

**THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a. MEALS ON WHEELS CHICAGO**

Financial Statements

June 30, 2021

**THE CHICAGO FUND ON AGING AND DISABILITY
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
The Chicago Fund on Aging and Disability
(d.b.a Meals on Wheels Chicago)

Report on the Financial Statements

We have audited the accompanying financial statements of The Chicago Fund on Aging and Disability d.b.a Meals on Wheels Chicago (the "Organization"), which comprise of the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 auditor's 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 entity'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.

The Chicago Fund on Aging and Disability
(d.b.a Meals on Wheels Chicago)
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Chicago Fund on Aging and Disability d.b.a Meals on Wheels Chicago as of June 30, 2021, and the results of its operations, its cash flows and functional expenses for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Barnes, Givens & Barnes, Ltd.

Mount Prospect, Illinois
January 3, 2022

THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a MEALS ON WHEELS CHICAGO
Statement of Financial Position
June 30, 2021

ASSETS

Assets	
Cash and cash equivalents	\$ 1,900,416
Accrued interest	5,352
Contributions receivable	51
Prepaid expenses	23,552
Property and equipment, net	<u>8,104</u>
Total Assets	<u>\$ 1,937,475</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	\$ 56,268
Deferred revenue	<u>153,236</u>
Total Liabilities	209,504
Net Assets	
Net assets without donor restrictions	<u>1,727,971</u>
Total Liabilities and Net Assets	<u>\$ 1,937,475</u>

See Accompanying Notes to Financial Statements

THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a. MEALS ON WHEELS CHICAGO
Statement of Activities
For the Year Ended June 30, 2021

Public Support Revenue	
Individual and planned contributions	\$ 942,854
Corporate and foundation grants	543,786
In-kind revenues – non-special event related	1,131,320
	<u>2,617,960</u>
Special events revenue, including in-kind revenues of \$8,802	208,587
Less: direct costs	(23,268)
Special events revenue - net	<u>185,319</u>
Investment income	3,513
Other income	<u>-</u>
Total Public Support Revenue	<u>2,806,792</u>
Expenses	
Program expenses	2,063,610
General and administrative expenses	233,104
Fundraising expenses	294,820
Total Expenses	<u>2,591,534</u>
Change in Net Assets	215,258
Net Assets - Beginning of Year	<u>1,512,713</u>
Net Assets - End of Year	<u><u>\$ 1,727,971</u></u>

See Accompanying Notes to Financial Statements

THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a. MEALS ON WHEELS CHICAGO
Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program	General and Administrative	Fundraising	Direct Benefit to Donors	Total
Wages	\$ 52,720	\$ 147,615	\$ 151,129	\$ -	\$ 351,464
Employee benefits	3,851	10,783	11,040	-	25,674
Payroll taxes	4,093	11,460	11,733	-	27,286
Contract and professional fees	8,159	22,846	23,390	-	54,395
Advertising	34,945	-	1,839	-	36,784
Credit card fees	-	1,400	12,597	-	13,997
Depreciation	-	2,290	-	-	2,290
Direct mail	-	-	45,504	-	45,504
Facilities	4,748	13,295	13,611	-	31,654
Home modification program	204,533	-	-	-	204,533
Insurance	1,283	3,591	3,677	-	8,551
Meals	610,877	-	-	-	610,877
Office	1,246	3,485	3,573	-	8,304
Payroll fees	438	1,227	1,256	-	2,921
Special events -					
Celebrity chef	-	-	-	-	-
Chicago on Tap	-	-	-	-	-
Golf classic	-	-	-	21,873	21,873
Other	-	-	-	1,395	1,395
Donated food, PPE, etc.	1,131,320	-	-	-	1,131,320
Telephone	707	1,980	2,027	-	4,714
Travel	554	1,552	1,589	-	3,695
Website	4,136	11,580	11,855	-	27,571
Total Expenses	2,063,610	233,104	294,820	23,268	2,614,802
Less: Expenses included with revenues in the Statement of Activities	-	-	-	(23,268)	(23,268)
Total Functional Expenses	\$ 2,063,610	\$ 233,104	\$ 294,820	\$ -	\$ 2,591,534

See Accompanying Notes to Financial Statements

THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a. MEALS ON WHEELS CHICAGO
Statement of Cash Flows
For the Year Ended June 30, 2021

Cash Flows from Operating Activities	
Change in net assets	\$ 215,258
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-	
Depreciation	2,290
(Increase) decrease in assets -	
Accrued interest	(2,654)
Contributions receivable	(51)
Prepaid expenses	(4,249)
Increase (decrease) in liabilities -	
Accounts payable	(3,345)
Deferred revenue	153,236
	360,485
Net Cash Provided by (Used in) Operating Activities	360,485
Cash Flows from Investing Activities	
Purchase of property and equipment	(2,786)
	(2,786)
Net Cash Provided by (Used in) Investing Activities	(2,786)
Net Increase in Cash and Cash Equivalents	357,699
Cash and Cash Equivalents - Beginning of Year	1,542,717
Cash and Cash Equivalents - End of Year	\$ 1,900,416

* * * * *

Supplemental Disclosure of Cash Flow Information -

Cash paid during the year for:

Interest	\$ -
Income taxes	\$ -

See Accompanying Notes to Financial Statements

THE CHICAGO FUND ON AGING AND DISABILITY
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Notes to the Financial Statements

June 30, 2021

Note A – Organization and Nature of Activities

The Chicago Fund on Aging and Disability d.b.a Meals on Wheels Chicago (the “Organization”) was established by the Chicago Department of Aging and Disabilities in 1987 for the purpose of raising money to supplement limited public funds for critical in-home meal programs, and other services for the home-bound elderly and persons with disabilities in Chicago.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash equivalents are considered to be highly liquid depository accounts with a maturity of less than one year. Deposits held in all non-interest bearing transactional bank accounts and interest-bearing accounts are aggregated by entity and are fully insured up to \$250,000.

Certificates of Deposit

Included in cash and cash equivalents are certificates of deposit that are comprised of the following as of June 30, 2021:

<u>Account</u>	<u>Interest %</u>	<u>Maturity</u>	<u>Amount</u>
CIBC	0.25%	11/21	\$ 305,352

Receivables and Allowance for Doubtful Accounts

Receivables are uncollateralized customer obligations. Payments of accounts receivable are allocated to the specific invoices identified on the customer’s remittance or, if unspecified, investigated to identify the appropriate invoice to which to apply the payment.

THE CHICAGO FUND ON AGING AND DISABILITY
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Notes to the Financial Statements
June 30, 2021

Note B – Summary of Significant Accounting Policies (continued)

Receivables and Allowance for Doubtful Accounts (continued)

Management reviews all individual customer accounts receivable balances that exceed ninety (90) days from invoice date and based on the assessment of current creditworthiness, estimates the portion, if any, of the balance that will not be collected. Based upon these reviews, management believed all accounts receivable to be fully collectible and, accordingly, no allowance for uncollectible accounts receivable is reflected in the accompanying financial statements.

Fixed Assets

Property and equipment are carried at cost if purchased or fair value at the date of donation. Depreciation is computed using the straight-line method over five years. The Organization generally capitalizes property and equipment expenditures over \$500.

Maintenance and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to operations.

Revenue Recognition

Contributions, including unconditional promises to give, are reported at fair value when received. All contributions are available for unrestricted use unless explicit donor stipulations specify how or when the contributions may be used. Unconditional promises to give due in subsequent years are reported at the present value of the estimated future cash flows, using risk-adjusted interest rates applicable to those years in which the promises are to be received. Contributions that are subject to donor-imposed restrictions that are met in the same year as the contributions are made are recognized and reported as unrestricted support and included in changes in unrestricted net assets.

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. If the governing board were to designate from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment, those funds would also fall under this category.

THE CHICAGO FUND ON AGING AND DISABILITY
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Notes to the Financial Statements

June 30, 2021

Note B – Summary of Significant Accounting Policies (continued)

Net Assets (continued)

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses which are easily and directly associated with a particular program or supporting service are charged directly to that functional area. Certain other costs have been allocated among the program and supporting services benefited based on time devoted to the functional areas by management.

New Accounting Standards

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers*, as amended by ASU No. 2015-14, which supersedes or replaces nearly all USGAAP revenue recognition guidance. This standard establishes a new contract and control-based revenue recognition model, changes the basis for deciding when revenue is recognized over time or at a point in time, and will expand disclosures about revenue. ASU No. 2014-09, as amended, is effective for nonpublic companies for annual reporting periods beginning after December 15, 2018 and interim periods within the annual period beginning after December 15, 2019. The Organization has adopted this ASU for the year ended December 31, 2020.

In February 2016, FASB issued ASU No. 2016-02, *Leases* (Topic 842), to increase the transparency and comparability about leases among entities. The new guidance requires lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. ASU No. 2016-02, as amended by ASU No. 2019-10, is effective for nonpublic entities for fiscal years beginning after December 15, 2020 and interim periods within fiscal years beginning after December 15, 2021. ASU No. 2016-02 originally specified a modified retrospective transition method which requires the entity to initially apply the new leases standard at the beginning of the earliest period presented in the financial statements.

THE CHICAGO FUND ON AGING AND DISABILITY
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Notes to the Financial Statements

June 30, 2021

Note B – Summary of Significant Accounting Policies (continued)

New Accounting Standards (continued)

In July 2018, FASB issued ASU No. 2018-11, *Leases* (Topic 842): Targeted Improvements, providing a second, optional transition method which allows the entity to apply the new standard at the adoption date and recognize a cumulative-effect adjustment to the opening balance of retained earnings in the period of adoption. Management is currently assessing the impact of this new standard.

COVID-19 Impact

Management has evaluated the impact of the COVID-19 pandemic and have concluded that the net effect on the Organization's financial position, results of its operations and cash flows wasn't significantly adversely affected. As a result of the global COVID-19 pandemic, the Organization saw a great influx of need through a 67% increase in its client base and were able to continue meal delivery. The Organization was forced to cancel most in person fundraising events, so management switched focus to grants and increased direct mailings which proved successful. Overall, Management considers the donor and volunteer base to be strong and dedicated, which allowed the Organization to adapt and manage through the COVID-19 pandemic.

Note C - Income Taxes

The Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

The Organization files Form 990, Return of Organization Exempt from Income Tax with the Federal government. The Organization also files Form AG990-IL, Illinois Charitable Organization Annual Report with the Attorney General of the State of Illinois. Management has determined that the Organization has no income tax liability as of June 30, 2021. The Organization has evaluated its tax positions and determined it has no uncertain tax positions at June 30, 2021. The Organization's 2018-2020 tax years are open for examination by the IRS and State of Illinois. Should the Organization's tax-exempt status be challenged in the future, all years since inception could be subject to review by the IRS.

THE CHICAGO FUND ON AGING AND DISABILITY
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Notes to the Financial Statements
June 30, 2021

Note D – Property and Equipment

Property and equipment consist of the following:

	2021
Furniture and fixtures	\$ 27,082
Less accumulated depreciation	(18,978)
Total Property and Equipment, net	\$ 8,104

Depreciation expense for the year ended June 30, 2021 was \$2,290.

Note E – Contributed Goods and Services

The Organization received the following goods and services for the year ended June 30, 2021 which is included in in-kind revenue in the statement of activities:

	2021
Donated food, PPE, etc.	\$ 1,131,320
Total Contributed Goods and Services	\$ 1,131,320

The Organization received contributions of goods and services for use in fundraising events throughout the year. The vendor usually provides the value of the contributions, but when not provided, the Organization estimates a value based on comparable services received or selling prices of goods.

The Organization received the following goods and services related to fundraising events for the year ended June 30, 2021:

	2021
Special events:	
Liquor/Food	\$ 8,402
Other	400
Total Contributed Goods and Services	\$ 8,802

The contribution of goods and services in connection with fundraising events is included in special events revenue in the statement of activities.

THE CHICAGO FUND ON AGING AND DISABILITY
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Notes to the Financial Statements
June 30, 2021

Note F - Conditional Promises to Give

The Organization received contributions from related parties through board member relationships totaling \$189,653 the year ended June 30, 2021.

Note G- Leases

The Organization entered into a sublease agreement for office space beginning March 1, 2020 through May 31, 2024. The monthly rent is \$3,500 a month and is set to increase by 6% each year.

The estimated future minimum rental and lease obligation for the succeeding years in effect as of June 30, 2021 are as follows:

<u>Year Ended June 30,</u>	
2022	\$ 40,313
2023	42,600
2024	<u>40,700</u>
	<u>\$ 123,613</u>

Note H—Liquidity and Availability of Financial Assets

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date. Amounts available include donor restricted amounts that are available for general expenditure in the following year. Amounts not available include amounts with donor-imposed purpose and time restrictions.

Financial assets, at year-end:	
Cash and cash equivalents	\$ 1,900,416
Accrued interest receivable	5,352
Contributions receivable	51
Less contractual or donor-imposed restrictions:	
Donor restrictions for specific purposes	<u>-</u>
Financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,905,819</u>

THE CHICAGO FUND ON AGING AND DISABILITY
d.b.a. MEALS ON WHEELS CHICAGO
Notes to the Financial Statements
June 30, 2021

Note I – Donated Services

Other than the amounts noted in Note E, there have been no amounts reflected in the financial statements for donated services inasmuch as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated significant amounts of their time in the Organization’s program and support service.

Note J – Concentration of Credit Risk

Financial instruments that potentially subject the Organization to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (“FDIC”) up to \$250,000. At June 30, 2021, the Organization had \$1,349,828 in excess of FDIC insured limit.

Note K – Subsequent Events

The Organization’s operations may be affected by the recent and ongoing outbreak of the coronavirus disease (COVID-19), which was declared a pandemic by the World Health Organization in March 2020. The ultimate disruption which may be caused by the outbreak is uncertain; however, it may result in disruption to the Organization’s members and revenue streams (including attendance of future conferences and events), and a decline in value of the Organization’s marketable securities.

Other than the matters noted above, the Organization has determined that no material events or transactions occurred subsequent to June 30, 2021 and through the date of the independent auditor’s report, the date the financial statements were available for issuance, that would require adjustments to and/or additional disclosure to the financial statements.