CJBS

TURNING POINTE AUTISM FOUNDATION

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2023 AND 2022

CJBS, LLC
2100 Sanders Road, Suite 200, Northbrook, Illinois 60062-6141 • p. 847-945-2888 • f. 847-945-9512

www.cjbs.com

TURNING POINTE AUTISM FOUNDATION

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Turning Pointe Autism Foundation
Naperville, IL

Opinion

We have audited the accompanying consolidated financial statements of Turning Pointe Autism Foundation and Subsidiary (the Foundation) (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the 2023 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Turning Pointe Autism Foundation and Subsidiary as of December 30, 2023, and the changes in their net assets and their cash flows for the year 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 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 the Foundation 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.

Prior Period Financial Statements

The financial statements of Turning Pointe Autism Foundation and Subsidiary as of December 31, 2022, were audited by other auditors whose report dated March 27, 2023, expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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, including omissions, 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 the Foundation'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 the Foundation'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.

CJBS, LLC

CJBS, LLC
Northbrook, Illinois

March 20, 2024

TURNING POINTE AUTISM FOUNDATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2023 AND 2022

ASSETS

	2023	2022
Cash and cash equivalents	$ 2,000,680	$ 1,008,059
Investments	625,041	593,045
Accounts receivable, net	982,452	509,889
Grants receivable and promises to give	78,591	144,244
Grant receivable, employee retention credit	-	313,856
Prepaid expenses and other assets	45,486	718
Property and equipment, net	6,064,868	6,323,015
TOTAL ASSETS	$ 9,797,118	$ 8,892,826

LIABILITIES AND NET ASSETS

	2023	2022
LIABILITIES		
Accounts payable and accrued expenses	$ 275,704	$ 277,898
Note payable	1,382,448	1,451,605
TOTAL LIABILITIES	1,658,152	1,729,503
NET ASSETS		
Without donor restrictions	8,103,966	7,063,323
With donor restrictions	35,000	100,000
TOTAL NET ASSETS	8,138,966	7,163,323
TOTAL LIABILITIES AND NET ASSETS	$ 9,797,118	$ 8,892,826

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

TURNING POINTE AUTISM FOUNDATION

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:						
Program service fees	$ 5,862,433	$ -	$ 5,862,433	$ 4,939,765	$ -	$ 4,939,765
Government support, employee retention credit	257,564	-	257,564	313,856	-	313,856
Government support, grants and contracts	75,700	-	75,700	3,500	-	3,500
Contributions and grants	746,939	35,000	781,939	554,039	-	554,039
In-kind contributions	109,750	-	109,750	16,450	-	16,450
Gross special events revenue	571,503	-	571,503	646,202	-	646,202
Less cost of direct benefits to donors	(246,447)	-	(246,447)	(240,117)	-	(240,117)
Net special events revenue	325,056		325,056	406,085		406,085
Enterprise revenue and other fees	24,244	-	24,244	35,800	-	35,800
Net assets released from restrictions	100,000	(100,000)	-	96,852	(96,852)	-
TOTAL PUBLIC SUPPORT AND REVENUE	$ 7,501,686	($ 65,000)	$ 7,436,686	$ 6,366,347	($ 96,852)	$ 6,269,495
EXPENSES						
Program services	5,795,328	-	5,795,328	5,615,507	-	5,615,507
Management and general	571,897	-	571,897	572,471	-	572,471
Fundraising	212,196	-	212,196	259,044	-	259,044
TOTAL EXPENSES	6,579,421	-	6,579,421	6,447,022	-	6,447,022
CHANGE IN NET ASSETS BEFORE INVESTMENT INCOME	922,265	(65,000)	857,265	(80,675)	(96,852)	(177,527)
INVESTMENT INCOME, NET						
Interest and dividends	98,526	-	98,526	7,478	-	7,478
Realized gain (loss) on investments	(13,045)	-	(13,045)	(254)	-	(254)
Unrealized gain (loss) on investments	36,410	-	36,410	(54,547)	-	(54,547)
Investment fees	(3,513)	-	(3,513)	(3,545)	-	(3,545)
TOTAL INVESTMENT INCOME, NET	118,378	-	118,378	(50,868)	-	(50,868)
CHANGE IN NET ASSETS	1,040,643	(65,000)	975,643	(131,543)	(96,852)	(228,395)
NET ASSETS , BEGINNING OF YEAR	7,063,323	100,000	7,163,323	7,194,866	196,852	7,391,718
NET ASSETS , END OF YEAR	$ 8,103,966	$ 35,000	$ 8,138,966	$ 7,063,323	$ 100,000	$ 7,163,323

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

TURNING POINTE AUTISM FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services					
	Autism School	Adult Services	Total Program	Management and General	Fundraising	Total Expenses
EXPENSES						
Salaries and related expenses	$ 4,383,160	$ 278,728	$ 4,661,888	$ 418,901	$ 149,632	5,230,421
Occupancy	286,469	6,494	292,963	9,669	9,683	312,315
Professional fees	157,483	773	158,256	95,810	1,897	255,963
Depreciation	261,929	40,604	302,533	5,961	5,889	314,383
Insurance	100,349	1,706	102,055	3,314	3,084	108,453
Interest	65,741	1,118	66,859	2,087	2,020	70,966
Supplies	74,926	23,030	97,956	6,802	1,180	105,938
Advertising and website development	20,491	466	20,957	3,826	20,095	44,878
Travel and transportation	34,554	6,112	40,666	5,571	3,019	49,256
Miscellaneous	49,337	1,858	51,195	19,956	15,697	86,848
TOTAL EXPENSES	$ 5,434,439	$ 360,889	$ 5,795,328	$ 571,897	$ 212,196	$ 6,579,421

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

TURNING POINTE AUTISM FOUNDATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services					
	Autism School	**Adult Services**	**Total Program**	**Management and General**	**Fundraising**	**Total Expenses**
EXPENSES						
Salaries and related expenses	$ 3,903,845	$ 358,506	$ 4,262,351	$ 428,825	$ 194,329	$ 4,885,505
Occupancy	356,559	6,503	363,062	12,129	31,308	406,499
Professional fees	269,103	655	269,758	80,366	1,182	351,306
Depreciation	263,984	45,202	309,186	6,202	6,137	321,525
Insurance	84,683	1,442	86,125	2,568	2,600	91,293
Interest	63,819	1,086	64,905	2,357	43	67,305
Supplies	75,855	21,008	96,863	3,605	1,567	102,035
Advertising and website development	68,131	1,160	69,291	7,642	15,732	92,665
Travel and transportation	53,502	796	54,298	8,411	777	63,486
Miscellaneous	39,507	161	39,668	20,366	5,369	65,403
TOTAL EXPENSES	$ 5,178,988	$ 436,519	$ 5,615,507	$ 572,471	$ 259,044	$ 6,447,022

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

TURNING POINTE AUTISM FOUNDATION

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 975,643	($ 228,395)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	314,383	321,525
Realized (gain) loss on investments	13,045	254
Unrealized (gain) loss on investments	(36,410)	54,547
(Increase) decrease in assets:		
Accounts receivable	(472,563)	(74,002)
Grants receivable and promises to give	65,653	96,852
Grant receivable, employee retention credit	313,856	(313,856)
Prepaid expenses and other assets	(44,768)	(300)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	(2,194)	74,762
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	1,126,645	(68,613)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales and maturities of investments	363,973	101,443
Purchases of investments and reinvested income	(319,000)	-
Net change in cash and cash equivalents included in investments	(53,604)	(53,908)
Purchases of property and equipment	(56,236)	(85,424)
CASH USED FOR INVESTING ACTIVITIES	(64,867)	(37,889)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on note payable	(69,157)	(67,509)
CASH USED FOR FINANCING ACTIVITIES	(69,157)	(67,509)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	992,621	(174,011)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,008,059	1,182,070
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 2,000,680	$ 1,008,059
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the year for Interest	$ 70,840	$ 67,305

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

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Turning Pointe Autism Foundation ("TPAF"; the "Foundation"), an Illinois not-for-profit organization incorporated on September 19, 2007, is a private school established to create opportunities and programs to educate individuals with autism through proven interventions to increase independence, encourage meaningful lifelong pursuits, and enrich the community at large. The Organization is accredited by CARF International, an independent, nonprofit accreditor of health and human services, by the International Board of Credentialing and Continuing Education Standards - Certified Autism Center (IBCCE), and the Day School Program is accredited by the Illinois State Board of Education (ISBE).

TPAF operates a CN Therapeutic Day School, accredited by ISBE and primarily publicly funded through a referral process from school districts, created to meet the specific and unique needs of students learning with autism who are eligible for outplacement per their Individualized Education Program (IEP). The program has a capacity of approximately 50 students ages 5 to 22.

TPAF also operates Foglia Family Adult Services, which is comprised of the Compass Class Pilot Program, Employment Training Program, and an Enterprise Program that is operated by students through Turning Pointe Made to Inspire, LLC (TPMI), a wholly owned subsidiary incorporated in May 2016. These services are designed for adult students to assist with communication, socially appropriate behaviors, functional living, and employment skills. Contributions and grants primarily fund this program.

Principles of Consolidation

The consolidated financial statements include the accounts of the Turning Pointe Autism Foundation and Turning Pointe Made to Inspire, LLC (together “the Foundation”). All significant inter-organization balances and transactions have been eliminated in consolidation.

Reclassifications

Certain reclassifications have been made to prior period amounts to conform to the current year presentation.

Basis of Accounting and Presentation

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with the U.S. generally accepted accounting principles (GAAP).

The Foundation reports information regarding its financial position and activities according to two classes of net assets: n*et assets without donor restrictions* and *net assets with donor restrictions.*

Net assets without donor restrictions are resources available to support operations and are not subject to the grantor or donor-imposed restrictions. It is the policy of the Board of Directors of the Foundation to review its plans for future operations of the Foundation and, from time to time to designate appropriate sums of n*et assets without donor restrictions* to assure adequate financing of such operations.

Net assets with donor restrictions are resources that are subject to donor-imposed restrictions. Some restrictions are temporary in nature, such as those that a donor restricts for use for a particular purpose or in a particular future period. Other restrictions may be perpetual in nature, such as those

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

that a donor restricts that the resources be maintained in perpetuity.

The Foundation reports gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a restriction expires, 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. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received. Absent donor stipulations regarding how long those donated assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired assets are placed in service.

Recently Issued Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (CECL)*, and subsequently issued multiple ASUs that amend or clarify certain matters relating to FASB ASC 326. The guidance amends how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. Also, it requires the application of a current expected credit loss model, which is a new impairment model based on expected losses. Under this model, an entity recognizes an allowance for expected credit losses based on historical experience, current conditions, and forecasted information rather than the prior methodology of delaying the recognition of credit losses until it is probable a loss has been incurred. The standard also requires additional quantitative and qualitative disclosures regarding credit risk inherent in a reporting entity's portfolio, how management monitors this risk, management's estimate of expected credit losses, and the changes in the estimate that has taken place during the period. As amended, for entities other than public business entities, ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The Organization’s prior methodology for estimating credit losses on its receivable did not differ significantly from the new requirements of Topic 326. The Organization adopted ASU 2016-13 effective January 1, 2023, and the adoption of the standard did not materially impact the financial statements. Contributions (pledges) receivable are specifically excluded from the CECL standard.

In February 2016, FASB issued ASU No. 2016-02, Leases (Topic 842), to increase the transparency and comparability of leases among entities. ASC 842 requires an entity to recognize right-of-use assets ("ROU") and lease liabilities calculated based on the present value of lease payments for all lease agreements with terms greater than twelve months. Also, it provides an optional transition method that allows the entity to apply the new standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of net assets during the adoption period. As amended by ASU No. 2020-05, the new lease standard becomes effective for the Foundation on January 1, 2022. Upon adoption, the Foundation elected the following accounting policies and practical expedients related to ASC 842: not reassess whether any expired or existing contracts are or contain leases, not reassess the lease classification for any expired or existing leases, and not reassess initial direct costs for any existing leases; apply the accounting similar to Topic 840 operating leases accounting to leases that meet the definition of short-term leases; and not evaluate land easements that existed or expired before the adoption of ASC 842 and that were not previously accounted for as leases under Topic 840. The Organization adopted ASU 2016-02 effective January 1, 2022, and the adoption of the standard did not materially impact the financial statements.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

Program Service Fees

Nonpublic programs approved under Section 14-7.02 of the School Code help serve and promote the continuation and improvement of IEP services for students with disabilities. TPAF has contracts with school districts to receive reimbursement for educational programming for students enrolled in the CN Therapeutic Day School, a program approved by ISBE. The per diem rate, used on a contractual basis with placing school districts, is established by the Illinois Purchased Care Review Board. TPAF bills the student's school district for tuition at the end of the month in which the services were provided using the ISBE's approved rate for that period. Because of the lag in approval of the per diem rate for a specific period, retroactive rate adjustments are received from time to time, and those are billed and recorded in the year the approval is received. As of December 31, 2023, the retroactive rate adjustments available to be billed in 2024, when approved, are estimated at $80,000.

Tuition fee revenue for the life skills training provided to adults enrolled in the Foglia Family Adult Services program is recognized monthly as the performance obligation is satisfied. Enterprise sales revenue is recognized when the customer receives and pays for the merchandise. The inventory items are not material to the financial statements.

Revenue is reported at the amount of consideration that the Foundation expects to be entitled in exchange for providing the programs. The Foundation determines the transaction price based on standard charges for the normal tuition rates, reduced by price concessions provided to students. Revenue for auxiliary programs and student activities is generally recognized when services are provided to the students, and the Foundation does not believe it is required to provide additional services or activities.

Because all performance obligations are for contracts with a duration of one year or less, the Foundation has elected to apply the practical expedient and is not required to disclose the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied or partially unsatisfied at the end of the reporting period. The performance obligations for these contracts are generally completed when the annual term is completed. The Foundation also applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred when the asset's amortization period that the Foundation otherwise would have recognized is one year or less.

Significant Judgments. The Foundation determines the transaction price based on standard charges for goods and services provided, discounts provided in accordance with the Foundation's policy, and implicit price concessions provided to program participants. The Foundation determines its estimates of explicit price concessions based on contractual agreements and its discount policies. The Foundation determines its estimate of implicit price concessions based on its historical collection experience with students.

Revenue from Grants and Contracts

Revenue from government and private grant and contract agreements is recognized as earned through expenditure according to the agreements. Any funding received in advance of expenditure is recorded as deferred revenue until expended.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from Contributions

Contributions are recognized when cash or other assets, an unconditional promise to give, or notification of beneficial interest is received. The Foundation determines whether a contribution is conditional based on whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met, or the donor has explicitly released the restriction.

Special Events

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a contribution element for the difference. The Foundation recognizes special events revenue equal to the fair value of direct benefits to donors when the special event takes place. The Foundation recognizes the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

Revenue from Donated Services and In-Kind Contributions

Donated marketable securities and other noncash donations are recorded as contributions at their fair values at the date of donation.

TPAF recognizes the fair value of contributed services received if such services create or enhance nonfinancial assets or require specialized skills that are provided by individuals and would typically need to be purchased if not contributed. TPAF receives services from volunteers who give significant amounts of time to TPAF but do not meet the criteria for financial statement recognition.

Advertising Expenses

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2023 and 2022, was $28,360 and $70,501, respectively.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. The expenses that are allocated include occupancy, depreciation, insurance and interest, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional fees and supplies which are allocated on the basis of estimates of time and effort.

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

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The Foundation considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Investments

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

Accounts Receivable

Accounts receivable consist primarily of tuition fees due from various school districts. Accounts receivable are stated at the amount management expects to be collected from the outstanding balance. All accounts receivable were deemed to be fully collectible by management; accordingly, no allowance for doubtful accounts is recorded.

Grants Receivable and Promises to Give

Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. In the absence of donor stipulations to the contrary, promises with payments due in future periods are restricted to use after the due date. As of December 31, 2023 and 2022, management has determined, based on historical experience, that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Property and Equipment

Property and equipment are carried at cost, or if donated, at fair market value on the date of donation. The Foundation follows the practice of capitalizing all expenditures for fixed assets in excess of $2,500 and have a useful life that exceeds one year. Depreciation is computed using the straight-line method over the estimated useful life of the assets, ranging from 5 to 39 years. When assets are sold or otherwise disposed, the cost and related depreciation are removed from the accounts, and any resulting gain or loss is included in the statements of activities. Costs of maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed.

NOTE A – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Long-Lived Assets

Management reviews the carrying values of property and equipment for impairment whenever events or circumstances indicate that the carrying value of an asset may not be recoverable from the estimated future cash flows expected to result from its use and eventual disposition. When considered impaired, an impairment loss is recognized to the extent that the carrying value exceeds the fair value of the asset. Management determined that no long-lived assets were impaired as of December 31, 2023 and 2022.

Income Taxes

Turning Pointe Autism Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code, except to the extent it has unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization other than a private foundation.

The Foundation follows the guidance of Accounting Standards Codification (ASC 740), *Accounting for Income Taxes*, related to uncertainties in income taxes, which prescribes a threshold of more likely than not for recognition and derecognition of tax positions taken or expected to be taken in a tax return. There are no such uncertain tax positions for the Foundation for the years ended December 31, 2023 and 2022. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Organization's wholly owned subsidiary, Turning Pointe Made to Inspire LLC, has elected to be treated as a disregarded entity for income taxation purposes. All activity is therefore presented on the Foundation's tax return.

NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation monitors its liquidity to be able to meet its operating needs and other contractual commitments while maximizing the investment of its excess operating cash. The Foundation manages its liquidity and reserves following three guiding principles: (1) operating within a prudent range of financial soundness and stability; (2) maintaining adequate liquid assets to fund near-term operating needs; (3) maintaining sufficient reserves to provide a reasonable assurance that long-term obligations will be discharged.

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

	2023	2022
Financial assets:		
Cash and cash equivalents	$ 1,966,020	$ 1,061,967
Investments	319,405	264,000
Receivable, net, collected in less than one year	1,061,043	867,989
Total financial assets and liquidity resources available within one year	$ 3,346,468	$ 2,193,956

NOTE B - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS (continued)

As of December 31, 2023 and 2022, the Foundation had investments of $305,296 and $275,137, respectively, considered as long term investments and not included in the total financial assets and liquidity resources available within one year described above. These investment reserves could be drawn with board approval. As part of the Foundation's liquidity management, its policy is to maintain current financial assets less current liabilities at approximately 5 months of operating expenses.

NOTE C - INVESTMENTS AND FAIR VALUE MEASUREMENTS

The framework for measuring fair value 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) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 - Inputs to the valuation methodology include:

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

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

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

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.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2023 and 2022.

Fixed Income Investments - Fixed income securities, including brokered certificates of deposits, are priced using evaluations, which may be matrix or model-based and do not necessarily reflect actual trades. These price evaluations suggest current estimated market values, which may be significantly higher or lower than the amount you would pay (receive) in an actual purchase (sale) of the security. These estimates, which are obtained from various sources, assume normal market conditions and are based on large-volume transactions. Certificates of Deposit purchased through a securities broker and held in a brokerage account are considered deposits with the issuing institution and are insured by the FDIC.

NOTE C - INVESTMENTS AND FAIR VALUE MEASUREMENTS (continued)

DuPage Community Foundation - In 2018, the Foundation initiated a revocable transfer (no variance power was granted) of $250,000 to the DuPage Foundation to be managed in an investment pooled fund on behalf of the Foundation. The assets, reported at fair value, are invested and professionally managed with an optional distribution of income consistent with their spending policy made each year.

The preceding approach described might produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation 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 tables set forth by level, within the fair value hierarchy, the Foundation's investment assets at fair value at December 31, 2023 and 2022:

	Assets at Fair Value at December 31, 2023			
	Level 1	Level 2	Level 3	Total Fair Value
Fixed income investments				
Brokered certificates of deposits	$ -	$ 319.405	$ -	$ 319,405
DuPage Community Foundation	-	-	305,296	305,296
Cash/Money Market Funds				340
Total investments				$ 625,041

	Assets at Fair Value at December 31, 2022			
	Level 1	Level 2	Level 3	Total Fair Value
Fixed income investments				
Brokered certificates of deposits	$ -	$ 264,000	$ -	$ 264,000
DuPage Community Foundation	-	-	275,137	275,137
Cash/Money Market Funds				53,908
Total investments				$ 593,045

The following is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2023 and 2022:

	2023	2022
Balance, beginning of year	$ 275,137	$ 327,381
Realized gain (loss)	(13,045)	(254)
Unrealized gain (loss)	37,502	(54,547)
Income	9,215	6,102
Investment fee	(3,513)	(3,545)
Balance, end of year	$ 305,296	$ 275,137

NOTE D- PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2023 and 2022:

	2023	2022
Land	$ 1,560,000	$ 1,560,000
Buildings and improvements	5,618,156	5,569,281
Furniture, fixtures, and equipment	494,295	486,934
	7,672,451	7,616,215
Less: Accumulated Depreciation	(1,607,583)	(1,293,200)
Property and Equipment, Net	$ 6,064,868	$ 6,323,015

NOTE E - COMMITMENTS

Line of Credit

The Foundation has a $350,000 line of credit with a bank, secured by substantially all of the Foundation's assets, bearing interest at the prime rate, and with a maturity date of May 2024. The Foundation had no outstanding balance as of December 31, 2023 and 2022.

Note Payable

The Foundation has a mortgage note payable to a bank with monthly payments of $11,666, principal and interest, bearing interest at 4.92% for the first 60 payments, and a variable interest rate based on the 5-year US Treasury Yield plus a margin of 2.0% for the remaining amount, due when the note matures in June 2032, and secured by the building. The balance as of December 31, 2023 and 2022 was $1,382,448 and $1,451,605, respectively.

Future maturities are as follows:

Year ending December 31,	
2024	$ 73,625
2025	77,331
2026	81,222
2027	85,310
2028	89,603
Thereafter	975,357
Total	$ 1,382,448

Information Technology Contract

The Foundation has an agreement for information technology management and consulting services with an initial term of three years, expiring on June 30, 2024, that will automatically renew each year after the initial maturity date unless terminated by either party. Monthly payments under this contract are $3,105, and as of December 31, 2023, total future obligations are $18,630 for 2024.

NOTE F – NATURE OF RESTRICTIONS ON NET ASSETS

Net assets with donor restriction of $35,000 as of December 31, 2023, consisted of contributions restricted for play equipment and security door. Net assets with donor restriction of $100,000 as of December 31, 2022, consisted of time restricted contributions.

NOTE G–DEFINED CONTRIBUTION PLAN

The Foundation created a SIMPLE IRA plan for the benefit of eligible employees. Employees may enroll in the plan and start contributing to their IRA if their compensation was in excess of $1,000 in the prior year or is expected to be in excess of that amount in the current year. The Foundation will make a contribution to each eligible employee's plan account equal to their contributions up to 3% of the employee's compensation for the year. For the year ended December 31, 2023 and 2022, the Foundation contributed $77,366 and $77,015, respectively.

NOTE H- CONCENTRATION OF CREDIT RISK AND UNCERTAINTIES

Credit Risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of cash and cash equivalent. The standard insurance amount is $250,000 per depositor, per insured bank, for each account ownership category. The Federal Deposit Insurance Corporation (FDIC) provides separate coverage for deposits held in different account ownership categories. All deposits that an account holder has in the same ownership category at the same bank are added together and insured up to the standard insurance amount. At times, cash and cash equivalents balances may be in excess of the FDIC insurance limit; that excess is uninsured. The Foundation maintains bank accounts at several local banks that are insured by the FDIC.

Investments are exposed to various risks, such as interest rate, credit, active management, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated statements of financial position. However, the Foundation's Board of Directors seeks to mitigate this risk through diversification of the investment portfolio, ongoing monitoring, and consultation with third-party investment professionals.

Revenue Concentration

In the years ending on December 31, 2023 and 2022, approximately 78% of the revenue was generated from tuition fees paid by various school districts. These school districts are generally funded by government.

In the years ending on December 31, 2023 and 2022, approximately 54% and 49% of the tuition fee revenue, respectively, was from four school districts.

NOTE I - GOVERNMENT ASSISTANCE AND COVID RESPONSE

As part of the CARES Act, refundable employee retention credits (ERC) were provided to employers whose operations were suspended due to COVID-19 or whose revenue significantly decreased. The employment tax credit is equal to 50% of the qualified wages paid between March 13, 2020 and December 31, 2020, with a maximum credit of $5,000 per employee. On December 21, 2020, the Consolidated Appropriations Act expanded the employee retention credit, which included credits worth up to $7,000 per employee per calendar quarter, for a total of $14,000 in 2021. Retroactive to the March 27, 2020, enactment of the CARES Act, the law allows employers who received PPP loans to claim the ERC for qualified wages that are not treated as payroll costs in obtaining forgiveness of the PPP loan. The Infrastructure Investment and Jobs Act (IIJA), signed into law on November 15, 2021, retroactively ended the ERC after September 30, 2021 (rather than December 31, 2021, as previously provided by The American Rescue Plan Act of 2021).

During the years ended December 31, 2023 and 2022, the Foundation recognized ERC funds as government grants totaling $257,564 and $313,856, respectively.

NOTE J – RELATED PARTY TRANSACTIONS

During the years ended December 31, 2023 and 2022, the Foundation received related party contributions of approximately $370,000 and $61,000, respectively.

The students attending the Adult Day School package coffee K-cups that are sold to board members' related companies. During the years ended December 31, 2023 and 2022, the Foundation had related party sales of approximately $22,000 and $25,000, respectively.

The Foundations' investments and the SIMPLE IRA's investments are managed by a board member's related company.

NOTE K- SUBSEQUENT EVENTS

The management of the Foundation has evaluated events subsequent to the consolidated statement of financial position date of December 31, 2023, through March 20, 2024, the date the consolidated financial statements were available to be issued. It has concluded that there are no effects that provide additional evidence about conditions that existed at the consolidated statement of financial position date that require recognition in the 2023 financial statements or related consolidated note disclosures in accordance with FASB ASC 855, *Subsequent Events*.