

ZACHARIAS SEXUAL ABUSE CENTER
FINANCIAL STATEMENTS
JUNE 30, 2024

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Zacharias Sexual Abuse Center
Gurnee, Illinois

Opinion

We have audited the accompanying financial statements of ZACHARIAS SEXUAL ABUSE CENTER (an Illinois nonprofit organization), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ZACHARIAS SEXUAL ABUSE CENTER as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ZACHARIAS SEXUAL ABUSE CENTER and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ZACHARIAS SEXUAL ABUSE CENTER's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ZACHARIAS SEXUAL ABUSE CENTER's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ZACHARIAS SEXUAL ABUSE CENTER's ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited ZACHARIAS SEXUAL ABUSE CENTER's 2023 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 26, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wendy & Davis LLP

December 17, 2024

STATEMENTS OF FINANCIAL POSITION

As of June 30	2024	2023
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 439,007	\$ 328,028
Grants and Other Receivables	102,848	127,444
Pledges Receivable	112,083	86,250
Investments	4,079,911	3,842,460
Total Current Assets	4,733,849	4,384,182
PROPERTY AND EQUIPMENT, net of Accumulated Depreciation	2,233,184	2,354,608
ENDOWMENT INVESTMENTS	201,422	187,817
TOTAL ASSETS	\$ 7,168,455	\$ 6,926,607
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 6,659	\$ 1,800
Accrued Salaries and Payroll Taxes	31,369	22,209
Accrued Severance	41,666	83,333
Accrued Vacation	19,416	20,940
Total Current Liabilities	99,110	128,282
NET ASSETS		
Without Donor Restrictions		
Fixed Assets Fund	2,233,184	2,354,608
Undesignated	4,476,324	4,173,816
	6,709,508	6,528,424
With Donor Restrictions		
Time and Purpose Restrictions	154,137	64,201
Endowment, Restricted in Perpetuity	205,700	205,700
	359,837	269,901
Total Net Assets	7,069,345	6,798,325
TOTAL LIABILITIES AND NET ASSETS	\$ 7,168,455	\$ 6,926,607

STATEMENTS OF ACTIVITIES

For the Years Ended June 30	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT REVENUE						
Public Support						
United Way	\$ 191	\$	\$ 191	\$ 1,537	\$	\$ 1,537
ICASA Grant	571,695		571,695	554,934		554,934
Foundations and Corporations	458,698	215,000	673,698	439,100	145,000	584,100
Individual Contributions	543,369		543,369	372,938		372,938
Attorney General Grants	90,000		90,000	62,597		62,597
Township Grants	23,340	9,000	32,340	23,000	5,000	28,000
County/Municipal Grants	41,289		41,289	32,676		32,676
Donated Goods and Services	5,000		5,000	6,000		6,000
Total Public Support	1,733,582	224,000	1,957,582	1,492,782	150,000	1,642,782
Special Events						
Gross Revenues	162,595		162,595	167,354		167,354
Less: Direct Expenses	(85,671)		(85,671)	(37,680)		(37,680)
	76,924		76,924	129,674		129,674
OTHER REVENUE						
Program Service Fees	1,000		1,000	1,150		1,150
Bad Debt Loss	(1,600)		(1,600)	(32,620)		(32,620)
Investment Income, net	293,897	13,604	307,501	271,300	12,343	283,643
Total Other Revenue	293,297	13,604	306,901	239,830	12,343	252,173
Net Assets Released from Donor Restrictions						
Expiration of Time Restrictions	25,000	(25,000)	—	31,310	(31,310)	—
Released for Specified Purpose Fulfilled	122,668	(122,668)	—	168,333	(168,333)	—
	147,668	(147,668)	—	199,643	(199,643)	—
Total Revenues	2,251,471	89,936	2,341,407	2,061,929	(37,300)	2,024,629
EXPENSES						
Program Services	1,556,855		1,556,855	1,416,173		1,416,173
Supporting Services						
Management and General	330,759		330,759	293,703		293,703
Fundraising	182,773		182,773	152,720		152,720
Total Expenses	2,070,387		2,070,387	1,862,596		1,862,596
CHANGE IN NET ASSETS	181,084	89,936	271,020	199,333	(37,300)	162,033
Net Assets, Beginning	6,528,424	269,901	6,798,325	6,329,091	307,201	6,636,292
NET ASSETS, ENDING	\$ 6,709,508	\$ 359,837	\$ 7,069,345	\$ 6,528,424	\$ 269,901	\$ 6,798,325

STATEMENTS OF FUNCTIONAL EXPENSES

For the Years Ended June 30	2024				2023	
	Program Services	Management and General	Fundraising	Special Events Direct Expenses	Total Expenses	Summarized Total
Personnel						
Salaries	\$ 991,976	\$ 173,327	\$ 117,647	\$ —	\$ 1,282,950	\$ 1,197,507
Payroll Taxes	75,123	13,126	8,909	—	97,158	81,283
Employee Benefits	145,968	25,505	17,312	—	188,785	155,254
	<u>1,213,067</u>	<u>211,958</u>	<u>143,868</u>	<u>—</u>	<u>1,568,893</u>	<u>1,434,044</u>
Occupancy						
Utilities	14,734	1,071	672	—	16,477	20,090
Repairs and Maintenance	82,777	6,017	3,777	—	92,571	79,557
	<u>97,511</u>	<u>7,088</u>	<u>4,449</u>	<u>—</u>	<u>109,048</u>	<u>99,647</u>
Professional Fees	43,748	77,072	1,686	38,399	160,905	112,542
Insurance	15,751	6,268	4,768	—	26,787	21,688
Advertising	13,664	496	43	—	14,203	8,500
Dues and Subscriptions	3,877	1,550	4,513	—	9,940	7,398
Meals and Acknowledgements	1,759	700	532	—	2,991	16,285
Background Checks	696	277	211	—	1,184	1,160
Bank Fees	—	2,821	—	1,808	4,629	2,888
Postage	1,452	576	440	—	2,468	3,042
Venue	—	—	—	25,852	25,852	4,413
Equipment and Rental	—	—	—	7,887	7,887	11,953
Marketing	2,696	—	1,292	—	3,988	6,063
Personnel Development	4,363	5	191	—	4,559	4,446
Travel	13,962	695	1,503	3,982	20,142	7,618
Supplies	18,056	1,444	1,096	5,386	25,982	14,003
Printing	409	80	2,186	2,357	5,032	661
Telecommunications	23,369	3,975	3,071	—	30,415	26,369
Depreciation and Amortization	102,475	15,754	12,924	—	131,153	117,556
	<u>246,277</u>	<u>111,713</u>	<u>34,456</u>	<u>85,671</u>	<u>478,117</u>	<u>366,585</u>
	1,556,855	330,759	182,773	85,671	2,156,058	1,900,276
Less Special Events Direct Expenses	—	—	—	85,671	85,671	37,680
TOTALS	\$ 1,556,855	\$ 330,759	\$ 182,773	\$ —	\$ 2,070,387	\$ 1,862,596

See accompanying notes.

STATEMENTS OF CASH FLOWS

For the Years Ended June 30	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	<u>\$ 271,020</u>	<u>\$ 162,033</u>
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation and Amortization	131,153	117,556
Net Realized and Unrealized Gains	(209,113)	(158,508)
Changes in Assets and Liabilities		
Grants and Other Receivables	24,596	(19,771)
Pledges Receivable, net	(25,833)	(17,380)
Accounts Payable	4,859	(1,528)
Accrued Salaries and Payroll Taxes	9,160	(3,792)
Accrued Severance	(41,667)	83,333
Accrued Vacation	<u>(1,524)</u>	<u>9,061</u>
Total Adjustments	<u>(108,369)</u>	<u>8,971</u>
Net Cash Provided by Operating Activities	<u>162,651</u>	<u>171,004</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(9,729)	(6,270)
Purchases of Land, Buildings and Improvements	—	(185,452)
Purchases of Investments	(1,042,407)	(496,603)
Proceeds from Sales of Investments	1,135,840	491,010
Dividends Reinvested in Mutual Funds	<u>(135,376)</u>	<u>(159,884)</u>
Net Cash Used by Investing Activities	<u>(51,672)</u>	<u>(357,199)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	110,979	(186,195)
Cash and Cash Equivalents, Beginning	<u>328,028</u>	<u>514,223</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 439,007</u>	<u>\$ 328,028</u>

NOTES TO FINANCIAL STATEMENTS

NATURE OF ACTIVITIES

Zacharias Sexual Abuse Center (the Center) is a non-profit, publicly-supported corporation whose mission is to mobilize the community toward ending systemic sexual violence while amplifying the voice of survivors through trauma informed care, advocacy, and prevention education. The services provided by the Center include prevention programs, counseling, medical and legal advocacy, a 24-hour support line, professional training and community education. Programs are provided for children, adults and families. Zacharias Sexual Abuse Center's primary funding sources are grants from the Illinois Coalition Against Sexual Assault (ICASA), and other grants and contributions from private foundations, corporations and the general public.

NOTE 1—SIGNIFICANT ACCOUNTING POLICIES**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (U.S. GAAP). Net assets and revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors (the Board). Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as contributions without donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Center and/or the passage of time. When restrictions expire, 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 donor restrictions.

Additionally, certain net assets represent funds subject to the restrictions of gift instruments requiring the principal to be maintained permanently intact while the investment earnings are classified as with donor restrictions until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and may be spent on any Center program.

Cash and Cash Equivalents

For purposes of these financial statements, cash includes cash on hand and in checking and money market accounts held for operating purposes. The Center considers all highly-liquid investments purchased with original maturities of three months or less to be cash equivalents.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—SIGNIFICANT ACCOUNTING POLICIES (Continued)**Property and Equipment**

Property and equipment acquisitions of \$500 or more are capitalized and recorded at cost, less accumulated depreciation. Donated fixed assets are capitalized at the estimated fair value on the date of donation. Depreciation is calculated on the straight-line basis over the estimated useful lives of the assets: 10 to 40 years for buildings and improvements, and 3 to 10 years for furniture and equipment.

Contributions, Event Revenue, and Pledges Receivable

Contributions, including unconditional promises to give, are recorded when received. All contributions are available for general operating use unless specifically restricted by the donor. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Special event revenue, which include registration fees or ticket purchases, sponsorships and purchase of auction and raffle items, are recorded equal to the cost of direct benefits to donors, and contribution revenue for the difference. Based on the Center's evaluation of its contracts with customers, the Center's performance obligations are satisfied at the time the event occurs.

Unconditional promises to give due in the next year are reflected as current pledges receivable at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term pledges and are recorded at their net present value, using interest discount rates applicable to the years in which the promises are received. No allowance for uncollectible pledges has been recorded, as management expects no material amounts of uncollectible pledges.

Donated Goods and Services

Donated materials and equipment are recognized at fair value at the date of receipt. Donated personal services are recognized only if they either (a) create or enhance non-financial assets (such as property and equipment), or (b) they require specialized skills which would be purchased if they were not donated. Donated services that do not meet either requirement are not recorded in the accompanying financial statements.

The financial statements reflect amounts for in-kind contributions for which an objective basis is available to measure their value. Revenues are reflected in contributions, and the expenses are recorded in the corresponding functional expense category in the accompanying statements of activities.

The Center also receives a significant amount of donated services from unpaid volunteers and Board members who assist in its programs in the furtherance of its purposes. No amounts have been recognized in the statements of activities related to these services because the criteria for recognition under the Financial Accounting Standards Board (the FASB) Codification topic related to contributions made and received have not been satisfied.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—SIGNIFICANT ACCOUNTING POLICIES (Continued)**Advertising Costs**

Advertising costs consists of advertisements for program services and to fill various job openings, and are expensed as incurred. Total advertising expense was \$14,203 for 2024 and \$8,500 for 2023.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statements of activities. Expenses are charged directly to programs or management and general categories based upon specific identification where possible. Accordingly, certain costs have been allocated among the programs and supporting services benefited, based on direct charges or appropriate methods determined by management. These methods include an allocation of personnel, and any other costs deemed to be related to time and efforts expended by employees on the different functional categories and allocation of occupancy and related costs using space utilization percentages occupied by the various functions.

Concentration of Credit Risk

The Center maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. At June 30, 2024 and 2023, the Center has deposits at financial institutions in excess of federally insured limits of \$112,696 and \$98,609, respectively. The Center has not experienced any losses in such accounts. The Center's management believes it is not exposed to any significant credit risk on cash.

Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with investments, it is at least reasonably possible that changes in the fair value of investments will occur in the near term and that such changes could materially affect the financial statements.

Credit risk associated with grants and other receivables and pledges receivable is considered to be limited due to high historical collection rates and because a significant portion of the outstanding amounts are due from grantors and contributors supportive of the Center's mission.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue, expenses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Center is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. In addition, the IRS has determined that the Center is not a private foundation within the meaning of Section 509(a) of the Internal Revenue Code. The Center is similarly classified for State of Illinois purposes. The Center files its forms 990 in the U.S. federal jurisdiction and the office of the Illinois State's Attorney General.

NOTES TO FINANCIAL STATEMENTS

NOTE 1—SIGNIFICANT ACCOUNTING POLICIES (Continued)**Income Taxes (Continued)**

The Center follows the guidance in the FASB Codification topic related to uncertainty in income taxes which prescribes a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements uncertain tax positions that the Center has taken or expects to take in its tax returns. Under the guidance, the Center may recognize the tax benefit from an uncertain tax position only if it is "more likely than not" that it is sustainable, based on its technical merits. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority having full knowledge of all relevant information. The Center believes that it has appropriate support for the positions taken on its returns.

Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total, but not by functional expense classifications. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with the Center's financial statements for the year ended June 30, 2023, from which the summarized information was derived.

Recently Adopted Accounting Guidance – Credit Losses

In June 2016, the FASB issued guidance (FASB ASC 326) which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through the change in net assets. The most significant change in this standard is a shift from the incurred loss model to the expected loss model. Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Center that are subject to the guidance in FASB ASC 326 are the Center's accounts receivable resulting from exchange transactions. The Center's allowance for doubtful receivables from non-exchange transactions, which are the Center's Grants, Pledges and Contributions receivable are specifically excluded from the scope of this new standard.

Management adopted the standard effective July 1, 2023. As of that date, the Center had no accounts receivable, or other financial assets within the scope of this new standard, thus the impact of the adoption was considered immaterial to the financial statements and resulted only in additional footnote disclosures.

NOTES TO FINANCIAL STATEMENTS

NOTE 2—LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following represents the Center's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date.

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents.....	\$ 439,007	\$ 328,028
Grants and Other Receivables.....	102,848	127,444
Pledges Receivable.....	112,083	86,250
Investments.....	4,079,911	3,842,460
Endowment Investments	<u>201,422</u>	<u>187,817</u>
	4,935,271	4,571,999
Less those unavailable for general expenditures within one year due to:		
Net Assets with Donor Restrictions	<u>(309,837)</u>	<u>(269,901)</u>
Financial assets available to meet cash needs for general expenditures within one year.....	<u>\$ 4,625,434</u>	<u>\$ 4,302,098</u>

The Center has more than sufficient liquid assets to meet one year of expenses. As part of the Center's liquidity management, it invests cash in excess of daily requirements in short-term investments, typically negotiable Certificates of Deposit and Mutual Funds.

NOTE 3—PLEDGES RECEIVABLE

Pledges at June 30 consist of items receivable from:

	<u>2024</u>	<u>2023</u>
Townships	\$ 3,333	\$ 5,000
Corporations, Foundations, and Individuals	<u>108,750</u>	<u>81,250</u>
	<u>\$ 112,083</u>	<u>\$ 86,250</u>

As of June 30, 2024 and 2023, all pledges and grants receivable are due within two years. No allowance for uncollectible pledges has been recorded, as all pledges are considered collectible.

NOTES TO FINANCIAL STATEMENTS

NOTE 4—INVESTMENTS AND FAIR VALUE MEASUREMENT

Fair values at June 30 of investments by net asset category are summarized as follows:

<u>June 30, 2024</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Without Donor Restrictions and Undesignated - Mutual Funds	<u>\$ 3,977,553</u>	<u>\$ 4,079,911</u>	<u>\$ 102,358</u>
With Time Donor Restrictions Cash and Cash Equivalents	\$ 4,785	\$ 4,785	\$ —
With Donor Restrictions in Perpetuity Mutual Funds	<u>186,050</u>	<u>196,637</u>	<u>10,587</u>
	<u>\$ 190,835</u>	<u>\$ 201,422</u>	<u>\$ 10,587</u>
<u>June 30, 2023</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Gain (Loss)</u>
Without Donor Restrictions and Undesignated - Mutual Funds	<u>\$ 3,975,113</u>	<u>\$ 3,842,460</u>	<u>\$ (132,653)</u>
With Time Donor Restrictions Cash and Cash Equivalents	\$ 3,081	\$ 3,081	\$ —
With Donor Restrictions in Perpetuity Mutual Funds	<u>179,173</u>	<u>184,736</u>	<u>5,563</u>
	<u>\$ 182,254</u>	<u>\$ 187,817</u>	<u>\$ 5,563</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 4—INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)

The FASB Codification establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that inputs that are most observable be used when available. Observable inputs are inputs that market participants operating within the same marketplace as the Center would use in pricing the asset or liability based on independently derived and observable market data. Unobservable inputs are inputs that cannot be sourced from a broad active market in which assets or liabilities identical or similar to those of the Center are traded.

Level 1 – Valuation based on quoted market prices in active markets for identical assets or liabilities. These include the Center’s mutual funds.

Level 2 – Valuation based on quoted market prices of investments that are not actively traded or for which certain significant inputs are not observable, either directly or indirectly.

Level 3 – Valuation based on inputs that are unobservable and reflects management’s best estimate of what market participants would use as fair value.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center 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 is the Center’s financial assets that were measured at fair value, on a recurring basis, as of June 30, 2024 and 2023 by level within the fair value hierarchy. There have been no changes in the methodologies used at June 30, 2024 or 2023.

NOTES TO FINANCIAL STATEMENTS

NOTE 4—INVESTMENTS AND FAIR VALUE MEASUREMENT (Continued)

Investments	Fair Value at June 30, 2024	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds				
Growth and Income Funds	\$ 2,351,571	\$ 2,351,571	\$ —	\$ —
Blend Funds	220,992	220,992	—	—
Bond Funds	1,423,950	1,423,950	—	—
Value Funds	280,035	280,035	—	—
Investments at Fair Value	4,276,548	\$ 4,276,548	\$ —	\$ —
Uninvested Cash	4,785			
	<u>\$ 4,281,333</u>			

Investments	Fair Value at June 30, 2023	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds				
Growth and Income Funds	\$ 2,606,914	\$ 2,606,914	\$ —	\$ —
Blend Funds	232,774	232,774	—	—
Bond Funds	1,187,508	1,187,508	—	—
Investments at Fair Value	4,027,196	\$ 4,027,196	\$ —	\$ —
Uninvested Cash	3,081			
	<u>\$ 4,030,277</u>			

The following schedule summarizes the investment return and its classification in the statements of activities for the years ended June 30, 2024 and 2023.

Year Ended June 30, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Interest and Dividend Income	\$ 133,968	\$ 6,184	\$ 140,152
Net Realized and Unrealized Gains	199,643	9,470	209,113
Investment Fees	(39,714)	(2,050)	(41,764)
	<u>\$ 293,897</u>	<u>\$ 13,604</u>	<u>\$ 307,501</u>
Year Ended June 30, 2023	Without Donor Restrictions	With Donor Restrictions	Total
Interest and Dividend Income	\$ 155,466	\$ 7,537	\$ 163,003
Net Realized and Unrealized Gains	151,839	6,669	158,508
Investment Fees	(36,005)	(1,863)	(37,868)
	<u>\$ 271,300</u>	<u>\$ 12,343</u>	<u>\$ 283,643</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 5—PROPERTY AND EQUIPMENT

	<u>2024</u>	<u>2023</u>
Land.....	\$ 393,557	\$ 393,557
Building, Building and Improvements, and Parking Lot Improvements.....	3,315,282	3,315,282
Furniture and Fixtures	<u>734,749</u>	<u>725,020</u>
	4,443,588	4,433,859
Less: Accumulated Depreciation and Amortization	<u>2,210,404</u>	<u>2,079,251</u>
	<u>\$ 2,233,184</u>	<u>\$ 2,354,608</u>

Depreciation and amortization expense on Buildings and Improvements was \$107,443 for the year ended June 30, 2024 and \$91,426 for the year ended June 30, 2023. Depreciation expense on Furniture and Equipment was \$23,710 for the year ended June 30, 2024 and \$26,130 for the year ended June 30, 2023.

NOTE 6—INTANGIBLES

In 2016, the Center incurred \$21,124 of expenses to redesign its website which were capitalized and are presented as website design costs on the statements of financial position. Such capitalized costs were fully amortized in a prior year.

NOTE 7—BOARD-DESIGNATED NET ASSETS

Fixed assets in the amount of \$2,233,184 at June 30, 2024, and \$2,354,608 at June 30, 2023, have been segregated as a board-designated component of net assets without donor restrictions to indicate their unavailability for current operations.

NOTE 8—DONOR RESTRICTED NET ASSETS

Net assets with donor restrictions are available for the following purposes:

	<u>2024</u>	<u>2023</u>
Children's Programs	\$ 50,000	\$ 34,583
Advocacy Programs	108,415	47,500
Unappropriated Endowment Earnings (Accumulated Losses)	<u>(4,278)</u>	<u>(17,882)</u>
	<u>\$ 154,137</u>	<u>\$ 64,201</u>

Additionally, endowment net assets with donor restrictions in perpetuity of \$205,700 at June 30, 2024 and 2023 consist of a general endowment fund. The investment earnings of the endowment fund are not restricted for a specific purpose but contain an inherent time restriction until appropriated for expenditure.

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes, by the occurrence of other events specified by the donors, or through the passage of time.

NOTES TO FINANCIAL STATEMENTS

NOTE 8—DONOR RESTRICTED NET ASSETS (Continued)

Restrictions released during the years ended June 30 were as follows:

	<u>2024</u>	<u>2023</u>
Time Restricted.....	\$ 25,000	\$ 31,310
Expended for Children's Programs.....	34,583	47,500
Expended for Advocacy Programs	<u>88,085</u>	<u>120,833</u>
	<u>\$ 147,668</u>	<u>\$ 199,643</u>

The Center interprets UPMIFA adopted by the State of Illinois as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment fund, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as net assets with donor restrictions in perpetuity a) the original value of gifts donated to the permanent endowment, b) the original value of subsequent gifts to the permanent endowment, and c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in net assets with donor restrictions in perpetuity is classified as net assets with time or purpose donor restrictions until those amounts are appropriated for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the Center considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of the Center, and (7) the Center's investment policies. The Center is in the process of modifying its spending policy related to endowment funds whereas the appropriation will be 5% of the invested value average for the immediate prior 3 years. In years of significant losses the board may elect not to appropriate funds for that year in order to preserve the purchasing power of the fund. The endowment has historically invested in cash equivalents only which, combined with significant unrealized losses in the prior year, resulted in an underwater endowment fund at June 30, 2024, and 2023.

Endowment net asset composition as of June 30 is as follows:

	<u>2024</u>	<u>2023</u>
Net Assets With Donor Restrictions		
Donor-Restricted Endowment Fund	\$ 205,700	\$ 205,700

NOTES TO FINANCIAL STATEMENTS

NOTE 8—DONOR RESTRICTED NET ASSETS (Continued)

Changes in endowment net assets as of June 30, 2024 and 2023 are as follows:

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>With Donor Restrictions in Perpetuity</u>	<u>Total</u>
Net Assets, June 30, 2022. \$	—	\$ (30,225)	\$ 205,700	\$ 175,475
Investment Income, net.....	—	12,343	—	12,343
Amounts Appropriated for Expenditure.....	—	—	—	—
Net Assets, June 30, 2023.	—	(17,882)	205,700	187,818
Investment Income, net.....	—	13,604	—	13,604
Amounts Appropriated for Expenditure.....	—	—	—	—
Net Assets, June 30, 2024. \$	—	\$ (4,278)	\$ 205,700	\$ 201,422

From time-to-time, certain donor-restricted endowment funds may have fair values less than the amount required to be maintained by donors or by law (underwater endowments). At June 30, 2024 and 2023, one fund with an original gift value of \$205,700, and a fair value of \$201,422 and \$187,818, had such a deficiency of \$4,278 and \$17,882, which is reported in the net assets with time and purpose restrictions.

NOTE 9—DONATED GOODS AND SERVICES

The Center has recorded in-kind contributions for the years ended June 30 as follows:

	<u>2024</u>	<u>2023</u>
Donated Services		
Accounting in Professional Fees	\$ <u>5,000</u>	\$ <u>6,000</u>

Donated accounting services were recorded at the estimated fair value based on the current rates for similar accounting services in the Chicagoland area. There were no donor-imposed restrictions associated with the donated professional services and they are recorded in management and general expense on the statements of functional expenses as they are a supporting service.

NOTES TO FINANCIAL STATEMENTS

NOTE 10—RETIREMENT PLANS

The Center sponsors a salary reduction arrangement (TSA) covering substantially all employees. Under the plan, all electing employees contribute various percentages of their salary on a tax-deferred basis. Employer contributions are discretionary and no contributions were made for the years ended June 30, 2024 and 2023.

The Center also sponsors a defined contribution simplified employee plan (SEP) covering substantially all employees. Employer contributions are made to employees' retirement accounts each calendar year at the discretion of the Board. Employer contributions are based on a percentage applied to each employee's salary for the calendar year. Employer contributions were \$50,559 for 2024 and \$42,401 for 2023.

NOTE 11—CONCENTRATIONS

During 2024, the Center received 24% of its total revenues from ICASA. During 2023, the Center received 27% of its total revenues from ICASA.

NOTE 12—RECLASSIFICATIONS

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on Net Assets and changes therein.

NOTE 13—SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 17, 2024, the date which the financial statements were available for issue. There were no subsequent events which require disclosure.