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# Casa Central Social Services Corporation

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**Financial Report  
with Supplemental Information  
June 30, 2024**

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## Independent Auditor's Report

To the Board of Directors  
Casa Central Social Services Corporation

### Report on the Audits of the Financial Statements

#### **Opinion**

We have audited the financial statements of Casa Central Social Services Corporation (Casa Central), which comprise the statement of financial position as of June 30, 2024 and 2023 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.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Casa Central as of June 30, 2024 and 2023 and the changes in its net assets, functional expenses, and 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) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of Casa Central and to meet our 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 Casa Central's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

#### **Auditor's Responsibilities for the Audits 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 audits conducted in accordance with GAAS and *Government 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.

To the Board of Directors  
Casa Central Social Services Corporation

In performing audits in accordance with GAAS and *Government 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 Casa Central'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 Casa Central'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2024 on our consideration of Casa Central Social Services Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Casa Central Social Services Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Casa Central Social Services Corporation's internal control over financial reporting and compliance.



December 10, 2024

## Casa Central Social Services Corporation

### Statement of Financial Position

June 30, 2024 and 2023

	2024	2023
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 379,490	\$ 1,286,308
Investments (Note 8)	3,027,078	2,723,555
Receivables - Net of allowances:		
Grants receivable (Note 6)	3,523,899	2,066,145
Program fees receivable (Note 2)	1,084,646	1,018,915
Contributions receivable	152,945	269,500
Total net receivables	4,761,490	3,354,560
Prepaid expenses and other current assets	186,754	300,943
Total current assets	8,354,812	7,665,366
<b>Investments</b> - Donor-restricted endowments (Note 11)	130,100	130,100
<b>Contributions Receivable</b> - Net of current portion	50,000	75,000
<b>Property and Equipment</b> - Net (Note 7)	1,873,156	1,381,476
<b>Finance Lease Asset</b> (Note 14)	92,424	154,040
Total assets	<b>\$ 10,500,492</b>	<b>\$ 9,405,982</b>
<b>Liabilities and Net Assets</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued expenses	\$ 688,056	\$ 594,125
Line of credit (Note 9)	1,200,000	-
Accrued compensation and related liabilities	1,007,308	951,163
Current portion of note payable (Note 10)	20,665	19,659
Current portion of lease liability - Finance (Note 14)	62,931	61,152
Total current liabilities	2,978,960	1,626,099
<b>Lease Liability</b> - Finance (Note 14)	32,148	95,080
<b>Note Payable</b> - Net of current portion (Note 10)	52,772	75,269
Total liabilities	3,063,880	1,796,448
<b>Net Assets</b>		
Without donor restrictions:		
Undesignated	4,159,604	4,422,901
Board designated	2,777,078	2,473,555
Total net assets without donor restrictions	6,936,682	6,896,456
With donor restrictions (Note 12)	499,930	713,078
Total net assets	7,436,612	7,609,534
Total liabilities and net assets	<b>\$ 10,500,492</b>	<b>\$ 9,405,982</b>

## Casa Central Social Services Corporation

# Statement of Activities and Changes in Net Assets

Years Ended June 30, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue, Gains, and Other Support</b>						
Fees and grants from governmental agencies (Note 2)	\$ 14,445,459	\$ -	\$ 14,445,459	\$ 13,104,523	\$ -	\$ 13,104,523
Program service fees	5,609,770	-	5,609,770	4,901,238	-	4,901,238
Contributions of cash and other financial assets	836,865	278,127	1,114,992	556,582	308,498	865,080
Contributions of nonfinancial assets (Note 13)	130,031	-	130,031	69,786	-	69,786
Special event revenue	348,828	-	348,828	243,961	-	243,961
Interest and dividend income - Net of investment fees	58,251	-	58,251	58,557	-	58,557
Net realized and unrealized gains on investments	219,719	-	219,719	133,582	-	133,582
Other revenue	16,483	-	16,483	15,347	-	15,347
Net assets released from restrictions	491,275	(491,275)	-	370,519	(370,519)	-
Total revenue, gains, and other support	22,156,681	(213,148)	21,943,533	19,454,095	(62,021)	19,392,074
<b>Expenses</b>						
Program services	18,574,763	-	18,574,763	17,046,450	-	17,046,450
Support services:						
Administration	2,738,724	-	2,738,724	2,259,358	-	2,259,358
Fundraising	802,968	-	802,968	638,334	-	638,334
Total support services	3,541,692	-	3,541,692	2,897,692	-	2,897,692
Total expenses	22,116,455	-	22,116,455	19,944,142	-	19,944,142
<b>Increase (Decrease) in Net Assets</b>	40,226	(213,148)	(172,922)	(490,047)	(62,021)	(552,068)
<b>Net Assets - Beginning of year</b>	6,896,456	713,078	7,609,534	7,386,503	775,099	8,161,602
<b>Net Assets - End of year</b>	<b>\$ 6,936,682</b>	<b>\$ 499,930</b>	<b>\$ 7,436,612</b>	<b>\$ 6,896,456</b>	<b>\$ 713,078</b>	<b>\$ 7,609,534</b>

See notes to financial statements.

## Casa Central Social Services Corporation

### Statement of Functional Expenses

Year Ended June 30, 2024

	Program Services	Support Services		Total
		Administration	Fundraising	
Salaries	\$ 14,328,188	\$ 1,668,696	\$ 376,703	\$ 16,373,587
Payroll taxes	1,109,280	117,325	29,118	1,255,723
Employee benefits	829,213	109,065	28,552	966,830
<b>Total salaries and related expenses</b>	<b>16,266,681</b>	<b>1,895,086</b>	<b>434,373</b>	<b>18,596,140</b>
Professional fees and contractual services	528,545	380,346	106,413	1,015,304
Supplies and program equipment	172,532	10,696	5,386	188,614
Food and beverage costs	339,635	5,792	2,628	348,055
Information technology	260,294	49,978	12,573	322,845
Advertising, printing, and delivery	6,532	38,111	1,458	46,101
Occupancy	518,533	81,871	19,075	619,479
Finance lease expense	50,101	6,303	521	56,925
Travel and transportation	178,880	70,975	1,282	251,137
Specific assistance to participants	57,675	164	1,887	59,726
Membership dues	18,051	41,787	9,393	69,231
Interest expense and bank charges	11,720	54,144	4,799	70,663
Special event expenses	-	-	198,367	198,367
Other expenses	16,029	34,403	9	50,441
Depreciation expense	149,555	69,068	4,804	223,427
<b>Total functional expenses</b>	<b>\$ 18,574,763</b>	<b>\$ 2,738,724</b>	<b>\$ 802,968</b>	<b>\$ 22,116,455</b>

## Casa Central Social Services Corporation

### Statement of Functional Expenses

Year Ended June 30, 2023

	Program Services	Support Services		Total
		Administration	Fundraising	
Salaries	\$ 13,199,308	\$ 1,555,257	\$ 295,665	\$ 15,050,230
Payroll taxes	1,008,030	108,523	22,401	1,138,954
Employee benefits	789,842	63,080	9,781	862,703
<b>Total salaries and related expenses</b>	<b>14,997,180</b>	<b>1,726,860</b>	<b>327,847</b>	<b>17,051,887</b>
Professional fees and contractual services	479,300	305,178	78,176	862,654
Supplies and program equipment	108,230	14,410	2,596	125,236
Food and beverage costs	248,391	3,118	2,721	254,230
Information technology	264,516	46,478	18,392	329,386
Advertising, printing, and delivery	4,900	7,534	4,252	16,686
Occupancy	460,987	9,384	65,391	535,762
Finance lease expense	52,506	6,786	214	59,506
Travel and transportation	163,383	37,788	240	201,411
Specific assistance to participants	108,475	-	980	109,455
Membership dues	19,696	22,591	4,193	46,480
Interest expense and bank charges	7,713	18,850	4,159	30,722
Special event expenses	-	-	128,913	128,913
Other expenses	3,074	25,707	84	28,865
Depreciation expense	128,099	34,674	176	162,949
<b>Total functional expenses</b>	<b>\$ 17,046,450</b>	<b>\$ 2,259,358</b>	<b>\$ 638,334</b>	<b>\$ 19,944,142</b>

## Casa Central Social Services Corporation

### Statement of Cash Flows

Years Ended June 30, 2024 and 2023

	2024	2023
<b>Cash Flows from Operating Activities</b>		
Decrease in net assets	\$ (172,922)	\$ (552,068)
Adjustments to reconcile decrease in net assets to net cash and cash equivalents from operating activities:		
Depreciation	223,427	162,949
Amortization of finance lease right-of-use asset	61,616	61,616
Net realized and unrealized gains on investments	(219,719)	(133,582)
Donated stock received	(25,554)	(25,244)
Changes in operating assets and liabilities that (used) provided cash and cash equivalents:		
Grants, program fees, and contributions receivable	(1,381,930)	406,646
Prepaid expenses and other current assets	114,189	(75,544)
Accounts payable and accrued expenses	150,076	(105,214)
Net cash and cash equivalents used in operating activities	(1,250,817)	(260,441)
<b>Cash Flows from Investing Activities</b>		
Purchase of property and equipment	(715,107)	(326,395)
Purchases of investments	(202,662)	(84,846)
Proceeds from sales and maturities of investments	144,412	626,289
Net cash and cash equivalents (used in) provided by investing activities	(773,357)	215,048
<b>Cash Flows from Financing Activities</b>		
Payments on notes payable	(21,491)	(20,424)
Principal payments on finance lease	(61,153)	(59,424)
Payments on line of credit	(200,000)	-
Proceeds from line of credit	1,400,000	-
Net cash and cash equivalents provided by (used in) financing activities	1,117,356	(79,848)
<b>Net Decrease in Cash and Cash Equivalents</b>	(906,818)	(125,241)
<b>Cash and Cash Equivalents - Beginning of year</b>	1,286,308	1,411,549
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 379,490</b>	<b>\$ 1,286,308</b>

June 30, 2024 and 2023

### Note 1 - Nature of Business

Casa Central Social Services Corporation (Casa Central) is a not-for-profit organization incorporated under the laws of the State of Illinois. Casa Central is a human service agency located on Chicago's northwest side. Casa Central was founded in 1954 as an outreach mission to the Hispanic community. Significant portions of Casa Central's revenue are received from the Illinois Department on Aging, Illinois Department of Human Services, Illinois Department of Children and Family Services, Chicago Department of Family Support Services, and Start Early.

#### ***Program Services***

Casa Central provides various programs to respond to the needs of the entire family, from children to seniors, in order to develop vital and stable families and communities. The following summarizes the various programs offered for the years ended June 30, 2024 and 2023:

Home-Based Early Learning provides early childhood education in the home setting, working together with the parents and children ages 0 to 5. The participants also come to monthly socializations that help prepare the children for the school setting.

Center-Based Early Learning is a full-day, full-year bilingual/bicultural early childhood education program for children ages 2 to 5 and their families in a central community-based location.

School Age Program offers children ages 6 to 12 a variety of educational and recreational activities while their parents are at work or school. The program operates after school and for full days during the summer and all school holidays and vacations.

Intact Family Services provides comprehensive casework and supportive services to families where there has been abuse or neglect to allow children to remain safely at home rather than be placed in substitute care.

La Posada Interim Housing provides supportive services, such as case management, employment training, housing and job placement support, after-school programs for children and teens, literacy and ESL classes, clothing and food donations, and financial management training, to La Posada participants to help them return to independent living. La Posada Homeless Shelter provides transitional living facilities to homeless families for an average of four months while participants receive a wide variety of supportive services to help them transition to independent housing.

Violence Prevention and Intervention is a community response dedicated to preventing and reducing the trauma of exposure to violence in children ages 0 to 5. The Safe from the Start program strives to increase community knowledge and awareness of violence and the impact it has on young children and to provide violence prevention and intervention education and resources.

Adult Wellness Center offers moderately impaired seniors a variety of activities and the care and supervision they need during the day while their family works or attends school.

Home Care provides homebound seniors with assistance in completing daily tasks, such as personal care, cooking, cleaning, and shopping, allowing them to continue living independently.

### Note 2 - Significant Accounting Policies

#### ***Basis of Presentation***

The financial statements of Casa Central have been prepared on the basis of generally accepted accounting principles (GAAP). The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from those estimates.

**Note 2 - Significant Accounting Policies (Continued)**

***Classification of Net Assets***

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

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions or for which the donor-imposed restrictions have expired or been fulfilled. Net assets in this category are reported as either undesignated or board designated. Board-designated net assets represent net assets set aside by the board for future projects, capital improvements, or other specific purposes determined by the board.

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 Casa Central or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Earnings, gains, and losses on donor-restricted net assets are classified as net assets without donor restrictions unless specifically restricted by the donor or by applicable state law, or if fully appropriated for spending during the year.

***Board-designated Net Assets***

Board-designated net assets are net assets without donor restrictions designated by the board primarily to generate income to support the operations of Casa Central and to provide additional collateral in support of Casa Central's short-term borrowing. These designations are based on board actions, which can be altered or revoked at a future time by the board.

***Cash and Cash Equivalents***

Casa Central considers all investments with an original maturity of three months or less when purchased to be cash equivalents. Casa Central, at times, maintains cash balances in excess of the Federal Deposit Insurance Corporation limit on insured balances. Amounts are insured only up to the federally insured depository limit.

***Investments***

Investments are recorded at fair value. Changes in investments are recorded as unrealized gains and losses in the statement of activities and changes in net assets. Investments are exposed to various risks, such as interest rate, market, and credit risks. It is at least reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect amounts reported.

***Program Fees Receivable***

Casa Central's program fees receivable balance consists of amounts due from its customers. Program fees receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. Casa Central calculates the allowance using an expected loss model that considers Casa Central's actual historical loss rates adjusted for current economic conditions and reasonable and supportable forecasts. Casa Central considers past historical collection trends, the aging of receivables past due, and future micro- and macroeconomic considerations when making adjustments for reasonable and supportable forecasts. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. Recoveries of amounts previously written off are recognized when received.

**Note 2 - Significant Accounting Policies (Continued)**

***Property and Equipment***

Property and equipment are recorded at cost or, in the case of contributions, at fair value at the date of receipt. Costs of maintenance and repairs are charged to expense when incurred. Casa Central's policy is to capitalize acquisitions of \$1,000 or more. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives as follows:

	Depreciable Life - Years
Buildings and improvements	7 to 40
Equipment and furnishings	3 to 10
Vehicles	5 to 9
Computer equipment and software	3 to 7

***Leases***

Casa Central has finance and operating leases, as described in Note 14. Casa Central recognizes expense for leases on a straight-line basis over the lease term. Casa Central made a policy election not to separate lease and nonlease components for its finance lease. Therefore, all payments are included in the calculation of the right-of-use asset and lease liability.

Casa Central has an operating lease for parking space with a lease term of one year or less that Casa Central elected to account for as a short-term lease. As the lease is a short-term lease, it is not included in the right-of-use asset and lease liability.

Casa Central elected to use the risk-free rate as the discount rate for calculating the right-of-use asset and lease liability in place of the incremental borrowing rate for its finance lease.

***Grants Revenue***

Grant revenue consists of cost-reimbursable federal, state, and local contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized when Casa Central has incurred expenditures in compliance with specific contract or grant provisions. Amounts that have been awarded but not yet recognized as revenue are treated as conditional contributions and are not reflected in the accompanying financial statements. As of June 30, 2024, Casa Central is eligible to receive and recognize \$2,101,793 of these conditional contributions upon the occurrence of future qualifying expenses.

Grant funding received in advance of conditions being met is recorded as refundable advances.

The receivables pertaining to grants from various state and federal sources are recorded for the costs incurred up to year end, which have not been reimbursed by the granting agencies as of year end. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will be collected.

***Revenue Recognition for Contracts with Customers***

Casa Central's revenue generated from contracts with customers consists primarily of program service fees. Program service fees include revenue earned from its Adult Wellness Center, Home Care services, and transportation fees.

For each revenue stream, revenue recognition is subject to the completion of performance obligations. For each contract with a customer, Casa Central examines the performance obligations in the contract, considering the performance obligations, whether customers benefit from the resources, and whether the resources are readily available.

**Note 2 - Significant Accounting Policies (Continued)**

Casa Central's revenue is recognized when a given performance obligation is satisfied, either at a given point in time or over a period. Revenue is recognized at a given point in time when services or control of goods are transferred to the customer and when the customer can direct its use and obtain substantial benefit from the services or goods. Casa Central recognizes revenue over a period if the customer receives and consumes the benefits that Casa Central provides simultaneously or if Casa Central's performance does not create an asset with an alternative use and has an enforceable right to payment for the performance.

Performance obligations are determined based on the nature of the services provided by Casa Central. For Home Care services, the performance obligation is to provide a bundle of services per visit, including assistance with daily tasks, personal care, meal preparation, and medication reminders. For adult day care services, the performance obligation is to provide a bundle of services per visit, including structured activities and caregiving at its Adult Wellness Center. For transportation fees, the performance obligation is to provide local pick-up and drop-off transportation services to the Adult Wellness Center. For each of these performance obligations, Casa Central recognizes revenue at the point in time the daily service is rendered to participants.

Revenue is reported at the amount that reflects the consideration to which Casa Central expects to be entitled in exchange for providing services. For program service fees, these amounts are primarily due from managed care organizations or individual participants as private payors. Generally, Casa Central bills customers within 30 days following when the services are provided. Casa Central does not offer discounts for early payment, and none of Casa Central's contracts have a significant financing component.

Casa Central determines the transaction price based on stated contract fees for services provided. No contract assets or contract liabilities resulted from contracts with customers as of June 30, 2024 and 2023.

**Contributions**

Contributions of cash and other assets, including unconditional promises to give in the future, are reported as revenue when received, measured at fair value. Donor promises to give in the future are recorded at the present value of estimated future cash flows.

Contributions without donor-imposed restrictions and contributions with donor-imposed time or purpose restrictions that are met in the period in which the gift is received are both reported as net assets without donor restrictions. Other restricted gifts are reported as net assets with donor restrictions.

Contributions receivable that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. As of June 30, 2024 and 2023, contributions receivable expected to be collected within one year totaled \$174,820 and \$269,500, respectively. The remaining contributions receivable of \$50,000 and \$75,000, respectively, are expected to be collected within one to five years. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible contributions is provided when evidence indicates amounts promised by donors may not be collectible. During 2024 and 2023, the allowance was \$21,875 and \$0, respectively.

**Contributed Nonfinancial Assets**

Certain donated goods and services are recognized as support in the statement of activities and changes in net assets. The values of these goods and services are determined based on estimated fair value. See Note 13 for the categorization and valuation techniques applied to all donated goods and services.

**Note 2 - Significant Accounting Policies (Continued)**

**Functional Allocation of Expenses**

Costs of providing the program and support services have been reported on a functional basis in the statement of activities and changes in net assets. The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries and benefits are allocated based on estimates of time and effort spent within each department. Facility expenses (including depreciation, utilities, maintenance, and supplies) are allocated based on an estimate of square footage of space occupied. All other expenses are directly identified as relating to program or support services. Although the methods of allocation used are considered reasonable, other methods could be used that would produce a different amount.

**Income Taxes**

Casa Central is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(3).

**Subsequent Events**

The financial statements and related disclosures include evaluation of events up through and including December 10, 2024, which is the date the financial statements were available to be issued.

**Note 3 - Adoption of New Accounting Pronouncement**

As of July 1, 2023, Casa Central adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments - Credit Losses: Measurement of Credit Losses on Financial Instruments*. The ASU requires Casa Central to measure all expected credit losses for financial instruments, such as program fee receivables, held at the reporting date based on historical experience, current conditions, and reasonable and supportable forecasts. Casa Central elected to adopt the ASU on a modified retrospective basis as of July 1, 2023. There was no impact on net assets as a result of adopting the new ASU.

**Note 4 - Liquidity and Availability of Resources**

Casa Central's financial assets available within one year of June 30 for general expenditure are as follows:

	2024	2023
Cash and cash equivalents	\$ 379,490	\$ 1,286,308
Grants receivable	3,523,899	2,066,145
Program fees receivable	1,084,646	1,018,915
Contributions receivable	152,945	269,500
Annual board-designated appropriation	250,000	250,000
Total	\$ 5,390,980	\$ 4,890,868

Casa Central's endowment funds consist of donor-restricted endowments. Income from one donor-restricted endowment is restricted for a specific purpose and will be spent according to that purpose within general expenditures annually.

As part of Casa Central's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, Casa Central invests cash in excess of daily requirements in short-term investments. To help manage unanticipated liquidity needs, Casa Central has a committed line of credit in the amount of \$2,000,000, which it could draw upon. As of June 30, 2024, Casa Central has drawn on \$1,200,000 of the total line of credit, which leaves \$800,000 available to draw on at year end.

June 30, 2024 and 2023

**Note 4 - Liquidity and Availability of Resources (Continued)**

Additionally, the board has designated \$2,777,078 and \$2,473,555 as of June 30, 2024 and 2023, respectively. Casa Central does not intend to spend from this board-designated fund, other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process. Amounts from this board-designated fund could be made available if necessary. However, a minimum of \$700,000 of investments in the board-designated fund must be maintained by Casa Central as collateral for line of credit borrowings.

**Note 5 - Program Fees Receivable**

The following is the detail of program fees receivable:

	2024	2023
Managed care organization client services	\$ 1,151,159	\$ 1,222,605
Private pay client services	20,262	4,224
Other	25,135	55,135
Total program fees receivable	1,196,556	1,281,964
Less allowance for credit losses	(111,910)	(263,049)
Net program fees receivable	<u>\$ 1,084,646</u>	<u>\$ 1,018,915</u>

As of June 30, 2024 and 2023, the beginning balances of Casa Central's accounts receivable related to customers with contracts were \$1,018,915 and \$762,833, respectively. The activity in the allowance for credit losses is as follows:

Balance - July 1, 2023	\$ 263,049
Additions to provision for expected credit losses	57,644
Recoveries	(208,783)
Balance - June 30, 2024	<u>\$ 111,910</u>

**Note 6 - Grants Receivable**

Casa Central has contracts with various government agencies to provide services. Casa Central is reimbursed for the services provided based on the actual cost of services or on a predetermined rate based on units of service (e.g., day care attendance days, counseling hours, etc.).

As of June 30, the total grants receivable owed to Casa Central consist of the following:

	2024	2023
Illinois Department on Aging	\$ 548,677	\$ 492,816
Illinois Department of Children and Family Services	597,190	580,400
Start Early	694,533	177,016
Illinois Department of Human Services	130,038	134,901
Illinois Criminal Justice Information Authority	34,693	18,303
U.S. Department of Housing and Urban Development	167,947	87,215
Chicago Department of Family and Support Services	737,962	486,358
Illinois Action for Children	131,190	49,645
Illinois Department of Commerce and Economic Opportunity	499,137	56,998
Other	18,042	27,709
Total receivables	3,559,409	2,111,361
Less allowance for doubtful accounts	(35,510)	(45,216)
Net grants receivable	<u>\$ 3,523,899</u>	<u>\$ 2,066,145</u>

**Note 6 - Grants Receivable (Continued)**

The grant funds received by Casa Central are subject to audit by the granting agencies in accordance with their respective grant agreements.

**Note 7 - Property and Equipment**

Property and equipment are summarized as follows:

	2024	2023
Land	\$ 200,283	\$ 200,283
Land improvements	19,233	19,233
Buildings and improvements	8,166,318	7,838,877
Machinery and equipment	752,045	750,039
Vehicles	838,389	689,739
Furniture and fixtures	395,453	385,638
Computer equipment and software	458,336	351,141
Construction in progress	120,000	-
Total cost	10,950,057	10,234,950
Accumulated depreciation	9,076,901	8,853,474
Net property and equipment	<u>\$ 1,873,156</u>	<u>\$ 1,381,476</u>

Depreciation expense for 2024 and 2023 was \$223,427 and \$162,949, respectively.

**Note 8 - Fair Value Measurements**

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value.

The following tables present information about Casa Central's assets measured at fair value on a recurring basis at June 30, 2024 and 2023 and the valuation techniques used by Casa Central to determine those fair values.

Fair values determined by Level 1 inputs use quoted prices in active markets for identical assets that Casa Central has the ability to access.

Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets in active markets and other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. Casa Central's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

June 30, 2024 and 2023

Note 8 - Fair Value Measurements (Continued)

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2024			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2024
<b>Assets</b>				
Money market funds	\$ 717,630	\$ -	\$ -	\$ 717,630
Equity funds:				
U.S. small cap	50,192	-	-	50,192
U.S. mid cap	213,984	-	-	213,984
U.S. large cap	885,269	-	-	885,269
Emerging markets	43,497	-	-	43,497
International equities	102,493	-	-	102,493
Total equity funds	1,295,435	-	-	1,295,435
Fixed income:				
Bond funds	316,130	-	-	316,130
U.S. government bonds	-	148,154	-	148,154
Corporate bonds	-	679,829	-	679,829
Total fixed income	316,130	827,983	-	1,144,113
Total assets	\$ 2,329,195	\$ 827,983	\$ -	\$ 3,157,178
	Assets Measured at Fair Value on a Recurring Basis at June 30, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2023
<b>Assets</b>				
Money market funds	\$ 308,168	\$ -	\$ -	\$ 308,168
Equity funds:				
U.S. small cap	16,540	-	-	16,540
U.S. mid cap	212,380	-	-	212,380
U.S. large cap	731,766	-	-	731,766
Emerging markets	40,436	-	-	40,436
International equities	73,369	-	-	73,369
Total equity funds	1,074,491	-	-	1,074,491
Fixed income:				
Bond funds	414,289	-	-	414,289
U.S. government bonds	-	144,982	-	144,982
Corporate bonds	-	911,725	-	911,725
Total fixed income	414,289	1,056,707	-	1,470,996
Total assets	\$ 1,796,948	\$ 1,056,707	\$ -	\$ 2,853,655

**Note 8 - Fair Value Measurements (Continued)**

The fair value of U.S. government and corporate bonds at June 30, 2024 was determined primarily based on Level 2 inputs. Casa Central estimates the fair value of these investments provided by custodians of the securities using pricing models based on credit quality, time to maturity, stated interest rates, and market-rate assumptions.

**Note 9 - Line of Credit**

Under a line of credit with BMO Harris Bank, Casa Central had available borrowings of \$2,000,000 as of June 30, 2024 and 2023. Interest is payable monthly at a base rate less 0.5 percent. The base rate is defined as the greater of the bank's prime rate or 1.12 percent above the Secured Overnight Financing Rate (SOFR) (an effective rate of 8.0 percent and 6.2 percent at June 30, 2024 and 2023, respectively).

On June 27, 2024, Casa Central extended the line of credit agreement's expiration date to June 30, 2025.

The line of credit is collateralized by certain assets of Casa Central, as defined in the agreement. As of June 30, 2024, the outstanding balance drawn on the line of credit was \$1,200,000. No balance was outstanding on the line of credit as of June 30, 2023. There was \$36,533 of interest expense incurred for borrowings on the line of credit during 2024 and \$0 in 2023.

**Note 10 - Note Payable**

Casa Central has an outstanding loan for the renovation of its properties. The maximum principal amount of the loan was \$336,950. The initial interest rate on the loan is 5.875 percent for the first five years of the loan beginning on the first principal and interest payment date. On August 1, 2017, the interest rate was recalculated to equal the greater of the yield to maturity based on the United States Treasury obligations with a similar maturity plus 2.00 percent or 5.50 percent (an effective rate of 5.50 percent at June 30, 2024 and 2023). Effective August 1, 2022, the interest rate was amended to 5.0 percent. The term loan requires monthly payments of \$2,146 thereafter, including principal and interest at the rates noted above. The loan matures in August 2027. The loan is collateralized by the first mortgage on the real estate.

The note payable matures as follows:

Years Ending	Amount
2025	\$ 20,665
2026	23,648
2027	24,858
2028	4,266
Total	<u>\$ 73,437</u>

Interest expense for 2024 and 2023 was \$4,258 and \$5,352, respectively.

**Note 11 - Donor-restricted Endowment**

Casa Central's endowment includes donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

**Note 11 - Donor-restricted Endowment (Continued)**

*Interpretation of Relevant Law*

Casa Central is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. Most of those net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions. The board of directors of Casa Central had interpreted SPMIFA as not requiring the maintenance of purchasing power of the original gift amount contributed to an endowment fund, unless a donor stipulates the contrary. As a result of this interpretation, when reviewing its donor-restricted endowment funds, Casa Central considers a fund to be underwater if the fair value of the fund is less than the sum of (a) the original value of initial and subsequent gift amounts donated to the fund and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. Casa Central has interpreted SPMIFA to permit spending from underwater funds in accordance with the prudent measures required under the law. Additionally, in accordance with SPMIFA, Casa Central considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purpose of Casa Central and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of Casa Central
- The investment policies of Casa Central

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ -	\$ 130,100	\$ 130,100
Investment return:			
Investment income	-	2,256	2,256
Net appreciation (realized and unrealized)	-	8,749	8,749
Total investment return	-	11,005	11,005
Appropriation of earnings on endowment assets for expenditure	-	(11,005)	(11,005)
Endowment net assets - End of year	\$ -	\$ 130,100	\$ 130,100

**Note 11 - Donor-restricted Endowment (Continued)**

	Changes in Endowment Net Assets for the Fiscal Year Ended June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets - Beginning of year	\$ -	\$ 130,100	\$ 130,100
Investment return:			
Investment income	-	2,921	2,921
Net appreciation (realized and unrealized)	-	4,369	4,369
Total investment return	-	7,290	7,290
Appropriation of earnings on endowment assets for expenditure	-	(7,290)	(7,290)
Endowment net assets - End of year	\$ -	\$ 130,100	\$ 130,100

**Funds with Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or SPMIFA requires Casa Central to retain as a fund of perpetual duration. As of June 30, 2024 and 2023, there were no funds with deficiencies.

**Return Objectives and Risk Parameters**

Casa Central has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Casa Central must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to achieve the highest rate of return possible while assuming a moderate level of investment risk.

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, Casa Central relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). Casa Central targets a diversified asset allocation that places a greater emphasis on fixed-income investments to achieve its long-term return objectives within prudent risk constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

Earnings on \$30,100 of the endowment are restricted for adult day care activities. Upon appropriation, the earnings on the remaining \$100,000 are classified as net assets without donor restrictions. Casa Central has a policy appropriating for distribution each year 100 percent of the investment earnings.

**June 30, 2024 and 2023**

**Note 12 - Net Assets**

Net assets with donor restrictions as of June 30 are available for the following purposes:

	2024	2023
Subject to expenditures for a specified purpose:		
Violence Prevention and Intervention	\$ 2,500	\$ 2,500
Children and youth services	47,147	12,863
La Posada Interim Housing	10,000	5,000
New vehicle	-	127,630
Other	-	36,300
	59,647	184,293
Subject to the passage of time and purpose:		
Children and youth services	91,622	134,212
La Posada Interim Housing	11,667	10,000
Violence Prevention and Intervention	70,227	82,390
Adult Wellness Center	107,500	11,667
Other	29,167	160,416
	310,183	398,685
Not subject to appropriation or expenditure	130,100	130,100
Total net assets with donor restrictions	\$ 499,930	\$ 713,078

**Note 13 - Contributed Nonfinancial Assets**

Contributed nonfinancial assets recognized within the statement of activities and changes in net assets consisted of the following for June 30:

	2024	2023
Food	\$ 129,351	\$ 66,429
Medical and cleaning supplies	-	3,357
Professional development training for staff	680	-
	\$ 130,031	\$ 69,786
Total	\$ 130,031	\$ 69,786

Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

Casa Central estimated the fair value for contributed food based on stated prices used for the sale of these goods in a non-donation transaction. Contributed food is expensed at the time of donation and recognized as food and beverage costs on the statement of functional expenses.

Casa Central estimated the fair value for contributed medical supplies based on stated prices used for the sale of these goods in a non-donation transaction. Contributed medical supplies are recognized as other assets on the statement of financial position and expensed during the period in which they are used.

Casa Central estimated the fair value for contributed professional development training based on the stated prices used for training in a non-donation transaction. Contributed professional development training is recognized as contract and professional fees on the statement of functional expenses.

**Note 14 - Leases**

Casa Central leases office equipment under a long-term lease arrangement that is classified as a finance lease. Under the terms of the lease agreement, payments of \$5,403 are due monthly through December 2025. The right-of-use asset and related lease liability have been calculated using a discount rate of 2.87 percent. Total expenses under the lease were \$65,300 and \$64,918 in 2024 and 2023, respectively.

Casa Central made a policy election not to separate lease and nonlease components for its finance lease. Therefore, the full amount of the lease payment is included in the recorded right-of-use asset and lease liability.

The future minimum lease payments under the finance lease are as follows:

Years Ending June 30	Amount
2025	\$ 64,836
2026	32,418
Total	97,254
Less amount representing interest	2,175
Present value of net minimum lease payments	95,079
Less current obligations	62,931
Long-term obligations under leases	\$ 32,148

Expenses recognized under this lease as of June 30 consist of the following:

	2024	2023
Lease cost:		
Finance lease cost:		
Amortization of right-of-use assets	\$ 61,616	\$ 59,506
Interest on lease liabilities	3,684	5,412
Short-term lease cost	2,774	31,070
Total lease cost	\$ 73,491	\$ 95,988
Other information:		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	\$ 3,684	\$ 5,412
Financing cash flows from finance leases	61,153	59,424
Weighted-average remaining lease term (years) - Finance leases	1.5	2.5
Weighted-average discount rate - Finance leases	2.9 %	2.9 %

**Note 15 - Retirement Plan**

Casa Central participates in a 401(k) defined contribution retirement plan. Casa Central may contribute a percentage of all eligible wages. During 2024 and 2023, Casa Central did not contribute to the retirement plan. The retirement plan is a defined contribution plan and is subject to the Employee Retirement Income Security Act of 1974 (ERISA).

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## Supplemental Information

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## Independent Auditor's Report on Supplemental Information

To the Board of Directors  
Casa Central Social Services Corporation

We have audited the financial statements of Casa Central Social Services Corporation as of and for the years ended June 30, 2024 and 2023 and have issued our report thereon dated December 10, 2024, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses - program services is presented for the purpose 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 audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Plante & Moran, PLLC*

December 10, 2024

## Casa Central Social Services Corporation

### Schedule of Functional Expenses - Program Services

Year Ended June 30, 2024

	Home-Based Early Learning	Center-Based Early Learning	School Age Program	Intact Family Services	La Posada Interim Housing	Violence Prevention and Intervention	Adult Wellness Center	Home Care	Other Program Costs	Total
Salaries	\$ 1,058,159	\$ 1,351,956	\$ 234,592	\$ 959,197	\$ 866,857	\$ 316,053	\$ 592,500	\$ 8,155,983	\$ 792,891	\$ 14,328,188
Payroll taxes	79,832	102,409	17,744	71,705	65,645	24,120	45,652	641,858	60,315	1,109,280
Employee benefits	68,643	105,304	18,421	70,568	62,279	25,483	15,506	423,409	39,600	829,213
Total salaries and related expenses	1,206,634	1,559,669	270,757	1,101,470	994,781	365,656	653,658	9,221,250	892,806	16,266,681
Professional fees and contractual services	29,808	171,428	5,532	42,806	18,189	19,323	44,465	159,504	37,490	528,545
Supplies and program equipment	26,720	45,746	16,153	4,554	16,518	16,886	6,168	23,060	16,727	172,532
Food and beverage costs	17,690	210,178	113,840	563	133,070	405	163,108	1,215	(300,434)	339,635
Information technology	22,946	19,408	7,244	14,725	29,632	5,242	18,354	123,405	19,338	260,294
Advertising, printing, and delivery	(666)	1,755	110	470	395	318	269	1,156	2,725	6,532
Occupancy	28,220	48,377	18,747	21,316	186,201	6,794	38,694	74,672	95,512	518,533
Finance lease expense	8,796	10,983	2,949	11,295	919	672	2,707	11,115	665	50,101
Travel and transportation	28,866	4,235	29,291	37,509	5,854	5,256	429,806	58,866	(420,803)	178,880
Specific assistance to participants	5,887	6,993	2,777	14,605	25,563	-	1,533	230	87	57,675
Membership dues	2,888	2,552	-	612	704	1,881	859	7,240	1,315	18,051
Interest expense and bank charges	-	1,837	3,244	-	-	-	566	2,754	3,319	11,720
Other expenses and special event expenses	1	2,023	-	8,853	44	4,000	32	326	750	16,029
Depreciation expense	9,829	17,082	2,793	5,629	68,332	2,555	16,006	5,230	22,099	149,555
Total	<u>\$ 1,387,619</u>	<u>\$ 2,102,266</u>	<u>\$ 473,437</u>	<u>\$ 1,264,407</u>	<u>\$ 1,480,202</u>	<u>\$ 428,988</u>	<u>\$ 1,376,225</u>	<u>\$ 9,690,023</u>	<u>\$ 371,596</u>	<u>\$ 18,574,763</u>