



815.344.1300 mchenry
847.382.3366 barrington
847.336.6455 gurnee
www.edercasella.com

**LAKE FOREST – LAKE BLUFF
SENIOR CITIZENS FOUNDATION**

AUDITED FINANCIAL STATEMENTS

APRIL 30, 2021

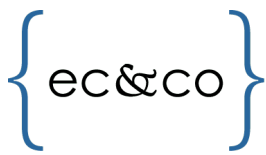
eder, casella & co

LAKE FOREST – LAKE BLUFF
SENIOR CITIZENS FOUNDATION

TABLE OF CONTENTS

APRIL 30, 2021

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
STATEMENT OF FINANCIAL POSITION	3
STATEMENT OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENT OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7



815.344.1300 mchenry
847.382.3366 barrington
847.336.6455 gurnee
www.edercasella.com

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Lake Forest-Lake Bluff Senior Citizens Foundation
Lake Forest, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of

LAKE FOREST – LAKE BLUFF SENIOR CITIZENS FOUNDATION
(a non-profit organization)

which comprise the statement of financial position as of April 30, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial 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 financial statements are free from material misstatement.

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

eder,
casella
&
co

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lake Forest-Lake Bluff Senior Citizens Foundation as of April 30, 2021, 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.

Change in Accounting Principle

As described in Note 9 to the financial statements, the Organization adopted new accounting guidance ASU 2014-09, *Revenue from Contracts with Customers and all subsequent amendments to the ASU (collectively ASC 606)* and ASU 2018-08 *Not-for-Profit Entities, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. Our opinion is not modified with respect to this matter.


EDER, CASELLA & CO.
Certified Public Accountants

McHenry, Illinois
September 13, 2021

LAKE FOREST - LAKE BLUFF SENIOR CITIZENS FOUNDATION
 STATEMENT OF FINANCIAL POSITION
 APRIL 30, 2021

ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 544,278	
Total Current Assets		\$ 544,278
Investments		4,371,623
TOTAL ASSETS		\$ 4,915,901
LIABILITIES		\$ -
NET ASSETS		
Without Donor Restriction	\$ 4,090,797	
With Donor Restriction	825,104	
Total Net Assets		4,915,901
TOTAL LIABILITIES AND NET ASSETS		\$ 4,915,901

The Notes to Financial Statements are an integral part of this statement.

LAKE FOREST - LAKE BLUFF SENIOR CITIZENS FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Support			
Contributions	\$ 48,622	\$ 339	\$ 48,961
Return on Investments, Net	995,148	180,515	1,175,663
Net Assets Released From Restrictions	38,923	(38,923)	-
Total Revenues, Gains, and Other Support	<u>\$ 1,082,693</u>	<u>\$ 141,931</u>	<u>\$ 1,224,624</u>
EXPENSES			
Program Services	\$ 176,114	\$ -	\$ 176,114
Supporting Services			
Management and General	17,056	-	17,056
Fundraising	5,779	-	5,779
Total Expenses	<u>\$ 198,949</u>	<u>\$ -</u>	<u>\$ 198,949</u>
CHANGE IN NET ASSETS	\$ 883,744	\$ 141,931	\$ 1,025,675
NET ASSETS AT BEGINNING OF YEAR	<u>3,207,053</u>	<u>683,173</u>	<u>3,890,226</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,090,797</u>	<u>\$ 825,104</u>	<u>\$ 4,915,901</u>

The Notes to Financial Statements are an integral part of this statement.

LAKE FOREST - LAKE BLUFF SENIOR CITIZENS FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED APRIL 30, 2021

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Management and General	Fundraising		
Grants to other organizations	\$ 172,982	\$ -	\$ -	\$ -	\$ 172,982
Independent Contractor	-	3,662	3,662	7,324	7,324
Insurance	-	1,116	-	1,116	1,116
Marketing	-	-	1,200	1,200	1,200
Office Expense	900	1,204	917	2,121	3,021
Professional Fees	-	11,074	-	11,074	11,074
Social Worker Program	2,232	-	-	-	2,232
	<u>\$ 176,114</u>	<u>\$ 17,056</u>	<u>\$ 5,779</u>	<u>\$ 22,835</u>	<u>\$ 198,949</u>

The Notes to Financial Statements are an integral part of this statement.

LAKE FOREST - LAKE BLUFF SENIOR CITIZENS FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED APRIL 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 1,025,675
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities	
Unrealized Gain/(Loss) on Investments	<u>(866,232)</u>
Net Cash Flows Provided/(Used) by Operating Activities	\$ 159,443
CASH FLOWS FROM INVESTMENT ACTIVITIES	
Purchase of Investments	\$ (475,196)
Proceeds from the Sale of Investments	<u>833,909</u>
Net Cash Flows Provided/(Used) by Investment Activities	<u>358,713</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 518,156
CASH AND CASH EQUIVALENTS BALANCE AT BEGINNING OF YEAR	<u>26,122</u>
CASH AND CASH EQUIVALENTS BALANCE AT END OF YEAR	<u><u>\$ 544,278</u></u>

The Notes to Financial Statements are an integral part of this statement.

LAKE FOREST – LAKE BLUFF SENIOR CITIZENS FOUNDATION
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Lake Forest-Lake Bluff Senior Citizens Foundation (Organization) was formed by the Lake Forest-Lake Bluff Senior Resources Commission in April of 1997 as a charitable organization with three purposes:

- To create an awareness in Lake Forest and Lake Bluff of the interests and needs of senior citizens
- To support the activities and facilities of Dickinson Hall, the senior center serving Lake Forest and Lake Bluff
- To provide material and financial support to the Lake Forest-Lake Bluff Senior Resources Commission

The Organization's objective in funding these programs and services is to foster independence, engagement, and continued personal growth of older adults in our community, with particular emphasis on fostering independence.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP) and accordingly reflect all significant receivables, payables and other liabilities.

Financial Statement Presentation

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's board of directors and its management ("Management").

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents

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

Investments

Investments in marketable equity securities with readily determinable fair values are stated at fair value. Equity securities without readily determinable fair values are stated at cost.

NOTES TO FINANCIAL STATEMENTS (Continued)

Revenue and Revenue Recognition

The Organization records special events revenue equal to the fair value of direct benefit to donors and contributions income for the excess received when the event takes place.

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or a notification of beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend on have been met. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities. Contributions Receivable are due in less than one year and Management represents that such amounts are 100% collectible; therefore, no allowance is provided in the financial statements.

In-kind Contributions

In-kind contributions of property and equipment are recorded as contributions at the estimated fair value of the property contributed at the date of donation.

In-kind contributions of services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by individuals possessing those skills and would otherwise need to be purchased if not provided by donation. Many individuals volunteer their time and perform a variety of tasks that assist the Organization in carrying out their mission.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and Statement of Functional Expenses. All direct expenses have been allocated to the respective function. Independent contractor expenses are allocated based on the time spent on each activity. Office expenses are allocated based on items used for each activity.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenue and expenses. Management evaluates, on an ongoing basis, the estimates and assumptions based on new information. Management represents that the estimates and assumptions are reasonable in the circumstances; however, actual results could differ from those estimates.

Income Tax Status

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and reported no unrelated business income for the year ended April 30, 2021. Management represents there are no uncertain tax position or other provision for income taxes that should be recognized in these financial statements. In addition, the Organization qualifies to receive deductible charitable contributions pursuant to Section 170(b)(1)(A)(vi).

NOTE 2 - CASH AND CASH EQUIVALENTS

The Organization maintains their bank accounts at three financial institutions. Accounts at the institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. Deposits with financial

NOTES TO FINANCIAL STATEMENTS (Continued)

institutions are Category 1 which includes deposits covered by federal depositing insurance or collateral held by the financial institutions.

NOTE 3 - FAIR VALUE MEASUREMENTS

The Organization reports fair value measures of its assets and liabilities using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The asset or liability's measurement within the fair value hierarchy is based on the lowest level of input that is significant to the measurement. The three levels of inputs used to measure fair value are as follows:

- *Level 1.* Quoted prices for identical assets or liabilities in active markets to which the Organization has access at the measurement date.
- *Level 2.* Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
 - quoted prices for similar assets or liabilities in active markets;
 - quoted prices for identical or similar assets in markets that are not active;
 - observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and
 - inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- *Level 3.* Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value if observable inputs are not available.

When available, the Organization measures fair value using level 1 inputs because they generally provide the most reliable evidence of fair value.

Fair values approximate carrying value for all assets and current liabilities, measured on a recurring basis, at April 30, 2021. All are considered Level 1 observable inputs; the carrying amount approximates fair value because of the short maturities thereof.

	Fair Value Measurements Using:		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
Certificate of deposit	\$ 354,389	\$ -	\$ 354,389
Mutual Funds	4,017,234	4,017,234	-
	<u>\$ 4,371,623</u>	<u>\$ 4,017,234</u>	<u>\$ 354,389</u>

NOTE 4 - INVESTMENTS

Investments held by the Organization are stated at fair market value and consist of the following at April 30, 2021:

NOTES TO FINANCIAL STATEMENTS (Continued)

	Cost	Fair Market Value	Unrealized Appreciation
Mutual Funds	\$ 3,085,783	\$ 4,017,234	\$ 931,451
Certificate of deposit	350,000	354,389	4,389
Total	<u>\$ 3,435,783</u>	<u>\$ 4,371,623</u>	<u>\$ 935,840</u>

Investment return for the year ended April 30, 2021 consists of the following:

Investment Income	\$ 123,714
Realized Gain/(Loss)	189,297
Change in Unrealized Gain/(Loss)	866,232
Investment Fees and Other Expenses	<u>(3,580)</u>
Return on Investments	<u>\$ 1,175,663</u>

NOTE 5 - AVAILABILITY AND LIQUIDITY

The following table shows the total financial assets held by the Organization and the amounts of those financial assets that could be readily made available within one year of the balance sheet date to meet general expenditures.

The Organization's financial assets at April 30, 2021 are as follows:

Financial assets at year end:	<u>2021</u>
Cash and Cash Equivalents	\$ 544,278
Investments	<u>4,371,623</u>
Total Financial Assets	<u>\$ 4,915,901</u>
Less amounts not available to be used within one year:	
Net Assets with Donor Restrictions	\$ 825,104
	<u>\$ 825,104</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,090,797</u>

The Organization strives to maintain liquid financial assets sufficient to cover at least 12 months of expenses. Financial assets to meet those expenses are held as cash or are invested in certificates of deposit and money market funds. Assets beyond those needed for at least 12 months are invested primarily in equity and bond funds.

NOTE 6 - ENDOWMENT FUND

The Organization has one donor-restricted endowment fund. This fund was established by the Erma B. Nehls Revocable Trust in fiscal year 2017. Per the trust agreement, a percentage of the Fund, but not greater than 6%, as set forth in the Organization's written spending policy shall be available for "senior transportation costs". The percentage shall be distributed first from fund net income and then, if necessary, from fund principal. However, no distribution shall be made if the fund values falls below the fund's historical dollar value. This is defined as 75% of the value of the fund at the time it was distributed from the Nehls Revocable Trust.

The Organization has interpreted the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this

NOTES TO FINANCIAL STATEMENTS (Continued)

interpretation, the Organization classifies as perpetually restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) the original value of subsequent gifts to the permanent endowment.

The remaining portion of the donor-restricted endowment fund that is not classified in perpetually restricted net assets is classified as other donor restricted net assets until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund;
2. The purposes of the Organization and the donor-restricted endowment fund;
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 Organization; and
7. The investment policies of the Organization.

Endowment funds are composed of the following for the year ended April 30, 2021:

	Balance as of 4/30/2020	Investment Return, Net	Contributions	Fees and Disbursements	Balance as of 4/30/2021
With Donor Restrictions:					
Nehls 75% Restricted	\$ 466,312	\$ -	\$ -	\$ -	\$ 466,312
Nehls Transportation	103,268	180,515	-	36,386	247,397
Total Endowment Funds	<u>\$ 569,580</u>	<u>\$ 180,515</u>	<u>\$ -</u>	<u>\$ 36,386</u>	<u>\$ 713,709</u>

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net Assets were donor-restricted at April 30, 2021 for the following purposes:

Purpose for Restrictions	Amount
Garden Project	\$ 9,007
Senior Transportation	89,782
Social Services	12,606
Transportation	713,709
	<u>\$ 825,104</u>

Net assets released from donor restrictions due to occurrence of expenditure in the amount of \$38,923 is reported on the Statement of Activities for the year ended April 30, 2021.

NOTE 8 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through September 13, 2021, the date on which the financial statements were available to be issued.

Since March 2020, the COVID-19 outbreak in the United States has created disruptions in various non-profits and has continued to impact these organizations. The Organization was impacted during the year ended April 30, 2021. However, the extent of any additional impact on the Organization is uncertain and cannot be reasonably estimated at this time.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 9 - CHANGE IN ACCOUNTING PRINCIPLE

The Organization has adopted Accounting Standards Update (ASU) No. 2014-19 – *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization’s financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognized revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.