

**ASPIRE OF ILLINOIS
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2025 AND 2024**



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Aspire of Illinois
Hillside, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Aspire of Illinois (Aspire), which comprise the statements of financial position as of June 30, 2025, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Aspire as of June 30, 2025, and the changes in net assets and its 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 (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Aspire 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 Aspire's ability to continue as a going concern within one year after the date the financial statements are available to be issued.

Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Aspire'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 Aspire'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.

Other Matter

The 2024 financial statements of Aspire were audited by other auditors whose report dated December 15, 2025, expressed an unmodified opinion on those statements.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
December 15, 2025

ASPIRE OF ILLINOIS
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 3,422,545	\$ 1,712,356
Investments	9,752,273	8,975,365
Accounts Receivable:		
Pledges Receivable, Net	127,769	620,881
Contracts, State of Illinois, and Other, Net	1,887,991	1,667,249
Grant Receivable	152,478	-
Prepaid Expenses and Deposits	277,642	253,924
Deferred Compensation, Managed Fund	260,312	201,704
Property and Equipment, Net	10,502,580	9,821,262
Right-of-Use Asset - Operating Leases	19,395	33,452
Right-of-Use Asset - Finance Leases	184,245	270,550
	\$ 26,587,230	\$ 23,556,743
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 481,564	\$ 578,343
Accrued Expenses:		
Salaries and Related Payroll Taxes	1,518,400	1,383,590
Other	34,857	44,812
Lease Liabilities - Operating Leases	19,935	34,172
Lease Liabilities - Finance Leases	194,498	289,402
Long-Term Debt, Net	1,010,559	1,365,056
Deferred Compensation Liability	260,312	201,704
Total Liabilities	3,520,125	3,897,079
NET ASSETS		
Without Donor Restrictions	22,503,131	18,599,674
With Donor Restrictions	563,974	1,059,990
Total Net Assets	23,067,105	19,659,664
	\$ 26,587,230	\$ 23,556,743

See accompanying Notes to Financial Statements.

**ASPIRE OF ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2025**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUE AND PUBLIC SUPPORT			
Revenue:			
Fees and Grants from Government Agencies	\$ 18,628,479	\$ -	\$ 18,628,479
Participant/Family Fees	1,820,199	-	1,820,199
Contracts for Goods and Services and Other			
Income, Net of Cost of Goods Sold of \$373,487	152,945	-	152,945
Investment Returns, Net	774,585	18,847	793,432
Total Revenue	<u>21,376,208</u>	<u>18,847</u>	<u>21,395,055</u>
Public Support:			
Contributions of Cash and Other			
Financial Assets	1,638,440	718,472	2,356,912
Contributions of Nonfinancial Assets	244,227	-	244,227
Special Events, Net of Related Expenses of \$272,463	370,817	-	370,817
Total Public Support	<u>2,253,484</u>	<u>718,472</u>	<u>2,971,956</u>
Net Assets Released from Restrictions	1,233,335	(1,233,335)	-
Total Revenue and Public Support	<u>24,863,027</u>	<u>(496,016)</u>	<u>24,367,011</u>
EXPENSES			
Program Services:			
Living	10,982,917	-	10,982,917
Learning	3,993,520	-	3,993,520
Independent Living	566,116	-	566,116
Behavioral Health	636,893	-	636,893
Careers	1,253,840	-	1,253,840
CoffeeWorks	213,277	-	213,277
Total Program Services	<u>17,646,563</u>	<u>-</u>	<u>17,646,563</u>
Supporting Services:			
Fundraising	1,228,280	-	1,228,280
Management and General	2,187,006	-	2,187,006
Total Supporting Services	<u>3,415,286</u>	<u>-</u>	<u>3,415,286</u>
Total Expenses	<u>21,061,849</u>	<u>-</u>	<u>21,061,849</u>
CHANGE IN NET ASSETS BEFORE OTHER ITEM	3,801,178	(496,016)	3,305,162
OTHER ITEM			
Gain on Disposal of Assets	<u>102,279</u>	<u>-</u>	<u>102,279</u>
CHANGE IN NET ASSETS	3,903,457	(496,016)	3,407,441
Net Assets - Beginning of Year	<u>18,599,674</u>	<u>1,059,990</u>	<u>19,659,664</u>
NET ASSETS - END OF YEAR	<u>\$ 22,503,131</u>	<u>\$ 563,974</u>	<u>\$ 23,067,105</u>

See accompanying Notes to Financial Statements.

**ASPIRE OF ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND PUBLIC SUPPORT			
Revenue:			
Fees and Grants from Government Agencies, Net of Bad Debt Allowances of \$36,607	\$ 16,306,191	\$ -	\$ 16,306,191
Participant/Family Fees	1,813,943	-	1,813,943
Contracts for Goods and Services and Other Income, Net of Cost of Goods Sold of \$265,763	145,671	-	145,671
Investment Returns, Net	590,994	17,494	608,488
Total Revenue	18,856,799	17,494	18,874,293
Public Support:			
Contributions of Cash and Other Financial Assets	321,372	1,279,653	1,601,025
Contributions of Nonfinancial Assets	152,887	-	152,887
Special Events, Net of Related Expenses of \$254,764	449,404	-	449,404
Total Public Support	923,663	1,279,653	2,203,316
Net Assets Released from Restrictions	1,408,133	(1,408,133)	-
Total Revenue and Public Support	21,188,595	(110,986)	21,077,609
EXPENSES			
Program Services:			
Living	10,246,576	-	10,246,576
Learning	2,725,448	-	2,725,448
Behavioral Health	599,224	-	599,224
Innovation	366,613	-	366,613
Careers	1,985,315	-	1,985,315
CoffeeWorks	204,204	-	204,204
Total Program Services	16,127,380	-	16,127,380
Supporting Services:			
Fundraising	1,371,635	-	1,371,635
Management and General	2,067,403	-	2,067,403
Total Supporting Services	3,439,038	-	3,439,038
Total Expenses	19,566,418	-	19,566,418
CHANGE IN NET ASSETS BEFORE OTHER ITEM	1,622,177	(110,986)	1,511,191
OTHER ITEM			
Net Gain on Sale of Property	3,691	-	3,691
CHANGE IN NET ASSETS	1,625,868	(110,986)	1,514,882
Net Assets - Beginning of Year	16,973,806	1,170,976	18,144,782
NET ASSETS - END OF YEAR	\$ 18,599,674	\$ 1,059,990	\$ 19,659,664

See accompanying Notes to Financial Statements.

**ASPIRE OF ILLINOIS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2025**

	Program Services						Supporting Services				Total Expenses
	Living	Learning	Independent Living	Behavioral Health	Careers	CoffeeWorks	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries and Benefits	\$ 8,194,690	\$ 3,140,446	\$ 467,464	\$ 557,603	\$ 759,499	\$ 163,999	\$ 13,283,701	\$ 925,480	\$ 1,556,283	\$ 2,481,763	\$ 15,765,464
Supplies	146,976	51,809	3,679	7,104	11,132	2,408	223,108	12,414	24,458	36,872	259,980
Telephone and Internet	92,506	25,716	3,195	2,044	6,553	1,172	131,186	4,824	6,926	11,750	142,936
Postage and Shipping	116	41	103	139	309	113	821	18,130	596	18,726	19,547
Occupancy	1,052,798	252,490	25,495	13,150	73,074	7,728	1,424,735	33,744	47,521	81,265	1,506,000
Equipment Rental and Maintenance	35,809	13,078	598	1,452	361	33	51,331	1,568	8,197	9,765	61,096
Printing and Publications	125	83	162	-	5,590	55	6,015	29,795	1,257	31,052	37,067
Travel and Transportation	195,968	100,610	17,096	4,793	66,398	4,102	388,967	4,580	5,873	10,453	399,420
Interest	38,230	7,129	334	286	969	-	46,948	318	490	808	47,756
Depreciation and Amortization	577,884	202,534	28,882	21,982	62,494	10,657	904,433	58,764	66,034	124,798	1,029,231
Consulting/Professional	571,923	162,388	12,784	26,519	237,507	17,730	1,028,851	98,816	447,150	545,966	1,574,817
Membership Dues and Licenses	70,209	36,480	2,607	1,821	4,939	1,371	117,427	16,710	10,212	26,922	144,349
Advertising	5,568	716	45	-	25,015	1,657	33,001	1,529	-	1,529	34,530
Merchant Fees and Bank Charges	115	-	3,672	-	-	2,252	6,039	21,608	12,009	33,617	39,656
Total Expenses by Function	\$ 10,982,917	\$ 3,993,520	\$ 566,116	\$ 636,893	\$ 1,253,840	\$ 213,277	\$ 17,646,563	\$ 1,228,280	\$ 2,187,006	\$ 3,415,286	\$ 21,061,849

See accompanying Notes to Financial Statements.

**ASPIRE OF ILLINOIS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2024**

	Program Services						Supporting Services				Total Expenses
	Living	Learning	Behavioral Health	Innovation	Careers	CoffeeWorks	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries and Benefits	\$ 7,467,392	\$ 2,073,434	\$ 490,609	\$ 277,731	\$ 1,494,066	\$ 172,691	\$ 11,975,923	\$ 936,631	\$ 1,508,467	\$ 2,445,098	\$ 14,421,021
Supplies	135,520	52,603	9,445	2,447	19,252	1,255	220,522	9,805	17,403	27,208	247,730
Telephone and Internet	86,348	16,762	3,693	3,053	12,568	939	123,363	4,714	7,004	11,718	135,081
Postage and Shipping	111	48	127	363	543	142	1,334	7,127	1,043	8,170	9,504
Occupancy	1,137,724	197,159	31,409	18,622	111,412	4,660	1,500,986	31,229	43,774	75,003	1,575,989
Equipment Rental and Maintenance	66,166	11,614	2,085	1,087	11,127	240	92,319	2,527	8,250	10,777	103,096
Printing and Publications	1,498	23	-	-	148	46	1,715	25,515	2,187	27,702	29,417
Travel and Transportation	149,374	80,664	5,290	5,910	83,403	2,068	326,709	7,008	5,040	12,048	338,757
Interest	45,022	7,756	2,280	86	1,091	-	56,235	446	1,036	1,482	57,717
Depreciation and Amortization	571,988	138,661	18,064	30,154	122,229	6,243	887,339	51,978	66,087	118,065	1,005,404
Consulting/Professional	533,457	125,813	34,622	20,987	117,702	10,123	842,704	238,679	366,479	605,158	1,447,862
Membership Dues and Licenses	51,786	20,911	1,600	2,795	11,736	1,520	90,348	17,193	13,098	30,291	120,639
Advertising	-	-	-	457	-	2,092	2,549	18,520	14,527	33,047	35,596
Merchant Fees and Bank Charges	190	-	-	2,921	38	2,185	5,334	20,263	13,008	33,271	38,605
Total Expenses by Function	\$ 10,246,576	\$ 2,725,448	\$ 599,224	\$ 366,613	\$ 1,985,315	\$ 204,204	\$ 16,127,380	\$ 1,371,635	\$ 2,067,403	\$ 3,439,038	\$ 19,566,418

See accompanying Notes to Financial Statements.

**ASPIRE OF ILLINOIS
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,407,441	\$ 1,514,883
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	883,487	862,695
Amortization of Loan Fees	1,370	1,370
Gain on Sale of Property	-	(3,691)
Gain on Asset Loss	(102,279)	-
Bad Debt Expense	-	36,607
Net Realized and Unrealized Gains on Investments	(478,204)	(357,618)
Noncash Lease Expense	16,956	41,620
Amortization of Finance Right-of-Use Lease Asset	145,744	141,339
Interest on Lease Liabilities	-	1,167
Cash Paid for Operating Leases	-	(14,800)
Retirement of Mortgage Upon Forgiveness of Debt	(79,999)	(60,393)
Changes in Operating Assets and Liabilities:		
Accounts Receivable	119,892	(139,449)
Prepaid Expenses and Other Assets	(23,718)	(31,648)
Deferred Compensation, Managed Fund	(58,608)	(47,532)
Accounts Payable	(96,779)	(258,895)
Accrued Expenses	124,855	127,958
Deferred Compensation Liability	58,608	47,532
Net Cash Provided by Operating Activities	3,918,766	1,861,145
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(1,588,272)	(695,355)
Proceeds from Sale of Property and Equipment	-	11,167
Proceeds from Asset Loss	125,746	-
Purchase of Investments	(532,871)	(1,392,981)
Proceeds from Sale of Investments	234,167	164,726
Net Cash Used by Investing Activities	(1,761,230)	(1,912,443)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Finance Lease Liability	(171,479)	(176,830)
Principal Payments on Long-Term Debt	(275,868)	(267,078)
Net Cash Used by Financing Activities	(447,347)	(443,908)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,710,189	(495,206)
Cash and Cash Equivalents - Beginning of Year	1,712,356	2,207,562
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,422,545	\$ 1,712,356
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 31,874	\$ 57,717
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITY		
Acquisition of Vehicles through Finance lease Obligation	\$ -	\$ 60,523
Forgiveness of Mortgage Loan	\$ 79,999	\$ 60,393

See accompanying Notes to Financial Statements.

**ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Aspire of Illinois (Aspire) is a leading provider of services for more than 1,000 people with developmental disabilities and their families in the Chicago metropolitan area, Lake County (Illinois), and southeastern Wisconsin. Incorporated as a nonprofit corporation in the state of Illinois in 1960, Aspire's mission is to support the successes of adults with developmental disabilities, strengthen their families and build embracing communities. True to the vision of its founders, Aspire focuses on community-based services with a common thread of building independence and promoting inclusion. Aspire conducts its activities from various locations, including its headquarters in Hillside, Illinois, as well as virtually.

Aspire has a fiscal year that ends on June 30. Significant accounting policies followed by Aspire are presented below.

Basis of Presentation

Aspire's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), as applicable to nonprofit organizations.

Accounting Standards

Aspire follows accounting standards established by the Financial Accounting Standards Board (FASB) to ensure consistent reporting of financial condition, results of activities, and cash flows. References to U.S. GAAP in these footnotes are to the FASB *Accounting Standards Codification* (ASC).

Use of Estimates

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

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Aspire derives its revenues primarily from government and service contracts, contributions, and special events. Recognition of revenue for the Organization's most significant revenue streams is as follows:

Government Contracts

Aspire receives funding under contracts from various federal, state and local government agencies. Revenue is recognized as income under government contracts based on their respective terms. Government contracts are primarily conditional contributions which are recognized when the barriers have been substantially met (generally when qualifying expenses have been incurred and all other contract requirements have been met). Amounts received prior to incurring qualifying expenditures are reported as deferred revenue in the statements of financial position. For the years ended June 30, 2025 and 2024, respectively, contributions of approximately \$553,146 and -\$0-, respectively, have not been recognized in the accompanying statement of activities because the qualifying expenditures have not yet been incurred.

Participant and Family Fees

Aspire receives rental income from residents of Aspire's housing facilities and fees for services from private payers. Rental income is recognized as earned over the terms of the rental agreement. Family fees for services are recognized over time for the services that are being provided.

Contracts for Goods and Services

Through Aspire's CoffeeWorks program (Note 2), Aspire receives revenue from coffee roasted and shipped by its program participants. Revenue is recognized at the point in time the goods are shipped and invoiced.

Contributions

Unconditional promises to give cash and other assets to Aspire are recorded at fair value at the date the promise is made and reported as increases in either net assets with or without donor restrictions. Amounts received that are for future periods or are restricted by the donor for specific purposes are reported as net assets with donor restrictions.

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. We recognize special events revenue equal to the fair value of direct benefits to donors when the special event takes place. We recognize the contribution element of special event revenue immediately, unless there is a right of return if the special event does not take place.

**ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

In-Kind Donations

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 16). We do not sell donated gifts-in-kind. In addition to contributed nonfinancial assets, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation.

Functional Allocation of Expenses

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

Functional Allocation of Expenses (Continued)

The expenses and methods of allocation are as follows:

<u>Expense</u>	<u>Method of Allocation</u>
Salaries and Benefits	Full Time Equivalent
Supplies	Full Time Equivalent
Telephone	Full Time Equivalent
Postage and Shipping	Directly Charged
Occupancy	Directly Charged
Equipment Rental and Maintenance	Full Time Equivalent
Printing and Publications	Directly Charged
Travel and Transportation	Directly Charged
Interest	Directly Charged
Depreciation and Amortization	Full Time Equivalent
Consulting/Professional	Directly Charged
Membership, Dues, and Licenses	Directly Charged
Advertising	Directly Charged
Merchant Fees and Bank Charges	Directly Charged

Cash and Cash Equivalents

We consider all cash and highly liquid financial instruments with original maturities of three months or less, which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. Cash and highly liquid financial instruments restricted to building projects, endowments that are perpetual in nature, or other long-term purposes are excluded from this definition.

**ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents (Continued)

Aspire maintains its cash balances in bank accounts which, at times, may exceed federally insured limits. Aspire has not experienced any losses in such accounts and management believes that Aspire is not exposed to any significant credit risk on cash. Aspire manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed to be creditworthy. At times, amounts on deposits may exceed insured limits. Insured accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor, per insured bank, for each account ownership category. As of June 30, 2025 and 2024, the Aspire had approximately \$3,230,000 and \$1,571,000, respectively, in excess of FDIC insurance limits. To date, Aspire has not experienced any losses in any of these accounts.

Investments

Aspire records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment income (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized gains and losses, and less investment expenses.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable consist of obligations due primarily from government agencies. Accounts receivable are carried at original invoice, net of an allowance for expected future credit losses. The expected future credit loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic market conditions, and a review of the current status of customer's trade accounts receivables. These factors may change over time, impacting the allowance level. All accounts or portions thereof deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for expected future credit losses. Bad debt expense consists primarily of outstanding billings made to third-party payers which were deemed uncollectible and written off. The allowance for expected future credit losses was \$-0- at June 30, 2025 and 2024.

Promises to Give

Aspire records unconditional promises to give that are expected to be collected within one year at net realizable value. Unconditional promises to give expected to be collected in future years are initially recorded at fair value using present value techniques incorporating risk-adjusted discount rates designed to reflect the assumptions market participants would use in pricing the asset. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. Aspire determines the allowance for uncollectible promises to give based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Promises to give are written off when deemed uncollectible. There was no allowance for uncollectible promises to give at June 30, 2025 and 2024.

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment

Property and equipment are carried at cost, except donated assets which are recorded at fair value at date of donation. Assets retired or otherwise disposed of are removed from the accounts at their net carrying amount. Aspire depreciates its property and equipment using primarily the straight-line method over the estimated useful lives of the assets.

Buildings	30 Years
Building and Leasehold Improvements	5 to 30 Years
Furnishings and Equipment	3 to 10 Years
Vehicles	5 Years

Leases

Aspire follows the lease accounting guidance in FASB ASC Topic 842. Aspire determines if an arrangement is a lease at inception of the contract. Under Topic 842, a lease is a contract, or part of a contract, that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Aspire's contracts determined to be or contain a lease include explicitly or implicitly identified assets where Aspire has the right to obtain substantially all of the economic benefits of the assets and has the ability to direct how and for what purpose the assets are used during the lease term.

Leases are classified as either operating or finance. For both operating and finance leases, Aspire recognizes a lease liability equal to the present value of the remaining lease payments, and a right-of-use (ROU) asset equal to the lease liability, subject to certain adjustments, such as for prepaid rents. The lease term may include options to extend or terminate the lease when it is reasonably certain that Aspire will exercise such option. When the rate implicit in the lease is not readily determinable, Aspire has made a policy election to use a risk-free rate, based on the United States Treasury rates, to determine the present value of the lease payments for all classes of assets.

Aspire defines a short-term lease as any lease arrangement with a lease term of 12 months or less that does not include an option to purchase the underlying asset. Aspire has made a policy election to not recognize ROU assets and lease liabilities for short-term leases. Aspire had no identifiable short-term leases as of June 30, 2025 and 2024.

Operating leases result in a straight-line lease expenses, while finance leases result in front-loaded expense patterns. Aspire's lease agreements do not contain residual value guarantees or restrictive covenants.

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loan Fees

Loan fees are capitalized as incurred and are amortized over the life of the related debt using a method which approximates the effective interest method. Aspire refinanced its mortgage loan in August 2021, and capitalized loan fees of \$9,590. The balance of prior capitalized loan fees in the amount of \$8,505 were expensed at the time of refinancing and are netted against debt on the statements of activities. For the years ended June 30, 2025 and 2024, the amount amortized was \$1,370. The loan fee expenses and amortization are included in depreciation and amortization expense on the accompanying statements of functional expenses.

Net Assets

Net assets and changes in net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions including amounts designated by the board of directors for specific purposes.

Net Assets With Donor Restrictions – Net assets are subject to donor-imposed restrictions that may or will be met by actions of Aspire or by the passage of time. When a donor restriction expires (that is, when a stipulated time restriction ends or the purpose for which the contributions were restricted is fulfilled), 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. In the absence of donor-imposed restrictions on the use of the assets, contributions of long-lived assets are reported as increases in net assets without donor restrictions when placed in service. Included in net assets with donor restrictions are net assets subject to donor-directed restrictions to be maintained in perpetuity by Aspire.

Income Taxes

Aspire is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and applicable state law. In addition, Aspire qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization that is not a private foundation under Section 509(a)(1).

The accounting standard on accounting for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under this guidance, Aspire may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities, based on the technical merits of the position. Examples of tax positions include the tax-exempt status of Aspire and various positions related to the potential sources of unrelated business taxable income. The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or recorded as liabilities for the reporting periods presented in the financial statements.

**ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 1 PRINCIPAL ACTIVITY AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Aspire files Form 990 in the U.S. federal jurisdiction and the state of Illinois.

Reclassifications

Certain amounts have been reclassified for the year ended June 30, 2024 to conform to the presentation for the year ended June 30, 2025. The reclassifications had no impact on previously reported net assets.

Subsequent Events

Aspire has evaluated subsequent events for potential recognition and or/disclosure through December 15, 2025, the date the financial statements were available to be issued.

NOTE 2 DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

The following program and supporting service category expenses are reported on the statements of activities:

Living

Provides community group homes, and life skills development to support people with disabilities.

Independent Living

Provides support to individuals living on their own to develop life skills, promote independent living and allow individuals to interact with their communities.

Learning

Provides day programs and vocation skills training to support the success of people with disabilities.

Behavioral Health

Behavior therapy services provide assessment, intervention and training in the development of positive strategies and techniques for positive behaviors for improved daily experiences and relationships.

Innovation

Provides comprehensive services to support diversity in the workplace and in schools.

Careers

Provides alternatives to traditional employment and job training and placement in collaboration with community partners.

CoffeeWorks

Social enterprise and dynamic partnership with Metropolis Coffee Company and Canteen- Vending to employ adults with disabilities to roast and ship coffee across the country. All net proceeds benefit Aspire.

ASPIRE OF ILLINOIS
NOTES TO 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 statement of financial position date, comprise the following for the years end June 30:

	2025	2024
Financial Assets at Year-End:		
Cash and Cash Equivalents	\$ 3,422,545	\$ 1,712,356
Investments	9,752,273	8,975,365
Accounts Receivable	2,168,238	2,288,130
Total Financial Assets	15,343,056	12,975,851
Less Amounts Not Available to be Used		
Within One Year:		
Net Assets With Donor Restrictions	(563,974)	(1,059,990)
Board-Designated Investments	(2,388,220)	(2,125,888)
Total	(2,952,194)	(3,185,878)
Financial Assets Available to Meet General		
Expenditures Over the Next 12 Months	\$ 12,390,862	\$ 9,789,973

Aspire manages liquidity risk by regularly monitoring cash flows and budgeting for anticipated expenditures. Aspire maintains a \$2,900,000 (Note 7) line of credit to cover unexpected shortfalls and reviews liquidity needs at least semi-annually. Additionally, Aspire maintains a board designated endowment fund of approximately \$2,400,000 and \$2,100,000 at June 30, 2025 and 2024, respectively. Although Aspire does not intend to spend from its endowment fund other than amounts appropriated to support programs and general operations, amounts from the board designated endowment fund can be made available if necessary.

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS

Aspire reports certain assets at fair value in the financial statements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal, or most advantageous, market at the measurement date under current market conditions regardless of whether that price is directly observable or estimated using another valuation technique. Inputs used to determine fair value refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk. Inputs may be observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability based on the best information available. A three-tier hierarchy categorizes the inputs as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that we can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

Level 3 – Unobservable inputs for the asset or liability. In these situations, we develop inputs using the best information available in the circumstances.

In some cases, the inputs used to measure the fair value of an asset or a liability might be categorized within different levels of the fair value hierarchy. In those cases, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. Assessing the significance of a particular input to entire measurement requires judgment, taking into account factors specific to the asset or liability. The categorization of an asset within the hierarchy is based upon the pricing transparency of the asset and does not necessarily correspond to our assessment of the quality, risk, or liquidity profile of the asset or liability.

For the fiscal years ended June 30, 2025 and 2024, the application of valuation techniques applied to similar assets and liabilities has been consistent, and there are no unfunded commitments at June 30, 2025 and 2024, requiring fair value measurement. The following is a description of the valuation methodology used for investments measured at fair value:

Aspire reports the fair value of private equity using the practical expedient method. The practical expedient method allows for the use of NAV, either as reported by the investee fund or as adjusted by Aspire based on various factors. The private equity investment has no redemption restrictions and there are no unfunded commitments.

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2025</u>				
Investment Securities:				
Mutual Funds:				
Fixed Income	\$ 5,336,161	\$ -	\$ -	\$ 5,336,161
Equity	3,404,055	-	-	3,404,055
Real Estate	158,272	-	-	158,272
Total Investments at Fair Value	<u>\$ 8,898,488</u>	<u>\$ -</u>	<u>\$ -</u>	8,898,488
Money Market Funds				589,817
Investments Measured at NAV				263,968
Total Investments				<u>\$ 9,752,273</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>June 30, 2024</u>				
Investment Securities:				
Mutual Funds:				
Fixed Income	\$ 5,010,978	\$ -	\$ -	\$ 5,010,978
Equity	2,807,129	-	-	2,807,129
Real Estate	162,971	-	-	162,971
Total Investments at Fair Value	<u>\$ 7,981,078</u>	<u>\$ -</u>	<u>\$ -</u>	7,981,078
Money Market Funds				889,969
Investments Measured at NAV				104,318
Total Investments				<u>\$ 8,975,365</u>

Investment returns recorded in the statements of activities and changes in net assets are as follows:

	<u>2025</u>	<u>2024</u>
Interest and Dividends, Net of Fees	\$ 291,479	\$ 250,870
Realized and Unrealized Gains	501,953	357,618
Total	<u>\$ 793,432</u>	<u>\$ 608,488</u>

Aspire did not have any outstanding commitments to this fund as of June 30, 2025. Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at:

	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
AB Private Credit Investors Corporation	\$ 263,968	Monthly	30 Days

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Private Equity Funds – Investment objective is to generate income through direct investments in privately originated loans and notes and, to a lesser extent, long-term capital appreciation through private equity investments.

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consists of the following at June 30:

	2025	2024
Land	\$ 1,696,186	\$ 1,696,186
Buildings	6,488,743	6,488,743
Buildings and Leasehold Improvements	10,928,821	9,487,785
Furnishings and Equipment	1,565,495	1,421,634
Vehicles	251,235	446,572
Total, at Cost	20,930,480	19,540,920
Less: Accumulated Depreciation	(10,427,900)	(9,719,658)
Property and Equipment, Net	\$ 10,502,580	\$ 9,821,262

Depreciation and Amortization expense totaled \$1,029,231 and \$1,005,404 for the years ended June 30, 2025 and 2024, respectively.

NOTE 6 LEASES

Aspire leases a building and equipment for various terms under long-term, noncancelable lease agreements. Base rent for the building lease is \$1,200 escalating to \$1,275 by the termination of the lease in 2026. The building lease also requires Aspire to pay certain operating costs such as maintenance and insurance. Aspire leases a fleet of 21 vehicles through finance leases. The lease terms are effective upon delivery of the vehicles. Delivery dates range from the third quarter of 2020 through the final quarter of 2024. The lease costs per vehicle range from \$481 to \$1,332 for terms of 48 through 60 months.

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 6 LEASES (CONTINUED)

The following tables provide quantitative information concerning Aspire's leases for the year ended June 30:

	<u>2025</u>	<u>2024</u>
Lease Costs:		
Operating Lease Cost	\$ 14,820	\$ 14,820
Finance Lease Cost:		
Amortization of Right-of-Use Asset	145,744	159,788
Interest of Lease Liabilities	15,708	16,432
Total Lease Cost	<u>\$ 176,272</u>	<u>\$ 191,040</u>
Other Information:		
Financing Cash Flows from Finance Leases	\$ 155,771	\$ 160,398
Operating Cash Flows from Finance Leases	15,708	16,432
Operating Cash Flows from Operating Leases	15,000	14,800
Right-of-Use Assets Obtained in Exchange for New		
Finance Lease Liabilities	-	60,523
Right-of-Use Assets Obtained in Exchange for New		
Operating Lease Liabilities	-	-
Weighted-Average Lease Term:		
Operating Leases	1.33 Years	2.33 Years
Finance Leases	2.89 Years	2.57 Years
Weighted-Average Discount Rate:		
Operating Leases	2.88 %	2.88 %
Finance Leases	7.37%	5.20%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of June 30, 2025 is as follows:

<u>Year Ending June 30,</u>	<u>Operating</u> <u>Leases</u>	<u>Finance</u> <u>Leases</u>
2026	\$ 15,200	\$ 89,452
2027	5,100	56,307
2028	-	51,870
2029	-	17,157
2030	-	4,884
Total Lease Payments	<u>20,300</u>	<u>219,670</u>
Less: Imputed Interest	<u>(365)</u>	<u>(25,172)</u>
Total Lease Obligation	<u>\$ 19,935</u>	<u>\$ 194,498</u>

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 7 LINE OF CREDIT

Aspire refinanced its existing line of credits with Fifth Third Bank on August 15, 2021, which consolidated the two lines of credits into one. The line of credit allows for borrowings of up to \$2,900,000. Interest on any unpaid principal balance will be calculated using a rate of 1.250 percentage points under the Index rate published by Fifth Third Bank, N.A. If, at any time, the Index rate is determined to be less than 3.00%, then the Index shall be deemed to be 3.00%. So long as any indebtedness remains outstanding, Aspire shall maintain no less than \$2,900,000 in unrestricted value in cash accounts or marketable securities, exclusive of any such marketable securities purchased with margin loans, to be tested on a semi-annual basis in the months of February and August. In addition, the outstanding principal balance of the line of credit must be \$-0- for at least 30 consecutive days during each annual period ending on the anniversary date of the loan agreement.

There were no outstanding balances on the lines of credit as of June 30, 2025 and 2024, or borrowings for the years then ended.

Aspire manages its financing arrangements by using available excess cash balances, including cash proceeds from restricted contributions, to repay the line of credit. The line then funds payments of expenditures, including those which qualify for reimbursement under conditional contributions. The line requires Aspire to maintain \$2,900,000 in cash and investments that will be measured semi-annually.

The line of credit in the amount of \$2,900,000 was refinanced on August 15, 2025, with a maturity date of August 15, 2027.

**ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 8 LONG-TERM DEBT

Long-term debt is as follows at June 30:

<u>Description</u>	<u>2025</u>	<u>2024</u>
Mortgage note payable to Fifth Third Bank dated August 25, requiring monthly payments of \$25,380, including interest at 3.2% through August 2028, with a final balloon payment due August 2028. The note is secured by commercial real estate owned by Aspire.	\$ 845,586	\$ 1,117,912
Mortgage notes payable to Lake County, Illinois through the Lake County Department of Planning and Development dated March 6, 1998, requiring annual payments totaling \$2,083, without interest, and are due to mature March 1, 2028. The notes are secured by residential real estate located in Zion, Illinois.	7,299	9,383
Mortgage note payable to Lake County, Illinois through the Lake County Department of Planning and Development dated January 28, 2000, requiring an annual payment of \$1,458, without interest, and are due to mature February 1, 2030. The note is secured by residential real estate located in Zion, Illinois.	7,300	8,758
Conditional mortgages payable to Lake County, Illinois, were provided by Lake County to assist in the purchase of certain residential facilities. The mortgages do not require repayment, provided the homes are utilized in the residential program during the terms of the respective agreements, ranging from 15 to 30 years ending in 2032.	154,712	234,711
Less: Unamortized Loan Fees	<u>(4,338)</u>	<u>(5,708)</u>
Total Long-Term Debt	<u>\$ 1,010,559</u>	<u>\$ 1,365,056</u>

Scheduled maturities in each of the next five years and thereafter are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2026	\$ 374,048
2027	348,635
2028	272,750
2029	11,922
2030	<u>7,542</u>
Total	1,014,897
Less: Unamortized Loan Fees	<u>(4,338)</u>
Total, Net	<u>\$ 1,010,559</u>

Loan fees of \$9,590 are shown net of accumulated amortization of \$5,252, leaving a remaining balance of unamortized loan fees of \$4,338.

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 9 NET ASSETS

Net assets without donor restrictions for the years ended June 30 are as follows:

	<u>2025</u>	<u>2024</u>
Undesignated	\$ 20,114,911	\$ 16,473,787
Board-Designated Endowment	2,388,220	2,125,888
Total Net Assets Without Donor Restrictions	<u>\$ 22,503,131</u>	<u>\$ 18,599,675</u>

Net assets with donor restrictions were as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specified Purpose:		
Living	\$ 43,607	\$ 60,974
Community Employment	50,000	176,046
Behavioral Therapy	474	2,573
VLC & Life Enrichment	225,000	50,000
Capital Projects	50,000	367,043
Donor Restricted Endowment Earnings for Life		
On My Own Program	19,060	19,271
Subject to the Passage of Time	83,333	291,583
Restricted to Investment in Perpetuity	92,500	92,500
Total Net Assets With Donor Restrictions	<u>\$ 563,974</u>	<u>\$ 1,059,990</u>

Net assets released from donor restrictions are as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Purpose Restrictions Accomplished or Time		
Restrictions Expired:		
Living	\$ 28,290	\$ 440,468
Community Employment	176,046	415,534
DEI Consulting	-	50,000
Behavioral Therapy	2,098	2,649
VLC & Life Enrichment	300,000	58,125
Employment Training Program	7,000	-
Capital Projects	417,593	209,070
Life on My Own	19,058	13,287
Time Restrictions Expired	283,250	219,000
Total Net Assets Released from Restrictions	<u>\$ 1,233,335</u>	<u>\$ 1,408,133</u>

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 10 REVENUE RECOGNITION

The following table shows Aspire’s contracts with customers disaggregated according to the timing of the transfer of goods or services.

	2025	2024
Revenue Recognized Over Time:		
Community Home Rental Income	\$ 1,732,355	\$ 1,724,389
Special Events Revenue (Excluding Contributions)	159,340	146,330
Fee for Service Revenue	85,344	86,479
Revenue Recognized at a Point in Time:		
Contracts for Goods and Services, Net	152,945	145,671
Total Revenue	\$ 1,891,695	\$ 1,870,719

NOTE 11 CONTRACT ASSETS AND LIABILITIES

As of June 30, accounts receivable consisted of the following amounts:

	2025	2024	2023
Community Home Rental Income	\$ 138,462	\$ 152,929	\$ 148,150

Aspire had no contract liabilities as of June 30, 2025, 2024, and 2023.

NOTE 12 ENDOWMENT FUND

In 1992, Aspire’s board of directors established an endowment fund for the purpose of providing an alternative source of income for Aspire’s operations which would ultimately benefit its participants. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor- imposed restrictions.

In June 2019, Aspire received a donor-restricted endowment for the purpose of providing scholarship assistance to low-income individuals receiving services through Aspire’s Life On My Own (LOMO) program. For the years ended June 30, 2025 and 2024, no scholarship funds have been awarded. These funds are maintained in a separate investment account.

Interpretation of Relevant Law

Aspire has adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of any donor-restricted endowment funds absent explicit donor stipulations to the contrary. Donor-restricted endowment amounts not retained in perpetuity are subject to appropriation in a manner consistent with the standard of prudence prescribed by UPMIFA and in accordance with donor stipulations.

**ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 12 ENDOWMENT FUND (CONTINUED)

Return Objectives and Risk Parameters

Aspire has adopted an investment policy for its endowment assets that seeks to provide a competitive total return consistent with historical capital market conditions and subject to risk tolerances, liquidity requirements and investment guidelines established by its endowment investment policy. The endowment fund portfolio is diversified, and includes bond, domestic and international equity mutual funds, private equity funds and money market funds.

Distribution Policy

For the first year after the inception of the endowment, the board of directors will not appropriate any funds for expenditure. After that time, consistent with the purpose of the endowment and organization, and subject to donor-imposed restrictions on endowment gifts, Aspire may appropriate for expenditure or accumulate so much of the endowment fund as the board of directors determines is prudent for the uses, benefits, purposes, and duration for which the endowment is established.

In compliance with UPMIFA, the decision to appropriate will incorporate the following considerations:

- The duration and preservation of the endowment
- The purposes of the institution and the endowment
- General economic conditions
- The possible effect of inflation or deflation
- The expected total return from income and the appreciation of investments
- Other resources of the institution
- The investment policy of the institution

Aspire's appropriations calculation will be based on a 12-quarter rolling average and will consider a combination of market performance of the endowment and needs of Aspire. The calculation may be adjusted, from time to time, by the board of directors as it deems reasonable and appropriate.

Strategies Employed for Achieving Objectives

Aspire's investment strategy is to achieve a target allocation of 70% in direct equity and fixed income investments, including United States, developed, and emerging markets, and 30% in fixed income securities, including United States and international investments.

**ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 12 ENDOWMENT FUND (CONTINUED)

Strategies Employed for Achieving Objectives (Continued)

Aspire's endowment net asset composition is as follows for the years ended June 30:

<u>June 30, 2025</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-Designated Endowment Funds	\$ 2,388,220	\$ -	\$ 2,388,220
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift			
Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	92,500	92,500
Accumulated Investment Gains	-	19,060	19,060
Total	<u>\$ 2,388,220</u>	<u>\$ 111,560</u>	<u>\$ 2,499,780</u>
<u>June 30, 2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-Designated Endowment Funds	\$ 2,125,888	\$ -	\$ 2,125,888
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift			
Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	92,500	92,500
Accumulated Investment Gains	-	19,271	19,271
Total	<u>\$ 2,125,888</u>	<u>\$ 111,771</u>	<u>\$ 2,237,659</u>

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 12 ENDOWMENT FUND (CONTINUED)

Strategies Employed for Achieving Objectives (Continued)

Changes in endowment net assets for Aspire were as follows for the years ended June 30:

<u>June 30, 2025</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets -			
Beginning of Year	\$ 2,125,888	\$ 111,771	\$ 2,237,659
Contributions	-	-	-
Appropriated for Expenditure		(19,058)	(19,058)
Investment Income	262,332	18,847	281,179
Endowment Net Assets - End of Year	<u>\$ 2,388,220</u>	<u>\$ 111,560</u>	<u>\$ 2,499,780</u>
<u>June 30, 2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets -			
Beginning of Year	\$ 1,861,831	\$ 126,117	\$ 1,987,948
Contributions	-	-	-
Appropriated for Expenditure	-	(31,840)	(31,840)
Investment Income	264,057	17,494	281,551
Endowment Net Assets - End of Year	<u>\$ 2,125,888</u>	<u>\$ 111,771</u>	<u>\$ 2,237,659</u>

NOTE 13 EMPLOYEE BENEFIT PLAN

Aspire maintains a savings and retirement plan under Section 403(b) of the IRC. This plan is available to all employees who have attained the age of 21 and have completed at least 1,000 hours of service. The plan allows employees to contribute a percentage of their annual compensation, subject to Internal Revenue Service limitations. Aspire matches up to 50% of the participant's contributions, up to a maximum participant contribution of 5%. Participants are fully vested in their contributions at all times and vest over three years in any matching contributions made by Aspire. Matching contributions made by Aspire to the plan totaled \$195,231 and \$195,021 for the years ended June 30, 2025 and 2024, respectively.

ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024

NOTE 14 DEFERRED COMPENSATION AGREEMENT

Aspire has a Section 457(b) deferred compensation arrangement with its President/CEO, which will provide benefits to the executive upon retirement. Aspire contributes 5% of the employee's gross wages. The plan assets are held in Aspire's name and are invested in a portfolio determined by the executive. Costs incurred under the deferred compensation arrangement for the years ended June 30, 2025 and 2024, totaled \$7,870 and \$8,125, respectively. At June 30, 2025 and 2024, \$260,312 and \$201,704, respectively, was accrued as a liability and set aside in a separate asset account for this benefit. The assets held in this account are the property of Aspire and are subject to the claims of the general creditors. The assets are invested in a mutual fund which is measured at fair value using NAV per share as a practical expedient and has not been categorized in the fair value hierarchy.

NOTE 15 SIGNIFICANT CONCENTRATIONS

Approximately 76% and 75% of Aspire's revenues for the years ended June 30, 2025 and 2024, respectively, were from state of Illinois government agencies. A significant reduction in the level of this support, if this were to occur, could have a significant effect on Aspire's programs and activities.

Amounts due from these agencies represent 87% and 82% of the total outstanding accounts receivable balance as of June 30, 2025 and 2024, respectively.

At June 30, 2025 and 2024, one donor accounted for 74% and 56% of total promises to give, respectively.

NOTE 16 COMPLIANCE WITH CONTRACTS OR RESTRICTIONS

Financial assistance from governmental entities, in the form of contracts, are subject to special audit. Such audits could result in claims against Aspire for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from any such audits since the amounts, if any, cannot be determined at this time.

**ASPIRE OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025 AND 2024**

NOTE 17 CONTRIBUTION OF NONFINANCIAL ASSETS

For the years ended June 30, gifts in-kind recognized within the statements of activities included:

	<u>2025</u>	<u>2024</u>
Legal Services	\$ 105,478	\$ 107,823
Capital Assets	89,410	-
Other Professional Services	<u>49,339</u>	<u>45,064</u>
Total	<u>\$ 244,227</u>	<u>\$ 152,887</u>

Aspire recognized contributed nonfinancial assets within revenue, including contributed legal and professional services. Contributed nonfinancial assets did not have donor-imposed restrictions.

Contributed legal and other professional services are determined based on invoices provided by the vendors for hours of service provided at market rates.

NOTE 18 RELATED PARTY TRANSACTIONS

During the years ended June 30, 2025 and 2024, Aspire received \$90,293 and \$116,384, respectively, in contributions from members of its Board of Directors and certain staff.



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