

**Access Living of  
Metropolitan Chicago**

**Financial Statements  
and Independent Auditors' Report**

**June 30, 2021 and 2020**

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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, 2021 and 2020, 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.

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### 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, 2021 and 2020, 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 3, 2021, 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.



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Certified Public Accountants

Deerfield, Illinois  
November 3, 2021

## **FINANCIAL STATEMENTS**

**Access Living of Metropolitan Chicago**  
**STATEMENTS OF FINANCIAL POSITION**  
June 30, 2021 and 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 6,831,086	\$ 3,651,540
Investments designated for:		
Endowment and other reserve funds	9,609,349	7,519,901
Costs incurred recoverable under grants, net	1,153,459	647,740
Other receivables	-	39,163
Unconditional promises to give, net	2,246,309	2,597,574
Prepaid expenses and other assets	54,937	7,963
Property and equipment, net	6,399,233	6,838,571
Art collection	59,461	59,461
	<u>\$ 26,353,834</u>	<u>\$ 21,361,913</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
<b>LIABILITIES</b>		
Accounts payable and other accrued expenses	\$ 240,713	\$ 135,074
Deferred revenue from advance fees	1,677	101,679
Paycheck Protection Program loan (Note J)	-	823,003
Accrued compensation	325,286	297,751
	<u>567,676</u>	<u>1,357,507</u>
 <b>NET ASSETS</b>		
Without donor restrictions	18,377,613	14,853,160
With donor restrictions	7,408,545	5,151,246
	<u>25,786,158</u>	<u>20,004,406</u>
	<u>\$ 26,353,834</u>	<u>\$ 21,361,913</u>

The accompanying notes are an integral part of these statements.

**Access Living of Metropolitan Chicago**  
**STATEMENT OF ACTIVITIES**  
Year ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenues</b>			
Fees and grants from governmental agencies	\$ 4,105,926	\$ -	\$ 4,105,926
General public, corporate and foundation support	1,471,094	4,011,500	5,482,594
United Way of Chicago	43,515	-	43,515
Special events	315,279	-	315,279
Investment return	1,904,307	-	1,904,307
Forgiveness of debt - PPP loan	823,003	-	823,003
Other	239,548	-	239,548
Net assets released from restriction	1,754,201	(1,754,201)	-
<b>Total operating revenues</b>	<b>10,656,873</b>	<b>2,257,299</b>	<b>12,914,172</b>
<b>Operating Expenses</b>			
<b>Program services</b>			
Community organizing	612,712	-	612,712
Youth Institute	372,827	-	372,827
Policy analysis	463,044	-	463,044
Communications	353,471	-	353,471
Community support	701,070	-	701,070
Civil rights	791,109	-	791,109
Long-term care	1,695,063	-	1,695,063
Art	66,578	-	66,578
<b>Total program services</b>	<b>5,055,874</b>	<b>-</b>	<b>5,055,874</b>
<b>Supporting Services</b>			
Management and general administration	1,318,548	-	1,318,548
Development	757,998	-	757,998
<b>Total supporting services</b>	<b>2,076,546</b>	<b>-</b>	<b>2,076,546</b>
<b>Total operating expenses, includes depreciation and amortization expense of \$455,566</b>	<b>7,132,420</b>	<b>-</b>	<b>7,132,420</b>
<b>CHANGE IN NET ASSETS</b>	<b>3,524,453</b>	<b>2,257,299</b>	<b>5,781,752</b>
Net assets, beginning of year	14,853,160	5,151,246	20,004,406
Net assets, end of year	\$ 18,377,613	\$ 7,408,545	\$ 25,786,158

The accompanying notes are an integral part of this statement.

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

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Operating Revenues</b>			
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)	-
<b>Total operating revenues</b>	<b>7,023,572</b>	<b>(280,184)</b>	<b>6,743,388</b>
<b>Operating Expenses</b>			
<b>Program services</b>			
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
<b>Total program services</b>	<b>4,601,262</b>	<b>-</b>	<b>4,601,262</b>
<b>Supporting Services</b>			
Management and general administration	1,367,129	-	1,367,129
Development	798,740	-	798,740
<b>Total supporting services</b>	<b>2,165,869</b>	<b>-</b>	<b>2,165,869</b>
<b>Total operating expenses, includes depreciation and amortization expense of \$444,531</b>	<b>6,767,131</b>	<b>-</b>	<b>6,767,131</b>
<b>CHANGE IN NET ASSETS</b>	<b>256,441</b>	<b>(280,184)</b>	<b>(23,743)</b>
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**  
**STATEMENTS OF CASH FLOWS**  
Years ended June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Change in net assets	\$ 5,781,752	\$ (23,743)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	455,566	444,531
Change in provision for allowance for doubtful accounts	(43,288)	(43,288)
Net realized and unrealized gains	(1,780,761)	(228,219)
Forgiveness of debt - PPP loan	(823,003)	-
(Increase) decrease in assets		
Costs incurred recoverable under grants	(421,556)	103,802
Unconditional promises to give	349,553	77,827
Prepaid expenses and other assets	(46,974)	67,679
Increase (decrease) in liabilities		
Accounts payable and other accrued expenses	105,639	14,278
Deferred revenue from advance fees	(100,002)	100,265
Accrued compensation	27,535	(596,851)
Net cash provided by (used in) operating activities	<u>3,504,461</u>	<u>(83,719)</u>
Cash flows from investing activities		
Purchases of property and equipment	(16,228)	(81,769)
Sales of investments designated for establishment of endowment and other reserve funds	1,353,187	(1,443,606)
Purchases of investments designated for establishment of endowment and other reserve funds	<u>(1,661,874)</u>	<u>2,117,093</u>
Net cash provided by (used in) investing activities	<u>(324,915)</u>	<u>591,718</u>
Cash flows from financing activities		
Proceeds from borrowings on PPP loan	<u>-</u>	<u>823,003</u>
Net cash provided by financing activities	<u>-</u>	<u>823,003</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>3,179,546</b>	<b>1,331,002</b>
Cash and cash equivalents, beginning of year	<u>3,651,540</u>	<u>2,320,538</u>
Cash and cash equivalents, end of year	<u><u>\$ 6,831,086</u></u>	<u><u>\$ 3,651,540</u></u>

The accompanying notes are an integral part of these statements.

**Access Living of Metropolitan Chicago**

STATEMENT OF FUNCTIONAL EXPENSES

Year ended June 30, 2021

	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	\$ 348,461	\$ 227,569	\$ 298,864	\$ 207,433	\$ 412,117	\$ 550,700	\$ 947,647	\$ 24,155	\$ 3,016,946	\$ 787,578	\$ 393,236	\$ 1,180,814	\$ 4,197,760
Employee benefits	89,388	37,821	21,117	31,575	77,749	44,079	146,060	3,548	451,337	196,992	60,706	257,698	709,035
Payroll taxes	28,037	19,138	23,421	16,763	33,069	44,480	76,437	1,938	243,283	63,188	31,722	94,910	338,193
Total payroll and related expenses	465,886	284,528	343,402	255,771	522,935	639,259	1,170,144	29,641	3,711,566	1,047,758	485,664	1,533,422	5,244,988
Occupancy	7,114	5,700	6,763	3,695	11,188	8,952	27,679	1,349	72,440	13,294	6,652	19,946	92,386
Telephone	7,015	5,621	6,669	3,644	11,243	8,828	27,435	1,330	71,785	12,879	6,559	19,438	91,223
Office supplies	9,704	3,736	8,103	5,879	5,291	20,190	13,924	581	67,408	20,087	4,182	24,269	91,677
Postage and shipping	149	119	141	77	234	187	583	28	1,518	278	139	417	1,935
Accounting	6,840	5,481	6,502	3,553	10,757	8,607	26,613	1,297	69,650	13,582	6,414	19,996	89,646
Travel	302	860	370	104	2,166	1,266	4,938	35	10,041	487	613	1,100	11,141
Legal	833	-	-	-	-	11,895	-	-	12,728	-	-	-	12,728
Interpretive and personal assistance services	33,365	2,449	9,486	2,800	2,936	1,166	5,510	2,858	60,570	3,535	682	4,217	64,787
Management consultants	20,455	8,310	22,641	31,498	18,698	8,940	24,930	4,155	139,627	41,883	110,508	152,391	292,018
Computer consultant	1,571	1,259	1,493	816	2,470	1,977	6,112	298	15,996	2,936	1,469	4,405	20,401
Printing and publications	41	33	39	5,021	384	52	257	8	5,835	8,077	39	8,116	13,951
Conferences/meetings/membership	1,909	944	618	3,378	903	2,813	2,758	123	13,446	34,531	5,001	39,532	52,978
Events	250	-	-	-	-	-	-	-	250	3,728	63,692	67,420	67,670
Stipends	-	150	2,325	25	2,879	6,216	617	500	12,712	700	300	1,000	13,712
Insurance	3,794	3,040	3,607	1,971	5,968	4,775	14,764	719	38,638	7,091	3,548	10,639	49,277
Equipment rental/maintenance	12,960	9,715	12,183	12,985	19,030	14,988	47,063	2,258	131,182	22,059	24,624	46,683	177,865
Bad debt expense	4,404	3,529	4,187	2,288	6,926	5,542	17,136	835	44,847	8,231	4,118	12,349	57,196
Internet	1,038	831	1,165	539	1,632	1,306	4,037	197	10,745	1,939	970	2,909	13,654
Specific program expenses	-	-	-	1,200	5,610	-	128,809	13,713	149,332	2,220	-	2,220	151,552
Miscellaneous expenses	3	8,414	3	3	14,651	6	35,267	2	58,349	7,697	23	7,720	66,069
Total functional expenses before depreciation and amortization	577,633	344,719	429,697	335,247	645,901	746,965	1,558,576	59,927	4,698,665	1,252,992	725,197	1,978,189	6,676,854
Depreciation and amortization	35,079	28,108	33,347	18,224	55,169	44,144	136,487	6,651	357,209	65,556	32,801	98,357	455,566
	<u>\$ 612,712</u>	<u>\$ 372,827</u>	<u>\$ 463,044</u>	<u>\$ 353,471</u>	<u>\$ 701,070</u>	<u>\$ 791,109</u>	<u>\$ 1,695,063</u>	<u>\$ 66,578</u>	<u>\$ 5,055,874</u>	<u>\$ 1,318,548</u>	<u>\$ 757,998</u>	<u>\$ 2,076,546</u>	<u>\$ 7,132,420</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, 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

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### 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 \$50,000 and \$979,000 of contributions for the campaign during the years June 30, 2021 and June 30, 2020, 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:

*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, 2021 and 2020

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### 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 \$9,609,349 and \$7,519,901 as of June 30, 2021 and 2020, 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, 2021 and 2020

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### 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. Accounting Standard Adopted in the Current Year

The Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, *Revenues from Contracts with Customers* (Topic 606), which provides a five-step analysis of contracts to determine when and how revenue is recognized. The core principle of Topic 606 is that an entity should recognize revenue to reflect the transfer of goods and services to customers in an amount equal to the consideration the entity receives or expects to receive. Topic 606 was effective for annual reporting periods beginning after December 15, 2019, and the Agency adopted the new guidance with an initial effective date of July 1, 2020, utilizing the modified retrospective method of transition.

The Agency has determined that the new guidance does not have a significant effect on reported amounts and, as a result, no adjustment as of July 1, 2020 is required. Adoption of the new guidance resulted in no material changes to the Agency's accounting policies for revenue recognition.

As a part of the adoption of Topic 606, the Agency elected to use the following transition practical expedient: (1) ASC 606 is applied only to contracts that are not completed at the initial date of application.

# Access Living of Metropolitan Chicago

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 6. Accounting Standard Adopted in the Current Year (Continued)

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 \$236,000 and \$53,000 for fiscal years 2021 and 2020, respectively. There were no accounts receivables, contract assets, or contract liabilities at June 30, 2021, June 30, 2020 or July 1, 2020 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.

#### 7. Revenue Recognition

##### 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.

# Access Living of Metropolitan Chicago

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 7. Revenue Recognition (Continued)

##### Contribution Revenue (Continued)

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.

#### 8. 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



# Access Living of Metropolitan Chicago

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 9. 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.

#### 10. 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.

#### 11. 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).

#### 12. 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.

# Access Living of Metropolitan Chicago

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 12. Income Taxes (Continued)

Management has analyzed the tax positions taken by the Agency and has concluded that as of June 30, 2021 and 2020, 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.

#### 13. 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.

#### 14. 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.

#### 15. 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.

# Access Living of Metropolitan Chicago

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 15. Fair Value (Continued)

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.

#### 16. 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.

#### 17. Significant Accounting Standard Applicable in Future Years

##### Leases

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases*, (Topic 842), in February 2016. Under ASU 2016-02, lessees will be required 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 this new guidance, lessor accounting is largely unchanged. ASU 2016-02 was to be effective for annual financial statements of private companies issued for fiscal years beginning after December 15, 2019, however the implementation date has been deferred. The new guidance is now effective for annual financial statements of not for profits issued for fiscal years beginning after December 15, 2021. Management is currently evaluating the effect that ASU 2016-02 will have on the Agency's financial statements, and will implement ASU 2016-02 in the Agency's June 30, 2023 financial statements using a modified retrospective approach.

## Access Living of Metropolitan Chicago

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

#### NOTE C - AVAILABILITY AND LIQUIDITY

As of June 30, 2021 and 2020, 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>2021</u>	<u>2020</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 6,831,086	\$ 3,651,540
Investments	9,609,349	7,519,901
Costs incurred recoverable under grants, net	1,153,459	647,740
Other receivables	-	39,163
Unconditional promises to give, net	<u>2,246,309</u>	<u>2,597,574</u>
 Total financial assets	 <u>19,840,203</u>	 <u>14,455,918</u>
Less amounts not available to be used within one year:		
Investments encumbered by donor restrictions	\$ 4,521,230	\$ 772,155
Investments encumbered by board designations	8,761,674	7,025,719
Unconditional promises to give - due after one year, net, or imposed by donor restrictions	<u>780,834</u>	<u>982,946</u>
	<u>14,063,738</u>	<u>8,780,820</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 5,776,465</u>	<u>\$ 5,675,098</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, 2021 and 2020

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#### 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, 2021 and 2020

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### 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.

### 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.
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## Access Living of Metropolitan Chicago

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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#### NOTE E - FAIR VALUE MEASUREMENTS (Continued)

##### 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.

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, 2021 and 2020.

*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.

## Access Living of Metropolitan Chicago

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

#### NOTE E - FAIR VALUE MEASUREMENTS (Continued)

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

	2021			Total
	(Level 1)	(Level 2)	(Level 3)	
Fixed income mutual funds				
Short term government	\$ 699,181	\$ -	\$ -	\$ 699,181
Short term bond	217,085	-	-	217,085
Intermediate term bond	2,084,273	-	-	2,084,273
Equity and securities mutual funds				
Large cap	3,483,198	-	-	3,483,198
Other	2,517,960	-	-	2,517,960
Commodities	217,565	-	-	217,565
Real estate mutual fund	390,087	-	-	390,087
Fair value of investments	\$ 9,609,349	\$ -	\$ -	\$ 9,609,349
	2020			Total
	(Level 1)	(Level 2)	(Level 3)	
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	\$ 7,519,901	\$ -	\$ -	\$ 7,519,901



## Access Living of Metropolitan Chicago

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

#### NOTE E - FAIR VALUE MEASUREMENTS (Continued)

Investments in mutual funds consisted of the following as of June 30, 2021 and 2020:

	2021		2020	
	Cost	Fair Value	Cost	Fair Value
Fixed income	\$ 2,929,248	\$ 3,000,539	\$ 3,989,462	\$ 4,007,555
Equities and securities	3,943,215	6,001,158	2,672,039	3,153,180
Commodities	146,679	217,565	96,098	106,387
Real estate	319,537	390,087	257,185	252,779
	\$ 7,338,679	\$ 9,609,349	\$ 7,014,784	\$ 7,519,901

#### NOTE F - UNCONDITIONAL PROMISES TO GIVE

The following tables set forth unconditional promises to give at June 30, 2021 and 2020:

	2021	2020
Restricted for time and various programs	\$ 2,228,769	\$ 2,536,327
Unrestricted promises to give	101,704	144,879
Total unconditional promises to give	\$ 2,330,473	\$ 2,681,206
Amounts due in:		
Less than one year	\$ 1,465,475	\$ 1,614,628
One to four years	865,000	1,066,578
Total unconditional promises to give	2,330,475	2,681,206
Less allowance for doubtful accounts	(34,858)	(20,000)
Less discount to present value	(49,308)	(63,632)
Unconditional promises to give, net	\$ 2,246,309	\$ 2,597,574

Discount rate was 2.84% and 5.12% in 2021 and 2020, respectively.

## Access Living of Metropolitan Chicago

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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#### NOTE G - CONDITIONAL PROMISES TO GIVE

The Agency had conditional promises to give of \$0 and \$550,000 at June 30, 2021 and June 30, 2020, respectively. Conditional promises to give of approximately \$550,000 and \$50,000 were recognized during the years ending June 30, 2021 and 2020, respectively, as the conditions on which they depended on were met.

#### NOTE H - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Building and improvements	\$ 11,592,833	\$ 11,592,833
Furniture and equipment	1,242,125	1,225,897
Vehicle	<u>32,500</u>	<u>32,500</u>
	12,867,458	12,851,230
Less accumulated depreciation	<u>6,719,578</u>	<u>6,264,012</u>
	6,147,880	6,587,218
Land	<u>251,353</u>	<u>251,353</u>
Property and equipment, net	<u>\$ 6,399,233</u>	<u>\$ 6,838,571</u>

#### NOTE I - LINE OF CREDIT

The Agency has a line of credit agreement with a bank which expired on September 30, 2021. Subsequent to year end, the line of credit was renewed with similar terms and is set to expire on September 30, 2022. 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 2.25% 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%.

## **Access Living of Metropolitan Chicago**

### **NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

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#### NOTE J - PAYCHECK PROTECTION PROGRAM LOAN

On May 2020, the Agency entered into a Paycheck Protection Program (PPP) loan agreement that totaled \$823,003, bore interest at 1.00%, was set to mature in April 2022, was not collateralized, and was eligible for forgiveness subject to provisions of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"). During fiscal year 2021, the Agency received forgiveness by the Small Business Association (SBA), and as such the full amount of the loan was recorded as forgiveness of debt - PPP loan on the statement of activities in fiscal year 2021.

As part of the PPP, the Agency is required to retain all records relating to the loan for six years from the date the loan was forgiven and permit authorized representatives of the SBA to access such records upon request. Although forgiveness of the loan has been granted, the SBA may undertake a review at any time at the SBA's discretion.

#### 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, 2021 and 2020.

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 \$81,000 and \$73,000 for the years ended June 30, 2021 and 2020, 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. During fiscal year 2020, \$679,748 was paid.

# Access Living of Metropolitan Chicago

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### 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, 2021, the Agency had \$6,116,486 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 11% and 22% of total operating revenues - fees and grants from governmental agencies for the years ended June 30, 2021 and 2020, respectively. The balance due from ILDHS totaled 14% and 9% of costs incurred recoverable under grants at June 30, 2021 and 2020, respectively.

The Agency receives a significant portion of its revenues from the State of Illinois, which represented 72% and 22% of total operating revenues - fees and grants from governmental agencies for the years ended June 30, 2021 and 2020, respectively. The balance due from the State of Illinois totaled 76% and 27% of costs incurred recoverable under grants at June 30, 2021 and 2020, 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% and 5% of total operating revenues - fees and grants from governmental agencies for the years ended June 30, 2021 and 2020, respectively. The balance due from HUD totaled 17% and 15% of costs incurred recoverable under grants at June 30, 2021 and 2020, respectively.

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

# Access Living of Metropolitan Chicago

## NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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### NOTE M - RISKS AND UNCERTAINTIES (Continued)

#### 2. Concentrations of Revenues (Continued)

Contributions from one donor accounted for approximately 15% of total operating revenues for the year ended June 30, 2021. Contributions from a separate donor accounted for approximately 10% of related revenues for the year ended June 30, 2020. These contributions are included in general public, corporate and foundation support revenue in the accompanying statement of activities for the years ended June 30, 2021 and 2020. The balances due from these donors totaled approximately 22% and 13% of unconditional promises to give at June 30, 2021 and 2020, respectively.

#### 3. COVID-19

The direct and indirect impacts of the current COVID-19 outbreak on the Agency's donors, 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 its investment portfolio and liquidity and are actively working to minimize the impact of these declines. No adjustments relating to the effects of COVID-19 have been recorded in these financial statements.

### NOTE N - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Time restrictions	\$ 1,038,770	\$ 2,589,244
Various program services	47,500	22,500
Cost of improvements and maintenance of the new facility	1,801,045	1,817,272
Perpetual in nature	<u>4,521,230</u>	<u>722,230</u>
	<u>\$ 7,408,545</u>	<u>\$ 5,151,246</u>

## Access Living of Metropolitan Chicago

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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#### NOTE N - NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets were released from restrictions by incurring costs satisfying the restricted purpose specified by donors during the years ended June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Time restrictions	\$ 1,700,474	\$ 1,332,083
Various program services	37,500	153,362
Cost of improvements and maintenance of the new facility	<u>16,227</u>	<u>54,739</u>
	<u>\$ 1,754,201</u>	<u>\$ 1,540,184</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.

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

## Access Living of Metropolitan Chicago

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

#### NOTE O - ENDOWMENTS (Continued)

As of June 30, 2021 and 2020, the Agency had the following endowment net asset composition by type of fund:

	June 30, 2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-designated endowment	\$ 3,077,317	\$ -	\$ 3,077,317
Donor-designated endowment			
Original donor-restricted gift and amounts required to be maintained in perpetuity by donor	-	4,521,230	4,521,230
Accumulated investment return	-	253,431	253,431
	\$ 3,077,317	\$ 4,774,661	\$ 7,851,978
	June 30, 2020		
	Without Donor Restrictions	With Donor Restrictions	Total
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	-	70,531	70,531
	\$ 2,350,053	\$ 792,761	\$ 3,142,814

## Access Living of Metropolitan Chicago

### NOTES TO FINANCIAL STATEMENTS

June 30, 2021 and 2020

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#### NOTE O - ENDOWMENTS (Continued)

##### *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, 2021 and 2020, 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, 2021 and 2020

#### NOTE O - ENDOWMENTS (Continued)

Changes in endowment net assets as of and for the years ended June 30, 2021 and 2020 are as follows:

	<u>June 30, 2021</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment net assets, July 1, 2020	\$ 2,350,053	\$ 792,761	\$ 3,142,814
Contributions	-	3,799,000	3,799,000
Investment return, net	<u>727,264</u>	<u>182,900</u>	<u>910,164</u>
June 30, 2021	<u>\$ 3,077,317</u>	<u>\$ 4,774,661</u>	<u>\$ 7,851,978</u>
	<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	\$ 722,230	\$ 3,061,011
Investment return, net	<u>11,272</u>	<u>70,531</u>	<u>81,803</u>
June 30, 2020	<u>\$ 2,350,053</u>	<u>\$ 792,761</u>	<u>\$ 3,142,814</u>

#### NOTE P - RECLASSIFICATIONS

Certain reclassifications have been made to the 2020 financial statements to conform with the 2021 presentation. These reclassifications have no effect on net assets or the change in net assets in the financial statements.

# **Access Living of Metropolitan Chicago**

## **NOTES TO FINANCIAL STATEMENTS**

June 30, 2021 and 2020

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### NOTE Q - SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 3, 2021, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than the item in Note I, have occurred subsequent to the statement of financial position date that would require additional disclosure in the financial statements.

**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, 2021, and have issued our report thereon dated November 3, 2021 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, as listed in the table of contents, 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 2021 financial statements as a whole.

MILLER, COOPER & CO., LTD.



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Certified Public Accountants

Deerfield, Illinois  
November 3, 2021

**ILLINOIS DEPARTMENT OF HUMAN SERVICES**  
**GRANT REPORT for the period July 1 through June 30, 2021**  
Page 1 of 2 — Grant Allowable Cost Summary

AGENCY NAME: Access Living of Metropolitan Chicago

FEIN: 36-3310774

Miller Cooper & Co., Ltd.

	DHS GRANT-FUNDED SERVICES	All other Programs	Mgmt & General	Total			
					Program 1	Program 2	Program 3
Program Name/Number/Contract	Administration for Community Living Program						
Number/Other Identification	1913ILILCL 2013ILILCL 1917ILILCL 2017ILILCL						
A	Direct Program expenses	276,931	854,755	-	3,232,470	2,768,377	7,132,533
B	Allocate Management and General Costs (Note 1)	85,684	127,867	-	478,280	(691,831)	-
C	SUBTOTAL A + B	362,615	982,622	-	3,710,750	2,076,546	7,132,533
D	Subtract Unallowable costs per page 2						
E	Add other approved uses (attach documentation)						
F	TOTAL Allowable costs						
G	Special provisions (see instructions)						

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
<b>Unallowable Costs (see instructions)</b>					
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					
<b>Unallowable costs if Program is Federally funded or cost-restricted by Contract (See instructions)</b>					
Explain:					
Explain:					
<b>TOTAL UNALLOWABLE COSTS (to line D of Grant Report) - See below if NONE</b>					
<p>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.</p>					
				Signature	Date
				Printed Name and Title	