

HUMANITARIAN SERVICE PROJECT

March 31, 2023

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Certified Public Accountants

17W733 Butterfield Road, Suite G, Oakbrook Terrace, Illinois 60181 • Phone (630) 495-8080 • Fax (630) 495-8025
email: wagnersimco@gmail.com

To the Members and Board of Directors of
Humanitarian Service Project

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Humanitarian Service Project (a nonprofit Organization), which comprise the statement of financial position as of March 31, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Humanitarian Service Project as of March 31, 2023 and 2022, and the changes in its net assets and its 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 audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Humanitarian Service Project and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Humanitarian Service Project's ability to continue as a going concern within one year after the date that the financial statements are available to be used.

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 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, 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 Humanitarian Service Project'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 Humanitarian Service Project'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.

Report on Summarized Comparative Information

We have previously audited the Organization's 2022 financial statements and we expressed an unqualified opinion on those audited financial statements in our report dated November 18, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Wagner, Sim & Co.

Oakbrook Terrace, IL
October 11, 2023

HUMANITARIAN SERVICE PROJECT
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2023 AND 2022

Exhibit A

	March 31,	
	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 605,601	\$ 678,060
Prepaid expenses	4,393	-
Total current assets	\$ 609,994	\$ 678,060
NONCURRENT ASSETS:		
Cash - Restricted	\$ 471,899	\$ 780,147
Long-term investments	951,160	674,648
Total noncurrent assets	\$ 1,423,059	\$ 1,454,795
PROPERTY, PLANT AND EQUIPMENT:		
Land and improvements	\$ 371,272	\$ 368,061
Office building	956,265	956,265
Storehouse	6,024	6,024
Vehicles	33,850	33,850
Equipment	124,734	103,596
Furniture and fixtures	9,500	9,500
	\$ 1,501,645	\$ 1,477,296
Less - accumulated depreciation	607,738	574,771
Total net property, plant and equipment	\$ 893,907	\$ 902,525
Total assets	\$ 2,926,960	\$ 3,035,380
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES -		
Accounts payable	\$ 1,567	\$ -
NET ASSETS		
Without donor restrictions	\$ 1,802,875	\$ 1,880,496
With donor restrictions	1,122,518	1,154,884
Total net assets	\$ 2,925,393	\$ 3,035,380
Total liabilities and net assets	\$ 2,926,960	\$ 3,035,380

The accompanying notes on Exhibit E are an integral part of this statement.

HUMANITARIAN SERVICE PROJECT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED MARCH 31, 2023
(With Comparative Totals for 2022)

Exhibit B

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Memorandum Only Totals March 31,</u>	
			<u>2023</u>	<u>2022</u>
REVENUES, GAINS, LOSSES, OTHER SUPPORT AND RECLASSIFICATIONS				
Contributions	\$ 422,299	\$ 17,150	\$ 439,449	\$ 381,985
Grants	75,093	-	75,093	188,645
Realized gain (loss) on sale of securities	(6,083)	7,631	1,548	7,501
Unrealized gain (loss) on market value fluctuation	(22,357)	(57,147)	(79,504)	(38,553)
Investment income - net of fees of \$2,361	34,672	-	34,672	22,166
Contributed goods	678,129	-	678,129	595,078
Contributed services	3,937	-	3,937	5,363
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total revenues, gains, losses, and other support	\$ 1,185,690	\$ (32,366)	\$ 1,153,324	\$ 1,162,185
Net assets released from restrictions	<u> -</u>	<u> -</u>	<u> -</u>	<u> -</u>
Total revenue, gains, losses, other support and reclassifications	<u>\$ 1,185,690</u>	<u>\$ (32,366)</u>	<u>\$ 1,153,324</u>	<u>\$ 1,162,185</u>
EXPENSES:				
Program services:				
Senior Citizen Project	\$ 265,828	\$ -	\$ 265,828	\$ 253,813
Children's Project	396,651	-	396,651	378,792
Christmas Offering Project	450,558	-	450,558	344,424
Supporting activities:				
Management and general	104,499	-	104,499	102,990
Fundraising	45,775	-	45,775	41,153
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total expenses	<u>\$ 1,263,311</u>	<u>\$ -</u>	<u>\$ 1,263,311</u>	<u>\$ 1,121,172</u>
CHANGE IN NET ASSETS	\$ (77,621)	\$ (32,366)	\$ (109,987)	\$ 41,013
NET ASSETS AT BEGINNING OF YEAR	<u>1,880,496</u>	<u>1,154,884</u>	<u>3,035,380</u>	<u>2,994,367</u>
NET ASSETS AT END OF YEAR	<u>\$ 1,802,875</u>	<u>\$ 1,122,518</u>	<u>\$ 2,925,393</u>	<u>\$ 3,035,380</u>

The accompanying notes on Exhibit E are an integral part of this statement.

HUMANITARIAN SERVICE PROJECT
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE FISCAL YEAR ENDED MARCH 31, 2023
(With Comparative Totals for 2022)

Exhibit C

	Program Services			Supporting Activities			Memorandum Only	
	Senior Citizen Project	Children's Project	Christmas Offering Project	Management and General	Fundraising	2023	Totals March 31, 2022	
Assistance to individuals	\$ 153,373	\$ 284,255	\$ 371,352	\$ -	\$ -	\$ 808,980	\$ 705,938	
Contributed services	-	-	41,835	3,937	-	3,937	5,363	
Salaries	39,791	38,878	3,197	71,334	35,135	226,973	202,848	
Payroll taxes	3,042	2,967	3,197	5,454	2,686	17,346	15,518	
Staff group insurance and pension	4,288	6,794	6,311	9,308	4,584	31,285	23,406	
Supplies/copies	2,686	2,686	672	101	571	6,716	6,309	
Telephone	1,972	1,972	740	74	173	4,931	4,504	
Postage and mailing	1,865	1,866	1,461	103	923	6,218	5,635	
Building occupancy	5,617	5,617	1,966	843	-	14,043	15,626	
Utilities	7,317	7,318	2,744	915	-	18,294	15,519	
Small equipment/software	6,314	6,314	2,239	2,238	-	17,105	11,923	
Professional services	-	-	-	2,875	-	2,875	2,825	
Printing, mailing and copying	4,007	4,007	4,007	132	1,202	13,355	10,455	
Advertising/development	2,751	2,751	2,001	333	501	8,337	3,184	
Insurance	8,488	8,488	3,183	1,061	-	21,220	30,956	
Volunteer development	1,675	1,675	838	-	-	4,188	3,927	
Training	-	-	-	1,399	-	1,399	1,606	
Miscellaneous	2,889	2,889	1,083	361	-	7,222	3,104	
Contract services	-	-	-	1,972	-	1,972	6,755	
Internet/Website	5,858	5,858	2,231	-	-	13,947	8,734	
Total expenses before depreciation	\$ 251,933	\$ 384,335	\$ 445,860	\$ 102,440	\$ 45,775	\$ 1,230,343	\$ 1,084,135	
Depreciation	13,895	12,316	4,698	2,059	-	32,968	37,037	
Total expenses	\$ 265,828	\$ 396,651	\$ 450,558	\$ 104,499	\$ 45,775	\$ 1,263,311	\$ 1,121,172	

The accompanying notes on Exhibit E are an integral part of this statement.

HUMANITARIAN SERVICE PROJECT
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED MARCH 31, 2023
(With Comparative Totals for 2022)

Exhibit D

	Without Donor Restrictions	With Donor Restrictions	Memorandum Only Totals	
			2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:				
Contributions, bequests and grants received	\$ 497,392	\$ -	\$ 497,392	\$ 553,447
Payments to employees and vendors	(551,103)	-	(551,103)	(482,878)
Interest received	34,672	-	34,672	22,166
Net assets released from restrictions	-	-	-	-
Net cash provided (used by) operating activities	<u>\$ (19,039)</u>	<u>\$ -</u>	<u>\$ (19,039)</u>	<u>\$ 92,735</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchase of property and equipment	\$ (24,349)	\$ -	\$ (24,349)	\$ (4,365)
Purchase of securities	(100,589)	(333,028)	(433,617)	(21,946)
Sale of securities	71,518	7,630	79,148	23,428
Net cash provided (used by) investing activities	<u>\$ (53,420)</u>	<u>\$ (325,398)</u>	<u>\$ (378,818)</u>	<u>\$ (2,883)</u>
CASH FLOWS FROM FINANCING ACTIVITIES -				
Cash contributions for long-term purposes	<u>\$ -</u>	<u>\$ 17,150</u>	<u>\$ 17,150</u>	<u>\$ 17,183</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS & RESTRICTED CASH	\$ (72,459)	\$ (308,248)	\$ (380,707)	\$ 107,035
CASH AND CASH EQUIVALENTS & RESTRICTED CASH AT BEGINNING OF YEAR	<u>678,060</u>	<u>780,147</u>	<u>1,458,207</u>	<u>1,351,172</u>
CASH AND CASH EQUIVALENTS & RESTRICTED CASH AT END OF YEAR	<u><u>\$ 605,601</u></u>	<u><u>\$ 471,899</u></u>	<u><u>\$ 1,077,500</u></u>	<u><u>\$ 1,458,207</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES:				
Change in net assets	<u>\$ (77,621)</u>	<u>\$ (32,366)</u>	<u>\$ (109,987)</u>	<u>\$ 41,013</u>
Adjustment to reconcile change in net assets to net cash provided by operating activities:				
Depreciation	\$ 32,968	\$ -	\$ 32,968	\$ 37,037
Stock donation	-	-	-	-
Contributions for long-term purposes	-	(17,150)	(17,150)	(17,183)
Realized (gain) loss on sale of securities	6,083	(7,631)	(1,548)	(7,501)
Unrealized (gain) loss on market value fluctuation	22,357	57,147	79,504	38,553
(Increase) decrease in prepaid expenses	(4,393)	-	(4,393)	1,033
Increase (decrease) in accounts payable	1,567	-	1,567	(217)
Total adjustments	<u>\$ 58,582</u>	<u>\$ 32,366</u>	<u>\$ 90,948</u>	<u>\$ 51,722</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ (19,039)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (19,039)</u></u>	<u><u>\$ 92,735</u></u>

The accompanying notes on Exhibit E are an integral part of this statement.

HUMANITARIAN SERVICE PROJECT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

Exhibit E

NOTE 1 - DESCRIPTION OF ORGANIZATION

The mission of the Humanitarian Service Project is to alleviate the pain and suffering that poverty brings to needy seniors and children living in DuPage and Kane Counties, Illinois, without discrimination or exclusion for any reason through various activities such as Christmas Offerings, Children's and Senior Citizen projects.

The Humanitarian Service Project is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and comparable State laws and contributions to it are tax deductible within limitations prescribed by the Code. The Humanitarian Service Project has been classified by the I.R.S. as an organization that is not a private foundation within the meaning of Section 509(A)(1).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendation of the Financial Accounting Standards Boards in its Statement of Financial Accounting Standard (SFAS) No. ASU No 2016-14, Financial Statements of Not-for-Profit Organizations. Under those provisions, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

- A. Without donor restrictions – Net assets that are not subject to donor-imposed restrictions. Items that effect this net asset category principally consist of contributions and grants that have no restrictions.
- B. With donor restrictions – Net assets subject to donor-imposed restrictions that will be met either by the actions of the Organization or the passage of time. Items that effect this net asset category are contributions and grants for which donor-imposed restrictions have not been met in the year of receipt, including contributions and grants for buildings and equipment not yet placed in service; endowment contributions; and investment returns on “true” endowment funds, and endowments where the principal maybe expended upon the passage of a stated period of time (term endowments). Expirations of restrictions on net assets with donor restriction, including reclassification of restricted contributions and grants for buildings and equipment when the associated long-lived asset is placed in service, are reported as net assets released from restrictions.

Contributions and Grants

Gifts of cash and other assets received without donor stipulations are reported as support and net assets without donor restrictions and are recorded as income when received. Gifts received with a donor stipulation that limits their use are reported as support and net assets with donor restrictions and are recorded as income when received. Gifts having donor stipulations that are satisfied in the period the gift is received are reported as support and net assets without donor restrictions.

Grants are either classified as a contribution if no commensurate value is given to the grantor or as an agency transaction (contract) if commensurate value is given to the grantor. All our grants are considered contributions, as no commensurate value is exchanged with the grantor.

Grants are then classified as unconditional or conditional contributions. An unconditional contribution is a contribution without conditions and is recognized immediately and classified as either net assets with donor restrictions or net assets without donor restrictions. A conditional contribution is a contribution that contains a donor-imposed condition, a barrier that has to be overcome before the recipient is entitled to the assets transferred or promised. These contributions are accounted for as a liability until the barriers to entitlement are overcome. All of our grants are considered unconditional contributions because none of them have donor-imposed conditions.

HUMANITARIAN SERVICE PROJECT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

Exhibit E
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

Functional Allocation of Expenses

The cost of providing the various programs and supporting activities of the Organization have been summarized on a functional basis in the statement of functional expenses. 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. The expenses that are allocated include salaries and benefits which are allocated on a basis of estimates of time and effort; building occupancy and utilities which are allocated on a square-footage basis; depreciation which is allocated on a basis of square-footage and usage of asset; supplies, telephone, postage and mailing, voluntary development, and miscellaneous expense which are allocated on a basis of estimated activity; small equipment/software, printing/ mailing/ copying, advertising, and internet website which are allocated on a basis of estimated usage; and insurance which is allocated on an estimated coverage basis.

Cash and Cash Equivalents

For purposes of reporting cash flows, the cash equivalents include all checking, money market, NOW accounts, and certificates of deposit that mature in one year or less. Cash equivalents purchased with endowment funds are classified as long-term investments under noncurrent assets.

At various times during the year, the Organization's cash in bank balance may have exceeded the federally insured limit of \$250,000. The Organization's bank balances totaled \$571,001. The Organization's uninsured balances were \$-0-

Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income restricted by a donor is reported as an increase in net assets without donor restrictions if the restrictions are met (either by passage of time or by use) in the reporting period in which the income is needed.

Land, Buildings, Equipment and Depreciation

Acquisitions of property and equipment generally in excess of \$2,000 are capitalized. Depreciation of exhaustible plant and equipment records at cost is provided over the estimated useful lives of the assets using the straight-line method. Depreciation expense for the year ended March 31, 2023 was \$32,968 compared to \$37,037 for 2022. No assets were pledged or subject to lien.

Any equipment that is donated is recorded at the approximate fair value of the asset at the date of donation.

Donated Goods and Service

Noncash donations are recorded as contributions at the approximate fair value of the asset at the date of donation. During the year, \$595,078 were received in various donated goods.

The Organization has hundreds of individuals who volunteer their time and perform a variety of tasks that assist the Organization with their projects and administrative work. The Organization estimated that they received more than 3,341 - volunteer hours for the year. The hourly rate used for the report was \$18.00/hour. Total hourly services equaled \$60,153. There was also a \$3,937 pro bono accounting service that was included in professional services. Total donated services equaled \$64,090.

Donated Securities

Donated securities are recorded at the approximate market value of the security at the date of donation. During the year, there were no donated securities.

HUMANITARIAN SERVICE PROJECT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles include the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

Interest Expense

Total interest expense for the year ended March 31, 2023 and 2022 was \$ -0- and \$ -0-, respectively. Total interest capitalized during the year ended March 31, 2023 and 2022, was -0- and \$ -0-, respectively.

Liquidity and Availability

Financial assets available for general expenditure that is without donor or other restrictions limiting their use, within one year of March 31, 2023 and 2022 comprise the following:

	2023	2022
Total financial assets	\$2,032,053	\$2,132,855
Prepaid expenses	(4,393)	-
Donor-imposed restrictions	(1,122,518)	1,154,884
Financial assets available to meet cash needs for general expenditure within one year	\$ 906,142	\$ 977,971

The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range or financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations, if any, will be discharged.

Endowment Funds

The Humanitarian Service Project's (HSP) Net Assets with Donor Restrictions consists of endowment funds for the purpose of sustaining the Senior Citizen and the Children's Project. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of HSP has interpreted the Uniform Prudent Management Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, HSP classifies as Net Assets with Donor Restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the donor gift instrument at the time the accumulation is added to the fund.

Investment Return Objectives, Risk Parameters, and Strategies: HSP has adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are approved for investment in a diversified asset mix, which includes equity and debt securities as well as short term cash fund that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of up to 5%, while growing the funds if possible.

Spending Policy: HSP has a policy of appropriating for distribution each year up to 5% of its endowment fund's average fair value of the prior 12 quarters through the fiscal year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, HSP considered long-term expected return on its investment assets, the nature and duration of the individual endowment funds, both of which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation.

HUMANITARIAN SERVICE PROJECT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued:

Fair Value of Financial Instruments

The carrying amount of cash and cash equivalents approximate fair value due to ease of liquidation of cash and short-term maturity of certificates of deposit. The carrying value of investments approximate fair value due to the use of quoted market prices and other relevant information generated by market transactions.

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:		
Cash and cash equivalents	\$605,601	\$605,601
Cash – restricted	471,899	471,899
Equity and fixed income securities	951,160	951,160

Compensated Absences

Compensated absences including vacation pay and other employee benefits are not accrued and included in the financial statements because the Organization does not believe the amount would be material to the financial statements in whole.

Comparative Information

The financial statements include certain prior-year end summarized information in total but not by net asset category. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended March 31, 2022 from which the summarized financial information was derived.

NOTE 3 - GRANT INCOME

During the year, the Organization received a \$24,943 grant from the DuPage County Treasurer to be used for the Senior Citizen Project. The funds were all spent during the year.

During the year, the Organization received a \$4,000 grant from the St. Margaret Mary Catholic Church of which \$2,000 was to be used for the Senior Citizen Project and \$2,000 was to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$2,000 grant from the Ecolab Foundation to be used for the Senior Citizen Project. The funds were all spent during the year.

During the year, the Organization received a \$1,200 grant from the Wheaton Lions Charities to be used for the Senior Citizen's Project. The funds were all spent during the year.

During the year, the Organization received an \$800 grant from the Naperville Noon Lions to be used for the Senior Citizen's Project. The funds were all spent during the year.

During the year, the Organization received a \$4,000 grant from the Mulholland Family Foundation to be used for the Senior Citizen's Project. The funds were all spent during the year.

During the year, the Organization received a \$5,000 grant from the Josephine Kott Memorial Trust to be used for the Senior Citizen's Project. The funds were all spent during the year.

During the year, the Organization received a \$10,000 grant from the Wakerly Family Foundation to be used for the Children's Project. The funds were all spent during the year.

HUMANITARIAN SERVICE PROJECT
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2023

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NOTE 3 - GRANT INCOME – continued:

During the year, the Organization received a \$1,400 grant from the International Paper Foundation to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$5,000 grant from the Walter and Edith Best Foundation to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$250 grant from the Batavia Mothers Club to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$2,000 grant from the Aldi's to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received a \$4,000 grant from a Montgomery Ward Foundation to be used for the Children's Project. The funds were all spent during the year.

During the year, The Organization received a \$2,500 grant from the Huntington Bank to be used for the Children's Project. The funds were all spent during the year.

During the year, the Organization received an \$8,000 grant from McMaster-Carr Supply Company to be used for general operations. The funds were all spent during the year.

Total grants received during the year was \$75,093. All of the grants were considered unconditional contributions without donor restrictions because all of the donor restrictions were satisfied during the year.

NOTE 4 - RESTRICTIONS ON NET ASSETS

Net Assets with Donor Restrictions consisted of the following at March 31, 2023 and 2022:

Endowments funds

The composition of and changes in donor-restricted endowments net assets as of and for the year ended March 31, 2023 and 2022, are as follows:

	<u>2023</u>	<u>2022</u>
Endowment net assets, beginning of year	\$1,154,884	\$1,178,948
Contributions	17,150	17,183
Realized gain (loss) on sale of securities	7,631	6,817
Net appreciation (depreciation)	(57,147)	(19,250)
Amounts appropriated for expenditure	<u>-</u>	<u>(28,814)</u>
Endowment net assets, end of year	<u>\$1,122,518</u>	<u>\$1,154,884</u>

NOTE 5 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of March 31, 2023 and 2022 consist of the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 605,601	\$ 678,060
Cash – restricted	<u>471,899</u>	<u>780,147</u>
Cash, cash equivalents, and restricted cash shown in the Statement of Cash Flows	<u>\$1,077,500</u>	<u>\$1,458,207</u>

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NOTE 5 – CASH AND CASH EQUIVALENTS – continued

Restricted cash represents cash received with a donor-imposed restriction that limits the use of that cash to the acquisition of endowments and for unused contributions and grants whose donor-imposed restrictions have not been met. Unless donor stipulations limit the use of the assets for a period of time or for a particular purpose, the donor-imposed restriction expires when the assets are placed in service in accordance with FASB ASC 958-205-45-12.

NOTE 6 - FORGIVEABLE MORTGAGE AND FOREGIVABLE NOTE

In 2006, the Humanitarian Service Project received a grant in the amount of \$421,730 provided by the DuPage Community Development Commission from the U.S. Department of Housing and Urban Development Block Grant Program for the purpose of purchasing the facility at 465 Randy Road in Carol Stream, Illinois. As a requirement of this grant, the Humanitarian Service Project has executed a Forgivable Mortgage and Forgivable Note for the term of twenty years. No payments are required on this Mortgage and Note unless the property at 465 Randy Road is disposed of before the expiration of time.

NOTE 7 - FAIR VALUE MEASUREMENTS

Fair value measurements for assets reported at fair value on a recurring basis were determined based on:

<u>Description</u>	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets (Level One)</u>	<u>Significant Other Observable Inputs (Level Two)</u>	<u>Significant Unobservable Inputs (Level Three)</u>
Long-term investments:				
Cash – restricted	\$ 471,899	\$ 471,899	\$ -	\$ -
Equity securities:				
Domestic	750,647	750,647	-	-
International	<u>48,675</u>	<u>48,675</u>	-	-
Total equity securities	\$1,271,221	\$1,271,221	\$ -	\$ -
Fixed income securities -				
Domestic	<u>151,838</u>	<u>151,838</u>	-	-
Total long-term investments	<u>\$1,423,059</u>	<u>\$1,423,059</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 8 - PENSION PLAN

The Organization currently offers a 401(k) plan and had a Simple IRA prior to January, 2022. All employees are eligible to participate in the 401(k) plan after one year of service. Employees can contribute up to 6% of their earnings to the retirement plan then the Organization will match up to 4% of the employee annual salary. Total pension expense for the year ended March 31, 2023 was \$8,352 and March 31, 2022 was \$2,589.

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NOTE 9 - SUBSEQUENT EVENTS

There were no subsequent events that must be reported on. The Organization has evaluated subsequent events through October 11, 2023, the financial statement issuance date.