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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Central Illinois Veterans Commission
Lincoln, Illinois

Opinion

We have audited the accompanying financial statements of Central Illinois Veterans Commission (a not-for-profit corporation), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2022, and the related statement of support, revenues, and expenses – modified cash basis and statement of functional expenses – modified cash basis 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 assets, liabilities, and net assets of Central Illinois Veterans Commission as of December 31, 2022 and its support, revenue, and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note A.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Central Illinois Veterans Commission 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.

Basis of Accounting

We draw attention to Note A3 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

[redacted]

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note A3, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 a substantial doubt about Central Illinois Veterans Commission's ability to continue as a going concern within one year after the date that 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Central Illinois Veterans Commission'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 Central Illinois Veterans Commission's ability to continue as a going concern for a reasonable period of time.

Board of Directors
Central Illinois Veterans Commission

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.

J.M. Abbott & Associates, Ltd.

November 15, 2023

CENTRAL ILLINOIS VETERANS COMMISSION
LINCOLN, ILLINOIS

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS
December 31, 2022

		2022
ASSETS		
Current Assets		
Cash (Note A4)	$	94,601
Total Current Assets		94,601
Property and Equipment (Notes A5)		
Equipment		5,500
Accumulated Depreciation		(92)
Net Property and Equipment		5,408
Other Assets (Note C)		
Homes Under Contract for Deed		251,834
Total Other Assets		251,834
TOTAL ASSETS	$	351,843
LIABILITIES AND NET ASSETS		
Total Liabilities	$	0
Net Assets Without Donor Restrictions (Note A6)		351,843
TOTAL LIABILITIES AND NET ASSETS	$	351,843

The Accompanying Notes are an Integral Part of These Financial Statements.

CENTRAL ILLINOIS VETERANS COMMISSION
LINCOLN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS
December 31, 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies of Central Illinois Veterans Commission (CIVC) is presented to assist in understanding CIVC's financial statements. The financial statements and notes are representations of CIVC's management, who is responsible for their integrity and objectivity. These accounting policies conform to the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

1. *Organization*

   CIVC is organized to improve veterans' quality of life through holistic care that addresses their rehabilitation, mental health, behavioral health, military sexual trauma, employment, education, and homelessness needs through collaborative partnerships involving other public and private organizations. Specifically, CIVC has been constructing tiny homes for veterans to reside in.

2. *Basis of Presentation*

   Financial statement presentation follows the Financial Accounting Standards Board in its Accounting Standards Code (ASC) 958, *Not-for-Profit Entities*. Under ASC 958, CIVC is required to report information regarding its assets, liabilities and net assets, and revenues and expenditures according to two classes of net assets: with donor restrictions and without donor restrictions.

3. *Basis of Accounting*

   Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modified cash basis differs from accounting principles generally accepted in the United States of America in that CIVC has recognized neither amounts payable to vendors nor donated capital assets and their related effects on the change in net assets. The cash basis is modified to reflect fixed assets purchased and related depreciation on the statement of assets, liabilities, and net assets.

CENTRAL ILLINOIS VETERANS COMMISSION
LINCOLN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

4. *Concentration of Risk*

CIVC maintains its cash balances in a financial institution in Lincoln, Illinois. The Federal Deposit Insurance Corporation insures the balances at financial institutions up to $250,000. During the year, cash balances may exceed this insured limit. On December 31, 2022, cash balances were fully insured.

5. *Property and Equipment*

Property and equipment are stated at cost. Depreciation is provided for in amounts sufficient to relate the cost of the depreciable asset to operations over their estimated useful lives of 10 years. Depreciation is computed using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to expense as paid.

6. *Net Assets*

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

- Net Assets Without Donor Restrictions: net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.
- Net Assets with Donor Restrictions: net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates resources be maintained in perpetuity. Gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue when the assets are received. The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of support, revenues and expenses – modified cash basis as net assets released from restrictions.

CENTRAL ILLINOIS VETERANS COMMISSION
LINCOLN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2022

NOTE A - SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. *Use of Estimates*

   The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

8. *Functional Allocation of Expenses*

   The costs of program and supporting service activities have been summarized on a functional basis in the statement of revenues and expenses – modified cash basis. The statement of functional expenses – modified cash basis presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefitted. Directly identifiable expenses are charged to programs and supporting services. Advertising, insurance, office supplies and telephone expenses are allocated based on the estimate of amounts used for program services, management and general, and fundraising activities. Special event expenses are netted against revenues in the statement of support, revenues, and expenses – modified cash basis and are included in this statement as fundraising expenses.

9. *Revenue*

   Revenue is recognized when received. Contributions are recognized when cash or securities is received. Contributions are reported as either revenues with donor restrictions or without donor restrictions. Contributions of long-term assets are not recorded on the modified cash basis of accounting.

NOTE B - TAX-EXEMPT STATUS

CIVC is chartered as an Illinois not-for-profit corporation and is exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code. The Organization is required to file federal and state informational returns. With limited exceptions, the Organization is no longer subject to income tax examination for any years earlier than 2019 for federal and state purposes. Management has performed its evaluation of all other income tax positions taken on all open informational returns and has determined that there are no positions taken that do not meet the “more likely than not” standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax positions in the accompanying financial statements.

CENTRAL ILLINOIS VETERANS COMMISSION
LINCOLN, ILLINOIS

NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 2022

NOTE C - OTHER ASSETS

CIVC builds tiny homes for veterans to reside in. Most of the labor for the home construction is volunteer, but CIVC does not track volunteer hours. Various individuals have donated land on which to construct the homes, which CIVC does not record under the modified cash basis of accounting. Upon occupancy, the veteran resident enters into a contract for deed agreement whereby the veteran is required to pay all upkeep, taxes, insurance, and utilities. Once the veteran has maintained full compliance with the agreement's provisions for ten consecutive years, the property's deed is transferred to the veteran resident. As of December 31, 2022, CIVC had three homes built, occupied, and under contracts for deed.

The expiration dates of the contracts for deed are as follows:

Year of expiration	Asset Carrying Value Under Contract
2031	$ 88,686
2032	163,148
Total Under Contracts for Deed	$ 251,834

Construction costs for veteran homes during the year ended December 31, 2022 totaled $112,371.

NOTE D - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

CIVC's financial assets available within one year of the statement of assets, liabilities and net assets date for general expenditure are as follows:

	2022
Cash	$ 94,600

In addition to financial assets available to meet general expenditures over the next twelve months, the Organization anticipates collecting sufficient donations to cover general expenditures.

NOTE E - DONATED SERVICES

The veteran homes are built mainly through volunteer labor using purchased and donated materials. CIVC does not track volunteer hours on the homes but estimates volunteers provided approximately 2,000 total hours on constructing the homes. An unrelated third party donates the use of a facility for CIVC's office, which is valued at $800 per month. Since CIVC uses the modified cash basis of accounting, it does not record these donations.

NOTE F - SUBSEQUENT EVENTS

In June 2023, a former nursing home property was donated to CIVC to be used for providing housing and other services to the homeless and veterans in the area. The facility has not been appraised but is insured for $750,000. The building is known to contain pre-existing asbestos.

Management has evaluated subsequent events through November 15, 2023, the date the financial statements were available to be issued.