

**Access Living of
Metropolitan Chicago**

**Financial Statements
and Independent Auditors' Report**

June 30, 2020 and 2019

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MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

Board of Directors
Access Living of Metropolitan Chicago
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Access Living of Metropolitan Chicago ("the Agency"), which comprise the statements of financial position as of June 30, 2020 and 2019, the related statements of activities, cash flows, and functional expenses for the years then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Access Living of Metropolitan Chicago, as of June 30, 2020 and 2019, and the respective changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2020, on our consideration of Access Living of Metropolitan Chicago's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
November 13, 2020

FINANCIAL STATEMENTS

Access Living of Metropolitan Chicago
STATEMENTS OF FINANCIAL POSITION
June 30, 2020 and 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,651,540	\$ 2,320,538
Investments designated for:		
Endowment and other reserve funds	7,519,901	7,965,169
Cost incurred recoverable under grants, net	647,740	651,695
Other receivables	39,163	94,010
Unconditional promises to give, net	2,597,574	2,677,113
Prepaid expenses and other assets	7,963	75,642
Property and equipment, net	6,838,571	7,201,333
Art collection	59,461	59,461
	<u>\$ 21,361,913</u>	<u>\$ 21,044,961</u>
<u>LIABILITIES AND NET ASSETS</u>		
LIABILITIES		
Accounts payable and other accrued expenses	\$ 135,074	\$ 120,796
Deferred revenue from advance fees	101,679	1,414
Note payable	823,003	-
Accrued compensation	297,751	894,602
	<u>1,357,507</u>	<u>1,016,812</u>
NET ASSETS		
Without donor restrictions	14,853,160	14,596,719
With donor restrictions	5,151,246	5,431,430
	<u>20,004,406</u>	<u>20,028,149</u>
	<u>\$ 21,361,913</u>	<u>\$ 21,044,961</u>

The accompanying notes are an integral part of these statements.

Access Living of Metropolitan Chicago
STATEMENT OF ACTIVITIES
Year ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Fees and grants from governmental agencies	\$ 2,994,631	\$ -	\$ 2,994,631
General public, corporate and foundation support	1,642,408	1,260,000	2,902,408
United Way of Chicago	86,885	-	86,885
Special events	471,236	-	471,236
Investment return	213,323	-	213,323
Other	74,905	-	74,905
Net assets released from restriction	1,540,184	(1,540,184)	-
Total operating revenues	7,023,572	(280,184)	6,743,388
Operating Expenses			
Program services			
Community organizing	654,400	-	654,400
Youth Institute	465,666	-	465,666
Policy analysis	410,638	-	410,638
Communications	537,627	-	537,627
Community support	711,811	-	711,811
Civil rights	778,703	-	778,703
Long-term care	946,692	-	946,692
Art	95,725	-	95,725
Total program services	4,601,262	-	4,601,262
Supporting Services			
Management and general administration	1,367,129	-	1,367,129
Development	798,740	-	798,740
Total supporting services	2,165,869	-	2,165,869
Total operating expenses, includes depreciation and amortization expense of \$444,531	6,767,131	-	6,767,131
CHANGE IN NET ASSETS	256,441	(280,184)	(23,743)
Net assets, beginning of year	14,596,719	5,431,430	20,028,149
Net assets, end of year	\$ 14,853,160	\$ 5,151,246	\$ 20,004,406

The accompanying notes are an integral part of this statement.

Access Living of Metropolitan Chicago
STATEMENT OF ACTIVITIES
Year ended June 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Fees and grants from governmental agencies	\$ 2,565,313	\$ -	\$ 2,565,313
General public, corporate and foundation support	1,261,120	450,385	1,711,505
United Way of Chicago	115,618	-	115,618
Special events	730,760	-	730,760
Investment return	406,771	-	406,771
Other	55,372	-	55,372
Net assets released from restriction	1,838,956	(1,838,956)	-
Total operating revenues	6,973,910	(1,388,571)	5,585,339
Operating Expenses			
Program services			
Community organizing	521,656	-	521,656
Youth Institute	690,950	-	690,950
Policy analysis	565,856	-	565,856
Communications	366,835	-	366,835
Community support	704,951	-	704,951
Civil rights	989,200	-	989,200
Long term care	1,194,950	-	1,194,950
Art	87,758	-	87,758
Total program services	5,122,156	-	5,122,156
Supporting Services			
Management and general administration	1,379,991	-	1,379,991
Development	809,478	-	809,478
Total supporting services	2,189,469	-	2,189,469
Total operating expenses, includes depreciation and amortization expense of \$416,200	7,311,625	-	7,311,625
CHANGE IN NET ASSETS	(337,715)	(1,388,571)	(1,726,286)
Net assets, beginning of year	14,934,434	6,820,001	21,754,435
Net assets, end of year	\$ 14,596,719	\$ 5,431,430	\$ 20,028,149

The accompanying notes are an integral part of this statement.

Access Living of Metropolitan Chicago

STATEMENTS OF CASH FLOWS

Years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Change in net assets	\$ (23,743)	\$ (1,726,286)
Adjustments to reconcile change in net assets to net cash used in operating activities		
Depreciation and amortization	444,531	416,200
Change in provision for allowance for doubtful accounts	(43,288)	5,042
Net realized and unrealized gains	(228,219)	(379,730)
(Increase) decrease in assets		
Costs incurred recoverable under grants	48,955	(115,286)
Other receivables	54,847	35,140
Unconditional promises to give	77,827	948,985
Prepaid expenses and other assets	67,679	(71,507)
Increase (decrease) in liabilities		
Accounts payable and other accrued expenses	14,278	2,734
Deferred revenue from advance fees	100,265	(3,322)
Accrued compensation	(596,851)	653,974
Net cash used in operating activities	<u>(83,719)</u>	<u>(234,056)</u>
Cash flows from investing activities		
Purchases of property and equipment	(81,769)	(138,021)
Sales of investments designated for establishment of endowment and other reserve funds	(1,443,606)	7,565
Purchases of investments designated for establishment of endowment and other reserve funds	<u>2,117,093</u>	<u>(990,597)</u>
Net cash provided by (used in) investing activities	<u>591,718</u>	<u>(1,121,053)</u>
Cash flows from financing activities		
Proceeds from borrowings on note payable	<u>823,003</u>	<u>-</u>
Net cash provided by financing activities	<u>823,003</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,331,002	(1,355,109)
Cash and cash equivalents, beginning of year	<u>2,320,538</u>	<u>3,675,647</u>
Cash and cash equivalents, end of year	<u>\$ 3,651,540</u>	<u>\$ 2,320,538</u>

The accompanying notes are an integral part of these statements.

Access Living of Metropolitan Chicago
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2020

	Program Services								Supporting Services				Total Expenses
	Community Organizing	Youth Institute	Policy Analysis	Communications	Community Support	Civil Rights	Long Term Care Team	Art	Total Program Services	Management and General Administration	Development	Total Support Services	
Salaries	\$ 353,877	\$ 252,536	\$ 218,524	\$ 293,687	\$ 497,185	\$ 440,639	\$ 525,339	\$ 37,787	\$ 2,619,574	\$ 854,149	\$ 412,987	\$ 1,267,136	\$ 3,886,710
Employee benefits	69,922	38,371	43,653	62,858	40,447	104,276	100,994	5,439	465,960	155,337	53,505	208,842	674,802
Payroll taxes	28,598	20,586	17,608	23,310	39,292	35,549	42,480	2,869	210,292	68,490	32,698	101,188	311,480
Total payroll and related expenses	452,397	311,493	279,785	379,855	576,924	580,464	668,813	46,095	3,295,826	1,077,976	499,190	1,577,166	4,872,992
Occupancy	7,625	9,438	6,906	8,603	7,328	12,171	17,369	2,761	72,201	15,087	8,622	23,709	95,910
Telephone	4,574	5,661	4,142	5,161	4,396	7,301	10,419	1,658	43,312	10,063	5,172	15,235	58,547
Office supplies	13,623	13,283	9,664	13,553	24,170	16,576	23,577	3,729	118,175	27,235	16,159	43,394	161,569
Postage and shipping	557	690	505	629	768	890	1,270	202	5,511	1,224	4,855	6,079	11,590
Accounting	7,706	9,535	6,976	8,694	7,403	12,297	17,584	2,791	72,986	17,267	9,177	26,444	99,430
Travel	11,055	7,200	2,625	5,019	5,308	5,761	7,823	800	45,591	8,235	1,323	9,558	55,149
Legal	32	39	29	36	2,628	51	72	12	2,899	63	36	99	2,998
Interpretive and personal assistance services	28,515	8,539	940	11,901	2,141	3,095	3,933	424	59,488	4,020	522	4,542	64,030
Management consultants	45,870	7,704	13,071	22,929	6,910	9,939	14,159	2,219	122,801	32,696	121,023	153,719	276,520
Computer consultant	1,622	2,007	1,469	1,830	1,559	2,589	3,694	587	15,357	3,209	1,834	5,043	20,400
Printing and publications	176	57	1,105	2,480	125	9	13	3	3,968	1,087	509	1,596	5,564
Conferences/meetings/membership	17,159	5,289	679	1,580	3,605	5,955	9,774	271	44,312	16,354	1,724	18,078	62,390
Events	705	119	-	332	-	798	480	-	2,434	8,011	49,154	57,165	59,599
Stipends	1,529	30	19,093	774	10,733	2,930	13,433	561	49,083	372	-	372	49,455
Insurance	3,005	3,719	2,721	3,390	2,887	4,796	6,844	1,088	28,450	5,945	3,398	9,343	37,793
Equipment rental/maintenance	14,759	18,227	22,356	16,635	14,135	23,507	35,756	5,327	150,702	29,301	29,221	58,522	209,224
Bad debt expense	3,714	4,596	3,363	4,190	3,569	5,928	8,460	1,345	35,165	7,348	4,199	11,547	46,712
Internet	1,063	1,229	899	1,129	954	1,585	2,262	361	9,482	1,965	1,123	3,088	12,570
Specific program expenses	-	-	499	7,500	-	8,669	-	12,197	28,865	16,013	-	16,013	44,878
Miscellaneous expenses	3,374	13,069	1,805	1,533	2,306	16,981	20,452	492	60,012	13,732	1,536	15,268	75,280
Total functional expenses before depreciation and amortization	619,060	421,924	378,632	497,753	677,849	722,292	866,187	82,923	4,266,620	1,297,203	758,777	2,055,980	6,322,600
Depreciation and amortization	35,340	43,742	32,006	39,874	33,962	56,411	80,505	12,802	334,642	69,926	39,963	109,889	444,531
	<u>\$ 654,400</u>	<u>\$ 465,666</u>	<u>\$ 410,638</u>	<u>\$ 537,627</u>	<u>\$ 711,811</u>	<u>\$ 778,703</u>	<u>\$ 946,692</u>	<u>\$ 95,725</u>	<u>\$ 4,601,262</u>	<u>\$ 1,367,129</u>	<u>\$ 798,740</u>	<u>\$ 2,165,869</u>	<u>\$ 6,767,131</u>

Miller Cooper & Co., Ltd.

The accompanying notes are an integral part of this statement.

Access Living of Metropolitan Chicago

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2019

	Program Services								Supporting Services				Total Expenses
	Community Organizing	Youth Institute	Policy Analysis	Communications	Community Support	Civil Rights	Long Term Care Team	Art	Total Program Services	Management and General Administration	Development	Total Support Services	
Salaries	\$ 261,645	\$ 440,200	\$ 324,050	\$ 197,713	\$ 373,810	\$ 400,803	\$ 731,049	\$ 32,589	\$ 2,761,859	\$ 692,594	\$ 265,874	\$ 958,468	\$ 3,720,327
Employee benefits	75,499	61,909	40,851	40,567	95,915	389,657	119,507	5,522	829,427	343,559	210,200	553,759	1,383,186
Payroll taxes	24,224	45,834	24,112	18,500	35,238	36,915	67,258	3,403	255,484	23,993	22,401	46,394	301,878
Total payroll and related expenses	361,368	547,943	389,013	256,780	504,963	827,375	917,814	41,514	3,846,770	1,060,146	498,475	1,558,621	5,405,391
Occupancy	6,747	11,626	9,860	4,845	15,769	11,377	22,290	3,407	85,921	18,645	8,637	27,282	113,203
Telephone	3,901	7,009	5,702	2,802	9,127	6,579	13,328	1,970	50,418	10,791	4,995	15,786	66,204
Office supplies	5,249	7,057	6,317	7,935	9,254	20,343	12,454	1,831	70,440	23,849	7,697	31,546	101,986
Postage and shipping	547	881	775	381	1,195	1,118	1,689	258	6,844	2,200	3,040	5,240	12,084
Accounting	5,045	8,693	7,372	3,622	11,791	8,507	16,666	2,548	64,244	15,031	6,758	21,789	86,033
Travel	15,232	11,556	13,125	3,256	9,952	9,119	11,825	1,304	75,369	8,214	5,158	13,372	88,741
Legal	318	548	1,010	228	744	6,957	1,051	161	11,017	880	407	1,287	12,304
Interpretive and personal assistance services	33,195	6,765	12,953	2,025	2,988	1,506	2,852	2,040	64,324	1,236	318	1,554	65,878
Management consultants	31,729	11,044	28,464	45,006	14,996	10,792	21,081	3,222	166,334	72,114	98,335	170,449	336,783
Computer consultant	1,216	2,095	1,777	873	2,842	2,050	4,017	614	15,484	3,359	1,557	4,916	20,400
Printing and publications	481	508	518	149	485	402	686	105	3,334	9,602	266	9,868	13,202
Conferences/meetings/membership	3,699	3,078	3,831	1,586	3,551	4,203	4,963	244	25,155	23,425	665	24,090	49,245
Events	5,293	2,887	2,583	1,522	3,282	2,111	5,555	589	23,822	16,368	110,983	127,351	151,173
Stipends	1,770	1,112	1,074	5,512	7,664	9,623	26,780	14	53,549	30	18	48	53,597
Insurance	2,431	4,189	3,552	1,746	5,682	4,099	8,030	1,228	30,957	6,717	3,112	9,829	40,786
Equipment rental/maintenance	10,672	17,327	15,179	8,093	23,502	16,956	34,322	5,078	131,129	27,859	24,525	52,384	183,513
Bad debt expense	301	518	439	216	702	507	992	152	3,827	830	385	1,215	5,042
Internet	679	1,170	992	488	1,587	1,145	2,244	343	8,648	1,877	869	2,746	11,394
Specific program expenses	5,788	152	23,111	408	14,120	599	436	8,008	52,622	499	-	499	53,121
Miscellaneous expenses	1,189	2,048	1,958	1,549	2,778	2,004	3,926	600	16,052	7,771	1,522	9,293	25,345
Total functional expenses before depreciation and amortization	496,850	648,206	529,605	349,022	646,974	947,372	1,113,001	75,230	4,806,260	1,311,443	777,722	2,089,165	6,895,425
Depreciation and amortization	24,806	42,744	36,251	17,813	57,977	41,828	81,949	12,528	315,896	68,548	31,756	100,304	416,200
	<u>\$ 521,656</u>	<u>\$ 690,950</u>	<u>\$ 565,856</u>	<u>\$ 366,835</u>	<u>\$ 704,951</u>	<u>\$ 989,200</u>	<u>\$ 1,194,950</u>	<u>\$ 87,758</u>	<u>\$ 5,122,156</u>	<u>\$ 1,379,991</u>	<u>\$ 809,478</u>	<u>\$ 2,189,469</u>	<u>\$ 7,311,625</u>

Miller Cooper & Co., Ltd.

The accompanying notes are an integral part of this statement.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE A - ORGANIZATION AND NATURE OF THE BUSINESS

Access Living of Metropolitan Chicago (the "Agency") was incorporated on April 1, 1987 in the State of Illinois as a not-for-profit corporation. The nonresidential center for independent living advocates on behalf of, and provides services to, any Chicago resident with any disability. Governed and staffed by a majority of people with disabilities, the Agency offers peer-oriented independent living services; public education, awareness and development; individualized and systemic advocacy; and enforcement of civil rights on behalf of people with disabilities.

The Agency conducts its activities with funds received primarily from contributions and government grants. The Agency began a major gifts campaign during the year ended June 30, 2016 with a goal of raising \$10 million, which was met in December 2019. In the absence of donor-imposed restrictions, at the discretion of the Agency's Board of Directors, a portion of the contributions raised will be designated to function as an endowment, as well as used toward new and existing programs over the next five to seven years. The Agency received approximately \$979,000 and \$913,000 of contributions for the campaign during the years June 30, 2020 and June 30, 2019, respectively, and is reflected in the accompanying statements of activities.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Basis of Accounting

The financial statements of the Agency have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Agency to report information regarding its financial position and activities according to the following net asset classifications (See Note B-16):

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Agency. These net assets may be used at the discretion of the Agency's management and board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Agency or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Cash and Cash Equivalents

The Agency considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

3. Investments

Investments in marketable securities with readily determinable fair values are reported at their fair values in the statements of financial position. Investment return represents interest, dividends, and realized/unrealized gains and losses and is included in the statements of activities. Investments are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with such investments, it is at least reasonably possible that changes in risks in the near-term would affect investment balances and the amounts reported in the financial statements.

Investments consist of U.S. government and other fixed income mutual funds, equity and securities mutual funds, and real estate mutual funds (see Note E). Investments totaled \$7,519,901 and \$7,965,169 as of June 30, 2020 and 2019, respectively, and are stated at fair value, which is generally determined based on quoted price or estimated fair value, in the statements of financial position.

4. Costs Incurred Recoverable Under Grants

Costs incurred recoverable under grants are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants, contracts, and others. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable accounts receivable.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Unconditional Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received. 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 future years are recorded at fair value, which is measured as the present value of estimated future cash flows, at the date the contribution or pledge is received, to the extent estimated to be collectible by the Agency. 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. Conditional promises to give are recognized when the conditions on which they depend are substantially met and the promises become unconditional.

The Agency uses the allowance method to determine uncollectible unconditional promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

6. Revenue Recognition

Contributions received are recorded as net assets without donor restrictions or with donor restrictions, depending on the existence or nature of any donor-imposed restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Interest and dividend income and realized and unrealized gains/losses resulting from contributions are reported as net assets without donor restrictions or net assets with donor restrictions, as designated by the donor.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Revenue Recognition (Continued)

The Agency receives a substantial portion of its operating funds from government grants and awards. These funds are reported as without donor restrictions as the grants reimburse the Agency for services already provided.

7. Property and Equipment

Property and equipment are stated at cost at the date of purchase or, for donated assets, at fair value at the date of donation, less accumulated depreciation. The Agency's policy is to capitalize renewals and betterments acquired for greater than \$1,500 and expense normal repairs and maintenance as incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the asset as follows:

	<u>Years</u>
Building and improvements	30
Furniture and equipment	3 - 10
Vehicle	7

8. Impairment of Long-Lived Assets

The Agency reviews long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of carrying amount or the fair value less costs to sell.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Art Collection

The Agency has adopted a policy of capitalizing art collection items that are purchased or donated with values of \$5,000 or higher. If purchased, items added into the collection are capitalized at cost, and if donated, they are capitalized at their estimated fair value at the time of donation. Each of the collection items is held for public exhibition, education, or research in furtherance of public service rather than financial gain. All collection items are protected, kept unencumbered, cared for, and preserved.

10. Deferred Revenue from Advance Fees

The Agency receives a substantial portion of its operating funds from grants, accounted for as exchange transactions. These funds are deemed to be earned and reported as support when the Agency has incurred expenditures in accordance with the specific requirements of the grant. Amounts received, but not yet earned, are reported as deferred revenue from advance fees.

11. Income Taxes

The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

GAAP requires management to evaluate tax positions by the Agency and recognize a tax liability if the Agency has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS or other applicable taxing authorities.

Management has analyzed the tax positions taken by the Agency and has concluded that as of June 30, 2020 and 2019, there are no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Agency is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

12. Donated Services

Donated services are recognized as contributions if the services: (a) create or enhance nonfinancial assets or (b) require specialized skills performed by individuals possessing those skills, and would typically need to be purchased if not provided by donation. These contributions are recorded at their fair values in the period received. Donated services from volunteers who have devoted their time for administrative tasks and others who have contributed their time for assistance with the Agency's programs are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

13. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

14. Fair Value

The carrying amounts of financial instruments, including cash equivalents, costs incurred recoverable under grants, other receivables, unconditional promises to give, accounts payable and other accrued expenses, and accrued compensation, approximate fair value due to the short maturity of these instruments. Additionally, investments are presented in the statement of financial position at fair market value using Level 1 inputs (quoted prices in active markets for identical assets). See Note E.

It is the Agency's policy, in general, to measure nonfinancial assets and liabilities at fair value on a nonrecurring basis. These items are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (such as evidence of impairment) which, if material, are disclosed in the accompanying notes to the financial statements.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

15. Functional Allocation of Expenses

The cost of providing the Agency's programs and other activities have been summarized on a functional basis in the accompanying statements of activities. Accordingly, costs associated with a specific program or supporting service are charged directly to that program or supporting service. Costs that benefit more than one program or supporting service have been allocated among the programs and supporting services based on a reasonable basis, consistently applied. Payroll and related expenses are allocated on the basis of estimates of time and effort. All other expenses are allocated based on estimates of full time equivalents.

16. Accounting Standard Adopted in the Current Year

Contributions Received and Contributions Made

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08, *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (Topic 605). Adoption of this standard did not result in a change in the timing or amount of revenue recognized, and therefore the adoption of this standard did not have a material impact on the financial position, results of operations, or business practices of the Agency.

17. Significant Accounting Standards Applicable in Future Years

Revenue from Contracts with Customers

The FASB issued ASU 2014-09, *Revenue from Contracts with Customers*, (Topic 606) (ASU 2014-09), in May 2014. ASU 2014-09 sets forth a new five-step revenue recognition model that will require the use of more estimates and judgement. ASU 2014-09 will replace current revenue recognition requirements in Topic 605, *Revenue Recognition*, in its entirety. The standard also requires more detailed disclosures and provides additional guidance for transactions that were not addressed completely in prior accounting guidance. ASU 2014-09 is effective for annual financial statements issued for fiscal years beginning after December 15, 2019, and should be applied retrospectively in the year the ASU is first applied using one of two applicable application methods. ASU 2014-09 is effective for the Agency's June 30, 2021 financial statements and thereafter. Management is currently evaluating the effect that ASU 2014-09 will have on the Agency's financial statements.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

17. Significant Accounting Standards Applicable in Future Years (Continued)

Leases

The FASB issued ASU 2016-02, *Leases*, (Topic 842) (ASU 2016-02), in February 2016. ASU 2016-02 will require lessees to recognize, at commencement date, a lease liability representing the lessee's obligation to make payments arising from the lease and a right-of-use asset representing the lessee's right to use or control the use of a specific asset for the lease term. Under the new guidance, lessor accounting is largely unchanged. ASU 2016-02 is effective for annual financial statements issued for fiscal years beginning after December 15, 2021, and should be applied using a modified retrospective approach.

ASU 2016-02 is effective for the Agency's June 30, 2023 financial statements and thereafter. Management is currently evaluating the effect that ASU 2016-02 will have on the Agency's financial statements.

NOTE C - AVAILABILITY AND LIQUIDITY

As of June 30, 2020 and 2019, the following tables show the total financial assets held by the Agency and the amounts of those financial assets that could be readily be made available within one year of the statement of financial position date to meet general expenditures:

Financial assets at year end:	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 3,651,540	\$ 2,320,538
Investments	7,519,901	7,965,169
Costs incurred recoverable under grants, net	647,740	651,695
Other receivables	39,163	94,010
Unconditional promises to give, net	<u>2,597,574</u>	<u>2,677,113</u>
 Total financial assets	 <u>14,455,918</u>	 <u>13,708,525</u>

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE C - AVAILABILITY AND LIQUIDITY (Continued)

Less amounts not available to be used within one year:		
Investments encumbered by donor restrictions	\$ 772,155	\$ 722,230
Investments encumbered by board designations	7,025,719	7,545,098
Unconditional promises to give - due after one year, net, or imposed by donor restrictions	982,946	2,579,014
	<u>8,780,820</u>	<u>10,846,342</u>
Financial assets available to meet general expenditures over the next twelve months	\$ <u>5,675,098</u>	\$ <u>2,862,183</u>

The Agency receives significant contributions with donor restrictions to be used in accordance with the associated purpose restrictions. It also receives gifts to establish endowments that will exist in perpetuity with a donor-agreed annual draw from such endowments available to be used to fund operations. The Agency considers investment return without donor restrictions, appropriated earnings from donor-restricted and board-designated endowments, contributions without donor restrictions and contributions with donor restrictions for use in current programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures.

The Agency's governing board has designated a portion of its unrestricted resources for endowment and other purposes. Those amounts are identified as board-designated in the table above. These funds are invested for long-term appreciation and current income but remain available and may be spent at the discretion of the Board. The Agency manages its liquidity and reserves following three guiding principles:

- Operating within a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets to fund near-term operating needs, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. The Agency strives to maintain liquid financial assets sufficient to cover 6 months of general expenditures.

The Agency also has a \$500,000 line of credit available to meet cash flow needs (see Note I).

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE D - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

The following program and supporting services provided through the Agency's team structure are included in the accompanying financial statements:

Community Organizing - Conducts activities to engage people with disabilities in the work that the Agency does around issues important to people with disabilities in Chicago, including housing, employment, education, healthcare and transportation.

Youth Institute - Youth-specific programming that comes at a crucial point in an individual's path toward independent living. The Youth Institute's programs include mentoring, self-empowerment, education policy and transition services. The Agency's mentoring program concentrates on disability awareness and empowerment. The Agency partners youth with disabilities with adult mentors who also have a disability or disability connection.

Policy Analysis - Conducts policy analysis in order to understand and impact legislation, laws and policies that impact people with disabilities in Chicago. The Agency's policy analysis work focuses on housing, education, healthcare and community integration.

Communications - Handles overall communications strategy of the organization including managing all its social media platforms and maintaining and updating its website.

Community Support - Assists people with disabilities to live independently in the community.

Civil Rights - Uses public education, negotiation and litigation to address disability-based discrimination and enforces the civil rights of people by handling cases that will have the greatest impact on the broader disability community; conducts a fair housing initiative that enforces the Fair Housing Act for people with disabilities.

Long-Term Care - Helps people with disabilities find housing and transition from nursing homes into the community and provides necessary peer support and independent living skills training.

Art - The Arts and Culture initiative promotes disability art, culture and history through a permanent collection of art by professional artists with disabilities, hosting performing arts events that integrate people with disabilities and educational sessions on topics related to disability art, culture and history.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE D - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES (Continued)

Management and General Administration - Management and general administration are those expenses incurred to maintain the operation of the Agency. Costs have been allocated to the various cost categories as reflected in the statements of functional expenses.

Development - Development provides the structure necessary to encourage and secure private financial support from individuals, foundations, and corporations.

NOTE E - FAIR VALUE MEASUREMENTS

The accounting standard related to fair value measurements and disclosures establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under this standard are described below:

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

Level 2 Inputs to the valuation methodology include the following:

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

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

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

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE E - FAIR VALUE MEASUREMENTS (Continued)

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 methodology used for the Agency's investments measured at fair value. There have been no changes in the methodology used at June 30, 2020 and 2019.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Agency are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Agency are deemed to be actively traded.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Agency believes that its valuation method is appropriate and consistent with other market participants, the use of a different methodology or assumption to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table set forth by level, within the fair value hierarchy, the Agency's investments at fair value as of June 30:

	2020			
	(Level 1)	(Level 2)	(Level 3)	Total
Fixed income mutual funds				
Short term government	\$ 1,293,576	\$ -	\$ -	\$ 1,293,576
Short term bond	156,534	-	-	156,534
Intermediate term bond	2,557,445	-	-	2,557,445
Equity and securities mutual funds				
Large cap	2,028,322	-	-	2,028,322
Other	1,124,858	-	-	1,124,858
Commodities	106,387	-	-	106,387
Real estate mutual fund	252,779	-	-	252,779
Fair value of investments	<u>\$ 7,519,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,519,901</u>

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE E - FAIR VALUE MEASUREMENTS (Continued)

	2019			
	(Level 1)	(Level 2)	(Level 3)	Total
Fixed income mutual funds				
Short term government	\$ 1,279,309	\$ -	\$ -	\$ 1,279,309
Short term bond	152,880	-	-	152,880
Intermediate term bond	3,599,221	-	-	3,599,221
Equity and securities mutual funds				
Large cap	1,633,835	-	-	1,633,835
Other	1,222,345	-	-	1,222,345
Real estate mutual fund	77,579	-	-	77,579
Fair value of investments	\$ 7,965,169	\$ -	\$ -	\$ 7,965,169

Investments in mutual funds consisted of the following as of June 30, 2020 and 2019:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Fixed income	\$ 3,989,462	\$ 4,007,555	\$ 5,002,992	\$ 5,031,410
Equities and securities	2,672,039	3,153,180	2,399,893	2,856,180
Commodities	96,098	106,387	-	-
Real estate	257,185	252,779	70,930	77,579
	\$ 7,014,784	\$ 7,519,901	\$ 7,473,815	\$ 7,965,169

NOTE F - UNCONDITIONAL PROMISES TO GIVE

The following tables set forth unconditional promises to give at June 30, 2020 and 2019:

	2020	2019
Restricted for time and various programs	\$ 2,536,327	\$ 2,731,327
Unrestricted promises to give	144,879	98,099
Total unconditional promises to give	\$ 2,681,206	\$ 2,829,426

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE F - UNCONDITIONAL PROMISES TO GIVE (Continued)

	<u>2020</u>	<u>2019</u>
Amounts due in:		
Less than one year	\$ 1,614,628	\$ 988,099
One to four years	1,066,578	1,841,327
Total unconditional promises to give	<u>2,681,206</u>	<u>2,829,426</u>
Less allowance for doubtful accounts	(20,000)	(20,000)
Less discount to present value	<u>(63,632)</u>	<u>(132,313)</u>
Unconditional promises to give, net	<u>\$ 2,597,574</u>	<u>\$ 2,677,113</u>

Discount rate was 2.83% and 5.12% in fiscal 2020 and 2019, respectively.

NOTE G - CONDITIONAL PROMISES TO GIVE

The Agency had conditional promises to give of \$550,000 and \$100,000 at June 30, 2020 and June 30, 2019, respectively. Conditional promises to give of approximately \$50,000 were recognized during the years ending June 30, 2020 and 2019, as the conditions on which they depended on were met.

NOTE H - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Building and improvements	\$ 11,592,833	\$ 11,541,452
Furniture and equipment	1,225,897	1,195,509
Vehicle	<u>32,500</u>	<u>32,500</u>
	12,851,230	12,769,461
Less accumulated depreciation	<u>6,264,012</u>	<u>5,819,481</u>
	6,587,218	6,949,980
Land	<u>251,353</u>	<u>251,353</u>
Property and equipment, net	<u>\$ 6,838,571</u>	<u>\$ 7,201,333</u>

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE I - LINE OF CREDIT

The Agency has a line of credit agreement with a bank which expired on September 30, 2020. Subsequent to year end, the line of credit was renewed with similar terms and expires on September 30, 2021. The line of credit allows for borrowings of up to \$500,000. Outstanding borrowings bear interest, at the option of the borrower, at (a) the Prime-Based Rate defined as the greater of 2.75% or prime minus 0.90% or (b) the Overnight LIBOR-Based rate defined as the greater of 2.75% or the overnight LIBOR rate plus 2.75%.

NOTE J - NOTE PAYABLE

In May 2020, the Agency obtained a \$823,003 loan through the United States Small Business Administration's (SBA) Paycheck Protection Program. The loan matures in May 2022, is uncollateralized, and bears interest at 1.0%; however, payment of principal and interest are deferred until the Organization submits its application for loan forgiveness, as the loan may be eligible for forgiveness if certain conditions regarding the use of the loan proceeds are met.

NOTE K - RETIREMENT PLANS

The Agency sponsors a qualified supplemental savings and retirement plan. The plan is available to all eligible employees. Eligible employees may contribute to the Plan, through regular payroll deductions, up to 100% of their eligible salary, subject to limitations imposed by the Internal Revenue Code. The Agency is not required to make matching contributions, but may at the discretion of the Agency's finance committee. There were no supplemental savings and retirement plan contributions for the years ended June 30, 2020 and 2019.

The Agency has a defined contribution retirement plan qualified under section 403(b) of the Internal Revenue Code for employees working 30 or more hours per week. The Agency matches 100% of the employee's contributions up to the first 3% of their salary, and matches 50% of the employee's contributions up to the next 2% of their salary. Total employer contributions for this plan totaled approximately \$73,000 and \$76,000 for the years ended June 30, 2020 and 2019, respectively.

In August 2019, the founding President and Chief Executive Officer ("CEO") of Access Living retired from her position as CEO. A retirement package was authorized by the Board of Directors during 2019 and a corresponding accrual of \$679,748 was recorded at June 30, 2019, which is included in accrued expenses in the accompanying statement of financial position. During fiscal year 2020, \$679,748 was paid.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE L - CONTINGENCIES

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

NOTE M - RISKS AND UNCERTAINTIES

1. Uninsured Cash and Cash Equivalents

The Agency maintains its cash and cash equivalent balances in financial institutions located in Illinois. These cash balances are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to certain limits. The Agency may, from time to time, have balances in excess of FDIC insured deposit limits. As of June 30, 2020, the Agency had \$3,497,188 of uninsured cash and cash equivalent balances.

2. Concentrations of Revenues

The Agency receives a significant portion of its revenues from the Illinois Department of Human Services (ILDHS), which represented 22% and 27% of total operating revenues for the years ended June 30, 2020 and 2019, respectively. The balance due from ILDHS totaled 9% and 28% of costs incurred recoverable under grants at June 30, 2020 and 2019, respectively.

If this government unit terminated its support for the Agency, the Agency's ability to provide services could be significantly reduced.

Contributions from one donor accounted for approximately 10% of total operating revenues for the year ended June 30, 2020. This contribution is included in general public, corporate and foundation support revenue in the accompanying statement of activities for the year ended June 30, 2020. The balance due from this donor totaled approximately 14% of unconditional promises to give at June 30, 2020. There were no contributions from donors that exceeded 10% of total operating revenues for the year ended June 30, 2019.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE N - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Time restrictions	\$ 2,589,244	\$ 2,691,327
Various program services	22,500	145,862
Cost of improvements and maintenance of the new facility	1,817,272	1,872,011
Perpetual in nature	<u>722,230</u>	<u>722,230</u>
	<u>\$ 5,151,246</u>	<u>\$ 5,431,430</u>

Net assets were released from restrictions by incurring costs satisfying the restricted purpose specified by donors during the years ended June 30, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Time restrictions	\$ 1,332,083	\$ 1,223,922
Various program services	153,362	524,055
Cost of improvements and maintenance of the new facility	<u>54,739</u>	<u>90,979</u>
	<u>\$ 1,540,184</u>	<u>\$ 1,838,956</u>

NOTE O - ENDOWMENTS

The Agency's endowment consists of funds established by donors to provide for financial support for the operating expenses and capital expenses of the Agency. The endowment also includes certain net assets without donor restrictions that have been designated for endowment by the Board of Trustees.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE O - ENDOWMENTS (Continued)

The Board of Trustees has interpreted the Illinois 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 the donor-restricted endowment funds, unless there are stipulations to the contrary. As a result of this interpretation, the Agency retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the endowment and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditure by the Agency in a manner consistent with the standard of prudence prescribed by UPMIFA. The Agency considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the organization and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Agency
- The investment policies of the Agency

As of June 30, 2020 and 2019, the Agency had the following endowment net asset composition by type of fund:

	<u>June 30, 2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment	\$ 2,350,053	\$ -	\$ 2,350,053
Donor-designated endowment			
Original donor-restricted gift and amounts required to be maintained in perpetuity by donor	-	722,230	722,230
Accumulated investment return	-	69,925	69,925
	<u>\$ 2,350,053</u>	<u>\$ 792,155</u>	<u>\$ 3,142,208</u>

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE O - ENDOWMENTS (Continued)

	June 30, 2019		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Board-designated endowment	\$ 2,338,781	\$ -	\$ 2,338,781
Donor-designated endowment			
Original donor-restricted gift and amounts required to be maintained in perpetuity by donor	-	722,230	722,230
Accumulated investment return	-	40,412	40,412
	<u>\$ 2,338,781</u>	<u>\$ 762,642</u>	<u>\$ 3,101,423</u>

Investment and Spending Policies

The Agency has adopted investment and spending policies for the endowment that attempt to provide a predictable stream of funding for operations while seeking to maintain the purchasing power of the endowment assets. Over time, long-term rates of return should be equal to an amount sufficient to maintain the purchasing power of the endowment assets, to provide necessary capital to fund the spending policy, and to cover the costs of managing the endowment investments.

The target minimum rate of return is five percent on an annual basis. Actual returns in any given year may vary from this amount. To satisfy this long-term rate-of-return objective, the investment portfolio is structured on a total-return approach through which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). A significant portion of the funds are invested to seek growth of principal over time.

The Agency uses an endowment spending-rate formula to determine the maximum amount to spend from the endowment each year. The rate, determined and adjusted from time to time by the Board of Trustees, is applied to the average fair value of the endowment investments for the prior 12 quarters at June 30 of each year to determine the spending amount for the upcoming year. During the years ended June 30, 2020 and 2019, the spending rate maximum was 7%. In establishing this policy, the Agency considered the long-term expected return on the endowment and set the rate with the objective of maintaining the purchasing power of the endowment over time.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE O - ENDOWMENTS (Continued)

Changes in endowment net assets as of and for the years ended June 30, 2020 and 2019 are as follows:

	<u>June 30, 2020</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2019	\$ 2,338,781	\$ 762,642	\$ 3,101,423
Investment return, net	<u>11,272</u>	<u>29,925</u>	<u>41,197</u>
June 30, 2020	<u>\$ 2,350,053</u>	<u>\$ 792,567</u>	<u>\$ 3,142,620</u>
	<u>June 30, 2019</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2018	\$ 2,266,610	\$ 725,812	\$ 2,992,422
Investment return, net	<u>72,171</u>	<u>36,830</u>	<u>109,001</u>
June 30, 2019	<u>\$ 2,338,781</u>	<u>\$ 762,642</u>	<u>\$ 3,101,423</u>

NOTE P - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 13, 2020, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than those items described below, have occurred subsequent to the statement of financial position date that would require additional disclosure in the financial statements.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2020 and 2019

NOTE P - SUBSEQUENT EVENTS (Continued)

The direct and indirect impacts of the current COVID-19 outbreak on the Agency's customers, vendors, operations, and financing arrangements are currently unknown, as is the duration and severity of any impacts that the Agency may experience. Management is currently unable to quantify the effects that this situation will have on its operations and financial position; however, they may be significant.

The United States and global markets experienced significant declines in value resulting from uncertainty caused by the world-wide coronavirus pandemic. The Agency is closely monitoring the investment portfolio and its liquidity and are actively working to minimize the impact of these declines. These financial statements do not include adjustments to fair value that have resulted from these declines.

SUPPLEMENTAL INFORMATION

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTAL INFORMATION

Board of Directors
Access Living of Metropolitan Chicago
Chicago, Illinois

We have audited the financial statements of Access Living of Metropolitan Chicago as of and for the year ended June 30, 2020, and have issued our report thereon dated November 13, 2020 which contains an unmodified opinion on those financial statements. See pages 3 and 4. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplemental information required by the Illinois Department of Human Services. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois
November 13, 2020

ILLINOIS DEPARTMENT OF HUMAN SERVICES
GRANT REPORT for the period July 1 through June 30, 2020
Page 1 of 2 — Grant Allowable Cost Summary

AGENCY NAME: Access Living of Metropolitan Chicago

FEIN: 36-3310774

	DHS GRANT-FUNDED SERVICES	All other Programs	Mgmt & General	Total		
					Program 1	Program 2
Program Name/Number/Contract Number/Other Identification	Home Services Program 46CXDPA001 46CXD00086 46CXD00087		Independent Living Program 46CD00351			
A Direct Program expenses	292,385	734,326	-	2,876,764	2,863,656	6,767,131
B Allocate Management and General Costs (Note 1)	64,717	126,337	-	506,733	(697,787)	-
C SUBTOTAL A + B	357,102	860,663	-	3,383,497	2,165,869	6,767,131
D Subtract Unallowable costs per page 2						
E Add other approved uses (attach documentation)						
F TOTAL Allowable costs						
G Special provisions (see instructions)						

Miller Cooper & Co., Ltd.

NOTE 1: Management and General costs are allocated based on: X direct salaries, _____ total direct costs, _____ other basis (attach explanation).

AGENCY NAME: Access Living of Metropolitan Chicago

FEIN: 36-3310774

Program Name/Number/Contract Number	DHS GRANT-FUNDED SERVICES				
	Program 1 Unallocated	Program 2	Program 3	Program 4	Program 5
Unallowable Costs (see instructions)					
compensation of governing body					
entertainment					
association dues					
meetings and conventions					
fundraising					
bad debt					
charity and grants					
unallowable interest					
inventories					
depreciation on DHS-funded assets					
cost of production					
in-kind expenses					
alcoholic beverages					
personal automobiles					
finances & penalties					
personal use items					
lobbying					
unallowable relocation					
gratuities					
political contributions					
related party transactions					
costs where a conflict of interest exists					
Unallowable costs if Program is Federally funded or cost-restricted by Contract (See instructions)					
Explain:					
Explain:					
TOTAL UNALLOWABLE COSTS (to line D of Grant Report) - See below if NONE					
If no unallowable costs are listed, sign and date as follows: I certify that no unallowable costs are included in either direct costs or allocated Management and General costs on the Grant Report.					
				Signature	Date
				Printed Name and Title	