



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

AUDITED FINANCIAL STATEMENTS

APRIL 30, 2025

LAKE FOREST – LAKE BLUFF
SENIOR CITIZENS FOUNDATION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of

Lake Forest-Lake Bluff Senior Citizens Foundation
(a nonprofit organization)

which comprise the statement of financial position as of April 30, 2025, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lake Forest-Lake Bluff Senior Citizens Foundation as of April 30, 2025, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Lake Forest-Lake Bluff Senior Citizens Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in the notes to the financial statements, the Organization adopted three new accounting guidances: Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2022-02, *Financial Instruments-Credit Losses* (Topic 326), Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842), and ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, 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 Lake Forest-Lake Bluff Senior Citizens Foundation's ability to continue as a going concern for one year after the date that the financial statements are issued.

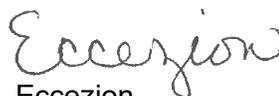
Auditor's Responsibilities for the Audit of the Financial Statements

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 GAAS 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 GAAS, 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 Lake Forest-Lake Bluff Senior Citizens Foundation'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 Lake Forest-Lake Bluff Senior Citizens Foundation'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.



Eccezion
Strategic Business Solutions

McHenry, Illinois
August 19, 2025

LAKE FOREST - LAKE BLUFF SENIOR CITIZENS FOUNDATION
STATEMENT OF FINANCIAL POSITION
APRIL 30, 2025

ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 69,472	
Total Current Assets		\$ 69,472
Investments		4,918,844
TOTAL ASSETS		\$ 4,988,316
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 20,687	
TOTAL LIABILITIES		\$ 20,687
NET ASSETS		
Without Donor Restriction	\$ 4,292,634	
With Donor Restriction	674,995	
Total Net Assets		4,967,629
TOTAL LIABILITIES AND NET ASSETS		\$ 4,988,316

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, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Support			
Contributions	\$ 159,942	\$ 1,023	\$ 160,965
Return on Investments, Net	330,992	52,630	383,622
Net Assets Released From Restrictions	36,446	(36,446)	-
Total Revenues, Gains, and Other Support	<u>\$ 527,380</u>	<u>\$ 17,207</u>	<u>\$ 544,587</u>
EXPENSES			
Program Services	\$ 196,819	\$ -	\$ 196,819
Supporting Services			
Management and General	29,025	-	29,025
Fundraising	29,915	-	29,915
Total Expenses	<u>\$ 255,759</u>	<u>\$ -</u>	<u>\$ 255,759</u>
CHANGE IN NET ASSETS	\$ 271,621	\$ 17,207	\$ 288,828
NET ASSETS AT BEGINNING OF YEAR	<u>4,021,013</u>	<u>657,788</u>	<u>4,678,801</u>
NET ASSETS AT END OF YEAR	<u>\$ 4,292,634</u>	<u>\$ 674,995</u>	<u>\$ 4,967,629</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, 2025

	Supporting Services			Total Supporting Services	Total Expenses
	Program Services	Management and General	Fundraising		
Transportation	\$ 34,000	\$ -	\$ -	\$ -	\$ 34,000
FIA Contributions	30,000	-	-	-	30,000
Independent Contractor	-	11,425	11,425	22,850	22,850
Insurance	-	1,177	-	1,177	1,177
Marketing	-	-	16,937	16,937	16,937
Office Expense	-	1,060	1,046	2,106	2,106
Postage	-	127	507	634	634
Professional Fees	-	13,924	-	13,924	13,924
Program Bank Charges	-	1,312	-	1,312	1,312
Senior Center	131,291	-	-	-	131,291
Social Worker Program	1,377	-	-	-	1,377
Miscellaneous	151	-	-	-	151
	<u>\$ 196,819</u>	<u>\$ 29,025</u>	<u>\$ 29,915</u>	<u>\$ 58,940</u>	<u>\$ 255,759</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, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$	288,828
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities		
Unrealized (Gain)/Loss on Investments		(7,252)
Realized (Gain)/Loss on Investments		(79,869)
Increase/(Decrease) in Liabilities:		
Accounts Payable		<u>20,687</u>
Net Cash Flows Provided/(Used) by Operating Activities		<u>\$ 222,394</u>
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Purchase of Investments	\$	(731,265)
Proceeds from the Sale of Investments		<u>522,064</u>
Net Cash Flows Provided/(Used) by Investment Activities		<u>(209,201)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$	13,193
CASH AND CASH EQUIVALENTS BALANCE AT BEGINNING OF YEAR		<u>56,279</u>
CASH AND CASH EQUIVALENTS BALANCE AT END OF YEAR	\$	<u><u>69,472</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, 2025

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable is recorded net of an applicable allowance for credit losses. The organization makes estimates of the uncollectability of its accounts receivable based on historical performance and projected trends. The organization analyzes a counselor receivable and historical bad debt levels, customer/grantor credit worthiness, and current economic trends when evaluating the adequacy of the allowance for credit losses.

Leases

Under the guidance of Topic 842, the Organization determines if an arrangement contains a lease at inception based on whether or not the Organization has the right to control the asset during the contract period and other facts and circumstances.

The organization is the lessee in a lease contract when it obtains the right to control the asset. The right-of use (ROU) assets represent the organization's right to use underlying assets for the lease term, and the lease liabilities represent the Organization's obligation to make lease payments arising from these leases. The ROU assets resulting from operating leases and the related liabilities are separately stated on the face of the Statement of Financial Position. ROU assets and lease liabilities reflect the present value of the future minimum lease payments over the lease term at the commencement date. ROU assets also can include adjustments related to lease payments made and/or lease incentives received at or before the commencement date. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Operating lease expense is recognized on a straight-line basis over the lease term. The Organization does not currently have any material operating type leases that fall under this policy.

Finance leases are those in which ownership is transferred, or an arrangement which results in either the present value of lease payments being greater than 90% of the fair market value of the asset or lease term being greater than 75% of the estimated useful life of the asset. Finance lease ROU assets and the related liabilities are separately stated on the face of the Statement of Financial Position. The ROU asset is amortized over either the useful life of the asset or lease term, depending on the facts and circumstances of the lease. The Organization does not currently have any material financing type leases that fall under this policy.

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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, 2025. 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 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

NOTES TO FINANCIAL STATEMENTS (Continued)

- 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, 2025. The Certificates of Deposit are classified as level 2 which are using pricing models based on current credit quality, time to maturity, and stated interest rates.

	Total	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Other Observable Inputs (Level 2)
Certificate of Deposit	\$ 411,157	\$ -	\$ 411,157
Mutual Funds	4,496,420	4,496,420	-
Equities	11,267	11,267	-
	<u>\$ 4,918,844</u>	<u>\$ 4,507,687</u>	<u>\$ 411,157</u>

NOTE 4 - INVESTMENTS

Investment return for the year ended April 30, 2025 consists of the following:

Investment Income	\$ 304,154
Realized Gain/(Loss)	79,869
Change in Unrealized Gain/(Loss)	7,252
Investment Fees and Other Expenses	(7,653)
Return on Investments	<u>\$ 383,622</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 Statement of Financial Position date to meet general expenditures.

The Organization's financial assets at April 30, 2025 are as follows:

	<u>2025</u>
Financial assets at year end:	
Cash and Cash Equivalents	\$ 69,472
Investments	4,918,844
Total Financial Assets	<u>\$ 4,988,316</u>
Less amounts not available to be used within one year:	
Net Assets with Donor Restrictions	\$ 674,995
	<u>\$ 674,995</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 4,313,321</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.

NOTES TO FINANCIAL STATEMENTS (Continued)

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 fall 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 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, 2025:

	Balance as of 4/30/2024	Investment Return, Net	Fees and Disbursements	Balance as of 4/30/2025
With Donor Restrictions:				
Nehls 75% Restricted	\$ 466,312	\$ -	\$ -	\$ 466,312
Nehls Transportation	175,888	52,630	34,000	194,518
Total Endowment Funds	<u>\$ 642,200</u>	<u>\$ 52,630</u>	<u>\$ 34,000</u>	<u>\$ 660,830</u>

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net Assets were donor-restricted at April 30, 2025 for the following purposes:

Purpose for Restrictions	Amount
Garden Project	\$ 9,007
Social Services	5,158
Transportation	660,830
	<u>\$ 674,995</u>

Net assets released from donor restrictions due to occurrence of expenditures in the amount of \$36,446 is reported on the Statement of Activities for the year ended April 30, 2025.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through August 19, 2025, the date on which the financial statements were available to be issued.

NOTE 9 - CHANGE IN ACCOUNTING PRINCIPLE

The Organization adopted FASB ASC 326, with a date of initial application of May 1, 2023, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2022-02, *Financial Instruments-Credit Losses* (Topic 326). The Organization did not have any material agreements that fell under this standard, therefore, there were no adjustments related to the implementation of this standard.

The Organization adopted FASB ASC 842, with a date of initial application of May 1, 2022, by applying the modified retrospective transition approach and using the additional (and optional) transition method provided by ASU No. 2018-11, *Leases* (Topic 842). The Organization did not have any material agreements that fell under this standard, therefore, there were no adjustments related to the implementation of this standard.

The Organization adopted the new accounting guidance ASU 2020-07, *Presentation and Disclosures by Not-for Profit Entities for Contributed Nonfinancial Assets*. The update requires the Organization to disclose a disaggregation of the amount of contributed nonfinancial assets recognized within the Statement of Activities by the category of contributed nonfinancial assets and update the disclosure for each of these categories. The Organization had no adjustments related to the implementation of this standard.