The Center of Concern
Financial Statements and
Independent Auditor's Report
June 30, 2023 and 2022

The Center of Concern
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Center of Concern
Des Plaines, Illinois

Opinion

We have audited the accompanying financial statements of The Center of Concern (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses and cash flows for the year 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 The Center of Concern as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the year 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 The Center of Concern 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 The Center of Concern'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 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 audits.
- 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 audits 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 Center of Concern'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 The Center of Concern'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 audits.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Expenses by Program is presented for purposes of additional analysis and is 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 audits 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.

Evolve Financial I

Lombard, Illinois
October 23, 2023

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

Board of Directors
The Center of Concern
Des Plaines, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States , the financial statements of The Center of Concern (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated October 23, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered The Center of Concern's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of The Center of Concern's internal control. Accordingly, we do not express an opinion on the effectiveness of The Center of Concern'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 audits we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

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

Evolve Financial I

Lombard, Illinois
October 23, 2023

The Center of Concern
Statements of Financial Position
June 30, 2023 and 2022

ASSETS

	2023	2022
Current Assets:		
Cash and cash equivalents	$ 42,961	$ 38,071
Grants and contracts receivable (Note 6)	340,022	303,288
Prepaid expenses	10,425	4,616
Total Current Assets	393,408	345,975
Property and Equipment:		
Furniture and equipment	47,069	47,069
Vehicle	34,634	-
Leasehold improvements	4,171	4,171
Less: Accumulated depreciation	(57,012)	(51,240)
Property and Equipment, Net	28,862	-
Other Assets:		
Investments (Note 7)	256,364	249,583
Operating Lease - Right of Use Office Space (Note 9)	75,112	30,726
Security deposit	3,033	3,033
Total Other Assets	334,509	283,342
Total Assets	$ 756,779	$ 629,317

LIABILITIES AND NET ASSETS

	2023	2022
Current Liabilities:		
Accounts payable and credit cards payable	$ 61,889	$ 52,617
Accrued payroll and payroll taxes	52,784	43,310
Current portion of office operating lease (Note 9)	42,514	30,726
Deferred revenue	5,000	16,365
Total Current Liabilities	162,187	143,018
Long-Term Liabilities:		
Office operating lease (Note 9)	32,598	-
Total Liabilities	194,785	143,018
Net Assets:		
Net assets without donor restrictions	561,994	486,299
Total Liabilities and Net Assets	$ 756,779	$ 629,317

See Independent Auditor’s Report.
The accompanying notes are an integral part of these financial statements.

The Center of Concern
Statements of Activities and Changes in Net Assets
Years Ended June 30, 2023 and 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Government grants	$ 1,860,628	$ -	$ 1,860,628	$ 2,043,594	$ -	$ 2,043,594
Public support and contributions	473,400	-	473,400	385,145	-	385,145
Special events	57,023	-	57,023	61,585	-	61,585
Investment unrealized gain/(Loss)	6,781	-	6,781	(11,578)	-	(11,578)
Other income	34,404	-	34,404	68,849	-	68,849
Net assets released from restrictions	-	-	-	-	-	-
Total Support and Revenue	2,432,236	-	2,432,236	2,547,595	-	2,547,595
Expenses:						
Program Services:						
Community services	422,070	-	422,070	784,302	-	784,302
Housing services	647,281	-	647,281	391,783	-	391,783
Senior services	893,352	-	893,352	816,045	-	816,045
Total Program Services	1,962,703	-	1,962,703	1,992,130	-	1,992,130
Management and general	241,927	-	241,927	346,338	-	346,338
Fundraising	151,911	-	151,911	115,455	-	115,455
Total Expenses	2,356,541	-	2,356,541	2,453,923	-	2,453,923
Increase (Decrease) in Net Assets	75,695	-	75,695	93,672	-	93,672
Net Assets, Beginning of Year, as previously stated	486,299	-	486,299	435,218	-	435,218
Prior Period Adjustment (Note 11)	-	-	-	(42,591)	-	(42,591)
Net Assets, Beginning of Year, as restated	486,299	-	486,299	392,627	-	392,627
Net Assets, End of Year	$ 561,994	$ -	$ 561,994	$ 486,299	$ -	$ 486,299

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

The Center of Concern
Statements of Functional Expenses
Years Ended June 30, 2023 and 2022

	2023				2022			
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries and wages	$ 812,498	$ 107,293	$ 68,305	988,096	$ 654,762	$ 196,118	$ 68,081	$ 918,961
Outside contractors	-	-	-	-	3,539	7,647	-	11,186
Employee benefits	69,907	29,883	12,419	112,209	65,411	19,592	6,801	91,804
Payroll taxes	80,780	6,590	5,067	92,437	56,437	16,903	5,868	79,208
Total salaries and related expenses	963,185	143,766	85,791	1,192,742	780,149	240,260	80,750	1,101,159
Other operating expenses:								
Bank charges	-	1,282	-	1,282	108	-	-	108
Conferences and meetings	-	-	-	-	1,722	152	-	1,874
Direct client assistance	672,813	-	-	672,813	859,810	-	355	860,165
Donated services	-	-	34,404	34,404	10,541	545	15,684	26,770
Dues and subscriptions	300	2,510	977	3,787	256	2,793	340	3,389
Insurance	4,179	9,462	-	13,641	5,070	6,897	79	12,046
Interest	-	-	-	-	-	4,554	-	4,554
Marketing and outreach	20,833	2,213	10,029	33,075	28,919	7,984	3,140	40,043
Miscellaneous	3,827	4,166	-	7,993	237.00	177	-	414
Office	21,303	11,191	727	33,221	53,582	15,637	168	69,387
Postage	2,429	2,173	8,901	13,503	1,715	3,115	1,778	6,608
Printing and reproduction	5,930	2,272	9,140	17,342	7,411	884	9,974	18,269
Professional fees	5,109	40,019	-	45,128	2,338	22,776	-	25,114
Program meals	133,670	-	-	133,670	125,620	211	-	125,831
Program supplies	54,677	-	-	54,677	-	-	-	-
Recruiting and background checks	2,265	1,451	82	3,798	10,060	21,200	-	31,260
Rent and utilities	47,226	4,185	-	51,411	34,405	10,751	3,162	48,318
Technology	21,120	8,794	1,860	31,774	20,238	6,688	25	26,951
Telephone	1,762	2,556	-	4,318	2,521	1,297	-	3,818
Travel	2,075	114	-	2,189	47,428	-	-	47,428
Total Other operating expenses	999,518	92,388	66,120	1,158,026	1,211,981	105,661	34,705	1,352,347
Depreciation	-	5,773	-	5,773	-	417	-	417
Total Expenses	$ 1,962,703	$ 241,927	$ 151,911	$ 2,356,541	$ 1,992,130	$ 346,338	$ 115,455	$ 2,453,923

See Independent Auditor’s Report.
The accompanying notes are an integral part of these financial statements.

The Center of Concern
Statement of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Increase in net assets	$ 75,695	$ 93,672
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Unrealized (gain)/loss on investments	(6,781)	11,578
Reversal of prior peried capitalized fixed assets	-	13,579
Prior period adjustment to net assets	-	(42,591)
Depreciation	5,772	417
Changes in assets and liabilities		
Grants and contracts receivable	(36,734)	152,524
Prepaid expenses and deposits	(5,809)	(4,616)
Accounts payable and accrued expenses	9,272	(183,533)
Accrued payroll and payroll taxes	9,474	17,741
Deferred revenues	(11,365)	2,115
Net cash provided by operating activities	39,524	60,886
Cash flows from investing activities:		
Proceeds from sale of investments	-	60,000
Purchase of property and equipment	-	-
Net cash provided by (used in) investing activities	-	60,000
Cash flows from financing activities:		
Payments on line of credit	-	(89,906)
Net cash used in financing activities	-	(89,906)
Net increase in cash and cash equivalents and security deposit	39,524	30,980
Cash and cash equivalents and security deposit, Beginning of Year	41,104	10,124
Cash and cash equivalents and security deposit, End of Year	$ 80,628	$ 41,104

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

1. Nature of Organization

The Center of Concern (the "Organization"), incorporated on May 24, 1978, is an Illinois not-for-profit organization. The Organization is a 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 and/or government programs. The Organization's professional staff resources are augmented by volunteers from the community who assist in delivering services to those in need.

2. Significant Accounting Policies

Significant accounting practice and policies followed in the preparation of the accompanying financial statements are set forth below.

Standards of Reporting

The accompanying financial statements have been prepared in accordance with standards of accounting and financial reporting established by the Financial Accounting Standard Board (FASB) to ensure consistent reporting of financial condition, results of activities and cash flows. Reference to Generally Accepted Accounting Principles (GAAP) in these footnotes are to the FASB Accounting Standards Codification, sometimes referred to as the Codification or ASC.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payable and other liabilities.

Net assets of the Organization are classified based on the presence or absence of donor-imposed restrictions.

Net assets are comprised of two groups as follows:

Net Assets Without Donor Restrictions:

Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

Net Assets With Donor Restrictions:

Assets subject to usage limitations based on donor-imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity.

2. Significant Accounting Policies (Continued)

Basis of Accounting *(Continued)*

Earnings related to restricted net assets will be included in net assets without donor-restrictions unless otherwise specifically required to be included in donor-restricted net assets by the donor or by applicable state law. The Organization does not interpret the guidance in the standard to include amounts restricted by federally funded contracts as donor-restricted. The Organization believes that these amounts do not meet the spirit of the standard for such a classification or is there any industry standard indicating that others will treat these assets as donor-restricted.

There are no net assets with donor restrictions at June 30, 2023 and 2022.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Contracts Receivable and Bad Debt Expense

Management considers receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been provided. If an amount becomes uncollectible, it is charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Property and Equipment

Fixed assets are recorded at historical cost, if purchased, or at the approximate fair value at the date of donation, if donated, less accumulated depreciation. The Organization capitalizes fixed asset additions over $2,500. Depreciation is computed using the straight-line method for all fixed assets, building, and building improvements.

The estimated useful lives in computing depreciation of property and equipment are as follows:

Description	Years
Furniture and Equipment	3 - 5
Vehicles	5
Leasehold Improvements	5

Maintenance and repairs, which neither materially add to the value of property nor appreciably prolong the lives, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in the statements of activities and changes in net assets.

2. Significant Accounting Policies (Continued)

Fair Value Measurements

Under GAAP, *fair value* is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Organization utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique.

The Organization's assessment of the significance of a particular input to the fair value measurements requires judgment and may affect the valuation of fair value of assets and liabilities and their placement within the fair value hierarchy levels.

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, maximizes the use of observable inputs, and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level I measurements) and the lowest priority to measurements involving significant unobservable inputs (Level III measurements). The three levels of fair value hierarchy are as follows:

> Level I - Valuation based on quoted prices in active markets for identical assets or liabilities that a reporting entity has the ability to access at the measurement date, and where transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
>
> Level II - Valuation based on inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly. Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets, or liabilities in markets that are not active, that is, markets in which there are few transactions, prices are not current, or prices vary substantially over time.
>
> Level III - Valuation based on inputs that are unobservable for an asset or liability and should be used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. This input, therefore, reflects the Organization's assumptions about what market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The carrying amounts for cash and cash equivalents, receivables, accounts payable and accrued expenses approximate fair value due to the short period of time to maturity.

2. Significant Accounting Policies (Continued)

Revenue Recognition: Contributions, Grants/Contracts

Contracts and grants are recognized as revenue in the periods in which the contracts or grants are received, at the face amounts stated therein; however, they may be subject to adjustment in subsequent periods. All revenues from contracts or grants are considered to be available for unrestricted use unless specifically restricted as to time or purpose by the respective grantors or contracting agencies. Amounts received that are designated for future periods or are restricted for specific purposes are reported as support with restrictions that increases net assets with donor restrictions. Contract and grant revenues for which time or purpose restrictions expire in the period received are considered revenues without donor restrictions.

A restriction expires when a stipulated time restriction ends, when an unconditional promise with an implied time restriction is collected or when a purpose restriction is accomplished. Upon expiration, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities and changes in net assets as net assets released from restrictions.

Donations are recognized as revenue upon receipt of a donor's commitments. Unconditional promises to give, which do not state a due date or use restriction, are presumed to be unrestricted net assets.

Revenue Recognition: Donations and Contributed Goods and Services

Contributed professional services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically be purchased if not provided by donation.

The Organization receives in-kind contributions of materials, supplies, and interest from various donors. It is the policy of the Organization to record the estimated fair value of certain in-kind donations as an expense in its financial statements, and similarly in contribution revenue by that same amount. For the years ended June 30, 2023 and 2022, $34,404 and $26,770, respectively, was received in in-kind goods and services.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and changes in net assets. Expenses that are easily and directly associated with a particular program or supporting service are allocated directly to that functional category. Certain costs have been allocated among the programs and supporting services benefited based on time devoted to the functional areas and other appropriate methods.

2. Significant Accounting Policies (Continued)

Income Taxes

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and is not considered to be a private foundation. It is also required to recognize or derecognize in its financial statements positions taken or expected to be taken in a tax return on a "more likely than not" threshold. Management does not believe its financial statements include any uncertain tax positions. The Organization's income tax filings for the years 2019 and thereafter remain subject to examination by the Internal Revenue Service.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the relevant period. Actual results could differ from those estimates.

Adoption of New Accounting Pronouncement

In February 2016, FASB issued ASU No. 2016-02, *Leases (Topic ASC 842)*, to increase the transparency and comparability about leases among entities. The new guidance requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts and requires additional disclosures about leasing arrangements. ASU No. 2016-02, as amended by ASU No. 2020-05, is effective for nonpublic entities for fiscal years beginning after December 15, 2021 and interim periods within fiscal years beginning after December 15, 2022. ASU No. 2016-02 originally specified a modified retrospective transition method which requires the entity to initially apply the new leases standard at the beginning of the earliest period presented in the financial statements. In July 2018, FASB issued ASU No. 2018-11, *Leases (Topic 842): Targeted Improvements*, providing a second, optional transition method which allows the entity to apply the new standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of stockholder's equity in the period of adoption.

The Organization adopted ASC 842 as of July 1, 2022, with retrospective treatment for the fiscal year ended June 30, 2022. The adoption of the accounting standard caused an increase in total assets and liabilities in the amount of $75,112 and $30,726 at June 30, 2023 and 2022, respectively, as discussed in Note 9. The adoption of the accounting standard did not have an effect on the amount of net assets of the Organization at June 30, 2023 or 2022.

3. Financial Instruments and Concentrations of Credit Risk

The Organization manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed by us to be creditworthy. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts.

3. Financial Instruments and Concentrations of Credit Risk (Continued)

Credit risk associated with grants and accounts receivable are considered to be limited due to high historical collection rates and because substantial portions of the outstanding amounts are due from governmental agencies, foundations, and individuals supportive of the Organization's mission. Management performs ongoing credit evaluations and writes off uncollectible accounts as they become known.

Investments are made by diversified investment managers whose performance is monitored by management and the Organization's Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the Board of Directors believes that the investment policies and guidelines are prudent for the long-term welfare of the Organization.

4. Liquidity

At June 30, 2023 and 2022, the Organization has $649,772 and $595,558 of current assets and investments, respectively, to meet the needs for general expenditures. None of these financial assets are subject to donor or other contractual restrictions. Accordingly, all such funds are available to meet the cash needs of the Organization in the next 12 months.

The Organization manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for the general expenditures in meeting its liabilities and other obligations as they become due.

5. Concentrations in Support and Revenues

The Organization receives a significant amount of its support from state and local government agencies. For the years ended June 30, 2023 and 2022, 76% and 82%, respectively, of the Organization's revenues were derived from government grants. A substantial reduction in the level of this support, if it were to occur, could have a significant effect on the Organization's programs and activities.

6. Grants, Contracts and Contributions Receivable

Grants, contracts, and contributions receivable are deemed to be fully collectible by management and consist of the following at June 30th:

	2023	2022
State of Illinois	$ 125,083	$ 7,475
Cook County	79,397	92,487
Senior Companion Program	56,097	47,290
AgeOptions	48,505	34,504
U.S. Department of Housing and Urban Development	3,211	75,391
City of Des Plaines	-	5,841
Other government grant receivables	27,729	40,300
	$ 340,022	$ 303,288

7. Investments

The Organization holds investments in fixed income money market and mutual funds held in a brokerage account at Edward Jones. The fair-value of the investments were $256,364 and $249,583, with a cost basis of approximately $205,000 at both June 30, 2023 and 2022. The unrealized gain/(loss) amounted to $6,781 and $(11,578) during the years ended June 30, 2023 and 2022, respectively.

8. Line of Credit

The Organization has a line of credit with its financial institution, which has a maximum borrowing capacity of $200,000. The credit facility bears interest 4.50% per annum. Substantially all of the Organization's assets are pledged as collateral. There was no amount drawn or outstanding on the line of credit at June 30, 2023 and 2022. Interest expense related to the line of credit was $ - and 4,554 for the fiscal years ended June 30, 2023 and 2022, respectively.

9. Operating Lease - Real Estate

The Organization leases office space located in Des Plaines, Illinois, under a lease agreement with monthly base rent of $3,033, which expired on March 31, 2022. On January 15, 2022, a modification was made to the existing leasing agreement effective from April 1, 2022, to March 31, 2027 with a one-time option to terminate the lease as of March 31, 2025. The monthly base rent is$3,516 from April 01, 2022, to March 31, 2023, with a 3% increase for each year thereafter. Rent expense, which includes base rent and the Organization's applicable portion of CAM and real estate taxes, amounted to $44,034 and $41,418 for the fiscal years ended June 30, 2023 and 2022, respectively.

Future minimum lease obligations under the lease amount to $42,514 and $32,598 during the upcoming fiscal years ending June 30, 2023 and 2024, respectively.

10. Prior Period Adjustment

Through an analysis of the account receivables, management discovered that there were certain transactions in the total amount of $42,591, in account receivables that were already paid in the prior fiscal year(s), but the cash receipts were not properly credited to the related accounts receivable balances. Management has adjusted accounts receivable and opening net assets. A prior period adjustment in the amount $42,591 has been made in the June 30, 2022 financial statements, which has restated the net assets to $392,627 as of June 30,2021.

11. Subsequent Events

Subsequent events have been evaluated through October 23, 2023, which is the date the financial statements were available to be issued; there are no subsequent events requiring recognition and/or additional disclosure in the financial statements.

Supplemental Information

The Center of Concern
Schedules of Expenses by Program
Years Ended June 30, 2023 and 2022

	2023				2022			
	Community Services	Housing Services	Senior Services	Total Program Services	Community Services	Housing Services	Senior Services	Total Program Services
Salaries and wages	$ 211,033	$ 229,758	$ 371,707	$ 812,498	$ 213,542	$ 137,465	$ 303,755	$ 654,762
Outside contractors	-	-	-	-	344	-	3,195	3,539
Employee benefits	11,644	27,643	30,620	69,907	21,333	13,733	30,345	65,411
Payroll taxes	23,169	21,008	36,603	80,780	18,406	11,849	26,182	56,437
Total salaries and related expenses	245,846	278,409	438,930	963,185	253,625	163,047	363,477	780,149
Other Expenses:								
Bank charges	-			-	67	41	-	108
Conferences and meetings	-			-	-	336	1,386	1,722
Direct client assistance	70,726	345,900	256,187	672,813	454,050	209,143	196,617	859,810
Donated services				-	-	5,945	4,596	10,541
Dues and subscriptions	-	50	250	300	-	6	250	256
Insurance	1,050	-	3,129	4,179	635	-	4,435	5,070
Marketing and outreach	19,921	72	840	20,833	23,614	3,300	2,005	28,919
Miscellaneous	1,200	-	2,627	3,827	108	-	129	237
Office	5,924	4,241	11,138	21,303	8,513	1,202	43,867	53,582
Postage	1,261	47	1,121	2,429	537	136	1,042	1,715
Printing and reproduction	4,587	324	1,019	5,930	7,411	-	-	7,411
Professional fees	-	-	5,109	5,109	-	210	2,128	2,338
Program meals	-	2,390	131,280	133,670	-	-	125,620	125,620
Program supplies	42,317	57	12,303	54,677				
Recruiting and background checks	10	186	2,069	2,265	-	893	9,167	10,060
Rent and utilities	19,033	14,440	13,753	47,226	16,768	6,958	10,679	34,405
Technology	9,372	297	11,451	21,120	18,853	360	1,025	20,238
Telephone	776	23	963	1,762	65	-	2,456	2,521
Travel	47	845	1,183	2,075	56	206	47,166	47,428
Total Other expenses	176,224	368,872	454,422	999,518	530,677	228,736	452,568	1,211,981
Total Expenses	$ 422,070	$ 647,281	$ 893,352	$ 1,962,703	$ 784,302	$ 391,783	$ 816,045	$ 1,992,130

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.