

CENTER FOR ENRICHED LIVING, INC.

FINANCIAL STATEMENTS

As of and for the Years Ended June 30, 2025 and 2024

And Report of Independent Auditor

CENTER FOR ENRICHED LIVING, INC.
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Report of Independent Auditor

To the Board of Directors
Center for Enriched Living, Inc.
Riverwoods, Illinois

Opinion

We have audited the accompanying financial statements of the Center For Enriched Living, Inc. ("CEL") (a not-for-profit organization), which comprise the statements of financial position as of June 30, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CEL as of 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. 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 CEL 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 CEL'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 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 CEL'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 CEL'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.

Cherry Bekaert LLP

Elgin, Illinois
October 20, 2025

CENTER FOR ENRICHED LIVING, INC.
STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,850,568	\$ 1,418,542
Cash - restricted for unemployment reserve	38,355	41,204
Accounts receivable:		
Membership fees receivable	59,868	12,436
Grants receivable	58,050	134,870
Unconditional promises to give	17,389	149,937
Prepaid expenses	61,666	24,324
Total Current Assets	<u>2,085,896</u>	<u>1,781,313</u>
Property and Equipment:		
Building	6,970,625	6,964,955
Land	906,457	906,457
Furniture and equipment	627,650	558,223
Vans	546,337	442,699
Total Property and Equipment	<u>9,051,069</u>	<u>8,872,334</u>
Less accumulated depreciation	<u>(5,367,811)</u>	<u>(5,051,415)</u>
Property and Equipment, Net	<u>3,683,258</u>	<u>3,820,919</u>
Other Assets:		
Investments	<u>788,338</u>	<u>1,068,477</u>
Total Other Assets	<u>788,338</u>	<u>1,068,477</u>
Total Assets	<u><u>\$ 6,557,492</u></u>	<u><u>\$ 6,670,709</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

CENTER FOR ENRICHED LIVING, INC.
STATEMENTS OF FINANCIAL POSITION (CONTINUED)

JUNE 30, 2025 AND 2024

	2025	2024
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 63,842	\$ 86,393
Deferred revenue	252,161	243,795
Current portion of note payable	30,760	28,975
Total Current Liabilities	346,763	359,163
Noncurrent Liabilities:		
Note payable, net of current portion	597,950	628,142
Total Liabilities	944,713	987,305
Net Assets:		
Without donor restrictions	4,833,694	4,979,915
With donor restrictions	779,085	703,489
Total Net Assets	5,612,779	5,683,404
Total Liabilities and Net Assets	\$ 6,557,492	\$ 6,670,709

The accompanying notes to the financial statements are an integral part of these statements.

CENTER FOR ENRICHED LIVING, INC.
STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2025 AND 2024

	2025			2024		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support and Revenue:						
Contributions	\$ 1,194,084	\$ 14,750	\$ 1,208,834	\$ 942,978	\$ 19,354	\$ 962,332
In-kind contributions	127,216	-	127,216	126,549	-	126,549
Foundation and public grants	117,200	436,550	553,750	227,000	137,000	364,000
Government grants	183,900	-	183,900	150,701	-	150,701
Special events	1,022,774	-	1,022,774	1,018,733	-	1,018,733
Membership fees, net of scholarships of \$160,810 and \$129,956 for 2025 and 2024, respectively	1,953,759	-	1,953,759	1,416,016	-	1,416,016
Investment return, net	74,217	-	74,217	86,168	-	86,168
Other income	4,444	-	4,444	1,634	-	1,634
Loss on disposal of property and equipment	-	-	-	(800)	-	(800)
Net assets released from restrictions	375,704	(375,704)	-	588,416	(588,416)	-
Total Support and Revenue	5,053,298	75,596	5,128,894	4,557,395	(432,062)	4,125,333
Expenses:						
Program services	3,735,291	-	3,735,291	3,717,603	-	3,717,603
Supporting services:						
Management and general	597,941	-	597,941	623,585	-	623,585
Fundraising	866,287	-	866,287	829,639	-	829,639
Total Supporting Services	1,464,228	-	1,464,228	1,453,224	-	1,453,224
Total Expenses	5,199,519	-	5,199,519	5,170,827	-	5,170,827
Change in net assets	(146,221)	75,596	(70,625)	(613,432)	(432,062)	(1,045,494)
Net assets, beginning of year	4,979,915	703,489	5,683,404	5,593,347	1,135,551	6,728,898
Net assets, end of year	\$ 4,833,694	\$ 779,085	\$ 5,612,779	\$ 4,979,915	\$ 703,489	\$ 5,683,404

The accompanying notes to the financial statements are an integral part of these statements.

CENTER FOR ENRICHED LIVING, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2025

	Program Services					Supporting Services			
	Robert Vihon				Total				Total
	Social Enrichment Programs	Family Resource Center	Employment Programs	Adult Day Programs	Program Services	Management and General	Fundraising	Supporting Services	Expenses
Salaries	\$ 752,324	\$ 130,839	\$ 359,807	\$ 1,177,551	\$ 2,420,521	\$ 327,098	\$ 523,356	\$ 850,454	\$ 3,270,975
Employee benefits	56,602	9,844	27,070	88,594	182,110	24,610	39,375	63,985	246,095
Payroll taxes	58,136	10,111	27,804	90,996	187,047	25,277	40,443	65,720	252,767
Total Salaries and Related Expenses	867,062	150,794	414,681	1,357,141	2,789,678	376,985	603,174	980,159	3,769,837
Activity fees	42,596	-	-	12,014	54,610	-	-	-	54,610
Bad debt expense	-	-	-	-	-	3,700	-	3,700	3,700
Employee expense	8,497	-	1,699	15,294	25,490	6,797	1,699	8,496	33,986
Equipment rental and maintenance	15,854	1,585	793	29,330	47,562	27,745	3,964	31,709	79,271
In-kind Expenses:									
Advertising	28,800	2,400	3,600	55,200	90,000	12,000	18,000	30,000	120,000
Supplies	1,017	81	122	2,236	3,456	407	203	610	4,066
Professional services	390	41	62	736	1,229	595	226	821	2,050
Other	210	22	33	392	657	377	66	443	1,100
Insurance expense	17,435	1,395	6,974	26,501	52,305	16,738	697	17,435	69,740
Marketing and public relations	6,784	590	1,475	14,747	23,596	2,949	2,949	5,898	29,494
Meetings and conferences	9,948	-	355	17,765	28,068	6,040	1,421	7,461	35,529
Miscellaneous	26,534	-	6,030	48,252	80,816	32,565	7,236	39,801	120,617
Occupancy	26,827	1,916	2,874	50,780	82,397	11,497	1,916	13,413	95,810
Postage	2,020	202	505	4,342	7,069	1,010	2,020	3,030	10,099
Printing	5,558	529	5,294	8,470	19,851	2,647	3,970	6,617	26,468
Professional fees	1,587	-	-	4,762	6,349	19,049	6,350	25,399	31,748
Publications	2,179	-	174	4,620	6,973	1,308	436	1,744	8,717
Purchased services	1,884	-	-	5,651	7,535	22,603	7,534	30,137	37,672
Special events fees	-	-	-	-	-	-	192,645	192,645	192,645
Supplies	13,546	-	542	30,884	44,972	6,502	2,709	9,211	54,183
Telephone	2,580	287	143	7,741	10,751	1,434	2,150	3,584	14,335
Vehicle costs and transportation	17,901	-	577	39,267	57,745	-	-	-	57,745
Total Expenses Before Depreciation	1,099,209	159,842	445,933	1,736,125	3,441,109	552,948	859,365	1,412,313	4,853,422
Depreciation	93,446	6,922	10,383	183,431	294,182	44,993	6,922	51,915	346,097
Total Expenses	<u>\$ 1,192,655</u>	<u>\$ 166,764</u>	<u>\$ 456,316</u>	<u>\$ 1,919,556</u>	<u>\$ 3,735,291</u>	<u>\$ 597,941</u>	<u>\$ 866,287</u>	<u>\$ 1,464,228</u>	<u>\$ 5,199,519</u>

The accompanying notes to the financial statements are an integral part of these statements.

CENTER FOR ENRICHED LIVING, INC.
STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2024

	Program Services					Supporting Services			
	Social Enrichment Programs	Robert Vihon Family Resource Center	Employment Programs	Adult Day Programs	Total Program Services	Management and General	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 758,543	\$ 263,840	\$ 329,800	\$ 1,088,342	\$ 2,440,525	\$ 329,801	\$ 527,681	\$ 857,482	\$ 3,298,007
Employee benefits	63,928	22,234	27,793	91,717	205,672	27,793	44,469	72,262	277,934
Payroll taxes	55,803	19,409	24,262	80,068	179,542	24,262	38,820	63,082	242,624
Total Salaries and Related Expenses	878,274	305,483	381,855	1,260,127	2,825,739	381,856	610,970	992,826	3,818,565
Activity fees	41,274	529	529	10,582	52,914	-	-	-	52,914
Bad debt expense	-	-	-	-	-	4,096	-	4,096	4,096
Employee expense	7,177	978	1,630	14,676	24,461	6,523	1,631	8,154	32,615
Equipment rental and maintenance	12,221	610	610	23,213	36,654	21,381	3,054	24,435	61,089
In-kind Expenses:									
Advertising	27,600	3,600	3,600	55,200	90,000	12,000	18,000	30,000	120,000
Supplies	911	113	113	2,081	3,218	378	189	567	3,785
Professional services	370	61	61	738	1,230	697	123	820	2,050
Other	129	21	21	257	428	243	43	286	714
Insurance expense	13,636	2,963	5,927	21,931	44,457	14,226	593	14,819	59,276
Marketing and public relations	4,087	888	888	8,349	14,212	1,776	1,776	3,552	17,764
Meetings and conferences	9,562	1,247	415	19,954	31,178	8,730	1,663	10,393	41,571
Miscellaneous	18,787	5,217	5,217	40,698	69,919	28,176	6,261	34,437	104,356
Occupancy	25,953	2,994	2,994	52,902	84,843	12,976	1,996	14,972	99,815
Postage	758	50	50	1,916	2,774	1,261	1,009	2,270	5,044
Printing	5,574	1,393	5,572	8,358	20,897	2,786	4,179	6,965	27,862
Professional fees	1,289	-	-	3,866	5,155	15,467	5,156	20,623	25,778
Publications	2,265	492	98	4,527	7,382	1,969	492	2,461	9,843
Purchased services	4,870	-	-	14,610	19,480	58,441	19,480	77,921	97,401
Special events fees	-	-	-	-	-	-	142,091	142,091	142,091
Supplies	10,967	456	456	26,047	37,926	5,484	2,285	7,769	45,695
Telephone	2,284	126	126	6,970	9,506	1,267	1,901	3,168	12,674
Vehicle costs and transportation	15,037	-	485	32,982	48,504	-	-	-	48,504
Total Expenses Before Depreciation	1,083,025	327,221	410,647	1,609,984	3,430,877	579,733	822,892	1,402,625	4,833,502
Depreciation	87,704	10,120	10,120	178,782	286,726	43,852	6,747	50,599	337,325
Total Expenses	\$ 1,170,729	\$ 337,341	\$ 420,767	\$ 1,788,766	\$ 3,717,603	\$ 623,585	\$ 829,639	\$ 1,453,224	\$ 5,170,827

The accompanying notes to the financial statements are an integral part of these statements.

CENTER FOR ENRICHED LIVING, INC.
STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2025 AND 2024

	2025	2024
Cash flows from operating activities:		
Change in net assets	\$ (70,625)	\$ (1,045,494)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	346,097	337,325
Loss on disposal of property and equipment	-	800
Donated investments	(6,448)	(27,218)
Changes in:		
Membership fees receivable	(47,432)	(1,899)
Grants receivable	76,820	176,494
Unconditional promises to give	132,548	179,817
Prepaid expenses	(37,342)	23,960
Accounts payable and accrued expenses	(22,551)	(1,160)
Deferred revenue	8,366	11,620
Net cash flows from operating activities	<u>379,433</u>	<u>(345,755)</u>
Cash flows from investing activities:		
Proceeds form sale of investments	414,067	58,965
Purchase of investments	(127,480)	(591,961)
Proceeds form sale of property and equipment	-	1,000
Purchase of property and equipment	<u>(208,436)</u>	<u>(100,838)</u>
Net cash flows from investing activities	<u>78,151</u>	<u>(632,834)</u>
Cash flows from financing activities:		
Payments on note payable	<u>(28,407)</u>	<u>(29,077)</u>
Net change in cash and cash equivalents	429,177	(1,007,666)
Cash, cash equivalents, and restricted cash, beginning of year	<u>1,459,746</u>	<u>2,467,412</u>
Cash, cash equivalents, and restricted cash, end of year	<u><u>\$ 1,888,923</u></u>	<u><u>\$ 1,459,746</u></u>
Summary of cash accounts:		
Cash and cash equivalents	\$ 1,850,568	\$ 1,418,542
Cash - restricted for unemployment reserve	<u>38,355</u>	<u>41,204</u>
Total cash, cash equivalents, and restricted cash	<u><u>\$ 1,888,923</u></u>	<u><u>\$ 1,459,746</u></u>
Noncash investing and financing activities:		
Donated investments	<u><u>\$ 6,448</u></u>	<u><u>\$ 27,218</u></u>
Other cash flow information:		
Interest paid	<u><u>\$ 39,987</u></u>	<u><u>\$ 31,949</u></u>

The accompanying notes to the financial statements are an integral part of these statements.

CENTER FOR ENRICHED LIVING, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1—Nature of operations

In 1968, the Center For Enriched Living, Inc. (“CEL”) was founded by the Young Men’s Jewish Council (“YMJC”) when two young mothers were looking for after-school activities for their children with Intellectual and Developmental Disabilities (“IDD”). In 1984, CEL separated from YMJC to become an independent not-for-profit organization under the laws of the State of Illinois. CEL has continued to evolve in providing opportunities for people with IDD, including Down Syndrome, Autism, Cerebral Palsy, Fragile X, Rett Syndrome, Asperger’s, and other disabilities. CEL programs empower members to make friends, connect to community, develop life skills, foster independence, find meaningful, paid employment, make personal choices, and have fun. We ensure every person feels welcomed, valued, and celebrated because true inclusion means belonging. At CEL, members don’t just participate; they’re empowered to lead full, thriving lives.

Mission Statement – Enriching the lives of individuals with intellectual and developmental disabilities by maximizing their opportunities for personal success, fun and friendship, employment, and community involvement.

Vision Statement – People with intellectual and developmental disabilities are empowered to realize their greatest potential, thrive within the community, and achieve their hopes and dreams.

Social Enrichment Programs – CEL’s teen and young adult social programs provide members ages 13 to 21 with opportunities to make friends in a supportive environment, explore the community, build skills, and pursue new interests. The programs run year-round during evenings and weekends with a 10-week summer day camp. Members choose from a variety of program offerings including after school clubs, fitness, summer camp, bowling, art, theatre, swimming, science experiments, community excursions, dances, technology, healthy cooking, and so much more, all while connecting with peers through a place designed specifically for them.

Adult Social Programs – At the foundation of CEL’s programs lies a social component. Social isolation is a key barrier that prevents people with IDD from living their fullest lives. At CEL, they are part of a dynamic community where their voices are heard, their choices are honored, and their interests and feedback develop the programs that are available year-round. CEL members over the age of 21 choose from programs that provide opportunities to make friends, enjoy new experiences, continue learning in a supportive environment, and most importantly: have fun! Social interactions create community, strengthen relationship skills, and improve health and well-being.

While many CEL members reside with family members, some members in residential facilities do not have family in their lives and their limited budget makes activities outside of their facility difficult. CEL works with these agencies to offer financial aid so they can afford the enriching programs where members can experience the fun of leaving their homes and interacting with friends they don’t live with in a universally designed space.

Robert Vihon Family Resource Center – The Robert Vihon Family Resource Center (“RVFRC”) was funded to address the urgent needs of people with IDD, their families, and caregivers. This program dramatically expands the scope of services we provide, transforming CEL into a regional destination for those seeking reliable resources and information, mental health counseling, therapeutic services, peer support groups, and more.

The RVFRC team works with members and families to help them navigate life transitions, connect with critical internal and external resources, and build meaningful, independent lives. Even when not actively treating clients, the RVFRC continues to offer a Speaker Series that informs families and people with IDD about specific challenges they face and solutions they may employ. Topics include residential options, social security options, accessible higher education, and more.

CENTER FOR ENRICHED LIVING, INC.

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 1—Nature of operations (continued)

Employment Programs – While people with developmental disabilities have the skills and the desire to work, they lack the opportunities. CEL partners with small businesses and large corporations remove existing barriers to hiring someone with a disability. CEL's staff create opportunities for individuals with IDD to learn the soft skills needed to find and keep a job, while providing job coaching throughout their journey.

Adult Day Programs – In Illinois, when young adults turn 22 and transition out of the school system, there are few opportunities. CEL's year-round adult day program named REACH addresses the daytime needs of adults with IDD, so they have opportunities to make their own choices, communicate their needs and opinions, volunteer for several local organizations, explore personal hobbies and interests, and so much more, with many days spent out and about within the community. The addition of a second adult day program named Catalyst offers a more focused goal of equipping members with the life skills necessary to take greater ownership of their lives. The result is increased confidence, life skills competency, and efficiency through instruction and practice of new skills, development of previously learned skills, and modifying daily environments that may impact independence.

Note 2—Significant accounting policies

Basis of Presentation – The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applicable to not-for-profit organizations.

Accounting Estimates – The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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 and Restricted Cash – CEL considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. CEL has restricted funds held at an insurance company for the purpose of providing a reserve for unemployment claims to be paid to the State of Illinois.

Concentration of Credit Risk – CEL maintains its cash balances in financial institutions located in the United States, which are insured by the Federal Deposit Insurance Corporation ("FDIC") for up to \$250,000 for each institution. At times, CEL's cash deposits were in excess of the FDIC limit. At June 30, 2025 and 2024, the uninsured cash balances were \$216,363 and \$50,377, respectively. CEL has not experienced any losses and does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Membership Fees Receivable – Membership fees receivable include amounts billed and currently due from customers of which CEL has an unconditional right to receive. The amounts due are stated at their estimated net realizable value. CEL extends credit to its customers and does not require collateral. The allowance for credit losses is based on CEL's assessment of the collectability of receivable. In accordance with Accounting Standards Codification ("ASC") Topic 326, *Financial Instruments - Credit Losses*, CEL makes ongoing estimates relating to the collectability of receivables and records an allowance for estimated losses expected from the inability of its customers to make required payments. CEL establishes expected credit losses based on reasonable and supportable forecasts by evaluating historical levels of credit losses, current economic conditions that may affect a customer's ability to pay, and creditworthiness of significant customers. These inputs are used to determine a range of expected credit losses and an allowance is recorded within the range. Receivables are written off when there is no reasonable expectation of recovery. As of June 30, 2025 and 2024, management determined an allowance for credit losses was immaterial.

CENTER FOR ENRICHED LIVING, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 2—Significant accounting policies (continued)

Unconditional Promises to Give and Grants Receivable – CEL records unconditional promises to give and grants receivable that are expected to be collected within one year at net realizable value. Unconditional promises to give and grants receivable expected to be collected in future years are initially recorded at the present value of estimated future cash flows. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. CEL determines the allowance for uncollectible promises to give and grants receivable based on historical experience, as assessment of economic conditions, and a review of subsequent collections. At June 30, 2025 and 2024, management determined an allowance for uncollectible promises to give and grants receivable was immaterial.

Investments – Investments are recorded at cost, or if donated, at fair value on the date of the donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses.

Property and Equipment – Property and equipment is recorded at cost, or if donated, at fair value on the date of the donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. CEL capitalizes all acquisitions of property and equipment in excess of \$1,000. The useful lives of property and equipment for purposes of computing depreciation are as follows:

Building	25 years
Furniture and equipment	3-10 years
Vans	5 years

Net Assets – Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. CEL reports contributions restricted by donors as increases in net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. 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 statements of activities as net assets released from restrictions. Donor restricted contributions for which restrictions are met in the same accounting period are recorded as net assets without donor restrictions.

Revenue from Contracts with Customers – CEL derives a significant portion of its revenue from revenue sources that involve contracts with customers. Those sources include membership fees, and sponsorships and ticket sales from special events. Revenues are recognized when control of these services is transferred to its customers in an amount that reflects the consideration CEL expects to be entitled to in exchange for those services. CEL has a significant financing component but has not adjusted the promised amount of consideration for the effects of the significant financing component as all payments are received within a year of the services being provided.

CENTER FOR ENRICHED LIVING, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 2—Significant accounting policies (continued)

CEL has elected to use the portfolio approach practical expedient. CEL's contracts with customers contain similar terms and as a result, CEL has elected to apply its revenue recognition policies to a portfolio of contracts with similar characteristics. CEL does not expect the results of doing so to differ materially from applying the guidance to individual contracts.

Revenue from membership fees are recognized ratably over time as programs are simultaneously received and consumed by members throughout the course of the program net of scholarships. Revenue from sponsorships and ticket sales from special events are recognized on the day of the special event. All membership fees and sponsorships and ticket sales from special events paid in advance are reported as deferred revenue in the statements of financial position.

Contract Balances – The timing of revenue recognition, billings, and cash collections results in billed membership fees receivable and deferred revenue on the statements of financial position. The beginning and ending contract balances were as follows:

	<u>June 30, 2025</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Membership fees receivable	\$ 59,868	\$ 12,436	\$ 10,537
Deferred revenue	252,161	243,795	232,175

Contributions and Grants – Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or 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 substantially met. Cash received in advance of these conditions being met is recorded as refundable advances. CEL reports conditional promises with donor restrictions as increases in net assets without donor restrictions when both the condition and restrictions are satisfied.

As of June 30, 2024, CEL was awarded a three year conditional grant from a foundation starting in fiscal year 2025 based on 5% of CEL's previous fiscal year's total expenses, minus in-kind contributions and minus any deficit, if any. CEL has not recorded any amounts for the year ended June 30, 2024 for this grant as the conditions have not been satisfied. As of June 30, 2025, CEL recognized \$257,487 based on 5% of CEL's previous fiscal year's total expenses, minus in-kind contributions and minus any deficit, if any.

In-Kind Contributions – CEL receives in-kind contributions from members of the community and volunteers related to programs and fundraising activities. Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by CEL.

CEL recognizes in-kind contribution revenue and a corresponding expense or asset in an amount approximating the estimated fair value at the time of the donation. CEL's policy related to in-kind contributions is to utilize the assets given to carry out the mission of CEL. If an asset is provided that does not allow CEL to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or specialist depending on the type of asset.

Functional Expenses – The costs of program and supporting service activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CENTER FOR ENRICHED LIVING, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 2—Significant accounting policies (continued)

The financial statements report certain categories of expenses that are attributable 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 occupancy and depreciation, which are allocated on a square footage basis, as well as salaries, employee benefits, payroll taxes, professional fees, supplies, insurance expense, and miscellaneous, which are allocated on the basis of estimates of time and effort.

Advertising – Advertising costs are expensed as incurred. Advertising expense was \$120,000 for each of the years ended June 30, 2025 and 2024, and is presented as in-kind advertising expense in the statements of functional expenses.

Income Taxes – CEL is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and accordingly, no provision has been made for either federal or state income taxes.

CEL has evaluated the tax positions taken for all open tax years. Currently, the returns for the prior three fiscal years are open and subject to examination by the Internal Revenue Service; however, CEL is not currently under audit nor has CEL been contacted by this jurisdiction.

Based on the evaluation of CEL's tax positions, management believes all positions would be upheld under an examination; therefore, no provision for the effects of uncertain tax positions has been recorded for the years ended June 30, 2025 and 2024.

Employee Retention Credit – The provisions of the Coronavirus Aid, Relief, and Economic Security Act provides an employee retention credit ("ERC"), which is a refundable tax credit against certain employment taxes for eligible employers. Management determined CEL qualifies for the ERC and has elected to treat the credit consistent with the treatment of conditional grants. CEL recorded a receivable and ERC grant revenue of \$442,594 once the measurable performance or other barrier and right of return of the ERC had been overcome. The entire amount was collected during the year ended June 30, 2023. The ERC is subject to examination for a period of up to five years from the filing date of the ERC refunds. CEL is not currently under examination nor has CEL been contacted.

Subsequent Events – The Nora Project ("TNP"), a not-for-profit organization dedicated to teaching empathy and inclusion through education, has dissolved, and effective July 1, 2025, CEL has taken over its programming. The curriculum will be housed within CEL's operations and budget structure. CEL did not assume any of TNP's assets or liabilities. This thoughtful, mission-aligned integration reflects our shared commitment to building a more inclusive world for people with and without disabilities, starting in classrooms and continuing across the lifespan. CEL will retain TNP's signature programming, brand identity, and educational mission while benefiting from CEL's operational infrastructure and strategic support. This integration not only expands CEL's reach but also ensures inclusion is nurtured in schools, strengthened in communities, and carried through every stage of life. Importantly it delivers a positive financial impact. Together, the ultimate goal is clear. A future where inclusion is not an afterthought but an expectation; embedded in how people teach, live, work, and connect from the very start.

Management has evaluated subsequent events through October 20, 2025, the date that the financial statements were available for issue.

CENTER FOR ENRICHED LIVING, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 3—Liquidity and availability

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

	<u>2025</u>	<u>2024</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 1,850,568	\$ 1,418,542
Accounts receivable:		
Membership fees receivable	59,868	12,436
Grants receivable	58,050	134,870
Unconditional promises to give	17,389	149,937
Investments	<u>788,338</u>	<u>1,068,477</u>
Total financial assets at year-end	2,774,213	2,784,262
Less amounts not available for general expenditures within one year, due to:		
Donor-restricted for a specific purpose	<u>779,085</u>	<u>703,489</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,995,128</u>	<u>\$ 2,080,773</u>

As part of CEL's liquidity management plan, cash in excess of daily requirements is invested in money market accounts or certificates of deposit to earn additional interest.

CEL's goal is to maintain available financial assets sufficient to meet 90 days of general operating expenditures. To meet obligations and cash liquidity needs, CEL also maintains an operating line of credit with a bank.

Note 4—Unconditional promises to give and grants receivable

Total unconditional promises to give as of June 30, 2025 and 2024 was \$17,389 and \$149,937, respectively. Total grants receivable as of June 30, 2025 and 2024 was \$58,050 and \$134,870, respectively. The remaining amounts are expected to be collected in full during the year ended June 30, 2026.

CENTER FOR ENRICHED LIVING, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 5—Fair value measurements

U.S. GAAP establishes 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 below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as:

- 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's 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 are descriptions 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.

Certificates of Deposit – Based on interest rates and credit ratings in other observable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while management 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.

CENTER FOR ENRICHED LIVING, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 5—Fair value measurements (continued)

The following tables set forth by level, within the fair value hierarchy, CEL's assets at fair value as of June 30:

	2025			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 788,338	\$ -	\$ 788,338

	2024			
	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 1,068,477	\$ -	\$ 1,068,477

For the years ended June 30, 2025 and 2024, there were no significant transfers into or out of Level 3.

Note 6—Line of credit

CEL has a \$250,000 line of credit with a bank that expires in February 2027. Interest payments are due monthly at the bank's prime rate, which was 7.5% and 8.50% at June 30, 2025 and 2024, respectively. The line of credit is collateralized by all the business assets of CEL. There was no outstanding balance on the line of credit as of June 30, 2025 and 2024. The agreement requires CEL to comply with certain financial and non-financial covenants.

Note 7—Note payable

CEL obtained a \$800,000, 10-year term commercial mortgage with a bank in February 2019. The rate was fixed at 4.54% through February 2024 when it was repriced at a fixed rate of 210 basis points over the 5-year Treasury for the 5 remaining years until maturity in February 2029 with a balloon payment due of all unpaid principal and interest. Payments are due monthly of \$5,694 which includes principal and interest based on a 20-year amortization. Interest expense totaled \$39,347 and \$34,545 for the years ended June 30, 2025 and 2024, respectively, and is included in miscellaneous expense in the statements of functional expenses. The note is collateralized by a first mortgage and a security interest of all business assets of CEL. The total amount outstanding at June 30, 2025 and 2024 was \$628,710 and \$657,117, respectively.

Principal payments due on this note payable during each of the following years are as follows:

2026	\$ 30,760
2027	32,693
2028	34,748
2029	530,509
Total principal payments	<u>\$ 628,710</u>

CENTER FOR ENRICHED LIVING, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 8—Net assets with donor restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2025 and 2024:

	2025	2024
Purpose restrictions:		
Vee Family Resource Center	\$ 769,085	\$ 703,489
Arts program	10,000	-
Total purpose restrictions	<u>\$ 779,085</u>	<u>\$ 703,489</u>

Note 9—Donated in-kind goods and services

Donated in-kind goods and services for the years ended June 30, 2025 and 2024, are as follows:

	2025	2024
Advertising	\$ 120,000	\$ 120,000
Program and food supplies	4,066	3,785
Special events supplies	1,100	714
Professional services	2,050	2,050
Total donated in-kind goods and services	<u>\$ 127,216</u>	<u>\$ 126,549</u>

CEL received advertising services at no cost. Based on current market rates for advertising, CEL would have paid \$120,000 for each of the years ended June 30, 2025 and 2024.

CEL received program and food supplies, office and building supplies, and special events supplies with an estimated fair market value of \$5,166 and \$4,499 for the years ended June 30, 2025 and 2024, respectively. The supplies were used to support the programs of CEL.

CEL received professional services at no cost. Based on current market rates for the professional services, CEL would have paid \$2,050 for the years ended June 30, 2025 and 2024.

All in-kind contributions received by CEL for the years ended June 30, 2025 and 2024 were considered to be without donor restrictions and are able to be used by CEL as determined by the Board of Directors and management.

Note 10—Retirement plan

CEL provides a 403(b) retirement plan for eligible full-time employees who have completed three months of service. CEL contributes a discretionary amount of eligible employees' salaries, as determined by the Board of Directors, which ranges from 1% to 3%. The plan also allows for employee salary deferral contributions. Employer contributions for the years ended June 30, 2025 and 2024 totaled \$40,325 and \$52,247, respectively, and are included in employee benefits on the statements of functional expenses. Employees are fully vested immediately for all contributions and are entitled to accumulated contributions plus investment earnings upon termination or retirement.

CENTER FOR ENRICHED LIVING, INC.
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2025 AND 2024

Note 11—Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements. These reclassifications had no effect on the change in net assets or cash flows from operations.