

**REVIVE CENTER FOR
HOUSING AND HEALING**

**FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 AND 2021**

TOGETHER WITH AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
ReVive Center for Housing and Healing:

Opinion

We have audited the accompanying financial statements of ReVive Center for Housing and Healing (ReVive) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2022 and 2021, 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 ReVive as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 ReVive 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, that raise substantial doubt about ReVive'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 ReVive'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 ReVive'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.

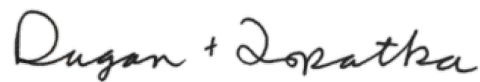
Independent Auditor's Report
To the Board of Directors of
ReVive Center for Housing and Healing
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Report on Summarized Comparative Information

We have previously audited ReVive's 2021 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated December 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 1, 2023 on our consideration of ReVive'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 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 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 ReVive's internal control over financial reporting and compliance.



DUGAN & LOPATKA

Warrenville, Illinois
February 1, 2023

REVIVE CENTER FOR HOUSING AND HEALING
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

ASSETS

	<u>2022</u>	<u>2021</u>
ASSETS:		
Cash and cash equivalents	\$ 798,288	\$ 1,081,915
Grant receivables	-	18,000
Rent and other receivables, net	2,713	-
Prepaid expenses and other	14,111	23,072
Investments	689,290	-
Property and equipment, net	<u>1,040,308</u>	<u>1,169,980</u>
Total assets	<u>\$ 2,544,710</u>	<u>\$ 2,292,967</u>

LIABILITIES AND NET ASSETS

	<u>2022</u>	<u>2021</u>
LIABILITIES:		
Accounts payable and accrued expenses	\$ 51,924	\$ 25,312
Refundable advance	-	500
Notes Payable	<u>1,911,419</u>	<u>2,106,307</u>
Total liabilities	<u>1,963,343</u>	<u>2,132,119</u>
NET ASSETS:		
Without donor restrictions	(144,758)	(368,153)
With donor restrictions	<u>726,125</u>	<u>529,001</u>
Total net assets	<u>581,367</u>	<u>160,848</u>
Total liabilities and net assets	<u>\$ 2,544,710</u>	<u>\$ 2,292,967</u>

The accompanying notes are an integral part of this statement.

REVIVE CENTER FOR HOUSING AND HEALING
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	With Donor Restrictions	Without Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions						
Individuals	\$ 594,063	\$ 223,718	\$ 817,781	\$ 340,398	\$ -	\$ 340,398
Corporations and foundations	17,341	200,000	217,341	44,219	-	44,219
Episcopal Charities and Community Services	19,570	-	19,570	17,250	-	17,250
Associated religious organizations	16,000	-	16,000	6,872	-	6,872
Diocesan trust fund	53,361	-	53,361	30,530	-	30,530
Trusts and estates	10,126	-	10,126	32,720	-	32,720
Fees and grants from government agencies	823,311	-	823,311	749,090	-	749,090
Client rent	46,280	-	46,280	345,210	-	345,210
In-kind revenue	101,432	-	101,432	114,958	-	114,958
Debt forgiveness	188,000	-	188,000	-	-	-
Investment (loss)	(5,034)	(79,072)	(84,106)	-	-	-
Miscellaneous income	1,259	-	1,259	11,906	-	11,906
Net assets released from restrictions	147,522	(147,522)	-	-	-	-
Total support and revenue	<u>2,013,231</u>	<u>197,124</u>	<u>2,210,355</u>	<u>1,693,153</u>	<u>-</u>	<u>1,693,153</u>
FUNCTIONAL EXPENSES:						
Program services						
Supportive and affordable housing	386,383	-	386,383	598,448	-	598,448
Social services	807,428	-	807,428	1,152,687	-	1,152,687
Support services						
General and administrative	422,291	-	422,291	168,032	-	168,032
Fundraising	173,734	-	173,734	101,649	-	101,649
Total functional expenses	<u>1,789,836</u>	<u>-</u>	<u>1,789,836</u>	<u>2,020,816</u>	<u>-</u>	<u>2,020,816</u>
CHANGES IN NET ASSETS, before gain on sale of fixed assets	223,395	197,124	420,519	(327,663)	-	(327,663)
Gain on sale of fixed assets	-	-	-	288,894	-	288,894
TOTAL CHANGE IN NET ASSETS	<u>223,395</u>	<u>197,124</u>	<u>420,519</u>	<u>(38,769)</u>	<u>-</u>	<u>(38,769)</u>
NET ASSETS, beginning of year, (as previously stated)	(368,153)	529,001	160,848	(329,384)	529,001	199,617
NET ASSETS, end of year	<u>\$ (144,758)</u>	<u>\$ 726,125</u>	<u>\$ 581,367</u>	<u>\$ (368,153)</u>	<u>\$ 529,001</u>	<u>\$ 160,848</u>

The accompanying notes are an integral part of this statement.

REVIVE CENTER FOR HOUSING AND HEALING
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 420,519	\$ (38,769)
Adjustments to reconcile change in total net assets to net cash provided by (used in) operating activities:		
Depreciation	129,672	212,738
Unrealized loss on investments	90,144	-
(Gain) on sale of fixed assets	-	(288,894)
Forgiveness of debt	(188,000)	-
Change in current assets and liabilities:		
Decrease in grant receivables	18,000	843
(Increase) decrease in rent and other receivables	(2,713)	2,608
Decrease in prepaid expenses and other current assets	8,961	15,103
Increase (decrease) in accounts payable and accrued expenses	26,612	(255,383)
(Decrease) in refundable advance	(500)	(48,588)
	<u>502,695</u>	<u>(400,342)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sales of investments	-	1,095
Purchase of investments	(779,434)	-
Proceeds from sales of property and equipment	-	2,947,507
Purchase of property and equipment	-	(6,600)
	<u>(779,434)</u>	<u>2,942,002</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(6,888)	(1,705,072)
	<u>(6,888)</u>	<u>(1,705,072)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(283,627)	836,588
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,081,915</u>	<u>245,327</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 798,288</u>	<u>\$ 1,081,915</u>
SUPPLEMENTAL CASH FLOW INFORMATION:		
Line of credit converted to note payable	<u>\$ -</u>	<u>\$ 100,000</u>

The accompanying notes are an integral part of this statement.

REVIVE CENTER FOR HOUSING AND HEALING
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2022
(with comparative totals for 2021)

	Program Services			Support Services			Total 2022	Comparative Total 2021
	Supportive and Affordable Housing	Social Services	Total Program Services	General and Administrative	Fundraising	Total Support Services		
Salaries and Employee Benefits	\$ 171,743	\$ 471,475	\$ 643,218	\$ 134,097	\$ 79,521	\$ 213,618	\$ 856,836	\$ 967,987
Consultants	25,952	11,360	37,312	173,856	6,431	180,287	217,599	-
Equipment rentals and maintenance	-	-	-	-	-	-	-	11,816
Fees and Services	6,429	11,166	17,595	21,024	5,776	26,800	44,395	174,116
Supplies	582	3,170	3,752	810	217	1,027	4,779	23,955
Food and Beverage	-	2,122	2,122	1,578	236	1,814	3,936	2,196
Telephone	1,164	4,212	5,376	1,805	287	2,092	7,468	10,278
Postage and Delivery	470	1,809	2,279	3,165	843	4,008	6,287	3,674
Occupancy	128,782	78,410	207,192	11,834	2,118	13,952	221,144	251,826
Printing	3,706	5,072	8,778	2,169	8,436	10,605	19,383	7,063
Staff Development	-	10,323	10,323	3,629	-	3,629	13,952	-
Transportation	-	-	-	-	-	-	-	1,450
Assistance to individuals	1,249	137,956	139,205	1,223	-	1,223	140,428	130,894
Events	-	-	-	-	54,126	54,126	54,126	-
Dues and Subscriptions	-	15	15	-	1,442	1,442	1,457	1,591
Insurance	17,940	21,516	39,456	7,652	387	8,039	47,495	55,427
Interest	-	-	-	4,194	-	4,194	4,194	76,875
Depreciation	27,183	48,777	75,960	52,984	728	53,712	129,672	212,738
Miscellaneous	1,183	45	1,228	2,271	13,186	15,457	16,685	88,930
Total expenses	\$ 386,383	\$ 807,428	\$ 1,193,811	\$ 422,291	\$ 173,734	\$ 596,025	\$ 1,789,836	\$ 2,020,816

The accompanying notes are an integral part of this statement.

REVIVE CENTER FOR HOUSING AND HEALING
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

ReVive Center for Housing and Healing (ReVive) is a not-for-profit corporation formed in 1915. ReVive meets people experiencing homelessness where they are, and expertly connects them with food, housing, income, healthcare and community. ReVive helps people change their lives and end the cycle of homelessness.

Supportive and Affordable Housing: Cressey House offers 28 units of permanent supportive housing. Single men, women and their children live in Cressey House which serves chronically homeless individuals with disabilities and their children. Disabilities include mental health and substance use disorders, chronic health conditions, HIV/AIDS, and developmental and physical disabilities. Cressey House offers low barriers to admission, goal driven supportive services and persistent engagement to assist tenants in housing retention, improved health, increased income and improved quality of life. As a member of Chicago's Continuum of Care, prospective tenants are referred to Cressey House by the Chicago Coordinated Entry System.

Social Services: Social Services: ReVive provides supportive services to residents of Cressey House and to low-income individuals living in scattered site housing who are at risk of homelessness. The goal of these flexible and person-centered services is to help our community members address their individual barriers to health, stable housing and increased income. ReVive employs evidence-based best practices in its service provision including motivational interviewing, harm reduction, trauma-informed care, and strength-based practice. Services include: intake and assessment; goal setting; creation of an individual service plan; case management; counseling; advocacy; occupational therapy; navigating and applying for public benefits; housing assistance, legal assistance referral; physical and mental health care referrals and on-site clinics; substance-use treatment referrals and on-site support groups; financial assistance for employment training and transit cards; employment readiness; life skills workshops; and computer use/internet training. Supportive services are encouraged but are not required to maintain housing.

ReVive runs a Christmas gift program that connects approximately 1,000 housing insecure households in Chicago with donors throughout Chicagoland, to provide an abundant Christmas. Revive also provides meeting space for community groups to further reach those in need of assistance.

The financial statements were available to be issued on February 1, 2023, with subsequent events being evaluated through this date.

Basis of Accounting -

The financial statement is presented using the accrual method of accounting, in which revenues are recorded when earned and expenses are recorded when incurred.

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

Basis of Presentation -

Financial statement presentation follows the recommendations of the Accounting Standards Codification (ASC), *Financial Statements for Non-for-Profit Organizations*. Under the ASC, the Academy is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Without donor restrictions - Net assets that are not subject to donor-imposed stipulations. They include all activities of ReVive, except for those that are temporarily or permanently restricted by donors. Board designated amounts are part of net assets without donor restrictions.

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

Cash and Cash Equivalents -

ReVive considers all liquid investments with original maturities of three months or less to be cash equivalents. ReVive maintains its cash and cash equivalents accounts in institutions guaranteed by the Federal Deposit Insurance Corporation (FDIC). At times throughout the year, cash balances may be in excess of the FDIC insurance limit.

Government Grant and Other Receivables -

Grant and other receivables represent grants due to ReVive from governmental agencies or amounts due from clients. Government grant and other receivables are stated at net realizable value. An allowance for doubtful accounts is established based on historical experience and an analysis of specific accounts. All amounts deemed uncollectible are charged against the allowance for doubtful accounts in the period the determination is made. Management determined an allowance for doubtful government grant receivable and other receivables was for the years ended June 30, 2022 and 2021 was \$17,913 and \$10,053 respectively.

Pledge Receivables -

Unconditional promises to give that are expected to be collected within one year are recorded at estimated fair value. Unconditional promises to give to be collected in the future years are discounted at an appropriate rate commensurate with the risk involved. Amortization of the discounts is included in contribution revenue. An allowance for uncollectible pledge receivables is based on management's judgment, considering factors such as prior collection history, type of contribution, and nature of fundraising activity. Management determined an allowance for receivables was not necessary for the years ended June 30, 2022 and 2021.

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

Property and Equipment -

Property and equipment are stated at cost. Donated assets are recorded at their fair market value on the date of donation. ReVive capitalizes all expenditures for fixed assets over \$1,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets when placed in service. Upon sale or retirement, the cost and related accumulated depreciation eliminated from the respective account and the resulting gain or loss, is included in the statement of activities. Repairs and maintenance charges are expensed as incurred. Depreciation expense for the years ended June 30, 2022 and 2021 was \$129,672 and \$212,738 respectively.

In-Kind Services and Contributions -

Donated services are recognized as revenue at their fair value if the services create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and typically need to be purchased if not provided by donation. Contributed services that do not meet the above criteria are not recognized as revenues and expenses and are not reported in the accompanying financial statements. Contributed goods are recorded at their respective fair value at the date of the donation. In-kind donations included \$101,432 and \$114,958 for items included in the Christmas baskets for the years ended June 30, 2022 and 2021, respectively.

Investments -

Investments are recorded at fair market value. Realized and unrealized gains and losses are reflected in the statement of activities. Investment securities, in general, 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 securities, 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.

Revenue Recognition for Contributions and Grants -

ReVive 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. 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.

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

Revenue Recognition for Contributions and Grants - (continued)

ReVive 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. Donor restricted contributions whose restrictions are met in the same period as received are shown as contributions without donor restrictions on the statement of activities.

A portion of ReVive'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 ReVive 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.

Revenue Recognition for Program Fees -

ReVive receives rental income from clients who reside in certain residential programs. 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. The company leases apartments to eligible applicants under operating leases which are substantially all on a yearly basis.

Income Taxes -

ReVive has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes, except for taxes on unrelated business income generated from unrelated trade or business activities. ReVive files informational returns in the U.S. federal jurisdiction. With few exceptions, ReVive 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 2019. ReVive does not expect a material net change in unrecognized tax benefits in the next twelve months.

Allocation of Expenses -

The cost of supporting various programs and other activities have been summarized on a functional basis in the statement of activities. 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. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

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

Allocation of Expenses - (continued)

Salaries and related benefits are allocated on the basis estimated of time and effort. Certain expenses are allocated between supportive and affordable housing, social services, fundraising and general and administrative based on the square footage of the space utilized. These expenses include, but are not limited to, supplies, telephone, postage, depreciation, and equipment rental. General and administrative expenses include expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of ReVive.

Use of Estimates -

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

Reclassifications -

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

Comparative Financial Information -

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with US GAAP. Accordingly, such information should be read in conjunction with our audited financial statements for the year ended June 30, 2021, from which the summarized information was derived.

(2) PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	<u>2022</u>	<u>2021</u>
Land	\$ 275,000	\$ 275,000
Building and building improvement	3,828,544	3,968,810
Vehicles	-	27,139
Furniture, and equipment	<u>50,025</u>	<u>281,426</u>
	4,153,569	4,552,375
Less - Accumulated depreciation	<u>3,113,261</u>	<u>(3,382,395)</u>
	<u>\$ 1,040,308</u>	<u>\$ 1,169,980</u>

(3) INVESTMENTS:

The following is a summary of the fair value of Revive's investments at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Mutual funds	\$ 449,929	\$ -
Money market funds	<u>239,361</u>	<u>-</u>
	<u>\$ 689,290</u>	<u>\$ -</u>

Investment income (loss) for the years ended June 30, 2022 and 2021 consisted of the following:

	<u>2022</u>	<u>2021</u>
Dividends and interest	\$ 6,038	\$ -
Unrealized(loss)	<u>(90,144)</u>	<u>-</u>
Total investment (loss)	<u>\$ (84,106)</u>	<u>\$ -</u>

(4) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements 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.

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.

(4) FAIR VALUE MEASUREMENTS: (Continued)

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.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used on June 30, 2022 and 2021.

Mutual and Money Market Funds: Valued at the closing price (net asset value) reported on the active market on which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although ReVive believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, ReVive's assets at fair value:

<u>Description</u>	<u>Assets at Fair Value as of June, 30 2022</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 449,929	\$ -	\$ -	\$ 449,929
Money market funds	239,361	-	-	239,361
Total assets at fair value	<u>\$ 689,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 689,290</u>

(5) NOTES PAYABLE:

Notes payable consist of the following:

	<u>2022</u>	<u>2021</u>
Mortgage note, date February 16, 1996, Payable the Illinois Housing Development Authority Original Proceeds of \$333,333, 0% interest, due to on December 31, 2035. The note is secured by an assignment of rents and lease creating a junior mortgage lien on the property at 1660-74 West Ogden Avenue.	\$ 333,333	\$ 333,333

(5) NOTES PAYABLE: (Continued)

Loan agreement, date February 16, 1996, payable to the City of Chicago's Department of Housing. Original proceeds of \$1,492,474, 0% interest, due in February 2026. The Loan is secured by a first mortgage on the property at 1667-74 West Ogden Avenue.

\$ 1,492,474 \$ 1,492,474

Payroll Protection Program (PPP) loan payable to a bank as part of the Coronavirus Aid, Relief, and Economic Security (CARES) act, interest at 1% with the amount to be repaid in equal installments of principal and interest, beginning at the earlier of the date the SBA remits the loan forgiveness amount or 10 months after the end of the forgivable period, with the final payment due April 2022. In August 2021, the entire PPP loan was forgiven.

\$ - \$ 188,000

Loan agreement, date December 2020, Payable to PNC bank. Original proceeds of \$100,000, with quarterly principal payments of \$2,500 plus interest at 2.67%. The loan matures in September 2030.

\$ 85,612 \$ 92,500

Total notes payable

1,911,419 2,106,307

Less - Current maturities

10,000 198,000

Long-term maturities

\$ 1,901,419 \$ 1,908,307

The aggregate maturities for long-term debt as of June 30, 2022, are due in future years as follows:

2023	\$ 10,000
2024	10,000
2025	10,000
2026	1,502,474
Thereafter	<u>378,945</u>
Total	\$ <u>1,911,419</u>

(6) IN KIND CONTRIBUTIONS:

The Organization received in-kind contributions for the years ended June 30, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Goods and supplies	\$ <u>101,432</u>	\$ <u>114,958</u>
Total	\$ <u><u>101,432</u></u>	\$ <u><u>114,958</u></u>

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

Goods and supplies: The donated goods and supplies are used by the Organization for program services. These items include various supplies in Christmas baskets provided to clients. The Organization valued at fair value using estimated wholesale prices of identical or similar items using pricing data under a “like-kind” methodology considering the items’ condition and utility for use.

(7) OPERATING LEASES:

ReVive has entered into operating lease agreements for equipment expiring in various years through 2023. Total rental expense charged to operations amounted to \$9,766 and \$11,816 for the years ended June 30, 2022 and 2021, respectively. The agreements call for monthly payments ranging from \$250 to \$640. The following are the future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year:

Total future minimum lease commitments for each of the next three years are as follows:

2023	\$ <u><u>7,040</u></u>
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(8) RETIREMENT PLAN:

ReVive sponsors a defined contribution plan organized under Section 403(b) of the IRC. The plan covers all employees of ReVive and provides for the employer to match 50% of each employee’s contribution, not to exceed 3% of annual compensation. Retirement expense related to this plan totaled \$7,068 and \$6,408 for the years ended June 30, 2022 and 2021, respectively. Clergy paid by ReVive are covered under a defined benefit pension plan sponsored by the Protestant Episcopal Church. Pension expense for this plan totaled \$24,951 and \$23,821 for years ended June 30, 2022 and 2021, respectively.

(9) NET ASSETS WITH DONOR RESTRICTION:

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

	<u>2022</u>	<u>2021</u>
Capital Campaign	\$ 276,196	\$ -
Van Ness Fund	<u>449,929</u>	<u>529,001</u>
Van Ness Fund	<u>\$ 726,125</u>	<u>\$ 529,001</u>

(10) LIQUIDITY AND AVAILABILITY:

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year, comprise of the following:

	<u>2022</u>	<u>2021</u>
Financial assets -		
Cash	\$ 798,288	\$ 1,081,915
Investment	689,290	-
Receivables	<u>2,713</u>	<u>18,000</u>
Total financial assets	1,490,291	1,099,915
Donor imposed restrictions	<u>726,125</u>	<u>529,001</u>
Financial assets available to meet cash needs for general expenditures that is without donor or other restrictions limiting their use within one year	<u>\$ 764,166</u>	<u>\$ 570,914</u>

ReVive manages its liquidity and reserves following three guiding principles:

- operating within a prudent range of financial soundness and stability.
- maintaining adequate liquid assets to fund near-term operating needs.
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

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
ReVive Center for Housing and Healing:

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 ReVive Center for Housing and Healing. (ReVive) (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022 and 2021, and the related statements of activities, cash flows and functional expenses for the years then ended, and the notes to the financial statements, and have issued our report thereon February 1, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered ReVive'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 ReVive's internal control. Accordingly, we do not express an opinion on the effectiveness of ReVive'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 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 may exist that have not been identified.

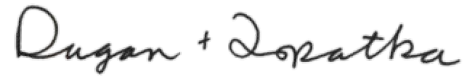
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ReVive'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 statement amounts. 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*.

Independent Auditor's Report on
ReVive Center for Housing and Healing
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
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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 ReVive's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ReVive's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



DUGAN & LOPATKA

Warrenville, Illinois
February 1, 2023