

**Access Living of
Metropolitan Chicago**

**Financial Statements
and Independent Auditors' Report**

June 30, 2022 and 2021

CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	3 - 5
FINANCIAL STATEMENTS	
Statement of Financial Position	6
Statements of Activities	7 - 8
Statements of Cash Flows	9
Statements of Functional Expenses	10 - 11
Notes to Financial Statements	12 - 33

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, 2022 and 2021, 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, 2022 and 2021, 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 (*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.



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 28, 2022, on our consideration of Access Living of Metropolitan Chicago's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
October 28, 2022

FINANCIAL STATEMENTS

Access Living of Metropolitan Chicago
STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

<u>ASSETS</u>	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 5,841,273	\$ 6,831,086
Investments designated for:		
Endowment and other reserve funds	10,651,031	9,609,349
Costs incurred recoverable under grants, net	979,450	1,128,176
Other receivables	4,583	25,283
Unconditional promises to give, net	2,537,902	2,246,309
Prepaid expenses and other assets	18,936	54,937
Property and equipment, net	6,135,197	6,399,233
Art collection	59,461	59,461
	<u>\$ 26,227,833</u>	<u>\$ 26,353,834</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
LIABILITIES		
Accounts payable and other accrued expenses	\$ 320,145	\$ 240,713
Deferred revenue from advance fees	1,737	1,677
Accrued compensation	497,844	325,286
	<u>819,726</u>	<u>567,676</u>
 NET ASSETS		
Without donor restrictions	17,018,812	18,377,613
With donor restrictions	8,389,295	7,408,545
	<u>25,408,107</u>	<u>25,786,158</u>
	<u>\$ 26,227,833</u>	<u>\$ 26,353,834</u>

The accompanying notes are an integral part of these statements.

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	750,084	2,894,177	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	6,493,294	980,750	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 \$472,193	7,852,095	-	7,852,095
CHANGE IN NET ASSETS	(1,358,801)	980,750	(378,051)
Net assets, beginning of year	18,377,613	7,408,545	25,786,158
Net assets, end of year	\$ 17,018,812	\$ 8,389,295	\$ 25,408,107

The accompanying notes are an integral part of this statement.

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

	Without Donor Restrictions	With Donor Restrictions	Total
Operating Revenues			
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)	-
Total operating revenues	10,656,873	2,257,299	12,914,172
Operating Expenses			
Program services			
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
Total program services	5,055,874	-	5,055,874
Supporting Services			
Management and general administration	1,318,548	-	1,318,548
Development	757,998	-	757,998
Total supporting services	2,076,546	-	2,076,546
Total operating expenses, includes depreciation and amortization expense of \$455,566	7,132,420	-	7,132,420
CHANGE IN NET ASSETS	3,524,453	2,257,299	5,781,752
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
STATEMENTS OF CASH FLOWS
Years ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Change in net assets	\$ (378,051)	\$ 5,781,752
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Depreciation and amortization	472,195	455,566
Change in provision for allowance for doubtful accounts	6,144	(43,288)
Net realized and unrealized gains	1,658,177	(1,780,761)
Forgiveness of debt - PPP loan	-	(823,003)
(Increase) decrease in assets		
Costs incurred recoverable under grants	169,426	(421,556)
Unconditional promises to give	(297,737)	349,553
Prepaid expenses and other assets	36,001	(46,974)
Increase (decrease) in liabilities		
Accounts payable and other accrued expenses	79,432	105,639
Deferred revenue from advance fees	60	(100,002)
Accrued compensation	172,558	27,535
Net cash provided by operating activities	<u>1,918,205</u>	<u>3,504,461</u>
Cash flows from investing activities		
Purchases of property and equipment	(208,159)	(16,228)
Sales of investments designated for establishment of endowment and other reserve funds	1,918,287	1,353,187
Purchases of investments designated for establishment of endowment and other reserve funds	<u>(4,618,146)</u>	<u>(1,661,874)</u>
Net cash used in investing activities	<u>(2,908,018)</u>	<u>(324,915)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	(989,813)	3,179,546
Cash and cash equivalents, beginning of year	<u>6,831,086</u>	<u>3,651,540</u>
Cash and cash equivalents, end of year	<u>\$ 5,841,273</u>	<u>\$ 6,831,086</u>

The accompanying notes are an integral part of these statements.

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	44,847	863	547	1,410	46,257
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
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	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

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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 \$0 and \$50,000 of contributions for the campaign during the years June 30, 2022 and June 30, 2021, 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, 2022 and 2021

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 \$10,651,031 and \$9,609,349 as of June 30, 2022 and 2021, 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, 2022 and 2021

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 \$90,000 and \$236,000 for fiscal years 2022 and 2021, respectively. There were no accounts receivables, contract assets, or contract liabilities at June 30, 2022, June 30, 2021 or July 1, 2021 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, 2022 and 2021

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.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Property and Equipment

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

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

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

8. Impairment of Long-Lived Assets

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

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, 2022 and 2021

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, 2022 and 2021, 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. 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.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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, 2022 and 2021

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

16. 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 not for profit entities 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.

NOTE C - AVAILABILITY AND LIQUIDITY

As of June 30, 2022 and 2021, 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>2022</u>	<u>2021</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 5,841,273	\$ 6,831,086
Investments	10,651,031	9,609,349
Costs incurred recoverable under grants, net	979,450	1,128,176
Other receivables	4,583	25,283
Unconditional promises to give, net	<u>2,537,902</u>	<u>2,246,309</u>
 Total financial assets	 <u>20,014,239</u>	 <u>19,840,203</u>

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE C - AVAILABILITY AND LIQUIDITY (Continued)

	<u>2022</u>	<u>2021</u>
Less amounts not available to be used within one year:		
Investments encumbered by donor restrictions	\$ 3,957,683	\$ 3,523,751
Investments encumbered by board designations	7,786,739	8,761,674
Unconditional promises to give - due after one year, net, or imposed by donor restrictions	<u>1,028,992</u>	<u>780,834</u>
	<u>12,773,414</u>	<u>13,066,259</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 7,240,825</u>	<u>\$ 6,773,944</u>

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

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

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

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

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE D - DESCRIPTION OF PROGRAM AND SUPPORTING SERVICES

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

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

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

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

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

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

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

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

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

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

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

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

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

NOTE E - FAIR VALUE MEASUREMENTS

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

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

Level 2 Inputs to the valuation methodology include the following:

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

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

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE E - FAIR VALUE MEASUREMENTS (Continued)

	2021			
	(Level 1)	(Level 2)	(Level 3)	Total
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

Investments in mutual funds consisted of the following as of June 30, 2022 and 2021:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Fixed income	\$ 4,094,526	\$ 3,715,755	\$ 2,929,248	\$ 3,000,539
Equities and securities	5,079,281	5,970,432	3,943,215	6,001,158
Commodities	493,798	581,364	146,679	217,565
Real estate	399,074	383,480	319,537	390,087
	\$ 10,066,679	\$ 10,651,031	\$ 7,338,679	\$ 9,609,349

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE F - UNCONDITIONAL PROMISES TO GIVE

The following tables set forth unconditional promises to give at June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Restricted for time and various programs	\$ 2,481,000	\$ 2,228,769
Unrestricted promises to give	<u>134,255</u>	<u>101,704</u>
Total unconditional promises to give	<u>\$ 2,615,255</u>	<u>\$ 2,330,473</u>
Amounts due in:		
Less than one year	\$ 1,508,908	\$ 1,465,475
One to four years	<u>1,106,347</u>	<u>865,000</u>
Total unconditional promises to give	2,615,255	2,330,475
Less allowance for doubtful accounts	(20,000)	(34,858)
Less discount to present value	<u>(57,355)</u>	<u>(49,308)</u>
Unconditional promises to give, net	<u>\$ 2,537,900</u>	<u>\$ 2,246,309</u>

Discount rate was 4.33% and 2.84% in 2022 and 2021, respectively.

NOTE G - CONDITIONAL PROMISES TO GIVE

The Agency had no conditional promises to give at June 30, 2022 and June 30, 2021. Conditional promises to give of approximately \$60,000 and \$590,000 were recognized during the years ending June 30, 2022 and 2021, respectively, as the conditions on which they depended on were met.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE H - PROPERTY AND EQUIPMENT

Property and equipment as of June 30, 2022 and 2021 are as follows:

	<u>2022</u>	<u>2021</u>
Building and improvements	\$ 11,707,009	\$ 11,592,833
Furniture and equipment	1,336,107	1,242,125
Vehicle	32,500	32,500
	<u>13,075,616</u>	<u>12,867,458</u>
Less accumulated depreciation	7,191,772	6,719,578
	5,883,844	6,147,880
Land	251,353	251,353
Property and equipment, net	<u>\$ 6,135,197</u>	<u>\$ 6,399,233</u>

NOTE I - LINE OF CREDIT

The Agency has a line of credit agreement with a bank, which expired on September 30, 2022 and was renewed through September 30, 2023, subsequent to year end. The line of credit allows for borrowings of up to \$500,000. Through September 30, 2022, outstanding borrowings 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%. Effective October 1, 2022, outstanding borrowings bear interest, at the option of the borrowings, at (a) the Prime-Based Rate defined as the greater of 2.30% or prime minus 0.875% or (b) the Daily Simple SOFR-Based Rate as defined as the greater of 2.30% or the Daily Simple SOFR plus 2.30%.

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.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE J - PAYCHECK PROTECTION PROGRAM LOAN (Continued)

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, 2022 and 2021.

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 \$84,000 and \$81,000 for the years ended June 30, 2022 and 2021, respectively.

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, 2022, the Agency had \$5,120,267 of uninsured cash and cash equivalent balances.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE M - RISKS AND UNCERTAINTIES (Continued)

2. Concentrations of Revenues

The Agency receives a significant portion of its revenues from the Illinois Department of Human Services (ILDHS), which represented 16% and 11% of total operating revenues - fees and grants from governmental agencies for the years ended June 30, 2022 and 2021, respectively. The balance due from ILDHS totaled 9% and 14% of costs incurred recoverable under grants at June 30, 2022 and 2021, respectively.

The Agency receives a significant portion of its revenues from the State of Illinois, which represented 72% of total operating revenues - fees and grants from governmental agencies for the years ended June 30, 2022 and 2021. The balance due from the State of Illinois totaled 77% of costs incurred recoverable under grants at June 30, 2022 and 2021. 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, 2022 and 2021. The balance due from HUD totaled 14% and 17% of costs incurred recoverable under grants at June 30, 2022 and 2021, 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 13% and 15% of total operating revenues for the years ended June 30, 2022 and 2021, 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, 2022 and 2021. The balances due from these donors totaled approximately 20% and 22% of unconditional promises to give at June 30, 2022 and 2021, respectively.

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE N - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2022</u>	<u>2021</u>
Time restrictions	\$ 1,825,000	\$ 1,038,770
Various program services	73,500	47,500
Cost of improvements and maintenance of the new facility	1,592,888	1,801,045
Perpetual in nature	<u>4,897,907</u>	<u>4,521,230</u>
	<u>\$ 8,389,295</u>	<u>\$ 7,408,545</u>

Net assets were released from restrictions by incurring costs satisfying the restricted purpose specified by donors during the years ended June 30, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Time restrictions	\$ 1,523,770	\$ 1,700,474
Various program services	181,500	37,500
Cost of improvements and maintenance of the new facility	<u>208,157</u>	<u>16,227</u>
	<u>\$ 1,913,427</u>	<u>\$ 1,754,201</u>

NOTE O - ENDOWMENTS

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

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE O - ENDOWMENTS (Continued)

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

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

As of June 30, 2022 and 2021, the Agency had the following endowment net asset composition by type of fund:

	<u>June 30, 2022</u>		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
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	-	4,898,907	4,898,907
Accumulated investment return	-	(153,188)	(153,188)
	<u>\$ 2,712,158</u>	<u>\$ 4,745,719</u>	<u>\$ 7,457,877</u>

Access Living of Metropolitan Chicago

NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

NOTE O - ENDOWMENTS (Continued)

	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

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, 2022 and 2021, 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, 2022 and 2021

NOTE O - ENDOWMENTS (Continued)

Changes in endowment net assets as of and for the years ended June 30, 2022 and 2021 are as follows:

	<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	\$ 4,774,661	\$ 7,851,978
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>\$ 4,745,719</u>	<u>\$ 7,457,877</u>
	<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>

NOTE P - RECLASSIFICATIONS

Certain reclassifications have been made to the 2021 financial statements to conform with the 2022 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, 2022 and 2021

NOTE Q - SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 28, 2022, 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.