THE CENTER OF CONCERN

Financial Statements

June 30, 2018

THE CENTER OF CONCERN

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INDEPENDENT AUDITORS' REPORT

Board of Directors
The Center of Concern

We have audited the accompanying ýnancial statements of The Center of Concern (an Illinois not-for-profit corporation) (the ñOrganizationò), which comprise of the statement of financial position as of June 30, 2018, and the related statement of activities, and cash þows for the year then ended, and the related notes to the ýnancial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these ýnancial 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 ýnancial 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 ýnancial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the ýnancial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the ýnancial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the ýnancial 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 ýnancial 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 signiýcant accounting estimates made by management, as well as evaluating the overall presentation of the ýnancial statements.

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

BARNES
GIVENS
BARNES

Opinion

In our opinion, the ýnancial statements referred to above present fairly, in all material respects, the ýnancial position of The Center of Concern as of June 30, 2018, and the results of its operations and its cash þows for the year 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 financial statements as a whole. The Schedule of Functional Expenses on page 15 and Illinois Department of Human Services on page 16 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Barnes, Givens & Barnes, Ltd.

Mount Prospect, Illinois
September 26, 2018

THE CENTER OF CONCERN
Statement of Financial Position
June 30, 2018

ASSETS

Current Assets		
Cash	$	52,762
Investments		175,320
Grants receivable		171,400
Accounts receivable		-
Pledges receivable		15,392
Prepaid expenses		6,064
Total Current Assets		420,938
Property and Equipment, net		2,990
Other Assets		
Deposits		34,863
Total Assets	$	458,791

LIABILITIES AND NET ASSETS

Current Liabilities		
Accounts payable	$	12,817
Accrued liabilities		30,366
Total Current Liabilities		43,183
Net Assets		
Unrestricted:		
General		184,457
Board designated		164,376
		348,833
Temporarily restricted		66,775
Total Net Assets		415,608
Total Liabilities and Net Assets	$	458,791

THE CENTER OF CONCERN
Statement of Activities
For the Year Ended June 30, 2018

	Unrestricted	Temporarily Restricted	Total
Revenues, Gains and Other Support			
Public support-			
Contributions	$ 533,068	$ -	$ 533,068
Contributions-in-kind	293,507	-	293,507
Special events	92,977	-	92,977
Total Public Support	919,552	-	919,552
Government contracts-			
Government grants	201,668	194,641	396,309
HUD income	-	151,717	151,717
IDHS-emergency food and shelter	33,696	-	33,696
Total Government Contracts	235,364	346,358	581,722
Other income-			
Investment income	3,748	-	3,748
Other income	3,371	-	3,371
Total Other Income	7,119	-	7,119
Total Revenues Before Net Assets Released from Restrictions	1,162,035	346,358	1,508,393
Net Assets Released from Restrictions	395,096	(395,096)	-
Total Revenues, Gains and Other Support	1,557,131	(48,738)	1,508,393
Expenses			
Program	1,140,403	-	1,140,403
Management and general	177,944	-	177,944
Fundraising	196,117	-	196,117
Total Expenses	1,514,464	-	1,514,464
Change in Net Assets	42,667	(48,738)	(6,071)
Net Assets - Beginning of Year	306,166	115,513	421,679
Net Assets - End of Year	$ 348,833	$ 66,775	$ 415,608

THE CENTER OF CONCERN
Statement of Cash Flows
For the Year Ended June 30, 2018

Cash Flows From Operating Activities:		
Change in net assets	$	(6,071)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-		
Depreciation		1,672
Unrealized loss on investments		817
(Increase) decrease in assets-		
Accounts receivable		746
Prepaid expense		(1,002)
Deposits		(14,630)
Increase (decrease) in liabilities-		
Accounts payable		(11,248)
Accrued liabilities		9,967
Net Cash Provided by (Used in) Operating Activities		(19,749)
Cash Flows From Investing Activities:		
Purchases of property and equipment		-
Proceeds from sale of investments		84,560
Purchases of investments		(39,340)
Net Cash Provided by (Used in) Investing Activities		45,220
Net Increase in Cash		25,471
Cash and Cash Equivalents - Beginning of Year		27,291
Cash and Cash Equivalents - End of Year	$	52,762

See Accompanying Notes to Financial Statements and
Independent Auditorsô Report

THE CENTER OF CONCERN
Notes to the Financial Statements
June 30, 2018

Note A – Organization and Nature of Activities

The Center of Concern (the ñOrganizationò) is a not-for-profit, multi-purpose social service agency that assists individuals in a supportive and confidential atmosphere. The Organization is committed to providing programs and services that foster physical and mental well-being, alleviate isolation, and encourage the maintenance of independence with dignity.

With special focus on helping the elderly and the homebound, the Organization also offers services to those with affordable housing needs and others who seek counseling and support. Services are offered regardless of age, gender, race, national origin, financial status or physical disability and are provided to many who are not eligible for other community or government programs. The Organizationôs professional staff resources are augmented by volunteers from the community who assist in delivering services to those in need.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Information regarding the financial position and activities of the Organization are reported in three classes of net assets as applicable: unrestricted, temporarily restricted, and permanently restricted. These classes of net assets are based on the existence or absence of externally (donor) imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

- Unrestricted Net Assetsð Unrestricted net assets are not subject to donor-imposed stipulations. They include all activities of the Organization as it currently does not receive any restricted resources. Board designated amounts are part of unrestricted net assets.
- Temporarily Restricted Net Assetsð Temporarily restricted net assets are subject to donor-imposed stipulations that can be removed through the passage of time (time restrictions) or actions of the Organization (purpose restrictions).
- Permanently Restricted Net Assetsð Permanently restricted net assets are subject to the restrictions imposed by donors who require that the principal of these classes of net assets be invested in perpetuity and only the investment income can be expended.

Note B – Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and activities and the related disclosures at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are considered to be highly liquid depository accounts with a maturity of less than one year. Deposits held in all non-interest bearing transactional bank accounts and interest-bearing accounts are aggregated by entity and are fully insured up to $250,000.

Fair Value of Financial Instruments

FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value as a market-based measurement, not an entity-specific measurement. The objective of a fair value measurement is to estimate the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions (that is, an exit price at the measurement date from the perspective of a market participant that holds the assets or owes the liability). A fair value measurement assumes that the transaction to sell an asset or to transfer a liability occurs either in the principal market (or in its absence, the most advantageous market) for the asset or liability.

For some assets and liabilities, observable market transactions or market information may be available. For other assets and liabilities, observable market transactions and market information may not be available. When a price for an identical asset or liability is not observable, the Organization measures fair value using other valuation techniques which maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk. As a result, the Organizationǿs intent to hold an asset or settle or otherwise fulfill a liability is not relevant when measuring fair value.

Note B – Summary of Significant Accounting Policies (continued)

Receivables and Allowance for Doubtful Accounts

Receivables are uncollateralized customer obligations. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance or, if unspecified, investigated to identify the appropriate invoice to which to apply the payment.

Management reviews all individual customer accounts receivable balances that exceed ninety (90) days from invoice date and based on the assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Based upon these reviews, management believed all accounts receivable to be fully collectible and, accordingly, no allowance for uncollectible accounts receivable is reflected in the accompanying financial statements.

Fixed Assets

Property and equipment are carried at cost if purchased or fair value at the date of donation. Depreciation is computed using the straight-line method over five years. The Organization generally capitalizes property and equipment expenditures over $1,000.

Maintenance and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to operations.

Revenue Recognition

The Organization receives grant and contract revenue from federal, state and city agencies. The Organization recognizes grant and contract revenue over the service period for certain arrangements, or as expenses are incurred for cost reimbursement grants.

Contributions

Contributions received are recorded as unrestricted or temporarily restricted support, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in temporarily restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Federal grant awards are not recorded until expended for the purpose of the grants since they are conditional promises to give.

Note B – Summary of Significant Accounting Policies (continued)

Functional Allocation of Expenses

In the schedule of functional expenses, all expenses are allocated to the appropriate programs and supporting services on the basis of actual expense. Certain expenses that are joint among all programs are allocated evenly across all of the programs.

Note C - Income Taxes

The Organization is a not-for-profit organization exempt from paying corporate federal income tax under Section 501 (c)(3) of the Internal Revenue Code. It has been classified as an organization that is not a private Organization under the Internal Revenue Code and charitable contributions by donors are tax deductible.

The Organization files Form 990, Return of Organization Exempt from Income Tax with the Federal government. Management has determined that the Organization has no income tax liability as of June 30, 2018. The Organization has evaluated its tax positions and determined it has no uncertain tax positions at June 30, 2018. The Organization's 2014-2017 tax years are open for examination by the IRS. Should the Organizationôs tax-exempt status be challenged in the future, all years since inception could be subject to review by the IRS.

Note D – Fair Value of Investments

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value focuses on the price that would be received to sell an asset or paid to transfer a liability regardless of whether an observable liquid marked price exist (exit price). The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

ÅLevel 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Note D – Fair Value of Investments (continued)

ÅLevel 2 Inputs to the valuation methodology include:
- o Quoted prices for similar assets or liabilities in active markets;
- o Quoted prices for identical or similar assets or liabilities in inactive markets;
- o Inputs other than quoted prices which are observable for the asset or liability;
- o 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 for full term of the asset or liability.

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

Each assetôs or liabilityôs fair value measurement level within the fair value hierarchy is based on the lowest level of any input which is significant to the fair value measurement. Valuation techniques utilized should maximize the use of observable inputs and minimize the use of unobservable inputs.

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

Mutual Funds ï Valued at the daily closing price as reported by the fund. Mutual funds held by the Organization are open-ended mutual funds which are registered with the SEC. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Organization are deemed to be actively traded.

The methods described above could produce fair value calculations which may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organizationôs management believes that the valuation methods used are appropriate and consistent with those utilized by other market participants, the implementation of different methodologies or assumptions to determine the fair value of the Organizationôs investment portfolio might result in different fair value measurements at report date.

The Organization invests in various types of investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of the portfolio will occur in the near term (1 year) and such changes could materially affect the Organizationôs investments and the amounts reported in the accompanying statement of financial position.

Note D – Fair Value of Investments (continued)

The following table set forth, by level within the fair value hierarchy, the Organizationǫs assets at fair value as of June 30, 2018.

The Organizationǫs portfolio investments were classified as follows, based on fair values:

Assets	Level 1	Level 2	Level 3	Total
Money Market	$ 82	$ -	$ -	$ 82
Common Stock	8,273	-	-	8,273
Equity Mutual funds	10,204	-	-	10,204
US Fixed Income funds	156,761	-	-	156,761
Total	$ 175,320	$ -	$ -	$ 175,320

Investments are composed of the following:

	Cost	Fair Value
Money Market	$ 82	$ 82
Common Stock	8,237	8,273
Equity Mutual funds	7,562	10,204
US Fixed Income funds	160,389	156,761
Total	$ 176,270	$ 175,320

Investment income is composed of the following:

Investment Income (Loss)-	
Dividends and interest	$ 5,605
Net realized and unrealized loss	(817)
Advisory fees	(1,040)
Total	$ 3,748

Note E – Grants Receivable

Grants receivable as of June 30, 2018 consisted of the following:

Grantor	Amount
Cook County Community Development Block Grant	$ 24,000
Cook County Emergency Shelter Grant	32,972
Des Plaines Community Development Block Grant	9,003
Maine Township	25,867
Age Options	79,558
Total	$ 171,400

Note F – Pledges Receivable

The Organization has received many letters of intent to contribute to the unrestricted matching fund and general operations. The total amount of these pledges receivable was $15,392 as of June 30, 2018. No allowance for doubtful accounts was deemed necessary as of June 30, 2018. All pledges are due in less than one year; therefore no discount is necessary.

Note G – Land, Building, Furniture and Equipment

Property and equipment consist of the following:

Furniture and fixtures	$ 51,240
Less Accumulated depreciation	(48,250)
Total	$ 2,990

Note H - Compensated Absences

The Organization has a vesting vacation policy. The amount of vacation time available as of June 30, 2018 was $18,430 and has been included in accrued liabilities on the statement of financial position.

Note I – Commitments and Contingencies

The Organization has available a bank line of credit for any amount up to $100,000 at June 30, 2018. The line of credit is secured by the business assets of the Organization and draws on the line of line of credit bear interest at 5.75%. There have been no draws on the line of credit as of June 30, 2018.

Note J – Temporarily Restricted Net Assets

Temporarily restricted net assets consist of pledges receivable and unexpended revenues restricted due to either use or time restrictions.

Activity in temporarily restricted net assets was as follows:

	June 30, 2017	Increase	Decrease	June 30, 2018
Maine Township	$ 23,333	$ 38,800	$ 38,800	$ 23,333
Age Options	65,217	205,970	244,266	26,921
Cook County ESG	8,363	19,000	22,613	4,750
Cook County CDBG	6,750	24,000	24,750	6,000
Des Plaines CDBG (Housing)	2,000	8,000	8,500	1,500
Des Plaines CDBG (Seniors)	2,500	10,000	10,000	2,500
Age Options (Cong Meals)	7,350	40,588	46,167	1,771
Total	$ 115,513	$ 346,358	$ 395,096	$ 66,775

Note K – Contributions In-Kind

Donations of services are recorded if they create or enhance a non-financial asset or are for specialized skills that would be purchased if they were not donated. The Organization received donated counseling, accounting and computer consulting services. During the year ended June 30, 2018, the Organization received donated services valued at $258,836.

Note L – Volunteer Hours

On the statement of functional expenses, volunteer hours represent donated time and services expended for counseling and other specialized skills. Total volunteer hours for the year ended June 30, 2018 were 5,901. During the year ended June 30, 2018, there were 1,014 non-professional volunteer hours that were not included in the statement of activities or statement of functional expenses.

Note M– Leases

The Organization has numerous operating leases for real and personal property. Rental expense on copiers, office space, parking fees, utilities, and real estate taxes for the year ended June 30, 2018 totaled $36,789.

The Organization leases office space under a five-year lease expiring on March 31, 2022. The monthly rent is $3,033 with a three percent annual increase.

The estimated future minimum rental and lease obligation for the succeeding years under non-cancelable operating leases in effect as of June 30, 2018 are as follows:

Year Ended June 30,	
2019	$ 37,773
2020	38,906
2021	40,074
2022	30,726
	$ 147,479

Note N - Conditional Promises to Give

During the year ended June 30, 2012, the Organization was informed of a conditional promise to give comprised of a trust, which has not been recorded in the financial statements. The promise to give is contingent upon the death of an individual. Therefore, no receivable has been recorded and the contribution will not be recorded until the condition is met.

Note O – Subsequent Events

The Organization has determined that no material events or transactions occurred subsequent to June 30, 2018 and through the date of the independent auditorsô report, the date the financial statements were available for issuance, that would require adjustments to and/or additional disclosure to the financial statements.

SUPPLEMENTARY INFORMATION

THE CENTER OF CONCERN

Schedule of Functional Expenses

For the Year Ended June 30, 2018

	Programs			Support			
	Housing	Senior Support	Total	Management and General	Fundraising	Total	Organization Total
Salaries and wages	$ 110,828	$ 245,760	$ 356,588	$ 91,753	$ 89,573	$ 181,326	$ 537,914
Employee benefits	10,594	23,497	34,091	8,774	8,563	17,337	51,428
Payroll taxes	11,387	25,257	36,644	9,431	9,204	18,635	55,279
Administrative	9,270	20,560	29,830	7,677	7,492	15,169	44,999
Advertising	-	5,733	5,733	2,703	865	3,568	9,301
Bank charges	-	-	-	4,631	-	4,631	4,631
Conferences and meetings	-	950	950	-	-	-	950
Contractors	1,280	-	1,280	-	-	-	1,280
Depreciation	344	764	1,108	285	279	564	1,672
Direct client assistance	-	288,502	288,502	-	-	-	288,502
Insurance	1,974	4,379	6,353	1,635	1,597	3,232	9,585
Moving expense	455	1,008	1,463	376	368	744	2,207
Postage	1,151	2,555	3,706	954	932	1,886	5,592
Printing and reproduction	1,438	3,190	4,628	1,191	1,163	2,354	6,982
Professional fees	2,574	5,709	8,283	2,132	2,080	4,212	12,495
Promotion	-	-	-	-	9,655	9,655	9,655
Rent and utilities - office	8,894	19,726	28,620	7,004	7,188	14,192	42,812
Rent - transitional housing	95,503	-	95,503	-	-	-	95,503
Special events expense	-	-	-	-	51,622	51,622	51,622
Supplies	1,240	2,750	3,990	1,026	1,002	2,028	6,018
Technology	1,706	3,784	5,490	1,413	1,380	2,793	8,283
Telephone	1,282	2,844	4,126	1,062	1,037	2,099	6,225
Travel	555	1,230	1,785	908	-	908	2,693
Volunteer hours	23,696	198,034	221,730	34,989	2,117	37,106	258,836
Total Functional Expenses	$ 284,171	$ 856,232	$ 1,140,403	$ 177,944	$ 196,117	$ 374,061	$ 1,514,464

See Independent Auditorsô Report

THE CENTER OF CONCERN
Illinois Department of Human Services
For the Year Ended June 30, 2018

	DHS Approved Budget	Actual Expenditures
Service Category:		
Emergency Food and Shelter	$ 18,696	$ 18,696
Total	$ 18,696	$ 18,696

See Independent Auditorsô Report