

**Access Living of
Metropolitan Chicago**

**Financial Statements
and Independent Auditors' Report**

June 30, 2023 and 2022

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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 Audit of the Financial Statements

Opinion

We have audited the financial statements of Access Living of Metropolitan Chicago ("the Agency"), which comprise the statements of financial position as of June 30, 2023 and 2022, the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America (*Government Auditing Standards*). 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 the Agency 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 the Agency's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

(Continued)

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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency'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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2023, 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 solely 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
October 30, 2023

FINANCIAL STATEMENTS

Access Living of Metropolitan Chicago
STATEMENTS OF FINANCIAL POSITION
June 30, 2023 and 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 2,257,188	\$ 5,841,273
Investments designated for:		
Endowment and other reserve funds	23,525,805	10,651,031
Costs incurred recoverable under grants, net	1,327,985	979,450
Other receivables	25,751	4,583
Unconditional promises to give, net	2,262,711	2,537,902
Prepaid expenses and other assets	18,282	18,936
Property and equipment, net	5,749,042	6,135,197
Art collection	59,461	59,461
	<u>\$ 35,226,225</u>	<u>\$ 26,227,833</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
LIABILITIES		
Accounts payable and other accrued expenses	\$ 354,786	\$ 321,882
Accrued compensation	464,594	497,844
	<u>819,380</u>	<u>819,726</u>
 NET ASSETS		
Without donor restrictions	25,853,664	17,182,322
With donor restrictions	8,553,181	8,225,785
	<u>34,406,845</u>	<u>25,408,107</u>
	<u>\$ 35,226,225</u>	<u>\$ 26,227,833</u>

The accompanying notes are an integral part of these statements.

Access Living of Metropolitan Chicago
STATEMENT OF ACTIVITIES
Year ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Fees and grants from governmental agencies	\$ 4,986,269	\$ -	\$ 4,986,269
General public, corporate and foundation support	8,531,265	2,119,252	10,650,517
United Way of Chicago	30,656	-	30,656
Special events	421,133	-	421,133
Investment return	2,000,687	-	2,000,687
Other	147,579	-	147,579
Net assets released from restriction	1,791,856	(1,791,856)	-
Total operating revenues	17,909,445	327,396	18,236,841
Operating Expenses			
Program services			
Community organizing	770,598	-	770,598
Youth Institute	584,975	-	584,975
Policy analysis	590,709	-	590,709
Communications	531,779	-	531,779
Community support	1,153,385	-	1,153,385
Civil rights	954,709	-	954,709
Long-term care	1,968,473	-	1,968,473
Art	176,729	-	176,729
Total program services	6,731,357	-	6,731,357
Supporting Services			
Management and general administration	1,458,902	-	1,458,902
Development	1,047,844	-	1,047,844
Total supporting services	2,506,746	-	2,506,746
Total operating expenses, includes depreciation and amortization expense of \$459,510	9,238,103	-	9,238,103
CHANGE IN NET ASSETS	8,671,342	327,396	8,998,738
Net assets, beginning of year	17,182,322	8,225,785	25,408,107
Net assets, end of year	\$ 25,853,664	\$ 8,553,181	\$ 34,406,845

The accompanying notes are an integral part of this statement.

Access Living of Metropolitan Chicago
STATEMENT OF ACTIVITIES
Year ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
Fees and grants from governmental agencies	\$ 4,513,784	\$ -	\$ 4,513,784
General public, corporate and foundation support	1,156,701	2,487,560	3,644,261
United Way of Chicago	6,636	-	6,636
Special events	606,197	-	606,197
Investment return	(1,386,539)	-	(1,386,539)
Other	89,705	-	89,705
Net assets released from restriction	1,913,427	(1,913,427)	-
Total operating revenues	6,899,911	574,133	7,474,044
Operating Expenses			
Program services			
Community organizing	649,170	-	649,170
Youth Institute	464,253	-	464,253
Policy analysis	343,615	-	343,615
Communications	413,224	-	413,224
Community support	635,306	-	635,306
Civil rights	873,081	-	873,081
Long term care	1,997,847	-	1,997,847
Art	142,738	-	142,738
Total program services	5,519,234	-	5,519,234
Supporting Services			
Management and general administration	1,424,712	-	1,424,712
Development	908,149	-	908,149
Total supporting services	2,332,861	-	2,332,861
Total operating expenses, includes depreciation and amortization expense of \$472,195	7,852,095	-	7,852,095
CHANGE IN NET ASSETS	(952,184)	574,133	(378,051)
Net assets, beginning of year	18,134,506	7,651,652	25,786,158
Net assets, end of year	\$ <u>17,182,322</u>	\$ <u>8,225,785</u>	\$ <u>25,408,107</u>

The accompanying notes are an integral part of this statement.

Access Living of Metropolitan Chicago
STATEMENTS OF CASH FLOWS
Years ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Change in net assets	\$ 8,998,738	\$ (378,051)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	459,510	472,195
Change in provision for allowance for doubtful accounts	145	6,144
Net realized and unrealized (gains) losses	(1,980,666)	1,658,177
(Increase) decrease in assets		
Costs incurred recoverable under grants	(369,848)	169,426
Unconditional promises to give	275,191	(297,737)
Prepaid expenses and other assets	654	36,001
Increase (decrease) in liabilities		
Accounts payable and other accrued expenses	32,904	79,432
Deferred revenue from advance fees	-	60
Accrued compensation	(33,250)	172,558
	<u>7,383,378</u>	<u>1,918,205</u>
Net cash provided by operating activities		
Cash flows from investing activities		
Purchases of property and equipment	(73,355)	(208,159)
Sales of investments designated for establishment of endowment and other reserve funds	4,782,064	1,918,287
Purchases of investments designated for establishment of endowment and other reserve funds	(15,676,172)	(4,618,146)
	<u>(10,967,463)</u>	<u>(2,908,018)</u>
Net cash used in investing activities		
NET CHANGE IN CASH AND CASH EQUIVALENTS	(3,584,085)	(989,813)
Cash and cash equivalents, beginning of year	<u>5,841,273</u>	<u>6,831,086</u>
Cash and cash equivalents, end of year	<u>\$ 2,257,188</u>	<u>\$ 5,841,273</u>

The accompanying notes are an integral part of these statements.

Access Living of Metropolitan Chicago
STATEMENT OF FUNCTIONAL EXPENSES
Year ended June 30, 2023

	Program Services								Supporting Services			Total Expenses	
	Community Organizing	Youth Institute	Policy Analysis	Communications	Community Support	Civil Rights	Long Term Care	Art	Total Program Services	Management and General Administration	Development		Total Support Services
Salaries	\$ 429,809	\$ 364,864	\$ 322,792	\$ 291,310	\$ 637,864	\$ 618,543	\$ 1,033,814	\$ 58,619	\$ 3,757,615	\$ 909,870	\$ 452,517	\$ 1,362,387	\$ 5,120,002
Employee benefits	98,385	70,659	61,826	73,378	173,708	74,359	188,019	9,253	749,587	161,530	95,918	257,448	1,007,035
Payroll taxes	33,203	28,810	24,519	22,474	49,172	47,423	79,638	4,503	289,742	69,490	34,893	104,383	394,125
Total payroll and related expenses	561,397	464,333	409,137	387,162	860,744	740,325	1,301,471	72,375	4,796,944	1,140,890	583,328	1,724,218	6,521,162
Occupancy	10,028	7,083	6,048	4,925	12,796	9,240	21,229	3,852	75,201	15,426	7,881	23,307	98,508
Telephone	9,013	6,366	5,436	4,427	11,501	8,305	19,886	3,462	68,396	13,866	7,083	20,949	89,345
Office supplies	12,154	8,378	7,911	6,670	14,881	29,481	24,372	4,672	108,519	17,787	12,331	30,118	138,637
Postage and shipping	689	523	415	338	879	635	1,471	265	5,215	1,079	1,264	2,343	7,558
Accounting	13,869	9,795	8,365	6,812	17,697	12,779	29,358	5,327	104,002	21,354	10,911	32,265	136,267
Travel	17,036	4,151	13,353	3,518	10,577	4,268	17,809	518	71,230	21,363	1,110	22,473	93,703
Legal	-	-	-	-	-	42,474	-	-	42,474	1,610	-	1,610	44,084
Interpretive and personal assistance services	25,398	5,981	5,917	3,817	9,484	4,903	11,279	2,671	69,450	35,094	4,012	39,106	108,556
Management consultants	16,830	6,923	62,624	37,030	62,435	3,920	17,589	5,054	212,405	27,207	102,548	129,755	342,160
Computer consultant	2,443	1,726	1,474	1,200	3,118	2,251	5,172	938	18,322	3,758	1,920	5,678	24,000
Printing and publications	-	-	-	19,137	-	-	-	151	19,288	110	556	666	19,954
Conferences/meetings/membership	11,780	6,070	7,404	3,929	9,367	8,436	14,829	2,279	64,094	9,284	18,641	27,925	92,019
Events	3,771	4,126	2,640	1,665	10,535	1,902	7,255	743	32,637	6,618	213,981	220,599	253,236
Stipends	1,583	876	18,589	-	3,947	7,132	11,108	19,452	62,687	3,255	-	3,255	65,942
Insurance	5,429	3,834	3,274	2,666	6,927	5,002	11,492	2,085	40,709	8,351	4,266	12,617	53,326
Equipment rental/maintenance	28,471	20,051	8,597	24,239	36,574	28,233	60,096	11,004	217,265	45,841	39,542	85,383	302,648
Bad debt expense	-	-	-	-	-	-	-	-	-	8,309	-	8,309	8,309
Internet	1,605	1,134	968	788	2,048	1,479	3,398	617	12,037	2,469	1,261	3,730	15,767
Specific program expenses	1,408	187	-	-	19,460	320	310,472	22,369	354,216	614	-	614	354,830
Miscellaneous expenses	916	399	343	480	725	522	1,163	928	5,476	2,658	448	3,106	8,582
Total functional expenses before depreciation and amortization	723,820	551,936	562,495	508,803	1,093,695	911,607	1,869,449	158,762	6,380,567	1,386,943	1,011,083	2,398,026	8,778,593
Depreciation and amortization	46,778	33,039	28,214	22,976	59,690	43,102	99,024	17,967	350,790	71,959	36,761	108,720	459,510
	<u>\$ 770,598</u>	<u>\$ 584,975</u>	<u>\$ 590,709</u>	<u>\$ 531,779</u>	<u>\$ 1,153,385</u>	<u>\$ 954,709</u>	<u>\$ 1,968,473</u>	<u>\$ 176,729</u>	<u>\$ 6,731,357</u>	<u>\$ 1,458,902</u>	<u>\$ 1,047,844</u>	<u>\$ 2,506,746</u>	<u>\$ 9,238,103</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, 2022

	Program Services								Supporting Services			Total Expenses	
	Community Organizing	Youth Institute	Policy Analysis	Communications	Community Support	Civil Rights	Long Term Care	Art	Total Program Services	Management and General Administration	Development		Total Support Services
Salaries	\$ 335,710	\$ 310,530	\$ 184,171	\$ 229,290	\$ 403,244	\$ 567,176	\$ 1,072,439	\$ 34,007	\$ 3,136,567	\$ 821,139	\$ 406,562	\$ 1,227,701	\$ 4,364,268
Employee benefits	69,348	49,040	33,661	39,437	60,835	107,993	202,264	10,728	573,306	226,921	89,988	316,909	890,215
Payroll taxes	23,082	21,218	12,290	15,381	42,252	25,980	71,438	2,360	214,001	98,579	27,081	125,660	339,661
Total payroll and related expenses	428,140	380,788	230,122	284,108	506,331	701,149	1,346,141	47,095	3,923,874	1,146,639	523,631	1,670,270	5,594,144
Occupancy	8,412	5,920	4,995	4,975	9,347	12,639	28,559	5,161	80,008	16,388	9,253	25,641	105,649
Telephone	7,984	5,618	4,741	4,721	8,871	12,066	27,736	4,899	76,636	13,849	8,782	22,631	99,267
Office supplies	6,980	5,503	3,991	7,753	14,245	9,156	20,704	4,701	73,033	17,446	7,963	25,409	98,442
Postage and shipping	620	436	368	367	689	939	2,106	381	5,906	1,076	3,863	4,939	10,845
Accounting	8,888	6,254	5,278	5,256	9,876	13,354	30,292	5,454	84,652	16,132	9,831	25,963	110,615
Travel	1,455	4,652	2,149	49	504	5,200	9,171	51	23,231	3,550	423	3,973	27,204
Legal	-	-	-	-	3,924	-	-	-	3,924	-	-	-	3,924
Interpretive and personal assistance services	49,287	4,099	5,091	4,833	3,160	4,584	8,029	5,048	84,131	6,655	2,969	9,624	93,755
Management consultants	53,672	3,632	33,634	44,867	1,347	1,821	20,058	1,274	160,305	47,389	101,503	148,892	309,197
Computer consultant	1,652	1,163	981	977	1,836	2,483	5,610	1,014	15,716	2,866	1,818	4,684	20,400
Printing and publications	316	49	10	2,252	18	91	366	10	3,112	39	12,710	12,749	15,861
Conferences/meetings/membership	2,048	2,326	4,773	1,814	2,098	2,848	5,961	411	22,279	41,897	1,467	43,364	65,643
Events	2,147	573	-	375	200	333	714	-	4,342	4,869	142,703	147,572	151,914
Stipends	1,200	550	7,514	200	6,425	168	1,463	10,333	27,853	1,408	100	1,508	29,361
Insurance	3,927	2,763	2,332	2,322	4,363	5,900	13,331	2,409	37,347	6,811	4,319	11,130	48,477
Equipment rental/maintenance	18,067	11,238	9,484	16,118	17,744	23,996	54,221	9,799	160,667	27,702	32,870	60,572	221,239
Bad debt expense	498	350	296	294	553	748	1,690	305	4,734	863	547	1,410	6,144
Internet	1,149	808	682	679	1,277	1,726	3,901	705	10,927	1,993	1,264	3,257	14,184
Specific program expenses	14,480	-	1,000	8,645	-	10,443	284,388	19,969	338,925	-	-	-	338,925
Miscellaneous expenses	-	617	3,462	-	-	5,971	3,553	250	13,853	797	60	857	14,710
Total functional expenses before depreciation and amortization	610,922	437,339	320,903	390,605	592,808	815,615	1,867,994	119,269	5,155,455	1,358,369	866,076	2,224,445	7,379,900
Depreciation and amortization	38,248	26,914	22,712	22,619	42,498	57,466	129,853	23,469	363,779	66,343	42,073	108,416	472,195
	<u>\$ 649,170</u>	<u>\$ 464,253</u>	<u>\$ 343,615</u>	<u>\$ 413,224</u>	<u>\$ 635,306</u>	<u>\$ 873,081</u>	<u>\$ 1,997,847</u>	<u>\$ 142,738</u>	<u>\$ 5,519,234</u>	<u>\$ 1,424,712</u>	<u>\$ 908,149</u>	<u>\$ 2,332,861</u>	<u>\$ 7,852,095</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, 2023 and 2022

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.

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:

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.

2. Cash and Cash Equivalents

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

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 \$23,525,805 and \$10,651,031 as of June 30, 2023 and 2022, respectively, and are stated at fair value, which is generally determined based on the daily closing price as reported by the fund, 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, 2023 and 2022

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

The Agency recognizes revenue upon delivery of goods or services in an amount that reflects the consideration the Agency expects to receive in exchange for those goods or services. The Agency's revenue streams that fall under this ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606), are derived primarily from service fees.

Service fees, which are nonrefundable, are generally collected in advance of the training or meeting and are recognized as revenue when the event occurs, at a point in time. Service fees approximated \$100,000 and \$90,000 for fiscal years 2023 and 2022, respectively. There were no accounts receivables, contract assets, or contract liabilities at June 30, 2023, June 30, 2022 or July 1, 2022 related to this revenue stream.

All of the Agency's revenue from contracts with customers are from performance obligations with an initial expected duration of one year or less.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Revenue Recognition (Continued)

Contribution Revenue

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.

Government Grants

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.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Property and Equipment (Continued)

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.

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.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

10. Deferred Revenue from Advance Fees

The Agency receives a substantial portion of its operating funds from grants. 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. This arrangement is not an exchange of commensurate value and thus, the transaction is nonreciprocal (i.e. non-exchange).

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 taken 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, 2023 and 2022, 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.

12. Contributed Nonfinancial Assets

Contributed nonfinancial assets 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.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE C - AVAILABILITY AND LIQUIDITY

As of June 30, 2023 and 2022, the following tables show the total financial assets held by the Agency and the amounts of those financial assets that could be readily made available within one year of the statement of financial position date to meet general expenditures:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 2,257,188	\$ 5,841,273
Investments	23,525,805	10,651,031
Costs incurred recoverable under grants, net	1,327,985	979,450
Other receivables	25,751	4,583
Unconditional promises to give, net	<u>2,262,711</u>	<u>2,537,902</u>
 Total financial assets	 <u>29,399,440</u>	 <u>20,014,239</u>
 Less amounts not available to be used within one year:		
Investments encumbered by donor restrictions	\$ 4,325,459	\$ 3,957,683
Investments encumbered by board designations	16,292,091	7,786,739
Unconditional promises to give - due after one year, net, or imposed by donor restrictions	<u>1,073,209</u>	<u>1,028,992</u>
	<u>21,690,759</u>	<u>12,773,414</u>
 Financial assets available to meet general expenditures over the next twelve months	 <u>\$ 7,708,681</u>	 <u>\$ 15,247,268</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.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE C - AVAILABILITY AND LIQUIDITY (Continued)

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).

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.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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

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.

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.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

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 markets;
- * Inputs other than quoted prices that are observable for the asset or liability;
- * Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

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

The asset'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, 2023 and 2022.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE E - FAIR VALUE MEASUREMENTS (Continued)

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:

	2023			
	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Fixed income mutual funds				
Short term government	\$ 1,927,548	\$ -	\$ -	\$ 1,927,548
Short term bond	5,099,439	-	-	5,099,439
Equity and securities mutual funds				
Large cap	10,394,590	-	-	10,394,590
Other	4,377,527	-	-	4,377,527
Commodities	1,224,139	-	-	1,224,139
Real estate mutual fund	<u>502,562</u>	<u>-</u>	<u>-</u>	<u>502,562</u>
Fair value of investments	<u>\$ 23,525,805</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,525,805</u>

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE E - FAIR VALUE MEASUREMENTS (Continued)

	2022			Total
	(Level 1)	(Level 2)	(Level 3)	
Fixed income mutual funds				
Short term government	\$ 826,316	\$ -	\$ -	\$ 826,316
Short term bond	1,556,982	-	-	1,556,982
Intermediate term bond	1,332,457	-	-	1,332,457
Equity and securities mutual funds				
Large cap	4,285,052	-	-	4,285,052
Other	1,685,380	-	-	1,685,380
Commodities	581,364	-	-	581,364
Real estate mutual fund	383,480	-	-	383,480
Fair value of investments	\$ 10,651,031	\$ -	\$ -	\$ 10,651,031

Investments in mutual funds consisted of the following as of June 30, 2023 and 2022:

	2023		2022	
	Cost	Fair Value	Cost	Fair Value
Fixed income	\$ 6,336,084	\$ 7,026,987	\$ 4,094,526	\$ 3,715,755
Equities and securities	12,337,086	14,772,117	5,079,281	5,970,432
Commodities	1,197,920	1,224,139	493,798	581,364
Real estate	538,358	502,562	399,074	383,480
	\$ 20,409,448	\$ 23,525,805	\$ 10,066,679	\$ 10,651,031

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE F - UNCONDITIONAL PROMISES TO GIVE

The following tables set forth unconditional promises to give at June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Restricted for time and various programs	\$ 2,423,536	\$ 2,481,000
Unrestricted promises to give	<u>-</u>	<u>134,255</u>
Total unconditional promises to give	<u>\$ 2,423,536</u>	<u>\$ 2,615,255</u>
Amounts due in:		
Less than one year	\$ 1,189,562	\$ 1,508,908
One to four years	<u>1,233,974</u>	<u>1,106,347</u>
Total unconditional promises to give	2,423,536	2,615,255
Less allowance for doubtful accounts	(20,000)	(20,000)
Less discount to present value	<u>(140,765)</u>	<u>(57,353)</u>
Unconditional promises to give, net	<u>\$ 2,262,771</u>	<u>\$ 2,537,902</u>

The discount rate was 7.81% and 4.33% in 2023 and 2022, respectively.

NOTE G - CONDITIONAL PROMISES TO GIVE

The Agency had conditional promises to give at June 30, 2023 of \$80,000. The Agency had no conditional promises to give at June 30, 2022. Conditional promises to give of approximately \$40,000 and \$60,000 were recognized during the years ending June 30, 2023 and 2022, respectively, as the conditions on which they depended on were met.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE H - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Building and improvements	\$ 11,695,531	\$ 11,707,009
Furniture and equipment	1,242,270	1,336,107
Vehicle	<u>32,500</u>	<u>32,500</u>
	12,970,301	13,075,616
Less accumulated depreciation	<u>7,472,612</u>	<u>7,191,772</u>
	5,497,689	5,883,844
Land	<u>251,353</u>	<u>251,353</u>
Property and equipment, net	<u>\$ 5,749,042</u>	<u>\$ 6,135,197</u>

NOTE I - LINE OF CREDIT

The Agency has a line of credit agreement with a bank which expired on September 30, 2023. The line of credit allowed for borrowings of up to \$500,000 and bore interest, at the option of the borrower, at (a) the Prime-Based Rate defined as the greater of 2.25% or prime minus 0.90% or (b) the Overnight LIBOR-Based rate defined as the greater of 2.25% or the overnight LIBOR rate plus 2.25%. Subsequent to year end, the line of credit maturity date was extended to September 19, 2024 and outstanding borrowings bear interest, at the option of the borrower, at (a) the Prime-Based Rate defined as the greater of 2.25% or prime minus 1.15% or (b) the Daily Simple SOFR-Based Rate defined as the greater of 2.05% or the Daily Simple SOFR plus 2.05%.

NOTE J - 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, 2023 and 2022.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE J - RETIREMENT PLANS (Continued)

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 \$109,000 and \$84,000 for the years ended June 30, 2023 and 2022, respectively.

NOTE K - 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 L - 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, 2023, the Agency had \$1,471,047 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 19% and 16% of total operating revenues - fees and grants from governmental agencies for the years ended June 30, 2023 and 2022, respectively. The balance due from ILDHS totaled 9% of costs incurred recoverable under grants at June 30, 2023 and 2022.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE L- RISKS AND UNCERTAINTIES (Continued)

2. Concentrations of Revenues (Continued)

The Agency receives a significant portion of its revenues from the State of Illinois, which represented 73% and 72% of total operating revenues - fees and grants from governmental agencies for the years ended June 30, 2023 and 2022, respectively. The balance due from the State of Illinois totaled 73% and 77% of costs incurred recoverable under grants at June 30, 2023 and 2022, respectively. The Agency also receives a significant portion of its revenues from the U.S Department of Housing and Urban Development (HUD), which represented 11% of total operating revenues - fees and grants from governmental agencies for the years ended June 30, 2023 and 2022. The balance due from HUD totaled 10% and 14% of costs incurred recoverable under grants at June 30, 2023 and 2022, respectively.

If these government units terminated their support for the Agency, the Agency's ability to provide services could be significantly reduced.

Contributions from one donor accounted for approximately 44% and 13% of total operating revenues for the years ended June 30, 2023 and 2022, respectively. These contributions are included in general public, corporate and foundation support revenue in the accompanying statement of activities for the years ended June 30, 2023 and 2022. There was no balance due from this donor at June 30, 2023. The balance due from this donor totaled approximately 20% of unconditional promises to give at June 30, 2022.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE M - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2023</u>	<u>2022</u>
Time restrictions	\$ 1,712,500	\$ 1,825,000
Various program services	207,500	73,500
Cost of improvements and maintenance of the facility	1,519,533	1,592,889
Earnings subject to appropriation	202,850	-
Underwater endowments	-	(163,511)
Perpetual in nature	<u>4,910,798</u>	<u>4,897,907</u>
	<u>\$ 8,553,181</u>	<u>\$ 8,225,785</u>

Net assets were released from restrictions by incurring costs satisfying the restricted purpose specified by donors during the years ended June 30, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Time restrictions	\$ 1,487,500	\$ 1,523,770
Various program services	231,000	181,500
Cost of improvements and maintenance of the facility	<u>73,356</u>	<u>208,157</u>
	<u>\$ 1,791,856</u>	<u>\$ 1,913,427</u>

NOTE N - 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, 2023 and 2022

NOTE N - 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, 2023 and 2022, the Agency had the following endowment net asset composition by type of fund:

	June 30, 2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	\$ 2,926,254	\$ -	\$ 2,926,254
Donor-designated endowment			
Original donor-restricted gift and amounts required to be maintained in perpetuity by donor	-	4,910,798	4,910,798
Accumulated investment return	-	202,850	202,850
	\$ 2,926,254	\$ 5,113,648	\$ 8,039,902

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE N - ENDOWMENTS (Continued)

	June 30, 2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	\$ 2,712,158	\$ -	\$ 2,712,158
Donor-designated endowment			
Original donor-restricted gift and amounts required to be maintained in perpetuity by donor	-	4,897,907	4,897,907
Accumulated investment return	-	(163,511)	(163,511)
	\$ 2,712,158	\$ 4,734,396	\$ 7,446,554

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, 2023 and 2022, 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, 2023 and 2022

NOTE N - ENDOWMENTS (Continued)

Changes in endowment net assets as of and for the years ended June 30, 2023 and 2022 are as follows:

	<u>June 30, 2023</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2022	\$ 2,712,158	\$ 4,734,396	\$ 7,446,554
Contributions	-	12,891	12,891
Investment return, net	<u>214,096</u>	<u>366,361</u>	<u>580,457</u>
June 30, 2023	<u>\$ 2,926,254</u>	<u>\$ 5,113,648</u>	<u>\$ 8,039,902</u>
	<u>June 30, 2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2021	\$ 3,077,317	\$ 4,763,338	\$ 7,840,655
Contributions	-	377,677	377,677
Investment return, net	<u>(365,159)</u>	<u>(406,619)</u>	<u>(771,778)</u>
June 30, 2022	<u>\$ 2,712,158</u>	<u>\$ 4,734,396</u>	<u>\$ 7,446,554</u>

NOTE O - RECLASSIFICATIONS

Certain reclassifications have been made to the 2022 financial statements in order to conform with the 2023 presentation. These reclassifications had no impact on the Agency's change in net assets or net assets as previously presented.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2023 and 2022

NOTE O - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 30, 2023, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than the items in Note I and below, have occurred subsequent to the statement of financial position date that would require additional disclosure in the financial statements.

Subsequent to year end, the Agency's building in Chicago flooded, resulting in significant damage estimated to be in excess of \$1,000,000, which management expects the majority of expenses to be covered by insurance.

Subsequent to year end, the Agency entered into a short-term lease from September 2023 to November 2023 with monthly payments ranging from approximately \$4,600 to \$8,200.