

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

**Financial Statements**

**June 30, 2022**

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

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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)

### **Opinion**

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, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's 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 auditor's 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 generally accepted 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, including omissions, 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 generally accepted 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 Organization'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 Organization'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.

*Barnes, Givens & Barnes, Ltd.*

Mount Prospect, Illinois  
January 31, 2023

**THE CHICAGO FUND ON AGING AND DISABILITY**  
**d.b.a MEALS ON WHEELS CHICAGO**  
Statement of Financial Position  
June 30, 2022

**ASSETS**

Assets	
Cash and cash equivalents	\$ 1,882,311
Accrued interest	5,964
Contributions receivable	6,086
Prepaid expenses	39,580
Property and equipment, net	<u>5,373</u>
Total Assets	<u>\$ 1,939,314</u>

**LIABILITIES AND NET ASSETS**

Liabilities	
Accounts payable and accrued expenses	\$ 77,196
Deferred revenue	<u>-</u>
Total Liabilities	77,196
Net Assets	
Net assets without donor restrictions	<u>1,862,118</u>
Total Liabilities and Net Assets	<u>\$ 1,939,314</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, 2022

Public Support Revenue	
Individual and planned contributions	\$ 797,687
Corporate and foundation grants	565,863
In-kind revenues - non special event related	101,970
	<u>1,465,520</u>
Special events revenue, including in-kind revenues of \$6,932	115,157
Less: direct costs	(40,783)
Special events revenue - net	<u>74,374</u>
Investment income	1,500
Other income	<u>-</u>
Total Public Support Revenue	<u>1,541,394</u>
Expenses	
Program expenses	859,790
General and administrative expenses	251,500
Fundraising expenses	295,957
	<u>1,407,247</u>
Change in Net Assets	134,147
Net Assets - Beginning of Year	<u>1,727,971</u>
Net Assets - End of Year	<u><u>\$ 1,862,118</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, 2022

	Program	General and Administrative	Fundraising	Direct Benefit to Donors	Total
Wages	\$ 56,594	\$ 158,462	\$ 162,235	\$ -	\$ 377,291
Employee benefits	3,398	9,514	9,741	-	22,653
Payroll taxes	4,328	12,120	12,408	-	28,856
Contract and professional fees	8,399	23,517	24,077	-	55,993
Advertising	29,714	-	1,564	-	31,278
Credit card fees	-	1,515	13,634	-	15,149
Depreciation	-	2,731	-	-	2,731
Direct mail	-	-	27,618	-	27,618
Facilities	5,990	16,773	17,172	-	39,935
Home modification program	219,683	-	-	-	219,683
Insurance	832	2,331	2,386	-	5,549
Meals	420,118	-	-	-	420,118
Office	1,411	3,951	4,045	-	9,407
Payroll fees	485	1,356	1,389	-	3,230
Special events -					
Celebrity chef	-	-	-	-	-
Chicago on Tap	-	-	-	-	-
Golf classic	-	-	-	13,902	13,902
Other	-	-	-	26,881	26,881
Donated food, PPE, etc.	101,970	-	-	-	101,970
Telephone	774	2,167	2,219	-	5,160
Travel	1,637	4,583	4,692	-	10,912
Website	4,457	12,480	12,777	-	29,714
<b>Total Expenses</b>	<b>859,790</b>	<b>251,500</b>	<b>295,957</b>	<b>40,783</b>	<b>1,448,030</b>
Less: Expenses included with revenues in the Statement of Activities	-	-	-	(40,783)	(40,783)
<b>Total Functional Expenses</b>	<b>\$ 859,790</b>	<b>\$ 251,500</b>	<b>\$ 295,957</b>	<b>\$ -</b>	<b>\$ 1,407,247</b>

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, 2022

Cash Flows from Operating Activities	
Change in net assets	\$ 134,147
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities-	
Depreciation	2,731
(Increase) decrease in assets -	
Accrued interest	(612)
Contributions receivable	(6,035)
Prepaid expenses	(16,028)
Increase (decrease) in liabilities -	
Accounts payable	20,928
Deferred revenue	(153,236)
	(18,105)
Net Cash Provided by (Used in) Operating Activities	(18,105)
Cash Flows from Investing Activities	
Purchase of property and equipment	-
Net Cash Provided by (Used in) Investing Activities	-
Net (Decrease) in Cash and Cash Equivalents	(18,105)
Cash and Cash Equivalents - Beginning of Year	1,900,416
Cash and Cash Equivalents - End of Year	\$ 1,882,311

\* \* \* \* \*

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, 2022

**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, 2022:

<u>Account</u>	<u>Interest %</u>	<u>Maturity</u>	<u>Amount</u>
CIBC	0.15%	11/22	\$ 305,964

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, 2022

**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.

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Notes to the Financial Statements

June 30, 2022

**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 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. 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.

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Notes to the Financial Statements  
June 30, 2022

**Note B – Summary of Significant Accounting Policies (continued)**

**COVID-19 Impact**

Management evaluated the continued impact of the COVID-19 pandemic and concluded that the net effect on the Organization's financial position, results of its operations and cash flows, varied but were not significantly adversely affected. As a result of the continued global COVID-19 pandemic, the Organization continued to address the influx of need in its client base and were able to continue meal delivery in addition to beginning new programs once Senior Centers reopened. The Organization was forced to cancel most in person fundraising events, so management increased the grant department to focus on more grant opportunities, created new virtual campaigns, 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, 2022. The Organization has evaluated its tax positions and determined it has no uncertain tax positions at June 30, 2022. The Organization's 2019-2021 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.

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Notes to the Financial Statements  
June 30, 2022

**Note D – Property and Equipment**

Property and equipment consist of the following:

	2022
Furniture and fixtures	\$ 27,082
Less accumulated depreciation	(21,709)
Total Property and Equipment, net	\$ 5,373

Depreciation expense for the year ended June 30, 2022 was \$2,731.

**Note E – Contributed Goods and Services**

The Organization received the following goods and services for the year ended June 30, 2022 which is included in in-kind revenue in the statement of activities:

	2022
Donated food, PPE, etc.	\$ 101,970
Total Contributed Goods and Services	\$ 101,970

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, 2022:

	2022
Special events:	
Liquor/Food	\$ 4,932
Other	2,000
Total Contributed Goods and Services	\$ 6,932

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, 2022

**Note F - Conditional Promises to Give**

The Organization received contributions from related parties through board member relationships totaling \$157,668 the year ended June 30, 2022.

**Note G- Leases**

The Organization amended its sublease agreement for office space beginning April 30, 2022 through May 31, 2024. The monthly rent is \$2,800 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, 2022 are as follows:

<u>Year Ended June 30,</u>	
2023	\$ 33,775
2024	<u>32,725</u>
	<u>\$ 66,500</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	\$ 1,882,311
Accrued interest receivable	5,964
Contributions receivable	6,086
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>\$ 1,894,361</u>

**THE CHICAGO FUND ON AGING AND DISABILITY**  
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Notes to the Financial Statements  
June 30, 2022

**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 Custodial Risk**

Financial instruments that potentially subject the Organization to concentration of custodial 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, 2022, the Organization had \$1,332,311 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, 2022 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.