TURNING POINT BEHAVIORAL HEALTH CARE CENTER

FINANCIAL STATEMENTS AS OF JUNE 30, 2025 AND 2024

TOGETHER WITH AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Turning Point Behavioral Health Care Center:

Opinion

We have audited the accompanying financial statements of Turning Point Behavioral Health Care Center, which comprise the statement of financial position as of June 30, 2025 and 2024, and the related statements of activities, cash flows and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Turning Point Behavioral Health Care Center as June 30, 2025 and 2024, 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 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 Audit of the Financial Statements section of our report. We are required to be independent of Turning Point Behavioral Health Care Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, which raise substantial doubt about Turning Point Behavioral Health Care Center's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, 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 the Turning Point Behavioral Health Care 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, which raise substantial doubt about the Turning Point Behavioral Health Care 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2026, on our consideration of Turning Point Behavioral Health Care Center's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 Turning Point Behavioral Health Care Center'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 Turning Point Behavioral Health Care Center's internal control over financial reporting and compliance.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
January 20, 2026

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

To the Board of Directors of
Turning Point Behavioral Health Care Center:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Turning Point Behavioral Health Care Center (the Organization), which comprise the statement of financial position as of June 30, 2025, and the related statements of activities, cash flows and functional expenses for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated January 20, 2026.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Dugan + Lopatka

DUGAN & LOPATKA

Warrenville, Illinois
January 20, 2026

TURNING POINT BEHAVIORAL HEALTH CARE CENTER
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
A S S E T S		
CURRENT ASSETS:		
Cash and cash equivalents	$ 153,916	$ 632,631
Accounts receivable	237,456	262,925
Grants receivable	616,040	674,899
Promise to give - rent, current portion	48,113	40,094
Total current assets	1,055,525	1,610,549
PROPERTY AND EQUIPMENT, net of accumulated depreciation	2,518,440	2,632,656
OTHER ASSETS:		
Investments	1,920,221	1,774,878
Right of use asset, operating leases	34,017	12,498
Intangible assets, net	51,602	69,603
Asset held for sale	14,000	14,000
Promise to give - rent, net of current portion	633,482	681,595
Deposits	4,595	6,675
Total other assets	2,657,917	2,559,249
Total assets	$ 6,231,882	$ 6,802,454

The accompanying notes are an integral part of this statement.

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Notes payable, current	$ 62,224	$ 59,822
Operating lease liability, current	12,507	11,996
Accounts payable and accrued expenses	75,296	134,594
Accrued payroll expenses	227,404	207,915
Refundable advance	43,901	142,603
Total current liabilities	421,332	556,930
LONG-TERM LIABILITIES:		
Notes payable, net of current maturities	1,418,781	1,480,145
Operating lease liability, net of current portion	21,510	502
Total long-term liabilities	1,440,291	1,480,647
Total liabilities	1,861,623	2,037,577
NET ASSETS:		
Without donor restrictions	3,593,414	3,931,521
With donor restrictions	776,845	833,356
Total net assets	4,370,259	4,764,877
Total liabilities and net assets	$ 6,231,882	$ 6,802,454

TURNING POINT BEHAVIORAL HEALTH CARE CENTER
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE:						
Public support -						
Contributions	$ 53,112	$ -	$ 53,112	$ 60,347	$ -	$ 60,347
Special events revenue, net of expenses of $35,882 and $30,131 for 2025 and 2024, respectively	81,808	-	81,808	86,588	-	86,588
Total public support	134,920	-	134,920	146,935	-	146,935
Grants -						
Department of Human Services	3,488,752	-	3,488,752	2,620,532	-	2,620,532
Other grants	239,044	147,000	386,044	215,887	184,500	400,387
Total grants	3,727,796	147,000	3,874,796	2,836,419	184,500	3,020,919
Program services fees (point in time)-						
Department of Human Services	1,960,002	-	1,960,002	2,259,427	-	2,259,427
Program service fees	230,418	-	230,418	217,344	-	217,344
Total program service fees	2,190,420	-	2,190,420	2,476,771	-	2,476,771
Other revenue -						
Rental income	106,775	-	106,775	107,019	-	107,019
In kind revenue	15,700	-	15,700	25,498	721,689	747,187
Miscellaneous income	2,380	-	2,380	-	-	-
Total other revenue	124,855	-	124,855	132,517	721,689	854,206
Investment income-						
Gain on investments	105,664	-	105,664	190,569	-	190,569
Interest and dividend income	53,129	-	53,129	51,529	-	51,529
Total investment income	158,793	-	158,793	242,098	-	242,098
Net assets released from restrictions	203,511	(203,511)	-	217,999	(217,999)	-
Total support, fees and revenue	6,540,295	(56,511)	6,483,784	6,052,739	688,190	6,740,929
EXPENSES:						
Program	5,957,940	-	5,957,940	4,861,503	-	4,861,503
Management and general	620,435	-	620,435	510,134	-	510,134
Fundraising	300,027	-	300,027	280,417	-	280,417
Total expenses	6,878,402	-	6,878,402	5,652,054	-	5,652,054
CHANGE IN NET ASSETS	(338,107)	(56,511)	(394,618)	400,685	688,190	1,088,875
NET ASSETS, Beginning of year	3,931,521	833,356	4,764,877	3,530,836	145,166	3,676,002
NET ASSETS, End of year	$ 3,593,414	$ 776,845	$ 4,370,259	$ 3,931,521	$ 833,356	$ 4,764,877

The accompanying notes are an integral part of this statement.

TURNING POINT BEHAVIORAL HEALTH CARE CENTER
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in total net assets	$ (394,618)	$ 1,088,875
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Depreciation and amortization	267,978	249,892
Donated property held for sale	-	(14,000)
Amortization of promise to give- rent	40,094	-
Donated rent	-	(721,689)
Net realized and unrealized (gain) on investments	(105,664)	(190,569)
Non-cash portion of lease expense for operating leases	13,499	11,996
Change in assets and liabilities:		
(Increase) decrease in accounts receivables	25,469	(49,742)
Decrease in deposits	2,080	-
(Increase) decrease in grants receivables	58,859	(491,370)
Increase (decrease) in accounts payable and accrued expenses	(59,298)	91,333
Increase (decrease) in accrued payroll expenses	19,489	(28,978)
Increase (decrease) in operating lease liabilities	(13,499)	(11,996)
Increase (decrease) in refundable advance	(98,702)	114,053
Net cash (used in) provided by operating activities	(244,313)	47,805
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(135,761)	(169,647)
Proceeds from sale of investments	255,062	735,729
Purchases of investments	(294,741)	(774,459)
Net cash (used in) investing activities	(175,440)	(208,377)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of long-term debt	(58,962)	(56,453)
Net cash (used in) financing activities	(58,962)	(56,453)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(478,715)	(217,025)
CASH AND CASH EQUIVALENTS, Beginning of year	632,631	849,656
CASH AND CASH EQUIVALENTS, End of year	$ 153,916	$ 632,631
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid	$ 64,191	$ 63,879
Right of use assets acquired through operating lease	$ 35,018	-

The accompanying notes are an integral part of this statement.

TURNING POINT BEHAVIORAL HEALTH CARE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2025

	Program expenses										
	Living Room	Adult Crisis & Emergency	Supportive Residential	CCBYS	Evanston Living Room	Mobile Living Room	Outpatient	Total Program	Management & General	Fundraising	Total
Salaries and wages	$ 933,195	$ 592,509	$ 225,294	$ 235,970	$ 312,240	$ 117,930	$ 1,300,327	$ 3,717,465	$ 370,424	$ 210,833	$ 4,298,722
Payroll taxes and benefits	165,526	127,633	56,160	42,778	48,883	26,681	302,707	770,368	69,861	37,123	877,352
Program consultants	22,180	11,743	1,658	-	112,096	425	54,816	202,918	86,180	-	289,098
Administrative and general	137,184	72,649	28,860	18,098	72,014	15,010	199,314	543,129	53,659	29,371	626,159
Occupancy	39,967	24,559	9,732	9,492	77,729	5,178	54,586	221,243	14,993	8,443	244,679
Depreciation and amortization	56,883	37,283	14,572	14,431	18,696	7,487	82,993	232,345	22,796	12,837	267,978
Program equipment and supplies	13,359	36,794	1,612	1,797	21,092	14,253	53,426	142,333	2,522	1,420	146,275
Program rent	-	-	124,469	3,640	30	-	-	128,139	-	-	128,139
Fundraising	-	-	-	-	-	-	-	-	-	35,882	35,882
Total functional expenses	1,368,294	903,170	462,357	326,206	662,780	186,964	2,048,169	5,957,940	620,435	335,909	6,914,284
Less expenses included with revenues on the statement of activities:											
Special events expenses	-	-	-	-	-	-	-	-	-	(35,882)	(35,882)
Total functional expenses included in the expenses section of the statement of activities	$ 1,368,294	$ 903,170	$ 462,357	$ 326,206	$ 662,780	$ 186,964	$ 2,048,169	$ 5,957,940	$ 620,435	$ 300,027	$ 6,878,402

The accompanying notes are an integral part of this statement.

TURNING POINT BEHAVIORAL HEALTH CARE CENTER
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2024

	Program expenses										
	Living Room	Adult Crisis & Emergency	Supportive Residential	CCBYS	Evanston Living Room	Mobile Living Room	Outpatient	Total Program	Management & General	Fundraising	Total
Salaries and wages	$ 563,941	$ 600,900	$ 216,521	$ 287,147	$ -	$ -	$ 1,364,535	$ 3,033,044	$ 318,372	$ 187,978	$ 3,539,394
Payroll taxes and benefits	82,319	106,635	50,860	46,169	-	-	273,451	559,434	52,766	39,870	652,070
Program consultants	25,774	12,455	1,688	-	8,851	-	58,170	106,938	53,365	-	160,303
Administrative and general	116,794	100,409	30,414	35,294	7,527	-	170,348	460,786	38,608	23,701	523,095
Occupancy	32,483	29,853	10,249	12,777	3,432	-	62,786	151,580	14,226	8,734	174,540
Depreciation and amortization	38,530	42,183	15,941	19,872	-	-	97,654	214,180	22,128	13,584	249,892
Program equipment and supplies	45,136	53,502	7,686	9,582	5,923	314	47,086	169,229	10,669	6,550	186,448
Program rent	-	-	147,772	18,540	-	-	-	166,312	-	-	166,312
Fundraising	-	-	-	-	-	-	-	-	-	30,131	30,131
Total functional expenses	904,977	945,937	481,131	429,381	25,733	314	2,074,030	4,861,503	510,134	310,548	5,682,185
Less expenses included with revenues on the statement of activities:											
Special events expenses	-	-	-	-	-	-	-	-	-	(30,131)	(30,131)
Total functional expenses included in the expenses section of the statement of activities	$ 904,977	$ 945,937	$ 481,131	$ 429,381	$ 25,733	$ 314	$ 2,074,030	$ 4,861,503	$ 510,134	$ 280,417	$ 5,652,054

The accompanying notes are an integral part of this statement.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Turning Point Behavioral Health Care Center (the "Organization"), a not-for-profit organization, operates an outpatient community mental health center providing services to adults, adolescents, and children residing in Niles Township, Illinois and neighboring communities.

The financial statements were available to be issued on January 20, 2026, with subsequent events being evaluated through this date.

The following summarizes the significant accounting policies and practices reflected in the accompanying financial statements.

Basis of Accounting -

The financial statements are maintained on the accrual basis of accounting which recognizes revenues as they are earned and expenses as they are incurred.

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC), *Financial Statements for Not-for-Profit Organizations*. Under the ASC, the Organization is required to report information regarding two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations and may be expensed for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of management and the board of directors.

With donor restrictions – Net assets subjects to donor-imposed stipulations. Some donor restrictions are temporary in nature; those restrictions will be met either by actions of the Organization and/or the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity.

Use of Estimates -

The preparation of financial statements in conformity with U.S. GAAP 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents -

For purposes of the statement of cash flows, the Organization considers all highly liquid instruments with an initial maturity of three months or less to be cash equivalents.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Concentrations of Credit Risk -

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits in various banks from time to time. The Organization has not experienced any losses in such accounts.

Account Receivables -

Account receivables are carried at original invoice amount, less an estimate made for expected current credit losses. Receivables are measured at amortized cost. An allowance for credit losses that are expected to be incurred is recorded as of the date that a receivable is originated. The allowance reduces the carrying amount of the receivables to the net amount expected to be collected over the assets' contractual term. The determination of the allowance requires the Organization to collectively evaluate receivables by classifying them into pools that share similar risk characteristics such as risk rating, type of receivable, size of the receivable, contractual term, industry type of the debtor, geographic location of the debtor, or date of origination while individually evaluating such assets, if any, that do not possess risk characteristics similar to those in the identified pools.

Management determines the allowance for credit losses based on:

- Available and relevant internal and/or external information about historical loss experience with similar assets;
- Current conditions;
- Reasonable and supportable forecasts that affect the expected collectability of the reported amount of financial assets that have an extended contractual term.

The Organization considers a receivable to be past due when the normal invoice terms have been exceeded. Receivables are written off once they are deemed uncollectable. Write offs are recognized as a deduction from the allowance for credit losses. Amounts previously written off that are now expected to be recovered are included in the determination of the allowance for credit losses. All outstanding receivables as of June 30, 2025 have been collected subsequent to year end, and thus management has estimated that no allowance is necessary.

Investments -

The Organization has investments that are comprised of mutual funds, common stock, corporate bonds, municipal bonds, exchange traded funds, and money markets that are carried at fair market value.

Investments are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of market risk associated with certain investment, it is possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of financial position.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Property and Equipment -

Property and equipment are stated at cost if purchased or fair value if contributed. The Organization capitalizes fixed asset additions over $500. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. Below are the estimated useful lives of the assets:

Furniture and office equipment	5 - 15 years
Vehicles	7 years
Building improvements	7 - 27 years
Buildings	50 years

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

Impairment of Long-Lived Assets -

The Organization reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. As of June 30, 2025 and 2024, there have been no such losses.

Intangible Assets -

The Organization incurred the following costs related to intangible assets as of June 30, 2025 and 2024:

	2025	2024
Website	$ 112,861	$ 112,861
EMR System	92,515	92,515
	205,376	205,376
Less: Accumulated amortization	(153,774)	(135,773)
Net intangible assets	$ 51,602	$ 69,603

Under Accounting Standards Codification ("ASC") 350, these costs are recognized as an intangible asset and are being amortized using the straight-line method over five - seven years. Amortization expense related to these assets totaled $18,000 and $17,866 for the years ended June 30, 2025 and 2024, respectively.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Functional Allocation of Expenses -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and related expenses, administrative and office supplies, occupancy, depreciation and amortization, and program equipment and supplies which are allocated on the basis of estimates of time and effort.

Income Taxes -

The Organization has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

The Organization files informational returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Organization is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for fiscal years before 2022. The Organization does not expect a material net change in unrecognized tax benefits in the next twelve months.

Revenue Recognition for Program Fees -

The Organization receives program fees from the Illinois Department of Human Services (DHS) through fee for service arrangements. The Organization bills for various services provided to DHS based on preapproved rates for each service provided. These services are considered a single performance obligation which is satisfied at a point in time. The performance obligation is met, and revenue recognized, when the services are provided.

The Organization receives program service fees in exchange for providing patient care services. The organization bills these services based on preapproved rates for the services provided. These patient care services are considered a single performance obligation which is satisfied at a point in time. The performance obligation is considered met, and revenue is recognized, when the services are provided to the patients.

The Organization rents some of its office space to tenants. Rental income is considered a single performance obligation that is recognized over time. Rental income is charged each month, and the monthly fees are recognized ratably over the life of the lease.

Revenue Recognition for Contributions -

The Organization recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met.

(1) NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Revenue Recognition for Contributions - (Continued)

Contributions resulting from split-interest agreements, measured at the time into which the agreements are entered, are based on the difference between the fair value of the assets received or promised and the present value of the obligation to the third-party recipient(s) under the contract. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires; that is, when a stipulated time restriction ends or purpose restriction is accomplished, 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.

A portion of the Organization's revenue is derived from cost-reimbursable state contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized when the Organization has incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position. Restricted revenue from cost reimbursable grants that are received and released in the same year are shown as without donor restrictions on the statement of activities.

Leases -

The organization determines if an arrangement is a lease or contains a lease at inception of the contract. The Organization's operating leases are presented in operating lease right-of-use assets, current portion of operating lease liabilities, and long-term portion of operating lease liabilities in the accompanying statement of financial position as of June 30, 2025 and 2024.

Operating lease right-of-use assets and lease liabilities are measured based on the present value of future lease payments over the lease term at each lease's commencement date. As most of the Organization's leases do not specify their implicit rate, the organization has elected a practical expedient to use the nominal yield, at lease inception, applicable to U.S. Treasury instruments with a maturity of similar length of the lease term.

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by the Organization, less any lease incentives the Organization receives from the lessor. The organization has elected a practical expedient to account for lease and non-lease components together as a single lease component. The terms of the Organization's leases generally contain lease payments and reimbursements to the lessor of the Organization's proportionate share of common area maintenance (CAM), real estate taxes and other pass-through charges. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, the Organization has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date.

Operating lease expense for lease payments is recognized on a straight-line basis over the terms of each lease. Variable lease components include CAM, real estate taxes and other charges and are recorded as lease expense as incurred.

The Organization's leases can contain options granting the right to renew or extend the term of the lease for specified option periods. The decision as to whether the Organization will exercise the renewal options is generally at the Organization's sole discretion. the Organization includes lease extensions in the lease term when it is reasonably certain that the Organization will exercise the extension.

(2) CONCENTRATIONS:

The Organization received approximately 84% and 72% of its total revenues and support from the Illinois Department of Human Services for the years ended June 30, 2025 and 2024, respectively.

Receivables from the Illinois Department of Human Services represented 67% and 73% of total receivables at June 30, 2025 and 2024, respectively.

(3) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurement established a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

(3) FAIR VALUE MEASUREMENTS: (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2025 and 2024.

Exchange Traded Funds, Mutual Funds and Common Stocks: Valued at the closing price (net asset value) reported on the active market on which the individual securities are traded.

Corporate Bonds: Valued at the last quoted bid price.

Municipal Bonds: Valued at the last quoted bid price.

Certificates of Deposit: Valued at amortized cost, which approximates fair value.

Fair values of assets measured on a recurring basis were as follows:

	Assets at Fair Value as of June 30, 2025			
Description	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 234,278	$ -	$ -	$ 234,278
Common stocks	867,757	-	-	867,757
Exchange traded funds	418,526	-	-	418,526
Mutual Funds	33,029	-	-	33,029
Corporate bonds	-	198,571	-	198,571
Foreign Bonds	-	55,015	-	55,015
Other fixed income- CD	-	64,215	-	64,215
Municipal bonds	-	48,830	-	48,830
Total	$ 1,553,590	$ 366,631	$ -	$ 1,920,221

	Assets at Fair Value as of June 30, 2024			
Description	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 359,064	$ -	$ -	$ 359,064
Common stocks	819,261	-	-	819,261
Exchange traded funds	289,336	-	-	289,336
Mutual Funds	30,160	-	-	30,160
Corporate bonds	-	107,316	-	107,316
Foreign Bonds	-	59,020	-	59,020
Other fixed income- CD	-	86,546	-	86,546
Municipal bonds	-	24,175	-	24,175
Total	$ 1,497,821	$ 277,057	$ -	$ 1,774,878

(4) PROPERTY AND EQUIPMENT:

The costs of the Organization's property and equipment as of June 30, 2025 and 2024 were as follows:

	2025	2024
Land	$ 415,721	$ 415,721
Building	1,543,468	1,543,468
Building improvements	2,844,375	2,735,155
Furniture and equipment	739,979	713,338
Vehicles	178,573	178,674
	5,722,116	5,586,356
Less: Accumulated depreciation	(3,203,676)	(2,953,700)
Net property and equipment	$ 2,518,440	$ 2,632,656

Depreciation expense for the years ended June 30, 2025 and 2024 was $249,978 and $232,026, respectively.

(5) NOTES PAYABLE:

	2025	2024
Notes payable from Inland Bank, payable in monthly installments of $10,028 principal and interest, matures July 2027 with an interest rate of 4.00%, plus an estimated balloon payment of $1,360,187. Secured by the building.	$ 1,481,005	$ 1,539,967
Less - Current maturities	(62,224)	(59,822)
Notes payable - long-term	$ 1,418,781	$ 1,480,145

Maturities on long-term debt are as follows:

Year Ending June 30,	
2026	$ 62,224
2027	64,759
2028	1,354,022
	$ 1,481,005

(6) RENTAL INCOME:

The Organization leases portions of its office space to various, unrelated third parties, which expire at various dates through June 2026. Rental income for the years ended June 30, 2025, and June 30, 2024 was $106,775 and $107,019, respectively.

Future minimum rents to be received are as follows:

Year Ending June 30,	
2026	$ 63,703

(7) NET ASSETS:

The Organization's net assets with donor restrictions, as of June 30, were as follows:

	2025	2024
Time restricted	$ 776,845	$ 833,356

The Organization's net assets without donor restrictions, as of June 30, were as follows:

	2025	2024
General	$ 1,673,193	$ 2,156,643
Board designated investments	1,920,221	1,774,878
	$ 3,593,414	$ 3,931,521

(8) LEASES:

The Organization has two operating leases for vehicles that expire at various dates through April 2028.

The components of lease expense for the years ending June 30, 2025 and 2024 are as follows:

	2025	2024
Operating lease cost	$ 13,222	$ 12,612

Future minimum lease payments under noncancelable leases as of June 30, 2025, are as follows:

2026	$ 12,696
2027	12,696
2028	10,580
Total future minimum lease payments	35,972
Less imputed interest included	(1,955)
Present value of net minimum lease payments	$ 34,017

(8) LEASES: (Continued)

The following provides additional information related to the Organization's leases as of and for the years ended June 30, 2025 and 2024:

	2025	2024
Current portion of lease liabilities	$ 12,507	$ 11,996
Long-term portion of lease liabilities	21,510	502
Total lease liabilities	$ 34,017	$ 12,498

	2025	2024
Weighted average lease term	2.93 years	0.96 years
Weighted average discount rate	3.99%	3.37%

Cash paid for amounts included in the measurements of the Organization's leases for the years ended June 30, 2025 and 2024, are as follows:

	2025	2024
Operating cash from operating leases	$ 13,670	$ 12,612

The Organization leases various properties on behalf of tenants. The leases are short-term and expire at various dates through April 2026. Rental assistance provided on these properties was $103,923 and $125,992 for the years ended June 30, 2025 and 2024, respectively. The future minimum rentals due on behalf of tenants for the year ended June 30, 2025 are $50,616.

(9) DONATION OF USE OF FACILITIES:

In June 2024, the Organization entered into a lease agreement with a third party, under which they received a donation of rent-free space for a period of 15 years. The terms of the agreement stipulate that the Organization will pay a total of $1 per year for the lease term. The fair market value of the rented space, based on current market conditions and comparable property rentals, and discounted to present value using a rate of 4.34% is estimated at $721,689 over the lease period. This donation has been recognized as an increase in both restricted net assets and promise to give, reflecting the future benefits to be received under the terms of the lease. Each year, a portion of the rent equivalent to its annual fair market value will be released from restricted net assets. Amortization of the promise to give recognized as rent expensed and released from restrictions for the years ended June 30, 2025 and 2024 were $40,094 and $-0-, respectively.

The future benefit to be received from the donated rent space is as follows:

	2025	2024
Less than one year	$ 48,113	$ 40,094
One to five years	260,610	260,610
Greater than five years	372,872	420,985
Total	$ 681,595	$ 721,689

(10) LIQUIDITY AND AVAILABILITY OF RESOURCES:

The Organization's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

		2025		2024
Financial assets:				
Cash and cash equivalents	$	153,916	$	632,631
Accounts receivable		237,456		262,925
Grants receivable		616,040		674,899
Investments		1,920,221		1,774,878
Total financial assets		2,927,633		3,345,333
Less:				
Assets with donor restrictions		(95,250)		(111,667)
Board-designated investment fund		(1,920,221)		(1,774,878)
		(2,015,471)		(1,886,545)
Assets available for general expenditures	$	912,162	$	1,458,788

The Organization maintains a policy of structuring its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Investments are included in the table above as these assets are available to be used should the Organization deem necessary; however, the investments are not expected to be used within one year.

(11) RETIREMENT PLAN:

The Organization maintains a non-contributory defined contribution retirement plan which covers substantially all employees who meet certain eligibility requirements. Some employees of the Organization are, at their own option, participating in tax deferred annuity programs. Each participant can contribute a portion of current earnings on a tax deferred basis. For the years ended June 30, 2025 and 2024, there were no employer contributions to the plan.

(12) IN KIND CONTRIBUTIONS:

The Organization received in-kind contributions for the years ended June 30, 2025 and 2024 as follows:

	2025	2024
Professional services	$ 15,700	$ 25,498
Facilities	-	721,689
Total in-kind	$ 15,700	$ 747,187

Fair value of in-kind contributions is determined as follows:

Professional services: The Organization received pro bono information technology services. These items are valued at fair value based on the cost of similar services.

Facilities: The Organization received a promise to give to provide facility space to the Organization for $1 rent per year for 15 years. The fair value of the promise to give was valued using estimated fair value of the facility based on comparable property rentals.