,706	7,734	19,735	375,175
Insurance	854	16,576	6,404	5,977	5,123	34,934	2,331	2,719	39,984
Occupancy	5,977	131,679	59,648	87,575	72,034	356,913	18,532	20,411	395,856
Payroll Taxes	1,455	165,266	35,232	32,555	54,519	289,027	15,031	18,484	322,542
Postage	265	10,003	3,913	11,644	1,465	27,290	6,318	9,443	43,051
Printing/Office Supplies	4,673	31,321	13,827	48,168	16,604	114,593	7,759	38,146	160,498
Professional Fees	5,924	128,683	62,360	25,770	28,939	251,676	178,902	50,689	481,267
Retirement Plan	410	28,716	11,265	7,829	10,276	58,496	4,311	3,983	66,790
Salaries	17,906	2,091,786	464,116	403,442	689,024	3,666,274	117,175	248,829	4,032,278
Sundry	299	7,553	2,685	13,357	3,691	27,585	6,913	18,288	52,786
Telecommunications	288	8,292	5,710	1,689	1,106	17,085	1,620	728	19,433
Transportation	38	28,193	9,894	743	-	38,868	187	3,062	42,117
Related Party Grants	-	232,536	-	-	-	232,536	-	-	232,536
<b>Total Operating Expenses</b>	<b>40,595</b>	<b>3,231,773</b>	<b>760,326</b>	<b>1,032,380</b>	<b>996,251</b>	<b>6,061,325</b>	<b>387,410</b>	<b>470,447</b>	<b>6,919,182</b>
<b>PROPERTY AND EQUIPMENT</b>									
Depreciation and Amortization	2,871	212,103	53,769	73,009	70,454	412,206	27,397	33,270	472,873
Professional Fees—Facilities	199	14,690	3,724	5,056	4,879	28,548	1,898	2,305	32,751
Interest Expense and Costs	1,123	82,998	21,040	28,569	27,569	161,299	10,721	13,019	185,039
<b>Total Property and Equipment</b>	<b>4,193</b>	<b>309,791</b>	<b>78,533</b>	<b>106,634</b>	<b>102,902</b>	<b>602,053</b>	<b>40,016</b>	<b>48,594</b>	<b>690,663</b>
	<b>\$ 44,788</b>	<b>\$ 3,541,564</b>	<b>\$ 838,859</b>	<b>\$ 1,139,014</b>	<b>\$ 1,099,153</b>	<b>\$ 6,663,378</b>	<b>\$ 427,426</b>	<b>\$ 519,041</b>	<b>\$ 7,609,845</b>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	North Shore Senior Options				NSSC Foundation					Consolidated Totals			
	Program - Comprehensive Care	Management and General	Fundraising	North Shore Senior Options Total	Program Services	Management and General	Fundraising	NSSC Foundation Total	Eliminations	Program Services	Management and General	Fundraising	Total 2019
<b>OPERATING EXPENSES</b>													
Activities Program Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,168	\$ -	\$ -	\$ 214,168
Assistance	-	-	-	-	-	-	-	-	-	125,168	-	-	125,168
Conferences	2,569	-	117	2,686	-	-	-	-	-	16,081	-	1,301	17,382
Dues and Multimedia	1,524	222	295	2,041	-	-	-	-	-	7,418	2,459	3,264	13,141
Equipment Repair/Rentals	2,728	750	2,901	6,379	-	-	-	-	-	55,033	8,310	32,130	95,473
Fitness Center	-	-	-	-	-	-	-	-	-	125,265	-	-	125,265
Food/Recreation Supplies	337	1,072	253	1,662	-	-	-	-	-	62,367	11,872	2,801	77,040
Health and Disability	34,460	768	1,959	37,187	-	-	-	-	-	382,166	8,502	21,694	412,362
Insurance	2,135	231	270	2,636	-	-	-	-	-	37,069	2,562	2,989	42,620
Occupancy	6,694	1,839	2,026	10,559	-	6,000	-	6,000	-	363,607	26,371	22,437	412,415
Payroll Taxes	33,262	1,492	1,834	36,588	-	-	-	-	-	322,289	16,523	20,318	359,130
Postage	500	627	937	2,064	-	-	-	-	-	27,790	6,945	10,380	45,115
Printing/Office Supplies	3,070	770	3,786	7,626	-	-	-	-	-	117,663	8,529	41,932	168,124
Professional Fees	40,547	17,756	5,031	63,334	-	11,027	-	11,027	-	292,223	207,685	55,720	555,628
Retirement Plan	7,581	428	395	8,404	-	-	-	-	-	66,077	4,739	4,378	75,194
Salaries	429,743	11,629	24,696	466,068	-	106,800	-	106,800	-	4,096,017	235,604	273,525	4,605,146
Sundry	2,131	686	1,815	4,632	-	-	-	-	-	29,716	7,599	20,103	57,418
Telecommunications	4,425	161	72	4,658	-	-	-	-	-	21,510	1,781	800	24,091
Transportation	6,795	20	305	7,120	-	-	-	-	-	45,663	207	3,367	49,237
Related Party Grants	-	-	-	-	1,070,355	-	-	1,070,355	( 1,302,891)	-	-	-	-
<b>Total Operating Expenses</b>	<b>578,501</b>	<b>38,451</b>	<b>46,692</b>	<b>663,644</b>	<b>1,070,355</b>	<b>123,827</b>	<b>-</b>	<b>1,194,182</b>	<b>( 1,302,891)</b>	<b>6,407,290</b>	<b>549,688</b>	<b>517,139</b>	<b>7,474,117</b>
<b>PROPERTY AND EQUIPMENT</b>													
Depreciation and Amortization	40,911	2,719	3,302	46,932	-	-	-	-	-	453,117	30,116	36,572	519,805
Professional Fees—Facilities	2,833	188	228	3,249	-	-	-	-	-	31,381	2,086	2,533	36,000
Interest Expense and Costs	16,009	1,064	1,292	18,365	-	-	-	-	-	177,308	11,785	14,311	203,404
<b>Total Property and Equipment</b>	<b>59,753</b>	<b>3,971</b>	<b>4,822</b>	<b>68,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>661,806</b>	<b>43,987</b>	<b>53,416</b>	<b>759,209</b>
	<b>\$ 638,254</b>	<b>\$ 42,422</b>	<b>\$ 51,514</b>	<b>\$ 732,190</b>	<b>\$ 1,070,355</b>	<b>\$ 123,827</b>	<b>\$ -</b>	<b>\$ 1,194,182</b>	<b>(\$ 1,302,891)</b>	<b>\$ 7,069,096</b>	<b>\$ 593,675</b>	<b>\$ 570,555</b>	<b>\$ 8,233,326</b>

See accompanying Independent Auditor's Report on supplemental information.



**NORTH SHORE SENIOR CENTER**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

	<b><u>ASSETS</u></b>	
	2019	2018
<b>CURRENT ASSETS</b>		
Cash	\$ 501,051	\$ 761,796
Contributions Receivable	69,280	50,653
Grants and Contracts Receivable	582,489	1,106,807
Accounts Receivable	100,849	111,905
Prepaid Expenses and Other Assets	68,603	96,240
Total Current Assets	1,322,272	2,127,401
<b>INVESTMENTS</b>	832,583	79,553
<b>PROPERTY AND EQUIPMENT</b>		
Land	1,860,000	1,860,000
161 Northfield Building	7,577,404	7,577,404
House of Welcome Building	2,566,969	2,566,969
Land Improvements	1,229,097	1,229,097
Furniture and Equipment	2,662,733	2,536,989
	15,896,203	15,770,459
Less: Accumulated Depreciation	( 8,686,503)	( 8,217,466)
Total Property and Equipment	7,209,700	7,552,993
<b>OTHER ASSETS</b>		
Security Deposits	-	1,460
Total Other Assets	-	1,460
Total Assets	\$ 9,364,555	\$ 9,761,407

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

<b><u>LIABILITIES AND NET ASSETS</u></b>		
	<u>2019</u>	<u>2018</u>
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 117,419	\$ 97,551
Accrued Expenses	111,872	154,811
Custodial Accounts	5,592	5,743
Deferred Income	<u>22,930</u>	<u>40,629</u>
Total Current Liabilities	<u>257,813</u>	<u>298,734</u>
 <b>LONG-TERM LIABILITIES</b>		
Bonds Payable	7,000,000	7,000,000
Less Bond Issuance Cost	<u>( 59,934)</u>	<u>( 65,840)</u>
Bonds Payable Less Bond Issuance Cost, Net	6,940,066	6,934,160
Total Long-Term Liabilities	<u>6,940,066</u>	<u>6,934,160</u>
Total Liabilities	<u>7,197,879</u>	<u>7,232,894</u>
 <b>COMMITMENTS</b>		
<b>NET ASSETS</b>		
Without Donor Restrictions		
Undesignated	1,577,242	1,953,982
Board Designated	<u>458,661</u>	<u>458,661</u>
	2,035,903	2,412,643
With Donor Restrictions		
Purpose and Time Restrictions	69,192	54,289
Perpetual in Nature	<u>61,581</u>	<u>61,581</u>
	130,773	115,870
Total Net Assets	<u>2,166,676</u>	<u>2,528,513</u>
Total Liabilities and Net Assets	<u>\$ 9,364,555</u>	<u>\$ 9,761,407</u>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER****STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2019**

(With Comparative Totals for the Year Ended June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018
<b>PUBLIC SUPPORT AND OTHER REVENUE</b>				
Grants and Contributions:				
Members	\$ 111,919	\$ -	\$ 111,919	\$ 113,511
Friends	434,620	-	434,620	437,820
Foundation/Corporate Grants/Estates	988,317	246,267	1,234,584	1,272,946
Annual Benefit	147,199	-	147,199	133,253
Townships	159,639	-	159,639	156,858
Municipalities	135,708	-	135,708	140,079
Government Grants	690,116	-	690,116	660,925
Program Fees and Contracts				
Registration and Membership Fees	698,130	-	698,130	771,438
Program Service Fees	728,136	-	728,136	820,001
State Contracts	2,884,873	-	2,884,873	2,994,789
Gain on Sale of Equipment	6,247	-	6,247	-
Net Assets Released from Restrictions	231,364	( 231,364)	-	-
 Total Public Support and Other Revenue	 7,216,268	 14,903	 7,231,171	 7,501,620
<b>EXPENSES</b>				
Program Services	6,663,378	-	6,663,378	6,654,963
Management and General	427,426	-	427,426	761,972
Fundraising	519,041	-	519,041	578,533
 Total Expenses	 7,609,845	 -	 7,609,845	 7,995,468
 Change in Net Assets Before Investment Income	 ( 393,577)	 14,903	 ( 378,674)	 ( 493,848)
Investment Income				
Interest and Dividends	16,837	-	16,837	1,772
 Change In Net Assets	 ( 376,740)	 14,903	 ( 361,837)	 ( 492,076)
 Net Assets at Beginning of Year	 2,412,643	 115,870	 2,528,513	 3,020,589
 Net Assets at End of Year	 <u>\$ 2,035,903</u>	 <u>\$ 130,773</u>	 <u>\$ 2,166,676</u>	 <u>\$ 2,528,513</u>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR OPTIONS**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2019 AND 2018**

	<b><u>ASSETS</u></b>	
	2019	2018
<b>CURRENT ASSETS</b>		
Contributions Receivable	\$ -	\$ 25,000
Accounts Receivable	<u>77,813</u>	<u>48,787</u>
Total Current Assets	<u>77,813</u>	<u>73,787</u>
Total Assets	<u>\$ 77,813</u>	<u>\$ 73,787</u>
	<b><u>LIABILITIES AND NET ASSETS</u></b>	
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 17,055	\$ 8,669
Accrued Expenses	<u>14,399</u>	<u>11,085</u>
Total Current Liabilities	<u>31,454</u>	<u>19,754</u>
Total Liabilities	<u>31,454</u>	<u>19,754</u>
<b>NET ASSETS</b>		
Without Donor Restrictions		
Undesignated	<u>46,359</u>	<u>8,982</u>
	46,359	8,982
With Donor Restrictions		
Purpose and Time Restrictions	<u>-</u>	<u>45,051</u>
	-	45,051
Total Net Assets	<u>46,359</u>	<u>54,033</u>
Total Liabilities and Net Assets	<u>\$ 77,813</u>	<u>\$ 73,787</u>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR OPTIONS****STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2019****(With Comparative Totals for the Year Ended June 30, 2018)**

	Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018
<b>PUBLIC SUPPORT AND OTHER REVENUE</b>				
Grants and Contributions				
Friends	\$ 1,000	\$ -	\$ 1,000	\$ -
Foundation/Corporate Grants/Estates	471,462	-	471,462	457,124
Townships	1,667	-	1,667	-
Municipalities	10,000	-	10,000	5,000
Program Fees and Contracts				
Program Service Fees	240,387	-	240,387	202,694
Net Assets Released from Restrictions	45,051	( 45,051)	-	-
Total Public Support and Other Revenue	769,567	( 45,051)	724,516	664,818
<b>EXPENSES</b>				
Program Services	638,254	-	638,254	506,616
Management and General	42,422	-	42,422	59,212
Fundraising	51,514	-	51,514	44,957
Total Expenses	732,190	-	732,190	610,785
Change In Net Assets	37,377	( 45,051)	( 7,674)	54,033
Net Assets at Beginning of Year	8,982	45,051	54,033	-
Net Assets at End of Year	\$ 46,359	\$ -	\$ 46,359	\$ 54,033

See accompanying Independent Auditor's Report on supplemental information.

**NSSC FOUNDATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2019 AND 2018**

	<b><u>ASSETS</u></b>	<u>2019</u>	<u>2018</u>
<b>CURRENT ASSETS</b>			
Cash		\$ 56,947	\$ 255,830
Total Current Assets		<u>56,947</u>	<u>255,830</u>
<b>INVESTMENTS</b>			
		<u>16,407,942</u>	<u>16,674,732</u>
Total Assets		<u>\$ 16,464,889</u>	<u>\$ 16,930,562</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>			
<b>CURRENT LIABILITIES</b>			
Charitable Gift Annuities		\$ 52,992	\$ 57,214
Total Current Liabilities		<u>52,992</u>	<u>57,214</u>
Total Liabilities		<u>52,992</u>	<u>57,214</u>
<b>NET ASSETS</b>			
Without Donor Restrictions			
Undesignated		2,831,132	3,335,366
Bond Covenant Reserve		<u>7,700,000</u>	<u>7,700,000</u>
		10,531,132	11,035,366
With Donor Restrictions			
Purpose and Time Restrictions		4,639,048	4,596,265
Perpetual in Nature		<u>1,241,717</u>	<u>1,241,717</u>
		5,880,765	5,837,982
Total Net Assets		<u>16,411,897</u>	<u>16,873,348</u>
Total Liabilities and Net Assets		<u>\$ 16,464,889</u>	<u>\$ 16,930,562</u>

See accompanying Independent Auditor's Report on supplemental information.

**NSSC FOUNDATION****STATEMENT OF ACTIVITIES****FOR THE YEAR ENDED JUNE 30, 2019**

(With Comparative Totals for the Year Ended June 30, 2018)

	Without Donor Restrictions	With Donor Restrictions	Total 2019	Total 2018
<b>PUBLIC SUPPORT AND OTHER REVENUE</b>				
Grants and Contributions:				
Contributions	\$ 500	\$ -	\$ 500	\$ 13,141
Distributions from and change in value of Charitable Gift Annuities	( 47,730)	-	( 47,730)	( 46,514)
Net Assets Released from Restrictions	250,951	( 250,951)	-	-
 Total Public Support and Other Revenue	 203,721	 ( 250,951)	 ( 47,230)	 ( 33,373)
 <b>EXPENSES</b>				
Program Services	1,070,355	-	1,070,355	1,119,418
Management & General	123,827	-	123,827	121,174
Fundraising	-	-	-	-
 Total Expenses	 1,194,182	 -	 1,194,182	 1,240,592
 Change in Net Assets Before Investment Income	 ( 990,461)	 ( 250,951)	 ( 1,241,412)	 ( 1,273,965)
 Investment Income (Loss)				
Interest and Dividends	350,900	193,960	544,860	535,153
Realized Gain (Loss) on Investments	19,423	10,735	30,158	159,197
Unrealized Gain (Loss) on Investments	161,085	89,039	250,124	589,353
Investment Fees	( 45,181)	-	( 45,181)	( 53,266)
 Total Investment Income, Net	 486,227	 293,735	 779,961	 1,230,437
 Change in Net Assets	 ( 504,234)	 42,783	 ( 461,451)	 ( 43,528)
 <b>Net Assets at Beginning of Year</b>	 11,035,366	 5,837,982	 16,873,348	 16,916,876
 <b>Net Assets at End of Year</b>	 <u>\$ 10,531,132</u>	 <u>\$ 5,880,765</u>	 <u>\$ 16,411,897</u>	 <u>\$ 16,873,348</u>

See accompanying Independent Auditor's Report on supplemental information.

**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**RECONCILIATION OF PROJECT REVENUE AND EXPENSES FOR**

**FEDERAL FUNDED PROGRAMS ADMINISTERED THROUGH AGEPTIONS -THE AREA AGENCY**

**FOR THE YEAR ENDED JUNE 30, 2019**

	10/1/2017 - 6/30/2018	7/1/18 - 9/30/2018	10/1/2017 - 9/30/2018	10/1/2018 - 6/30/2019	7/1/2018 - 6/30/2019
<b>Federal Program III B - Grants for Supportive Services and Senior Centers - CFDA 93.044, CSFA 402-01-0027</b>					
<b>Support &amp; Revenue</b>					
Federal IIIB	283,443	88,780	372,223	302,247	391,027
Project Income	9,000	3,000	12,000	3,000	6,000
Agency Funding					-
Cash Match	150,584	50,195	200,779	120,947	171,142
In-kind	9,375	3,125	12,500	9,375	12,500
	<b>452,402</b>	<b>145,100</b>	<b>597,502</b>	<b>435,569</b>	<b>580,669</b>
<b>Expenses</b>					
Personnel & Fringe	405,003	134,999	540,002	390,324	525,323
Other	47,399	10,101	57,500	45,245	55,346
	<b>452,402</b>	<b>145,100</b>	<b>597,502</b>	<b>435,569</b>	<b>580,669</b>
<b>Total</b>	-	-	-	-	-
<b>Federal Program III E - National Family Caregiver Support - CFDA 93.052, CSFA 402-01-0030</b>					
<b>Support &amp; Revenue</b>					
Federal IIIE	162,557	78,318	240,875	177,227	255,545
Project Income	4,950	1,650	6,600	1,500	3,150
Agency Funding					
Cash Match	47,080	15,694	62,774	51,796	67,490
	<b>214,587</b>	<b>95,662</b>	<b>310,249</b>	<b>230,523</b>	<b>326,185</b>
<b>Expenses</b>					
Personnel & Fringe	160,357	53,451	213,808	166,162	219,613
Other	54,230	42,211	96,441	64,361	106,572
	<b>214,587</b>	<b>95,662</b>	<b>310,249</b>	<b>230,523</b>	<b>326,185</b>
<b>Total</b>	-	-	-	-	-
<b>Federal Program III C - Nutrition Services - CSFA 402-01-0028</b>					
<b>Support &amp; Revenue</b>					
Federal IIIC				25,000	25,000
	-	-	-	<b>25,000</b>	<b>25,000</b>
<b>Expenses</b>					
Other				25,000	25,000
	-	-	-	<b>25,000</b>	<b>25,000</b>
<b>Total</b>	-	-	-	-	-
<b>Federal Program VII - Programs for Prevention of Elder Abuse, Neglect and Exploitation - CFDA 93.041, CSFA 402-01-0024</b>					
<b>Support &amp; Revenue</b>					
Federal VII	3,087	1,030	4,117	3,051	4,081
	<b>3,087</b>	<b>1,030</b>	<b>4,117</b>	<b>3,051</b>	<b>4,081</b>
<b>Expenses</b>					
Other	3,087	1,030	4,117	3,051	4,081
	<b>3,087</b>	<b>1,030</b>	<b>4,117</b>	<b>3,051</b>	<b>4,081</b>
<b>Total</b>	-	-	-	-	-

See accompanying Independent Auditor's Report on supplemental information.



**NORTH SHORE SENIOR CENTER AND SUBSIDIARIES**

**CONSOLIDATED YEAR-END FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2019**

Program Expenses	402-00-1640	402-00-1641	Other	Costs not allocated	Total costs
Salaries	\$ 140,116	\$1,658,382	\$ 757,404	\$ 2,049,244	\$ 4,605,146
Fringe benefits and payroll tax	25,220	381,428	65,179	374,859	846,686
Travel	-	34,278	-	14,959	49,237
Equipment	-	29,403	-	66,070	95,473
Supplies	-	7,751	-	69,289	77,040
Professional services	-	308,379	-	247,249	555,628
Occupancy - rent, utilities, insurance	2,277	160,745	51,285	240,728	455,035
Telecommunications	-	2,002	12,000	10,089	24,091
Training and education	-	5,608	-	11,774	17,382
Direct administrative costs	-	44,564	5,845	175,971	226,380
Miscellaneous costs	-	-	147,262	374,757	522,019
Total Direct Expenses	167,613	2,632,540	1,038,975	3,634,989	7,474,117
Indirect costs - not allocated	-	-	-	759,209	759,209
Total Expenses	\$ 167,613	\$ 2,632,540	\$ 1,038,975	\$ 4,394,198	\$ 8,233,326

CSFA #	Program Name	State	Federal	Other	Total
402-00-1640	Illinois Department of Aging: Adult Protective Services	167,613	-	-	167,613
402-00-1641	Illinois Department of Aging: Care Coordination Unit	2,632,540	-	-	2,632,540
	Other grant programs and activities	280,994	510,199	247,782	1,038,975
	All other costs not allocated			4,394,198	4,394,198
	Total Expenses	3,081,147	510,199	4,641,980	8,233,326