Cancer Wellness Center

Financial Statements

Years Ended December 31, 2022 and 2021

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Cancer Wellness Center
Northbrook, Illinois

Opinion

We have audited the financial statements of Cancer Wellness Center (a nonprofit organization), which comprise the statement of financial position as of December 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Cancer Wellness Center as of December 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (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 Cancer Wellness Center 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.

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 Cancer Wellness Center's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

INDEPENDENT AUDITOR'S REPORT - Continued

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 Cancer Wellness Center's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Cancer Wellness Center's ability to continue as a going concern for a reasonable period of time.

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

Mann Weitz & Associates LLC

MANN. WEITZ & ASSOCIATES L.L.C.

Deerfield, Illinois
May 10, 2023

CANCER WELLNESS CENTER
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash	$ 260,588	$ 686,873
Pledges and contributions receivable - Notes 3 and 16	34,500	194,175
Accounts receivable	1,980	2,650
Beneficial interest in charitable remainder trust - Notes 4, 9 and 12	563,624	631,345
Prepaid expenses	43,214	36,449
Investments - Notes 4 and 5	2,427,807	2,092,487
Property and equipment, net - Note 6	668,254	655,435
Total Assets	$ 3,999,967	$ 4,299,414
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued liabilities	$ 112,638	$ 78,023
Deferred revenue	9,000	10,500
Total Liabilities	121,638	88,523
Net Assets		
Without donor restrictions		
General operating	1,718,507	1,818,856
Board designated endowment - Note 11	1,001,579	1,162,194
Total Net Assets Without Donor Restrictions	2,720,086	2,981,050
With donor restrictions - Note 9		
Time restricted for future periods	583,624	631,345
Purpose restricted	74,619	98,496
Endowment fund - Note 11	500,000	500,000
Total Net Assets With Donor Restrictions	1,158,243	1,229,841
Total Net Assets	3,878,329	4,210,891
Total Liabilities and Net Assets	$ 3,999,967	$ 4,299,414

The accompanying notes are an integral part of this statement.

CANCER WELLNESS CENTER
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022			2021		
	Without Donor Restriction	With Donor Restriction	Total	Without Donor Restriction	With Donor Restriction	Total
Revenues and Other Support						
Contributions - Notes 15, 16 and 17	$ 803,450	$ 195,300	$ 998,750	$ 1,039,066	$ 198,000	$ 1,237,066
Contributed nonfinancial assets - Note 13	14,380		14,380	7,960		7,960
Special events revenue - Note 13	924,165		924,165	661,156		661,156
Less: Cost of direct benefit to donors	(148,067)		(148,067)	(97,006)		(97,006)
Paycheck Protection Program - Note 8				196,326		196,326
Offsite services	9,446		9,446	14,616		14,616
Other	803		803	501		501
Total Revenues	1,604,177	195,300	1,799,477	1,822,619	198,000	2,020,619
Net assets released from restrictions - Note 10	199,177	(199,177)		145,338	(145,338)	
Total Revenues and Other Support	1,803,354	(3,877)	1,799,477	1,967,957	52,662	2,020,619
Expenses						
Program services	1,129,497		1,129,497	950,668		950,668
Management and general	206,220		206,220	179,632		179,632
Fundraising	445,180		445,180	339,772		339,772
Total Expenses	1,780,897		1,780,897	1,470,072		1,470,072
Change in Net Assets from Operations	22,457	(3,877)	18,580	497,885	52,662	550,547
Other Changes						
Increase (decrease) in value of charitable remainder trust - Notes 4 and 12		(67,721)	(67,721)		92,793	92,793
Investment income (loss) - Note 5	(283,421)		(283,421)	157,395		157,395
Total Other Changes	(283,421)	(67,721)	(351,142)	157,395	92,793	250,188
Change in Net Assets	(260,964)	(71,598)	(332,562)	655,280	145,455	800,735
Net Assets						
Beginning of year	2,981,050	1,229,841	4,210,891	2,325,770	1,084,386	3,410,156
End of year	$ 2,720,086	$ 1,158,243	$ 3,878,329	$ 2,981,050	$ 1,229,841	$ 4,210,891

The accompanying notes are an integral part of this statement.

CANCER WELLNESS CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Fundraising	Special Event (Direct Benefit to Donors)	Total
Salaries	$ 783,201	$ 116,341	$ 239,359	$ -	$ 1,138,901
Payroll taxes and benefits	91,540	12,160	28,553		132,253
Bad debt		15			15
Community and outreach programs			4,787		4,787
Computer software and maintenance	54,880	3,059	29,851		87,790
Credit card expense		1,168	14,833		16,001
Depreciation - Note 6	47,141	2,348	2,859		52,348
Entertainment			4,905		4,905
Insurance	16,382	4,132	1,973		22,487
Miscellaneous			13,986	34,915	48,901
Occupancy expense	55,713	3,007	3,825		62,545
Office supplies and expense	3,837	23,958	1,581		29,376
Printing and postage	357		27,998		28,355
Professional fees	10,179	39,313	20,545		70,037
Program supplies and meeting expense	7,824		12,185		20,009
Telephone	12,211	719	1,437		14,367
Vendor consignments				3,375	3,375
Venue, food and beverage			36,503	109,777	146,280
Wellness program	46,232				46,232
Total	1,129,497	206,220	445,180	148,067	1,928,964
Less: Expenses included in revenues on statement of activities					
Costs of direct benefit to donors				(148,067)	(148,067)
Total Expenses Included in Statement of Activities	$ 1,129,497	$ 206,220	$ 445,180	$ -	$ 1,780,897

The accompanying notes are an integral part of this statement.

CANCER WELLNESS CENTER
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2021

	Program Services	Management and General	Fundraising	Special Event (Direct Benefit to Donors)	Total
Salaries	$ 665,090	$ 67,392	$ 225,735	$ -	$ 958,217
Payroll taxes and benefits	79,077	6,677	25,259		111,013
Bad debt		2,000			2,000
Computer software and maintenance	35,928	2,756	27,033		65,717
Credit card expense		7,685			7,685
Depreciation - Note 6	50,700	3,137	3,055		56,892
Entertainment				165	165
Insurance	12,811	4,266	1,756		18,833
Miscellaneous			16,706	24,747	41,453
Occupancy expense	60,454	3,263	4,150		67,867
Office supplies and expense	3,930	16,192	1,121		21,243
Printing and postage			14,593		14,593
Professional fees		65,692	19,220	6,605	91,517
Program supplies and meeting expense	3,550				3,550
Telephone	9,723	572	1,144		11,439
Vendor consignments				2,120	2,120
Venue, food and beverage				63,369	63,369
Wellness program	29,405				29,405
Total	950,668	179,632	339,772	97,006	1,567,078
Less: Expenses included in revenues on statement of activities					
Costs of direct benefit to donors				(97,006)	(97,006)
Total Expenses Included in Statement of Activities	$ 950,668	$ 179,632	$ 339,772	$ -	$ 1,470,072

The accompanying notes are an integral part of this statement.

CANCER WELLNESS CENTER
STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021

	2022	2021
Cash Flows from Operating Activities		
Change in net assets	$ (332,562)	$ 800,735
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	52,348	56,891
Net (gains) losses on investments	355,091	(102,626)
Net (increase) decrease in assets		
Pledges and contributions receivable	159,675	(119,393)
Accounts receivable	670	(2,650)
Beneficial interest in charitable remainder trust	67,721	(92,793)
Prepaid expenses	(6,765)	2,385
Net increase (decrease) in liabilities		
Accounts payable and accrued liabilities	34,615	11,899
Deferred revenue	(1,500)	3,000
Net Cash Provided by Operating Activities	329,293	557,448
Cash Flows from Investing Activities		
Purchase of property and equipment	(65,167)	(9,185)
Proceeds from sale of investments	984,001	1,291,527
Purchase of investments	(1,674,412)	(1,496,055)
Net Cash Used for Investing Activities	(755,578)	(213,713)
Net Increase (Decrease) in Cash	(426,285)	343,735
Cash		
Beginning of year	686,873	343,138
End of year	$ 260,588	$ 686,873

The accompanying notes are an integral part of this statement.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities and Organization

The Cancer Wellness Center (Center) was incorporated as an Illinois nonprofit organization on March 30, 1988, and commenced operations on June 1, 1988. The Center is headquartered in Northbrook, Illinois and provides services in-person at the Northbrook site as well as virtually through Zoom. The Center, through supportive care and education, seeks to empower those affected by cancer to enhance the quality of their lives. Funding is derived primarily from contributions and special events.

With over 30 years of experience, the Center has developed an expertise in meeting the needs of individuals impacted by cancer. Through a variety of programs encompassing support, education and wellness, cancer patients and survivors and their loved ones are able to access services free of charge. In person counseling and support groups primarily serve North and Northwest Cook and Lake Counties with virtual programming available to anyone residing in the states of Illinois and Wisconsin. Virtual education and wellness programming can be accessed by any cancer patient or caregiver nationwide. Support services are delivered by licensed clinical professionals, as well as professional volunteers who donate their time and expertise.

Program and Services

The Center currently provides programming in the three core service areas:

Support Services – The emotional adjustment to a cancer diagnosis is an important component to managing the stress related to the experience. Unaddressed emotional distress in cancer patients can negatively impact cancer recovery and has been correlated with lower quality of life. Through the Center's Support Services – which includes Counseling and Group Support – individuals receive professional support, helping them to develop and strengthen coping strategies which assist in the adjustment to a diagnosis.

Educational Programming – The Center regularly hosts presentations and classes on a variety of topics and for specific cancer populations. These *Lectures + Workshops* are presented by experts in their field who donate their time to the Center and by the Center's professional clinical staff. Research has found that information seeking increases an individual's sense of control and improves his/her ability to make decisions. It can also reduce anxiety and make communication with healthcare providers easier.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Program and Services - Continued

Wellness Programming – The Center's Wellness and Education programs are designed to assist in the management of stress, and side effects from treatment and symptoms related to cancer. The modalities used in these classes and services have been found to produce a physiological relaxation response which has a counteracting effect on the physical impact of stress. In addition, the Center offers classes and programs aimed at helping people adopt positive health behaviors, such as increased physical activity and nutritious eating habits, which have been linked to positive health outcomes and improved quality of life. These classes, services, and programs are taught or provided by professionals with experience working with the cancer community and have been specifically adapted for cancer patients and survivors.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. Using this method, revenues and expenses are recognized in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

Information regarding the financial position and activities of the Center are reported in two classes of net assets: net assets without donor restrictions and net assets with donor restrictions, based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Center and changes therein are classified and reported as follows:

- Without donor restrictions - Net assets without donor restrictions are not subject to donor-imposed stipulations, but may be subject to board designations. They include all activities of the Center, except for those amounts that are restricted by external donors.

- With donor restrictions - Net assets with donor restrictions are subject to donor-imposed stipulations that can be removed through the passage of time (time restrictions) or actions of the Center (purpose restrictions). Net assets with donor restrictions may also be imposed by donors who require that the principal of these classes of net assets be invested in perpetuity and only the investment income be expended.

Operations

Operating results in the statement of activities reflect all transactions increasing or decreasing net assets except those items associated with investment activities.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Concentration of Credit Risk

The Center maintains cash balances in one financial institution that at certain times exceeded the insured limits provided by the Federal Deposit Insurance Corporation (FDIC). The Center has not experienced any losses on these accounts and does not believe it is exposed to any significant risk.

Beneficial Interest in Charitable Remainder Trust

The Center is a beneficiary of a split-interest gift from the estate of a donor. A receivable is recorded at the present value of the amount held by the trustee that is due to the Center, which is calculated using the life expectancy of the income beneficiary. The Center uses a discount rate commensurate with the risks involved to discount the contribution receivable. Valuations are reviewed annually by management by updating life expectancy of the income beneficiary, discount rates and the fair value of the underlying investments. The discount rate used for both years ended December 31, 2022 and 2021 was 4.5%. Changes to the fair value of the assets are reflected in the statement of activities as a change in value of charitable remainder trust.

Investments

Investments are recorded at fair value. Interest and dividends, as well as realized and unrealized gains and losses on investments, are included in the statement of activities. Interest and dividends and gains and losses on investments are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation.

The Center invests in various investment products. Investments are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and any such changes could materially affect the amounts reported in the statement of financial position.

Uncollectible Accounts

The Center uses the direct write-off method in recording uncollectible amounts. This method does not result in amounts that differ materially from the allowance method required by accounting principles generally accepted in the United States of America.

Property and Equipment

Property and equipment is recorded at historical cost. The Center capitalizes fixed asset additions over $2,500. Depreciation is computed by use of the straight-line method for all property and equipment.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Property and Equipment - Continued

The estimated useful lives used in computing depreciation are as follows:

Description	Years
Building and building improvements	10 - 39.5
Furniture and equipment	3 - 7
Land improvement	5
Website	3

Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expense as incurred. Gains or losses on dispositions of property and equipment are included in the statement of activities.

Contributions and Sponsorships

Contributions and sponsorships are recorded at fair value at the date a promise to give is received. Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in future years are recorded at present value. Contributions of cash and other assets are recorded as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor's restriction expires; that is, when a stipulated time restriction ends or purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Restrictions on donor restricted contributions that are permanent in nature never expire; the assets must be invested in perpetuity. Conditional contributions and sponsorships (those with a measurable performance or other barrier and a right of return or release) are recognized in the period in which the conditions are met.

Functional Allocation of Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Expenses which 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 program services and supporting services. Such allocations are determined by management on an equitable basis.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Functional Allocation of Expenses - Continued

The expenses that are allocated include the following:

Expense	Method of Allocation
Salaries and benefits	Time and effort
Office expense	Usage
Technology	Full Time Equivalent and Usage
Occupancy	Square Footage
Depreciation	Square Footage unless specifically attributed to a function
Loan Interest	Square Footage

Use of Estimates in the Preparation of Financial Statements

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

Income Taxes

The Center is a nonprofit corporation which has been granted a tax-exempt status as a public charity under Section 501(c)(3) of the Internal Revenue Code for all business income related to the organization's tax-exempt purpose. The Center had no unrelated business income during 2022 or 2021.

Evaluation of Tax Positions

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. As of December 31, 2022 and 2021, the Center had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

1. NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Effects of Recently Issued Accounting Standards

In September 2020, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958). The key provisions of ASU 2020-07 are 1) a requirement to present contributed nonfinancial assets as a separate line item in the statements of activities and 2) disclosure of contributed nonfinancial assets disaggregated by type, which includes information about monetization and utilization, donor restrictions, and the valuation techniques used. ASU 2020-07 was adopted on January 1, 2022 and applied on a retrospective basis for all periods presented. Adoption of ASU 2020-07 did not result in a change in the timing or amount of revenue recognized; and, therefore, the adoption of this standard did not have a material impact on the Center's financial position, results of operations or business practices. The adoption did result in expanded disclosures related to contributed nonfinancial assets.

Subsequent Events

The Center has evaluated subsequent events for potential recognition and/or disclosure through May 10, 2023, the date the financial statements were available to be issued. See Note 7.

2. LIQUIDITY AND AVAILABILITY

As part of the Center's liquidity management plan, cash in excess of daily operating requirements is invested in short-term investments. A significant amount of contributions the Center receives are for general operating purposes and income from donor restricted grants is available for the donor designated purpose as stated in the donors' agreement. In the event the need arises to utilize the Center's board-designated funds for liquidity purposes, the reserves could be drawn upon through board resolution. Finally, the Center can draw upon their line of credit which has a maximum limit of $1,100,000.

The Center's endowment fund consist of funds designated by the Board of Directors as a board-designated endowment and a donor restricted fund from which the earnings are available to support the Center.

The balance of the Center's board-designated endowment at December 31, 2022 and 2021 is $1,001,579 and $1,162,194. Although the Center does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of our board's annual budget approval and appropriation), these amounts could be made available if necessary.

The Center's donor restricted endowment ($500,000 initial investment) is intended to be held into perpetuity whose portfolio returns are available to support the operations of the Center.

2. LIQUIDITY AND AVAILABILITY - Continued

The table below presents financial assets available for general expenditures within one year:

Financial assets at year end:	2022	2021
Cash	$ 260,588	$ 686,873
Pledges and contributions receivable	34,500	194,175
Accounts receivable	1,980	2,650
Investments	2,427,807	2,092,487
Total Financial Assets	2,724,875	2,976,185
Less amounts not available to be used within one year:		
Board-designated endowment	(1,001,579)	(1,162,194)
Donations with purpose restriction	(74,619)	(98,496)
Donor designated endowment	(500,000)	(500,000)
Financial Assets Not Available to be Used Within One Year	(1,576,198)	(1,760,690)
Financial Assets Available to Meet General Expenditures Within One Year	$ 1,148,677	$ 1,215,495

3. PLEDGES AND CONTRIBUTIONS RECEIVABLE

Pledges and contributions receivable of $34,500 and $194,175 at December 31, 2022 and 2021, respectively, are due within one year.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value measurements under FASB ASC 820 establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. FASB ASC 820 defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1 – Valuations based on adjusted quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets, and;

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

At December 31, 2022 and 2021, the estimated fair values of the financial assets of the Center measured on a recurring basis are as follows:

		December 31, 2022		
		Fair Value Measurements Using		
Description	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments at fair value	$ 2,327,132	$ 2,327,132	$ -	$ -
Beneficial interest in charitable remainder trust	563,624			563,624
Total Financial Assets at Fair Value	$ 2,890,756	$ 2,327,132	$ -	$ 563,624

		December 31, 2021		
		Fair Value Measurements Using		
Description	Total	Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Investments at fair value	$ 2,024,178	$ 2,024,178	$ -	$ -
Beneficial interest in charitable remainder trust	631,345			631,345
Total Financial Assets at Fair Value	$ 2,655,523	$ 2,024,178	$ -	$ 631,345

4. FAIR VALUE OF FINANCIAL INSTRUMENTS - Continued

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Investments: The fair value of investments designated as Level 1 are comprised of funds with readily available quoted market prices. The Center has no investments at fair value designated as Level 2 or Level 3.

Beneficial interest in assets held in trust by others: The beneficial interests in trusts have been designated as Level 3 in the fair value hierarchy since the fair value of these trusts are calculated based on the future expected cash flows as expected to be received by management, using a discount rate of 4.5%.

The following is a reconciliation of the beginning and ending balances of assets measured at fair value on a recurring basis using significant unobservable (level 3) inputs for the years ended December 31, 2022 and 2021.

Beneficial interest in charitable remainder trust:	
Balance at January 1, 2021	$ 538,552
Change in value of charitable remainder trust	92,793
Balance at December 31, 2021	631,345
Change in value of charitable remainder trust	(67,721)
Balance at December 31, 2022	$ 563,624

5. INVESTMENTS

The fair values of investments at December 31, 2022 and 2021 are as follows:

	2022	2021
U.S. treasury bill	$ 150,145	$ -
Mutual funds	932,334	1,036,700
Stocks and ETFs	1,244,653	987,478
Total Investments at Fair Value	2,327,132	2,024,178
Cash	100,675	68,309
Total Investments	$ 2,427,807	$ 2,092,487

5. INVESTMENTS - Continued

The following is a summary of the Center's investment income for the years ended December 31, 2022 and 2021:

	2022	2021
Interest and dividend income	$ 88,043	$ 71,252
Investment fees	(16,373)	(14,483)
Net realized and unrealized gains (losses)	(355,091)	100,626
Total Investment Income (Loss)	$ (283,421)	$ 157,395

6. PROPERTY AND EQUIPMENT

A summary of fixed assets and accumulated depreciation at December 31, 2022 and 2021, is as follows:

	2022	2021
Building	$ 632,426	$ 632,426
Land	271,040	271,040
Building improvements	818,703	759,003
Furniture and equipment	149,297	143,830
Land improvements	26,675	26,675
Website	10,620	10,620
	1,908,761	1,843,594
Less: Accumulated depreciation	1,240,507	1,188,159
Net Property and Equipment	$ 668,254	$ 655,435

7. LINE OF CREDIT

On November 14, 2017, the Center obtained a $1,100,000 line of credit, which expired on November 14, 2022. Subsequent to December 31, 2022, the Center negotiated an extension of the agreement effective retroactively back to November 14, 2022. The interest rate on the original agreement was the 30-day LIBOR rate plus 2%, and at December 31, 2022 and 2021 the interest rate was 6.318% and 2.109%, respectively. Throughout 2022 and 2021 there was no activity on the line of credit. The line of credit is secured by the Center's investment accounts. The extension agreement matures on November 14, 2027 and provides for interest at the 30-day American Interbank Offered Rate (AMERIBOR) plus 2%.

8. PAYCHECK PROTECTION PROGRAM

On January 29, 2021, the Center was approved for Paycheck Protection Program (PPP) funding offered as a result of the Economic Aid to Hard-Hit Small Business, Nonprofits and Venues Act. The PPP loan was intended to help certain small businesses and nonprofits stay afloat during the COVID-19 pandemic. The loan, in the amount of $196,326, provided for interest at a rate of 1% and was scheduled to mature on January 29, 2026. The PPP loan was forgiven and included as revenue and other support on the statement of activities during the year ended December 31, 2021.

9. NET ASSETS WITH DONOR RESTRICTION

Net assets with donor restrictions are available for the following purpose or the passage of time at December 31, 2022 and 2021:

	2022	2021
Time restricted for future periods:		
Time restricted	$ 20,000	$ -
Charitable remainder trust	563,624	631,345
Purpose restricted:		
Board training and Young Professional Board Initiatives	3,000	7,500
Child and teen programming	25,000	27,500
Equipment	500	
Image Care	21,000	
Labyrinth	10,119	22,496
Men's group		6,000
New Trier township residents	5,000	5,000
Nutritionist	10,000	10,000
Support and discussion groups		20,000
Restricted in Perpetuity:		
Endowment	500,000	500,000
Total Net Assets With Donor Restrictions	$ 1,158,243	$ 1,229,841

10. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during the years by incurring expenses satisfying the following restricted purposes specified by donors or by the passage of time at December 31, 2022 and 2021:

	2022	2021
Board training and Young Professional Board Initiatives	$ 7,500	$ -
Child and teen specialist	29,000	10,000
Equipment		1,000
Labyrinth	12,377	17,504
Men's group	31,000	19,000
New Trier township residents	15,000	13,334
Nutritionist	10,000	
Passage of time		25,000
Support and discussion groups	94,300	59,500
Total Net Assets Released from Restrictions	$ 199,177	$ 145,338

11. ENDOWMENTS

The Center's endowment consists of two funds. In 2000, the Center received a $500,000 contribution to establish an endowment fund. The fund is to be held in perpetuity. When the principal in the endowment account exceeds $500,000, earnings on this fund are available to support the operations of the Center.

The endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Directors. This endowment will be held in perpetuity and serve as a source for emergency funding, for capital improvements, or other needs as dictated by the Board of Directors.

11. ENDOWMENTS - Continued

Interpretation of Relevant Law

The Center has interpreted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as permanently restricted net assets (a) the original value of gifts donated (b) the original value of subsequent gifts, and (c) accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Center in a manner consistent with the standard of prudence prescribed by UPMIFA.

In accordance with UPMIFA, the endowment 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 Center 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 appreciation of investments
6. Other resources of the Center
7. The investment policies of the Center

Return Objectives and Risk Parameters

The Investment Committee's general policy is to diversify investments within both equity and fixed income securities so as to provide a balance that will enhance total return, while avoiding undue risk concentrations in any single asset class of investment category.

Strategies Employed for Achieving Objectives

The Investment Committee developed and adopted guidelines for broad allocations on a long-term basis, in light of current and projected investment objectives. To ensure broad diversification asset allocation as a percent of total market value of the total long-term portfolio will be set so that equity securities will range from 47.5% - 72.5% and fixed securities, including cash, will range from 17.5% - 52.5%. A comfortable range of 25% has been built around each target to insure the investment discipline is adhered to. The Committee will evaluate the asset allocation once a year.

11. ENDOWMENTS - Continued

Spending Policy and How the Investment Objectives Relate to Spending Policy

Beginning in 2015, if the earnings from the board-designated endowment and the donor restricted endowment are not required to meet operating expenses, the Center's Board of Directors has chosen to keep the earnings on the endowment funds in the endowment investment accounts.

At times when the earnings on the endowment accounts are necessary to fund operations, the Center's board of directors will establish a spending percentage of the portfolio assets, net of fees, which will be made available annually for support of operations. To preserve the long-term purchasing power of the Center's endowment, this spending percentage will be evaluated and periodically adjusted to an amount that is equal to or less than the expected long-term portfolio total return, less fees and inflation. To adjust for volatility in portfolio market values, the average of the prior twelve quarters ending portfolio market values is used as the principal base. The board-designated endowment will be held into perpetuity but will also serve as a source for emergency funding, for capital improvements, or other needs as dictated by the board of directors.

The spending percentage target as approved by the board of directors is up to 5%. So long as the market value of the original endowment gifts are maintained, each year's actual spending budget is determined by taking the average quarter end portfolio market value balances for the most recent twelve quarterly periods, net of all investment fees, multiplied by the spending percentage.

Financial Information

Endowment net assets by type of fund at December 31, 2022 and 2021 consist of the following:

	2022		
	Without Donor Restriction Board Designated	With Donor Restriction	Total
Donor-restricted endowment fund	$ -	$ 500,000	$ 500,000
Quasi-endowment fund	1,001,579		1,001,579
Total Funds	$ 1,001,579	$ 500,000	$ 1,501,579

	2021		
	Without Donor Restriction Board Designated	With Donor Restriction	Total
Donor-restricted endowment fund	$ -	$ 500,000	$ 500,000
Quasi-endowment fund	1,162,194		1,162,194
Total Funds	$ 1,162,194	$ 500,000	$ 1,662,194

11. ENDOWMENTS – Continued

Changes in endowment net assets for the years ended December 31, 2022 and 2021, are as follows:

	Without Donor Restriction Board Designated	With Donor Restriction	Total
Balance at January 1, 2021	$ 1,068,062	$ 500,000	$ 1,568,062
Investment income	94,132		94,132
Balance at December 31, 2021	1,162,194	500,000	1,662,194
Investment income	(160,615)		(160,615)
Balance at December 31, 2022	$ 1,001,579	$ 500,000	$ 1,501,579

12. BENEFICIAL INTEREST IN CHARITABLE REMAINDER TRUST

The Center is a beneficiary of a split-interest gift from the estate of a charitable donor. Upon the death of the remaining family beneficiary, the trust will be distributed in equal shares to the four residual beneficiaries.

The trust account's fair value was $3,823,355 and $4,475,464 at December 31, 2022 and 2021, respectively. The Center's 25% share at December 31, 2022 and 2021, was $955,839 and $1,118,866, respectively. Based upon the projected investment remaining constant and a discount rate of 4.5%, the net present value of the Center's prospective share of this gift was $563,624 and $631,345 as of December 31, 2022 and 2021, respectively. This amount is included in the statement of financial position in beneficial interest in charitable remainder trust at December 31, 2022 and 2021.

13. CONTRIBUTED NONFINANCIAL ASSETS

The Center recognizes the fair value of contributed nonfinancial professional services received if such services a) create or enhance nonfinancial assets or b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not contributed. The value of contributed nonfinancial professional services is included in the financial statements as contribution revenue and wellness program expenses. The amounts for the years ended December 31, 2022 and 2021, were $14,380 and $7,960, respectively. The Center values wellness services based on current rates of services provided. All donated services were utilized by the Center's program services.

13. CONTRIBUTED NONFINANCIAL ASSETS - Continued

The Center receives items to be sold at auction or raffled at various special events throughout the year. The Center values the revenue of contributed raffle and auction goods at the gross proceeds received, which is included in special events revenue on the statement of activities. During the years ending December 31, 2022 and 2021, the Center received auction and raffle items valued at approximately $47,000 and $18,000, respectively, based on estimates of prices of similar products purchased in the region and received proceeds for these contributed nonfinancial assets in the amount of approximately $75,000 and $32,000, respectively.

There were no donor-imposed restrictions associated with the donated services and goods.

A significant amount of volunteer services is contributed to the Center to support its program and supporting services. These volunteer activities include participating on the Board of Directors and numerous other committees. The value of these services has not been included in the financial statements because the criteria for recognition have not been satisfied.

14. EMPLOYEE BENEFIT PLAN

The Center maintains a 401(k) employee benefit plan. The Center made a safe harbor election which requires a 100% match on the first 3% of employees' deferred compensation and 50% of deferred compensation between 3% and 5%. Contributions to the 401(k) plan were $23,053 and $21,156 for 2022 and 2021, respectively.

15. RELATED PARTIES

The Center engaged a firm affiliated with a board member to provide accounting, 401(k) and IT management services. Total professional fees incurred for these services in 2022 and 2021 were $51,800 and $38,556, respectively.

The Center received contributions from management and board members for the years ended December 31, 2022 and 2021 in the amounts of $219,346 and $182,855, respectively.

16. DONOR CONCENTRATIONS

During the year ended December 31, 2021, the Center received approximately 13% of total contributions and special events revenue from the Employee Retention Credit (ERC) offered through the CARES and Taxpayer Certainty and Disaster Tax Relief Acts. Of the $279,861 the Center recorded as contributions for ERC funding, $161,659 was included in pledges and contributions receivable at December 31, 2021 and was received during the year ended December 31, 2022. See Note 8 for PPP funding recorded during the year ended December 31, 2021.

17. CONDITIONAL GRANTS

In March 2022, the Center received a challenge grant for $90,000 in support of general operations. The grant provides for a match of qualifying contributions of up to $30,000 during each year of the grant period February 2022 to January 2025. The Center met the conditions to recognize revenues in the amount of $30,000 during the year ended December 31, 2022 and may record the remaining $60,000 during the remaining term of the grant period if conditions are satisfied.

111 Deer Lake Road, Suite 125, Deerfield, IL 60015
Main:847.267.3400 Fax:847.267.3401 Web:mwa.cpa