REVIVE CENTER FOR HOUSING AND HEALING

FINANCIAL STATEMENTS AS OF JUNE 30, 2023 AND 2022

TOGETHER WITH AUDITOR'S REPORT

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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, 2023 and 2022, 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, 2023 and 2022, 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, which 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, which 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.

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Report on Summarized Comparative Information

We have previously audited ReVive's 2022 financial statements, and we expressed an unmodified opinion on those financial statements in our report dated February 1, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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 January 29, 2024 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

DUGAN & LOPATKA

Warrenville, Illinois
January 29, 2024

EXHIBIT 1

REVIVE CENTER FOR HOUSING AND HEALING
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

A S S E T S

	2023	2022
ASSETS:		
Cash and cash equivalents	$ 675,039	$ 798,288
Government grant receivables	85,460	-
Rent and other receivables, net	3,229	2,713
Pledges receivable	500,000	-
Prepaid expenses and other	23,936	14,111
Investments	716,453	689,290
Property and equipment, net	1,074,223	1,040,308
Total assets	$ 3,078,340	$ 2,544,710

LIABILITIES AND NET ASSETS

	2023	2022
LIABILITIES:		
Accounts payable and accrued expenses	$ 134,524	$ 51,924
Notes Payable	1,898,307	1,911,419
Total liabilities	2,032,831	1,963,343
NET ASSETS:		
Without donor restrictions	315,734	(144,758)
With donor restrictions	729,775	726,125
Total net assets	1,045,509	581,367
Total liabilities and net assets	$ 3,078,340	$ 2,544,710

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, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions						
Individuals	$ 901,707	$ 35,000	$ 936,707	$ 594,063	$ 223,718	$ 817,781
Corporations and foundations	130,815	-	130,815	17,341	200,000	217,341
Episcopal Charities and Community Services	20,596	-	20,596	19,570	-	19,570
Associated religious organizations	14,760	-	14,760	16,000	-	16,000
Diocesan trust fund	57,365	-	57,365	53,361	-	53,361
Trusts and estates	6,541	-	6,541	10,126	-	10,126
Government grants	813,773	-	813,773	823,311	-	823,311
Client rent	43,153	-	43,153	46,280	-	46,280
In-kind revenue	139,174	-	139,174	101,432	-	101,432
Debt forgiveness	-	-	-	188,000	-	188,000
Investment income (loss)	9,432	17,730	27,162	(5,034)	(79,072)	(84,106)
Miscellaneous income	5,198	-	5,198	1,259	-	1,259
Net assets released from restrictions	49,080	(49,080)	-	147,522	(147,522)	-
Total support and revenue	2,191,594	3,650	2,195,244	2,013,231	197,124	2,210,355
FUNCTIONAL EXPENSES:						
Program services						
Supportive and affordable housing	381,652	-	381,652	386,383	-	386,383
Social services	875,639	-	875,639	807,428	-	807,428
Support services						
General and administrative	247,784	-	247,784	422,291	-	422,291
Fundraising	226,027	-	226,027	173,734	-	173,734
Total functional expenses	1,731,102	-	1,731,102	1,789,836	-	1,789,836
CHANGE IN NET ASSETS	460,492	3,650	464,142	223,395	197,124	420,519
NET ASSETS, beginning of year	(144,758)	726,125	581,367	(368,153)	529,001	160,848
NET ASSETS, end of year	$ 315,734	$ 729,775	$ 1,045,509	$ (144,758)	$ 726,125	$ 581,367

REVIVE CENTER FOR HOUSING AND HEALING
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 464,142	$ 420,519
Adjustments to reconcile change in total net assets		
to net cash provided by operating activities:		
Depreciation	130,052	129,672
Unrealized loss/(gain) on investments	(2,908)	90,144
Loss on sale of fixed assets	12,183	-
Forgiveness of debt	-	(188,000)
Change in current assets and liabilities:		
(Increase) decrease in grant receivables	(85,460)	18,000
(Increase) in pledges receivable	(500,000)	-
(Increase) in rent and other receivables	(516)	(2,713)
Increase (decrease) in prepaid expenses and other current assets	(9,825)	8,961
Increase in accounts payable and accrued expenses	82,600	26,612
(Decrease) in refundable advance	-	(500)
Net cash provided by operating activities	90,268	502,695
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(24,255)	(779,434)
Purchase of property and equipment	(176,150)	-
Net cash (used in) investing activities	(200,405)	(779,434)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term debt	(13,112)	(6,888)
Net cash (used in) financing activities	(13,112)	(6,888)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(123,249)	(283,627)
CASH AND CASH EQUIVALENTS, Beginning of year	798,288	1,081,915
CASH AND CASH EQUIVALENTS, End of year	$ 675,039	$ 798,288

The accompanying notes are an integral part of this statement.

EXHIBIT 4

REVIVE CENTER FOR HOUSING AND HEALING
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2023
(with comparative totals for 2022)

	Program Services			Support Services				
	Supportive and Affordable Housing	Social Services	Total Program Services	General and Administrative	Fundraising	Total Support Services	Total 2023	Comparative Total 2022
Salaries and Employee Benefits	$ 202,772	$ 561,190	$ 763,962	$ 128,077	$ 139,827	$ 267,904	$ 1,031,866	$ 856,836
Consultants	3,009	7,315	10,324	21,742	1,348	23,090	33,414	217,599
Fees and Services	9,876	6,484	16,360	17,056	4,685	21,741	38,101	44,395
Supplies	512	3,104	3,616	220	323	543	4,159	4,779
Food and Beverage	9	2,207	2,216	532	1,972	2,504	4,720	3,936
Telephone	877	4,667	5,544	1,386	657	2,043	7,587	7,468
Postage and Delivery	133	2,124	2,257	834	1,261	2,095	4,352	6,287
Occupancy	80,853	42,564	123,417	7,377	764	8,141	131,558	221,144
Printing	1,398	6,989	8,387	1,476	11,019	12,495	20,882	19,383
Staff Development	-	7,062	7,062	3,291	60	3,351	10,413	13,952
Assistance to individuals	21	166,237	166,258	196	6	202	166,460	140,428
Events	-	645	645	-	50,599	50,599	51,244	54,126
Dues and Subscriptions	-	-	-	-	-	-	-	1,457
Insurance	26,005	14,376	40,381	(6,232)	262	(5,970)	34,411	47,495
Interest	-	-	-	1,178	-	1,178	1,178	4,194
Depreciation	27,263	48,920	76,183	53,139	730	53,869	130,052	129,672
Bad Debt Expense	16,141	-	16,141	-	-	-	16,141	-
Miscellaneous	12,783	1,755	14,538	17,512	12,514	30,026	44,564	16,685
Total expenses	$ 381,652	$ 875,639	$ 1,257,291	$ 247,784	$ 226,027	$ 473,811	$ 1,731,102	$ 1,789,836

The accompanying notes are an integral part of this statement.

(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 January 29, 2024, 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, ReVive 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 receivables was not necessary for the years ended June 30, 2023 and 2022. Management determined an allowance for doubtful other receivables for the years ended June 30, 2023 and 2022 was $31,632 and $17,913 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 at June 30, 2023 and 2022.

(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 $2,000. 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, 2023 and 2022 was $130,052 and $129,672 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 $139,174 and $101,432 for items included in the Christmas baskets for the years ended June 30, 2023 and 2022, 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 2020. 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.

Leases -

ReVive determines if an arrangement is a lease or contains a lease at inception of the contract. For any operating leases with a term of over one year, ReVive records an operating lease right-of-use asset, and current and long-term operating lease liabilities in the statement of financial position.

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

Operating lease right-of-use assets include all fixed contractual lease payments and initial direct costs incurred by Revive, less any lease incentives the Revive receives from the lessor. ReVive has elected a practical expedient to account for lease and non-lease components together as a single lease component. Only the fixed lease components are included in the right-of-use assets and lease liabilities. Additionally, the Organization has elected not to apply these lease accounting policies to leases with a term of one year or less at the commencement date. For the year ended June 30, 2023 ReVive did not have any leases with terms over 12 months.

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

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

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

New Accounting Pronouncement -

Effective July 1, 2022, ReVive adopted ASU 2016-02, *Leases* (Topic 842) and subsequent amendments. Under ASU 2016-02, all of ReVive's equipment leases that have lease terms exceeding twelve months will now be required to be recognized on the statement of financial position as amortizable right-of-use assets accompanied by liabilities for the present value of the lease payments that ReVive is obligated to make in order to obtain control of the leased assets for the duration of each lease term.

Lease expense, under these amendments, will be recognized in different patterns depending on whether the underlying lease is an operating lease or a finance lease. Lease expense for operating leases will be recognized as a single expense using the straight-line method over the term of the lease, which includes options to renew the lease that ReVive is reasonably expected to exercise. Finance lease expense will consist of two components, interest expense on the lease obligation payable and straight-line amortization of the right-of-use asset.

Implementation of these amendments is reflected using the modified retrospective method as of July 1, 2022. Consequently, the 2022 financial statements and disclosures do not reflect the effects of implementing the new lease standard. During 2023, ReVive did not have any material operating leases that exceeded a one year term and would result in recording a lease asset and lease liability. Upon implementation, ReVive elected an available package of practical expedients permitted under the transition guidance included in ASU 2018-11, *Leases* (Topic 842) – *Targeted Improvements* that permits Revive to carry forward the historical lease identification, classification and initial direct costs associated with ReVive's pre-existing leases. The implementation of the amendments did not materially impact the Revive's change in net assets or cash flows.

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.

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, 2022, from which the summarized information was derived.

(2) PROPERTY AND EQUIPMENT:

Property and equipment consist of the following:

	2023	2022
Land	$ 275,000	$ 275,000
Building and building improvement	3,961,067	3,828,544
Furniture, and equipment	40,159	50,025
	4,276,226	4,153,569
Less - Accumulated depreciation	3,202,003	3,113,261
	$ 1,074,223	$ 1,040,308

(3) INVESTMENTS:

The following is a summary of the fair value of Revive's investments at June 30, 2023 and 2022:

	2023	2022
Mutual funds	$ -	$ 449,929
Money market funds	716,453	239,361
	$ 716,453	$ 689,290

Investment income (loss) for the years ended June 30, 2023 and 2023 consisted of the following:

	2023	2022
Dividends and interest	$ 24,254	$ 6,038
Unrealized (gain) loss	2,908	(90,144)
Total investment (gain) loss	$ 27,162	$ (84,106)

(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.

(4) FAIR VALUE MEASUREMENTS: (Continued)

Level 2:

Inputs to the valuation methodology include:

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

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

Level 3:

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

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

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used on June 30, 2023 and 2022.

Mutual and Money Market Funds: Valued at the closing price (net asset value) of shares held at year end.

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:

	Assets at Fair Value as of June, 30 2023			
Description	Level 1	Level 2	Level 3	Total
Money market funds	$ 716,453	$ -	$ -	$ 716,453
Total assets at fair value	$ 716,453	$ -	$ -	$ 716,453

(4) FAIR VALUE MEASUREMENTS: (Continued)

Description	Assets at Fair Value as of June, 30 2022 Level 1	Level 2	Level 3	Total
Mutual funds	$ 449,929	$ -	$ -	$ 449,929
Money market funds	239,361	-	-	239,361
Total assets at fair value	$ 689,290	$ -	$ -	$ 689,280

(5) UNCONDITIONAL PROMISES TO GIVE:

Unconditional promises to give at June 30, 2023 and 2022 are as follows:

	2023	2022
Receivable in less than on year	$ $500,000	$ -
Receivable in greater than on year and less than five years	-	-
Total	$ 500,000	$ -

(6) NOTES PAYABLE:

Notes payable consist of the following:

	2023	2022
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
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
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.	$ 72,500	$ 85,612

(6) NOTES PAYABLE: (Continued)

	2023	2022
Total notes payable	1,898,307	1,911,419
Less - Current maturities	10,000	10,000
Long-term maturities	$ 1,888,307	$ 1,901,419

The aggregate maturities for long-term debt as of June 30, 2023, are due in future years as follows:

2024	$ 10,000
2025	10,000
2026	10,000
2027	1,502,474
2028	10,000
Thereafter	355,833
Total	$ 1,898,307

(7) IN KIND CONTRIBUTIONS:

ReVive received in-kind contributions for the years ended June 30, 2023 and 2022 as follows:

	2023	2022
Goods and supplies	$ 139,174	$ 101,432
Total	$ 139,174	$ 101,432

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

Goods and supplies: The donated goods and supplies are used by Revive for program services. These items include various supplies in Christmas baskets provided to clients. ReVive 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.

(8) OPERATING LEASES:

ReVive has a short-term lease agreement to rent equipment which is set to expire in fiscal year 2024. The lease calls for payments of approximately $640 per month.

The components of lease expenses for the year ending June 30, 2023 and 2022, were as follows:

	2023	2022
Short-term operating lease cost	$ 9,527	$ 9,766

Future minimum lease payments under noncancelable leases as of June 30, 2023 are as follows:

2024	$ 5,760
Less imputed interest included	-
Present value of net minimum lease payments	$ 5,760

(9) 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 100% of each employee's contribution, not to exceed 2% of annual compensation. Retirement expense related to this plan totaled $11,869 and $7,068 for the years ended June 30, 2023 and 2022, 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 $16,952 and $24,951 for years ended June 30, 2023 and 2022, respectively.

(10) NET ASSETS WITH DONOR RESTRICTION:

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

	2023	2022
Capital Campaign	$ 237,116	$ 276,196
Food program	25,000	-
Van Ness Fund	467,659	449,929
Total	$ 729,775	$ 726,125

(11) 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:

	2023	2022
Financial assets -		
Cash	$ 675,039	$ 798,288
Investment	716,453	689,290
Receivables	588,689	2,713
Total financial assets	1,980,181	1,490,291
Donor imposed restrictions	729,775	726,125
Financial assets available to meet cash needs for general expenditures that is without donor or other restrictions limiting their use within one year	$ 1,250,406	$ 764,166

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.

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

To the Board of Directors of
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, 2023 and 2022, 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 January 29, 2024.

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 statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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

DUGAN & LOPATKA

Warrenville, Illinois
January 29, 2024